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REPORT ON THE ADJUSTMENT BUDGET FOR THE MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK 2024/2025 and 2025/2026 UNTIL 2026/2027 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 2024 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 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 2024/2025 Budget of Musina Local Municipality:

LIM341 Musina - Table B1 Adjustments Budget Summary - 2025/02/28

| Description | 2024/25 | | | | | | | | Budget Year | Budget Year | |
|---|-----------------|----------------|--------------|--------------------|-------------------|--------------------|----------------|----------------|-----------------|-----------------|-----------------|
| | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavaild. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| R thousands | A | A1 | B | C | D | E | F | G | H | I | J |
| Financial Performance | | | | | | | | | | | |
| Property rates | 39 050 | - | - | - | - | - | - | - | 39 050 | 40 807 | 42 085 |
| Service charges | 204 273 | - | - | - | - | - | - | - | 204 273 | 209 599 | 223 522 |
| Investment revenue | 897 | - | - | - | - | - | - | - | - | 938 | 980 |
| Transfers recognized - operational | 235 098 | - | - | - | - | - | - | - | 235 098 | 237 062 | 235 885 |
| Other own revenue | 105 292 | - | - | - | - | - | - | - | 105 292 | 107 501 | 73 739 |
| Total Revenue (excluding capital transfers and investments) | 686 610 | - | - | - | - | - | - | 60 228 | 676 838 | 666 958 | 676 812 |
| Employee costs | 174 124 | - | - | - | - | - | - | - | 174 124 | 180 243 | 188 354 |
| Remuneration of councillors | 10 923 | - | - | - | - | - | - | - | 10 923 | 11 467 | 11 983 |
| Depreciation & asset impairment | 47 541 | - | - | - | - | - | - | - | 47 541 | 49 726 | 51 956 |
| Finance charges | 1 800 | - | - | - | - | - | - | - | 1 800 | 1 800 | 1 800 |
| Inventory consumed and bulk purchases | 147 926 | - | - | - | - | - | - | - | 147 926 | 151 650 | 158 934 |
| Transfers and subsidies | 5 975 | - | - | - | - | - | - | - | 5 975 | 4 100 | 4 200 |
| Other expenditure | 127 1 | - | - | - | - | - | - | - | 127 1 | 132 5 | 139 2 |
| Total Expenditure | 618 070 | - | - | - | - | - | - | - | 70 259 | 70 259 | 688 328 |
| Bursplus/(Deficit) | 69 540 | - | - | - | - | - | - | - | 19 070 | 19 070 | 10 061 |
| Transfers and subsidies - capital (monetary allocations) | 33 559 | - | - | - | - | - | - | - | 2 400 | 35 959 | 41 653 |
| Transfers and subsidies (in-kind - all) | - | - | - | - | - | - | - | - | - | - | - |
| Bursplus/(Deficit) after capital transfers & contributions | 103 089 | - | - | - | - | - | - | - | 22 370 | 22 370 | 126 489 |
| Share of surplus/(deficit) of associate | - | - | - | - | - | - | - | - | - | - | - |
| Bursplus/(Deficit) for the year | 103 089 | - | - | - | - | - | - | - | 22 370 | 22 370 | 126 489 |
| Bursplus/(Deficit) for the year | 103 089 | - | - | - | - | - | - | - | 22 370 | 22 370 | 126 489 |
| Capital expenditure & funds sources | | | | | | | | | | | |
| Capital expenditure | 66 857 | - | - | - | - | - | - | - | 27 714 | 27 714 | 94 571 |
| Transfers recognized - capital | 33 559 | - | - | - | - | - | - | - | 2 400 | 35 959 | 41 653 |
| Borrowing | - | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | 67 740 | - | - | - | - | - | - | - | 25 394 | 25 394 | 93 134 |
| Total sources of capital funds | 101 298 | - | - | - | - | - | - | - | 27 784 | 27 784 | 129 088 |
| Total capital position | - | - | - | - | - | - | - | - | - | - | 80 788 |
| Total current assets | 207 238 | - | - | - | - | - | - | - | 14 865 | 14 865 | 221 803 |
| Total non current assets | 719 545 | - | - | - | - | - | - | - | 55 117 | 55 117 | 774 743 |
| Total current liabilities | 158 005 | - | - | - | - | - | - | - | 138 031 | 138 031 | 306 936 |
| Total non current liabilities | 41 220 | - | - | - | - | - | - | - | (1 295) | (1 295) | 159 549 |
| Community wealth/Equity | 719 960 | - | - | - | - | - | - | - | (71 966) | (71 966) | 40 925 |
| Cash flows | - | - | - | - | - | - | - | - | - | - | - |
| Net cash from (used) operating | 141 815 | - | - | - | - | - | - | - | 20 545 | 20 545 | 102 360 |
| Net cash from (used) investing | (100 929) | - | - | - | - | - | - | - | (27 794) | (27 794) | (108 723) |
| Net cash from (used) financing | - | - | - | - | - | - | - | - | - | - | (80 514) |
| Cash/reach equivalents at the year end | 69 706 | - | - | - | - | - | - | - | (9 740) | (9 740) | 43 984 |
| Cash banking/surplus reconciliation | - | - | - | - | - | - | - | - | - | - | 71 441 |
| Cash and investments available | 64 436 | - | - | - | - | - | - | - | (7 302) | (7 302) | 57 133 |
| Application of cash and investments | 37 042 | - | - | - | - | - | - | - | 112 784 | 112 784 | 149 826 |
| Balance - surplus (shortfall) | 27 394 | - | - | - | - | - | - | - | (120 987) | (120 987) | (82 886) |
| Asset Management | - | - | - | - | - | - | - | - | - | - | - |
| Asset register summary (WDV) | 708 915 | - | - | - | - | - | - | - | 52 879 | 52 879 | 761 546 |
| Depreciation | 35 316 | - | - | - | - | - | - | - | - | - | 36 941 |
| Renewal and Upgrading of Existing Assets | - | - | - | - | - | - | - | - | 14 355 | 14 355 | 14 355 |
| Repairs and Maintenance | 14 705 | - | - | - | - | - | - | - | (3 763) | (3 763) | 11 032 |
| Gas services | - | - | - | - | - | - | - | - | - | - | - |
| Cost of Free Basic Services provided | 4 000 | - | - | - | - | - | - | - | 4 000 | 4 000 | 4 000 |
| Revenue cost of free services provided | (4 000) | - | - | - | - | - | - | - | - | - | - |
| Households below minimum service level | - | - | - | - | - | - | - | - | 8 000 | 8 000 | 4 000 |
| 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 585 610 Million to R 679 838 Million**, it has increase by **R94 228 Million** and expenditure budget increased from **R516 070 Million to R586 328 Million** it has increases by **R 70 258 Million** and we have a surplus of **R93 510 Million** which will fund own capital projects.

