



**Postal Address:**  
Musina Local Municipality  
Private Bag X611  
Musina  
0900

**Physical Address:**  
21 Irwin Street  
Musina  
0900

**Information Center**  
(015) 534 6100  
[info@musina.gov.za](mailto:info@musina.gov.za)  
[www.musina.gov.za](http://www.musina.gov.za)

## REPORT ON THE ADJUSTMENT BUDGET FOR THE MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK 2023/2024, 2024/2025 UNTIL 2025/2026 FINANCIAL YEARS

### Report by the Chief Financial Officer

1. Section 16(2) of the Local Government Municipal Finance Management Act 56 of 2003 (MFMA) stipulate that the Mayor should table the annual budget for the municipality at a council meeting at least thirty(30) day before the start of the budget year. The annual budget was approved on 30 May 2023 budget.
2. (1)A municipality may revise an approved annual budget through an adjustments budget.  
(2) An adjustments budget (a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year; (b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for; (c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;  
(d)May authorise the utilisation of projected savings in one vote towards spending under another vote;  
(e)May authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected rollovers when the annual budget for the current year was approved by the council;  
(f)May correct any errors in the annual budget; and  
(g)May provide for any other expenditure within a prescribed framework.
3. The adjustment budget must be divided into a Capital and Operational Budget in accordance with international best practice and must be scheduled in a prescribed format:
  - Setting out realistically anticipated revenue for the budget year from each source
  - Appropriating expenditure for the budget year under the different votes/data strings of the council
  - Setting out indicative revenue per revenue source and projected expenditure by vote/type/data strings for the two financial years following the budget year.
  - Setting out estimated revenue and expenditure by vote/data strings for the current year and actual revenue and expenditure by vote for the financial years preceding the current year.
  - As a statement containing any other information required by section 215 (3) of the constitution or as prescribed.



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4. The adjustment budget herewith presented is a credible operating and capital budget which is fortunately now going for Tabling is as such hereby as funded due matters to be highlighted, and illustrated on annexures number C, D & E.

- That funds only activities which are consistent with the revised IDP.
- That contains revenue and expenditure projections that are consistent with current and past performances.
- That ensures that the financial position is improved to favourable and maintained so that obligations over the short, medium and long term are met, (Working Capital Management)
- That ensures the service delivery and performance targets are met.

5. The adjustment budget consist of (1) main Schedule of documentation prescribed by legislation: B Schedule of municipal Adjustment Budgets.

