



TOKOLOGO LOCAL MUNICIPALITY BUDGET NARRATIONS 2015-2016

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1.1 MAYOR'S REPORT

BUDGET SPEECH

BY:

HONOURABLE MAYOR B. E SEAKGE

Date: 2 June 2015

Honourable Councillors present here today,

The Management and Staff members,

Honoured guests,

Ladies and Gentlemen,

Comrades and Friends,

The People of Tokologo

Good afternoon.

Greetings on this august occasion of the Tokologo 2015 State Of The Municipality Address.

Let me welcome and extend my warmest greetings to the masses of our people here today. On the same note, I greet all leaders of the revolutionary Alliance, the ANC, SACP, COSATU & SANCO, organs of civil society and mass democratic movement.

Our meeting here today is a pronouncement for all the people of Tokologo, of all political persuasions, of all races and religions.

Let me welcome also the Church leaders here as well, they have been with us through thick and thin. Continue praying with us.

Colleagues, we meet this afternoon, a week after we celebrated Africa day. It is celebrated under the theme "We Are Africa- Opening the doors of learning and culture from Cape to Cairo".

This pronouncement colleagues, reminds me of what the father of modern day Ghana, Dr. Kwame Nkrumah said, and I quote " We all want a united Africa, united not only in our concept of what unity connotes, but united in our common desire to move forward together in dealing with all the problems that can best be solved only on a continental basis"

Elsewhere this giant colossus remarked, “Africa is one continent, one people and one nation”.

This celebration of Africa day, provided us with the opportunity to reconnect and recommit the support for all interventions to develop a progressive and better Africa.

An Africa which does not fight herself, but rather for an Africa which strives to stand tall and proud amongst the other nations of the world.

This important occasion last week was marred by evil and wrong tendencies here in some parts of our country which sought to reverse the gains we have made, occasioned by the hatred against fellow Africans in our country.

We, in Tokologo are still fortunate to have escaped the ugly tentacles of xenophobia thus far. I want to applaud you, the people of Tokologo, for your understanding that South Africa is not an Island, but part of the broader African community. May this spirit of Ubuntu prevail forever. We must not find ourselves acting in ways foreign to these precepts of what constitutes Ubuntu-Botho.

Cllr Nyamani, before I launch into the serious content of my speech, it will be a grave mistake not to congratulate the “unstoppable train”, Kaizer Chiefs, for having won the ABSA PSL 2014/2015 Championship. This evidenced by the good run they had from the very beginning of the campaign. Rise Khosi Rise!

And equally wish Orlando Pirates well in the quest to conquer Africa again, as they are only team remaining in the Champions League. Up the Bucs!

Our sports men and women in other quotes have also been doing exceptionally well, the less said about Bafana Bafana the better though, the Proteas reached the Semi finals of the Cricket World cup, the soccer 17 team, Amajimbos, have been doing really well and we wish them all the success in the forthcoming FIFA Under 17 World Cup in October.

Colleagues,

This year, 2015, is the year termed “The year of the Freedom Charter and Unity in Action”

At our historic ANC 103 birthday celebrations in Cape Town on January 8, we committed to go back to basics and use the precepts of the Freedom Charter to improve the lives of all South Africans.

In keeping with what the ANC said, the Tokologo ANC led Municipality will use the Freedom Charter as a guide to shaping policies that are aimed at serving our people.

We therefore call on all our people to embrace the Freedom Charter in its 60th anniversary.

Good Governance.

I must take this opportunity to say that collectively we must share with our people the accolades we have received following the improved audit outcome. Indeed Siyaqhuba.

We will continue to work hard to improve on the shortcomings highlighted by the AG and strive to have firmer internal controls to respond to internal audit reports and recommendations more effectively.

In deepening democracy, the Municipality will;

1. Continue to convene Mayoral Imbizos and Ward constituency meetings to account to our people
2. Continue to convene Stakeholder engagements across many sectors
3. Observe national and local commemorative days
4. Ensure active participation in IGR structures
5. Strengthen engagements around social cohesion
6. Continue the effective functioning of our Council and its committees.

As outlined in our IDP, which is informed and driven through engagements by you, the masses of our people, we have committed to the following;

-ensuring that we provide water, sanitation and electricity to all households in formal settlements

-repair roads according to the targets and projects indicated in the IDP

-Ensure that we continue making and creating conducive environments for the development of local and rural economic development and employment

-Ensure that we work tirelessly towards the financial sustainability and viability of the Municipality

-Facilitate institutional transformation and development of the Municipality

-Colleagues, we will also be implementing PMS across all lower levels to ensure that our employees do perform to the best.

Full details of our IDP deliverables are contained in our IDP document, of which I encourage you to engage with the full text.

To support the implementation of these programmes in our IDP, we have today adopted a matching budget to finance our projects and to run the operations of the Municipality.

The Budget as approved earlier, is based on a total

1. Revenue of R 87 813 902.00
2. Operations and Expenditure of R 87 812 530.00

Contained in this budget are capital projects amounting to R 50 326 350.00, broken down as thus;

1. Dealesville/Tshwaraganang: Upgrading of the Landfill Site amounting to R3 87 652.50
2. Installation of 15 High Mast lights in the 3 towns amounting to R3 724 060.69

3. Hertzogville/Malebogo: Upgrading of the Community Stadium [phase 1] amounting to R2 000 000.00
4. Hertzogville/Malebogo: Construction of 1.34km storm water runoff amounting to R 1 832 379.68
5. Seretse: Provision of sanitation to 300 sites amounting to R 4 492 332.15
6. Boshof/Seretse: Sanitation for 271 sites amounting to R 2 889 924.99
7. Regional Bulk Infrastructure amounting to R 33 000 000.00
8. Electrification amounting to R2 000 000.00

I must also emphasize that our income is predominantly based on grants, and should this for some reason stop, that will signal the end of Tokologo as we know it.

