

## **AGENDA: SPECIAL COUNCIL: 28 FEBRUARY 2025**

### **12. TABLING OF THE ADJUSTMENTS BUDGET: 2024/2025**

(Budget and Treasury Office)

(GD)

#### **1. STRATEGIC THRUST**

The Rustenburg Local Municipality has adopted as a key priority amongst others: “To ensure sustainable municipal financial viability and management including good governance and public participation.”

#### **2. PURPOSE OF THE REPORT**

The purpose of the report is to make recommendations on the possible adjustments to the approved budget.

#### **3. BACKGROUND**

The MTREF 2024/2025 was approved on the 22 May 2024 as per Council Item 49 In terms of section 28(1) and (2) of the Municipal Finance Management Act (MFMA), Act number 56 of 2003:

A Municipality may revise an approved annual Budget through an Adjustments Budget.

An Adjustment 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, authorize unforeseeable and unavoidable expenditure recommended by the Mayor of the municipality;
- d) may correct any errors in the annual budget, and
- e) may provide for any other expenditure within a prescribed framework.

The mayor may table an adjustments budget.

Municipal tax and tariffs may not be increased during a financial year.

#### **4. DISCUSSIONS**

The application of sound financial management principles for the compilation of adjustments budget is essential and critical to ensure that the municipality remains viable and that municipal services are provided sustainably, economically, and equitably to all communities.

Where it is appropriate, funds were transferred from low to high priority programmes, so as to maintain sound financial stewardship. A critical review was also undertaken of expenditure with zero, under and overspending and revenue with zero, under and over recovery.

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The budget adjustments process resulted in

- Total revenue is being adjusted downwards to **R7,642 billion** from **R8,479 billion** showing a decrease of **R837 million**.
- Total expenditure is being adjusted downwards to **R6,886 billion** from **R7,532 billion** showing a decrease of **R646 million**.
- Surplus has decreased from **R946 million** to **R755 million** by **R191 million**.
- Capital Budget was adjusted from **R641 million** to **R698 million** an increase of **R57 million**.
- Nett surplus after capital budget has decreased by **R247 million** from **R305 million** to **R57 million**.

### CONSOLIDATED OVERVIEW OF THE 2024/2025 ADJUSTMENTS BUDGET

NW373 Rustenburg - Adjustments Budget Financial Performance (revenue and expenditure) and Capital Funding												
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. 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	1	A	A1	B	C	D	E	F	G	H		
Total Revenue (excluding capital transfers and contributions)		8 075 171	8 075 171	-	-	-	3 145	(895 857)	(892 712)	7 182 459	8 474 580	8 880 840
Total Expenditure		7 531 866	7 531 866	-	-	-	-	(645 755)	(645 755)	6 886 111	7 901 791	8 255 082
Surplus/(Deficit)		543 305	543 305	-	-	-	3 145	(250 102)	(246 957)	296 348	572 789	625 758
Transfers and subsidies - capital (monetary allocations)		403 313	403 313				56 026		56 026	459 339	417 037	433 562
Surplus/ (Deficit) for the year	1	946 618	946 618	-	-	-	59 171	(250 102)	(190 931)	755 687	989 826	1 059 320
Total Capital Funding		641 611	641 611	-	-	-	56 689		56 689	698 300	620 423	630 624

The reported financial performance includes the performance of the Rustenburg Water Service Trust (RWST). It be noted that there was no adjustment to the approved 2024/2025 RWST budget.

Adjusted revenue of **R7,642 billion** and expenditure of **R6,886 billion** resulting in a surplus of **R755 million** of accrued income including non-cash items for the 2024/25 budget. Capital Budget was adjusted upwards to **R698 million**.

- Details of the adjustments budget are demonstrated in the adjustments budget book, referenced as *Annexure A* and the detailed budget is in the prescribed adjustment format (B Schedule) referenced as *Annexure B*.
- The organisational structure on the latest National Treasury B - Schedule template differs to the municipal organisational structure. This is because the organisational structure on the latest budget template is based on the function segment. This segment provides for the classification of the budget according to the function or service delivery objective. Details of the adjustments budget according to our internal municipal structure is reference as *Annexure C*.

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### **5. FINANCIAL COMMENTS**

In terms of Section 15 of the Municipal Finance Management Act no 56 of 2003 (MFMA), a municipality may only incur expenditure in terms of an approved budget. Furthermore, Section 28 of the MFMA read with Section 23 of the MBRR requires a municipal council to consider approval on the adjustments budget not later than the 28<sup>th</sup> February of the current year.

The adjusted annual capital and operating budget for the 2024/25 financial year has been reduced from **R8,173 billion** to **R7,584 billion**. This results in an annual capital and operating budget decrease of **R589 million**.

### **6. LEGAL IMPLICATION**

In terms of sub-regulation 25(1) of the Municipal Budget and Reporting Regulations (MBRR), a municipal council must consider the full implications, financial or otherwise, of the adjustments budget and supporting documentation referred to in regulation 21(which deals with the required format) before approving the adjustments budget.

Sub-regulation 25(3) of MBRR further provides that when approving an adjustments budget, a municipal council must consider and adopt separate resolutions dealing with each of the matters listed in item 4 of Schedule B.

Accordingly, item 4 of Schedule B provides that the resolutions must include certain matters that must be prepared and presented as part of the adjustments budget documentation. These matters are:

- (a) approval of the adjustments budget.
- (b) approval of any adjustments permitted in terms of section 28 (2) of the Act.
- (c) approval of the transfer of funds to a separate bank account for purposes contemplated in section 12 of the Act.
- (d) approval of revisions to the monthly and quarterly service delivery targets and performance indicators in the service delivery and budget implementation plan, if any, to correspond with the approval of the adjustments budget; and
- (e) approval of any amendments to budget-related policies necessitated by the adjustments budget.

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RECOMMENDED:	<u>ACTION</u>
1. The National Treasury budget assessment letter ( <i>Annexure E</i> ) be noted and its Conditions be monitored on monthly basis;	CC
2. The adjustments budget be approved;	CC
3. The B1 to B10 of adjustments budget be approved;	CC
4. That revenue and expenditure be adjusted accordingly;	CC
5. That the Adjustments Budget has a surplus of R755 million;	CC
6. That the Adjustments Budget has a net surplus of R57 million;	CC
7. That spending of capital project be accelerated on grants funded projects;	ALL
8. That the cash flow projections, procurement plan be revised and be aligned to the grant funding payment schedule;	ALL
9. That the SDBIP be amended after the approval of the Adjustments budget;	MM
10. That a revised Top Layer SDBIP be tabled to Council at the end of March 2025;	MM
11. That the Adjustments Budget be submitted to the National and Provincial Treasury;	BTO
12. That within ten working days after the approval of the budget, the Directorate Budget and Treasury Office in accordance with section 21A of the Municipal Systems Act makes public the approved Adjustments Budget and supporting documentation;	BTO
13. That the letter received from National Treasury for MIG and NDPG;	CC
14. Roll-over approval be noted. Referenced as <i>Annexure D</i> .	CC

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**RUSTENBURG LOCAL  
MUNICIPALITY**



**"A SMART AND ENVIRONMENTALLY FRIENDLY CITY WHERE ALL  
COMMUNITIES ENJOY A HIGH QUALITY OF LIFE AND DIVERSITY"**

**2024/2025**

**Adjustment budget**

**Compiled in terms of Section 28 of the Local Government: Municipal  
Finance Management Act, 2003 (Act 56 of 2003) (MFMA) and Schedule  
B (In-Year Reports of Municipalities) of the Municipal Budget and  
Reporting Regulation**

## **AGENDA: SPECIAL COUNCIL: 28 FEBRUARY 2025**

### **Acronyms and abbreviations**

BSC	Budget Steering Committee
CFO	Chief Financial Officer
MM	Municipal Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DoRA	Division of Revenue Act
FBS	Free basic services
GVA	Gross Value Added
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
IBT	Inclining Block Tariff
IDP	Integrated Development Plan
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt hour
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act (56 of 2003)
MIG	Municipal Infrastructure Grant
EXCO	Executive Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator of South Africa
PBO	Public Benefit Organisations
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
RLM	Rustenburg Local Municipality
SALGA	South African Local Government Association
SDBIP	Service Delivery and Budget Implementation Plan

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## **AGENDA: SPECIAL COUNCIL: 28 FEBRUARY 2025**

### **Part 1 – Annual Adjustment Budget**

#### **1.1 Council Resolutions**

The Council of Rustenburg Local Municipality, acting in terms of section 28 of the Municipal Finance Management Act, (Act 56 of 2003): -

Approves and adopts the adjustment budget of the municipality for the financial year 2024/25 and the multi-year and single-year capital appropriations as set out in the following tables:

**TABLE 2:** Budgeted Financial Performance (revenue and expenditure by functional classification)

**TABLE 3:** Budgeted Financial Performance (revenue and expenditure by municipal vote)

**TABLE 4:** Budgeted Financial Performance (revenue and expenditure by standard classification)

**TABLE 5:** Budgeted Capital Expenditure (by municipal vote and funding)

**TABLE 6:** Budgeted Financial Performance (revenue by source and expenditure by type), and

**TABLE 7:** Budgeted Cash Flow

Directs that the Accounting Officer adheres to section 22 of the Municipal Finance Management Act, read with paragraph 24(1) of the Municipal Budget and Reporting Regulations. The regulations require the municipal manager to submit the adjustment budget and supporting documentation to National Treasury and the Provincial Treasury within ten (10) working days after tabling to Council, in both printed and electronic copies.

Notes that municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan. As such no increases in taxes and tariffs have been factored in this adjustment budget.

#### **1.2 Executive Summary**

This adjustment budget has been compiled in line with section 28 of the MFMA, read with Part 4 of the Municipal Budget and Reporting Regulations which deal with adjustment budgets of municipalities.

Section 28 (1) (2) of the MFMA states that: -

(1) a municipality may revise an approved annual budget through an adjustments budget.

(2) An adjustments budget -

(i) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year.



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- (ii) 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.
- (iii) may, within a prescribed framework, authorise unforeseen and unavoidable expenditure by the mayor of the municipality.
- (iv) may authorise the utilisation of projected savings in one vote towards spending under another vote.
- (v) 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 council.
- (vi) may correct any errors in the annual budget; and
- (vii) may provide for any other expenditure within a prescribed framework.

The following key factors were taken into consideration when preparing and compiling the 2024/25 adjustments budget.

- The Medium-Term Budget Policy Statement (MTBPS) and national adjusted estimates.
- The mid-year budget and performance assessment report compiled in terms of section 72 of the MFMA.
- The comments received from the National Treasury on the 2024/25 approved budget and the 2024/25 mid-year budget and performance engagement.
- Possible errors in the approved budget.
- Unforeseen and unavoidable expenditure incurred; and
- The restructuring of votes. Votes were restructured in line with mSCOA budget alignment.

Other key issues which were taken into consideration to ensure a Credible Budget were:

- Funds were allocated to activities which are consistent with the revised IDP and ensuring that the IDP is realistically achievable given the financial constraints of the Municipality.
- Objectives are achievable in terms of the agreed service delivery and performance targets.
- Financial estimates comprise of revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions.
- The increased expenditure does not jeopardize the financial viability of the municipality i.e., ensures that the financial position is maintained within generally accepted prudent limits and that obligations can be met in the short, medium, and long term.

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The main challenges experienced during the compilation of the 2024/2025 adjustments budget can be summarised as follows:

- Revenue collection rate is still below the projected percentage as per SDBIP;
- The need to re-prioritise projects and expenditure within the existing resource given the cash flow realities of the municipality.
- A significant decline in electricity sales due to the Glencore plant not being operational.
- A decline in water sales due to water shortages and low reservoir levels in Rustenburg.
- The ongoing difficulties in the national and local economy, particularly the rising cost of living as measured by Consumer price Index (CPIX);
- The rates and tariffs for various municipal services are not increased in this adjustments budget in line with section 28(6) of the MFMA.

The 2024/25 Adjustments Budget will be distributed to National Treasury, Provincial Treasury and Auditor General, and published on the municipality's website and electronic copies can also be accessed on the municipality's offices and satellite offices.

The application of sound financial management principles for the compilation of adjustment budget is essential and critical to ensure that the municipality remains viable and that municipal services are provided sustainably, economically, and equitably to all communities.

