

EXTRACT of MINUTES of the Special Council Meeting of Umzimvubu Local Municipality held at virtually via Microsoft Teams Application on Monday the 12th of December 2024 at 09h09.

MINUTES

ULMC:034

10.2.1 **REPORT ON ADJUSTMENTS BUDGET FOR 2024/2025 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK**

PURPOSE

The purpose of the report is to table to council the adjustments budget as required in terms of section 28(2)(b) of the Municipal Finance Management Act 56 of 2003.

- For Council to note and approve adjustments on revenue and assets.

BACKGROUND

The municipality had a disaster recovery grant allocation amounting to R35 777 000 for the 2023/24 financial year which was a conditional grant with approved projects to be funded as such.

The municipality could not fully spend the grant since it was received during the 3rd quarter of the financial year. The remaining funds amounting to R9 727 000 were rolled over to the 2024/25 financial year for the completion of the approved projects.

The rollover application was submitted to the relevant treasuries and approved.

The municipality may in terms of section 28 of the MFMA revise its approved annual budget through an adjustments budget.

5.1 Capital expenditure adjustments for MDRG

CAPITAL EXPENDITURE ADJUSTMENTS			
PROJECT	FUNDING	ADJUSTMENT	ADJUSTED BUDGET
Ngcozana AR and Bridge	MDRG	3 705 272,00	7 250 000,00
Mhlozini AR and Bridge	MDRG	2 718 555,00	4 500 000,00
Mqhokwe Bridge	MDRG	3 303 518,00	6 427 764,00
TOTAL		9 727 345,00	18 177 764,00

Transfers and subsidies adjustments

Description	Original Budget	ADJUSTEMENT	Adjusted-Budget
Transfers and Subsidies	488,707,000.00	11,477,345.00	500,184,345.00
Capital	192,047,000.00	9,727,345.00	201,774,345.00
Eastern Cape-Human Settlement	111,000,000.00	-	111,000,000.00
Integrated National Electrification Programme Grant	-	-	-
Municipal Disaster Recovery Grant	26,848,000.00	9,727,345.00	36,575,345.00
Municipal Infrastructure Grant	54,199,000.00	-	54,199,000.00
Other Transfers Private Enterprises	-	-	-
Other Transfers Public Corporations	-	-	-
Operational	296,660,000.00	1,750,000.00	298,410,000.00
Eastern Cape-Library Grant	1,434,000.00	1,750,000.00	3,184,000.00
Equitable Share	289,930,000.00	-	289,930,000.00
Expanded Public Works Programme Integrated Grant	2,656,000.00	-	2,656,000.00
Local Government Financial Management Grant	1,700,000.00	-	1,700,000.00
National Departmental Agencies	120,000.00	-	120,000.00
Private Enterprises	820,000.00	-	820,000.00

Discussion

The municipality received an additional funding for Library subsidies for the 2023/34 financial year and the funds could not be spent and rolled over to the 2024/25 financial year. The funds are relating to the repairs and maintenance of EmaXesibeni library and removal of Dutyini Modula library.

Total Budget 2024/2025 Adjustment Budget

Description	Original Budget	ADJUSTEMENT	Adjusted-Budget
Operating Budget	476,468,325.00	2,894,010.00	479,362,335.00
Capital Budget	261,013,008.00	12,583,335.00	273,596,343.00
Grand Total	737,481,333.00	15,477,345.00	752,958,678.00

OVERVIEW OF BUDGET RELATED POLICIES AND BUDGET ASSUMPTIONS

Budget Related Policies

There are no changes on the budget related policies that have been proposed on the adjustments budget.

Budget Assumptions

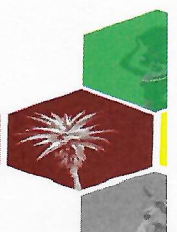
There are no changes to the budget assumptions proposed on the adjustments budget

Budget Funding

The adjustments budget is cash – funded which is an indicator of a “credible” budget. Funding levels are acceptable (inclusive of the Reserve balances), which is remarkable in these economic times, and is sufficient to cover all requirements of the funding and reserves policy.

It was thereafter with Councillor M Mataka and Councillor M Ngwaqa proposing and seconding respectively.

RESOLVED




1. That, the adjustments budget, inclusive of changes in terms of section 28(2)(b) of the MFMA of Umzimvubu Local Municipality for the financial year 2024/2025; and indicative for the two projected years 2025/26 and 2026/27, as set-out in the schedules, is approved:
2. That, the Council approves the adjusted capital expenditure by R9 727 000
3. That, the Council approves the Library subsidies adjustment by R1 750 000
4. That, the Council approves the total capital budget amounting to R273 596 343
5. That, the Council approves the total operational budget amounting to R479 362 335

This was carried unanimously.

COUNCIL 034/2024/2025

NB: These Special Council minutes are subject to confirmation by the Council on its next Ordinary Council Meeting scheduled for 24th of January 2025.

THIS IS CERTIFIED AS A TRUE REFLECTION AND EXACT EXTRACT FROM THE MINUTES OF THE SPECIAL COUNCIL MEETING HELD VIRTUALLY VIA MICROSOFT TEAMS APPLICATION, THURSDAY, THE 12TH OF DECEMBER 2024 AT 09H09.



**MUNICIPAL MANAGER
MR G.P.T. NOTA**



DATE

