



THABAZIMBI LOCAL MUNICIPALITY – SPECIAL ADJUSTMENT BUDGET 2024/25

MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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24 October 2024

THABAZIMBI LOCAL MUNICIPALITY

VISION

A MUNICIPALITY WITH A DIVERSIFIED ECONOMY IN THE PROVISION OF EXCELLENT SUSTAINABLE SERVICES

MISSION

TO BE A LEADING MUNICIPALITY IN THE PROVISION OF EXCELLENT SUSTAINABLE SERVICES IN
COLLABORATION WITH STAKEHOLDERS

VALUES STATEMENT

HONESTY AND INTEGRITY, ACCOUNTABILITY, INNOVATION AND TRANSFORMATION, SAFE ENVIRONMENT,
COLLABORATION, TRANSPARENCY AND FAIRNESS, COMMUNITY INVOLVEMENT

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GLOSSARY OF TERMS AND ABBREVIATIONS

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting, or affected by, the budget. Examples include tariff policy, rates policy and credit control and debt policy.

Budget Steering committee (BSC) – Committee established to provide technical assistance to the Mayor in discharging the responsibilities set out in Section 53 of the MFMA.

Capital Expenditure – Spending on municipal assets such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash that will be received and spent by the municipality, and the month end cash and short-term investment balances.

CGD – Capital Grants and Donations.

CPI – Headline Consumer Price Index.

CRR – Capital Replacement Reserve.

DMTN – Domestic Medium-Term Note.

DORA – Division of Revenue Act. Annual legislation, which shows the allocations from National to Local Government.

DORB – Division of Revenue Bill. Annual legislation tabled in parliament, but not enacted, which shows the allocations from National to Local Government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted at assisting municipalities with the costs of free basic services.

GFS – Government Finance Statistics. An internationally recognized classification system that facilitates comparisons between municipalities.

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

KPI – Key Performance Indicators. Measures of service output and/or outcome.

MBRR – Municipal Budget Reporting Regulations.

MFMA – Municipal Finance Management Act (No 53 of 2003). The principal piece of legislation relating to Municipal Financial Management.

MTREF – Medium Term Revenue and Expenditure Framework, as prescribed by the MFMA. It sets out indicative revenue and projected expenditure for the budget year, plus two outer financial years.

SDBIP – Service Delivery Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

SFA – Strategic Focus Areas. The main priorities of a municipality as set out in the IDP. Budgeted spending must contribute towards achievement of these Strategic Focus Areas.

Portfolio Committee – In line with Section 79 of the Structures Act, the Council Portfolio Committees process policies and bylaws relating to the functional areas within their terms of reference, and are responsible for implementation monitoring of these, as well as oversight of the functional areas. Portfolio Committees are also responsible for assessing and monitoring services delivery, ensuring that annual budgets are spent wisely, and that there is no wastage or corruption.

Rates – Local Government tax based on assessed valuation of a property.

1. EXECUTIVE SUMMARY

1.1 BACKGROUND

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management of a municipality.

The 2024/25 Medium –Term Budget of Thabazimbi Local Municipality was tabled and approved by Council in May 2024 in terms of section 24(1) of Local Government : Municipal Finance Management Act, 2003 (Act 56 of 2003)

The MFMA requires that any budget amendment to a vote outside a delegated authority of management constitutes as an adjustment budget, resulting in the Accounting Officer and Mayor to fulfil certain requirements.

1.2 PURPOSE

The purpose of this report is to submit the 2024/25 Adjustment Budget following the decision that was taken by the Provincial Executive Council to place Thabazimbi Local Municipality under administration in terms of Section 139(1)(c) of the Constitution of South Africa, 1996, from 03 October 2024.

The Provincial Executive Council on the 18 September 2024 resolved through Executive Council Decision No.23 of 2024/25 the following:

- In terms of EXCO decision No 21.4, to invoke section 139(1)(c) of the Constitution of the Republic of South Africa, 1996 to dissolve the Thabazimbi Local Municipal Council and to appoint an Administrator until a new Council for the Municipality has been elected.

Based on the above resolution Limpopo Provincial Government appointed an Administration Team led by Mr MP Maseko from the 08 October 2024.

Thabazimbi Local Municipality has a budget that was approved by the two parallel councils and the council resolutions are in place. However, there is no proof that both councils formed a quorum during the meeting where the budget was approved. Subsequent to the intervention, the administration team, implemented a resolution to adopt a temporary adjustment budget in terms of Sec 26 and Sec 28 of the Municipal Finance Management Act (MFMA) as part of the institutional recovery plan.

1.3 LEGISLATIVE BACKGROUND

Section 26 of the MFMA - (1) If by the start of the budget year a municipal council has not approved an annual budget or any revenue-raising measures necessary to give effect to the budget, the provincial executive of the relevant province must intervene in the municipality in terms of section 139(4) of the Constitution by taking any appropriate steps to ensure that the budget or those revenue-raising measures are approved, including dissolving the council and—

- a) appointing an administrator until a newly elected council has been declared elected; and
- b) approving a temporary budget or revenue-raising measures to provide for the continued functioning of the municipality.

(2) Sections 34(3) and (4) and 35 of the Municipal Structures Act apply when a provincial executive dissolves a municipal council.

(3) When approving a temporary budget for a municipality in terms of subsection (1) (b), the provincial executive is not bound by any provision relating to the budget process applicable to a municipality in terms of this Act or other legislation. Such a budget must, after the intervention has ended, be replaced by a budget approved by the newly elected council, provided that the provisions of this Chapter relating to annual budgets are substantially complied with in line with any revised time frames approved by the MEC for finance in the province.

Section 28 of the MFMA. (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 roll-overs 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) An adjustments budget must be in a prescribed form.

(4) Only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2)(b) to (g) may only be tabled within any prescribed limitations as to timing or frequency.

(5) When an adjustments budget is tabled, it must be accompanied by—

- a) an explanation how the adjustments budget affects the annual budget;
- b) a motivation of any material changes to the annual budget;
- c) an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years; and
- d) any other supporting documentation that may be prescribed.

2. CONSOLIDATED OVERVIEW OF THE 2024/25 MTREF

Macro-economic performance and projects, 2022-2027

Fiscal Year	2022/23 Actual	2023/24 Estimate	2024/25	2025/26	2026/27
			Forecast		
CPI Inflation	6,9%	6,0%	4,9%	4,6%	4,6%

Figure 1 Macro-economic performance and projects, 2021-2026

In terms of Circular 128 of the MFMA, the inflation rate is projected to moderate from 6 per cent in 2023 to 4.9 per cent in 2024 and 4.6 per cent in 2025.

Description	Original Budget 2024/2025
Operating Revenue	R578.9 million
Operating Expenditure	R572.1 million
Capital Expenditure	R 105 million

Figure 2 Consolidated Overview of the 2024/25 MTREF

Budgeted total operating revenue is 578.9 million and budgeted total operating expenditure is R572.1 million for the period of 2024/25. The total capital budget for the 2024/25 amounts to R105 million. The capital budget comprises of two grants, namely, Municipal Infrastructure Grant and Water Services Infrastructure Grant.