## 6.1 ANNEXURE A

6.1.1 The following appears as the Summary of Adjustment 2023/2024 Budget of Musina Local Municipality:

Description	2024/25								Budget Year 2025/26	Budget Year 2026/27
	Original Budget	Prior Adjusted	Accums. Funds	Multi-year capital	Unfore. Unavail.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H	
<b>Financial Performance</b>										
Property rates	26 950	—	—	—	—	—	—	—	26 950	28 162
Service charges	176 127	—	—	—	—	4 903	4 903	181 030	184 856	193 289
Investment revenue	555	—	—	—	—	300	300	855	582	609
Transfers recognised - operational	220 628	—	—	—	—	6 507	6 507	227 135	243 651	253 719
Other own revenue	106 608	—	—	—	—	—	—	106 608	50 884	54 180
<b>Total Revenue (excluding capital transfers and use of capital)</b>	<b>539 888</b>	—	—	—	—	—	11 710	<b>11 710</b>	<b>542 578</b>	<b>508 136</b>
Employee costs	164 268	—	—	—	—	—	—	164 268	172 486	181 104
Remuneration of councillors	11 428	—	—	—	—	—	—	11 428	11 885	12 480
Depreciation & asset impairment	34 000	—	—	—	—	—	—	34 000	35 700	37 485
Finance charges	525	—	—	—	—	—	—	525	551	577
Inventory consumed and bulk purchases	149 493	—	—	—	—	—	—	149 493	156 963	164 797
Transfers and subsidies	4 987	—	—	—	—	6 507	6 507	11 494	5 084	4 982
Other expenditure	120 157	—	—	—	—	(12 936)	(12 936)	107 231	115 383	121 196
<b>Total Expenditure</b>	<b>484 888</b>	—	—	—	—	(6 429)	(6 429)	<b>478 439</b>	<b>498 847</b>	<b>522 621</b>
<b>(Surplus)/(Deficit)</b>	<b>46 000</b>	—	—	—	—	18 139	18 139	64 139	9 489	8 747
Transfers and subsidies - capital (monetary allocations)	34 036	—	—	—	—	8 271	8 271	42 307	50 444	52 584
Transfers and subsidies - capital (in-kind - all)	—	—	—	—	—	—	—	—	—	—
<b>(Surplus)/(Deficit) after capital transfers &amp; contributions</b>	<b>80 036</b>	—	—	—	—	<b>26 410</b>	<b>26 410</b>	<b>106 446</b>	<b>59 933</b>	<b>61 331</b>
Share of surplus (deficit) of associate	—	—	—	—	—	—	—	—	—	—
<b>(Surplus) / (Deficit) for the year</b>	<b>80 036</b>	—	—	—	—	<b>26 410</b>	<b>26 410</b>	<b>106 446</b>	<b>59 933</b>	<b>61 331</b>
<b>Capital expenditure &amp; funds source</b>										
Capital expenditure	80 036	—	—	—	—	17 867	17 867	97 903	59 933	61 331
Transfers recognised - capital	34 036	—	—	—	—	11 411	11 411	45 447	50 444	52 584
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	46 000	—	—	—	—	6 455	6 455	52 455	9 489	8 747
<b>Total sources of capital funds</b>	<b>80 036</b>	—	—	—	—	<b>17 867</b>	<b>17 867</b>	<b>97 903</b>	<b>59 933</b>	<b>61 331</b>
<b>Financial position</b>										
Total current assets	179 390	—	—	—	—	26 407	26 407	204 797	275 192	376 825
Total non current assets	547 831	—	—	—	—	17 867	17 867	565 697	572 063	595 910
Total current liabilities	81 891	—	—	—	—	—	—	9 592	9 483	207 141
Total non current liabilities	6 500	—	—	—	—	—	—	6 500	6 500	6 500
Community wealth/Equity	637 838	—	—	—	—	34 681	34 681	672 511	697 762	759 094
<b>Cash flows</b>										
Net cash from (used) operating	126 667	—	—	—	—	(8 027)	(8 027)	118 640	114 816	119 149
Net cash from (used) investing	(80 036)	—	—	—	—	(17 867)	(17 867)	(97 903)	(59 933)	(61 331)
Net cash from (used) financing	—	—	—	—	—	—	—	—	—	—
<b>Cash/cash equivalents at the year end</b>	<b>52 346</b>	—	—	—	—	<b>(18 790)</b>	<b>(18 790)</b>	<b>33 556</b>	<b>106 179</b>	<b>162 894</b>
<b>Cash backin/burden reconciliation</b>										
Cash and investments available	62 027	—	—	—	—	(18 858)	(18 858)	43 169	115 808	172 471
Application of cash and investments	(156 333)	—	—	—	—	18 097	18 097	(138 236)	(130 297)	(101 694)
<b>Balance - surplus (shortfall)</b>	<b>219 360</b>	—	—	—	—	(36 955)	(36 955)	<b>181 484</b>	<b>246 105</b>	<b>274 165</b>
<b>Asset Management</b>										
Asset register summary (WDV)	537 100	—	—	—	—	17 867	17 867	554 966	561 332	585 179
Depreciation	34 000	—	—	—	—	—	—	34 000	35 700	37 485
Renewal and Upgrading of Existing Assets	18 171	—	—	—	—	(4 434)	(4 434)	13 737	7 700	12 700
Repairs and Maintenance	13 755	—	—	—	—	(500)	(500)	13 255	13 329	13 955
<b>Cost services</b>										
Cost of Free Basic Services provided	—	—	—	—	—	—	—	—	—	—
Revenue cost of free services provided	—	—	—	—	—	—	—	—	—	—
<b>Households below minimum service level</b>	<b>Water:</b>	—	—	—	—	—	—	—	—	—
Sanitation/sewerage:	6	—	—	—	—	—	—	6	—	—
Energy:	6	—	—	—	—	—	—	6	—	—
Refuse:	—	—	—	—	—	—	—	—	—	—