Where appropriate, funds were transferred from low to high priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken on both the revenue and expenditure of the municipality. Because of the current challenges with the financial system and mSCOA compliances, it is difficult for the municipality to make absolute analysis of all the transactions.

Revenue enhancement measures are in place to ensure that all residents, businesses, and government are billed for the services consumed. Revenue collection drive is oiled through aggressive credit control processes.

The Development Bank of South Africa (DBSA) is in engagement with the municipality to assist with revenue enhancement and asset care. Ntiyiso Consulting has been mandated by the DBSA to support the municipality in developing a Revenue Enhancement Strategy (RES) and to assist the municipality to implement a Revenue Enhancement Programme (REP).

Where appropriate, funds were transferred from low to high priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditure with zero, under and overspending and the revenue with zero, under and over recovery.

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### CONSOLIDATED OVERVIEW OF ADJUSTMENT BUDGET OF THE 2024/2025

NW373 Rustenburg - Adjustments Budget Financial Performance (revenue and expenditure) and Capital Funding												
Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
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Total Expenditure		7 531 866	7 531 866	–	–	–	–	(645 755)	(645 755)	6 886 111	7 901 791	8 255 082
Surplus/(Deficit)		543 305	543 305	–	–	–	3 145	(250 102)	(246 957)	296 348	572 789	625 758
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Surplus/ (Deficit) for the year	1	946 618	946 618	–	–	–	59 171	(250 102)	(190 931)	755 687	989 826	1 059 320
Total Capital Funding		641 611	641 611	–	–	–	56 689		56 689	698 300	620 423	630 624

Total revenue is being adjusted downwards to **R7,642 billion** from **R8,479 billion** showing a decrease of **R837 million**. Total expenditure is being adjusted downwards to **R6,886 billion** from **R7,532 billion** showing a decrease of **R646 million**. Surplus has decreased from **R947 million** to **R755 million**. Capital Budget was adjusted from **R641 million** to **R698 million** an increase of **R57 million**. Nett surplus after capital budget has decreased by **R247 million** from **R305 million** to **R57 million**.

The reported financial performance includes the performance of the Rustenburg Water Service Trust (RWST). Note: There is no adjustment on the approved RWST 2024/25 budget.

### OPERATIONAL REVENUE FRAMEWORK

The decrease of **R837 million** on revenue is mostly due to the decline of electricity sales to the largest municipal consumer, Glencore. Glencore has shut down furnaces which have not been operational since the start of the financial year resulting in actual revenue being below anticipated revenue. Furthermore, water shortages and low reservoir levels resulted in a decline in water sales.

The decrease in revenue from the sale of electricity and water was partially offset by increases in agency revenue and interest earned from debtors. These items were adjusted upwards in line with actual performance and ongoing challenges with collecting outstanding debt.

Revenue from conditional grants was increased in line with the approved rollover request on conditional grant as per National Treasury letter dated 22<sup>nd</sup> October 2024.

### Table B4 Summary of revenue classified by main revenue source as adjusted.

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NW373 Rustenburg - 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. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>Revenue By Source</b>												
<b>Exchange Revenue</b>												
Service charges - Electricity	2	3 963 727	3 963 727	-	-	-	-	(930 000)	(930 000)	3 033 727	4 160 136	4 360 199
Service charges - Water	2	653 909	653 909	-	-	-	-	(30 000)	(30 000)	623 909	682 609	711 977
Service charges - Waste Water Management	2	480 629	480 629	-	-	-	-	-	-	480 629	501 450	522 755
Service charges - Waste Management	2	190 415	190 415	-	-	-	-	-	-	190 415	198 918	207 821
Sale of Goods and Rendering of Services		31 658	31 658					200	200	31 858	33 276	34 985
Agency services		113 426	113 426					8 000	8 000	121 426	118 074	122 940
Interest		-	-					-	-	-	-	-
Interest earned from Receivables		551 272	551 272					60 000	60 000	611 272	574 832	599 499
Interest earned from Current and Non Current Assets		41 725	41 725					-	-	41 725	43 071	44 474
Dividends		-	-					-	-	-	-	-
Rent on Land		-	-					-	-	-	-	-
Rental from Fixed Assets		14 622	14 622					(57)	(57)	14 565	15 311	16 024
Licence and permits		12 662	12 662					-	-	12 662	13 247	13 861
Operational Revenue		19 272	19 272					-	-	19 272	20 454	23 453
<b>Non-Exchange Revenue</b>												
Property rates	2	590 738	590 738	-	-	-	-	-	-	590 738	604 957	619 846
Surcharges and Taxes		-	-					-	-	-	-	-
Fines, penalties and forfeits		10 057	10 057					-	-	10 057	10 529	11 023
Licences or permits		-	-					-	-	-	-	-
Transfer and subsidies - Operational		1 393 874	1 393 874				3 145	-	3 145	1 397 019	1 490 377	1 584 485
Interest		-	-					-	-	-	-	-
Fuel Levy		-	-					-	-	-	-	-
Operational Revenue		-	-					-	-	-	-	-
Gains on disposal of Assets		7 184	7 184					(4 000)	(4 000)	3 184	7 338	7 500
Other Gains		-	-					-	-	-	-	-
Discontinued Operations		-	-					-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>8 075 171</b>	<b>8 075 171</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 145</b>	<b>(895 857)</b>	<b>(892 712)</b>	<b>7 182 459</b>	<b>8 474 580</b>	<b>8 880 840</b>
Transfers and subsidies - capital (monetary allocations)		403 313	403 313				56 026	-	56 026	459 339	417 037	433 562
<b>Total Revenue</b>		<b>8 478 484</b>	<b>8 478 484</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59 171</b>	<b>(895 857)</b>	<b>(836 686)</b>	<b>7 641 798</b>	<b>8 891 617</b>	<b>9 314 402</b>

### Mid year performance and Adjustment

- Revenue from Agency Services increase is due to overperformance at mid-year. The Directorate: Public Safety has increased their efforts from law enforcement for the collection of disks.
- Rental of fixed assets decrease of R57 thousand is due to lower rental income from the showgrounds.
- Service charges – Electricity has been adjusted with a decrease of R930 million. The municipality's largest consumer, Glencore has shut down furnaces which have not been operational since the start of the financial year resulting in actual revenue being below anticipated revenue from the sale of electricity.
- Service charges – Water has been adjusted with a decrease of R30 million. Water shortages and low reservoir levels around Rustenburg have resulted in actual revenue being below anticipated revenue from the sale of water.
- Sale of goods and services increases by R200 thousand in line with actual performance for revenue from outdoor advertising.

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- Interest earned on receivables has been adjusted with an increase of R60 million. This is due to actual collection rate achieved of 70% (2024) and 84% (2025 mid-year). Accordingly additional interest has been levied on outstanding consumer debt.
- Gains and disposal of assets has been decreased by R4 million as disposal of various developments have not materialised.
- Transfers and subsidies have increased due to the approved roll over of unspent Municipal Infrastructure Grant (MIG) and Neighbourhood Development Partnership Grant (NDPG) of R59 million to the 2024/25 financial year.

### OPERATIONAL EXPENDITURE FRAMEWORK

The decrease of **R646 million** in operating expenditure was mainly due to the decline in bulk purchase electricity due to the plants at Glencore not being operational since the start of the financial year. Furthermore, water shortages and low reservoir levels resulted in a decline in water purchases.

The decrease in expenditure from electricity and water purchases was partially offset by increases in operating expenditure. These items were adjusted upwards in line with the operations and service delivery needs of the municipality.

**Table B4 Adjustment Budget Financial Performance (Expenditure)**

NW373 Rustenburg - 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. 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	1	A	A1	B	C	D	E	F	G	H		
<b>Expenditure By Type</b>												
Employee related costs		1,005,982	1,005,982	-	-	-	-	15,605	15,605	1,021,587	1,051,855	1,097,859
Remuneration of councillors		74,787	74,787	-	-	-	-	-	-	74,787	78,228	81,748
Bulk purchases - electricity		2,950,148	2,950,148	-	-	-	-	(653,009)	(653,009)	2,297,139	3,092,822	3,238,814
Inventory consumed		671,401	671,401	-	-	-	-	(36,444)	(36,444)	634,957	702,175	733,772
Debt impairment		849,157	849,157	-	-	-	-	-	-	849,157	888,218	928,188
Depreciation and amortisation		522,778	522,778	-	-	-	-	-	-	522,778	547,562	572,922
Interest		59,917	59,917	-	-	-	-	-	-	59,917	63,134	66,425
Contracted services		1,044,242	1,044,242	-	-	-	-	(2,307)	(2,307)	1,041,935	1,108,148	1,147,274
Transfers and subsidies		24,177	24,177	-	-	-	-	-	-	24,177	25,289	26,427
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-
Operational costs		329,276	329,276	-	-	-	-	30,400	30,400	359,676	344,360	361,652
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>7,531,866</b>	<b>7,531,866</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(645,755)</b>	<b>(645,755)</b>	<b>6,886,111</b>	<b>7,901,791</b>	<b>8,255,082</b>

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### **Mid year performance and Adjustment**

- Employee related costs has been increased by R15 million due to additional shift allowance, standby allowance and overtime for service delivery units to address service delivery challenges in Rustenburg. Remuneration of councillors is within the budget. No adjustment proposed.
- Contracted Services has been decreased by R2 million. The decrease is due to the delayed implementation on the award of the ERP system due to legal challenges. Additional savings identified were used to fund security services, maintenance of roads and water networks to address service delivery challenges in Rustenburg.
- Bulk purchases – electricity has been decreased by R653 million due to low electricity consumption as mine furnaces have not been operational at Glencore. The decrease is in line with the decline in sale of electricity.
- Inventory consumed has been decreased by R36 million due to savings realised on the purchase of water, which is indicative of water shortages experienced in Rustenburg.
- Other expenditure increases of R30 million is to cater for audit fees, levy to department of transport, lease of copiers and insurance premiums which have been higher than initially anticipated.

### **CAPITAL EXPENDITURE**

The increase of **R57 million** in capital expenditure is mainly due to the approved rollover request for 2024/25 financial year on Municipal Infrastructure Grant (MIG) and Neighbourhood Development Partnership Grant (NDPG) of R59 million. A nett saving of R2 million was realised after the after the re-prioritisation of capital projects.

### **Table B5 2024/2025 adjustment budget, capital budget per vote:**

## AGENDA: SPECIAL COUNCIL: 28 FEBRUARY 2025

Choose name from list - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

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. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
<b>R thousands</b>												
<b>Capital Expenditure - Functional</b>												
<i>Governance and administration</i>		95 760	95 760	–	–	–	–	9 050	9 050	104 810	29 790	29 458
Executive and council		2 250	2 250					–	–	2 250	–	–
Finance and administration		93 335	93 335					9 050	9 050	102 385	29 601	29 260
Internal audit		175	175					–	–	175	188	197
<i>Community and public safety</i>		40 835	40 835	–	–	–	–	(9 800)	(9 800)	31 035	34 437	26 773
Community and social services		10 168	10 168					–	–	10 168	12 187	9 763
Sport and recreation		2 280	2 280					–	–	2 280	2 250	2 010
Public safety		28 188	28 188					(9 800)	(9 800)	18 388	20 000	15 000
Housing		199	199					–	–	199	–	–
Health		–	–					–	–	–	–	–
<i>Economic and environmental services</i>		332 810	332 810	–	–	–	–	56 559	56 559	389 370	336 358	348 881
Planning and development		281 047	281 047					60 093	60 093	341 140	294 902	307 724
Road transport		51 230	51 230					(3 000)	(3 000)	48 230	41 456	41 158
Environmental protection		534	534					(534)	(534)	–	–	–
<i>Trading services</i>		172 206	172 206	–	–	–	–	880	880	173 086	219 838	225 512
Energy sources		70 790	70 790					1 030	1 030	71 820	103 148	105 326
Water management		88 763	88 763					–	–	88 763	100 000	102 743
Waste water management		10 670	10 670					(150)	(150)	10 520	15 690	16 396
Waste management		1 984	1 984					–	–	1 984	1 000	1 047
<i>Other</i>		–	–					–	–	–	–	–
<b>Total Capital Expenditure - Functional</b>	3	641 611	641 611	–	–	–	–	56 689	56 689	698 300	620 423	630 624
<b>Funded by:</b>												
National Government		402 858	402 858					56 026	56 026	458 884	416 616	433 141
Provincial Government		455	455					–	–	455	421	421
District Municipality		–	–					–	–	–	–	–
Transfers and subsidies - capital (in-kind)		–	–					–	–	–	–	–
<b>Transfers recognised - capital</b>	4	403 313	403 313	–	–	–	–	56 026	56 026	459 339	417 037	433 562
<b>Borrowing</b>		–	–					–	–	–	–	–
<b>Internally generated funds</b>		238 298	238 298					664	664	238 961	203 386	197 061
<b>Total Capital Funding</b>		641 611	641 611	–	–	–	–	56 689	56 689	698 300	620 423	630 624

### Funding of Adjustment to Capital Budget

Choose name from list - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

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. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
<b>R thousands</b>												
<b>Funded by:</b>												
National Government		402 858	402 858					56 026	56 026	458 884	416 616	433 141
Provincial Government		455	455					–	–	455	421	421
District Municipality		–	–					–	–	–	–	–
Transfers and subsidies - capital (in-kind)		–	–					–	–	–	–	–
<b>Transfers recognised - capital</b>	4	403 313	403 313	–	–	–	–	56 026	56 026	459 339	417 037	433 562
<b>Borrowing</b>		–	–					–	–	–	–	–
<b>Internally generated funds</b>		238 298	238 298					664	664	238 961	203 386	197 061
<b>Total Capital Funding</b>		641 611	641 611	–	–	–	–	56 689	56 689	698 300	620 423	630 624

Capital expenditure adjustment is due to:

#### **Own funding:**

Capital projects funded from own revenue has increased by R 664 thousand from savings identified and thus will be used to accelerate other service delivery projects. They will be funded from Internal funds and thus we have identified savings from underperforming votes/projects to accommodate that, in order to minimise the overall increase on the budget.