2.1 OPERATING BUDGET FRAMEWORK

2.1.1 Operating Revenue

Summary of revenue classified by main revenue source

LIM361 Thabazimbi - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 24/10/2024														
Description	Ref	2024/25									Budget Year 2025/26	Budget Year 2026/27		
		Original Budoet	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjists.	Total Adjists.	Adjusted Budoet	Adjusted Budoet			
		3	4	5	6	7	8	9	10					
R thousands	1	A	A1	B	C	D	E	F	G	H				
Revenue By Source														
Exchange Revenue														
Service charges - Electricity	2	130,400	-	-	-	-	-	-	-	130,400	318,246	366,301		
Service charges - Water	2	89,340	-	-	-	-	-	-	-	89,340	94,700	100,382		
Service charges - Waste Water Management	2	33,194	-	-	-	-	-	-	-	33,194	35,185	37,296		
Service charges - Waste Management	2	20,415	-	-	-	-	-	-	-	20,415	21,640	22,938		
Sale of Goods and Rendering of Services		1,058	-	-	-	-	-	-	-	1,058	1,121	1,189		
Agency services		-	-	-	-	-	-	-	-	-	-	-		
Interest		-	-	-	-	-	-	-	-	-	-	-		
Interest earned from Receivables		36,781	-	-	-	-	-	-	-	36,781	38,988	41,328		
Interest earned from Current and Non Current Assets		660	-	-	-	-	-	-	-	660	700	742		
Dividends		-	-	-	-	-	-	-	-	-	-	-		
Rent on Land		-	-	-	-	-	-	-	-	-	-	-		
Rental from Fixed Assets		642	-	-	-	-	-	-	-	642	681	722		
Licence and permits		-	-	-	-	-	-	-	-	-	-	-		
Operational Revenue		1,935	-	-	-	-	-	-	-	1,935	2,277	2,414		
Non-Exchange Revenue														
Property rates	2	108,625	-	-	-	-	-	-	-	108,625	115,143	122,051		
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	59,360	62,922		
Fines, penalties and forfeits		870	-	-	-	-	-	-	-	870	922	978		
Licences or permits		5,317	-	-	-	-	-	-	-	5,317	5,636	5,974		
Transfer and subsidies - Operational		149,758	-	-	-	-	-	-	-	149,758	159,137	170,694		
Interest		-	-	-	-	-	-	-	-	-	-	-		
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-		
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-		
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-		
Other Gains		-	-	-	-	-	-	-	-	-	-	-		
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-		
Total Revenue (excluding capital transfers and contributions)		578,995	-	-	-	-	-	-	-	578,995	853,736	935,930		

Table 1 B4 Summary of revenue classified by main revenue source

The total revenue excluding capital transfer and contributions remains unchanged due to the following challenges:

- The outer year segments for electricity revenue has not pulled correctly, resulting in the two outer years having a drastic increase in the budgeted figure. This will be resolved during the main adjustment budget process in February 2025.
- The budget for the surcharge needs to be reviewed as the mines are disputing the implementation of the surcharge. The municipality will engage with the mines to resolve the dispute as this inflates the total budgeted revenue for water by R36 million.
- Collection of revenue from Eskom supplied areas is a concern due to the municipality finding it difficult to enforce credit control measures. The municipality

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bills approximately R5 million to these areas, however, only collects between 10 to 20 % of the billed amount.

- Turnaround time in resolving disputes regarding the valuation roll as it results in the municipality not collection revenue as projected.

Budgeted revenue figures have been projected with a minimum of 6% inflation, this is above the 4.9% forecasted inflation. However, due to high water and electricity losses, the municipality's revenue categories have been catered for at a 6% inflation. This will be adjusted in the next financial year when the water and electricity losses have declined significantly.

Operating grants and transfers totals to R149.6 million in the 2024/25 financial year, the allocations are as follows:

Description	Original Budget 2024/2025	Original Budget 2025/2026	Original Budget 2026/2027
<i>Equitable share</i>	R 145.3 million	R 156.1 million	R 167.6 million
<i>Financial Management Grant (FMG)</i>	R 3 million	R 3 million	R 3 million
<i>Expanded Public Works Programme Integrated Grant (EPWP)</i>	R 1.36 million	-	-
TOTAL	R 149.6 million	R 159.1 million	R 170.6 million

Figure 3 Operating grants and transfers per DORA

Revenue generated from property rates and service charges forms a significant percentage of the revenue basket for the municipality.

Property Rates

The figure budgeted for property rates were calculated using the year-to-date 2023/24 actual figures and audited financial statements for 2022/23. A 6% inflation rate was used to reach a figure of R108 million. The following categories form part of Property Rates: Agricultural; Business; Industrial; Mines; Residential; Vacant Land. Property Rates are informed by the Tariff Policy and Indigent Policy.

Electricity Revenue

The budgeted figure for electricity was calculated using the year-to-date 2023/24 actual figures and audited financial statements for 2022/23. The municipality is currently finalising the "cost of supply" process with NERSA. The municipality has installed additional smart prepaid meters which allows the municipality to collect 100% of prepaid electricity utilised.

Indigent contributions and electricity losses have been factored into the budget.

The above factors result in a budgeted amount for electricity revenue of R130.4 million for the 2024/25 financial year. A large portion of electricity services revenue are generated from prepaid meters, thus electricity revenue collection will be higher as compared to previous years. It is on this vein, that the municipality anticipates a 90% collection of the electricity billed to the customers/users. The Eskom Active Partnering Agreement will further assist the municipality with accurate billing, cost-reflective tariffs. In turn, this will increase electricity revenue as the financial year moves along.

Water Revenue

Water revenue for the 2024/25 financial year is budgeted at R89.3 million. In determining the R89.3 million, the following was considered:

- a) Water losses
- b) Collection rate for water
- c) Indigent contributions
- d) Net water revenue amount plus CPI

Sanitation and Refuse

The total budget for sanitation and refuse amounted R33.1 million and R20.4 respectively. A tariff increase of 6% was applied for sanitation and refuse.

Indigent Support

The municipality will be providing free basic services as indicated in the table below:

Service	Free Basic Package per indigent household
Water	6kl
Electricity	50kwh
Sanitation	100% free
Refuse	100% free
Property Rates	100% free

Figure 4 Free Basic Services: Basic Social Services Package

The free basic services will be implemented as per the municipality's indigent policy. The indigent register is updated annually, and the policy is reviewed annually.

Interest Earned

Interest earned (i.e., income) comprises of two component namely, interest from external investment and outstanding debtors. The budgeted Interest earned on external investments is anticipated to amount to R660 thousand and interest on outstanding debtors is projected at R36.7 million for the 2024/25 financial year.

Other Revenue

The budgeted figure for other revenue amounted to R1.9 million in 2024/25 financial year and it comprises of: Building plan fees, digging of graves, advertisements and clearance certificates.

2.1.2 Operating Expenditure

Summary of expenditure classified by main expenditure source.

LIM361 Thabazimbi - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 24/10/2024															
Description	Ref	2024/25									Budget Year 2025/26	Budget Year 2026/27			
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted			
		Budoet	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adiusts.	Adiusts.	Budoet	Budoet	Budoet			
		3	4	5	6	7	8	9	10						
R thousands	1	A	A1	B	C	D	E	F	G	H					
Expenditure By Type															
Employee related costs		175,706	-	-	-	-	-	-	-	175,706	183,789	192,059			
Remuneration of councillors		12,124	-	-	-	-	-	-	-	12,124	12,682	13,253			
Bulk purchases - electricity		117,305	-	-	-	-	-	-	-	117,305	138,995	164,695			
Inventory consumed		56,143	-	-	-	-	-	-	-	56,143	58,725	61,368			
Debt impairment		36,271	-	-	-	-	-	-	-	36,271	37,940	39,647			
Depreciation and amortisation		44,420	-	-	-	-	-	-	-	44,420	51,083	58,746			
Interest		23,622	-	-	-	-	-	(3,000)	(3,000)	20,622	24,448	25,548			
Contracted services		63,428	-	-	-	-	-	3,743	3,743	67,171	123,983	128,567			
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-			
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-			
Operational costs		45,324	-	-	-	-	-	(2,900)	(2,900)	42,424	46,948	48,607			
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-			
Other Losses		-	-	-	-	-	-	-	-	-	-	-			
Total Expenditure		574,343	-	-	-	-	-	(2,157)	(2,157)	572,186	678,592	732,489			

Table 2 B4 Summary of expenditure classified by main expenditure source

The municipality's framework for the 2024/25 budget and MTREF is informed by the following:

Employee Related Costs

The figure for employee related costs was budgeted by implementing the increase of 4.5% as per the Bargaining Council Resolution (Circular no.: 6/2024). Critical Positions that will be filled in the financial year has been catered for in the budget. All managers are expected to monitor and contain overtime, travel and subsistence.

Remuneration of Councillors

The amount budgeted for Councillors for the 2024/25 financial year is R12.1 million after taking into account the gazetted councillor upper limits of 2023. Savings on the remuneration of councillors stemming from the dissolution of council in October 2024 could not be effected due to the back-payments processed in July 2024.

Bulk Purchases

The amount of R117.3 million is made up of electricity bulk purchases. Bulk water has been accounted for as inventory thus is accounted for under "Other Material"; this is as per National Treasury circulars and guidelines. The budgeted bulk electricity figure has been increased by 12.7% as per Circular 126 (paragraph 3.11, p12).

Provision for depreciation and asset impairment

Provision for depreciation and asset impairment has been informed by the municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R44.4 million for the 2024/25 financial year.