With no other source of revenue, we have no way other than cutting drastically in our operational costs. To remain viable, we will continue to implement numerous austerity measures, plan ahead and ensure that we survive.

So while we are constrained, we continue to play our role, that is our value add. Siyaqhuba!!!

As I move to conclude this State of the Municipal Address 2015, this is what Kwame Nkrumah said; “those who would judge us merely by the heights we have achieved would do well to remember the depths from which we started”. Indeed we have done well, we are moving this Municipality forward.

As Nkrumah of Ghana remarked, “we have awakened, we will not sleep anymore”, and I strongly believe that if we spent time to listen to Nkrumah we will never transgress, we will move forward, we will change lives, and we will achieve our goals and thereby further entrench our hard won democracy.

Tokologo will succeed, Tokologo will win.

Colleagues, the road ahead is full of challenges. Soon we will be heading to the 2016 elections. Given the work that we made and the strides we have made in changing the lives of this community, I trust we will be given a new mandate to lead this institution and ensure that the commitments of this administration are sustained. Over this current administration, Tokologo has surely demonstrated a model of multi-party democracy given the kind of relations we enjoy with those on the opposition benches.

I thank you all for the continued support.

I remain and continue to be the humble servant of the African National Congress and the people of Tokologo.

I thank you.

Siyaqhuba, Siyasebenza, Tokologo at work

1.2 RESOLUTIONS

TLM 02/06/2015 (11)

Tabling of the Annual budget: Annual budget 2015/2016

Resolved that the Annual budget for the year 2015/2016 financial year be approved

Background

Section 16 of the Municipal Finance Management Act, Act 56 of 2003 determined as follows:

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 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.

Section 24 of the Municipal Finance Management Act, Act 56 of 2003 determined as follows:

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); and
 - (c) 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

OPERATIONAL BUDGET

The Accounting officer and the chief financial Officer submitted operational budget to council amounting to:

Income:	R 87 813 902
Expenditure:	<u>R 87 812 530</u>
Surplus	R 1 372
Non-cash Items	<u>R 5 066 605</u>
Surplus	<u>R 5 067 977</u>

Resolved that council approve the operational budget for 2015/2016 financial year as submitted

CAPITAL BUDGET

A capital budget to the amount of **R 50 326 350** is submitted.

Budget is financed as follows:

Regional Bulk:	R 33 000 000
MIG	R 15 325 350
INEP	<u>R 2 000 000</u>
	<u>R 50 326 350</u>

Resolved that council approve the Capital budget for 2015/2016 financial year as submitted

1.3 EXECUTIVE SUMMARY

Overview

Tokologo local Municipality budgeted process started in August 2014 when the council approved budget timelines as required by legislation.

Tokologo local municipality depends on grants from national government as almost 70% of its revenue is made up equitable share and some other grants

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.

In terms of Section 24 (1) and (2) of the Municipal Finance Management Act (MFMA) No 56, 2003:

“(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); and

(c) 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.”

