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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:

LIM341 Musina - Table B1 Adjustments Budget Summary - 2024/02/29										
Description	2024/25								Budget Year 2025/26	Budget Year 2026/27
	Original Budget A	Prior Adjusted 1 A1	Accum. Funds 2 B	Multi-year capital 3 C	Unfore. Unavail. 4 D	Nat. or Prov. Govt 5 E	Other Adjusts. 6 F	Total Adjusts. 7 G	Adjusted Budget 8 H	Adjusted Budget
R thousands										
Financial Performance										
Property rates	26 950	—	—	—	—	—	—	—	26 950	28 162
Service charges	176 127	—	—	—	—	—	4 903	4 903	181 030	184 856
Investment revenue	555	—	—	—	—	—	300	300	855	609
Transfers recognised - operational	220 628	—	—	—	—	—	6 507	6 507	227 135	243 651
Other own revenue	106 608	—	—	—	—	—	—	—	106 608	50 884
Total Revenue (excluding capital transfers and contributions)	530 868	—	—	—	—	—	11 710	11 710	542 578	531 369
Employees costs	164 268	—	—	—	—	—	—	—	164 268	172 480
Remuneration of councillors	11 428	—	—	—	—	—	—	—	11 428	11 885
Depreciation & asset impairment	34 000	—	—	—	—	—	—	—	34 000	35 700
Finance charges	525	—	—	—	—	—	—	—	525	551
Inventory consumed and bulk purchases	149 493	—	—	—	—	—	—	—	149 493	156 963
Transfers and subsidies	4 987	—	—	—	—	—	6 507	6 507	11 494	9 384
Other expenditure	120 567	—	—	—	—	—	(12 936)	(12 936)	107 231	115 383
Total Expenditure	484 868	—	—	—	—	—	(6 426)	(6 426)	478 439	498 467
Surplus/(Deficit)	46 000	—	—	—	—	—	18 139	18 139	64 139	9 489
Transfers and subsidies - capital (monetary allocations)	34 036	—	—	—	—	—	8 271	8 271	42 307	50 444
Transfers and subsidies - capital (in-kind - all)	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	80 036	—	—	—	—	—	26 410	26 410	106 446	59 933
Share of surplus/(deficit) of associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	80 036	—	—	—	—	—	26 410	26 410	106 446	59 933
Capital expenditure & funds sources										
Capital expenditure	80 036	—	—	—	—	—	17 867	17 867	97 903	59 933
Transfers recognised - capital	34 036	—	—	—	—	—	11 411	11 411	45 447	50 444
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	46 000	—	—	—	—	—	6 455	6 455	52 455	9 489
Total sources of capital funds	80 036	—	—	—	—	—	17 867	17 867	97 903	59 933
Financial position										
Total current assets	178 390	—	—	—	—	—	26 407	26 407	204 797	275 192
Total non current assets	547 831	—	—	—	—	—	17 867	17 867	565 697	572 063
Total current liabilities	81 891	—	—	—	—	—	9 592	9 592	91 483	142 993
Total non current liabilities	6 500	—	—	—	—	—	—	—	6 500	6 500
Community wealth/Equity	637 838	—	—	—	—	—	34 681	34 681	672 511	697 762
Cash flows										
Net cash from (used) operating	126 967	—	—	—	—	—	(8 027)	(8 027)	118 940	114 816
Net cash from (used) investing	(80 036)	—	—	—	—	—	(17 867)	(17 867)	(97 903)	(59 933)
Net cash from (used) financing	—	—	—	—	—	—	—	—	—	—
Cash/cash equivalents at the year end	52 346	—	—	—	—	—	(18 790)	(18 790)	33 556	106 179
Cash backing/surplus reconciliation										
Cash and investments available	62 027	—	—	—	—	—	(18 858)	(18 858)	43 169	115 808
Application of cash and investments	(156 333)	—	—	—	—	—	18 097	18 097	(138 236)	(130 297)
Balance - surplus (shortfall)	218 360	—	—	—	—	—	(36 955)	(36 955)	181 404	246 105
Asset Management										
Asset register summary (WCV)	537 100	—	—	—	—	—	17 867	17 867	554 966	561 332
Depreciation	34 000	—	—	—	—	—	—	—	34 000	35 700
Renewal and Upgrading of Existing Assets	18 171	—	—	—	—	—	(4 434)	(4 434)	13 737	7 700
Repairs and Maintenance	13 755	—	—	—	—	—	(500)	(500)	13 255	13 329
Free services										
Cost of Free Basic Services provided	—	—	—	—	—	—	—	—	—	—
Revenue cost of free services provided	—	—	—	—	—	—	—	—	—	—
Households below minimum service level										
Water	—	—	—	—	—	—	—	—	—	—
Sanitation/sewerage	—	—	—	—	—	—	—	—	—	—
Energy	—	—	—	—	—	—	—	—	—	—
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	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3	4	5	6	7	8	9	10	11	12
R thousands	1		A1	B	C	D	E	F	G	H		
Revenue By Source												
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	2 082	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
Non-Exchange Revenue												
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		--	--	--	--	--	--	--	--	--	--	--
Total Revenue (excluding capital transfers and contributions)		530 868	--	--	--	--	--	11 710	11 710	542 578	508 136	531 369
Expenditure By Type												
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	152 066	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
Irrecoverable 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		--	--	--	--	--	--	--	--	--	--	--
Total Expenditure		484 868	--	--	--	--	--	(6 429)	(6 429)	478 439	498 647	522 621
Surplus/(Deficit)		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)		--	--	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) before taxation		80 036	--	--	--	--	--	26 410	26 410	106 446	59 933	61 331
Income Tax		--	--	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) after taxation		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		--	--	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) attributable to municipality		80 036	--	--	--	--	--	26 410	26 410	106 446	59 933	61 331
Share of Surplus/Deficit attributable to Associate		--	--	--	--	--	--	--	--	--	--	--
Intercompany/Parent subsidiary transactions		--	--	--	--	--	--	--	--	--	--	--
Surplus/ (Deficit) for the year	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:

OTHER EXPENDITURE	
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/Franking 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
	R 41 915 666.00



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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 Assesors	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
	R 40,315,975.00



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6.2 ANNEXURE B CAPITAL BUDGET

Capital Expenditure - Functional													
Governance and administration	4 300	=	=	=	=	=	4 950	4 950	9 250	=	=	=	=
Executive and council	=	=	=	=	=	=	=	=	=	=	=	=	=
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	21 989	39 959	=	=
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	=	=	=	=	17 867	17 867	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	=	=	=	=	17 867	17 867	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				
DEPARTMENT	DESCRIPTION	BUDGET	ADJUSTMENT	DEPT. TOTALS		
CORPORATE SERVICES						
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	
COMMUNITY SERVICES						
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
BTO						
Fleet Management	Pool Vehicle x4		2 000 000			
						2 000 000
TECHNICAL SERVICES						
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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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. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
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	175 946
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	–	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		126 667	–	–	–	–	–	(8 627)	(8 627)	118 640	114 816	119 149
CASH FLOWS FROM INVESTING ACTIVITIES												
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)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(80 036)	–	–	–	–	–	(17 867)	(17 867)	(97 903)	(59 933)	(61 331)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–	–
Payments												
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		46 631	–	–	–	–	–	(25 894)	(25 894)	20 737	54 883	57 817
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. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
Cash and investments available												
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
Cash and investments available:		62 027	-	-	-	-	-	(18 858)	(18 858)	43 169	115 808	172 471
Applications of cash and investments												
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		-	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		(156 333)	-	-	-	-	-	18 097	18 097	(138 236)	(130 297)	(101 694)
Surplus(shortfall)		218 360	-	-	-	-	-	(36 955)	(36 955)	181 404	246 105	274 165

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.