Finance charges

Consist of interest charged on the historic debt for Eskom; Magalies Water Board; Auditor General South Africa (AGSA); Bank Charges etc. Finance charges amounts to R20.6 million. The R3 million downward adjustment is due to the over budgeting (in the original budget) of interest on SARS. The municipality acknowledges that the interest on ESKOM and Magalies is currently under stated, however this will be rectified during the February adjustment budget following the negotiations for payment arrangements with both institutes.

Contracted Services

The table below provides a summary of items budgeted for as contracted services:

THABAZIMBI LOCAL MUNICIPALITY – SPECIAL ADJUSTMENT BUDGET 2024/25

Description	Budget
Repairs and Maintenance	12,437,700.00
Security Services	11,796,168.00
Legal Service	23,000,009.00
Asset Register	4,795,502.00
Munsoft	4,856,930.00
Human Resource Training	1,000,000.00
Fuel	1,800,000.00
Tax Review	1,000,000.00
Digging of graves	1,000,000.00
Valuation Roll	1,310,413.00
Cash in-transit	570,000.00
Removal of Illegal dumps	500,000.00
Land Use Scheme and SDF	250,000.00
Record Management System	500,000.00
Payday	293,500.00
Licencing maintenance	250,000.00
Disaster Management	250,000.00
Wildlife (Game) Management	250,000.00
Public Participation	200,000.00
Medical Examinations	200,000.00
IT Services	101,155.00
Local Economic Development Support	100,000.00
Land Audit	100,000.00
EAP Professional Services	50,000.00
Fleet Management	539,745.00
Calibration of Licencing Equipment	20,000.00
Total	67,171,122.00

Figure 5 Budgeted Expenditure Contracted Services

The following items under contracted services had to be adjusted upwards:

Legal Costs – the budget for legal costs amounted to R10 million and the actual expenditure as at September 2024 amounted to R22.7 million resulting in an over spending. The over spending was attributed to the Badenhorst court judgement which instructed the bank (ABSA) to pay an amount of R19 million. Therefore, the budget for legal costs had to be adjusted upwards by R13 million from R10 million in the original budget to R23 million in the adjusted budget.

Valuation – the budget was adjusted upwards by R500 thousand due to transactions that were processed against the insufficient budget. The original budget was R810 thousand and as at September the actual spending amounted to R1.1 million.

Human Resource Training – the original budget was R3 million, however, due to cost containment the budget was adjusted downwards by R2 million. Therefore, the adjusted budget is R1 million to cater for MFIP programmes.

Overall, contracted services increased by R2.1 million in the adjusted budget to cater for over spending on items i.e. legal costs.

Repairs and Maintenance

The amount budgeted for repairs and maintenance for financial year 2024/25 is R19 million. The municipality is required to project this figure as a percentage of PPE value; however, this is an unrealistic method of calculation given the financial situation of the municipality. In future budget periods the municipality intends to increase the budget allocation for repairs and maintenance based on the asset management plan. The budgeted figure for repairs and maintenance is split across two segments, name contracted services and materials.

Inventory Consumed

Consists of the following line items:

Description	Budget
Waste Management Cleaning Material	209,796.00
Cleaning Material	576,948.00
Stationery	91,668.00
Bulk Purchases Water	48,499,464.00
Repairs and Maintenance: Materials and Supplies	6,765,012.00
Total	56,142,888.00

Figure 6 Budgeted Expenditure Inventory Consumed

Other Expenditure

The table below provides a summary of items budgeted for as other expenditure:

THABAZIMBI LOCAL MUNICIPALITY – SPECIAL ADJUSTMENT BUDGET 2024/25

Description	Budget
Office Rent	629,400.00
Rental of Printers	3,147,000.00
Promotion Of Tourism	52,452.00
IDP Public Participation	262,248.00
HR Job Evaluation and Vetting	209,796.00
Advertisement	524,496.00
Bank Charges	524,496.00
Mayor Bursaries	104,904.00
Prepaid Electricity Commission	9,200,004.00
Cellular Contract (Subscription and Calls)	2,108,136.00
Establishment of Geographic Information System (GIS)	104,904.00
Landfill Site Provision	1,049,004.00
Deeds	28,320.00
OHS Function	104,904.00
Audit Fees	7,343,004.00
Information Technology (IT)	6,543,324.00
Indigent Relief	1,339,196.00
Insurance	524,496.00
Licences: Agency Fees	2,097,996.00
Implementation of SPLUMA	104,904.00
Township Establishment	262,248.00
Project Management Unit Fees	1,632,984.00
MPAC	209,796.00
Stationery	15,732.00
Printing and Publication	104,904.00
Internal Audit-Membership fees	52,452.00
Internal Audit	157,356.00
Corporate ServicesSection 79 Committees 401063539	40,572.00
Audit Committee	419,604.00
Skills Levy	575,784.00
Accomodation	831,008.00
Travel and Subsistence	754,752.00
Protective Clothing	839,196.00
Coida	524,496.00
Total	42,423,868.00

Figure 7 Budgeted Expenditure Other Expenditure

OHS Function: This amount consists of items such as fire extinguishers, first aid boxes and contents supplies to the value of R100 thousand.

THABAZIMBI LOCAL MUNICIPALITY – SPECIAL ADJUSTMENT BUDGET 2024/25

2.1.3 Capital Expenditure

Project Name	2024/25 Budget
MIG	
Rooiberg Paving of Internal street	R15,249,150.00
Regorogile Ext 8 Paving of Internal Streets	R13,000,000.00
Northam Upgrading of Internal street Phase 3	R4,000,000.00
Northam Transfer station	R2,000,000.00
Skierlik Paving of bus Route	R2,000,000.00
Project Management Unit Fees (5% of MIG Grant)	R1,907,850.00
TOTAL	R 38,157,000.00
WSIG (6B)	
Upgrading of bulk water pipeline between Thabazimbi pumpstation and Thabazimbi Y- piece	R16,000,000.00
Drilling equipping and connections of boreholes	R4,000,000.00
Regorogile Ext 8 bulk water pipeline	R4,000,000.00
Upgrading of Thabazimbi Pump Station	R8,000,000.00
Upgrading of Raphuthi bulk pipeline	R4,000,000.00
Raphuthi sewer reticulation	R4,000,000.00

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Installation of standby generators	R4,000,000.00
Installation of meters	R5,000,000.00
Upgrading of Thabazimbi Waste Water Treatment Plant	R12,000,000.00
Rooiberg bulk water Supply	R6,224,000.00
TOTAL	R 67,224,000.00

Figure 8 Capital Project Budget 2024/2025

MIG GRANT 2025/26	
Rooiberg Paving of Internal street	R6,710,397.86
Regorogile Ext 8 Paving of Internal Streets	R22,074,430.76
Northam upgrading of internal street Phase 2	R9,111,621.38
Project Management Unit Fees (5% of MIG Grant)	R1,994,550.00
TOTAL	R 39,891,000.00
WSIG 6B	
Upgrading of bulk water pipeline between Thabazimbi pumpstation and Thabazimbi Y- piece	R20,000,000.00
Drilling equipping and connections of boreholes	R4,000,000.00
Upgrading of Thabazimbi Pump Station	R8,000,000.00
Regorogile Ext 8 bulk water pipeline	R2,000,000.00

THABAZIMBI LOCAL MUNICIPALITY – SPECIAL ADJUSTMENT BUDGET 2024/25

Upgrading of Raphuthi bulk pipeline		R2,540,000.00
Raphuthi sewer reticulation		R4,000,000.00
Installation of standby generators		R8,000,000.00
Installation of meters		R5,000,000.00
Upgrading of Thabazimbi Waster Water Treatment Plant		R12,000,000.00
Rooiberg bulk water Supply		R6,224,000.00
TOTAL	R	71,764,000.00
INEP		
Construction of Smashblock Substation	R	13,000,000.00
Electrification of Regorogile Ext 8	R	2,500,000.00
Electrification of Raphuthi	R	2,500,000.00
TOTAL	R	18,000,000.00

Figure 9 Capital Project Budget 2025/2026

MIG GRANT 2026/27		
Regorogile Ext 8 Paving of Internal Streets	R	23,765,252.76
Northam Upgrading of Internal street Phase 3	R	17,197,797.24
Project Management Unit Fees (5% of MIG Grant)	R	2,155,950.00
TOTAL	R	43,119,000.00