1.4 BUDGET TABLES

1.4.1 Budget Summary

FS182 Tokologo - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
Financial Performance										
Property rates	2,343	2,936	3,218	3,624	3,624	3,411	-	5,640	5,950	6,265
Service charges	16,239	17,870	18,882	19,173	19,173	20,015	-	29,599	31,227	32,882
Investment revenue	198	286	502	449	449	532	-	683	721	759
Transfers recognised - operational	37,266	47,774	47,122	47,471	47,471	47,471	-	49,397	46,477	44,818
Other own revenue	1,434	2,132	2,797	1,867	1,867	2,964	-	2,495	2,632	2,772
Total Revenue (excluding capital transfers and contributions)	57,481	70,998	72,521	72,583	72,583	74,393	-	87,814	87,007	87,496
Employee costs	20,714	21,267	22,729	28,706	29,329	24,092	-	34,967	36,890	38,845
Remuneration of councillors	1,896	1,889	2,180	2,082	2,082	2,311	-	2,507	2,645	2,785
Depreciation & asset impairment	19,058	21,946	26,029	2,610	3,110	27,591	-	2,296	2,422	2,550
Finance charges	152	469	387	261	261	410	-	411	433	456
Materials and bulk purchases	15,862	16,717	23,154	17,242	16,319	24,543	-	28,080	29,624	31,194
Transfers and grants	1,266	254	1,597	1,337	1,420	1,693	-	1,505	1,596	1,692
Other expenditure	33,165	20,029	23,699	20,344	20,061	25,121	-	18,047	19,039	20,049
Total Expenditure	92,114	82,572	99,774	72,582	72,582	105,761	-	87,813	92,650	97,571
Surplus/(Deficit)	(34,633)	(11,573)	(27,254)	1	1	(31,368)	-	1	(5,643)	(10,075)
Transfers recognised - capital	70,777	77,306	31,153	29,155	29,155	33,022	-	50,326	52,783	70,467
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	36,145	65,733	3,899	29,157	29,157	1,655	-	50,328	47,140	60,392
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	36,145	65,733	3,899	29,157	29,157	1,655	-	50,328	47,140	60,392
Capital expenditure & funds sources										
Capital expenditure	69,884	76,224	30,125	29,155	29,155	29,155	-	50,326	52,783	70,467
Transfers recognised - capital	69,884	76,224	30,125	29,155	29,155	29,155	-	50,326	52,783	70,467
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds	69,884	76,224	30,125	29,155	29,155	29,155	-	50,326	52,783	70,467
Financial position										
Total current assets	10,781	18,122	12,593	24,388	24,388	13,348	-	29,176	30,927	32,782
Total non current assets	447,288	562,600	577,081	523,546	523,546	611,705	-	603,336	639,536	677,908
Total current liabilities	22,511	14,053	19,759	13,834	13,834	20,944	-	22,203	23,536	24,948
Total non current liabilities	3,389	4,572	4,945	3,904	3,904	5,242	-	5,242	5,557	5,890
Community wealth/Equity	432,170	562,097	564,969	530,196	530,196	598,867	-	605,066	641,370	679,853
Cash flows										
Net cash from (used) operating	69,105	72,730	40,386	41,783	25,526	36,742	29,952	44,894	41,416	54,375
Net cash from (used) investing	(68,453)	(72,224)	(39,807)	(29,155)	(29,155)	(28,608)	(29,155)	(50,326)	(52,783)	(70,467)
Net cash from (used) financing	370	(653)	444	-	-	471	-	-	-	-
Cash/cash equivalents at the year end	3,369	3,221	4,245	16,874	616	12,851	5,043	(389)	(11,757)	(27,849)
Cash backing/surplus reconciliation										
Cash and investments available	3,646	3,499	4,570	2,841	2,841	4,844	-	7,562	8,015	8,496
Application of cash and investments	17,146	9,731	13,572	(5,642)	(2,091)	14,386	-	5,675	6,017	6,378
Balance - surplus (shortfall)	(13,500)	(6,232)	(9,002)	8,483	4,932	(9,542)	-	1,886	1,999	2,119
Asset management										
Asset register summary (WDV)	447,011	562,322	576,756	523,269	523,269	611,361	602,992	602,992	639,171	677,521
Depreciation & asset impairment	19,058	21,946	26,029	2,610	3,110	27,591	2,296	2,296	2,422	2,550
Renewal of Existing Assets	-	-	-	-	-	-	-	2,388	7,781	11,467
Repairs and Maintenance	3,968	3,458	3,000	-	-	-	1,621	1,621	1,719	1,822

1.4.2 Budget Financial Performance

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

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard										
Governance and administration		28,488	33,973	35,832	32,855	32,855	34,114	31,808	33,557	35,336
Executive and council		9,493	14,005	12,593	11,238	11,238	13,348	8,832	9,318	9,812
Budget and treasury office		13,160	12,904	15,480	14,076	14,076	12,541	14,219	15,001	15,796
Corporate services		5,836	7,064	7,759	7,542	7,542	8,225	8,757	9,238	9,728
Community and public safety		3,606	5,617	5,419	4,455	4,455	7,133	3,232	3,410	3,591
Community and social services		2,523	2,958	2,821	1,784	1,784	4,379	1,738	1,834	1,931
Sport and recreation		535	2,051	2,041	2,068	2,068	2,164	1,102	1,162	1,224
Public safety		548	608	557	602	602	590	392	414	436
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		15,531	18,047	8,494	7,215	7,215	9,004	8,041	12,034	16,643
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		13,488	16,959	8,494	6,369	6,369	9,004	5,325	9,169	13,626
Environmental protection		2,043	1,088	-	846	846	-	2,716	2,865	3,017
Trading services		80,632	90,668	53,929	57,213	57,213	57,165	95,059	90,789	102,394
Electricity		14,215	16,460	17,256	19,803	19,803	18,292	34,609	30,018	31,060
Water		61,400	60,007	13,040	15,735	15,735	13,822	38,899	38,405	52,524
Waste water management		3,048	8,623	19,480	14,394	14,394	20,649	15,401	16,099	11,409
Waste management		1,970	5,577	4,153	7,282	7,282	4,402	6,150	6,267	7,402
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	128,258	148,305	103,674	101,738	101,738	107,415	138,140	139,790	157,963
Expenditure - Standard										
Governance and administration		34,721	27,345	37,939	32,261	32,261	40,215	34,218	36,100	38,013
Executive and council		6,954	9,684	14,163	13,833	13,833	15,013	14,356	15,146	15,949
Budget and treasury office		20,499	12,853	15,771	13,577	13,577	16,717	14,503	15,300	16,111
Corporate services		7,268	4,807	8,005	4,851	4,851	8,485	5,359	5,654	5,953
Community and public safety		3,412	4,955	2,943	3,279	3,279	3,119	3,490	3,682	3,877
Community and social services		2,491	3,352	1,174	1,108	1,108	1,244	973	1,027	1,081
Sport and recreation		525	1,258	1,173	1,715	1,715	1,243	1,473	1,554	1,636
Public safety		396	346	596	457	457	632	1,043	1,101	1,159
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		18,691	17,410	13,617	5,504	5,504	14,434	7,296	7,697	8,105
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		18,691	17,410	13,617	5,504	5,504	14,434	7,296	7,697	8,105
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		35,290	32,861	45,275	31,537	31,537	47,992	42,809	45,171	47,577
Electricity		18,082	14,713	23,713	17,409	17,409	25,136	27,882	29,416	30,975
Water		5,774	6,146	10,671	5,543	5,543	11,311	4,128	4,355	4,585
Waste water management		6,642	7,597	7,287	5,063	5,063	7,724	6,255	6,599	6,949
Waste management		4,792	4,405	3,605	3,522	3,522	3,821	4,545	4,802	5,068
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	92,114	82,572	99,774	72,582	72,582	105,761	87,813	92,650	97,571
Surplus/(Deficit) for the year		36,145	65,733	3,899	29,157	29,157	1,655	50,328	47,140	60,392