#### **Grants funding:**

## **AGENDA: SPECIAL COUNCIL: 28 FEBRUARY 2025**

Capital grant funding increased by R56 million. R3 million was due to the re-allocation of funds for the PTNG grant from capital to operational and R100 thousand for FMG grant from operational to capital. R58,9 million was due to approved rollover for the MIG and NDPG in terms of the approved rollover from National Treasury, letter dated 22 October 2024.

### **1.3 ADJUSTMENT BUDGET TABLES**

**Table: B1**



# AGENDA: SPECIAL COUNCIL: 28 FEBRUARY 2025

**NW373 Rustenburg - Table B1 Adjustments Budget Summary -**

Description	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H		
<b>Financial Performance</b>											
Property rates	590,738	590,738	-	-	-	-	-	-	590,738	604,957	619,846
Service charges	5,288,680	5,288,680	-	-	-	-	(960,000)	(960,000)	4,328,680	5,543,114	5,802,751
Investment revenue	41,725	41,725	-	-	-	-	-	-	41,725	43,071	44,474
Transfers recognised - operational	1,393,874	1,393,874	-	-	-	3,145	-	3,145	1,397,019	1,490,377	1,584,485
Other own revenue	760,153	760,153	-	-	-	-	64,143	64,143	824,296	793,061	829,284
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>8,075,171</b>	<b>8,075,171</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,145</b>	<b>(895,857)</b>	<b>(892,712)</b>	<b>7,182,459</b>	<b>8,474,580</b>	<b>8,880,840</b>
Employee costs	1,005,982	1,005,982	-	-	-	-	15,605	15,605	1,021,587	1,051,855	1,097,859
Remuneration of councillors	74,787	74,787	-	-	-	-	-	-	74,787	78,228	81,748
Depreciation & asset impairment	1,371,935	1,371,935	-	-	-	-	-	-	1,371,935	1,435,780	1,501,110
Finance charges	59,917	59,917	-	-	-	-	-	-	59,917	63,134	66,425
Inventory consumed and bulk purchases	3,621,549	3,621,549	-	-	-	-	(689,453)	(689,453)	2,932,096	3,794,997	3,972,586
Transfers and subsidies	24,177	24,177	-	-	-	-	-	-	24,177	25,289	26,427
Other expenditure	1,373,518	1,373,518	-	-	-	-	28,094	28,094	1,401,611	1,452,509	1,508,927
<b>Total Expenditure</b>	<b>7,531,866</b>	<b>7,531,866</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(645,755)</b>	<b>(645,755)</b>	<b>6,886,111</b>	<b>7,901,791</b>	<b>8,255,082</b>
<b>Surplus/(Deficit)</b>	<b>543,305</b>	<b>543,305</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,145</b>	<b>(250,102)</b>	<b>(246,957)</b>	<b>296,348</b>	<b>572,789</b>	<b>625,758</b>
Transfers and subsidies - capital (monetary allocations)	403,313	403,313	-	-	-	56,026	-	56,026	459,339	417,037	433,562
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>946,618</b>	<b>946,618</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,171</b>	<b>(250,102)</b>	<b>(190,931)</b>	<b>755,687</b>	<b>989,826</b>	<b>1,059,320</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>946,618</b>	<b>946,618</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,171</b>	<b>(250,102)</b>	<b>(190,931)</b>	<b>755,687</b>	<b>989,826</b>	<b>1,059,320</b>
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>	<b>641,611</b>	<b>641,611</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,689</b>	<b>56,689</b>	<b>698,300</b>	<b>620,423</b>	<b>630,624</b>
Transfers recognised - capital	403,313	403,313	-	-	-	-	56,026	56,026	459,339	417,037	433,562
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	238,298	238,298	-	-	-	-	664	664	238,961	203,386	197,061
<b>Total sources of capital funds</b>	<b>641,611</b>	<b>641,611</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,689</b>	<b>56,689</b>	<b>698,300</b>	<b>620,423</b>	<b>630,624</b>
<b>Financial position</b>											
Total current assets	1,270,244	1,270,244	-	-	-	59,171	(276,792)	(217,621)	1,052,623	1,462,462	1,724,587
Total non current assets	10,572,381	10,572,381	-	-	-	-	-	-	10,572,381	10,717,700	11,536,968
Total current liabilities	665,622	665,622	-	-	-	-	-	-	665,622	660,468	627,619
Total non current liabilities	450,476	450,476	-	-	-	-	-	-	450,476	354,763	507,125
Community wealth/Equity	<b>10,726,528</b>	<b>10,726,528</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,171</b>	<b>(276,792)</b>	<b>(217,621)</b>	<b>10,508,907</b>	<b>11,164,930</b>	<b>12,125,811</b>
<b>Cash flows</b>											
Net cash from (used) operating	898,712	898,712	-	-	-	59,171	(246,102)	(186,931)	711,780	940,385	1,004,567
Net cash from (used) investing	(634,629)	(634,629)	-	-	-	(56,689)	(4,000)	(60,689)	(695,318)	(613,229)	(622,757)
Net cash from (used) financing	(152,742)	(152,742)	-	-	-	-	30,000	30,000	(122,742)	(143,824)	(129,675)
<b>Cash/cash equivalents at the year end</b>	<b>866,578</b>	<b>866,578</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,482</b>	<b>(220,102)</b>	<b>(217,621)</b>	<b>648,957</b>	<b>832,289</b>	<b>1,084,424</b>
<b>Cash backing/surplus reconciliation</b>											
Cash and investments available	867,778	867,778	-	-	-	2,482	(220,102)	(217,621)	650,157	1,051,254	1,303,022
Application of cash and investments	426,713	426,713	-	-	-	-	(30,000)	(30,000)	396,713	471,253	470,000
<b>Balance - surplus (shortfall)</b>	<b>441,065</b>	<b>441,065</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,482</b>	<b>(190,102)</b>	<b>(187,621)</b>	<b>253,445</b>	<b>580,001</b>	<b>833,022</b>
<b>Asset Management</b>											
Asset register summary (WDV)	10,517,530	10,517,530	-	-	-	-	56,689	56,689	10,574,220	10,556,662	11,375,330
Depreciation	522,778	522,778	-	-	-	-	-	-	522,778	547,562	572,922
Renewal and Upgrading of Existing Assets	200,251	200,251	-	-	-	-	40,056	40,056	240,307	274,503	276,828
Repairs and Maintenance	379,695	379,695	-	-	-	-	1,445	1,445	381,140	396,666	396,055
<b>Free services</b>											
Cost of Free Basic Services provided	234,307	-	-	-	-	-	-	-	234,307	245,085	259,636
Revenue cost of free services provided	31,623	84,580	-	-	-	-	-	-	84,580	88,529	58,052
<b>Households below minimum service level</b>											
Water:	26	26	-	-	-	-	-	-	26	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

# AGENDA: SPECIAL COUNCIL: 28 FEBRUARY 2025

## Explanatory notes to MBRR Table B1 - Budget Summary

1. Table B1 is the adjustments budget summary and provides a concise overview of the municipality's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. Adjusted budget depicts a surplus of R755 million which is a decrease of R191 million from the original budget.
3. Financial management reforms emphasis the importance of the municipal budget being funded. This requires a 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.

**Table: B2**

NW373 Rustenburg - Table B2 Adjustments Budget Financial Performance (functional classification) -

Standard Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted 5 A1	Accum. Funds 6 B	Multi-year capital 7 C	Unfore. Unavoid. 8 D	Nat. or Prov. Govt 9 E	Other Adjusts. 10 F	Total Adjusts. 11 G	Adjusted Budget 12 H	Adjusted Budget	Adjusted Budget
<b>R thousands</b>	<b>1, 4</b>	<b>A</b>	<b>A1</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>		
<b>Revenue - Functional</b>												
<i>Governance and administration</i>		1,018,343	1,018,343	-	-	-	-	(49,746)	(49,746)	968,598	1,064,857	1,092,353
Executive and council		36,980	36,980	-	-	-	-	-	-	36,980	38,107	39,287
Finance and administration		981,363	981,363	-	-	-	-	(49,746)	(49,746)	931,617	1,026,750	1,053,065
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		153,992	153,992	-	-	-	-	8,000	8,000	161,992	160,534	167,394
Community and social services		6,575	6,575	-	-	-	-	-	-	6,575	6,876	7,213
Sport and recreation		464	464	-	-	-	-	-	-	464	502	530
Public safety		136,599	136,599	-	-	-	-	8,000	8,000	144,599	142,328	148,327
Housing		10,354	10,354	-	-	-	-	-	-	10,354	10,828	11,324
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		584,668	584,668	-	-	-	-	59,060	59,060	643,728	594,752	602,335
Planning and development		296,306	296,306	-	-	-	-	59,060	59,060	355,365	309,895	323,992
Road transport		288,362	288,362	-	-	-	-	-	-	288,362	284,857	278,343
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		6,721,480	6,721,480	-	-	-	-	(854,000)	(854,000)	5,867,480	7,071,474	7,452,320
Energy sources		4,076,312	4,076,312	-	-	-	-	(820,000)	(820,000)	3,256,312	4,276,514	4,476,211
Water management		1,388,097	1,388,097	-	-	-	-	(30,000)	(30,000)	1,358,097	1,387,146	1,529,533
Waste water management		809,866	809,866	-	-	-	-	-	-	809,866	851,797	878,371
Waste management		447,206	447,206	-	-	-	-	(4,000)	(4,000)	443,206	556,018	568,205
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>8,478,484</b>	<b>8,478,484</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(836,686)</b>	<b>(836,686)</b>	<b>7,641,798</b>	<b>8,891,617</b>	<b>9,314,402</b>
<b>Expenditure - Functional</b>												
<i>Governance and administration</i>		961,785	961,785	-	-	-	-	(42,157)	(42,157)	919,629	1,105,940	1,150,521
Executive and council		289,602	289,602	-	-	-	-	7,397	7,397	296,999	300,273	313,603
Finance and administration		662,351	662,351	-	-	-	-	(48,625)	(48,625)	613,726	795,382	826,170
Internal audit		9,833	9,833	-	-	-	-	(929)	(929)	8,904	10,285	10,748
<i>Community and public safety</i>		567,125	567,125	-	-	-	-	33,373	33,373	600,498	590,710	617,403
Community and social services		79,402	79,402	-	-	-	-	(977)	(977)	78,425	85,288	89,147
Sport and recreation		71,091	71,091	-	-	-	-	-	-	71,091	69,178	72,292
Public safety		387,548	387,548	-	-	-	-	34,350	34,350	421,898	405,729	423,986
Housing		29,085	29,085	-	-	-	-	-	-	29,085	30,515	31,978
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		484,297	484,297	-	-	-	-	7,854	7,854	492,151	518,028	532,764
Planning and development		105,984	105,984	-	-	-	-	(8,629)	(8,629)	97,354	112,943	118,698
Road transport		371,675	371,675	-	-	-	-	15,950	15,950	387,625	398,142	406,810
Environmental protection		6,638	6,638	-	-	-	-	534	534	7,172	6,943	7,256
<i>Trading services</i>		5,517,516	5,517,516	-	-	-	-	(644,825)	(644,825)	4,872,691	5,685,918	5,953,145
Energy sources		3,469,103	3,469,103	-	-	-	-	(651,520)	(651,520)	2,817,583	3,643,853	3,814,687
Water management		1,150,698	1,150,698	-	-	-	-	(417)	(417)	1,150,281	1,105,199	1,159,433
Waste water management		567,637	567,637	-	-	-	-	6,112	6,112	563,749	572,306	598,059
Waste management		340,078	340,078	-	-	-	-	1,000	1,000	341,078	364,560	380,965
<i>Other</i>		1,143	1,143	-	-	-	-	-	-	1,143	1,195	1,249
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>7,531,866</b>	<b>7,531,866</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(645,755)</b>	<b>(645,755)</b>	<b>6,886,111</b>	<b>7,901,791</b>	<b>8,255,082</b>
<b>Surplus/ (Deficit) for the year</b>		<b>946,618</b>	<b>946,618</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(190,931)</b>	<b>(190,931)</b>	<b>755,687</b>	<b>989,826</b>	<b>1,059,320</b>

## AGENDA: SPECIAL COUNCIL: 28 FEBRUARY 2025

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.

