

NAMA KHOI LOCAL MUNICIPALITY

"Building tomorrow today,"



REVISED SDBIP 2024/2025

27 February 2025

Nama Khoi Local Municipality
2024/25: Adjusted Top Layer SDBIP

Office of the Municipal Manager

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Region	Baseline	Q1	Q2	Q3	Q4	Annual Target	Adjustment comment
TL1	To provide an overarching framework for sustainable municipal performance improvement	Submit the Risk-based Three-Year Strategic Plan and Annual Risk-Based Audit Plan to the Audit Committee 30 June 2024-5	Number of plans submitted	All	2	0	0	0	2		2 KPI wording amended from 2024 to 2025

Corporate Services

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Region	Baseline	Q1	Q2	Q3	Q4	Annual Target	Adjustment comment
New	To provide a framework for Municipal Transformation and Institution development	Submit 5 HR budget related policies by 31 March	Number of policies submitted	All		0	0	5	0	5	5 New Indicator to be added

Financial Services

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Region	Baseline	Q1	Q2	Q3	Q4	Annual Target	Adjustment comment
TL14	To ensure sustainable delivery in respect of all services to all residents of Nama Khoi	Provide free basic water to indigent households in terms of the approved indigent policy as at 30 June 2025	Number of households receiving free basic water	All	5 507	5 400	5 400	6 400-5507	6 400-5507	6 400-5507	Baseline updated with the previous year 2023/24 actual audited performance. Target subsequently amended to be in line with the previous year actual audited results
TL15	To ensure sustainable delivery in respect of all services to all residents of Nama Khoi	Provide free basic electricity to indigent households earning in terms of the approved indigent policy at 30 June 2025	Number of households receiving free basic electricity	All	5 507	5 400	5 400	6 400-5507	6 400-5507	6 400-5507	Baseline updated with the previous year 2023/24 actual audited performance. Target subsequently amended to be in line with the previous year actual audited results
TL16	To ensure sustainable delivery in respect of all services to all residents of Nama Khoi	Provide free basic sanitation to indigent households in terms of the approved indigent policy at 30 June 2025	Number of households receiving free basic sanitation	All	5 507	5 400	5 400	6 400-5507	6 400-5507	6 400-5507	Baseline updated with the previous year 2023/24 actual audited performance. Target subsequently amended to be in line with the previous year actual audited results
TL17	To ensure sustainable delivery in respect of all services to all residents of Nama Khoi	Provide free basic refuse removal to indigent households in terms of the approved indigent policy at 30 June 2025	Number of households receiving free basic refuse	All	5 507	5 400	5 400	6 400-5507	6 400-5507	6 400-5507	Baseline updated with the previous year 2023/24 actual audited performance. Target subsequently amended to be in line with the previous year actual audited results
TL18	To ensure sustainable delivery in respect of all services to all residents of Nama Khoi	Number of formal residential properties that are billed for refuse removal as at 30 June 2025	Number of residential properties that are billed for refuse removal residential tariffs using the erf as a property	All	11 538	11 490	11 490	11 490-11538	11 490-11538	11 490-11538	Baseline updated with the previous year 2023/24 actual audited performance. Target subsequently amended to be in line with the previous year actual audited results
TL19	To ensure sustainable delivery in respect of all services to all residents of Nama Khoi	Number of residential properties which are billed for electricity or have pre-paid meters as at 30 June 2025 (excluding Eskom areas(Steinkops; Kommagass; Billerap)	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas)	All	9 079	8 670	8 670	8 670-9079	8 670-9079	8 670-9079	Baseline updated with the previous year 2023/24 actual audited performance. Target subsequently amended to be in line with the previous year actual audited results
TL20	To ensure sustainable delivery in respect of all services to all residents of Nama Khoi	Number of residential properties that which are billed for water or have pre-paid meters that is connected to the municipal water infrastructure network as at 30 June 2025	Number of residential properties which are billed for water or have pre paid meters	All	11 910	11 900	11 900	11 900-11910	11 900-11910	11 900-11910	Baseline updated with the previous year 2023/24 actual audited performance. Target subsequently amended to be in line with the previous year actual audited results
TL21	To ensure sustainable delivery in respect of all services to all residents of Nama Khoi	Number of residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2025	Number of residential properties which are billed for sewerage	All	11 711	11 670	11 670	11 670-11711	11 670-11711	11 670-11711	Baseline updated with the previous year 2023/24 actual audited performance. Target subsequently amended to be in line with the previous year actual audited results