1.4.3 Financial Performance (revenue and expenditure by municipal vote)

FS182 Tokologo - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote	1									
Vote 1 - [COUNCIL GENERAL		6,568	6,773	6,742	5,308	5,308	7,146	4,348	4,587	4,831
Vote 2 - MUNICIPAL MANAGER		2,925	7,232	5,851	5,930	5,930	6,202	4,484	4,730	4,981
Vote 3 - FINANCIAL SERVICES		13,160	12,904	15,480	14,076	14,076	13,930	14,219	15,001	15,796
Vote 4 - ASSESSMENT RATES		3,183	3,525	4,317	4,090	4,090	4,576	5,663	5,974	6,291
Vote 5 - CORPORATE SERVICES		6,117	9,156	8,861	7,906	7,906	9,392	6,326	6,674	7,028
Vote 6 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 7 - TECHNICAL SERVICES		15,673	18,047	8,494	7,215	7,215	9,004	8,041	12,034	16,643
Vote 8 - ELECTRICITY		14,215	16,460	17,256	19,803	19,803	18,292	34,609	30,018	31,060
Vote 9 - WATER		61,400	60,007	13,040	15,735	15,735	13,822	38,899	38,405	52,524
Vote 10 - WASTE WATER MANAGEMENT		3,048	8,623	19,480	14,394	14,394	20,649	15,401	16,099	11,409
Vote 11 - SOLID WASTE MANAGEMENT		1,970	5,577	4,153	7,282	7,282	4,402	6,150	6,267	7,402
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	128,258	148,305	103,674	101,738	101,738	107,415	138,140	139,790	157,963
Expenditure by Vote to be appropriated	1									
Vote 1 - [COUNCIL GENERAL		4,961	5,362	7,373	6,845	6,845	7,815	7,498	7,911	8,330
Vote 2 - MUNICIPAL MANAGER		1,992	4,322	6,790	6,989	6,989	7,198	6,858	7,235	7,619
Vote 3 - FINANCIAL SERVICES		20,499	12,853	15,771	13,577	13,577	16,717	14,503	15,300	16,111
Vote 4 - ASSESSMENT RATES		4,768	2,181	1,581	36	36	1,676	377	398	419
Vote 5 - CORPORATE SERVICES		5,761	7,582	9,367	8,094	8,094	9,929	8,471	8,937	9,411
Vote 6 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 7 - TECHNICAL SERVICES		18,843	17,410	13,617	5,504	5,504	14,434	7,296	7,697	8,105
Vote 8 - ELECTRICITY		18,082	14,713	23,713	17,409	17,409	25,136	27,882	29,416	30,975
Vote 9 - WATER		5,774	6,146	10,671	5,543	5,543	11,311	4,128	4,355	4,585
Vote 10 - WASTE WATER MANAGEMENT		6,642	7,597	7,287	5,063	5,063	7,724	6,255	6,599	6,949
Vote 11 - SOLID WASTE MANAGEMENT		4,792	4,405	3,605	3,522	3,522	3,821	4,545	4,802	5,068
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	92,114	82,572	99,774	72,582	72,582	105,761	87,813	92,650	97,571
Surplus/(Deficit) for the year	2	36,145	65,733	3,899	29,157	29,157	1,655	50,328	47,140	60,392