**Table: 3**

**NW373 Rustenburg - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -**

Vote Description <i>[Insert departmental structure etc]</i>	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. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3	4	5	6	7	8	9	10		
		A	A1	B	C	D	E	F	G	H		
<b>Revenue by Vote</b>	1											
Vote 1 - Energy Sources		4,025,040	4,025,040	–	–	–	–	(930,000)	(930,000)	3,095,040	4,223,682	4,421,712
Vote 2 - Community and Social Services		6,585	6,585	–	–	–	–	–	–	6,585	6,886	7,134
Vote 3 - Environmental Protection		–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Executive & Council		49,480	49,480	–	–	–	–	60,000	60,000	109,480	51,486	40,287
Vote 5 - Finance & Admin		1,333,428	1,333,428	–	–	–	245	9	254	1,333,682	1,405,295	1,459,804
Vote 6 - Road Transport		285,518	285,518	–	–	–	–	–	–	285,518	268,986	248,949
Vote 7 - Planning and Development		281,306	281,306	–	–	–	58,926	134	59,060	340,365	294,081	320,626
Vote 8 - Public Safety		136,599	136,599	–	–	–	–	8,000	8,000	144,599	142,328	148,327
Vote 9 - Sport and Recreation		470	470	–	–	–	–	–	–	470	508	537
Vote 10 - Housing		10,354	10,354	–	–	–	–	–	–	10,354	10,828	11,324
Vote 11 - Water Management		1,239,343	1,239,343	–	–	–	–	(30,000)	(30,000)	1,209,343	1,233,451	1,370,896
Vote 12 - Waste Management		373,138	373,138	–	–	–	–	(4,000)	(4,000)	369,138	479,759	488,747
Vote 13 - Waste Water Management		737,222	737,222	–	–	–	–	–	–	737,222	774,314	796,058
Vote 14 - Other		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Internal Audit		–	–	–	–	–	–	–	–	–	–	–
<b>Total Revenue by Vote</b>	2	<b>8,478,484</b>	<b>8,478,484</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>59,171</b>	<b>(895,857)</b>	<b>(836,686)</b>	<b>7,641,798</b>	<b>8,891,617</b>	<b>9,314,402</b>
<b>Expenditure by Vote</b>	1											
Vote 1 - Energy Sources		3,595,148	3,595,148	–	–	–	–	(651,520)	(651,520)	2,943,628	3,774,785	3,952,048
Vote 2 - Community and Social Services		81,429	81,429	–	–	–	–	(500)	(500)	80,929	85,247	89,104
Vote 3 - Environmental Protection		6,633	6,633	–	–	–	–	534	534	7,167	6,938	7,251
Vote 4 - Executive & Council		305,395	305,395	–	–	–	–	10,148	10,148	315,542	317,873	332,843
Vote 5 - Finance & Admin		501,534	501,534	–	–	–	–	(46,042)	(46,042)	455,492	525,113	548,345
Vote 6 - Road Transport		329,486	329,486	–	–	–	–	13,000	13,000	342,486	359,566	366,311
Vote 7 - Planning and Development		91,939	91,939	–	–	–	–	(8,493)	(8,493)	83,446	91,984	96,123
Vote 8 - Public Safety		387,886	387,886	–	–	–	–	34,350	34,350	422,236	405,729	423,986
Vote 9 - Sport and Recreation		66,160	66,160	–	–	–	–	(500)	(500)	65,660	69,203	72,317
Vote 10 - Housing		29,085	29,085	–	–	–	–	–	–	29,085	30,515	31,978
Vote 11 - Water Management		1,241,130	1,241,130	–	–	–	–	417	417	1,241,547	1,298,222	1,356,642
Vote 12 - Waste Management		342,992	342,992	–	–	–	–	1,000	1,000	343,992	358,770	374,914
Vote 13 - Waste Water Management		527,924	527,924	–	–	–	–	6,112	6,112	534,035	552,208	577,057
Vote 14 - Other		15,143	15,143	–	–	–	–	(3,334)	(3,334)	11,809	15,195	15,249
Vote 15 - Internal Audit		9,983	9,983	–	–	–	–	(926)	(926)	9,057	10,443	10,912
<b>Total Expenditure by Vote</b>	2	<b>7,531,866</b>	<b>7,531,866</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(645,755)</b>	<b>(645,755)</b>	<b>6,886,111</b>	<b>7,901,791</b>	<b>8,255,082</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>946,618</b>	<b>946,618</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>59,171</b>	<b>(250,102)</b>	<b>(190,931)</b>	<b>755,687</b>	<b>989,826</b>	<b>1,059,320</b>

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 organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

# AGENDA: SPECIAL COUNCIL: 28 FEBRUARY 2025

**Table: B4**

**NW373 Rustenburg - 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. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>Revenue By Source</b>												
<b>Exchange Revenue</b>												
Service charges - Electricity	2	3,963,727	3,963,727	-	-	-	-	(930,000)	(930,000)	3,033,727	4,160,136	4,360,199
Service charges - Water	2	653,909	653,909	-	-	-	-	(30,000)	(30,000)	623,909	682,609	711,977
Service charges - Waste Water Management	2	480,629	480,629	-	-	-	-	-	-	480,629	501,450	522,755
Service charges - Waste Management	2	190,415	190,415	-	-	-	-	-	-	190,415	198,918	207,821
Sale of Goods and Rendering of Services		31,658	31,658					200	200	31,858	33,276	34,985
Agency services		113,426	113,426					8,000	8,000	121,426	118,074	122,940
Interest		-	-					-	-	-	-	-
Interest earned from Receivables		551,272	551,272					60,000	60,000	611,272	574,832	599,499
Interest earned from Current and Non Current Assets		41,725	41,725					-	-	41,725	43,071	44,474
Dividends		-	-					-	-	-	-	-
Rent on Land		-	-					-	-	-	-	-
Rental from Fixed Assets		14,622	14,622					(57)	(57)	14,565	15,311	16,024
Licence and permits		12,662	12,662					-	-	12,662	13,247	13,861
Operational Revenue		19,272	19,272					-	-	19,272	20,454	23,453
<b>Non-Exchange Revenue</b>												
Property rates	2	590,738	590,738	-	-	-	-	-	-	590,738	604,957	619,846
Surcharges and Taxes		-	-					-	-	-	-	-
Fines, penalties and forfeits		10,057	10,057					-	-	10,057	10,529	11,023
Licences or permits		-	-					-	-	-	-	-
Transfer and subsidies - Operational		1,393,874	1,393,874				3,145	-	3,145	1,397,019	1,490,377	1,584,485
Interest		-	-					-	-	-	-	-
Fuel Levy		-	-					-	-	-	-	-
Operational Revenue		-	-					-	-	-	-	-
Gains on disposal of Assets		7,184	7,184					(4,000)	(4,000)	3,184	7,338	7,500
Other Gains		-	-					-	-	-	-	-
Discontinued Operations		-	-					-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>8,075,171</b>	<b>8,075,171</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,145</b>	<b>(895,857)</b>	<b>(892,712)</b>	<b>7,182,459</b>	<b>8,474,580</b>	<b>8,880,840</b>
<b>Expenditure By Type</b>												
Employee related costs		1,005,982	1,005,982	-	-	-	-	15,605	15,605	1,021,587	1,051,855	1,097,859
Remuneration of councillors		74,787	74,787					-	-	74,787	78,228	81,748
Bulk purchases - electricity		2,950,148	2,950,148	-	-	-	-	(653,009)	(653,009)	2,297,139	3,092,822	3,238,814
Inventory consumed		671,401	671,401	-	-	-	-	(36,444)	(36,444)	634,957	702,175	733,772
Debt impairment		849,157	849,157					-	-	849,157	888,218	928,188
Depreciation and amortisation		522,778	522,778					-	-	522,778	547,562	572,922
Interest		59,917	59,917					-	-	59,917	63,134	66,425
Contracted services		1,044,242	1,044,242	-	-	-	-	(2,307)	(2,307)	1,041,935	1,108,148	1,147,274
Transfers and subsidies		24,177	24,177					-	-	24,177	25,289	26,427
Irrecoverable debts written off		-	-					-	-	-	-	-
Operational costs		329,276	329,276					30,400	30,400	359,676	344,360	361,652
Losses on disposal of Assets		-	-					-	-	-	-	-
Other Losses		-	-					-	-	-	-	-
<b>Total Expenditure</b>		<b>7,531,866</b>	<b>7,531,866</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(645,755)</b>	<b>(645,755)</b>	<b>6,886,111</b>	<b>7,901,791</b>	<b>8,255,082</b>
<b>Surplus/(Deficit)</b>		<b>543,305</b>	<b>543,305</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,145</b>	<b>(250,102)</b>	<b>(246,957)</b>	<b>296,348</b>	<b>572,789</b>	<b>625,758</b>
Transfers and subsidies - capital (monetary allocations)		403,313	403,313				56,026	-	56,026	459,339	417,037	433,562
Transfers and subsidies - capital (in-kind - all)		-	-				-	-	-	-	-	-
<b>Surplus/(Deficit) before taxation</b>		<b>946,618</b>	<b>946,618</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,171</b>	<b>(250,102)</b>	<b>(190,931)</b>	<b>755,687</b>	<b>989,826</b>	<b>1,059,320</b>
Income Tax		-	-				-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>946,618</b>	<b>946,618</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,171</b>	<b>(250,102)</b>	<b>(190,931)</b>	<b>755,687</b>	<b>989,826</b>	<b>1,059,320</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-				-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-				-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>946,618</b>	<b>946,618</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,171</b>	<b>(250,102)</b>	<b>(190,931)</b>	<b>755,687</b>	<b>989,826</b>	<b>1,059,320</b>
Share of Surplus/Deficit attributable to Associate		-	-				-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-				-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>1</b>	<b>946,618</b>	<b>946,618</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,171</b>	<b>(250,102)</b>	<b>(190,931)</b>	<b>755,687</b>	<b>989,826</b>	<b>1,059,320</b>

## AGENDA: SPECIAL COUNCIL: 28 FEBRUARY 2025

Total revenue is being adjusted downwards to **R7,641 billion** from **R8,479 billion** showing a decrease of **R837 million**. Total expenditure is being adjusted downwards to **R6,886 billion** from **R7,532 billion** showing a decrease of **R646 million**. Surplus has decreased from **R946 million** to **R755 million**