Choose name from list - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

| Description | Ref | Budget Year 2024/25 | | | | | | | | Budget Year +1 2025/26 | Budget Year +2 2026/27 |
|--|-----|---------------------|----------------|--------------|--------------------|-------------------|--------------------|----------------|----------------|------------------------|------------------------|
| | | Original Budget | Prior Adjusted | Accum. Funds | Multi-year capital | Unfore. Unavaild. | Nat. or Prov. Govt | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget |
| R thousands | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| Revenue By Source | | | | | | | | | | | |
| Property rates | 2 | 39 050 | | | | | | | | 39 050 | 40 807 |
| Service charges - electricity revenue | 2 | 180 843 | | | | | | | | 265 843 | 189 162 |
| Service charges - water revenue | 2 | – | | | | | | | | – | – |
| Service charges - sanitation revenue | 2 | – | | | | | | | | – | – |
| Service charges - refuse revenue | 2 | 23 429 | | | | | | 1 000 | 24 429 | 24 437 | 25 659 |
| Rental of facilities and equipment | | 616 | | | | | | (200) | 416 | 645 | 674 |
| Interest earned - external investments | | 897 | | | | | | 1 500 | 2 397 | 938 | 980 |
| Interest earned - outstanding debtors | | 6 049 | | | | | | 1 500 | 7 549 | 6 328 | 6 612 |
| Dividends received | | – | | | | | | – | – | – | – |
| Fines, penalties and forfeits | | 4 275 | | | | | | – | 4 275 | 4 472 | 4 673 |
| Licences and permits | | 2 691 | | | | | | – | 2 691 | 2 815 | 2 942 |
| Agency services | | – | | | | | | – | – | – | – |
| Transfers and subsidies | | 235 098 | | | | | | 3 928 | 239 026 | 237 062 | 235 886 |
| Other revenue | 2 | 92 662 | | | | | | 1 500 | 94 162 | 53 243 | 58 838 |
| Gains | | – | | | | | | – | – | – | – |
| Total Revenue (excluding capital transfers and contributions) | | 585 610 | – | – | – | – | – | 94 228 | – | 679 839 | 559 909 |
| | | | | | | | | | | | 576 812 |
| Expenditure By Type | | | | | | | | | | | |
| Employee related costs | | 174 124 | | | | | | | | 174 124 | 180 243 |
| Remuneration of councillors | | 10 963 | | | | | | 1 000 | 11 963 | 11 467 | 11 983 |
| Debt impairment | | 12 575 | | | | | | (1 500) | 11 075 | 13 153 | 13 746 |
| Depreciation & asset impairment | | 35 316 | | | | | | | 35 316 | 36 941 | 38 603 |
| Finance charges | | 1 800 | | | | | | | 1 800 | 1 800 | 1 800 |
| Bulk purchases | | 142 145 | | | | | | 86 255 | 228 400 | 155 696 | 162 703 |
| Other materials | | 5 791 | | | | | | (1 780) | 4 011 | 5 963 | 6 231 |
| Contracted services | | 51 187 | | | | | | (2 032) | 49 155 | 60 234 | 58 286 |
| Transfers and subsidies | | 5 975 | | | | | | | 5 975 | 4 100 | 4 200 |
| Other expenditure | | 76 194 | | | | | | (11 684) | 64 510 | 76 249 | 80 751 |
| Losses | | – | | | | | | – | – | – | – |
| Total Expenditure | | 516 070 | – | – | – | – | – | 70 259 | – | 586 329 | 545 846 |
| | | | | | | | | | | | 566 657 |
| Surplus/(Deficit) | | | | | | | | | | | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | 69 540 | | | | | | 23 969 | – | 93 510 | 14 063 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | 33 559 | | | | | | 2 400 | 2 400 | 35 959 | 41 653 |
| Transfers and subsidies - capital (in-kind - all) | | – | | | | | | | | – | – |
| Surplus/(Deficit) before taxation | | 103 099 | – | – | – | – | – | 2 400 | 23 969 | 2 400 | 129 469 |
| Taxation | | – | | | | | | – | – | – | – |
| Surplus/(Deficit) after taxation | | 103 099 | – | – | – | – | – | 2 400 | 23 969 | 2 400 | 129 469 |
| Attributable to minorities | | – | | | | | | – | – | – | – |
| Surplus/(Deficit) attributable to municipality | | 103 099 | – | – | – | – | – | 2 400 | 23 969 | 2 400 | 129 469 |
| Share of surplus/ (deficit) of associate | | – | | | | | | – | – | – | – |
| Surplus/ (Deficit) for the year | | 103 099 | – | – | – | – | – | 2 400 | 23 969 | 2 400 | 129 469 |
| | | | | | | | | | | | 55 716 |
| | | | | | | | | | | | 57 332 |