THABAZIMBI LOCAL MUNICIPALITY – SPECIAL ADJUSTMENT BUDGET 2024/25

WSIG 6B		
Upgrading of bulk water pipeline between Thabazimbi pump station and Thabazimbi Y- piece	R	10,000,000.00
Drilling equipping and connections of boreholes	R	10,000,000.00
upgrading of pump station at Brits Junction	R	10,000,000.00
Installation of standby generators	R	10,000,000.00
Installation of meters	R	10,000,000.00
Upgrading of Thabazimbi Waste Water Treatment Plant	R	15,065,000.00
Rooiberg bulk water Supply	R	10,000,000.00
TOTAL	R	75,065,000.00
INEP		
Electrification of Regorogile Ext 8	R	8,000,000.00
Electrification of Raphuthi	R	8,000,000.00
TOTAL	R	16,000,000.00

Figure 10 Capital Project Budget 2026/2027

Capital expenditure projects will be funded through:

- Municipal Infrastructure Grant (MIG)
- Water Services Infrastructure Grant (WSIG)

3. CONSOLIDATED OVERVIEW OF THE 2024/25 MTREF

	Original Budget 2024/2025
Operating Revenue	R578.9 million
Operating Expenditure	R572.1 million
Surplus/ (Shortfall)	R6.8 million

Figure 11 Consolidated Overview of the 2024/25 MTREF

The operating expenditure for 2024/25 is R572.1 million, which is less than the operating income of R578.9 million, resulting in a surplus of R6.8 million. Expenditure as well consists of non-cash items such as depreciation and debt impairment which in total amounts to R76.6 million.

Strategic measures to increase the operating surplus over the MTREF period will be articulated in the updated financial recovery plan.

THABAZIMBI LOCAL MUNICIPALITY – SPECIAL ADJUSTMENT BUDGET 2024/25

3.1 ANNUAL BUDGET TABLES

The following pages present the budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulation

Explanatory notes to MBRR Table B1 - Budget Summary

LIM361 Thabazimbi - Table B1 Adjustments Budget Summary - 24/10/2024

Description	2024/25									Budget Year 2025/26	Budget Year 2026/27
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	108,625	-	-	-	-	-	-	-	108,625	115,143	122,051
Service charges	273,348	-	-	-	-	-	-	-	273,348	469,771	526,917
Investment revenue	660	-	-	-	-	-	-	-	660	700	742
Transfers recognised - operational	149,758	-	-	-	-	-	-	-	149,758	159,137	170,694
Other own revenue	46,604	-	-	-	-	-	-	-	46,604	108,986	115,525
Total Revenue (excluding capital transfers and contributions)	578,995	-	-	-	-	-	-	-	578,995	853,736	935,930
Employee costs	175,706	-	-	-	-	-	-	-	175,706	183,789	192,059
Remuneration of councillors	12,124	-	-	-	-	-	-	-	12,124	12,682	13,253
Depreciation & asset impairment	80,691	-	-	-	-	-	-	-	80,691	89,023	98,393
Finance charges	23,622	-	-	-	-	-	(3,000)	(3,000)	20,622	24,448	25,548
Inventory consumed and bulk purchases	173,448	-	-	-	-	-	-	-	173,448	197,720	226,063
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	108,752	-	-	-	-	-	843	843	109,595	170,931	177,173
Total Expenditure	574,343	-	-	-	-	-	(2,157)	(2,157)	572,186	678,592	732,489
Surplus/(Deficit)	4,651	-	-	-	-	-	2,157	2,157	6,808	175,144	203,441
Transfers and subsidies - capital (monetary allocations)	105,381	-	-	-	-	-	-	-	105,381	129,655	134,184
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	110,032	-	-	-	-	-	2,157	2,157	112,189	304,799	337,625
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	110,032	-	-	-	-	-	2,157	2,157	112,189	304,799	337,625

THABAZIMBI LOCAL MUNICIPALITY – SPECIAL ADJUSTMENT BUDGET 2024/25

Capital expenditure & funds sources												
Capital expenditure	79,523	-	-	-	-	-	-	-	79,523	91,266	85,505	
Transfers recognised - capital	78,474	-	-	-	-	-	-	-	78,474	90,169	84,358	
Borrowing	-	-	-	-	-	-	-	-	-	-	-	
Internally generated funds	1,049	-	-	-	-	-	-	-	1,049	1,097	1,147	
Total sources of capital funds	79,523	-	-	-	-	-	-	-	79,523	91,266	85,505	
Financial position												
Total current assets	262,876	-	-	-	-	-	-	-	262,876	1,024,762	1,883,789	
Total non current assets	35,939	-	-	-	-	-	-	-	35,939	64,522	84,741	
Total current liabilities	298,300	-	-	-	-	-	(2,157)	(2,157)	296,143	819,404	1,361,026	
Total non current liabilities	9,630	-	-	-	-	-	-	-	9,630	9,630	9,630	
Community wealth/Equity	(9,116)	-	-	-	-	-	2,157	2,157	(6,959)	260,249	597,874	
Cash flows												
Net cash from (used) operating	(38,136)	-	-	-	-	-	-	-	(38,136)	140,906	161,731	
Net cash from (used) investing	(42,925)	-	-	-	-	-	-	-	(42,925)	(91,266)	(85,505)	
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-	
Cash/cash equivalents at the year end	(80,454)	-	-	-	-	-	-	-	(80,454)	195,627	378,331	
Cash backing/surplus reconciliation												
Cash and investments available	(80,459)	-	-	-	-	-	-	-	(80,459)	190,457	370,118	
Application of cash and investments	77,711	-	-	-	-	-	(2,157)	(2,157)	75,554	292,099	426,649	
Balance - surplus (shortfall)	(158,169)	-	-	-	-	-	2,157	2,157	(156,012)	(101,642)	(56,531)	
Asset Management												
Asset register summary (WDV)	35,939	-	-	-	-	-	-	-	35,939	64,522	84,741	
Depreciation	44,420	-	-	-	-	-	-	-	44,420	51,083	58,746	
Renewal and Upgrading of Existing Assets	63,000	-	-	-	-	-	-	-	63,000	54,735	27,358	
Repairs and Maintenance	24,214	-	-	-	-	-	(5,381)	(5,381)	18,833	28,800	30,162	
Free services												
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-	
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-	-	
Households below minimum service level												
Water:	-	-	-	-	-	-	-	-	-	-	-	
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-	

Table 3 A1 - Budget Summary

Table B1 is a budget summary and provides a concise overview of the municipality budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard.

The operating surplus/deficit (after Total Expenditure) is positive over the MTREF. Capital expenditure is balanced by capital funding sources, of which transfers recognized is reflected on the Financial Performance Budget.

THABAZIMBI LOCAL MUNICIPALITY – SPECIAL ADJUSTMENT BUDGET 2024/25

MBRR Table B2 - Budgeted Financial Performance (revenue and expenditure by standard classification).