Community Services

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Region	Baseline	Q1	Q2	Q3	Q4	Annual Target	Adjustment comment
New	To ensure sustainable delivery in respect of all services to all residents of Nama Khoi	Spend 55% Library Grant Funding by 30 June 2025 (Actual amount spent of library grant / Total amount budgeted and received for library grant (X100))	% budget spent	All	New	10%	40%	60%	100%	100%	New Indicator to be added

Technical Services

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Region	Baseline	Q1	Q2	Q3	Q4	Annual Target	Adjustment comment
New	To ensure sustainable delivery in respect of all services to all residents of Nama Khoi	Spend 55% of the MD&S allocation for the Repair of flood damage projects at various sites 30 June 2025 (Actual amount spent on projects / Total amount budgeted for capital projects (X100))	% budget spent	3	0%	0%	45%	80%	95%	95%	New Indicator to be added
New	To ensure sustainable delivery in respect of all services to all residents of Nama Khoi	Spend 92% of the Roads and Stormwater maintenance Budget by 30 June 2025 (Actual amount spent on maintenance / Total amount budgeted for maintenance (X100))	% budget spent	3	0%	0%	45%	80%	95%	95%	New Indicator to be added
TL22	To ensure sustainable delivery in respect of all services to all residents of Nama Khoi	Limit unaccounted for electricity to less than 12% by 30 June 2025 ((Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased (X100))	% unaccounted for electricity	All	21.60%	0%	12%	0%	12%	12%	Moved from Finance to Technical Director
TL23	To ensure sustainable delivery in respect of all services to all residents of Nama Khoi	Limit unaccounted for water to less than 15% by 30 June 2025 ((Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100)	% unaccounted for water	All	20.86%	0%	15%	0%	15%	15%	Moved from Finance to Technical Director

Planning and Development

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Region	Baseline	Q1	Q2	Q3	Q4	Annual Target	Adjustment comment
TL8	To initiate, lead and sustain an environment for job creation in the Nama Khoi Municipal Area	Create 1000 job opportunities by 30 June 2025 (EPWP)	Number of job opportunities created by 30 June	All	838	300	200	200-138	300-200	4000- 830	Baseline updated with the previous year 2023/24 actual audited performance. Target subsequently amended to be in line with the previous year actual audited results. Wording changed on request of MM to be more specific
TL26	To provide a framework for Municipal Transformation and institution development	Review and submit the Spatial Development Framework (SDF) to Council for approval by 31 May 2025	SDF reviewed and submitted to Council	All	1	0	0	0	1	1	Include in Corporate Agreement/ Moved from Planning to Corporate Services Director as KPI owner

MAIN ADJUSTMENT BUDGET 2024/2025



**Nama Khoi Local
Municipality
NC062**



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LEGISLATIVE REQUIREMENT

28. Municipal adjustments budgets.—(1) A municipality may revise an approved annual budget through an adjustments budget.

(2) An adjustments budget—

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

(b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programs already budgeted for;

(c) may, within a prescribed framework, authorize unforeseeable and unavoidable expenditures recommended by the mayor of the municipality;

(d) may authorize the utilization of projected savings in one vote towards spending under another vote;

(e) may authorize the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;

(f) may correct any errors in the annual budget; and

(g) may provide for any other expenditure within a prescribed framework.

(3) An adjustment budget must be in a prescribed form.

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

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

(a) an explanation of how the adjustments budget affects the annual budget;

(b) a motivation for any material changes to the annual budget;

(c) an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years; and

(d) any other supporting documentation that may be prescribed.

(6) Municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan.

(7) Sections 22 (b), 23 (3) and 24 (3) apply in respect of an adjustments budget, and in such application, a reference in those sections to an annual budget must be read as a reference to an adjustments budget.

PART 1 - ADJUSTED BUDGET

Section 1

Report by the Mayor

It gives me great pleasure to present the 2024/25 adjustment budget to the Council, for consideration.