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## 6.1.2

- (a) The operating revenue and expenditure budgets will have to be adjusted upwards from the budget figure of **R 530 868 Million to R 542 578 Million**, it has increase by **R 11 710 Million** and expenditure budget decrease from **R484 868 Million to R 478 439 Million** it has decrease by **R 6 429 Million** and we have a surplus of **R64 139 Million** which will fund own capital projects amount to **R54 695 Million** be summarised further below as follows:

LIM341 Musina - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 2024/02/29

Description	Ref	2024/25									Budget Year 2025/26	Budget Year 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts	Total Adjusts	Adjusted Budget		
R thousands	1	A	3	4	5	6	7	8	9	10	H	
<b>Revenue By Source</b>												
Exchange Revenue												
Service charges - Electricity	2	160 630	—	—	—	—	—	—	—	160 630	168 661	177 094
Service charges - Water	2	—	—	—	—	—	—	—	—	—	—	—
Service charges - Waste Water Management	2	—	—	—	—	—	—	—	—	—	—	—
Service charges - Waste Management	2	15 497	—	—	—	—	—	4 903	4 903	20 400	16 195	16 195
Sale of Goods and Rendering of Services		1 994	—	—	—	—	—	—	—	1 994	2 092	2 191
Agency services		—	—	—	—	—	—	—	—	—	—	—
Interest		—	—	—	—	—	—	—	—	—	—	—
Interest earned from Receivables		5 767	—	—	—	—	—	—	—	5 767	6 049	6 333
Interest earned from Current and Non Current Assets		555	—	—	—	—	300	300	855	582	609	—
Dividends		—	—	—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		588	—	—	—	—	—	—	—	588	615	645
Licence and permits		—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		91 618	—	—	—	—	—	—	—	91 618	35 162	37 718
<b>Non-Exchange Revenue</b>												
Property rates	2	26 950	—	—	—	—	—	—	—	26 950	28 162	29 571
Surcharges and Taxes		—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		4 075	—	—	—	—	—	—	—	4 075	4 275	4 476
Licences or permits		2 565	—	—	—	—	—	—	—	2 565	2 691	2 818
Transfer and subsidies - Operational		220 628	—	—	—	—	6 507	6 507	227 135	243 651	253 719	—
Interest		—	—	—	—	—	—	—	—	—	—	—
Fuel Levy		—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		—	—	—	—	—	—	—	—	—	—	—
Other Gains		—	—	—	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—	—	—
<b>Total Revenue (excluding capital transfers and contributions)</b>		530 868	—	—	—	—	—	11 710	11 710	542 578	508 136	531 369
<b>Expenditure By Type</b>												
Employee related costs		164 268	—	—	—	—	—	—	—	164 268	172 480	181 104
Remuneration of councillors		11 428	—	—	—	—	—	—	—	11 428	11 885	12 480
Bulk purchases - electricity		144 815	—	—	—	—	—	—	—	144 815	152 056	159 659
Inventory consumed		4 678	—	—	—	—	—	—	—	4 678	4 907	5 138
Debt impairment		—	—	—	—	—	—	—	—	—	—	—
Depreciation and amortisation		34 000	—	—	—	—	—	—	—	34 000	35 700	37 485
Interest		525	—	—	—	—	—	—	—	525	551	577
Contracted services		39 279	—	—	—	—	—	1 037	1 037	40 316	37 456	39 329
Transfers and subsidies		4 987	—	—	—	—	—	6 507	6 507	11 494	5 084	4 982
Inrecoverable debts written off		45 000	—	—	—	—	—	(20 000)	(20 000)	25 000	47 250	49 613
Operational costs		35 888	—	—	—	—	—	6 028	6 028	41 916	31 278	32 254
Losses on disposal of Assets		—	—	—	—	—	—	—	—	—	—	—
Other Losses		—	—	—	—	—	—	—	—	—	—	—
<b>Total Expenditure</b>		484 868	—	—	—	—	—	(6 429)	(6 429)	478 439	498 647	522 621
<b>Surplus/(Deficit)</b>		46 000	—	—	—	—	—	18 139	18 139	64 139	9 489	8 747
Transfers and subsidies - capital (monetary allocations)		34 036	—	—	—	—	—	8 271	8 271	42 307	50 444	52 584
Transfers and subsidies - capital (in-kind - all)		—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) before taxation</b>		80 036	—	—	—	—	—	26 410	26 410	106 446	59 933	61 331
Income Tax		—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after taxation</b>		80 036	—	—	—	—	—	26 410	26 410	106 446	59 933	61 331
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) attributable to municipality</b>		80 036	—	—	—	—	—	26 410	26 410	106 446	59 933	61 331
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/ (Deficit) for the year</b>	1	80 036	—	—	—	—	—	26 410	26 410	106 446	59 933	61 331