LIM361 Thabazimbi - Table B2 Adjustments Budget Financial Performance (functional classification) - 24/10/2024												
Standard 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
		5	6	7	8	9	10	11	12			
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
<i>Governance and administration</i>		365,101	-	-	-	-	-	-	-	365,101	466,935	492,876
Executive and council		150,059	-	-	-	-	-	-	-	150,059	160,898	172,561
Finance and administration		215,042	-	-	-	-	-	-	-	215,042	306,037	320,315
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		5,625	-	-	-	-	-	-	-	5,625	5,962	6,320
Community and social services		343	-	-	-	-	-	-	-	343	364	386
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		5,281	-	-	-	-	-	-	-	5,281	5,598	5,934
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		40,303	-	-	-	-	-	-	-	40,303	40,724	44,002
Planning and development		786	-	-	-	-	-	-	-	786	833	883
Road transport		39,517	-	-	-	-	-	-	-	39,517	39,891	43,119
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		273,347	-	-	-	-	-	-	-	273,347	469,770	526,916
Energy sources		130,400	-	-	-	-	-	-	-	130,400	318,246	366,301
Water management		89,339	-	-	-	-	-	-	-	89,339	94,699	100,381
Waste water management		33,194	-	-	-	-	-	-	-	33,194	35,185	37,296
Waste management		20,415	-	-	-	-	-	-	-	20,415	21,640	22,938
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	684,376	-	-	-	-	-	-	-	684,376	983,391	1,070,114
Expenditure - Functional												
<i>Governance and administration</i>		238,609	-	-	-	-	-	2,700	2,700	241,309	297,909	311,463
Executive and council		32,515	-	-	-	-	-	(300)	(300)	32,215	43,895	45,870
Finance and administration		202,716	-	-	-	-	-	3,000	3,000	205,716	250,481	261,901
Internal audit		3,378	-	-	-	-	-	-	-	3,378	3,533	3,692
<i>Community and public safety</i>		14,886	-	-	-	-	-	(100)	(100)	14,786	22,558	23,573
Community and social services		7,788	-	-	-	-	-	(100)	(100)	7,688	9,914	10,360
Sport and recreation		4,985	-	-	-	-	-	-	-	4,985	6,937	7,249
Public safety		2,113	-	-	-	-	-	-	-	2,113	5,706	5,963
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		45,820	-	-	-	-	-	(1,376)	(1,376)	44,444	52,066	56,247
Planning and development		12,476	-	-	-	-	-	(250)	(250)	12,226	14,141	14,777
Road transport		33,344	-	-	-	-	-	(1,126)	(1,126)	32,219	37,926	41,470
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		274,759	-	-	-	-	-	(3,381)	(3,381)	271,378	305,467	340,588
Energy sources		159,465	-	-	-	-	-	(3,000)	(3,000)	156,465	182,761	210,419
Water management		80,187	-	-	-	-	-	-	-	80,187	85,539	91,318
Waste water management		24,683	-	-	-	-	-	-	-	24,683	25,818	26,980
Waste management		10,424	-	-	-	-	-	(381)	(381)	10,043	11,350	11,870
<i>Other</i>		270	-	-	-	-	-	-	-	270	593	619
Total Expenditure - Functional	3	574,343	-	-	-	-	-	(2,157)	(2,157)	572,186	678,592	732,489
Surplus/ (Deficit) for the year		110,032	-	-	-	-	-	2,157	2,157	112,189	304,799	337,625

Table 4 B2 - Budgeted Financial Performance (revenue and expenditure by standard classification).

Explanatory notes:

Table B2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

THABAZIMBI LOCAL MUNICIPALITY – SPECIAL ADJUSTMENT BUDGET 2024/25

MBRR Table B3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

LIM361 Thabazimbi - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 24/10/2024												
Vote Description <i>[Insert departmental structure etc]</i>	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
		3	4	5	6	7	8	9	10	11	12	13
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 1 - 100 Political Office Bearer		150,059	-	-	-	-	-	-	-	150,059	160,898	172,561
Vote 2 - 200 Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - 300 Budget & Treasury		213,323	-	-	-	-	-	-	-	213,323	303,989	318,143
Vote 4 - 400 Corporate Service		813	-	-	-	-	-	-	-	813	1,088	1,154
Vote 5 - 500 Planning & Development		786	-	-	-	-	-	-	-	786	833	883
Vote 6 - 600 Community Services		6,530	-	-	-	-	-	-	-	6,530	6,922	7,338
Vote 7 - 700 Technical Services		312,864	-	-	-	-	-	-	-	312,864	509,661	570,035
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	684,376	-	-	-	-	-	-	-	684,376	983,391	1,070,114
Expenditure by Vote	1											
Vote 1 - 100 Political Office Bearer		33,683	-	-	-	-	-	(300)	(300)	33,383	45,116	47,146
Vote 2 - 200 Municipal Manager		3,378	-	-	-	-	-	-	-	3,378	3,533	3,692
Vote 3 - 300 Budget & Treasury		135,765	-	-	-	-	-	(8,000)	(8,000)	127,765	147,661	155,515
Vote 4 - 400 Corporate Service		55,318	-	-	-	-	-	11,000	11,000	66,318	90,653	93,671
Vote 5 - 500 Planning & Development		12,476	-	-	-	-	-	(250)	(250)	12,226	14,141	14,777
Vote 6 - 600 Community Services		29,757	-	-	-	-	-	(481)	(481)	29,275	38,860	40,609
Vote 7 - 700 Technical Services		303,967	-	-	-	-	-	(4,126)	(4,126)	299,841	338,629	377,079
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	574,343	-	-	-	-	-	(2,157)	(2,157)	572,186	678,592	732,489
Surplus/ (Deficit) for the year	2	110,032	-	-	-	-	-	2,157	2,157	112,189	304,799	337,625

Table 5 B3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Explanatory notes:

Table B3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

THABAZIMBI LOCAL MUNICIPALITY – SPECIAL ADJUSTMENT BUDGET 2024/25

MBRR Table B4 - Budgeted Financial Performance (revenue and expenditure)

LIM361 Thabazimbi - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 24/10/2024												Budget Year 2025/26	Budget Year 2026/27
Description	Ref	2024/25									Adjusted Budget	Adjusted Budget	
		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	A1	B	C	D	E	F	G	H			
Revenue By Source													
Exchange Revenue													
Service charges - Electricity	2	130,400	-	-	-	-	-	-	-	130,400	318,246	366,301	
Service charges - Water	2	89,340	-	-	-	-	-	-	-	89,340	94,700	100,382	
Service charges - Waste Water Management	2	33,194	-	-	-	-	-	-	-	33,194	35,185	37,296	
Service charges - Waste Management	2	20,415	-	-	-	-	-	-	-	20,415	21,640	22,938	
Sale of Goods and Rendering of Services		1,058	-	-	-	-	-	-	-	1,058	1,121	1,189	
Agency services		-	-	-	-	-	-	-	-	-	-	-	
Interest		-	-	-	-	-	-	-	-	-	-	-	
Interest earned from Receivables		36,781	-	-	-	-	-	-	-	36,781	38,988	41,328	
Interest earned from Current and Non Current Assets		660	-	-	-	-	-	-	-	660	700	742	
Dividends		-	-	-	-	-	-	-	-	-	-	-	
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	
Rental from Fixed Assets		642	-	-	-	-	-	-	-	642	681	722	
Licence and permits		-	-	-	-	-	-	-	-	-	-	-	
Operational Revenue		1,935	-	-	-	-	-	-	-	1,935	2,277	2,414	
Non-Exchange Revenue													
Property rates	2	108,625	-	-	-	-	-	-	-	108,625	115,143	122,051	
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	59,360	62,922	
Fines, penalties and forfeits		870	-	-	-	-	-	-	-	870	922	978	
Licences or permits		5,317	-	-	-	-	-	-	-	5,317	5,636	5,974	
Transfer and subsidies - Operational		149,758	-	-	-	-	-	-	-	149,758	159,137	170,694	
Interest		-	-	-	-	-	-	-	-	-	-	-	
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	
Other Gains		-	-	-	-	-	-	-	-	-	-	-	
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)		578,995	-	-	-	-	-	-	-	578,995	853,736	935,930	
Expenditure By Type													
Employee related costs		175,706	-	-	-	-	-	-	-	175,706	183,789	192,059	
Remuneration of councillors		12,124	-	-	-	-	-	-	-	12,124	12,682	13,253	
Bulk purchases - electricity		117,305	-	-	-	-	-	-	-	117,305	138,995	164,695	
Inventory consumed		56,143	-	-	-	-	-	-	-	56,143	58,725	61,368	
Debt impairment		36,271	-	-	-	-	-	-	-	36,271	37,940	39,647	
Depreciation and amortisation		44,420	-	-	-	-	-	-	-	44,420	51,083	58,746	
Interest		23,622	-	-	-	-	-	(3,000)	(3,000)	20,622	24,448	25,548	
Contracted services		63,428	-	-	-	-	-	3,743	3,743	67,171	123,983	128,567	
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	
Operational costs		45,324	-	-	-	-	-	(2,900)	(2,900)	42,424	46,948	48,607	
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	
Other Losses		-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure		574,343	-	-	-	-	-	(2,157)	(2,157)	572,186	678,592	732,489	
Surplus/(Deficit)		4,651	-	-	-	-	-	2,157	2,157	6,808	175,144	203,441	
Transfers and subsidies - capital (monetary allocations)		105,381	-	-	-	-	-	-	-	105,381	129,655	134,184	
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) before taxation		110,032	-	-	-	-	-	2,157	2,157	112,189	304,799	337,625	
Income Tax		-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after taxation		110,032	-	-	-	-	-	2,157	2,157	112,189	304,799	337,625	
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality		110,032	-	-	-	-	-	2,157	2,157	112,189	304,799	337,625	
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year	1	110,032	-	-	-	-	-	2,157	2,157	112,189	304,799	337,625	

