



FETAKGOMO TUBATSE
LOCAL MUNICIPALITY^a

Draft Annual Budget
Of
Fetakgomo Tubatse Municipality
2025/2026 to 2027/2028
Medium Term Revenue Expenditure Forecasts

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ACRONYMS AND TABLES

MFMA	Municipal Finance Management Act 56 of 2003
MSA	Municipal Systems Act 32 of 2000
MPRA	Municipal Property Rates Act 6 of 2004
MIG	Municipal Infrastructure Grant
LGSETA	Local Government Sector Education Training Authority
CoGHSTA	Department of Cooperative Governance Human Settlement and Traditional Affairs
COGTA	Department of Cooperative Governance and Traditional Affairs
MTREF	Medium Term Revenue Expenditure Framework
LED	Local Economic Development
MMBRR	Municipal Monitoring and Budgeting Reporting Regulation
EPWP	Expanded Public Works Programme
VAT	Valued Added Tax
CPI	Consumer Price Index
MSCOA	Municipal Standard Chart of Accounts
FTLM	Fetakgomo Tubatse Local Municipality

Mayor's Foreword

Mayor's foreword at the tabling of the draft 2025/2026 Draft Annual budget

Madame Speaker
Whip of Council
Members of the Executive Committee
Chairperson of MPAC
Councillors
Accounting Officer and Senior Managers
Support staff.
Ladies and gentlemen

We are here to present the draft 2025/2026 Annual budget to the Council for consideration. This is in line with legislation that compels us to present the draft to Council 90 days before the start of the new financial year. The draft annual budget is also presented together with the draft IDP that will inform us on the projects and programmes in the 2025/2026 financial year.

Madame Speaker, the Municipality has adopted the status quo report on Vision 2043 which seek to transform this area into a fully fledged city. Our budget must reflect our plans towards that vision. It must serve as the building block towards the future city.

In the 2024/2025 financial year, our annual budget was around R 1 000 000 000.00, and we must break the barriers the coming financial year. We must commend our Budget and Treasury department for implementing the revenue enhancement strategy which has seen significant collection from rate payers and government entities. We are confident that the next financial year will see a huge increase in the collection of rates and taxes.

Madame Speaker, allow me to present the draft 2025/2026 Annual budget for the consideration of the Council and seek approval to subject the draft to the public for inputs and comments as follows

Council Resolution

12.1 That Exco supports and recommend to Council the draft budget for 2025/26 financial year for adoption as follows:

12.1.1 Total revenue be budgeted at R 1 211 588 565 for 2025/26, increasing to

R 1 220 809 492 and increasing to R 1 268 595 565 for the MTREF period,

12.1.2 Total operational expenditure be budgeted at R 962 301 636 , decreasing to R 951 416 384 and increasing to R 969 964 066 for the MTREF period,

12.1.3 Total capital expenditure be budgeted at R 307 751 105, increasing to R 318 121 780 and decreasing to R 283 476 575 for the MTREF period,

12.1.4 That EXCO support and recommend to Council the approval and implementation of the final budget related policies from 1 July 2025 as follows:

- 12.1.4.1 Principles and policy on credit control and debt collection,
- 12.1.4.2 Principles and policy on Indigent consumers,
- 12.1.4.3 Assets management policy,
- 12.1.4.4 Tariff policy,
- 12.1.4.5 Borrowing policy,
- 12.1.4.6 Budget policy,
- 12.1.4.7 Virement policy
- 12.1.4.8 Cash management and Investment policy,
- 12.1.4.9 Property rates policy,
- 12.1.4.10 Property Rates By-law
- 12.1.4.11 Supply Chain Management Policy
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- 12.1.4.15 Insurance Policy
- 12.1.4.16 Loss Control Policy
- 12.1.4.17 Strategic Asset Management Policy
- 12.1.4.18 Claims and Loss control Policy

12.1.5 That EXCO recommend to Council to approve the final reviewed tariffs to be implemented from 1 July 2024.

12.1.6 That the final budget for the financial year 2025/26 MTREF be submitted to National and Provincial Treasury and relevant stakeholders in the prescribed format.

12.1.7 That the final annual budget for 2025/26 MTREF be placed on the Fetakgomo Tubatse Municipality website as prescribed by MFMA section 75(1).

1.3 EXECUTIVE SUMMARY

Municipal Finance Management Act section 16(1) states that “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 draft annual budget at a Council meeting at least 90 days before the start of the budget year”.

Municipal Finance Management Act section 24(1) states that “the Council of a Municipality must at least 30 days before the start of the budget year consider approval of the annual budget.

A multi-year budget is a financial plan of action for a financial year and two outer years. It is also used as a tool for allocating financial resources for implementing service delivery objectives of the Municipality as set out in the Integrated Development Plan (IDP). A municipal budget also provides for greater transparency, accountability, flexibility, and predictability within the financial resources of the Municipality.

Budget provides the municipality with a mechanism to allocate financial resources for the achievement of IDP goals and priorities consistently with community preferences and needs, taking into account the available financial resources within the Municipality.

Public consultations on the draft budget will be held between April and May 2024.

The following Circulars issued by National Treasury were considered when compiling the 2025/2026 MTREF budget. The Circulars are attached to this submission for reference.

- Circular number 130 – Municipal Budget for the 2025/26 MTREF – March 2025,
- Circular number 126 – Municipal Budget for the 2023/24 MTREF – March 2024,
- Circular number 123 – Municipal Budget for the 2025/2026 MTREF – March 2023,
- Circular number 107 – Municipal Budget for the 2022/23 MTREF – March 2022,
- Circular number 99 – Municipal Budget for the 2020/21 MTREF – March 2020,
- Circular number 98 – Municipal Budget for the 2020/221 MTREF - December 2019,
- Circular number 82 – Cost containment measures – 30 March 2016.

Fetakgomo Tubatse Local Municipality (FTLM) Budget for 2025/2026 to 2027/28 focuses on allocating more resources to improve service delivery and infrastructure development.

FTLM is expected to prepare a three-year budget that is among others, sustainable in terms of being funded from realistically anticipated revenue to be collected. Consequently, Council

must assess current and projected revenue situation and financial health for purposes of determining whether they have sufficient revenue and adequate financial stability to fund and deliver on the proposed budgets.

The following headline CPI inflation forecasts were taken into consideration during budget preparation process and Medium-Term Revenue and Expenditure Framework as gazette by National Treasury.

Table 1: Macroeconomic performance and projections, 2023 – 2028	2023/24	2024/25	2025/26	2026/27	2027/28
Fiscal year					
Actual		Estimate		Forecast	
CPI Inflation	6.0%	4.4 %	4.3%	4.6%	4.4%

Source: 2025 Budget Review. Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

The municipality has little room to make choices as the budget continues to be under pressure due to slow or little revenue growth while the cost of doing business increases exponentially.

The budget is intended to strengthen municipal operations such institutional development and transformation, good governance, improving the financial viability, basic service delivery and spatial planning.

The operating budget is pushed up by input costs such as electricity, cleaning and maintenance costs as a result of added building constructed over the last few years.

Furthermore community needs continues to grow demanding for contribution to projects as outlined in the IDP.

Fetakgomo Tubatse Municipality local municipality has in preparation and compilation of this budget compiled with the Municipal Budgeting and Reporting Regulation (MBRR) notice no 31804 of 2009, the provisions of the MFMA, the provisions of the MSA and various budget circulars which guide the process, content and the format of municipal budgets.