The reason for tabling an adjustment budget to the Council is explained in the Executive Summary of the attached budget documents present. The adjustments were necessary due to changes in the capital budget as well as the fact that certain income and expenditure statements had to be adjusted to ensure that the municipality delivers sustainable and good quality services to the communities in the whole of our municipal boundaries.

The main adjustments proposed in this adjustment budget are:

Table B1 Adjustments Budget Summary -						
Description	Budget Year 2024/25				Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Financial Performance						
Total Revenue (excluding capital transfers and contributions)	459,561,281	459,561,281	302,083,187	761,644,468	531,078,881	571,784,912
Total Expenditure	454,758,149	454,758,242	71,436,470	526,194,712	563,601,935	605,825,206
Surplus/(Deficit)	4,803,132	4,803,039	230,646,718	235,449,757	- 32,523,054	- 34,040,294
Transfers and subsidies - capital (monetary allocations)	26,322,000	50,765,000	10,000,000	60,765,000	18,914,000	43,016,000
Surplus/(Deficit) after capital transfers & contributions	31,125,132	55,568,039	240,646,718	296,214,757	- 13,609,054	8,975,706

Operating Budget (B4 –Fin Perf RE)

Revenue by Source and Expenditure by Type

Revenue was adjusted upwards by R302 083 187 and Expenditure was adjusted upwards by R71 436 470 the municipality has a deficit of R235 449 757 which includes the contribution settlement that was paid by De Beers. A detailed explanation of revenue and expenditure can be seen in Effects on Original Budget and a summary of the Adjustment Budget.

Adjusted Capital Budget 2024 – 2025 (B5 – CAPEX)

Capital Expenditure and Funding Sources						
Description	2024-25				2025-26	2026-27
	Original Budget	Prior Adjusted	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Capital expenditure & funds sources						
Capital expenditure	18,122,000	47,388,613	23,732,305	71,120,918	36,914,000	43,016,004
Transfers recognised - capital	26,322,000	50,765,000	10,000,000	60,765,000	34,551,252	40,262,687
Internally generated funds	1,800,000	6,623,613	3,732,305	10,355,918	2,362,748	2,753,317
Total sources of capital funds	28,122,000	57,388,613	13,732,305	71,120,918	36,914,000	43,016,004

The Capital Budget was adjusted upwards by R13 732 305 it includes the provision that was made for the approved rollover, and several capital items have been added to the capital budget, A Detailed explanation of revenue and expenditure can be seen in Effects on Original Budget as well as a summary of the Adjustment Budget

Cash Flow Budget (B7-CashFlow)

Cash Flow Statement Summary						
	2024-25				2025-26	2026-27
Cash flows	Original Budget	Prior Adjusted	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Net cash from (used) operating	26,471,568	49,351,674	231,425,888	280,777,562	40,859,558	67,583,301
Net cash from (used) investing	- 28,122,000	- 52,565,000	- 18,555,918	- 71,120,918	- 36,914,000	- 43,016,004
Net cash from (used) financing	-	-	-	-	-	1
Cash/cash equivalents at the year end	42,569,853	41,006,959	212,869,970	253,876,929	257,822,487	282,389,785

Please note Cash Flow Statement is directly linked to the Statement of Financial Performance and the same adjustments are applicable, however, the collection rate is applicable to the Cash Flow Statement, and the cash and cash equivalents balance includes grants.

Section 2 - Budget Related Resolutions

ADJUSTMENT BUDGET 2024/2025

The resolution tabled at Council for consideration with approval of the adjustments budget is:

RECOMMENDATION:

- a) That the adjustments budget of Nama Khoi Local Municipality for the financial year 2024/2025 as set out in the schedules contained in section 4 be approved:
 - Table B1 Adjustments Budget Summary
 - Table B2 Adjustments Budget Financial Performance (by standard classification);
 - B3 Adjustments Budget Financial Performance (by municipal vote);
 - Table B4 Adjustments Budget Financial Performance (revenue by source); and
 - Table B5 Adjustments Budget Capital Expenditure (by municipal vote and funding source)
 - Table B6 – Adjustments Budgeted Financial Position
 - Table B7 – Adjustments Budgeted Cash Flows
 - Table B8 – Adjustments Cash backed reserves/accumulated surplus reconciliation
 - Table B9 – Adjustments Budget Asset Management
 - Table B10 – Adjustments Budget Basic service delivery measurement
 - And Supporting Sheets and Annexures

Section 3 – Executive Summary

Introduction

The b-Schedule attached must be populated via the Municipality Financial System, it was populated.