Table 6 B4 - Budgeted Financial Performance (revenue and expenditure)

THABAZIMBI LOCAL MUNICIPALITY – SPECIAL ADJUSTMENT BUDGET 2024/25

MBRR Table B5 - Budgeted Capital Expenditure by vote, standard classification, and funding source

LIM361 Thabazimbi - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 24/10/2024												
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	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - 100 Political Office Bearer		–	–	–	–	–	–	–	–	–	–	–
Vote 2 - 200 Municipal Manager		–	–	–	–	–	–	–	–	–	–	–
Vote 3 - 300 Budget & Treasury		–	–	–	–	–	–	–	–	–	–	–
Vote 4 - 400 Corporate Service		–	–	–	–	–	–	–	–	–	–	–
Vote 5 - 500 Planning & Development		–	–	–	–	–	–	–	–	–	–	–
Vote 6 - 600 Community Services		–	–	–	–	–	–	–	–	–	–	–
Vote 7 - 700 Technical Services		16,000	–	–	–	–	–	–	–	16,000	24,000	10,000
Vote 8 -		–	–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	3	16,000	–	–	–	–	–	–	–	16,000	24,000	10,000
Single-year expenditure to be adjusted	2											
Vote 1 - 100 Political Office Bearer		–	–	–	–	–	–	–	–	–	–	–
Vote 2 - 200 Municipal Manager		–	–	–	–	–	–	–	–	–	–	–
Vote 3 - 300 Budget & Treasury		–	–	–	–	–	–	–	–	–	–	–
Vote 4 - 400 Corporate Service		1,049	–	–	–	–	–	–	–	1,049	1,097	1,147
Vote 5 - 500 Planning & Development		–	–	–	–	–	–	–	–	–	–	–
Vote 6 - 600 Community Services		13,000	–	–	–	–	–	–	–	13,000	2,195	2,293
Vote 7 - 700 Technical Services		49,474	–	–	–	–	–	–	–	49,474	63,974	72,065
Vote 8 -		–	–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		63,523	–	–	–	–	–	–	–	63,523	67,266	75,505
Total Capital Expenditure - Vote		79,523	–	–	–	–	–	–	–	79,523	91,266	85,505
Capital Expenditure - Functional												
Governance and administration		1,049	–	–	–	–	–	–	–	1,049	1,097	1,147
Executive and council		–	–	–	–	–	–	–	–	–	–	–
Finance and administration		1,049	–	–	–	–	–	–	–	1,049	1,097	1,147
Internal audit		–	–	–	–	–	–	–	–	–	–	–
Community and public safety												
Community and social services		–	–	–	–	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		15,750	–	–	–	–	–	–	–	15,750	6,710	–
Planning and development		–	–	–	–	–	–	–	–	–	–	–
Road transport		15,750	–	–	–	–	–	–	–	15,750	6,710	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–
Trading services		49,724	–	–	–	–	–	–	–	49,724	81,264	82,065
Energy sources		(25,500)	–	–	–	–	–	–	–	(25,500)	23,500	18,000
Water management		42,224	–	–	–	–	–	–	–	42,224	43,764	49,000
Waste water management		33,000	–	–	–	–	–	–	–	33,000	14,000	15,065
Waste management		–	–	–	–	–	–	–	–	–	–	–
Other		13,000	–	–	–	–	–	–	–	13,000	2,195	2,293
Total Capital Expenditure - Functional	3	79,523	–	–	–	–	–	–	–	79,523	91,266	85,505
Funded by:												
National Government		78,474	–	–	–	–	–	–	–	78,474	90,169	84,358
Provincial Government		–	–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	78,474	–	–	–	–	–	–	–	78,474	90,169	84,358
Borrowing		–	–	–	–	–	–	–	–	–	–	–
Internally generated funds		1,049	–	–	–	–	–	–	–	1,049	1,097	1,147
Total Capital Funding		79,523	–	–	–	–	–	–	–	79,523	91,266	85,505

Table 7 B5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Table B5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

THABAZIMBI LOCAL MUNICIPALITY – SPECIAL ADJUSTMENT BUDGET 2024/25

MBRR Table B6 - Budgeted Financial Position

LIM361 Thabazimbi - Table B6 Adjustments Budget Financial Position - 24/10/2024

LIM361 Thabazimbi - Table B6 Adjustments Budget Financial Position - 24/10/2024												
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	
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
ASSETS												
Current assets												
Cash and cash equivalents		(80,459)	–	–	–	–	–	–	–	(80,459)	190,457	370,118
Trade and other receivables from exchange transactions	1	113,195	–	–	–	–	–	–	–	113,195	543,553	1,109,503
Receivables from non-exchange transactions	1	82,602	–	–	–	–	–	–	–	82,602	189,448	302,865
Current portion of non-current receivables	2	–	–	–	–	–	–	–	–	–	–	–
Inventory		58,074	–	–	–	–	–	–	–	58,074	11,840	11,840
VAT		89,464	–	–	–	–	–	–	–	89,464	89,464	89,464
Other current assets		–	–	–	–	–	–	–	–	–	–	–
Total current assets		262,876	–	–	–	–	–	–	–	262,876	1,024,762	1,883,789
Non current assets												
Investments		–	–	–	–	–	–	–	–	–	–	–
Investment property		–	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	35,103	–	–	–	–	–	–	–	35,103	63,686	83,906
Biological assets		836	–	–	–	–	–	–	–	836	836	836
Living and non-living resources		–	–	–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–	–	–
Intangible assets		–	–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–	–	–
Total non current assets		35,939	–	–	–	–	–	–	–	35,939	64,522	84,741
TOTAL ASSETS		298,814	–	–	–	–	–	–	–	298,814	1,089,284	1,968,530
LIABILITIES												
Current liabilities												
Bank overdraft		–	–	–	–	–	–	–	–	–	–	–
Financial liabilities		–	–	–	–	–	–	–	–	–	–	–
Consumer deposits		4,796	–	–	–	–	–	–	–	4,796	4,796	4,796
Trade and other payables from exchange transactions		295,597	–	–	–	–	–	(2,157)	(2,157)	293,440	921,020	1,595,316
Trade and other payables from non-exchange transactions		(2,720)	–	–	–	–	–	–	–	(2,720)	(107,039)	(239,712)
Provisions		627	–	–	–	–	–	–	–	627	627	627
VAT		–	–	–	–	–	–	–	–	–	–	–
Other current liabilities		–	–	–	–	–	–	–	–	–	–	–
Total current liabilities		298,300	–	–	–	–	–	(2,157)	(2,157)	296,143	819,404	1,361,026
Non current liabilities												
Borrowing	1	–	–	–	–	–	–	–	–	–	–	–
Provisions	1	9,630	–	–	–	–	–	–	–	9,630	9,630	9,630
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities		–	–	–	–	–	–	–	–	–	–	–
Total non current liabilities		9,630	–	–	–	–	–	–	–	9,630	9,630	9,630
TOTAL LIABILITIES		307,930	–	–	–	–	–	(2,157)	(2,157)	305,773	829,034	1,370,656
NET ASSETS	2	(9,116)	–	–	–	–	–	2,157	2,157	(6,959)	260,249	597,874
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		(9,116)	–	–	–	–	–	2,157	2,157	(6,959)	260,249	597,874
Funds and Reserves		–	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY		(9,116)	–	–	–	–	–	2,157	2,157	(6,959)	260,249	597,874

Table 8 B6 - Budgeted Financial Position

Explanatory notes:

Table B6 is consistent with international standards of good financial management practice, and improves the ability to understand, for councillors and management, on the impact of the budget on the statement of financial position (balance sheet). This format of presenting the statement of financial position is aligned to GRAP 1.