The following assumptions were used in compiling the budget;

- Consumer price inflation forecast is at 4.4% per cent increasing to 4.6% and 4.4% over the MTREF
- Debtors collection is estimated at 75%
- Creditors payment is planned at 30 days upon receipts of invoice
- MIG Grants is assumed to fully cash backed
- Cash coverage is estimated at 2 months
- Employee cost has increased by 4%
- Tariffs for property rates has not been increased by 4%
- Budget assumed to be funded
- The municipality offers free basic solar budgeted at R83 per household
- Councillor's remuneration is expected to increase in line with CPIX Forecast over MTREF period.
- Free basic electricity has been provided for at 50 units per registered indigent beneficiaries.
- Municipality offer free basic refuse removal as part of the indigent support programme
- Property rebate support programme is estimated at additional R35 000 per household.
- Indigent households have been granted 100% incentive on payment of rates and taxes
- Ward committee stipends has been budgeted at R1 500 per ward committee member.
- The expenditure has been aligned to revenue collection and that the municipality has sufficient cash to finance the expenditure as in section 18 of MFMA;
- The budget has been to priorities enlisted in the IDP.
- Review of all programmes and cost centres to minimize wastage, maximize efficient and accelerate service delivery;
- Reprioritization of expenditure programmes to curb the growing personnel expenditure.
- Ensure that services are cost reflective, affordable and sustainable.
- Ensure that realistic revenue targets are set to ensure that the budget is funded.
- Implementing cost containment measure to address non priority spending and improve cash flow management.

Table 1: Consolidated Overview

AREA		2025/2026 MTREF		
	BUDGET YEAR 2024/25 'R	DRAFT BUDGET YEAR 2025/26 'R	ESTIMATE BUDGET YEAR 2026/27 'R	ESTIMATE BUDGET YEAR 2027/28 'R
TOTAL REVENUE	1 203 038 570	1 211 588 565	1 220 809 492	1 268 595 565
TOTAL EXPENDITURE	(1 011 317 395)	(962 301 636)	(951 416 384)	(969 964 066)
Own Funding Projects	179 700 006	127 650 005	137 573 530	100 611 175
Municipal Infrastructure Grant	103 838 800	99 615 100	108 390 250	113 479 400
Neighborhood Development Grant	-	42 600 000	41 000 000	41 000 000
Energy Efficiency and Demand Side Management Grant	-	3 000 000	4 000 000	-
Integrated National Electrification Programme	24 122 000	34 886 000	27 158 000	28 386 000
Distressed Mining Town (Rollover)	8 405 000	-	-	-
TOTAL CAPEX	(405 660 806)	(307 751 105)	(318 121 780)	(283 476 575)
CAPITAL RESERVES		65 000 00	62 000 00	54 000 000
SURPLUS/(DEFICIT)		6 535 824	4 050 401	12 147 924

- Total revenue anticipated is budgeted at R 1 211 588 565 for 2025/26, increasing to R 1 220 809 492 and increasing to R 1 268 595 565 for the MTREF period, and these implies a percentage change of 1 percent as compared to the previous financial year.
- Total operational expenditure is budgeted at R 962 301 636, decreasing to R 951 416 384, and increasing to R 969 964 066 for the MTREF period, and these implies a percentage decrease of 5 percent as compared to the previous financial year.
- Total capital expenditure is budgeted at R 307 751 105, increasing to R 260 172 181, and decreasing to R241 624 499 for the MTREF period, and these implies a percentage decrease of 24 percent as compared to the previous financial year.
- These resulted in a surplus budget for 2025/26 of R 6 535 824, decreasing to R 4 050 401 and increasing to R 12 147924 for the two outer years respectively.
- Cost containment measures were taken into consideration when compiling the 2025/26 draft budget and Realistic revenue projections has been anticipated based on previous collection rates.

Table 2: Consolidated Revenue Overview**LIM476 Tubatse Fetakgomo - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	###	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	1										
Exchange Revenue											
Service charges - Electricity	2	-	-	-	2,000	200	200	-	1,100	1,144	1,190
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	32,705	22,816	26,922	28,947	28,947	28,947	22,507	29,669	30,855	32,090
Sale of Goods and Rendering of Services		777	16,563	35,758	108,752	45,319	45,319	16,326	47,620	49,810	52,000
Agency services		5,428	7,229	8,373	7,815	7,815	7,815	6,724	9,173	9,595	10,017
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		7,705	4,833	6,069	6,482	6,482	6,482	5,427	7,530	7,876	8,222
Interest earned from Current and Non Current Assets		9,389	13,901	15,620	11,764	16,734	16,734	130,543	15,070	15,764	16,457
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		439	420	421	322	332	332	330	448	468	489
Licence and permits		-	-	-	-	-	-	-	-	-	-
Special Rating Levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue	1	1	507	242	2,128	1,128	1,128	21	1,031	1,072	1,115
Non-Exchange Revenue	2										
Property rates	2	104,257	122,770	191,050	225,824	232,614	232,614	176,408	242,810	252,522	262,623
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		16	22	702	3,613	3,638	3,638	47	3,837	3,992	4,152
Licences or permits		5,878	5,787	6,397	7,129	8,128	8,128	5,710	7,869	8,231	8,593
Transfer and subsidies - Operational		209,608	548,528	592,523	635,886	630,886	630,886	625,195	628,403	620,331	648,499
Interest		10,745	6,828	24,547	22,449	26,449	26,449	23,592	36,928	38,601	40,283
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	154	131	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribu		386,949	750,359	908,756	1,063,113	1,008,673	1,008,673	1,012,831	1,031,487	1,040,261	1,085,730

Property rates

Property rates collection is estimated at **75 per cent** and a provision of **25 per cent** has been made for bad debt. This is based on the trend in the current year.

The projected billing has also taken into account the collection trends and revenue forgone over the past years.

- Property rates billing increased from R232 million to R242 million due to the implementation of the new valuation roll. The Market value on the previous valuation roll where understated and a new valuation roll had to be developed and take into account the new market values. All property rates categories were affected and caused an increase in the existing valuations thus increasing the billed revenue.

Service Charges: Waste Management

- Billed revenue increased from R 28 million to R 29 million as result the 4% increment on refuse revenue. The billed revenue was projected based on the current performance of R 2,2 million per month on services charges and current year collection on nodal areas identified for refuse collection. Collection of refuse is done twice a week in arrears like Burgersfort Town, Orighstad, Steelpoort and Praaktiseer, the municipality is currently formalizing informal settlement to enhance this revenue stream and also provision has been made to the undeveloped land parcels to be sold (Open stand service charges).
- **Sale of goods and rendering of services**

The revenue stream includes amongst others the projected revenue for sale of land parcels at various extensions around the Municipality. An amount of R 47 million was anticipated to cater for disposal of land on various development arrears i.e Burgersfort Extension 54,93 ,71, Hoeraroep Township and Mashifane Park with approximately +- 2000 Erven for mixed purpose across all the townships earmarked for development.

Traffic function

- Revenue for license and permits has been budgeted from R 6 million to R 7 million as a result the current mid-year performance on this revenue stream. The Municipality managed to collect R 5 million on licence and permits to date and anticipating collecting more in the 2025 financial year.
- Agency Services was projected at R 7 million based on the current year collection on this revenue stream. The revenue stream performed well from the current year, and it was used as a baseline to anticipate the 2025 collection.

Interest on earned on Current and Non-Current Assets

The amount of interest in these categories includes interest earned from current account, call investments and fixed term investments. The projections for the budget year were based on the current year performance.

Interest on outstanding debtors

The interest on outdating debts has increased significantly as compared to the audited outcome and adjusted budget since it is combined with penalties imposed on property rates.