1.4.4 Financial Performance(Revenue and Expenditure)

FS182 Tokologo - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
Revenue By Source											
Property rates	2	2,343	2,936	3,218	3,624	3,624	3,411	-	5,640	5,950	6,265
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	10,120	11,131	11,760	10,480	10,480	12,466	-	18,060	19,053	20,063
Service charges - water revenue	2	1,110	1,181	1,209	3,476	3,476	1,282	-	2,975	3,138	3,305
Service charges - sanitation revenue	2	3,042	3,382	3,599	3,178	3,178	3,815	-	4,932	5,203	5,479
Service charges - refuse revenue	2	1,968	2,176	2,313	2,038	2,038	2,452	-	3,633	3,833	4,036
Service charges - other											
Rental of facilities and equipment		504	862	788	378	378	836		900	949	999
Interest earned - external investments		198	286	502	449	449	532		683	721	759
Interest earned - outstanding debtors		601	806	1,141	1,007	1,007	1,209		1,068	1,127	1,186
Dividends received		16									
Fines		174	106	55	93	93	58		99	104	110
Licences and permits											
Agency services											
Transfers recognised - operational		37,266	47,774	47,122	47,471	47,471	47,471		49,397	46,477	44,818
Other revenue	2	139	357	110	389	389	116	-	428	452	476
Gains on disposal of PPE				703			745				
Total Revenue (excluding capital transfers and contributions)		57,481	70,998	72,521	72,583	72,583	74,393	-	87,814	87,007	87,496
Expenditure By Type											
Employee related costs	2	20,714	21,267	22,729	28,706	29,329	24,092	-	34,967	36,890	38,845
Remuneration of councillors		1,896	1,889	2,180	2,082	2,082	2,311		2,507	2,645	2,785
Debt impairment	3	19,118	6,873	1,769	506	506	1,875		1,875	1,978	2,083
Depreciation & asset impairment	2	19,058	21,946	26,029	2,610	3,110	27,591	-	2,296	2,422	2,550
Finance charges		152	469	387	261	261	410		411	433	456
Bulk purchases	2	11,895	13,259	20,154	17,242	16,319	21,363	-	24,888	26,257	27,649
Other materials	8	3,968	3,458	3,000			3,180		3,191	3,367	3,545
Contracted services		4,828	2,779	8,012	6,101	4,194	8,493	-	3,553	3,749	3,947
Transfers and grants		1,266	254	1,597	1,337	1,420	1,693	-	1,505	1,596	1,692
Other expenditure	4, 5	9,153	10,132	13,918	13,737	15,362	14,753	-	12,618	13,312	14,018
Loss on disposal of PPE		66	244								
Total Expenditure		92,114	82,572	99,774	72,582	72,582	105,761	-	87,813	92,650	97,571
Surplus/(Deficit)		(34,633)	(11,573)	(27,254)	1	1	(31,368)	-	1	(5,643)	(10,075)
Transfers recognised - capital		70,777	77,306	31,153	29,155	29,155	33,022		50,326	52,783	70,467
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		36,145	65,733	3,899	29,157	29,157	1,655	-	50,328	47,140	60,392
Taxation											
Surplus/(Deficit) after taxation		36,145	65,733	3,899	29,157	29,157	1,655	-	50,328	47,140	60,392
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		36,145	65,733	3,899	29,157	29,157	1,655	-	50,328	47,140	60,392
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		36,145	65,733	3,899	29,157	29,157	1,655	-	50,328	47,140	60,392

1.4.5 Capital Expenditure

FS182 Tokologo - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - [COUNCIL GENERAL		-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - ASSESMENT RATES		-	-	-	-	-	-	-	-	-	-
Vote 5 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 7 - TECHNICAL SERVICES		-	2,834	-	-	-	-	-	3,832	7,594	11,467
Vote 8 - ELECTRICITY		-	-	-	-	-	-	-	5,724	2,363	4,000
Vote 9 - WATER		-	54,204	9,591	10,000	10,000	10,000	-	33,000	35,000	50,000
Vote 10 - WASTE WATER MANAGEMENT		-	4,079	-	8,890	8,890	8,890	-	7,382	7,639	2,500
Vote 11 - SOLID WASTE MANAGEMENT		-	2,323	-	3,380	3,380	3,380	-	388	188	1,000
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	-	63,441	9,591	22,269	22,269	22,269	-	50,326	52,783	68,967
Single-year expenditure to be appropriated	2										
Vote 1 - [COUNCIL GENERAL		890	26	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	21	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES		-	13	-	-	-	-	-	-	-	-
Vote 4 - ASSESMENT RATES		-	-	-	-	-	-	-	-	-	-
Vote 5 - CORPORATE SERVICES		753	16	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 7 - TECHNICAL SERVICES		12,358	9,976	6,827	3,040	3,040	3,040	-	-	-	1,500
Vote 8 - ELECTRICITY		-	2,382	-	2,762	2,762	2,762	-	-	-	-
Vote 9 - WATER		52,413	350	4,582	1,083	1,083	1,083	-	-	-	-
Vote 10 - WASTE WATER MANAGEMENT		2,363	-	9,125	-	-	-	-	-	-	-
Vote 11 - SOLID WASTE MANAGEMENT		1,107	-	-	-	-	-	-	-	-	-
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		69,884	12,783	20,534	6,886	6,886	6,886	-	-	-	1,500
Total Capital Expenditure - Vote		69,884	76,223	30,125	29,155	29,155	29,155	-	50,326	52,783	70,467
Capital Expenditure - Standard											
Governance and administration		1,643	76	-	-	-	-	-	-	-	-
Executive and council		890	47	-	-	-	-	-	-	-	-
Budget and treasury office		-	13	-	-	-	-	-	-	-	-
Corporate services		753	16	-	-	-	-	-	-	-	-
Community and public safety		12,358	12,810	6,827	3,040	3,040	3,040	-	3,832	7,594	12,967
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		12,358	12,810	6,827	3,040	3,040	3,040	-	3,832	7,594	12,967
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		55,883	63,338	23,298	26,115	26,115	26,115	-	46,494	45,190	57,500
Electricity		-	2,382	-	2,762	2,762	2,762	-	5,724	2,363	4,000
Water		52,413	54,554	14,173	11,083	11,083	11,083	-	33,000	35,000	50,000
Waste water management		2,363	4,079	9,125	8,890	8,890	8,890	-	7,382	7,639	2,500
Waste management		1,107	2,323	-	3,380	3,380	3,380	-	388	188	1,000
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	69,884	76,224	30,125	29,155	29,155	29,155	-	50,326	52,783	70,467
Funded by:											
National Government		69,884	76,224	30,125	29,155	29,155	29,155	-	50,326	52,783	70,467
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	69,884	76,224	30,125	29,155	29,155	29,155	-	50,326	52,783	70,467
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-	-
Total Capital Funding	7	69,884	76,224	30,125	29,155	29,155	29,155	-	50,326	52,783	70,467