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## REVENUE

- **Refuse Revenue** adjusted upwards with **R4 903 Million** as it was over 74% during the mid-year assessment, this item was under budgeted.
- **Interest on External Investments** was adjusted upwards with **R300 thousands** this item was under budgeted.
- **Operating Grants:** The municipality has increased this item with **R6 507 Million** due an approved allocation of LGSETA grant.
- **Other revenue items also remain** the same and the performance of these items will be monitored.

## EXPENDITURE

The drivers of expenditure which are statutory in nature are Employee cost and Remuneration of Councillors and Bulk Purchases and operational expenditure.

- The municipality has adjusted the following items:
- **Bad Debts Written Off** was reduced by **R20 Million** because the municipality will no longer write Vhembe debts.
- **Transfers and Grants** was increased by **R 6 507 Million** for provision of allocation received from **LGSETA** grant.
- **R40 316 Million** for contracted services, increased by **R 1 037 Million** and on **other expenditure 41 916 Million** increased by **R 6 028 Million** to cover for non-budgeted items that have expenditure, it is broken down as per commitments which has future budgetary implications and cut to the bone general operational expenses as listed below:



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**Below is a detailed breakdown of contracted services and other expenditure:**

<b>OTHER EXPENDITURE</b>	
Operating Lease	R 100 000.00
Mayoral Study Bursary	R 550 000.00
Advertising Publicity and Marketing: Municipal Newsletters N	R 521 247.00
Bank Admin Fees	R 690 439.00
Expenditure: Operational Cost: Bursaries (Employees)	R 500 000.00
Mayor's Car Wash New	R 2 760.00
Communication: Postage/Stamps/Frinking Machines	R 278 070.00
Communication: Telephone Fax Telegraph and Telex	R 2 082 289.00
Entertainment: Councillors	R 92 016.00
External Auditors	R 312 326.00
External Computer Service: Software Licences	R 2 200 000.00
Insurance Underwriting: Premiums	R 8 007 000.00
Expenditure: Operational Cost: Learnerships and Internships	R 114 480.00
Licences: Motor Vehicle Licence and Registrations	R 70 369.00
Mayors Social Responsibility	R 50 000.00
Expenditure: Operational Cost: Printing Publications and Books	R 631 844.00
Membership Fees	R 80 000.00
Membership Fees -SALGA	R 1 468 235.00
Seminars Conferences Workshops and Events: National	R 2 337 607.00
Workmen's Compensation Fund	R 1 500 000.00
Expenditure: Operational Cost: Signage New	R 45 000.00
Skills Development Levy	R 1 630 359.00
Toll gate fees	R 101 842.00
Transport Provided as Part of Departmental Activities: Munic	R 700 000.00
Domestic: Accommodation	R 2 913 859.00
Domestic: Daily Allowance	R 1 415 741.00
Domestic: Incidental Cost	R 43 000.00
Public Transport Air TransportNew	R 128 000.00
Transport without Operator: Car Rental New	R 208 822.00
Transport without Operator: Own Transport	R 5 999 557.00
Expenditure: Operational Cost: Uniform and Protective Clothi	R 2 200 000.00
Ward Committe stipends	R 2 178 775.00
Expenditure: Operational Cost: Wet Fuel	R 2 762 029.00
	<b>R 41 915 666.00</b>