Rental From Fixed Assets

Included in rental from fixed assets is the budgeted amount on utilization of council approved facilities used for rental purposes. An amount of R 445 thousand was anticipated in the 2025/2026 financial year based on the current utilization status and the number of facilities being rented out.

Operational Revenue

Operational revenue was budgeted at R 1 million which includes clearance certificates, Land use usage and Building plans approvals .

Transfers and Subsidies Operational

Revenues from the government grants; equitable share, Municipal Finance Management Grant (FMG) , Municipal Infrastructure Grant and EPWP incentive Grant are reliable and constitute **61 per cent** of the budgeted revenue. This means only less than **39 per cent** of the revenue may fluctuate giving the municipality certainty on its expenditures and better planning.

Table 3: Grant Receipts**Revenue from grants and subsidies**

DESCRIPTION	ORIGINAL BUDGET 2025	DRAFT BUDGET 2026	ESTIMATE BUDGET 2027	ESTIMATE BUDGET 2028	%INCR EASE/(DECRE ASE)
Energy Efficiency and Demand Side Management Grant	-	(3,000,000)	(4,000,000)	-	0%
Integrated National Electrification Programme Grant	(24,122,000)	(34,886,000)	(27,158,000)	(28,386,000)	45%
Municipal Infrastructure Grant	(103,838,800)	(99,615,100)	(108,390,250)	(113,479,400)	-4%
Neighbourhood Development Partnership Grant	(58,000,000)	(42,600,000)	(41,000,000)	(41,000,000)	-27%
Distressed Mining Town Grant	(8,404,835)	-	-	-	-100%
Equitable Share	(617,179,000)	(615,561,000)	(612,026,000)	(639,826,000)	-0.3%
Expanded Public Works Programme Integrated Grant	(1,742,000)	(2,099,000)	-	-	20%
Local Government Financial Management Grant	(2,500,000)	(2,500,000)	(2,600,000)	(2,700,000)	0%
Municipal Infrastructure Grant (Operational)	(5,465,200)	(5,242,900)	(5,704,750)	(5,972,600)	-4%
Grand Total	(821,251,835)	(805,504,000)	(800,879,000)	(831,364,000)	1%

- Revenue from grants and subsidies amounts to R 805 504 000 for 2025/26, the major categories being the following:
 - Equitable share R 615 561 000 which decreased by 0.3 percent.
 - Municipal Infrastructure Grant (MIG) funding of R 104 858 000 which include 5 percent allocated for MIG operational and decreased by 8 percent from previous year.

- Integrated National Electrification Programme (INEP) of R 34 886 000 and increased by 45 percent as compared to previous year allocation.

1.7 OPERATING EXPENDITURE FRAMEWORK

Fetakgomo Tubatse Municipality to improve the quality of services provided to its citizens it needs to generate the required income. In these tough economic times strong revenue management is fundamental to the financial stability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence the difficult choices have to be made in relation to balancing expenditures against realistically anticipated revenues. The receivers of our services have an obligation to pay for the services they receive so that the municipality continues to offer such services.

The municipality's expenditure framework for 2025/2026 budget and MTREF is informed by the following;

- National treasury's key guidelines and macroeconomic policy;
- Growth in the municipality's continued economic development
- Efficient revenue management, which aims to ensure that billed revenue is collected
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by calculating the revenue requirement of each service;
- The municipality's property rates policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004)(MPRA)
- The municipality's indigent policy and rendering of free basic services; and
- Tariff policies of the municipality

Table 4: Summary of operating expenditure by standard classification item

LIM476 Tubatse Fetakgomo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	R thousand	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure											
Employee related costs	2	193,980	216,142	244,930	271,246	273,654	273,654	213,166	286,426	302,703	312,914
Remuneration of councillors		34,824	39,769	43,397	44,940	45,640	45,640	33,434	44,940	47,457	50,067
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	9,737	2,625	4,246	6,600	6,346	6,346	1,391	6,619	6,923	7,234
Debt impairment	3	-	-	25,620	40,000	40,000	40,000	-	41,015	42,903	44,791
Depreciation and amortisation		-	-	40,098	83,541	83,541	83,541	24,585	74,288	86,073	89,946
Interest	3	4,941	3,880	6,500	6,500	500	500	25	900	941	983
Contracted services		230,770	249,092	352,847	408,790	386,112	386,112	225,161	363,494	315,041	309,997
Transfers and subsidies		1,229	6,281	-	-	-	-	-	-	-	-
Irrecoverable debts written off		4,249	35,344	501	2,073	2,833	2,252	2,073	2,073	2,169	2,266
Operational costs		141,624	156,075	127,275	147,627	161,997	161,997	114,976	142,547	147,207	151,766
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	127	217	-	-	-	-	-	-	-
Total Expenditure		616,416	710,397	843,012	1,011,317	1,000,623	1,000,623	614,990	962,302	951,416	969,964

- Total operational budget is **962 million**, decreasing to **951 million** and increasing to **R 959 million** over the MTREF period, the highest contributors to the operational expenditure for 2025/2026 are: **Employee related costs of R 286 million (30%),**

The employee costs was increased from R273 million budget of 2024/25 to R 286 million to cater for critical positions that were filled in the current year and also other posts which were not budgeted for on restructuring of the organisational structure .Remuneration for councillors was also projected based on the upper limits determined in the current year.

Depreciation and Impairment of R 74 million

Depreciation was budgeted at R74 million which shows an increase compared to the previous years. Although acquisition of new assets was done during the year,the projections were based on the 2024/2025 assets reflecting on the asset register as some of the assets were disposed off during the year thus decreasing the depreciation.

Debt Impairment

Debt impairment was provided for at R 41 million based on the collection rate of 75 % for the 2025/2026 financial year.

Interest

Interest amount includes repayment of the existing loan which will be paid on a monthly basis as per conditions of the loan agreement.

Contracted Services

Contracted Services decreased from R 386 to R 353 million due to reduction of the use of consultants. Although the repairs and maintenance was not sufficient budgeted as per Treasury norm, most of our existing infrastructure assets include bridges which are not regularly maintained and their lifespan is longer than other assets.

Operational Cost

The operating costs decreased from R 161 million to R 142 million as compared to the previous year projections. Cost containment measures were also considered around projection of this expenditure item.

The operational expenditure budgets for each department are summarised below:

Key expenditure programmes for implementation include;

- Continued implementation of Expanded Public Works Programme from needy families.
- Strengthening of the ward committee system of local government through re-training and skilling, provision of tools of trade and payment of stipends.
- Programmes that improve the conditions of youth, people with disabilities, the elderly, children and women.
- Provision of bursaries to needy and deserving learners.
- Support of sport and arts programmes
- Support of local entrepreneurs and cooperative through capital injection.
- Improving measures to prevent fraud, risk management and improve governance.
- Improvement of the revenue collection through better and improved billing systems
- Provision of funds to strengthen the traffic management and the licensing divisions
- Improvement of the refuse removal service through provision of adequate assets and infrastructure for effective collection.
- Allocation for free basic electricity to needy households in line with the municipality's indigent management policies.

- Support of local farming initiatives, tourism,youth, people with disability and local economic development.

1.8 REMUNERATION OF COUNCILLORS AND EXECUTIVE MANAGEMENT

Councillor remuneration is in line with the upper limits as determined by the minister of Cooperative Governance and Traditional Affairs budgeted at **R44 million and increased** by 5,6% for the 2025/2026 financial year.