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REVENUE

- **Refuse Revenue** adjusted upwards with **R1 Million** as it was over 38% during the mid-year assessment, this item was under budgeted.
- **Interest on External Investments was** adjusted upwards with **R1 500 Million** this item was under budgeted.
- **Operating Grants:** The municipality has increased this item with **R3 928 297 Million** due an approved allocation of LGSETA grant.
- **Other revenue items also increased to R 14 162 Million as** when other income will 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:

- **Only Remuneration of Councillors** was increased by **R1 Million** because the municipality was having back paying to councillors.
- **Bulk purchases** was increased by **R 86 255 Million**, due to the Eskom accounts that is R17 Million, so we pay the accounts when we get the equitable share.
- **R51 187 Million** for contracted services, was decrease to **R 49 155 Million** and on **other expenditure R 64 510 Million** increased by **R12 034 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 | |
|--|--------------|
| Advertising Publicity and Marketing: Corporate and Municipal | 151 261.20 |
| Communication: Telephone Fax Telegraph and Telex | 20 000.00 |
| Expenditure: Operational Cost: Printing Publications and Books | 40 000.00 |
| Seminars Conferences Workshops and Events: National | 96 584.54 |
| Domestic: Accommodation | 30 000.00 |
| Domestic: Daily Allowance | 150 000.00 |
| Transport without Operator: Own Transport | 220 000.00 |
| Communication: Telephone Fax Telegraph and Telex | 9 783.00 |
| Operational Cost: Printing; Publications and Books | 30 000.00 |
| Registration Fees: Professional and Regulatory Bodies | 9 100.00 |
| GRAP Training | 45 000.00 |
| Seminars Conferences Workshops and Events: National New | 90 000.00 |
| Seminars Conferences Workshops and Events: National | 50 000.00 |
| Own Transport | 715 445.25 |
| Printing; Publications and Books | 8 000.05 |
| Daily Allowance | 2 740.00 |
| Operational Lease Machinery and Equipment | 170 000.00 |
| Corporate and Municipal Activities | 50 000.00 |
| Bank Admin Fees | 503 276.00 |
| Postage/Stamps/Frinking Machines | 299 891.30 |
| Telephone; Fax; Telegraph and Telex | 495 281.14 |
| Expenditure: Operational Cost: External Audit Fees | 4 800 000.00 |
| Indigent Relief | 5 500 000.00 |
| Premiums | 9 000 000.00 |
| Domestic: Accommodation | 186 178.85 |
| Domestic Daily Allowance | 75 000.00 |
| Domestic: Incidental Cost | 7 500.00 |
| Public Transport: Air Transport | 77 483.31 |
| Transport without Operator: Car Rental | 16 645.00 |
| Transport without Operator: Own Transport | 266 541.30 |
| Seminars; Conferences; Workshops and Events | 50 000.00 |
| Domestic: Accommodation | 100 000.00 |
| Bank Admin Fees | 582 000.00 |
| Communication Postage Stamps Franking MachinesNew | 2 000.00 |
| Communication Telephone Fax Telegraph and TelexNew | 5 000.00 |
| Mayors Social Responsibility | 50 000.00 |