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**CONTRACTED SERVICES**

Business and Advisory:Accounting and Auditing	R 819,342.00
Business and Advisory:Audit Committee	R 300,000.00
Business and Advisory:Business and Financial Management	R 3,500,000.00
Business and Advisory:Medical Examinations	R 1,500,000.00
Business and Advisory:Occupational Health and Safety	R 80,000.00
Business and Advisory:Organisational	R 120,000.00
Business and Advisory: Project Management	R 500,000.00
Business and Advisory:Quality Control	R 4,906,588.00
Business and Advisory:Research and Advisory	R 86,493.00
Business and Advisory:Valuers and Assessors	R 600,000.00
Legal Cost:Legal Advice and Litigation	R 1,000,000.00
Contractors:Catering Services	R 1,175,000.00
Contractors:Maintenance of Buildings and Facilities	R 1,400,000.00
Contractors:Maintenance of Equipment	R 290,000.00
Contractors:Maintenance of Unspecified Assets	R 2,200,000.00
Outsourced Services:Burial Services	R 100,000.00
Outsourced Services:Drivers Licence Cards	R 400,000.00
Outsourced Services:Refuse Removal	R 7,338,552.00
Outsourced Services:Security Services	R 14,000,000.00
	<b>R 40,315,975.00</b>



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## 6.2 ANNEXURE B CAPITAL BUDGET

Capital Expenditure - Functional		4 300	=	=	=	=	=	4 950	4 950	9 250	=	=
Governance and administration		4 300	=	=	=	=	=	4 950	4 950	9 250	=	=
Executive and council		4 300	=	=	=	=	=	4 950	4 950	9 250	=	=
Finance and administration		4 300	=	=	=	=	=	4 950	4 950	9 250	=	=
Internal audit		—	=	=	=	=	=	—	—	—	=	=
Community and public safety		1 780	=	=	=	=	=	—	—	1 780	5 000	9 000
Community and social services		—	=	=	=	=	=	—	—	5 000	9 000	=
Sport and recreation		—	=	=	=	=	=	—	—	—	=	=
Public safety		1 780	=	=	=	=	=	—	—	1 780	=	=
Housing		—	=	=	=	=	=	—	—	—	=	=
Health		—	=	=	=	=	=	—	—	—	=	=
Economic and environmental services		31 456	=	=	=	=	=	17 045	17 045	48 501	32 944	12 372
Planning and development		8 765	=	=	=	=	=	10 932	10 932	19 697	25 244	3 000
Road transport		22 691	=	=	=	=	=	6 113	6 113	28 804	7 700	9 372
Environmental protection		—	=	=	=	=	=	—	—	—	=	=
Trading services		42 500	=	=	=	=	=	(4 129)	(4 129)	38 371	21 889	39 969
Energy sources		35 000	=	=	=	=	=	(5 460)	(5 460)	29 540	19 489	18 747
Water management		—	=	=	=	=	=	—	—	—	=	=
Waste water management		—	=	=	=	=	=	—	—	—	=	=
Waste management		7 500	=	=	=	=	=	1 331	1 331	8 831	2 500	21 212
Other		—	=	=	=	=	=	—	—	—	=	=
Total Capital Expenditure - Functional		3	80 036	=	=	=	=	17 067	17 067	97 903	59 933	61 331
Funded by:												
National Government		34 036	=	=	=	=	=	11 411	11 411	45 447	50 444	52 584
Provincial Government		—	=	=	=	=	=	—	—	—	=	=
District Municipality		—	=	=	=	=	=	—	—	—	=	=
Transfers and subsidies - capital (in-kind)		—	=	=	=	=	=	—	—	—	=	=
Transfers recognised - capital		4	34 036	=	=	=	=	11 411	11 411	45 447	50 444	52 584
Borrowing		—	=	=	=	=	=	—	—	—	=	=
Internally generated funds		46 000	=	=	=	=	=	6 455	6 455	52 455	9 489	8 747
Total Capital Funding			80 036	=	=	=	=	17 067	17 067	97 903	59 933	61 331