**Table B5**

Choose name from list - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Budget Year 2024/25											Budget Year +1 2025/26	Budget Year +2 2026/27
Description	Ref	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	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
<b>Capital expenditure - Vote</b>												
<b>Single-year expenditure to be adjusted</b>												
Vote 1 - Energy Sources	2	70 790	70 790	–	–	–	–	1 030	1 030	71 820	103 148	105 326
Vote 2 - Community and Social Services		10 168	10 168	–	–	–	–	–	–	10 168	12 187	9 763
Vote 3 - Environmental Protection		534	534	–	–	–	–	(534)	(534)	–	–	–
Vote 4 - Executive & Council		2 250	2 250	–	–	–	–	–	–	2 250	–	–
Vote 5 - Finance & Admin		93 335	93 335	–	–	–	–	9 050	9 050	102 385	29 601	29 280
Vote 6 - Road Transport		51 230	51 230	–	–	–	–	(3 000)	(3 000)	48 230	41 456	41 158
Vote 7 - Planning and Development		281 047	281 047	–	–	–	–	60 093	60 093	341 140	294 902	307 724
Vote 8 - Public Safety		28 188	28 188	–	–	–	–	(9 800)	(9 800)	18 388	20 000	15 000
Vote 9 - Sport and Recreation		2 280	2 280	–	–	–	–	–	–	2 280	2 250	2 010
Vote 10 - Housing		199	199	–	–	–	–	–	–	199	–	–
Vote 11 - Water Management		88 763	88 763	–	–	–	–	–	–	88 763	100 000	102 743
Vote 12 - Waste Management		1 984	1 984	–	–	–	–	–	–	1 984	1 000	1 047
Vote 13 - Waste Water Management		10 670	10 670	–	–	–	–	(150)	(150)	10 520	15 690	16 396
Vote 14 - Other		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Internal Audit		175	175	–	–	–	–	–	–	175	188	197
Capital single-year expenditure sub-total		641 611	641 611	–	–	–	–	56 689	56 689	698 300	620 423	630 624
Total Capital Expenditure - Vote		641 611	641 611	–	–	–	–	56 689	56 689	698 300	620 423	630 624
<b>Capital Expenditure - Functional</b>												
Governance and administration		95 760	95 760	–	–	–	–	9 050	9 050	104 810	29 790	29 458
Executive and council		2 250	2 250	–	–	–	–	–	–	2 250	–	–
Finance and administration		93 335	93 335	–	–	–	–	9 050	9 050	102 385	29 601	29 280
Internal audit		175	175	–	–	–	–	–	–	175	188	197
Community and public safety		40 835	40 835	–	–	–	–	(9 800)	(9 800)	31 035	34 437	26 773
Community and social services		10 168	10 168	–	–	–	–	–	–	10 168	12 187	9 763
Sport and recreation		2 280	2 280	–	–	–	–	–	–	2 280	2 250	2 010
Public safety		28 188	28 188	–	–	–	–	(9 800)	(9 800)	18 388	20 000	15 000
Housing		199	199	–	–	–	–	–	–	199	–	–
Health		–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		332 810	332 810	–	–	–	–	56 559	56 559	389 370	336 358	348 881
Planning and development		281 047	281 047	–	–	–	–	60 093	60 093	341 140	294 902	307 724
Road transport		51 230	51 230	–	–	–	–	(3 000)	(3 000)	48 230	41 456	41 158
Environmental protection		534	534	–	–	–	–	(534)	(534)	–	–	–
Trading services		172 206	172 206	–	–	–	–	880	880	173 086	219 838	225 512
Energy sources		70 790	70 790	–	–	–	–	1 030	1 030	71 820	103 148	105 326
Water management		88 763	88 763	–	–	–	–	–	–	88 763	100 000	102 743
Waste water management		10 670	10 670	–	–	–	–	(150)	(150)	10 520	15 690	16 396
Waste management		1 984	1 984	–	–	–	–	–	–	1 984	1 000	1 047
Other		–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	641 611	641 611	–	–	–	–	56 689	56 689	698 300	620 423	630 624
<b>Funded by:</b>												
National Government		402 858	402 858	–	–	–	–	56 026	56 026	458 884	416 616	433 141
Provincial Government		455	455	–	–	–	–	–	–	455	421	421
District Municipality		–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	403 313	403 313	–	–	–	–	56 026	56 026	459 339	417 037	433 562
Borrowing		–	–	–	–	–	–	–	–	–	–	–
Internally generated funds		238 298	238 298	–	–	–	–	664	664	238 961	203 386	197 061
Total Capital Funding		641 611	641 611	–	–	–	–	56 689	56 689	698 300	620 423	630 624

## AGENDA: SPECIAL COUNCIL: 28 FEBRUARY 2025

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.

**Table: B6**

NW373 Rustenburg - Table B6 Adjustments Budget Financial Position -

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. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>R thousands</b>												
<b>ASSETS</b>												
<b>Current assets</b>												
Cash and cash equivalents		755,129	755,129				59,171	(276,792)	(217,621)	537,508	934,002	1,181,585
Trade and other receivables from exchange transactions	1	131,619	131,619	-	-	-	-	-	-	131,619	134,568	140,271
Receivables from non-exchange transactions	1	111,449	111,449	-	-	-	-	-	-	111,449	115,908	120,459
Current portion of non-current receivables	2	1,365	1,365	-	-	-	-	-	-	1,365	1,512	1,067
Inventory		145,030	145,030	-	-	-	-	-	-	145,030	149,019	151,328
VAT												
Other current assets		125,653	125,653							125,653	127,453	129,876
<b>Total current assets</b>		<b>1,270,244</b>	<b>1,270,244</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,171</b>	<b>(276,792)</b>	<b>(217,621)</b>	<b>1,052,623</b>	<b>1,462,462</b>	<b>1,724,587</b>
<b>Non current assets</b>												
Investments		1,200	1,200							1,200	1,345	978
Investment property		309,125	309,125							309,125	305,534	300,000
Property, plant and equipment	3	10,259,524	10,259,524	-	-	-	-	-	-	10,259,524	10,408,086	11,232,347
Biological assets		-	-							-	-	-
Living and non-living resources		-	-							-	-	-
Heritage assets		-	-							-	-	-
Intangible assets		2,500	2,500							2,500	2,701	2,612
Trade and other receivables from exchange transactions		-	-							-	-	-
Non-current receivables from non-exchange transactions		-	-							-	-	-
Other non-current assets		32	32							32	34	31
<b>Total non current assets</b>		<b>10,572,381</b>	<b>10,572,381</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,572,381</b>	<b>10,717,700</b>	<b>11,535,968</b>
<b>TOTAL ASSETS</b>		<b>11,842,625</b>	<b>11,842,625</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,171</b>	<b>(276,792)</b>	<b>(217,621)</b>	<b>11,625,004</b>	<b>12,180,162</b>	<b>13,260,556</b>
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
Bank overdraft		-	-							-	-	-
Financial liabilities		89,346	89,346	-	-	-	-	-	-	89,346	87,123	75,345
Consumer deposits		60,124	60,124							60,124	63,645	67,456
Trade and other payables from exchange transactions		354,787	354,787	-	-	-	-	-	-	354,787	350,736	330,233
Trade and other payables from non-exchange transactions		148,365	148,365	-	-	-	-	-	-	148,365	145,365	140,375
Provisions		13,000	13,000							13,000	13,598	14,210
VAT												
Other current liabilities		-	-							-	-	-
<b>Total current liabilities</b>		<b>665,622</b>	<b>665,622</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>665,622</b>	<b>660,468</b>	<b>627,619</b>
<b>Non current liabilities</b>												
Borrowing	1	300,000	300,000	-	-	-	-	-	-	300,000	200,000	350,000
Provisions	1	150,476	150,476	-	-	-	-	-	-	150,476	154,763	157,125
Long term portion of trade payables		-	-							-	-	-
Other non-current liabilities		-	-							-	-	-
<b>Total non current liabilities</b>		<b>450,476</b>	<b>450,476</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>450,476</b>	<b>354,763</b>	<b>507,125</b>
<b>TOTAL LIABILITIES</b>		<b>1,116,097</b>	<b>1,116,097</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,116,097</b>	<b>1,015,231</b>	<b>1,134,745</b>
<b>NET ASSETS</b>	2	<b>10,726,528</b>	<b>10,726,528</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,171</b>	<b>(276,792)</b>	<b>(217,621)</b>	<b>10,508,907</b>	<b>11,164,930</b>	<b>12,125,811</b>
<b>COMMUNITY WEALTH/EQUITY</b>												
Accumulated Surplus/(Deficit)		10,421,945	10,421,945	-	-	-	59,171	(276,792)	(217,621)	10,204,323	10,858,446	11,816,687
Funds and Reserves		304,584	304,584	-	-	-	-	-	-	304,584	306,485	309,123
Other		-	-							-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>10,726,528</b>	<b>10,726,528</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,171</b>	<b>(276,792)</b>	<b>(217,621)</b>	<b>10,508,907</b>	<b>11,164,930</b>	<b>12,125,811</b>

Table B6 is consistent with international standards of good financial management practice and improves understandability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).

## **AGENDA: SPECIAL COUNCIL: 28 FEBRUARY 2025**

This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity, i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

Table B6 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:

- Call investments deposits.
- Consumer debtors.
- Property, plant, and equipment.
- Trade and other payables.
- Provisions non-current.
- Changes in net assets; and
- Reserves

The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

# AGENDA: SPECIAL COUNCIL: 28 FEBRUARY 2025

**Table:**

**B7**

**NW373 Rustenburg - Table B7 Adjustments Budget Cash Flows -**

Description	Ref	Budget Year 2024/25									Budget Year + 1 2025/26	Budget Year + 2 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	Adjusted Budget	Adjusted Budget
<b>R thousands</b>												
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Property rates		486,633	486,633					–	–	486,633	508,973	532,365
Service charges		4,534,564	4,534,564					(960,000)	(960,000)	3,574,564	4,742,052	4,949,775
Other revenue		170,039	170,039					8,143	8,143	178,182	177,615	187,300
Transfers and Subsidies - Operational	1	1,393,874	1,393,874					–	–	1,393,874	1,490,377	1,584,485
Transfers and Subsidies - Capital	1	403,313	403,313				59,171	–	59,171	462,484	417,037	433,562
Interest		592,997	592,997					60,000	60,000	652,997	617,902	643,973
Dividends		–	–					–	–	–	–	–
<b>Payments</b>												
Suppliers and employees		(6,598,615)	(6,598,615)					645,755	645,755	(5,952,860)	(6,925,150)	(7,234,042)
Finance charges		(59,917)	(59,917)					–	–	(59,917)	(63,134)	(66,425)
Transfers and Subsidies	1	(24,177)	(24,177)					–	–	(24,177)	(25,289)	(26,427)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>898,712</b>	<b>898,712</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>59,171</b>	<b>(246,102)</b>	<b>(186,931)</b>	<b>711,780</b>	<b>940,385</b>	<b>1,004,567</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds on disposal of PPE		7,184	7,184					(4,000)	(4,000)	3,184	7,338	7,500
Decrease (increase) in non-current receivables		–	–					–	–	–	–	–
Decrease (increase) in non-current investments		(201)	(201)					–	–	(201)	(145)	367
<b>Payments</b>												
Capital assets		(641,611)	(641,611)				(56,689)	–	(56,689)	(698,300)	(620,423)	(630,624)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(634,629)</b>	<b>(634,629)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(56,689)</b>	<b>(4,000)</b>	<b>(60,689)</b>	<b>(695,318)</b>	<b>(613,229)</b>	<b>(622,757)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<b>Receipts</b>												
Short term loans		–	–					–	–	–	–	–
Borrowing long term/refinancing		–	–					–	–	–	–	–
Increase (decrease) in consumer deposits		2,642	2,642					–	–	2,642	3,522	3,811
<b>Payments</b>												
Repayment of borrowing		(155,384)	(155,384)					30,000	30,000	(125,384)	(147,346)	(133,486)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(152,742)</b>	<b>(152,742)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>30,000</b>	<b>30,000</b>	<b>(122,742)</b>	<b>(143,824)</b>	<b>(129,675)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>111,341</b>	<b>111,341</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,482</b>	<b>(220,102)</b>	<b>(217,621)</b>	<b>(106,280)</b>	<b>183,331</b>	<b>252,135</b>
Cash/cash equivalents at the year begin:	2	755,237	755,237							755,237	648,957	832,289
Cash/cash equivalents at the year end:	2	866,578	866,578				2,482	(220,102)	(217,621)	648,957	832,289	1,084,424

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.