LIM476 Tubatse Fetakgomo - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue Framework	
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27
R thousand		A	B	C	D	E	F	G	H
Councillors (Political Office Bearers plus Other)	1								
Basic Salaries and Wages		19,541	21,274	21,825	22,527	22,527	22,527	22,527	23,789
Pension and UIF Contributions		-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	5,769	5,769	5,769	5,769	6,092
Cellphone Allowance		4,435	3,367	3,865	3,941	3,941	3,941	3,941	4,162
Housing Allowances		-	-	-	-	-	-	-	-
Other benefits and allowances		10,848	15,128	17,707	12,703	13,403	13,403	12,703	13,414
Sub Total - Councillors		34,824	39,769	43,397	44,940	45,640	45,640	44,940	47,457
% increase	4		14.2%	9.1%	3.6%	1.6%	-	(1.5%)	5.6%
Senior Managers of the Municipality	2								
Basic Salaries and Wages		4,545	5,277	4,140	5,725	5,725	5,725	13,449	14,202
Pension and UIF Contributions		11	17	7	124	150	150	170	180
Medical Aid Contributions		-	(2)	-	29	29	29	30	32
Overtime		87	-	-	-	-	-	-	-
Performance Bonus		268	172	19	525	525	525	563	596
Motor Vehicle Allowance	3	1,117	1,522	1,067	1,954	1,954	1,954	1,910	2,017
Cellphone Allowance	3	249	182	121	375	375	375	341	360
Housing Allowances	3	817	254	65	515	515	515	750	804
Other benefits and allowances	3	144	56	71	408	408	408	951	1,004
Payments in lieu of leave		-	-	-	-	-	-	-	-
Long service awards		90	-	-	334	334	334	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-
Entertainment		7	150	54	24	24	24	193	204
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-
In kind benefits		6	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		7,341	7,629	5,544	10,011	10,037	10,037	18,357	19,398
% increase	4		3.9%	(27.3%)	80.6%	0.3%	-	82.9%	5.7%
Other Municipal Staff									
Basic Salaries and Wages		111,888	119,509	138,064	145,486	146,575	146,575	145,574	153,966
Pension and UIF Contributions		22,309	23,331	25,256	30,882	30,948	30,948	32,477	34,296
Medical Aid Contributions		9,599	9,843	10,788	13,368	13,718	13,718	14,878	15,677
Overtime		6,988	7,970	11,210	10,249	10,249	10,249	10,786	11,390
Performance Bonus		8,759	7,984	9,018	14,332	14,729	14,729	14,640	15,460
Motor Vehicle Allowance	3	19,707	30,934	35,680	32,670	32,827	32,827	34,386	36,312
Cellphone Allowance	3	2,116	2,257	2,565	3,459	3,581	3,581	3,454	3,648
Housing Allowances	3	1,327	1,703	2,527	3,723	3,808	3,808	4,008	4,232
Other benefits and allowances	3	1,045	1,176	1,051	1,500	1,503	1,503	1,627	1,718
Payments in lieu of leave		-	322	442	722	722	722	761	803
Long service awards		1,325	1,629	1,526	2,270	2,383	2,383	2,750	2,923
Post-retirement benefit obligations	6	1,409	1,039	300	1,538	1,538	1,538	1,620	1,710
Entertainment		-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		167	814	978	981	981	981	1,049	1,107
In kind benefits		-	-	-	55	55	55	58	61
Sub Total - Other Municipal Staff		186,638	208,514	239,386	261,234	263,617	263,617	268,068	283,304
% increase	4		11.7%	14.8%	9.1%	0.9%	-	1.7%	5.7%
Total Parent Municipality		228,804	255,911	288,327	316,186	319,294	319,294	331,366	350,159

1.9 CAPITAL EXPENDITURE

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

Table 6: Consolidated Overview of Capital Expenditure Funding

LIM476 Tubatse Fetakgomo - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 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 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital Expenditure - Functional											
Governance and administration		35,314	22,601	77,054	54,204	35,996	35,996	12,104	44,746	57,355	45,968
Executive and council		693	3,209	9,858	14,522	7,783	7,783	6,889	13,846	26,410	7,625
Finance and administration		34,622	19,482	67,196	39,683	28,213	28,213	5,215	30,900	30,945	38,342
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		941	9,869	10,506	5,739	2,884	2,884	5,635	8,000	8,000	1,000
Community and social services		941	9,869	10,527	4,435	1,380	1,380	4,328	6,800	8,000	1,000
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	179	1,304	1,304	1,304	1,307	1,200	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		115,304	174,599	289,160	284,544	296,967	296,967	204,566	218,832	242,247	212,067
Planning and development		-	-	3,478	4,348	0	0	-	1,100	3,000	7,000
Road transport		115,304	174,599	285,682	280,196	296,967	296,967	204,566	217,732	239,247	205,067
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		1,152	1,458	1,649	8,261	2,543	2,543	31,402	31,174	7,020	21,942
Energy sources		-	-	-	-	-	-	-	23,474	-	18,092
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		28	-	-	-	-	-	-	-	-	-
Waste management		1,124	1,458	1,649	8,261	2,543	2,543	31,402	7,700	7,020	3,850
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	152,711	208,617	378,360	352,749	338,190	338,190	253,708	302,751	314,622	280,977
Funded by:											
National Government		67,816	140,800	167,364	161,705	161,705	161,705	120,389	180,101	180,548	182,865
Provincial Government		5,294	1,658	15,983	-	7,309	7,309	6,984	-	-	-
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	73,110	142,458	183,347	161,705	169,014	169,014	127,373	180,101	180,548	182,865
Borrowing	6	-	-	43,478	34,783	34,783	34,783	35,226	-	-	-
Internally generated funds		79,601	63,906	124,619	156,261	134,394	134,394	86,635	122,650	134,074	98,111
Total Capital Funding	7	152,711	206,364	351,445	352,749	338,190	338,190	249,234	302,751	314,622	280,977

Performance indicators for capital budget

The Capital budget has three areas:

- Own funding for Capital Expenditure budgeted at R122 million including VAT,
- Capital Expenditure funded by the National Government budgeted at R180 million including VAT.`

Table 6: Table A6 Budgeted Financial Position**LIM476 Tubatse Fetakgomo - Table A6 Budgeted Financial Position**