THABAZIMBI LOCAL MUNICIPALITY – SPECIAL ADJUSTMENT BUDGET 2024/25

MBRR Table B7 - Budgeted Cash Flow Statement

LIM361 Thabazimbi - Table B7 Adjustments Budget Cash Flows - 24/10/2024												
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
			3	4	5	6	7	8	9	10		
R thousands		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		70,593	–	–	–	–	–	–	–	70,593	74,828	79,318
Service charges		177,241	–	–	–	–	–	–	–	177,241	306,640	345,070
Other revenue		4,542	–	–	–	–	–	–	–	4,542	5,041	5,343
Transfers and Subsidies - Operational	1	261,436	–	–	–	–	–	–	–	261,436	280,905	298,764
Transfers and Subsidies - Capital	1	38,157	–	–	–	–	–	–	–	38,157	39,891	43,119
Interest		–	–	–	–	–	–	–	–	–	–	–
Dividends		–	–	–	–	–	–	–	–	–	–	–
Payments												
Suppliers and employees		(579,031)	–	–	–	–	–	–	–	(579,031)	(577,982)	(621,988)
Finance charges		(11,073)	–	–	–	–	–	–	–	(11,073)	11,583	12,104
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		(38,136)	–	–	–	–	–	–	–	(38,136)	140,906	161,731
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		(42,925)	–	–	–	–	–	–	–	(42,925)	(91,266)	(85,505)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(42,925)	–	–	–	–	–	–	–	(42,925)	(91,266)	(85,505)
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		(81,061)	–	–	–	–	–	–	–	(81,061)	49,640	76,226
Cash/cash equivalents at the year begin:	2	607	–	–	–	–	–	–	–	607	145,987	302,105
Cash/cash equivalents at the year end:	2	(80,454)	–	–	–	–	–	–	–	(80,454)	195,627	378,331

Table 9 B7 - Budgeted Cash Flow Statement

Explanatory notes:

The budgeted cash flow statement is the first measurement in determining if the budget is funded.

It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

THABAZIMBI LOCAL MUNICIPALITY – SPECIAL ADJUSTMENT BUDGET 2024/25

MBRR Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

LIM361 Thabazimbi - Table B8 Cash backed reserves/accumulated surplus reconciliation - 24/10/2024												
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
			3	4	5	6	7	8	9	10		
R thousands		A	A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	(80,454)	-	-	-	-	-	-	-	(80,454)	195,627	378,331
Other current investments > 90 days		(5)	-	-	-	-	-	-	-	(5)	(5,170)	(8,213)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		(80,459)	-	-	-	-	-	-	-	(80,459)	190,457	370,118
Applications of cash and investments												
Unspent conditional transfers		(2,720)	-	-	-	-	-	-	-	(2,720)	(107,039)	(239,712)
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		(89,464)	-	-	-	-	-	-	-	(89,464)	(89,464)	(89,464)
Other working capital requirements	2	169,268	-	-	-	-	-	(2,157)	(2,157)	167,111	487,975	755,198
Other provisions		627	-	-	-	-	-	-	-	627	627	627
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		77,711	-	-	-	-	-	(2,157)	(2,157)	75,554	292,099	426,649
Surplus(shortfall)		(158,169)	-	-	-	-	-	2,157	2,157	(156,012)	(101,642)	(56,531)

Table 10 B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

THABAZIMBI LOCAL MUNICIPALITY – SPECIAL ADJUSTMENT BUDGET 2024/25

MBRR Table B9 – Asset Management

Table 11 B9 – Asset Management

LIM361 Thabazimbi - Table B9 Asset Management - 24/10/2024												
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
R thousands		A	A1	B	C	D	E	F	G	H		
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	16,523	-	-	-	-	-	-	-	16,523	36,532	58,147
Roads Infrastructure		32,250	-	-	-	-	-	-	-	32,250	4,710	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		(23,000)	-	-	-	-	-	-	-	(23,000)	15,500	8,000
Water Supply Infrastructure		6,224	-	-	-	-	-	-	-	6,224	(1,776)	19,000
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		15,474	-	-	-	-	-	-	-	15,474	18,434	27,000
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		1,049	-	-	-	-	-	-	-	1,049	1,097	1,147
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		0	-	-	-	-	-	-	-	0	17,000	30,000
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets to be adjusted	2	-	-	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-

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Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets to be adjusted	2a	63,000	-	-	-	-	-	-	63,000	54,735	27,358	
Roads Infrastructure		15,000	-	-	-	-	-	-	15,000	2,195	2,293	
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	
Water Supply Infrastructure		32,000	-	-	-	-	-	-	32,000	36,540	10,000	
Sanitation Infrastructure		16,000	-	-	-	-	-	-	16,000	16,000	15,065	
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	
Infrastructure		63,000	-	-	-	-	-	-	63,000	54,735	27,358	
Community Facilities		-	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	
Community Assets		-	-	-	-	-	-	-	-	-	-	
Heritage Assets		-	-	-	-	-	-	-	-	-	-	
Revenue Generating		-	-	-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	-	
Operational Buildings		-	-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	-	
Other Assets	6	-	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	
Servitudes		-	-	-	-	-	-	-	-	-	-	
Licences and Rights		-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	-	-	-	-	-	-	-	-	
Computer Equipment		-	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	
Transport Assets		-	-	-	-	-	-	-	-	-	-	
Land		-	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	
Mature		-	-	-	-	-	-	-	-	-	-	
Immature		-	-	-	-	-	-	-	-	-	-	
Living Resources		-	-	-	-	-	-	-	-	-	-	
Total Capital Expenditure to be adjusted	4	79,523	-	-	-	-	-	-	79,523	91,266	85,505	
Roads Infrastructure		47,250	-	-	-	-	-	-	47,250	6,905	2,293	
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	
Electrical Infrastructure		(23,000)	-	-	-	-	-	-	(23,000)	15,500	8,000	
Water Supply Infrastructure		38,224	-	-	-	-	-	-	38,224	34,764	29,000	
Sanitation Infrastructure		16,000	-	-	-	-	-	-	16,000	16,000	15,065	
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	
Infrastructure		78,474	-	-	-	-	-	-	78,474	73,169	54,358	
Community Facilities		-	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	
Community Assets		-	-	-	-	-	-	-	-	-	-	
Heritage Assets		-	-	-	-	-	-	-	-	-	-	
Revenue Generating		-	-	-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	-	
Operational Buildings		-	-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	-	
Other Assets		-	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	
Servitudes		-	-	-	-	-	-	-	-	-	-	
Licences and Rights		-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	-	-	-	-	-	-	-	-	
Computer Equipment		1,049	-	-	-	-	-	-	1,049	1,097	1,147	
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	
Machinery and Equipment		0	-	-	-	-	-	-	0	17,000	30,000	
Transport Assets		-	-	-	-	-	-	-	-	-	-	

THABAZIMBI LOCAL MUNICIPALITY – SPECIAL ADJUSTMENT BUDGET 2024/25

Transport Assets		-	-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	4	79,523	-	-	-	-	-	-	-	79,523	91,266	85,505	
ASSET REGISTER SUMMARY - PPE (WDV)	5	35,939	-	-	-	-	-	-	-	35,939	64,522	84,741	
Roads Infrastructure		18,615	-	-	-	-	-	-	-	18,615	(42,077)	(77,654)	
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Electrical Infrastructure		(26,663)	-	-	-	-	-	-	-	(26,663)	51,624	88,779	
Water Supply Infrastructure		22,224	-	-	-	-	-	-	-	22,224	49,514	84,514	
Sanitation Infrastructure		12,000	-	-	-	-	-	-	-	12,000	12,000	27,065	
Solid Waste Infrastructure		(2,647)	-	-	-	-	-	-	-	(2,647)	(5,692)	(9,193)	
Rail Infrastructure		(8,477)	-	-	-	-	-	-	-	(8,477)	(18,226)	(29,437)	
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure		15,051	-	-	-	-	-	-	-	15,051	47,143	84,074	
Community Assets		20,000	-	-	-	-	-	-	-	20,000	16,540	-	
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	-	-	
Other Assets		-	-	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets		836	-	-	-	-	-	-	-	836	836	836	
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	
Computer Equipment		1,049	-	-	-	-	-	-	-	1,049	2,146	3,293	
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-	
Machinery and Equipment		(672)	-	-	-	-	-	-	-	(672)	(1,444)	(2,332)	
Transport Assets		(325)	-	-	-	-	-	-	-	(325)	(699)	(1,130)	
Land		-	-	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	
Living Resources		-	-	-	-	-	-	-	-	-	-	-	
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	35,939	-	-	-	-	-	-	-	35,939	64,522	84,741	