**Table: B8**



## AGENDA: SPECIAL COUNCIL: 28 FEBRUARY 2025

NW373 Rustenburg - Table B8 Cash backed reserves/accumulated surplus reconciliation -

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. Unavoid.	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		
<b>Cash and investments available</b>												
Cash/cash equivalents at the year end	1	866,578	866,578	–	–	–	2,482	(220,102)	(217,621)	648,957	832,289	1,084,424
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	217,620	217,620
Non current assets - Investments	1	1,200	1,200	–	–	–	–	–	–	1,200	1,345	978
<b>Cash and investments available:</b>		<b>867,778</b>	<b>867,778</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,482</b>	<b>(220,102)</b>	<b>(217,621)</b>	<b>650,157</b>	<b>1,051,254</b>	<b>1,303,022</b>
<b>Applications of cash and investments</b>												
Unspent conditional transfers		120,000	120,000	–	–	–	–	–	–	120,000	110,000	100,000
Unspent borrowing										–		
Statutory requirements		(51,413)	(51,413)							–		
Other working capital requirements	2	358,125	358,125					(30,000)	(30,000)	328,125	361,253	370,000
Other provisions										–		
Long term investments committed		–	–					–	–	–	–	–
Reserves to be backed by cash/investments		–	–					–	–	–	–	–
<b>Total Application of cash and investments:</b>		<b>426,713</b>	<b>426,713</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(30,000)</b>	<b>(30,000)</b>	<b>448,125</b>	<b>471,253</b>	<b>470,000</b>
<b>Surplus(shortfall)</b>		<b>441,065</b>	<b>441,065</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,482</b>	<b>(190,102)</b>	<b>(187,621)</b>	<b>202,032</b>	<b>580,001</b>	<b>833,022</b>

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded". The budgeted cash flow statement is the first measurement in determining if the budget is funded.

## AGENDA: SPECIAL COUNCIL: 28 FEBRUARY 2025

**Table: B9**

Choose name from list - Table B9 Asset Management -

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. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
<b>R thousands</b>												
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	10 517 530	10 517 530	-	-	-	-	56 689	56 689	10 574 220	10 556 692	11 375 330
Roads Infrastructure		1 773 233	1 773 233					(28 359)	(28 359)	1 744 874	1 799 233	1 800 234
Storm water Infrastructure		1 282 166	1 282 166					-	-	1 282 166	1 234 959	1 235 918
Electrical Infrastructure		1 190 910	1 190 910					-	-	1 190 910	1 199 910	2 013 143
Water Supply Infrastructure		1 591 204	1 591 204					(654)	(654)	1 590 549	1 599 204	1 601 203
Sanitation Infrastructure		1 834 603	1 834 603					68 849	68 849	1 903 452	1 881 603	1 901 000
Solid Waste Infrastructure		1 579 384	1 579 384					-	-	1 579 384	1 591 384	1 603 039
Rail Infrastructure		-	-					-	-	-	-	-
Coastal Infrastructure		-	-					-	-	-	-	-
Information and Communication Infrastructure		-	-					-	-	-	-	-
Infrastructure		9 251 500	9 251 500	-	-	-	-	39 836	39 836	9 291 336	9 306 292	10 154 537
Community Assets		499 618	499 618					(4 439)	(4 439)	495 179	509 618	479 618
Heritage Assets								-	-	-	-	-
Investment properties		153 629	153 629					5 090	5 090	158 719		
Other Assets									-	-	64 619	64 619
Biological or Cultivated Assets		-	-					-	-	-	-	-
Intangible Assets		9 405	9 405					306	306	9 711	9 905	9 905
Computer Equipment		149 832	149 832					1 650	1 650	151 482	155 832	155 832
Furniture and Office Equipment		57 452	57 452					731	731	58 183	65 452	65 452
Machinery and Equipment		49 396	49 396					516	516	49 912	55 396	55 396
Transport Assets		157 000	157 000					13 000	13 000	170 000	189 880	189 880
Land		189 697	189 697					-	-	189 697	199 697	200 091
Zoo's, Marine and Non-biological Animals		-	-					-	-	-	-	-
Living Resources		-	-					-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	10 517 530	10 517 530	-	-	-	-	56 689	56 689	10 574 220	10 556 692	11 375 330

Table B9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class. The table shows that all the capital allocation is for new assets.

National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of Property plant and Equipment (PPE).

# AGENDA: SPECIAL COUNCIL: 28 FEBRUARY 2025

**Table: B10**

Choose name from list - Table B10 Basic service delivery measurement -

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. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
<b>Household service targets</b>	1											
<b>Water:</b>												
Piped water inside dwelling		129 350	129 350						—	129		
Piped water inside yard (but not in dwelling)		215 584	215 584						—	216		
Using public tap (at least min.service level)	2	19 711	19 711						—	20		
Other water supply (at least min.service level)		30 798	30 798						—	31		
Minimum Service Level and Above sub-total		395	395	—	—	—	—	—	—	395	—	—
Using public tap (< min.service level)	3	0							—	—	0	
Other water supply (< min.service level)	3,4	26 060	26 060						—	26	0	
No water supply		0							—	—	0	
Below Minimum Service Level sub-total		26	26	—	—	—	—	—	—	26	—	—
<b>Total number of households</b>	5	422	422	—	—	—	—	—	—	422	—	—
<b>Sanitation/sewerage:</b>												
Flush toilet (connected to sewerage)		340 627	340 627						—	340 627		
Flush toilet (with septic tank)		30 871	30 871						—	30 871		
Chemical toilet		6 511	6 511						—	6 511		
Pit toilet (ventilated)		61 677	61 677						—	61 677		
Other toilet provisions (> min.service level)		154 680	154 680						—	154 680		
Minimum Service Level and Above sub-total		594 367	594 367	—	—	—	—	—	—	594 367	—	—
Bucket toilet									—	—		
Other toilet provisions (< min.service level)		0							—	—	0	
No toilet provisions		0							—	—	0	
Below Minimum Service Level sub-total		—	—	—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	5	594 367	594 367	—	—	—	—	—	—	594 367	—	—
<b>Energy:</b>												
Electricity (at least min. service level)		15 707	15 707						—	15 707		
Electricity - prepaid (> min.service level)		67 661	67 661						—	67 661		
Minimum Service Level and Above sub-total		83 368	83 368	—	—	—	—	—	—	83 368	—	—
Electricity (< min.service level)									—	—		
Electricity - prepaid (< min. service level)									—	—		
Other energy sources									—	—		
Below Minimum Service Level sub-total		—	—	—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	5	83 368	83 368	—	—	—	—	—	—	83 368	—	—
<b>Refuse:</b>												
Removed at least once a week (min.service)		—							—	—		
Minimum Service Level and Above sub-total		—	—	—	—	—	—	—	—	—	—	—
Removed less frequently than once a week		—							—	—		
Using communal refuse dump		—							—	—		
Using own refuse dump		—							—	—		
Other rubbish disposal		—							—	—		
No rubbish disposal		—							—	—		
Below Minimum Service Level sub-total		—	—	—	—	—	—	—	—	—	—	—
<b>Total number of households</b>	5	—	—	—	—	—	—	—	—	—	—	—
<b>Households receiving Free Basic Service</b>	15											
Water (6 kilolitre per household per month)		1	—	—	—	—	—	—	—	1	1	1
Sanitation (free minimum level service)		1	—	—	—	—	—	—	—	1	1	1
Electricity/other energy (50kwh per household per month)		1	—	—	—	—	—	—	—	1	1	1
Refuse (removed at least once a week)		1	—	—	—	—	—	—	—	1	1	2
Informal Settlements		244	244									
<b>Cost of Free Basic Services provided (R000)</b>	16											
Water (6 kilolitre per indigent household per month)		8 288	—	—	—	—	—	—	—	8 288	8 669	10 448
Sanitation (free sanitation service to indigent households)		6 410	—	—	—	—	—	—	—	6 410	6 705	8 080
Electricity/other energy (50kwh per indigent household per month)		9 150	—	—	—	—	—	—	—	9 150	9 571	10 031
Refuse (removed once a week for indigent households)		4 764	—	—	—	—	—	—	—	4 764	4 984	6 023
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R000)</b>		205 694	—	—	—	—	—	—	—	205 694	215 156	225 053
<b>Total cost of FBS provided</b>		234 307	—	—	—	—	—	—	—	234 307	245 085	259 636
<b>Highest level of free service provided</b>												
Property rates (R000 value threshold)		—							—	—	—	—
Water (kilolitre per household per month)		—							—	—	—	—
Sanitation (kilolitre per household per month)		—							—	—	—	—
Sanitation (Rand per household per month)		—							—	—	—	—
Electricity (kw per household per month)		—							—	—	—	—
Refuse (average litre per week)		—							—	—	—	—
<b>Revenue cost of free services provided (R000)</b>	17											
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		—							—	—	—	—
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		52 957	52 957	—	—	—	—	—	—	52 957	55 446	58 052
Water (in excess of 6 kilolitre per indigent household per month)		9 559	9 559	—	—	—	—	—	—	9 559	9 998	—
Sanitation (in excess of free sanitation service to indigent households)		7 392	7 392	—	—	—	—	—	—	7 392	7 733	—
Electricity/other energy (in excess of 50 kwh per indigent household per month)		9 177	9 177	—	—	—	—	—	—	9 177	9 599	—
Refuse (in excess of one removal a week for indigent households)		5 495	5 495	—	—	—	—	—	—	5 495	5 753	—
Municipal Housing - rental rebates									—	—		
Housing - top structure subsidies									—	—		
Other									—	—		
<b>Total revenue cost of subsidised services provided</b>	6	31 623	84 580	—	—	—	—	—	—	84 580	88 529	58 052

## AGENDA: SPECIAL COUNCIL: 28 FEBRUARY 2025

Table B10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services. The municipality continues to make good progress with eradication of backlogs.

### Part 2 – Supporting Documentation

#### 2.1. Adjustments to budget assumptions

Except for the factors outlined in the adjustments per revenue and expenditure source above, all the the other assumptions that underlined the approved 2024/25 MTREF are still relevant.

The municipality has been improving the quality of services that it provides to the community of Rustenburg. The need to generate required revenue collection is fundamental to meet all service delivery needs, at required speed and standard. The expenditure required to meet service delivery needs had to be balanced against realistically anticipated revenues.

#### 2.2. Adjustments to budget funding

NW373 Rustenburg - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
<b>Cash and investments available</b>												
Cash/cash equivalents at the year end	1	866,578	866,578	-	-	-	2,482	(220,102)	(217,621)	648,957	832,289	1,084,424
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	217,620	217,620
Non current assets - Investments	1	1,200	1,200	-	-	-	-	-	-	1,200	1,345	978
<b>Cash and investments available:</b>		<b>867,778</b>	<b>867,778</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,482</b>	<b>(220,102)</b>	<b>(217,621)</b>	<b>650,157</b>	<b>1,051,254</b>	<b>1,303,022</b>
<b>Applications of cash and investments</b>												
Unspent conditional transfers		120,000	120,000	-	-	-	-	-	-	120,000	110,000	100,000
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		(51,413)	(51,413)	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	358,125	358,125	-	-	-	-	(30,000)	(30,000)	328,125	361,253	370,000
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>426,713</b>	<b>426,713</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(30,000)</b>	<b>(30,000)</b>	<b>448,125</b>	<b>471,253</b>	<b>470,000</b>
<b>Surplus(shortfall)</b>		<b>441,065</b>	<b>441,065</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,482</b>	<b>(190,102)</b>	<b>(187,621)</b>	<b>202,032</b>	<b>580,001</b>	<b>833,022</b>

This sheet indicates whether the Adjusted budget will be funded or not. With the surplus of R202 million, the projection indicates that the Adjustment Budget will be funded but that will be dependent on whether Council will collect fully what it projected as revenue and will also spend in accordance with the approved budget.