Description	R thousand	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
ASSETS											
Current assets											
Cash and cash equivalents		384,414	228,487	97,376	235,321	99,298	99,298	281,324	218,985	298,773	439,680
Trade and other receivables from exchange transactions	1	87,195	41,886	99,249	16,519	33,188	33,188	(80,398)	114,615	131,338	148,728
Receivables from non-exchange transactions	1	(198,209)	24,585	9,709	16,155	71,064	71,064	135,143	74,120	99,502	125,759
Current portion of non-current receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	1,178	3,126	3,959	3,176	75,411	75,411	4,263	78,654	78,654	78,654
VAT		48,906	39,904	66,720	39,887	48,362	48,362	40,293	50,441	70,066	88,883
Other current assets		3,256	1,327	10,683	1,693	50,000	50,000	88,736	52,150	52,150	52,150
Total current assets		326,739	339,315	287,697	312,751	377,323	377,323	469,361	588,965	730,483	933,852
Non current assets											
Investments		–	–	53,453	–	–	–	57,428	–	–	–
Investment property		58,250	60,150	60,800	60,800	53,331	53,331	53,331	55,624	55,624	55,624
Property, plant and equipment	3	2,225,647	2,667,915	2,770,473	2,700,774	2,728,427	2,728,427	2,957,571	2,845,750	3,077,798	3,271,329
Biological assets		–	–	–	–	–	–	–	–	–	–
Living and non-living resources		–	–	–	–	–	–	–	–	–	–
Heritage assets		220,673	1,068	1,068	1,068	1,068	1,068	1,068	–	–	–
Intangible assets		172	332	437	1,045	339	339	318	354	354	354
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–	–
Total non current assets		2,504,742	2,729,466	2,886,230	2,763,687	2,783,166	2,783,166	3,069,716	2,901,728	3,133,776	3,327,306
TOTAL ASSETS		2,831,481	3,068,781	3,173,927	3,076,439	3,160,489	3,160,489	3,539,078	3,490,693	3,864,259	4,261,159
LIABILITIES											
Current liabilities											
Bank overdraft		–	–	–	–	–	–	–	–	–	–
Financial liabilities		1,006	36,089	1,006	1,006	–	–	(25,141)	–	–	–
Consumer deposits		22,518	15,868	1,165	15,666	–	–	54,375	–	–	–
Trade and other payables from exchange transactions	4	21,773	77,653	99,372	69,433	32,174	32,174	57,935	242,157	341,371	434,480
Trade and other payables from non-exchange transactions	5	348,922	68,376	26,158	71,316	8,405	8,405	10,290	–	–	–
Provision		6,638	4,363	4,363	20,545	19,816	19,816	27,991	22,342	22,342	22,342
VAT		15,528	2,148	12,090	8,957	0	0	16,980	9,538	14,498	19,657
Other current liabilities		14,670	18,650	16,182	–	35,901	35,901	–	–	–	–
Total current liabilities		431,055	223,148	160,335	186,923	96,296	96,296	142,431	274,038	378,211	476,479
Non current liabilities											
Financial liabilities	6	(1,006)	13,729	98,994	(1,006)	–	–	91,721	–	–	–
Provision	7	–	10,176	9,126	9,126	30,083	30,083	27,045	31,376	31,376	31,376
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–
Other non-current liabilities		5,836	5,836	5,836	5,836	64,053	64,053	5,836	106,846	106,846	106,846
Total non current liabilities		4,830	29,741	113,956	13,956	94,136	94,136	124,601	138,222	138,222	138,222
TOTAL LIABILITIES		435,885	252,889	274,291	200,879	190,432	190,432	267,033	412,260	516,433	614,701
NET ASSETS		2,395,596	2,815,892	2,899,636	2,875,560	2,970,057	2,970,057	3,272,045	3,078,433	3,347,826	3,646,458
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	2,395,596	2,815,937	2,900,736	2,875,560	2,970,057	2,970,057	3,272,045	3,078,433	3,347,826	3,646,458
Reserves and funds	9	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	10	2,395,596	2,815,937	2,900,736	2,875,560	2,970,057	2,970,057	3,272,045	3,078,433	3,347,826	3,646,458

The total net assets projected for the 2025/2026 financial year amounts to R3 billion.

Table 7: Table A7 Budgeted Cash Flows**LIM476 Tubatse Fetakgomo - Table A7 Budgeted Cash Flows**

Description	###	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 FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		73,674	71,403	133,282	232,327	162,829	162,829	162,829	182,107	189,391	196,967
Service charges		15,149	12,137	15,011	33,666	20,403	20,403	20,403	28,724	29,907	31,126
Other revenue		19,508	58,833	52,041	133,655	66,556	66,556	66,556	155,160	153,290	151,216
Transfers and Subsidies - Operational	1	494,031	527,556	592,217	635,886	630,886	630,886	630,886	628,403	620,331	648,499
Transfers and Subsidies - Capital	1	105,468	199,760	167,064	185,961	194,366	194,366	194,366	180,101	180,548	182,865
Interest		8,372	13,418	7,505	9,134	21,272	21,272	21,272	42,766	44,715	46,669
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(373,531)	(437,558)	(532,296)	(879,203)	(867,749)	(867,749)	(867,749)	(844,925)	(820,271)	(832,960)
Interest		-	-	-	15,949	(500)	(500)	(500)	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		342,672	445,549	434,824	367,376	228,063	228,063	228,063	372,336	397,910	424,383
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	53,453	-	-	-	-	-	-	-
Payments											
Capital assets		(156,876)	(223,493)	(409,443)	(352,749)	(338,190)	(338,190)	(338,190)	(307,751)	(318,122)	(283,477)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(156,876)	(223,493)	(355,990)	(352,749)	(338,190)	(338,190)	(338,190)	(307,751)	(318,122)	(283,477)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	96,120	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	96,120	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD											
	2	185,797	222,055	174,953	14,627	(110,127)	(110,127)	(110,127)	64,585	79,789	140,906
Cash/cash equivalents at the year begin:		526,262	186,220	218,063	218,063	209,426	209,426	209,426	154,400	218,985	298,773
Cash/cash equivalents at the year end:	2	712,059	408,276	393,017	232,690	99,298	99,298	99,298	218,985	298,773	439,680

The cash and cash equivalents at the projected at the end of the period shows a favourable bank balance of R 218 million.

Table 8: Table A8 Cash Backed reserves/accumulated surplus reconciliation.**LIM476 Tubatse Fetakgomo - 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	712,059	408,276	393,017	232,690	99,298	99,298	99,298	218,985	298,773	439,680
Other current investments > 90 days		(327,645)	(179,789)	(295,640)	2,630	0	0	182,026	-	-	-
Non current investments	1	-	-	53,453	-	-	-	57,428	-	-	-
Cash and investments available:		384,414	228,487	150,829	235,321	99,298	99,298	338,752	218,985	298,773	439,680
Application of cash and investments											
Unspent conditional transfers		348,922	70,034	26,158	71,316	79,721	79,721	10,290	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(33,377)	(37,756)	(54,631)	(30,930)	(12,461)	(12,461)	23,313	(40,903)	(55,568)	(69,226)
Other working capital requirements	3	38,958	66,128	82,068	61,167	51,332	51,332	45,926	40,835	100,601	154,435
Other provisions		21,307	23,014	20,545	20,545	19,816	19,816	(27,991)	22,342	22,342	22,342
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		375,810	121,420	74,139	122,098	138,408	138,408	51,538	22,274	67,375	107,551
Surplus/(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		8,604	107,067	76,690	113,223	(39,110)	(39,110)	287,214	196,710	231,399	332,128
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus/(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		8,604	107,067	76,690	113,223	(39,110)	(39,110)	287,214	196,710	231,399	332,128

References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves - Total Reserves to be backed by cash/investments excl Valuation reserve

1.10. Annual Budget Tables-Parent Municipality

The following pages presents the main budget tables as required in terms of section 8 of the municipal budget and reporting regulations. These tables set out the municipality's 2025/2026 budget and MTREF as approved by Council. Each table is accompanied by explanatory note on the next page.