- Capital Budget: MIG was **R34 036 Million** reduced by R2.2 Million to **R31 760 Million** and an allocation for **MDRG** for **R10 548 Million** was received during the year which then increases our Capital budget from R34 036 Million to **R42 307 Million**.
- Own Funded Projects increased from **R46 000 Million** to **R54 695 Million**.

The following own capital projects are budgeted for:

ADJUSTMENT CAPITAL BUDGET 2023/2024		2023/2024 CAPITAL		BUDGET	ADJUSTMENT	DEPT. TOTALS
DEPARTMENT	DESCRIPTION					
<b>CORPORATE SERVICES</b>						
Information Technology	ICT Hardware			1 500 000	1 400 000	
Facilities Management	New Furniture			1 200 000	1 200 000	
Human Resources	Shelving&Storage			180 000	180 000	
Information Technology	Bio metric system			900 000	-	
Administration	Reception Re-Design				450 000	
Information Technology	Fire Detector ServerRoom			120 000	120 000	
Information Technology	Voip system				3 000 000	
Records Management	Demarcation of Registry			400 000	-	
				4 300 000	6 350 000	6 350 000
<b>COMMUNITY SERVICES</b>					-	
Police Forces Traffic and Street Parking Control	3 x vehicles(traffic) and 1 x Patrol vehicle			1 780 000	1 780 000	
Waste Management	11 x skip bins			280 000	280 000	
Waste Management	80x street bins			120 000	120 000	2 180 000
<b>BTO</b>						
Fleet Management	Pool Vehicle x4				2 000 000	
					2 000 000	
<b>TECHNICAL SERVICES</b>						
Civil Roads	Tipper Truck			1 600 000	1 600 000	
Civil Roads	10L Water Truck			1 520 000	1 520 000	
Civil Roads	TLB Truck			700 000	700 000	
Civil Roads	Replacement of Stolen Bakkie				540 000	
Civil Roads	LDV Truck			700 000	700 000	
PMU	Mabvete community hall				5 105 097	
PMU	Shakadza Multipurpose				5 000 000	
Electricity	Electrification Rhino Ridge			35 000 000	29 000 000	
				39 520 000	44 165 097	44 165 097
						54 695 097