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| Expenditure Operational Cost Printing Publications and BooNe | 30 000.00 |
| Seminars Conferences Workshops and Events NationalNew | 250 000.00 |
| Operational Cost:Toll Gate Fees | 15 000.00 |
| Domestic AccommodationNew | 9 530.00 |
| Domestic Daily AllowanceNew New | 47 346.00 |
| Domestic Incidental CostNew | 6 731.65 |
| Public Transport Air TransportNew | 24 520.44 |
| Transport without Operator Car RentalNew | 52 667.31 |
| Transport without Operator Own TransportNew | 234 358.23 |
| Fuel-new | 2 738 360.14 |
| Bursaries (Non-employees) | 1 100 000.00 |
| Toll Gates Fees | 13 550.00 |
| Transport without Operator: Own Transport | 291 652.80 |
| Uniform and Protective Clothing | 3 057 576.00 |
| Telephone; Fax; Telegraph and Telex | 52 303.42 |
| Operational Cost:Printing; Publications and Books | 234 000.00 |
| Expenditure: Operational Cost: Signage | 200 000.00 |
| Domestic: Daily Allowance | 20 000.00 |
| Domestic: Incidental Cost | 10 000.00 |
| Transport without Operator: Own Transport | 152 757.00 |
| Corporate and Municipal Activities | 60 000.00 |
| Municipal Newsletters | 260 000.00 |
| SMS Bulk Message Service | 240 000.00 |
| Telephone; Fax; Telegraph and Telex | 37 200.00 |
| Printing; Publications and Books | 28 000.00 |
| Seminars; Conferences; Workshops and Events | 40 000.00 |
| Corporate and Municipal Activities | 110 000.00 |
| Expenditure: Operational Cost: Printing Publications and Boo | 3 500.00 |
| Domestic: Daily Allowance New | 3 200.00 |
| Transport without Operator: Own Transport New | 50 000.00 |
| Seminars; Conferences; Workshops and Events | 40 000.00 |
| Communication: Telephone Fax Telegraph and Telex | 6 000.00 |
| Telephone Land Line | 60 000.00 |
| Registration Fees:Professional and Regulatory Bodies | 9 100.00 |
| Seminars Conferences Workshops and Events:National | 70 634.78 |
| Domestic: Accommodation | 66 011.68 |
| Domestic: Daily Allowance | 136 847.00 |
| Transport without Operator:Own Transport | 224 568.05 |
| Membership Fees | 5 000.00 |
| Conference and Convention | 60 000.00 |
| Toll gate fees-new | 10 114.87 |



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| S&T Accomodation | 12 000.00 |
| S&T Daily Allowance | 3 440.00 |
| Flights | 23 797.42 |
| Car Hire | 20 000.00 |
| Toll gate fees | 1 500.00 |
| Daily Allowance | 17 455.00 |
| Own Transport | 35 000.00 |
| Operating Lease Land-new | 220 000.00 |
| Bank Charges Facility and Card Fees: Bank Accounts New-new | 475 000.00 |
| Training of BTO Management and Staff | 120 000.00 |
| Domestic: Accommodation | 212 251.69 |
| Training Accomodation inc S and T | 50 000.00 |
| Domestic: Daily Allowance | 166 279.00 |
| Licences: Motor Vehicle Licence and Registrations | 153 733.80 |
| Transport without Operator: Own Transport | 286 726.65 |
| Communication: Telephone Fax Telegraph and Telex New | 38 000.00 |
| Expenditure: Operational Cost: Printing Publications and Boo | 3 000.00 |
| Expenditure: Operational Cost: Professional Bodies Membershi | 32 000.00 |
| Seminars Conferences Workshops and Events: National New | 18 000.00 |
| Toll Gates Fees | 3 000.00 |
| Domestic: Daily Allowance New | 6 000.00 |
| Public Transport: Air Transport New | 5 000.00 |
| Transport without Operator: Own Transport New | 12 000.00 |
| Domestic: Daily Allowance | 600.00 |
| Transport without Operator: Own Transport | 6 000.00 |
| Expenditure: Operational Cost: Bursaries (Employees) | 120 000.00 |
| Domestic: Accommodation | 30 000.00 |
| Domestic: Daily Allowance | 300 000.00 |
| Domestic: Incidental Cost | 2 600.00 |
| Transport without Operator: Own Transport | 160 000.00 |
| Operating lease DIDO | 1 428 508.92 |
| Communication: Telephone Fax Telegraph and Telex | 977 799.61 |
| Information Services | 1 338 457.00 |
| External Computer Service: Software Licences | 1 010 254.79 |
| Domestic: Daily Allowance | 12 000.00 |
| Transport without Operator: Own Transport | 60 000.00 |
| Domestic:Daily Allowance | 3 000.00 |
| Communication: Postage/Stamps/Franking Machines | 9 150.00 |
| Expenditure: Operational Cost: Printing Publications and Boo | 69 628.55 |
| Domestic: Accommodation | 16 220.41 |
| Domestic: Daily Allowance | 50 000.00 |
| Domestic: Incidental Cost | 4 000.00 |