# AGENDA: SPECIAL COUNCIL: 28 FEBRUARY 2025

## Credit Control and Debt Collection

NW373 Rustenburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2024/25											Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts L.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	52 833	38 640	32 944	31 660	27 366	27 985	176 569	1 466 542	1 854 538	1 730 121	–	–	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	95 551	51 679	27 442	19 375	29 852	15 169	66 443	352 289	657 800	483 128	–	–	
Receivables from Non-exchange Transactions - Property Rates	1400	46 947	24 669	19 428	16 138	15 273	14 718	86 165	514 770	738 109	647 064	–	–	
Receivables from Exchange Transactions - Waste Water Management	1500	20 981	14 721	12 699	11 964	11 613	11 348	65 796	398 374	547 495	499 095	–	–	
Receivables from Exchange Transactions - Waste Management	1600	18 647	13 269	11 474	10 951	10 620	10 382	64 744	473 768	613 854	570 465	–	–	
Receivables from Exchange Transactions - Property Rental Debtors	1700	678	563	591	586	584	584	3 959	37 225	44 770	42 938	–	–	
Interest on Arrear Debtor Accounts	1810	54 096	53 709	52 518	51 542	56 694	49 842	540 490	2 179 581	3 040 473	2 880 149	–	–	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–	
Other	1900	50 080	16 160	15 011	18 547	17 446	17 559	68 599	448 320	651 723	570 472	–	–	
Total By Income Source	2000	339 812	213 410	172 108	160 764	171 448	147 588	1 072 764	5 870 869	8 148 763	7 423 432	–	–	
2023/24 - totals only										–	–			
Debtors Age Analysis By Customer Group														
Organs of State	2200	11 341	6 413	4 504	3 589	4 313	2 813	18 623	57 553	109 149	86 890	–	–	
Commercial	2300	130 567	44 883	22 057	20 536	26 715	20 761	88 967	228 428	562 914	365 407	–	–	
Households	2400	161 988	129 084	120 188	106 775	110 424	102 426	826 469	4 893 426	6 450 780	6 039 520	–	–	
Other	2500	35 916	33 030	25 359	29 864	29 995	21 588	158 705	691 463	1 025 920	931 615	–	–	
Total By Customer Group	2600	339 812	213 410	172 108	160 764	171 448	147 588	1 072 764	5 870 869	8 148 763	7 423 432	–	–	

Currently the municipality is looking at the measures that will enhance the revenue for the municipality and intensify debt collection. The current Aged Debtors book as at end of December 2024 was standing at around R8,149 billion.

## Creditors analysis

NW373 Rustenburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Budget Year 2024/25										
Description	NT Code	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	164 502	–	–	–	–	–	–		164 502
Bulk Water	0200	39 443	–	–	–	–	–	–	–	39 443
PAYE deductions	0300	12 807			–	–	–	–		12 807
VAT (output less input)	0400	–	–				–	–	–	–
Pensions / Retirement deductions	0500	–	–				–	–	–	–
Loan repayments	0600	–		–	–	–	–	–	–	–
Trade Creditors	0700	24 469	381	–	–	–	–	–	–	24 850
Auditor General	0800	–	–			–	–	–	–	–
Other	0900	15 071	–	–	–	–	–	–	42 670	57 741
Total By Customer Type	1000	256 292	381	–	–	–	–	–	42 670	299 343

Creditors should be paid within 30 days as stipulated by the MFMA except where there are disputes between the municipality and the creditor. Outstanding sundry creditors as at 31st December 2024 is R299 million. It be noted that major outstanding creditor is for Eskom.

## Mscoa system

The municipality appointed CCG Sage to implement the Mscoa. Various shortcomings are still being experienced on the functionality of the system. Municipality and the service provider are working together on addressing all the shortcomings. Remedial action plan has been developed and all issues are in the process of being resolved.

## AGENDA: SPECIAL COUNCIL: 28 FEBRUARY 2025

### Investment Register

Investment made with the various financial institutions are strictly in compliance with Municipal Finance Management Act and in terms of the Investment Framework Policy and Guidelines.

The total value of investments for the Parent Municipality as at 31st December 2024 is approximately R128 million.

#### RUSTENBURG LOCAL MUNICIPALITY



#### Investment Register as at 31 December 2024



Name of Institution	Type of Investment	Account Number	Rate %	Invested Date	Maturity Date	Opening Balance	Invested During the month	Actual Interest Received / Capitalised / Accrued	Investment / Interest Withdrawn	Closing Balance
<b>Short-Term Investments</b>										
ABSA: Investment Acc	Flexible Dep	90-6393-0063	2.90		Monthly	590 000.00		3 176.30	- 3 176.30	590 000.00
ABSA: Investment Acc	Fixed Depos	20-7642-7525	5.3			6 240 468.85		557 426.03	- 557 426.03	6 240 468.85
ABSA: Investment Acc	Fixed Depos	20-7676-3430	5.2			508 715.82		45 440.72	- 45 440.72	508 715.82
ABSA: Investment Acc	Fixed Depos	20-8172-1578	9.5			30 000 000.00		1 186 849.31	- 1 186 849.31	30 000 000.00
ABSA: Investment Acc	Fixed Depos	20-8186-4596	8.66			70 000 000.00		531 463.01	- 531 463.01	70 000 000.00
Standard Bank	Call Deposits	2288-18613-062	6.70		Monthly	526 706.33		2 460.37		529 166.70
Standard Bank	Call Deposits	2288-18613-063	6.70		Monthly	142 860.95		612.74		143 473.69
Kagiso Asset Management	Money Mark	550/827	N/A		Monthly	8 099 186.48		49 289.26		8 148 475.74
Sanlam	Money Mark	RUSTEN	N/A		Monthly	11 057 416.48		66 270.97		11 123 687.45
<b>Sub-Total</b>						<b>127 165 354.91</b>	<b>-</b>	<b>2 442 988.71</b>	<b>- 2 324 355.37</b>	<b>127 283 988.25</b>
<b>Long-Term Investments</b>										
						<b>Opening</b>		<b>Movement</b>		<b>Closing</b>
Sanlam Shares	Ordinary - 1	U0063386178	88.1	86.38	Monthly	1 140 718.80		4 272.84		1 144 991.64
Sanlam Shares	Ordinary -3	U0053871618	88.1	86.38	Monthly	28 456.30		106.59		28 562.89
<b>Sub-Total</b>						<b>1 169 175.10</b>	<b>-</b>	<b>4 379.43</b>	<b>-</b>	<b>1 173 554.53</b>
<b>Total Investments</b>						<b>128 334 530.01</b>	<b>-</b>	<b>2 447 368.14</b>	<b>- 2 324 355.37</b>	<b>128 457 542.78</b>

### 2.3. Adjustments to service delivery and budget implementation plan

The 2024/25 SDBIP Adjustment will be prepared in the context of the approved 2024/25 Adjustment Budget. In a sense, the report must also highlight areas where targets have been adjusted due to the influence of the decisions on the budget adjustment side. Most importantly, the budget adjustment as well as any adjustment to the SDBIP is done in total alignment to the goals of the municipality as set out in the IDP. Any unavoidable deviation from the adjusted SDBIP will be dealt with during the revision of the IDP, taking into consideration all necessary legislative requirements. In addition, the report will also capture changes that have occurred during the past 2 Quarters of the year, such as structural changes that have brought about relocation of certain KPIs/targets among and/or within department/divisions.

The following generic principles will be followed with the drafting of the SDBIP adjustment.

## AGENDA: SPECIAL COUNCIL: 28 FEBRUARY 2025

Directorate will be requested to review their targets:

- to ensure where obvious errors in judgement in target setting occurred could be corrected.
- to deal decisively with indicators that directorate are required to report on, on a monthly basis that are not reflective of their core business, or which cannot be accurately measured.
- to reflect the amendments to resource allocation as captured in the Adjusted MTREF submission prepared by the Budget & Treasury Directorate
- to appropriately accommodate and plan for the amendments that are necessitated by external funding increases and/or decreases.
- with a view to evaluate the amount of target capability that will not be realised as a result of the reduced funds
- to evaluate if funds can be diverted from another source internally within agreed financial transfer mechanisms.

### 2.4. Municipal Manager's quality certificate

I, Adv. Ashmar Khuduge, the Municipal Manager of Rustenburg Local Municipality, hereby certify that the 2024/25 Adjustment Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Draft Budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name : Municipal Manager of Rustenburg Local Municipality (NW373)

Signature : \_\_\_\_\_



Date : \_\_\_\_\_

17/02/2025



Budget Year 2024/25												Medium Term Revenue and Expenditure Framework			
Ref	Monthly cash flows											Budget Year 2024/25		Budget Year +2 2026/27	
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Budget	Budget	Budget
1	<u>Cash Receipts By Source</u>														
	Property rates	42 478	42 478	42 478	42 478	42 478	42 478	42 478	42 478	42 478	42 478	42 478	509 735	508 873	532 385
	Service charges - electricity revenue	245 744	245 744	245 744								2 211 699	2 948 933	3 485 048	3 619 287
	Service charges - water revenue	42 004	42 004	42 004	42 004	42 004	42 004	42 004	42 004	42 004	42 004	42 004	504 045	615 248	658 839
	Service charges - sanitation revenue	31 515	31 515	31 515	31 515	31 515	31 515	31 515	31 515	31 515	31 515	31 515	378 177	455 311	475 985
	Service charges - refuse	13 061	13 061	13 061	13 061	13 061	13 061	13 061	13 061	13 061	13 061	13 061	156 728	186 446	195 704
	Rental of facilities and equipment	1 216	1 216	1 216	1 216	1 216	1 216	1 216	1 216	1 216	1 216	1 216	14 591	15 311	16 024
	Interest earned - external investments	3 477	3 477	3 477	3 477	3 477	3 477	3 477	3 477	3 477	3 477	3 477	41 725	43 071	44 474
	Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	574 832	599 499
	Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Fines, penalties and forfeits	838	838	838	838	838	838	838	838	838	838	838	10 057	10 529	11 023
	Licences and permits	1 055	1 055	1 055	1 055	1 055	1 055	1 055	1 055	1 055	1 055	1 055	12 662	13 247	13 861
	Agency services	10 115	10 115	10 115	10 115	10 115	10 115	10 115	10 115	10 115	10 115	10 115	121 386	118 074	122 940
	Transfers and Subsidies - Operational	109 870	109 870	109 870	109 870	109 870	109 870	109 870	109 870	109 870	109 870	232 515	1 318 439	1 490 377	1 584 485
	Other revenue	2 153	2 163	1 243	2 262	1 262	6 463	6 516	6 321	1 131	1 830	7 282	39 896	20 454	23 453
	<b>Cash Receipts by Source</b>	<b>503 526</b>	<b>503 536</b>	<b>502 616</b>	<b>135 246</b>	<b>256 890</b>	<b>262 092</b>	<b>262 145</b>	<b>261 950</b>	<b>257 459</b>	<b>256 900</b>	<b>2 597 255</b>	<b>6 056 374</b>	<b>7 536 921</b>	<b>7 897 898</b>
	<b>Other Cash Flows by Source</b>														
	Transfers and subsidies - capital (monetary allocations)														
	(National / Provincial and District)	38 735	38 735	38 735	31 425	38 735	38 735	38 735	38 735	38 735	38 735	46 046	464 824	417 037	433 562
	Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(Nat / Prov Deparm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Short term loans	-	-	-	-	-	-	-	-	-	-	-	7 338	7 500	7 500
	Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Decrease (increase) in non-current receivables	89 933	89 933	89 933	89 933	89 933	89 933	89 933	89 933	89 933	89 933	89 933	1 079 200	3 522	3 811
	Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	(2 379)	-
	<b>Total Cash Receipts by Source</b>	<b>632 194</b>	<b>632 204</b>	<b>631 284</b>	<b>256 604</b>	<b>385 559</b>	<b>390 760</b>	<b>390 814</b>	<b>390 619</b>	<b>385 429</b>	<b>385 569</b>	<b>2 733 234</b>	<b>7 600 398</b>	<b>7 962 294</b>	<b>8 343 138</b>
	<b>Cash Payments by Type</b>														
	Employee related costs	85 972	85 972	85 972	85 972	85 972	85 972	85 972	85 972	85 972	85 972	85 972	1 031 668	1 051 855	1 097 859
	Remuneration of councillors	6 251	6 251	6 251	6 251	6 251	6 251	6 251	6 251	6 251	6 251	6 251	75 017	78 228	81 748
	Finance charges	2 910	2 910	2 910	2 910	2 910	2 910	2 910	2 910	2 910	2 910	2 910	34 917	63 134	66 425
2	Bulk purchases - Electricity	270 241	270 241	270 241	259 283	230 400	244 258	291 238	287 044	272 513	274 785	304 369	3 242 891	3 092 822	3 236 814
3	Acquisitions - water & other inventory	55 950	55 950	55 950	55 950	55 950	55 950	55 950	55 950	55 950	55 950	55 950	671 401	702 175	733 772
	Contracted services	117 313	117 313	117 313	(106)	117 313	117 313	117 313	117 313	117 313	117 313	234 732	1 407 755	1 105 768	1 147 274
	Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transfers and grants - other	2 015	2 015	2 015	2 015	2 015	2 015	2 015	2 015	2 015	2 015	2 015	24 177	25 289	26 427
	Other expenditure	(107)	12 627	25 264	24 153	84 736	75 849	24 153	31 152	29 129	29 382	29 058	395 167	344 360	361 652
	<b>Cash Payments by Type</b>	<b>540 545</b>	<b>553 280</b>	<b>565 916</b>	<b>436 428</b>	<b>585 548</b>	<b>590 519</b>	<b>585 802</b>	<b>591 607</b>	<b>570 418</b>	<b>570 558</b>	<b>721 257</b>	<b>6 882 894</b>	<b>7 011 193</b>	<b>7 326 884</b>
	<b>Other Cash Flows/Payments by Type</b>														
	Capital assets	66 472	50 472	60 472	55 472	51 472	51 702	58 472	50 472	66 472	66 472	55 881	698 300	620 423	630 624
	Repayment of borrowing	10 449	10 449	10 449	10 449	10 449	10 449	10 449	10 449	10 449	10 449	10 449	125 384	147 346	133 486
	Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Cash Payments by Type</b>	<b>617 466</b>	<b>614 200</b>	<b>636 836</b>	<b>502 348</b>	<b>647 468</b>	<b>652 669</b>	<b>652 723</b>	<b>652 528</b>	<b>647 338</b>	<b>647 478</b>	<b>787 587</b>	<b>7 706 678</b>	<b>7 778 961</b>	<b>8 091 003</b>
	<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>14 729</b>	<b>18 004</b>	<b>(5 552)</b>	<b>(245 744)</b>	<b>(261 909)</b>	<b>(261 909)</b>	<b>(261 909)</b>	<b>(261 909)</b>	<b>(261 909)</b>	<b>(261 909)</b>	<b>1 945 647</b>	<b>(106 280)</b>	<b>183 332</b>	<b>252 135</b>
	Cash/cash equivalents at the month/year beginning:	755 237	769 966	787 970	782 418	536 674	274 764	12 855	(249 054)	(772 672)	(1 034 761)	(1 296 690)	755 237	648 957	832 289
	Cash/cash equivalents at the month/year end:	769 966	787 970	782 418	536 674	274 764	12 855	(249 054)	(510 963)	(772 672)	(1 034 761)	(1 296 690)	648 957	832 289	1 084 424