1.4.6 Financial Position

FS182 Tokologo - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS											
Current assets											
Cash		3,369	3,221	4,245			4,500		4,500	4,770	5,056
Call investment deposits	1	-	-	-	2,564	2,564	-	-	2,718	2,881	3,053
Consumer debtors	1	-	-	-	2,325	2,325	-	-	13,111	13,897	14,731
Other debtors		1,573	1,741	1,451	17,875	17,875	1,538		1,538	1,630	1,728
Current portion of long-term receivables		5,827	13,150	6,876	1,615	1,615	7,289		7,289	7,726	8,190
Inventory	2	13	10	20	10	10	21		21	23	24
Total current assets		10,781	18,122	12,593	24,388	24,388	13,348	-	29,176	30,927	32,782
Non current assets											
Long-term receivables										-	
Investments		277	278	325	278	278	344		344	365	387
Investment property		30,131	28,153	28,153	30,911	30,911	29,842		29,842	31,633	33,531
Investment in Associate											
Property, plant and equipment	3	415,490	532,684	546,877	490,831	490,831	579,690	-	571,320	605,599	641,935
Agricultural											
Biological		1,390	1,409	1,706	1,482	1,482	1,808		1,808	1,917	2,032
Intangible			76	20	45	45	21		21	22	23
Other non-current assets											
Total non current assets		447,288	562,600	577,081	523,546	523,546	611,705	-	603,336	639,536	677,908
TOTAL ASSETS		458,070	580,722	589,673	547,934	547,934	625,054	-	632,512	670,463	710,690
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	393	-	-	193	193	-	-	205	217	230
Consumer deposits		362	379	411	379	379	435		435	461	489
Trade and other payables	4	18,672	11,059	16,575	12,126	12,126	17,570	-	18,624	19,741	20,926
Provisions		3,083	2,615	2,773	1,136	1,136	2,939		2,939	3,116	3,303
Total current liabilities		22,511	14,053	19,759	13,834	13,834	20,944	-	22,203	23,536	24,948
Non current liabilities											
Borrowing		285	311	889	274	274	943	-	943	999	1,059
Provisions		3,104	4,261	4,056	3,630	3,630	4,299	-	4,299	4,557	4,831
Total non current liabilities		3,389	4,572	4,945	3,904	3,904	5,242	-	5,242	5,557	5,890
TOTAL LIABILITIES		25,899	18,624	24,704	17,738	17,738	26,187	-	27,446	29,092	30,838
NET ASSETS	5	432,170	562,097	564,969	530,196	530,196	598,867	-	605,066	641,370	679,853
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		432,170	562,097	564,969	530,196	530,196	598,867		605,066	641,370	679,853
Reserves	4	-	-	-	-	-	-		-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	432,170	562,097	564,969	530,196	530,196	598,867	-	605,066	641,370	679,853

1.4.7 Cash Flow

FS182 Tokologo - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges								3,120	4,230	4,463	4,699
Service charges		19,400	17,502	16,356	21,695	17,359	17,337	12,194	22,200	23,421	24,662
Other revenue								653	1,070	1,129	1,189
Government - operating	1	36,373	46,691	44,497	47,471	47,471	47,167	47,471	49,397	46,477	44,818
Government - capital	1	70,777	77,052	31,153	29,155	29,155	29,155	29,155	50,326	52,783	70,467
Interest		799	1,092	1,643	1,007	1,007	1,741	331	1,313	1,385	1,459
Dividends		16							-	-	-
Payments											
Suppliers and employees		(58,108)	(69,606)	(53,262)	(57,454)	(67,868)	(56,458)	(60,772)	(81,725)	(86,220)	(90,790)
Finance charges		(152)			(91)	(261)	(505)	(505)	(411)	(433)	(456)
Transfers and Grants	1					(1,337)	(1,695)	(1,695)	(1,505)	(1,588)	(1,672)
NET CASH FROM/(USED) OPERATING ACTIVITIES		69,105	72,730	40,386	41,783	25,526	36,742	29,952	44,894	41,416	54,375
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		123	1,858	516			547		-	-	-
Decrease (increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(68,576)	(74,083)	(40,323)	(29,155)	(29,155)	(29,155)	(29,155)	(50,326)	(52,783)	(70,467)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(68,453)	(72,224)	(39,807)	(29,155)	(29,155)	(28,608)	(29,155)	(50,326)	(52,783)	(70,467)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		370	(653)	444			471		-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		370	(653)	444	-	-	471	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		1,022	(147)	1,024	12,628	(3,629)	8,606	797	(5,432)	(11,367)	(16,092)
Cash/cash equivalents at the year begin:	2	2,347	3,369	3,221	4,245	4,245	4,245	4,245	5,043	(389)	(11,757)
Cash/cash equivalents at the year end:	2	3,369	3,221	4,245	16,874	616	12,851	5,043	(389)	(11,757)	(27,849)

References

1.4.8 Cash backed reserves

FS182 Tokologo - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2011/12		2012/13		2013/14		Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework					
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18				
Cash and investments available																
Cash/cash equivalents at the year end	1	3,369	3,221	4,245	4,245	16,874	616	12,851	5,043	(389)	(11,757)	(27,849)				
Other current investments > 90 days		-	-	-	-	(14,310)	1,947	(8,351)	(5,043)	7,607	19,407	35,959				
Non current assets - Investments	1	277	278	325	325	278	278	344	-	344	365	387				
Cash and investments available:		3,646	3,499	4,570	4,570	2,841	2,841	4,844	-	7,562	8,015	8,496				
Application of cash and investments																
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	-				
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-				
Statutory requirements	2															
Other working capital requirements	3	17,146	9,731	13,572	13,572	(5,642)	(2,091)	14,386	-	5,675	6,017	6,378				
Other provisions																
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-	-				
Reserves to be backed by cash/investments	5															
Total Application of cash and investments:		17,146	9,731	13,572	13,572	(5,642)	(2,091)	14,386	-	5,675	6,017	6,378				
Surplus(shortfall)		(13,500)	(6,232)	(9,002)	(9,002)	8,483	4,932	(9,542)	-	1,886	1,999	2,119				