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| Transport without Operator: Own Transport | 250 000.00 |
| Advertising Corporate and Municipal Activities | 37 783.00 |
| Mayor's Car Wash New | 3 085.00 |
| Entertainment MAYOR-new | 70 773.00 |
| Membership Fees -SALGA | 1 959 567.40 |
| Toll gate fees New | 35 032.48 |
| S&T Accomodation | 455 000.00 |
| S&T Flights | 20 000.00 |
| S&T Car Rental | 71 368.00 |
| Ward Committe stipends | 2 424 741.86 |
| Property rental | 43 000.00 |
| Rental of Equipment and Machinery | 147 500.00 |
| Machinery and Equipment | 99 000.00 |
| Communication: Postage/Stamps/Frinking Machines | 2 000.00 |
| Communication: Telephone Fax Telegraph and Telex Use | 2 119 986.94 |
| Entertainment: Councillors Use | 5 000.00 |
| Bursaries | 1 590 761.96 |
| Seminars Conferences Workshops and Events: National | 583 043.61 |
| Transport Provided as Part of Departmental Activities: Munic | 1 099 808.00 |
| Domestic: Accommodation | 2 018 568.46 |
| Domestic: Accommodation New | 1 000 000.00 |
| Domestic: Daily Allowance New | 168 319.87 |
| Domestic: Incidental Cost New | 11 943.00 |
| Public Transport: Air Transport | 212 449.16 |
| Transport without Operator: Car Rental New | 504 015.08 |
| Transport without Operator: Own Transport New | 1 400 000.00 |
| Expenditure: Operational Cost: Wet Fuel New | 1 200 000.00 |
| Advertising Publicity and Marketing: Corporate and Municipal | 53 567.96 |
| Communication: Postage/Stamps/Frinking Machines New | 99 667.40 |
| Communication: Telephone Fax Telegraph and Telex Use | 141 039.10 |
| Expenditure: Operational Cost: Printing Publications and Boo Use | 42 184.20 |
| Seminars Conferences Workshops and Events: National New | 60 378.00 |
| Skills Development Levy Use | 1 200 000.00 |
| Domestic: Accommodation | 15 000.00 |



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| Domestic: Accommodation New | 1 300 000.00 |
| Domestic: Daily Allowance New | 220 000.00 |
| Domestic: Incidental Cost New | 1 199.13 |
| Public Transport: Air Transport | 80 000.00 |
| Transport without Operator: Car Rental New | 23 277.00 |
| Transport without Operator: Own Transport | 419 600.00 |
| Transport without Operator: Own Transport use | 311 389.67 |
| Seminars; Conferences; Workshops and Events | 50 000.00 |
| Telephone Fax Telegraph and Telex | 5 000.00 |
| Printing Publications and Books | 80 000.00 |
| Domestic: Daily Allowance | 60 000.00 |
| Transport without Operator: Own Transport | 90 000.00 |
| Transport without Operator: Car Rental New | 6 000.00 |
| Transport without Operator: Own Transport | 50 000.00 |
| Advertising | 35 000.00 |
| Communication: Telephone Fax Telegraph and Telex | 30 000.00 |
| Expenditure: Operational Cost: Printing Publications and Books | 30 000.00 |
| Seminars Conferences Workshops and Events: National | 50 000.00 |
| Skills Development Training | 210 000.00 |
| Toll Gates Fees | 9 786.87 |
| Domestic: Daily Allowance | 43 694.00 |
| Domestic: Incidental Cost | 35 000.00 |
| Transport without Operator: Own Transport | 280 000.00 |
| Telephone; Fax; Telegraph and Telex | 6 000.00 |
| Operational Cost: Toll Gate Fees | 2 306.09 |
| Domestic Daily Allowance | 8 360.00 |
| Domestic: Incidental Cost | 3 000.00 |
| Transport without Operator: Own Transport | 58 313.27 |
| Domestic: Daily Allowance New | 3 000.00 |
| Communication: Telephone Fax Telegraph and Telex | 9 783.00 |
| Expenditure: Operational Cost: Printing Publications and Books | 30 000.00 |
| Domestic: Accommodation | 180 000.00 |
| Domestic: Daily Allowance | 31 064.00 |
| Domestic: Incidental Cost | 10 000.00 |
| Transport without Operator: Car Rental | 6 000.00 |
| Transport without Operator: Own Transport | 120 000.00 |
| | 64 509 999.66 |