References
1. Note that this section of Table SB15 is deliberately not linked to Table B4 because timing differences between the invoicing of clients and receiving the cash means that the cashflow will differ from budgeted revenue, and similarly for budgeted expenditure.
2. Bulk purchases - Electricity & Waste Water - use detail information from Table SB1
3. Acquisition Inventory - Water & other inventory - use detail information from Table SB2



APPENDIX - ADJUSTMENT BUDGET PER DIRECTORATE 2024/25

BUDGET PER VOTE (INTERNAL DEPARTMENT STRUCTURE)	BUDGET REVENUE	BUDGET OPEX	BUDGET CAPEX
Vote 1 - EXECUTIVE MAYOR	648 252 429	186 591 091	388 000
Vote 2 - MUNICIPAL MANAGER	348 608 687	111 152 694	20 033 742
Vote 3 - CORPORATE SUPPORT SERVICES	1 203 299	114 032 750	42 845 000
Vote 4 - BUDGET AND TREASURY	780 597 252	291 480 975	11 416 700
Vote 5 - PUBLIC SAFETY	144 587 765	423 116 519	18 388 200
Vote 6 - PLANNING AND HUMAN SETTLEMENT	18 029 181	69 661 349	1 799 500
Vote 7 - LOCAL ECONOMIC DEVELOPMENT	1 221 000	41 621 531	6 283 000
Vote 8 - COMMUNITY DEVELOPMENT	378 116 548	559 280 726	20 401 312
Vote 9 - TECHNICAL AND INFRASTRUCTURE	4 735 487 925	4 390 678 390	514 220 564
Vote 10 - ROADS AND TRANSPORT - Note 1	288 362 361	496 384 855	62 524 422
Vote 11 - MUNICIPAL ENTITY	297 331 646	202 110 435	-
TOTAL	7 641 798 093	6 886 111 315	698 300 440

Budgeted Surplus

755 686 778

The organisational structure on the latest National Treasury B - Schedule template differs to the municipal organisational structure. This is because the organisational structure on the latest budget template is based on the function segment. This segment provides for the classification of the budget according to the function or service delivery objective. This schedule illustrates the budget per municipal directorate based on our internal department structure.

Note 1 - Vote 10 consists of RRT which is fully grant funded and Roads and Stormwater

	BUDGET REVENUE	BUDGET OPEX	BUDGET CAPEX
RRT	288 362 361	239 756 064	36 452 467
ROADS & STORMWATER	-	256 628 791	26 071 955
Vote 10 - ROADS AND TRANSPORT	288 362 361	496 384 855	62 524 422





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**FROM: Mr S Mashaba, Tel: 012 315 5183, Email:**[sello.mashaba@treasury.gov.za](mailto:sello.mashaba@treasury.gov.za)

**Ref No: NW373/19**

Adv A Khuduge  
The Municipal Manager  
Rustenburg Municipality  
PO BOX 16  
**RUSTENBURG**  
0300

Dear Adv Khuduge

## **APPLICATION FOR ROLL OVER OF UNSPENT CONDITIONAL GRANTS FOR THE 2023/24 FINANCIAL YEAR**

Your letter dated 27 August 2024 refers.

Approval is hereby granted in terms of section 21(2) of the 2023 Division of Revenue Amendment Act, (Act No. 5 of 2023) (DoRA), as amended by the Division of Revenue Amendment Act, (Act No. 24 of 2023) (DoRAA) to retain a lesser amount of **R58.9 million** of the requested amount of R59.5 million allocated to your municipality in the 2023/24 financial year through the DoRA. This approval is in respect of the Municipal Infrastructure Grant (MIG) (R54.7 million) and the Neighbourhood Development Partnership Grant (NDPG) (R4.2 million).

The National Treasury used the criteria set out in Circular No.128 of the Municipal Finance Management Act, 2003 (Act No.56 of 2003) as a guide to assess the roll over request by your municipality.

The reduced amount of R58.9 million is to fund the following projects:

MIG (R54.7 million):

- Construction of Tlhabane AC Water Pipes-Phase 2 (R15.6 million);
- Upgrading of Lethabong Waste Water Treatment Works and installation of sewer reticulation system-Phase D (R20 million); and
- Tlhabane sewer Pipe-Phase 2 (R19.2 million).

NDPG (R4.2 million):

- Construction of sidewalk of Karee Road in Marikana.



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The rejected amount of R555 thousand is based on the following reasons:

Energy Efficiency Demand Side Management (EEDSM) (R404 thousand):

- The requested amount is linked to retention fees, of which are not subjected to the rollover process. The municipality is therefore advised to rectify its disclosure in its Annual Financial Statements to avoid having the amount reflected as unspent.

Expanded Public Works Programme (EPWP) (R151 thousand):

- Funds used to buy materials such as brooms and refuse bags are not subjected to the rollover process.

The National Treasury advises your municipality to adjust your grant income projections according to section 28 of the Municipal Finance Management Act, (Act No. 56 of 2003) by passing a municipal adjustments budget. In this regard, please take note of the requirements of regulation 23(1) of the Municipal Budget and Reporting Regulations (Government gazette No. 32141 dated 17 April 2009) which provides for dates by which a Municipal Council should pass an adjustments budget.

All approved roll overs must be reported in a format approved by National Treasury. Further, municipalities must also report expenditure incurred on rolled over amounts monthly to the relevant Transferring Officer. Municipalities are also encouraged to also send a copy of the roll over reports to the respective provincial departments (provincial treasury and provincial local government department).

It must be noted that this process only covers the 2023 DoRAA allocations.

Kind regards,

pp

**Ms OGALALETSENG GAAREKWE**

**ACTING DEPUTY DIRECTOR-GENERAL: INTERGOVERNMENTAL RELATIONS**

**DATE: 22 October 2024**

CC: Office of the Auditor-General



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Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**

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**FROM: Mr Jan Hattingh, Tel: 012 315 5009, Email: [jan.hattingh@treasury.gov.za](mailto:jan.hattingh@treasury.gov.za)**

**Ref No: NW373/19**

Adv Ashmar Khuduge  
Municipal Manager  
Rustenburg Local Municipality  
P. O Box 16  
**RUSTENBURG**  
0300

Dear Adv. Khuduge

## **NATIONAL TREASURY'S 2024/25 ADJUSTMENTS BUDGET ASSESSMENT – RUSTENBURG LOCAL MUNICIPALITY**

Following our assessment of the municipality's 2024/25 adjustments budget, it has been determined that the budget is unfunded by R546.2 million, thereby contravening Section 18 of the Municipal Finance Management Act, 2003 (MFMA). The primary reason for this is the overstatement of operating revenue, particularly electricity revenue.

The National Treasury has consistently cautioned the municipality about overstating its electricity revenue in previous budget assessments. However, it remains evident that the municipality does not fully understand the extent of Glencore's impact on electricity revenue, leading to recurring miscalculations in revenue projections. This continued overestimation affects the accuracy and integrity of National Treasury's budget assessments and municipal financial planning. Additionally, during the mid-year engagement, the municipality acknowledged an error in judgment regarding its 2024/25 electricity revenue projections, particularly the impact of Glencore. Despite being cautioned about the inflated electricity revenue projections, the municipality proceeded to adopt a budget that does not reflect realistic revenue projections.

**This overstated revenue creates a false impression about the budget and misleads the Council into believing that there are more funds available than what actually exists. This misrepresentation distorts financial decision-making and compromises the municipality's fiscal sustainability.**

The 2024/25 mid-year results indicate that the municipality's electricity billing amounted to R1.1 billion against a budgeted R3.9 billion, representing only 27 per cent of the budget. Additionally, electricity revenue declined from R3.4 billion in 2022/23 to R2.1 billion in 2023/24. Given this trend, it is unlikely that the municipality will achieve its estimated revenue target by the end of the financial year. As a corrective measure, the National Treasury has readjusted the municipality's average

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collection rate from 84 per cent to 75 per cent in the calculations to provide a more realistic estimate of the revenue expected to be collected by year-end.

To move from unfunded to funded position, the municipality must take immediate action by reducing operating expenditure and review its spending, particularly contracted services and operating costs. Accordingly, the National Treasury strongly urges the municipality to implement the following practical steps:

- Identify areas for further cost-cutting, including reviewing spending patterns to align with realistically anticipated revenue. The allocation of internally generated funds towards the capital budget should also be reviewed and reduced where possible, prioritising projects with secured external funding;
- Review service charges revenue, particularly electricity revenue, to ensure that the municipality adopts realistic and achievable revenue targets. The municipality must assess its collection efficiency, consumption patterns from industrial and commercial consumers and customer payment trends to prevent further overestimation of revenue. Any necessary adjustments should be incorporated into the revised budget;
- Engage with mining companies to fully understand the financial and operational impact on municipal electricity revenue. This engagement will help the municipality obtain accurate information on electricity consumption and plan its revenue projections more effectively;
- If adopting a funded adjustments budget or implementing corrective measures immediately is not feasible, the municipality must submit a formal commitment letter confirming that a funded budget will be tabled for the 2025/26 Medium-Term Revenue and Expenditure Framework (MTREF);
- The commitment letter must outline specific steps, timelines, and key deliverables aimed at addressing this unfunded position. This letter should be tabled in Council together with the adjustments budget before or on 28 February 2025;
- Submit progress updates through Section 71 reporting on a monthly basis. This will assist to track the financial recovery efforts of the municipality; and
- Submit the draft 2025/26 MTREF to the National Treasury for assessment before tabling in Council.

It is important to emphasise that the National Treasury will not accept the unfunded budget for the 2025/26 MTREF, as stipulated in the MFMA Circular No. 129, since this would contravene Section 18 of the MFMA. Failure to table a funded MTREF budget will result in the withholding of Rustenburg Local Municipality's Local Government Equitable Share until such time that the municipality complies with the provisions of the MFMA. The National Treasury urges the Municipal Manager to take all necessary steps to rectify this situation, including developing a concrete plan to shift from an unfunded to a funded position.



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

Yours sincerely

**JAN HATTINGH**

**CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS**

**DATE:** 25 February 2025