The Council needs to take note that adjustments were made in accordance with Sec 28 of the MFMA and Section 72 of the MFMA.

This report will be submitted to the Treasury for assessment and it is most probable that the municipality will be required to make some corrections, however, no changes will be made to figures but rather to the MSCOA requirements.

The Council needs to take note that the municipality received a Settlement Agreement from De Beers and also qualified to have 1/3 of the ESKOM debt written off this had a positive impact on the budget and resulted in the Budget being funded.

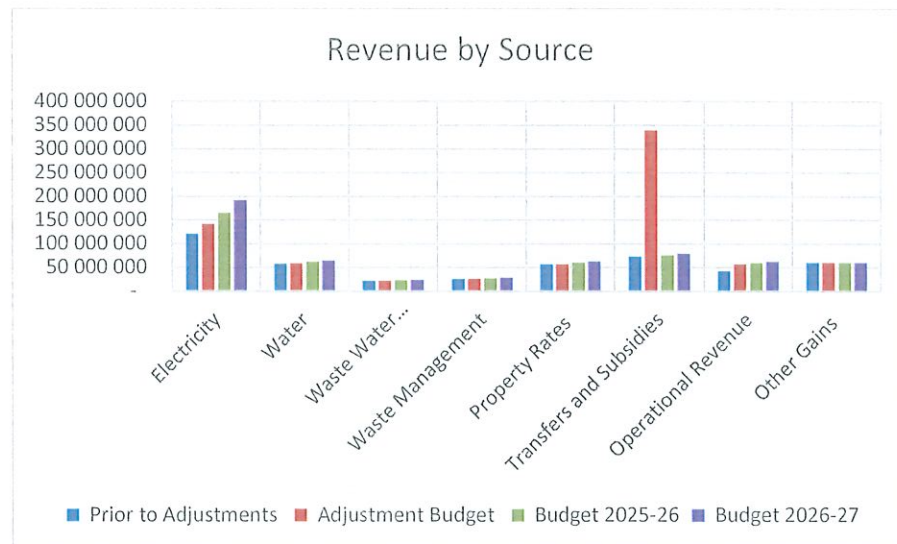
Effect of the adjustment budget

The overall changes made to the 2024-25 budget can be best illustrated in the charts below.

Revenue by Source Budget 2024-2025 (Annexure A -B4FINPERF RE)

Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -						
Description	Budget Year 2024/25				Budget Year+1 2025/26	Budget Year+2 2026/27
Revenue By Source	Original Budget	Prior Adjusted	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Service charges - Electricity	120,610,505	120,610,505	20,610,457	141,220,962	164,432,674	191,335,428
Service charges - Water	57,879,354	57,879,354	796,310	58,675,664	61,316,069	64,075,292
Service charges - Waste Water Management	21,428,961	21,428,961	218,710	21,647,671	22,621,815	23,639,798
Service charges - Waste Management	25,847,033	25,847,033	-	25,847,033	27,010,150	28,225,607
Sale of Goods and Rendering of Services	3,922,066	3,922,066	282,145	4,204,211	4,393,399	4,591,102
Agency services	93,786	93,786	-	93,786	98,006	-
Interest earned from Receivables	22,299,427	22,299,427	-	22,299,427	23,302,901	24,351,532
Interest earned from Current and Non Current Assets	4,425,355	4,425,355	11,793,589	16,218,944	16,948,796	17,711,491
Rent on Land	1,252,978	1,252,978	-	1,252,978	1,309,362	1,368,283
Rental from Fixed Assets	3,399,035	3,399,035	-	3,399,035	3,551,991	3,711,830
Licence and permits	1,664,099	1,664,099	2,189,945	3,854,044	4,027,475	4,208,711
Operational Revenue	408,205	408,205	144,709	552,914	577,795	603,796
Property rates	57,426,530	57,426,530	-	57,426,530	60,010,725	62,711,207
Fines, penalties and forfeits	603,022	603,022	4,787	607,809	635,161	663,743
Transfer and subsidies - Operational	73,321,000	73,321,000	266,042,535	339,363,535	75,665,000	79,203,000
Interest	4,391,925	4,391,925	-	4,391,925	4,589,562	4,796,092
Other Gains	60,588,000	60,588,000	-	60,588,000	60,588,000	60,588,000
Total Revenue (excluding capital transfers and contributions)	459,561,281	459,561,281	302,083,187	761,644,468	531,078,881	571,784,912