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| CONTRACTED SERVICES | |
|---|----------------------|
| Business and Advisory: Accounting and Auditing | 400 000.00 |
| Business and Advisory: Audit Committee New | 308 000.00 |
| Business and Advisory: Business and Financial Management | 5 500 000.00 |
| Business and Advisory: Medical Examinations | 1 500 000.00 |
| Business and Advisory: Occupational Health and Safety | 83 920.00 |
| Business and Advisory: Organisational consultant and professional | 100 000.00 |
| Business and Advisory: Quality Control | 200 000.00 |
| Auction | 83 000.00 |
| Business and Advisory Quality ControlNew | 300 519.00 |
| Business and Advisory: Quality Control | 4 826 000.00 |
| Business and Advisory: Research and Advisory | 100 000.00 |
| Business and Advisory: Valuer and Assessors | 110 000.00 |
| Legal Cost: Legal Advice and Litigation | 2 000 000.00 |
| Contractors: Catering Services New | 2 500 000.00 |
| Contractors:Catering Services | 500 000.00 |
| Contractors:Catering Services | 90 000.00 |
| Contractors:Catering Services | 40 000.00 |
| Contractors:Catering Services | 100 000.00 |
| Contractors:Catering Services | 100 000.00 |
| Contractors:Catering Services | 36 700.00 |
| Catering | 100 000.00 |
| Contractors:Catering Services | 200 000.00 |
| Maintenance of Municipal Buildings Use | 100 000.00 |
| Maintenance of Equipment Use | 400 000.00 |
| Contractors:Maintenance of Equipment | 80 000.00 |
| Contractors: Maintenance of Equipment | 120 000.00 |
| Maintanance of Machinery and Equipment | 100 000.00 |
| Contractors: Maintenance of Equipment | 60 000.00 |
| Maintenance of Vehicles Use | 120 000.00 |
| Contractors: Maintenance of Equipment | 500 000.00 |
| Maintenance of Roads use | 300 000.00 |
| Contractors: Maintenance of Unspecified Assets | 200 000.00 |
| Maintenance of vehicles-new | 25 000.00 |
| Burial of paupers | 100 000.00 |
| Outsourced Services:Drivers Licence Cards | 200 000.00 |
| Dumping Site Maintenance | 400 000.00 |
| Outsourced Services: Security Services | 8 472 000.00 |
| | 19 000 000.00 |
| | 49 155 139.00 |



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6.2 ANNEXURE B CAPITAL BUDGET

| Capital Expenditure - Functional | | | | | | | | | | | | |
|---|----------|----------------|----------|----------|----------|----------|--------------|---------------|---------------|----------------|---------------|----------------|
| <i>Governance and administration</i> | 27 049 | - | - | - | - | - | - | 5 290 | 5 290 | 32 339 | 22 438 | 39 540 |
| Executive and council | 27 049 | | | | | | | 5 290 | 5 290 | 32 339 | 22 438 | 39 540 |
| Finance and administration | | | | | | | | | | | | |
| Internal audit | | | | | | | | | | | | |
| <i>Community and public safety</i> | - | - | - | - | - | - | - | - | - | - | - | - |
| Community and social services | | | | | | | | | | | | |
| Sport and recreation | | | | | | | | | | | | |
| Public safety | | | | | | | | | | | | |
| Housing | | | | | | | | | | | | |
| Health | | | | | | | | | | | | |
| <i>Economic and environmental services</i> | 45 400 | - | - | - | - | - | 2 400 | 9 668 | 12 068 | 57 468 | 40 303 | 21 822 |
| Planning and development | 32 140 | | | | | | | 6 603 | 6 603 | 38 743 | 35 053 | 16 462 |
| Road transport | 13 260 | | | | | | 2 400 | 3 065 | 5 465 | 18 725 | 5 250 | 5 360 |
| Environmental protection | | | | | | | | | | | | |
| <i>Trading services</i> | 28 850 | - | - | - | - | - | - | 10 436 | 10 436 | 39 286 | 18 050 | 40 115 |
| Energy sources | 26 200 | | | | | | | 10 936 | 10 936 | 37 136 | 17 250 | 24 894 |
| Water management | | | | | | | | | | | | |
| Waste water management | | | | | | | | | | | | |
| Waste management | | | | | | | | (500) | (500) | 2 150 | 800 | 15 221 |
| <i>Other</i> | 2 650 | | | | | | | | | | | |
| Total Capital Expenditure - Functional | 3 | 101 299 | - | - | - | - | 2 400 | 25 394 | 27 794 | 129 093 | 80 789 | 101 477 |
| Funded by: | | | | | | | | | | | | |
| National Government | | | | | | | | | | | | |
| Provincial Government | | | | | | | | | | | | |
| District Municipality | | | | | | | | | | | | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | 33 559 | | | | | | 2 400 | | 2 400 | 35 959 | 41 653 | 47 177 |
| Transfers recognised - capital | 4 | 33 559 | - | - | - | - | 2 400 | - | 2 400 | 35 959 | 41 653 | 47 177 |
| Borrowing | | | | | | | | | | | | |
| Internally generated funds | 67 740 | | | | | | | 25 394 | 25 394 | 93 134 | 39 136 | 54 300 |
| Total Capital Funding | | 101 299 | - | - | - | - | 2 400 | 25 394 | 27 794 | 129 093 | 80 789 | 101 477 |

- Capital Budget: MIG was **R33 559 Million** is still the same. MDRG have received **R 2 400 Million** form rollover which then increases our Capital budget from **R33 559 Million** to **R35 959 Million**.
- Own Funded Projects increased from **R67 740 Million** to **R 93 134 Million**.