EXPENDITURE OTHER ITEMS													
Depreciation & asset impairment		44,420	-	-	-	-	-	-	-	44,420	51,083	58,746	
Repairs and Maintenance by asset class	3	24,214	-	-	-	-	-	(5,381)	(5,381)	18,833	28,800	30,162	
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Electrical Infrastructure		15,000	-	-	-	-	-	(5,000)	(5,000)	10,000	16,506	17,315	
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Solid Waste Infrastructure		2,038	-	-	-	-	-	(381)	(381)	1,657	2,569	2,685	
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure		17,038	-	-	-	-	-	(5,381)	(5,381)	11,657	19,075	20,000	
Community Facilities		-	-	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-	
Community Assets		-	-	-	-	-	-	-	-	-	-	-	
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	-	-	
Operational Buildings		1,062	-	-	-	-	-	-	-	1,062	2,331	2,435	
Housing		-	-	-	-	-	-	-	-	-	-	-	
Other Assets		1,062	-	-	-	-	-	-	-	1,062	2,331	2,435	
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-	
Servitudes		-	-	-	-	-	-	-	-	-	-	-	
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	
Computer Equipment		6,114	-	-	-	-	-	-	-	6,114	7,394	7,726	
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-	
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-	
Transport Assets		-	-	-	-	-	-	-	-	-	-	-	
Land		-	-	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	6	-	-	-	-	-	-	-	-	-	-	-	
Mature		-	-	-	-	-	-	-	-	-	-	-	
Immature		-	-	-	-	-	-	-	-	-	-	-	
Living Resources		-	-	-	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		68,634	-	-	-	-	-	(5,381)	(5,381)	63,253	79,883	88,907	
Renewal and upgrading of Existing Assets as % of total capex		79.2%	0.0%							79.2%	60.0%	32.0%	
Renewal and upgrading of Existing Assets as % of deprecn		141.8%	0.0%							141.8%	107.1%	46.6%	
R&M as a % of PPE		67.4%	0.0%							52.4%	44.6%	35.6%	
Renewal and upgrading and R&M as a % of PPE		242.7%	0.0%							227.7%	129.5%	67.9%	

THABAZIMBI LOCAL MUNICIPALITY – SPECIAL ADJUSTMENT BUDGET 2024/25

Table B10 - Basic Service Delivery Measurement

LIM361 Thabazimbi - Table B10 Basic service delivery measurement - 24/10/2024

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	Adjusted Budget
		A	7	8	9	10	11	12	13	14			
		A	A1	B	C	D	E	F	G	H			
Household service targets	1												
Water:													
Piped water inside dwelling									-	-			
Piped water inside yard (but not in dwelling)									-	-			
Using public tap (at least min.service level)	2								-	-			
Other water supply (at least min.service level)									-	-			
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3								-	-			
Other water supply (< min.service level)	3.4								-	-			
No water supply									-	-			
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:													
Flush toilet (connected to sewerage)									-	-			
Flush toilet (with septic tank)									-	-			
Chemical toilet									-	-			
Pit toilet (ventilated)									-	-			
Other toilet provisions (> min.service level)									-	-			
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-	-	-	-
Bucket toilet									-	-			
Other toilet provisions (< min.service level)									-	-			
No toilet provisions									-	-			
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-	-	-	-
Energy:													
Electricity (at least min. service level)									-	-			
Electricity - prepaid (> min.service level)									-	-			
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-	-	-	-
Electricity (< min.service level)									-	-			
Electricity - prepaid (< min. service level)									-	-			
Other energy sources									-	-			
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-	-	-	-
Refuse:													
Removed at least once a week (min.service)									-	-			
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	15												
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-	-	-	-
Informal Settlements													
Cost of Free Basic Services provided (R'000)	16												
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	-	-	-	-	-	-	-	-	-
Highest level of free service provided													
Property rates (R'000 value threshold)									-	-			
Water (kilolitres per household per month)									-	-			
Sanitation (kilolitres per household per month)									-	-			
Electricity (kw per household per month)									-	-			
Refuse (average litres per week)									-	-			
Revenue cost of free services provided (R'000)	17												
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)									-	-			
excess of section 17 of MPRA		-	-	-	-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates									-	-			
Housing - top structure subsidies	6								-	-			
Other									-	-			
Total revenue cost of subsidised services provided		-	-	-	-	-	-	-	-	-	-	-	-

Table 12 B10 - Basic Service Delivery Measurement

4. OVERVIEW BUDGET ASSUMPTIONS

To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. Thabazimbi Local Municipality anticipates the following collection rates:

Tariffs	Anticipated Collect Rate
Rates	80%
Water	75%
Electricity	90%
Sewerage	75%
Refuse	75%

Figure 12 Collection Rates Estimates

Rates, tariffs and charges

The following table shows the assumed average domestic percentage increases built into the MTREF for rates, tariffs and charges:

Tariffs	Proposed tariff increases 2024/25
Rates	6%
Water	6%
Electricity	15.10%
Sewerage	6%
Refuse	6%

Figure 13 Percentage change rates, tariffs and charges

The base assumption is that tariff and rating increases will increase at varying rates at or above the CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecast term.

5. LEGISLATION COMPLIANCE STATUS

Thabazimbi Local Municipality has been in compliance with the MFMA implementation requirements and has been substantially adhered to through the following activities:

In year reporting - Reporting to National Treasury in electronic format has seen a marginal improvement since the turn of the year. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes quarterly published financial performance on the municipality's website.

Internship Programme - The municipality is participating in the Municipal Financial Management Internship programme and has appointed five (5) interns who are undergoing training in various divisions in the Budget and Treasury Office.

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

Audit Committee – the contract for the Audit Committee members has come to an end in June 2024.

6. OVERVIEW OF THE BUDGET FUNDING

Section 18(1) of the MFMA requires the budget of a municipality to be funded from –

- I. Realistically anticipated revenues to be collected;
- II. Cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
- III. Borrowed funds, but only for the capital budget referred to in Section (17) (2) of the MFMA.

The 2024/25 Special Adjustment budget has been prepared taking into cognizance the requirements of the abovementioned section. However, it should be noted that the 2024/25 Special Adjustment budget is unfunded and unsustainable. The municipality will review the budget funding plan in place to align with the budget and the IDP.

The municipality will engage National Treasury to assist with the development of the Financial recovery plan.

Revenue was estimated using a collection rate of 80% on property rates and 75% on other revenue items/charges. The capital budget is funded out of grants received from National Treasury. The 2024 Division of Revenue Bill allocations to Thabazimbi Local Municipality are as follows for 2024/25 – 2026/27.

7. GRANT ALLOCATIONS OVER THE MTREF

Grant type (R'000)	2024/25	2025/26	2026/27
Equitable share	R 145,380,000	R 156,118,000	R 167,694,000

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Finance Management Grant (FMG)	R 3,000,000	R 3,000,000	R 3,000,000
Municipal Infrastructure Grant (MIG)	R 38,157,000	R 39,891,000	R 43,119,000
Extended Public Works Programme (EPWP)	R 1,360,000	-	-
Integrated National Electrification Programme (INEP)	-	R 18,000,000	R 19,000,000
Water Services Infrastructure Grant (WISG)	R 67,224,000	R 71,764,000	R 75,065,000

Figure 14 Grant allocations over the MTREF

These grants are explained below:

Equitable Share - The equitable share is an unconditional grant and is used for institutional capacity and to support the indigents;

Local Government Financial Management Grant (FMG) - This grant is a conditional grant and can only be used for capacity building and Internship Programme;

Municipal Infrastructure Grant (MIG) - This is a conditional grant for municipal infrastructure

Water Services Infrastructure Grant (WISG)- To facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and improve the sustainability of services in prioritized district municipalities, especially in rural municipalities; provide interim, intermediate water and sanitation services that ensure provision of services to identified and prioritized communities, including through spring protection, drilling, testing and equipping of boreholes and on-site solutions; to support drought relief projects in affected municipalities.

Funding of capital expenditure - The budget for capital expenditure is funded from capital transfers received from National Government.

Financial recovery plan - A financial recovery plan is updated, monitored and implemented on a monthly basis. It is sent to Provincial Treasury for review and

recommendations monthly. The implementation of the plan will improve the financial sustainability of the municipality.

8. SUPPORTING TABLES

- Supporting tables can be found on Annexure A – B Schedule Adjustment Budget 2024/25

END