Original Budget 2024-25 against Adjusted Budget



The conclusion from the chart and table above

Service Charges Electricity - The adjustment is based on the performance of the first 7 months, the municipality has also taken into account the extra income that will be collected from Kleinzee.

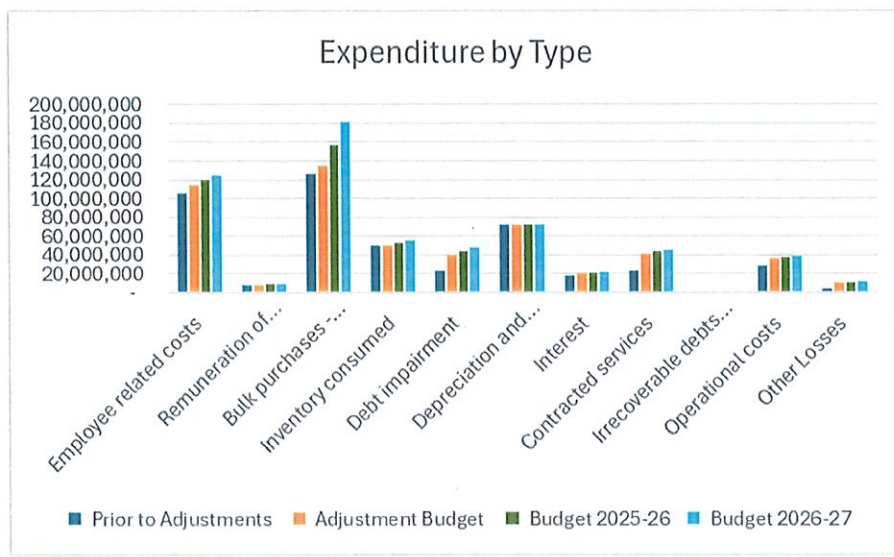
Interest earned from current and non-current assets – adjustment was made in terms of the interest that will be derived from the De Beers contribution as well as the performance of the first 6 months.

License and permits - adjustments were based on the performance of the first 6 months

Transfer and subsidies operational – De Beers settlement contribution was brought into the budget.

Expenditure By Type 2024-2025 (Annexure A -B4FINPERF RE)

Expenditure By Type	2024-25				2025-26	2026-27
	Original Budget	Prior Adjusted	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Employee related costs	105,612,784	105,612,850	8,896,253	114,509,103	119,136,552	124,497,705
Remuneration of councillors	7,282,094	7,282,102	379,327	7,661,429	8,197,729	8,771,573
Bulk purchases - electricity	125,880,000	125,880,000	9,120,000	135,000,000	156,195,000	180,717,615
Inventory consumed	50,096,000	50,096,000	125,000	50,221,000	52,480,945	54,842,589
Debt impairment	22,200,000	22,200,000	16,800,000	39,000,000	42,900,000	47,190,000
Depreciation and amortisation	72,391,567	72,391,567	-	72,391,567	72,391,567	72,391,567
Interest	17,225,338	17,225,338	2,557,438	19,782,776	20,673,002	21,603,288
Contracted services	22,215,720	22,215,730	19,143,782	41,359,512	43,220,694	45,165,633
Irrecoverable debts written off	1,000,000	1,000,000	-	1,000,000	1,100,000	1,210,000
Operational costs	27,434,094	27,434,103	8,111,026	35,545,129	37,144,661	38,816,171
Other Losses	3,420,552	3,420,552	6,303,644	9,724,196	10,161,785	10,619,065
Total Expenditure	454,758,149	454,758,242	71,436,470	526,194,712	563,601,935	605,825,206



The conclusion from the charts and table above

Employee cost - Adjustments were made to make provision for the vacancy list as per the attached list and also to make corrections that were identified in the Mid-Year Assessment.