The following own capital projects are budgeted for:

| ADJUSTED CAPITAL BUDGET 2024/2025 | | |
|-----------------------------------|---|-------------------|
| 2024/2025 CAPITAL | | |
| DEPARTMENT | DESCRIPTION | ADJUSTMENT BUDGET |
| Own Funded Projects | | |
| Corporate Services | | |
| Administrative and Corporate | Purchase of furniture | 5 700 000 |
| Human Resources | Organisational startegy and re-engineering | 450 000 |
| Human Resources | Fire exit plan alarm and detecters | 1 300 000 |
| Human Resources | Shelving and Storing Capacity | 160 000 |
| Information Technology | Intergrated ICT Infrastructure | 8 100 000 |
| Information Technology | ICT infrastructure uninterupted power supply unit | 1 200 000 |
| Information Technology | ITC business continuity plan development | 350 000 |
| Information Technology | Purchase of computer hardware | 1 500 000 |
| Records Management | | 1 200 000 |
| Records Management | Records Management System | 2 000 000 |
| Records Management | Storage Capacity for record and Archieve | 160 000 |
| Records Management | Demarcation of Registry | 400 000 |



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| Community Services | | |
|--------------------------------------|--|----------------------|
| Waste Management | Heavy duty men propelled lawn mower | 300 000 |
| Waste Management | Skip Bins x12 | 400 000 |
| Waste Management | Procurement of Tractors x1 | 650 000 |
| Waste Management | Procurement of Bakkie | 500 000 |
| Disaster Management | Coordination of Disaster Management Services | 400 000 |
| Traffic and Policing | Signage/signs/info/directions | 200 000 |
| Traffic and Policing | Road Block Trailer | 300 000 |
| Finance | | |
| Fleet Management | Pool Vehicles | 2 000 000 |
| Fleet Management | Branding of Vehicles and Bluelights | 300 000 |
| Finance | Indigent Management System | 4 200 000 |
| Technical services | | |
| Civil Roads | Culverts | 1 200 000 |
| Civil Roads | Construction of soil conservativon structures (gabi | 500 000 |
| Civil Roads | Procurement of concrete mixer x1 | 100 000 |
| Civil Roads | Procurement of 4Ton | 850 000 |
| Civil Roads | Procurement of air compressor jack hammer x1 | 100 000 |
| Civil Roads | Procurement of plate compacter x1 | 120 000 |
| Civil Roads | Design of eagles landing road | 1 000 000 |
| Civil Roads | Refurbishment of Nancefield building | 12 454 510 |
| PMU | Shakadza Multi Purpose | 4 403 000 |
| PMU | Mabvete Community Hall | 2 200 000 |
| Electricity | Enhancing security features of main office and old | 7 936 360 |
| Electricity | Electrification of Nancefield Rhino Ridge developm | 14 000 000 |
| Electricity | Installation of LED light in Municipal building | 250 000 |
| Electricity | Installation of substation capacitor banks | 5 900 000 |
| Electricity | DTI roll over | 2 500 000 |
| Electricity | Installation of pre paid metres | 2 500 000 |
| Electricity | Procurement of 24 kv pressure tester x2 | 200 000 |
| Electricity | Double Cab Bakkie x1 | 1 050 000 |
| Electricity | Procurement of 200kva 3 phase generator | 600 000 |
| Electricity | Procurement of 2x 11 kv indoor switch gears | 1 200 000 |
| Electricity | Procurement of retic master similar design softwar | 300 000 |
| Electricity | Construction and equipment of messina substation | 700 000 |
| Electricity | Construction and equiiping of secure electrical bulk | 600 000 |
| Economic Planning Development | | |
| LED | Development of LED strategy | 200 000.00 |
| Economic Planning Development | Re-surveyring of 500 Nancefiled Stands | 300 000.00 |
| Economic Planning Development | Sub divison of portion 39 of the farm messina 4M | 200 000.00 |
| | | 93 133 870.00 |



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6.3 ANNEXURE C BUDGETED CASH FLOW