1.4.9 Asset Management

FS182 Tokologo - Table A9 Asset Management

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	69,884	76,223	30,125	29,155	29,155	29,155	47,939	45,002	59,000
Infrastructure - Road transport		12,358	-	-	718	718	718	1,832	-	2,500
Infrastructure - Electricity		-	2,382	-	6,994	6,994	6,994	5,724	2,363	4,000
Infrastructure - Water		52,413	54,554	14,173	10,000	10,000	10,000	33,000	35,000	50,000
Infrastructure - Sanitation		2,363	4,079	9,125	8,841	8,841	8,841	7,382	7,639	2,500
Infrastructure - Other		1,997	2,323	-	-	-	-	-	-	-
Infrastructure		69,131	63,338	23,298	26,554	26,554	26,554	47,939	45,002	59,000
Community		753	12,810	6,827	2,602	2,602	2,602	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	75	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	2,388	7,781	11,467
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	388	188	1,000
Infrastructure		-	-	-	-	-	-	388	188	1,000
Community		-	-	-	-	-	-	2,000	7,594	10,467
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		12,358	-	-	718	718	718	1,832	-	2,500
Infrastructure - Electricity		-	2,382	-	6,994	6,994	6,994	5,724	2,363	4,000
Infrastructure - Water		52,413	54,554	14,173	10,000	10,000	10,000	33,000	35,000	50,000
Infrastructure - Sanitation		2,363	4,079	9,125	8,841	8,841	8,841	7,382	7,639	2,500
Infrastructure - Other		1,997	2,323	-	-	-	-	388	188	1,000
Infrastructure		69,131	63,338	23,298	26,554	26,554	26,554	48,326	45,190	60,000
Community		753	12,810	6,827	2,602	2,602	2,602	2,000	7,594	10,467
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	75	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	69,884	76,223	30,125	29,155	29,155	29,155	50,326	52,783	70,467
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	160,047	205,190	210,657	189,068	189,068	210,657	220,072	233,277	247,273
Infrastructure - Electricity		6,006	7,777	7,984	7,166	7,166	7,984	8,341	8,842	9,372
Infrastructure - Water		114,675	147,021	150,938	135,469	135,469	150,938	157,684	167,145	177,174
Infrastructure - Sanitation		20,027	25,675	26,359	23,658	23,658	26,359	27,538	29,190	30,941
Infrastructure - Other		114,735	147,021	150,938	135,469	135,469	183,751	157,684	167,145	177,174
Infrastructure		415,490	532,684	546,877	490,831	490,831	579,690	571,320	605,599	641,935
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		30,131	28,153	28,153	30,911	30,911	29,842	29,842	31,633	33,531
Other assets		-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		1,390	1,409	1,706	1,482	1,482	1,808	1,808	1,917	2,032
Intangibles		-	76	20	45	45	21	21	22	23
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	447,011	562,322	576,756	523,269	523,269	611,361	602,992	639,171	677,521
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		19,058	21,946	26,029	2,610	3,110	27,591	2,296	2,422	2,550
Repairs and Maintenance by Asset Class	3	3,968	3,458	3,000	-	-	-	1,621	1,719	1,822
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		3,968	3,458	3,000	-	-	-	1,621	1,719	1,822
Infrastructure		3,968	3,458	3,000	-	-	-	1,621	1,719	1,822
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		23,026	25,404	29,029	2,610	3,110	27,591	3,917	4,141	4,372