Annual Budget Tables

LIM476 Tubatse Fetakgomo - Table A1 Budget Summary

Description	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 thousands										
Financial Performance										
Property rates	104,257	122,770	191,050	225,824	232,614	232,614	232,614	242,810	252,522	262,623
Service charges	32,705	22,816	26,922	30,947	29,147	29,147	29,147	30,769	31,999	33,279
Investment revenue	9,389	13,901	15,620	11,764	16,734	16,734	16,734	15,070	15,764	16,457
Transfer and subsidies - Operational	209,608	548,528	592,523	635,886	630,886	630,886	630,886	628,403	620,331	648,499
Other own revenue	30,989	42,343	82,640	158,691	99,291	99,291	99,291	114,436	119,645	124,872
Total Revenue (excluding capital transfers and contributions)	386,949	750,359	908,756	1,063,113	1,008,673	1,008,673	1,008,673	1,031,487	1,040,261	1,085,730
Employee costs	193,980	216,142	244,930	271,246	273,654	273,654	273,654	286,426	302,703	312,914
Remuneration of councillors	34,824	39,769	43,397	44,940	45,640	45,640	45,640	44,940	47,457	50,067
Depreciation and amortisation	-	-	40,098	83,541	83,541	83,541	83,541	74,288	86,073	89,946
Interest	3	4,941	3,880	6,500	500	500	500	900	941	983
Inventory consumed and bulk purchases	9,737	2,625	4,246	6,600	6,346	6,346	6,346	6,619	6,923	7,234
Transfers and subsidies	1,229	6,281	-	-	-	-	-	-	-	-
Other expenditure	376,644	440,637	506,461	598,491	590,942	590,942	590,942	549,129	507,319	508,820
Total Expenditure	616,416	710,397	843,012	1,011,317	1,000,623	1,000,623	1,000,623	962,302	951,416	969,964
Surplus/(Deficit)	(229,468)	39,962	65,744	51,795	8,050	8,050	8,050	69,186	88,845	115,766
Transfers and subsidies - capital (monetary allocations)	73,110	142,458	208,256	185,961	194,366	194,366	144,463	180,101	180,548	182,865
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(156,358)	182,420	274,000	237,756	202,415	202,415	152,512	249,287	269,393	298,632
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(156,358)	182,420	274,000	237,756	202,415	202,415	152,512	249,287	269,393	298,632
Capital expenditure & funds sources										
Capital expenditure	152,711	208,617	378,369	352,749	338,190	338,190	253,708	302,751	314,622	280,977
Transfers recognised - capital	73,110	142,458	183,347	161,705	169,014	169,014	127,373	180,101	180,548	182,865
Borrowing	-	-	43,478	34,783	34,783	34,783	35,226	-	-	-
Internally generated funds	79,601	63,906	124,619	156,261	134,394	134,394	86,635	122,650	134,074	98,111
Total sources of capital funds	152,711	206,364	351,445	352,749	338,190	338,190	249,234	302,751	314,622	280,977
Financial position										
Total current assets	326,739	339,315	287,697	312,751	377,323	377,323	469,361	588,965	730,483	933,852
Total non current assets	2,504,742	2,729,466	2,886,230	2,763,687	2,783,166	2,783,166	3,069,716	2,901,728	3,133,776	3,327,306
Total current liabilities	431,055	223,148	160,335	186,923	96,296	96,296	142,431	274,038	378,211	476,479
Total non current liabilities	4,830	29,741	113,956	13,956	94,136	94,136	124,601	138,222	138,222	138,222
Community wealth/Equity	2,395,596	2,815,937	2,900,736	2,875,560	2,970,057	2,970,057	3,272,045	3,078,433	3,347,826	3,646,458
Cash flows										
Net cash from (used) operating	342,672	445,549	434,824	367,376	228,063	228,063	228,063	372,336	397,910	424,383
Net cash from (used) investing	(156,876)	(223,493)	(355,990)	(352,749)	(338,190)	(338,190)	(338,190)	(307,751)	(318,122)	(283,477)
Net cash from (used) financing	-	-	96,120	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	712,059	408,276	393,017	232,690	99,298	99,298	99,298	218,985	298,773	439,680
Cash backing/surplus reconciliation										
Non current Investments	348,922	70,034	26,158	71,316	79,721	79,721	10,290	-	-	-
Statutory requirements	8,604	107,067	76,690	113,223	(39,110)	(39,110)	287,214	196,710	231,399	332,128
Balance - surplus (shortfall)	340,318	(37,033)	(50,532)	(41,907)	118,831	118,831	(276,924)	(196,710)	(231,399)	(332,128)
Asset management										
Asset register summary (WCV)	2,456,684	2,544,745	2,537,256	2,393,454	2,436,967	2,436,967	2,436,967	2,651,822	2,619,712	2,561,358
Depreciation	-	-	40,098	83,541	83,541	83,541	83,541	74,288	86,073	89,946
Renewal and Upgrading of Existing Assets	3,025	13,228	133,079	50,924	32,995	32,995	32,995	42,504	48,762	43,514
Repairs and Maintenance	70,640	52,987	44,933	76,989	61,254	61,254	61,254	75,383	78,666	81,945
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	3,419	4,014	6,532	41,098	55,455	55,455	55,455	49,081	51,045	53,086

Unsubstantiated below minimum service level

Explanatory notes to MBRR table A1-Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessments of the financial performance, financial

position and cash flow budgets, along with the capital budget. The budget summary provides the key information in this regard;

- a. The operating surplus/deficit (after total expenditure) is positive over the MTREF*
 - b. Capital expenditure is balanced by capital by capital funding sources, of which*
 - i. Transfers recognised is reflected on the financial performance budget*
 - ii. Borrowing is incorporated in the net cash from financing on the cash flow budget*
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash backed surplus from previous years. The amount is incorporated in the net cash from investing on the cash flow budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital budget.*
- 4. Municipality continue to cater for free basic services to the indigent residents. In addition, the municipality continues to make progress in addressing service delivery backlogs.*

LIM476 Tubatse Fetakgomo - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	###	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										
<i>Governance and administration</i>		373,118	699,306	859,900	1,000,201	943,136	943,136	960,643	968,334	1,010,761
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		373,118	699,306	859,900	1,000,201	943,136	943,136	960,643	968,334	1,010,761
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		11,415	13,119	15,407	18,609	19,609	19,609	20,746	21,678	22,617
Community and social services		117	103	86	274	274	274	84	88	92
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		11,299	13,016	15,321	18,424	19,424	19,424	20,662	21,590	22,525
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		34,715	153,637	208,293	194,422	204,442	204,442	192,553	191,597	194,417
Planning and development		2,599	2,534	3,055	2,996	4,612	4,612	7,209	5,344	5,579
Road transport		32,116	151,103	205,238	191,426	199,831	199,831	185,344	186,253	188,838
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		40,810	26,755	33,412	35,751	35,761	35,761	37,646	39,200	40,801
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		28	-	-	-	-	-	-	-	-
Waste management		40,782	26,755	33,412	35,751	35,761	35,761	37,646	39,200	40,801
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	460,058	892,816	1,117,012	1,249,073	1,203,039	1,203,039	1,211,589	1,220,810	1,268,596
Expenditure - Functional										
<i>Governance and administration</i>		451,677	478,807	531,109	594,928	633,748	633,748	574,639	580,041	604,953
Executive and council		134,178	162,426	222,403	172,345	184,684	184,684	158,013	148,199	153,925
Finance and administration		317,498	316,381	308,706	422,583	449,064	449,064	416,626	431,841	451,028
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		52,044	82,467	95,714	123,923	117,277	117,277	128,303	128,777	130,079
Community and social services		10,583	41,600	51,666	67,573	65,977	65,977	70,288	69,464	70,191
Sport and recreation		-	-	-	1,253	1,253	1,253	-	-	-
Public safety		41,461	40,867	44,047	55,097	50,047	50,047	58,015	59,313	59,888
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		77,666	104,137	168,966	237,395	197,837	197,837	204,909	191,503	183,397
Planning and development		13,350	28,678	28,505	79,750	45,292	45,292	71,172	49,512	34,799
Road transport		64,315	75,459	140,461	157,645	152,545	152,545	133,737	141,991	148,598
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		35,030	44,986	47,223	55,071	51,760	51,760	54,451	51,096	51,534
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		35,030	44,986	47,223	55,071	51,760	51,760	54,451	51,096	51,534
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	616,416	710,397	843,012	1,011,317	1,000,623	1,000,623	962,302	951,416	969,964
Surplus/(Deficit) for the year		(156,358)	182,420	274,000	237,756	202,415	202,415	249,287	269,393	298,632