LIM341 Musina - Table B7 Adjustments Budget Cash Flows - 2025/02/28

| 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 | Adjusted Budget | Adjusted Budget |
| R thousands | | A | 3 A1 | 4 B | 5 C | 6 D | 7 E | 8 F | 9 G | 10 H | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | |
| Property rates | | 35 145 | - | - | - | - | - | - | - | 35 145 | 36 727 | 38 416 |
| Service charges | | 183 845 | - | - | - | - | - | 81 675 | 81 675 | 265 520 | 192 239 | 201 170 |
| Other revenue | | 115 444 | - | - | - | - | - | 1 300 | 1 300 | 116 744 | 75 602 | 83 505 |
| Transfers and Subsidies - Operational | 1 | 235 098 | - | - | - | - | - | 3 928 | 3 928 | 239 026 | 237 062 | 235 886 |
| Transfers and Subsidies - Capital | 1 | 33 559 | - | - | - | - | - | 2 400 | 2 400 | 35 959 | 41 653 | 47 177 |
| Interest | | 6 903 | - | - | - | - | - | 3 000 | 3 000 | 9 903 | 7 220 | 7 545 |
| Dividends | | - | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | | |
| Suppliers and employees | | (461 404) | - | - | - | - | - | (71 759) | (71 759) | (533 162) | (490 953) | (509 509) |
| Finance charges | | (1 800) | - | - | - | - | - | - | - | (1 800) | 1 800 | 1 800 |
| Transfers and Subsidies | 1 | (4 975) | - | - | - | - | - | - | - | (4 975) | (3 000) | (3 000) |
| NET CASH FROM(USED) OPERATING ACTIVITIES | | 141 815 | - | - | - | - | - | 20 545 | 20 545 | 162 360 | 98 350 | 102 990 |
| 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 | | (100 929) | - | - | - | - | - | (27 794) | (27 794) | (128 723) | (80 614) | (99 151) |
| NET CASH FROM(USED) INVESTING ACTIVITIES | | (100 929) | - | - | - | - | - | (27 794) | (27 794) | (128 723) | (80 614) | (99 151) |
| 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 | | 40 886 | - | - | - | - | - | (7 249) | (7 249) | 33 637 | 17 736 | 3 840 |
| Cash/cash equivalents at the year begin: | 2 | 12 819 | - | - | - | - | - | (2 491) | (2 491) | 10 327 | 53 705 | 67 841 |
| Cash/cash equivalents at the year end: | 2 | 53 705 | - | - | - | - | - | (9 740) | (9 740) | 43 964 | 71 441 | 71 680 |

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 **R 43 954 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 - 2025/02/28

| Description | Ref | 2024/25 | | | | | | | | | Budget Year 2025/26 | Budget Year 2026/27 |
|---|-----|-------------------------|------------------------------|---------------------------|---------------------------------|-------------------------------|---------------------------------|-----------------------------|--------------------------|-------------------------------|------------------------|------------------------|
| | | Original Budget A | Prior Adjusted 3 A1 | Accum. Funds 4 B | Multi-year capital 5 C | Unfore. Unavoid. 6 D | Nat. or Prov. Govt 7 E | Other Adjusts. 8 F | Total Adjusts. 9 G | Adjusted Budget 10 H | | |
| R thousands | | | | | | | | | | | | |
| Cash and investments available | | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 53 705 | 0 | — | — | — | — | — | (9 740) | (9 740) | 43 964 | 71 441 |
| Other current investments > 90 days | | | | — | — | — | — | — | (0) | (0) | (3 600) | (3 600) |
| Non current assets - Investments | 1 | 10 731 | — | — | — | — | — | 2 438 | 2 438 | 13 169 | 10 731 | 10 731 |
| Cash and investments available: | | 64 436 | — | — | — | — | — | (7 302) | (7 302) | 57 133 | 78 572 | 78 811 |
| Applications of cash and investments | | | | | | | | | | | | |
| Unspent conditional transfers | | 52 305 | — | — | — | — | — | (7 010) | (7 010) | 45 294 | 52 305 | 52 305 |
| Unspent borrowing | | — | — | — | — | — | — | — | — | — | — | — |
| Statutory requirements | | (3 858) | — | — | — | — | — | (10 744) | (10 744) | (14 602) | (3 573) | (4 039) |
| Other working capital requirements | | (13 937) | — | — | — | — | — | 129 682 | 129 682 | 115 745 | (16 087) | (11 262) |
| Other provisions | | 2 532 | — | — | — | — | — | 857 | 857 | 3 389 | 2 532 | 2 532 |
| Long term investments committed | | — | — | — | — | — | — | — | — | — | — | — |
| Reserves to be locked by cash/investments | | — | — | — | — | — | — | — | — | — | — | — |
| Total Application of cash and investments: | | 37 042 | — | — | — | — | — | 112 784 | 112 784 | 149 826 | 35 177 | 39 538 |
| Surplus(shortfall) | | 27 384 | — | — | — | — | — | (120 087) | (120 087) | (92 693) | 43 395 | 39 278 |

The table above illustrates that the municipal budget is unfunded with an anticipated deficit of **R -92 693 Million** at year end. The drivers that pushed our budget to be unfunded are Balance sheet budgeting items which are found on B6, B7 and B8 supporting details as adjusted

In conclusion the above report is attached as the narrative of the Adjustment budget of 2024/2025, is submitted for your consideration and approval.