1.4.10 Basic Service Delivery

FS182 Tokologo - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling		1,237	1,280	3,259	3,259	3,259	3,259	3,259	3,438	3,620
Piped water inside yard (but not in dwelling)		4,285	8,864	7,137	7,137	7,137	7,137	7,137	7,530	7,929
Using public tap (at least min.service level)	2	-	585	585	585	585	585	585	617	650
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		5,522	10,729	10,981	10,981	10,981	10,981	10,981	11,585	12,199
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	5,522	10,729	10,981	10,981	10,981	10,981	10,981	11,585	12,199
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		916	1,669	1,669	2,089	2,089	2,089	2,089	2,204	2,321
Flush toilet (with septic tank)		710	908	908	1,170	1,170	1,170	1,170	1,234	1,300
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		2,733	7,617	7,617	7,187	7,187	7,187	7,187	7,582	7,984
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		4,359	10,194	10,194	10,446	10,446	10,446	10,446	11,021	11,605
Bucket toilet		1,163	535	535	535	535	535	535	564	594
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		1,163	535	535	535	535	535	535	564	594
Total number of households	5	5,522	10,729	10,729	10,981	10,981	10,981	10,981	11,585	12,199
Energy:										
Electricity (at least min.service level)		1,237	1,200	1,200	1,200	1,200	1,200	1,200	1,266	1,333
Electricity - prepaid (min.service level)		4,285	8,561	8,910	8,910	8,910	8,910	8,910	9,400	9,898
<i>Minimum Service Level and Above sub-total</i>		5,522	9,761	10,110	10,110	10,110	10,110	10,110	10,666	11,231
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)			968	871				871	919	968
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	968	871	-	-	-	871	919	968
Total number of households	5	5,522	10,729	10,981	10,110	10,110	10,110	10,981	11,585	12,199
Refuse:										
Removed at least once a week		5,522	10,729	10,981	10,981	10,981		10,981	11,585	12,199
<i>Minimum Service Level and Above sub-total</i>		5,522	10,729	10,981	10,981	10,981	-	10,981	11,585	12,199
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	5,522	10,729	10,981	10,981	10,981	-	10,981	11,585	12,199
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)					1,589	1,589	1,589	1,684	1,777	1,871
Sanitation (free minimum level service)					1,589	1,589	1,589	1,684	1,777	1,871
Electricity/other energy (50kw h per household per month)					1,589	1,589	1,589	1,684	1,777	1,871
Refuse (removed at least once a week)					1,589	1,589	1,589	1,684	1,777	1,871
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)					0	0	0	0	0	0
Sanitation (free sanitation service)					0	0	0	0	0	0
Electricity/other energy (50kw h per household per month)					0	0	0	0	0	0
Refuse (removed once a week)					0	0	0	0	0	0
Total cost of FBS provided (minimum social packag		-	-	-	0	0	0	0	0	0
Highest level of free service provided										
Property rates (R value threshold)		35,000	35,000	35,000	15,000	15,000	15,000	15,000	15,000	15,000
Water (kilolitres per household per month)				6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)				55	58	58	58	62	65	69
Electricity (kw h per household per month)				50	42	42	42	45	47	50
Refuse (average litres per week)				36	39	39	39	41	43	45

PART 2

1.1 Overview of the annual Budget

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

All department heads were asked to give their inputs 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 draft budget, which was tabled at the end of March 2013.

The annual budget of the municipality is aligned to the municipality integrated development plan. Section 22 of the MFMA stipulates that the budget must be sent both to the National and Provincial Treasury both in hard and Electronic copy. MFMA section 23(1) stipulates that after the annual budget of the municipality has been tabled in council the municipality must consider the views of the local community and relevant provincial treasury.

Based on the above the municipality is planning to invite the community to the budget consultative meetings, the meetings are scheduled from 19th, 20th and 21st of May 2015.

1.2 Overview of the alignment of annual budget with Integrated development Plan

The budget of the municipality was informed by the IDP as both documents were prepared in tandem, the biggest project in the municipal budget and IDP is the laying of the pipe line from Riverton to Boshof, the entire funding of this project is Regional Bulk.

Another important project included in the IDP is sewerage network in Seretse, this project is aimed at eradicating buckets systems.

1.3 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 medium term. Tokologo Local Municipality has the following budget related policies

- Credit Control Policy
As required by the Municipal Systems Act Section 97 the credit control policy was approved

- Property Rates Policy
As property rates Policy which is in line with the property rates Act was approved by council.
- Supply Chain management Policy
The policy reflects and represents the context of the Municipal Finance Management Act, Act no 56 of 2003

1.4 Overview of Budget Assumptions

The budget was prepared on the incremental budgeting process with the assumption that goods and services as previously budgeted will increase by a certain percentage which is more than the current CPI. The following tariffs were increased Sewerage 6.%, Refuse 6%, Water 50% and Electricity 12,2%.

1.5 Overview of Budget Funding

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

- Realistically anticipated revenue to be collected
- Cash- Backed accumulated funds from previous year's surpluses not committed for other purposes
- Borrowed funds but only for capital budget referred to section 17 (2)

Tokologo Local Municipality operating budget totals to R87 812 530 and is funded from:

- Grants
- Service Charges
- Other Revenue

The capital budget of the municipality totals R50 326 350 and is funded from:

- Regional Bulk
- MIG
- INEG

The municipality collection rate is standing at 60%

The municipality equitable share is R44 637 000, the other grants that the municipality is receiving are Financial management grant (FMG) R1 800 000, municipal systems improvements (MSIG) R930 000, Extended public works programme (EPWP) R 1223 000, Regional Bulk R33 000 000 and Municipal Infrastructure Grant (MIG) R16 133 000, Total allocation are clearly distinguished in supporting tables SA20.

1.6 Expenditure on allocations and grants Programmes

Total Grants allocated to the municipality is R99 723 000 including infrastructure of R50 326 350.

- Financial Management Grant
The conditions of the grant is that the municipality should appoint 5 Finance Interns , the grant will be used for training of the municipal budget and reporting office officials, and for the compilation of the Fixed asset Register
- Municipal systems Improvement Grant
Upgrade the IT system
SCOA Training
Fixed assets register

1.7 Allocations and grants made by the municipality

Due to financial constraints of the municipality, the municipality is not giving any grants away to institutions or individuals

1.8 Monthly targets for revenue, expenditure and cash flow

Disclosure of the monthly cash flow is on supporting table SA 24, SA25, AS26, SA27, SA28 and SA29

1.9 Contracts Having Future Budgetary implications

The municipality do not have any contracts over 3 years .

1.10 Capital Expenditure

Disclosed in table A5

1.11 Municipal manager's quality certification

I **Kelehile Joseph Motlhale**, municipal manager of **Tokologo Local Municipality**, hereby certify that the adjustment budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under that Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Name: _____

Name of Municipality: _____

Signature: _____

Date: _____