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 Musina  
 0900

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 Musina  
 0900

**Information Center**  
 (015) 534 6100  
 info@musina.gov.za  
 www.musina.gov.za

### 6.3 ANNEXURE C BUDGETED CASH FLOW

LIM341 Musina - Table B7 Adjustments Budget Cash Flows - 2024/02/29

Description	Ref	2024/25									Budget Year 2025/26	Budget Year 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavail.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget		
R thousands		3 A	4 A1	5 B	6 C	7 D	8 E	9 F	10 G			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
Receipts												
Property rates		25 037	—	—	—	—	—	(0)	(0)	25 037	26 292	27 587
Service charges		160 112	—	—	—	—	—	(14 584)	(14 584)	145 528	168 283	175 948
Other revenue		95 813	—	—	—	—	—	(0)	(0)	95 813	44 939	47 735
Transfers and Subsidies - Operational	1	215 641	—	—	—	—	—	11 494	11 494	227 135	238 567	248 737
Transfers and Subsidies - Capital	1	34 036	—	—	—	—	—	8 271	8 271	42 307	50 444	52 584
Interest		555	—	—	—	—	—	300	300	855	582	609
Dividends		—	—	—	—	—	—	—	—	—	—	—
Payments												
Suppliers and employees		(405 052)	—	—	—	—	—	(13 508)	(13 508)	(418 560)	(414 842)	(434 627)
Finance charges		525	—	—	—	—	—	—	—	525	551	577
Transfers and Subsidies	1	—	—	—	—	—	—	—	—	—	—	—
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>126 667</b>	—	—	—	—	—	(8 027)	(8 027)	<b>118 640</b>	<b>114 816</b>	<b>119 149</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
Receipts												
Proceeds on disposal of PPE		—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current receivables		—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments		—	—	—	—	—	—	—	—	—	—	—
Payments												
Capital assets		(80 036)	—	—	—	—	—	(17 867)	(17 867)	(97 903)	(59 933)	(61 331)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(80 036)</b>	—	—	—	—	—	(17 867)	(17 867)	<b>(97 903)</b>	<b>(59 933)</b>	<b>(61 331)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
Receipts												
Short term loans		—	—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing		—	—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits		—	—	—	—	—	—	—	—	—	—	—
Payments												
Repayment of borrowing		—	—	—	—	—	—	—	—	—	—	—
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>—</b>	—	—	—	—	—	—	—	—	—	—
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>46 631</b>	—	—	—	—	—	(25 894)	(25 894)	<b>20 737</b>	<b>54 883</b>	<b>57 817</b>
Cash/cash equivalents at the year begin:	2	5 715	—	—	—	—	—	7 104	7 104	12 819	51 296	105 077
Cash/cash equivalents at the year end:	2	52 346	—	—	—	—	—	(18 790)	(18 790)	33 556	106 179	162 894

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash inflow versus cash outflow that is likely to result from the implementation of the budget, and the cash that will be available at the year-end is amounting **R33 556 Million**.

The municipality continues to anticipation a collection rate of 85% on property rates and service charges.



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#### 6.4 ANNEXURE D CASH BACKED RESERVES

LIM341 Musina - Table B8 Cash backed reserves/accumulated surplus reconciliation - 2024/02/29

Description	Ref	2024/25									Budget Year 2025/26	Budget Year 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unvoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget		
		3	4	5	6	7	8	9	10			
R thousands		A	A1	B	C	D	E	F	G	H		
<b>Cash and investments available</b>												
Cash/cash equivalents at the year end	1	52 346	—	—	—	—	—	(18 790)	(18 790)	33 556	106 179	162 894
Other current investments > 90 days		(1 050)	—	—	—	—	—	(68)	(68)	(1 118)	(1 102)	(1 154)
Non current assets - Investments	1	10 731	—	—	—	—	—	—	—	10 731	10 731	10 731
<b>Cash and investments available:</b>		<b>62 027</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(18 858)</b>	<b>(18 858)</b>	<b>43 169</b>	<b>115 808</b>	<b>172 471</b>
<b>Applications of cash and investments</b>												
Unspent conditional transfers		9 000	—	—	—	—	—	4 987	4 987	13 987	9 000	9 000
Unspent borrowing		—	—	—	—	—	—	—	—	—	—	—
Statutory requirements		(4 848)	—	—	—	—	—	—	—	(4 848)	(8 931)	(13 211)
Other working capital requirements	2	(160 485)	—	—	—	—	—	13 110	13 110	(147 375)	(130 365)	(97 483)
Other provisions		—	—	—	—	—	—	—	—	—	—	—
Long term investments committed		—	—	—	—	—	—	—	—	—	—	—
Reserves to be backed by cash/investments		—	—	—	—	—	—	—	—	—	—	—
<b>Total Application of cash and investments:</b>		<b>(156 333)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>18 097</b>	<b>18 097</b>	<b>(138 236)</b>	<b>(130 297)</b>	<b>(101 694)</b>
<b>Surplus/(shortfall)</b>		<b>218 360</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(36 955)</b>	<b>(36 955)</b>	<b>181 404</b>	<b>246 105</b>	<b>274 165</b>

The table above illustrates that the municipal budget is funded with an anticipated of surplus of **R 33 556 Million** at year end. The drivers that pushed our budget to be funded are Balance sheet budgeting items which are found on B6, B7 and B8 supporting details as adjusted

In conclusion the above report by the CFO is attached as the narrative of the Adjustment budget of 2023/2024 as funded, is submitted for your consideration and approval.