LIM476 Tubatse Fetakgomo - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	###	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										
Revenue by Vote	1									
Vote 1 - Admin and Corporate Support		2,038	1,465	1,823	1,742	1,742	1,742	2,099	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Finance Services Administration		373,110	699,305	859,763	1,000,081	942,991	942,991	960,444	968,126	1,010,544
Vote 4 - Technical Services		32,116	151,103	205,238	191,426	199,831	199,831	185,344	186,253	188,838
Vote 5 - Community Services		11,423	13,120	15,543	18,819	19,843	19,843	20,946	21,887	22,834
Vote 6 - Waste Management		40,810	26,755	33,412	35,751	35,761	35,761	37,646	39,200	40,801
Vote 7 - Development and Planning		561	1,069	1,231	1,254	2,870	2,870	5,110	5,344	5,579
Vote 8 - Local Economic Development and Tourism		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	460,058	892,816	1,117,012	1,249,073	1,203,039	1,203,039	1,211,589	1,220,810	1,268,586
Expenditure by Vote to be appropriated	1									
Vote 1 - Admin and Corporate Support		137,295	169,947	235,616	203,738	207,396	207,396	182,289	166,989	173,392
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Finance Services Administration		314,040	316,381	308,706	372,063	374,480	374,480	407,804	398,958	394,904
Vote 4 - Technical Services		64,315	75,459	140,461	157,645	152,545	152,545	133,737	141,991	148,598
Vote 5 - Community Services		55,502	82,467	95,714	174,443	191,861	191,861	137,124	161,661	186,203
Vote 6 - Waste Management		35,030	44,986	47,223	55,071	51,760	51,760	54,451	51,096	51,534
Vote 7 - Development and Planning		10,234	21,157	13,421	48,357	22,580	22,580	46,896	30,723	15,333
Vote 8 - Local Economic Development and Tourism		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	616,416	710,397	841,141	1,011,317	1,000,623	1,000,623	982,302	951,416	969,964
Surplus/(Deficit) for the year	2	(156,358)	182,420	275,871	237,756	202,415	202,415	249,287	269,393	298,632

LIM476 Tubatse Fetakgomo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	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	-	-	-	2,000	200	200	-	1,100	1,144	1,190
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	32,705	22,816	26,922	28,947	28,947	28,947	22,507	29,669	30,855	32,090
Sale of Goods and Rendering of Services		777	16,563	35,758	108,752	45,319	45,319	16,326	47,620	49,810	52,000
Agency services		5,428	7,229	8,373	7,815	7,815	7,815	6,724	9,173	9,595	10,017
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		7,705	4,833	6,069	6,482	6,482	6,482	5,427	7,530	7,876	8,222
Interest earned from Current and Non Current Assets		9,389	13,901	15,620	11,764	16,734	16,734	130,543	15,070	15,764	16,457
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		439	420	421	322	332	332	330	448	468	489
Licence and permits		-	-	-	-	-	-	-	-	-	-
Special Rating Levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		1	507	242	2,128	1,128	1,128	21	1,031	1,072	1,115
Non-Exchange Revenue											
Property rates	2	104,257	122,770	191,050	225,824	232,614	232,614	176,408	242,810	252,522	262,623
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		16	22	702	3,613	3,638	3,638	47	3,837	3,992	4,152
Licences or permits		5,878	5,787	6,397	7,129	8,128	8,128	5,710	7,869	8,231	8,593
Transfer and subsidies - Operational		209,608	548,528	592,523	635,886	630,886	630,886	625,195	628,403	620,331	648,499
Interest		10,745	6,828	24,547	22,449	26,449	26,449	23,592	36,928	38,601	40,283
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	154	131	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribu		386,949	750,359	908,756	1,063,113	1,008,673	1,008,673	1,012,831	1,031,487	1,040,261	1,085,730
Expenditure											
Employee related costs	2	193,980	216,142	244,930	271,246	273,654	273,654	213,166	286,426	302,703	312,914
Remuneration of councillors		34,824	39,769	43,397	44,940	45,640	45,640	33,434	44,940	47,457	50,067
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	9,737	2,625	4,246	6,600	6,346	6,346	1,391	6,619	6,923	7,234
Debt impairment	3	-	-	25,620	40,000	40,000	40,000	-	41,015	42,903	44,791
Depreciation and amortisation		-	-	40,098	83,541	83,541	83,541	24,585	74,288	86,073	89,946
Interest		3	4,941	3,880	6,500	500	500	25	900	941	983
Contracted services		230,770	249,092	352,847	408,790	386,112	386,112	225,161	363,494	315,041	309,997
Transfers and subsidies		1,229	6,281	-	-	-	-	-	-	-	-
Irrecoverable debts written off		4,249	35,344	501	2,073	2,833	2,833	2,252	2,073	2,169	2,266
Operational costs		141,624	156,075	127,275	147,627	161,997	161,997	114,976	142,547	147,207	151,766
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	127	217	-	-	-	-	-	-	-
Total Expenditure		616,416	710,397	843,012	1,011,317	1,000,623	1,000,623	614,990	962,302	951,416	969,964

LIM476 Tubatse Fetakgomo - Table A6 Budgeted Financial Position

Description		###	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 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 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
ASSETS												
Current assets												
Cash and cash equivalents			526,262	413,377	218,063	183,260	214,586	214,586	214,586	261,820	441,962	519,079
Trade and other receivables from exchange transactions		1	41,493	53,256	19,728	130,690	28,204	28,204	28,204	16,756	13,228	9,542
Receivables from non-exchange transactions		1	(202,825)	(206,683)	37,548	42,941	97,467	97,467	97,467	46,335	9,555	17,348
Current portion of non-current receivables			–	–	–	–	–	–	–	–	–	–
Inventory		2	1,044	3,147	3,176	2,103	3,626	3,626	3,626	3,176	3,176	3,176
VAT			41,580	55,157	39,887	16,340	5,267	5,267	5,267	9,554	(16,288)	(41,399)
Other current assets			1,053	1,477	1,693	654	1,693	1,693	1,693	1,693	1,693	1,693
Total current assets			408,608	319,731	320,096	375,987	350,844	350,844	350,844	339,334	453,327	509,440
Non current assets												
Investments			–	–	–	–	–	–	–	–	–	–
Investment property			58,250	60,150	60,800	60,150	60,800	60,800	60,800	60,800	60,800	60,800
Property, plant and equipment		3	2,074,928	2,154,762	2,432,175	2,063,104	2,791,738	2,791,738	2,791,738	2,580,575	2,691,315	2,792,520
Biological assets			–	–	–	–	–	–	–	–	–	–
Living and non-living resources			–	–	–	–	–	–	–	–	–	–
Heritage assets			220,673	220,673	1,068	220,662	1,068	1,068	1,068	1,068	1,068	1,068
Intangible assets			965	332	437	1,639	1,045	1,045	1,045	1,045	1,045	1,045
Trade and other receivables from exchange transactions			–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions			–	–	–	–	–	–	–	–	–	–
Other non-current assets			–	–	–	–	–	–	–	–	–	–
Total non current assets			2,354,816	2,435,917	2,494,480	2,345,554	2,854,651	2,854,651	2,854,651	2,643,489	2,754,228	2,855,434
TOTAL ASSETS			2,763,424	2,755,647	2,814,575	2,721,541	3,205,495	3,205,495	3,205,495	2,982,823	3,207,556	3,364,874
LIABILITIES												
Current liabilities												
Bank overdraft			–	–	–	–	–	–	–	–	–	–
Financial liabilities			1,006	36,089	1,006	35,083	(8,994)	(8,994)	(8,994)	1,006	1,006	1,006
Consumer deposits			22,493	34,844	15,666	32,647	15,666	15,666	15,666	15,666	15,666	15,666
Trade and other payables from exchange transactions		4	72,011	62,327	46,984	112,458	157,392	157,392	157,392	46,984	46,984	46,984
Trade and other payables from non-exchange transactions		5	77,214	14,820	69,658	7,212	71,316	71,316	71,316	71,316	71,316	71,316
Provision			6,638	6,638	4,363	4,363	4,363	4,363	4,363	4,363	4,363	4,363
VAT			9,369	10,050	8,957	4,089	11,837	11,837	11,837	8,957	8,957	8,957
Other current liabilities			14,670	18,650	16,182	3,981	16,182	16,182	(16,182)	16,182	16,182	16,182
Total current liabilities			203,400	183,419	162,816	199,833	267,762	267,762	235,398	164,474	164,474	164,474
Total current liabilities			203,400	183,419	162,816	199,833	267,762	267,762	235,398	164,474	164,474	164,474
Non current liabilities												
Financial liabilities		6	(1,006)	(66,519)	(1,006)	101,900	98,994	98,994	98,994	(1,006)	(1,006)	(1,006)
Provision		7	–	242	9,126	242	9,126	9,126	9,126	9,126	9,126	9,126
Long term portion of trade payables			–	–	–	–	–	–	–	–	–	–
Other non-current liabilities			5,836	5,836	5,836	–	5,836	5,836	5,836	5,836	5,836	5,836
Total non current liabilities			4,830	(60,442)	13,956	102,142	113,956	113,956	113,956	13,956	13,956	13,956
TOTAL LIABILITIES			208,230	122,978	176,771	301,975	381,717	381,717	349,354	178,429	178,429	178,429
NET ASSETS			2,555,194	2,632,670	2,637,804	2,419,566	2,823,778	2,823,778	2,856,141	2,804,394	3,029,127	3,186,445
COMMUNITY WEALTH/EQUITY												
Accumulated surplus/(deficit)		8	2,554,253	2,632,737	2,637,288	2,419,566	2,823,778	2,823,778	2,823,778	2,804,394	3,029,127	3,186,445
Reserves and funds		9	–	–	–	–	–	–	–	–	–	–
Other			–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY			10	2,554,253	2,632,737	2,637,288	2,419,566	2,823,778	2,823,778	2,804,394	3,029,127	3,186,445

Part 2: Supporting documents

2.1 Overview of the annual budget process

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

Section 21(1)(b) of the Municipal Finance Management Act (MFMA) (no. 56 of 2003) generally echoes Section 28(1) of the Municipal Systems Act (MSA) (no. 32 of 2000) by prescribing that the Mayor of the Municipality must at least 10 months before the commencement of the financial year, table in the Council a time schedule outlining key deadlines for the preparations, tabling and approval of the annual budget and also the review of the Integrated Development Plan.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aim of the budget steering committee is to ensure;

- That the process followed to compile the budget complies with legislation and good budget practices;
- There is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality.
- That the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available;
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources

2.3 Overview of budget assumptions

An advice from National Treasury circular 58 and 59 was taken into account in preparing the budget. The municipalities revenues will continue to be under pressure owing to a general decline in the world and domestic economy which has put economic pressures on the household and therefore advises municipalities to use a conservative approach when making revenue estimates.

Municipalities must pay special attention to controlling unnecessary spending on nice-to-have items and non-essential activities. The following examples of non-priority expenditure have been observed, and need to be eliminated:

- excessive sponsorship of music festivals, beauty pageants and sporting events, including the purchase of tickets to events for councillors and/or officials;
- public relations projects and activities that are not centred on actual service delivery or are not a municipal function (e.g. celebrations; gala dinners; commemorations, advertising and voter education);
- LED projects that serve the narrow interests of only a small number of beneficiaries or fall within the mandates of other government departments such as the Department of Agriculture;
- excessive catering for meetings and other events, including the use of public funds to buy alcoholic beverages;
- arranging workshops and events at expensive private venues, especially ones outside the municipality (as opposed to using the municipality's own venues);
- excessive printing costs (instead of maximising the use of the municipality's website, including providing facilities for the public to access the website);
- excessive luxurious office accommodation and office furnishings;
- foreign travel by mayors, councillors and officials, particularly 'study tours';
- excessive councillor and staff perks such as luxurious mayoral cars and houses, notebooks, IPADS and cell-phone allowances; travel and subsistence allowances.

- excessive staff in the office of the mayor – particularly the appointment of political ‘advisors’ and ‘spokespersons’;
- ✓ all donations to individuals that are not made in terms of the municipality’s indigent policy or a bursary scheme; for instance donations to cover funeral costs (other than pauper burials which is a district municipality function);
- ✓ costs associated with long-standing staff suspensions and the legal costs associated with not following due process when suspending or dismissing staff, as well as payment of severance packages or ‘golden handshakes’; and
- ✓ the use of consultants to perform routine management tasks, and the payment of excessive fees to consultants.

Principles guiding the budget process

- ✓ Ensuring that expenditure is aligned to revenue and that the municipality has sufficient cash to finance the expenditure.
- ✓ Ensure that the municipality avoids borrowings due to the dependence on grant revenue
- ✓ Ensure that the municipality maintains sufficient reserves for rainy days and capital expansion.
- ✓ Ensure that the budget respond to priorities enlisted in the IDP.
- ✓ Review of all programmes and cost centres to minimise wastage.
- ✓ Reprioritisation of expenditure programmes to curb the growing personnel and operating expenditure.
- ✓ Ensure that services are cost reflective, affordable and sustainable.
- ✓ Ensure that realistic revenue targets are set based on trends.
- ✓ Follow the national guide on salary and CPI projections.

2.4 Overview of budget related-policies

The budget related policies will be circulated for consultation in April. The following are such policies;

A. SUPPLY CHAIN MANAGEMENT POLICY

The supply chain management policy has been reviewed in the second quarter but presented as part of budget related policies

B. ASSET MANAGEMENT POLICY

The asset management policy has been reviewed in the second quarter but presented as part of budget related policies

C. WRITE OFF POLICY

This policy is subject to review and is attached as annexure B

D. THE CREDIT CONTROL AND DEBT COLLECTION POLICY.

This policy is subject to review and is attached as annexure

E. BUDGET MANAGEMENT POLICY

This policy is subject to review and is attached as annexure B

F. VIREMENT POLICY

This policy is subject to review and is attached as annexure B

G. CASH MANAGEMENT AND INVESTMENT POLICY

This policy is subject to review and is attached as annexure B

H. TARIFF POLICY

This policy is subject to review and is attached as annexure B

I. INDIGENT MANAGEMENT POLICY

This policy is subject to review and is attached as annexure B

J. PROPERTY RATES POLICY

This policy is subject to review and is attached as annexure B.

K. COST CONTAINMENT POLICY

This policy is subject to review and is attached as annexure B.

L. STANDARD FOR INFRASTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT

This policy is subject to review and is attached as annexure B.

M. INSURANCE POLICY

All the above policies are available on the municipality's website.

2.7 Legislation compliance status

Compliance with the MFMA implementation requirements have been adhered to through the following activities;

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes published performance on the municipality's website.

2. Internship programme

The municipality is participating in the Municipal Internship Programme and has deployed five interns undergoing training in various divisions of the Budget and Treasury Office.

Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

3. Audit Committee

An audit committee has been established and is fully functional.

4. Service Delivery and Implementation Plan

The detailed SDBIP document has been draft and will be signed by the Mayor within 10 working days post the adoption of the annual budget. The SDBIP is fully aligned to the IDP and budget.

5. Annual Report

Annual report is compiled in terms of MFMA and National Treasury requirements.