Bulk purchases – Adjustment was made based on the performance of the first 6 months' obligation to ESKOM.

Debt Impairment - Adjustment was made in line with the declining collection rate of the municipality

Contracted services: Adjustments were made to make provision for the consultancy services the municipality will acquire such as the assets verification and transfers of the Kleinzee town, various services to be done via the EPC contract, investigations of the UIF and W expenditure registers, and consultancy services Town revitalization projects.

Interest-Based on the interest the municipality paid during the first 6 months, the amount will decline once ESKOM debt write-off reconciliation has been concluded.

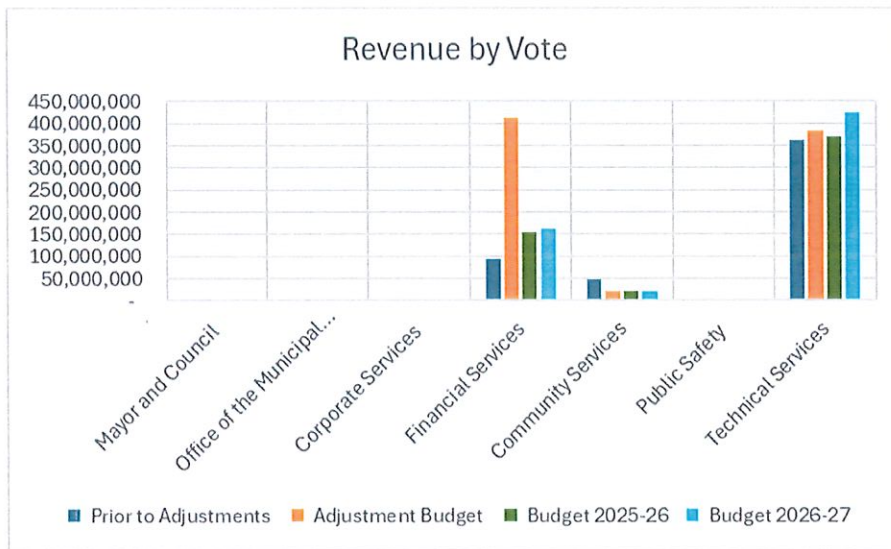
Operational Cost – adjustment was made for licenses in terms of ICT services, indigent supports was adjusted upwards and several other operational requirements were adjusted to ensure service delivery can be improved.

Losses: the municipality made provision for the water as per the Mid-Year Assessment results.

Original Revenue By Vote against Adjusted Revenue by Vote 2024-25 (Annexure A – B3FinPerfV) (Please note it includes Capital Transfers)

Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -						
Vote Description	Budget Year 2024/25				Budget Year +1	Budget Year +2
	Original Budget	Prior Adjusted	Total Adjusts.	Adjusted Budget	2025/26	2026/27
Revenue by Vote					Adjusted Budget	Adjusted Budget
Vote 1 - EXECUTIVE MAYOR AND COUNCIL (10: IE)	388,156	388,156	-	388,156	405,623	423,876
Vote 2 - MUNICIPAL MANAGER (11: IE)	1,707,595	1,707,595	-	1,707,595	499,087	521,546
Vote 3 - CORPORATE SERVICES (13: IE)	3,230,501	3,230,501	229,821	3,460,322	3,616,036	3,778,757
Vote 4 - FINANCIAL SERVICES (15: IE)	94,696,445	94,696,445	317,496,302	412,192,747	153,680,894	161,721,418
Vote 5 - COMMUNITY SERVICES: COMM DEV (16: IE)	46,372,341	46,372,341	27,745,371	18,626,970	19,541,228	20,525,496
Vote 6 - COMMUNITY SERVICES: PUBLIC SAFETY (17: IE)	1,851,555	1,851,555	2,027,134	3,878,689	4,053,230	4,133,208
Vote 7 - INFRASTRUCTURE, ENG AND TECHNICAL (18: IE)	337,636,688	362,079,688	20,075,301	382,154,989	368,196,783	423,696,611
Total Revenue by Vote	485,883,281	510,326,281	312,083,187	822,409,468	549,992,881	614,800,912

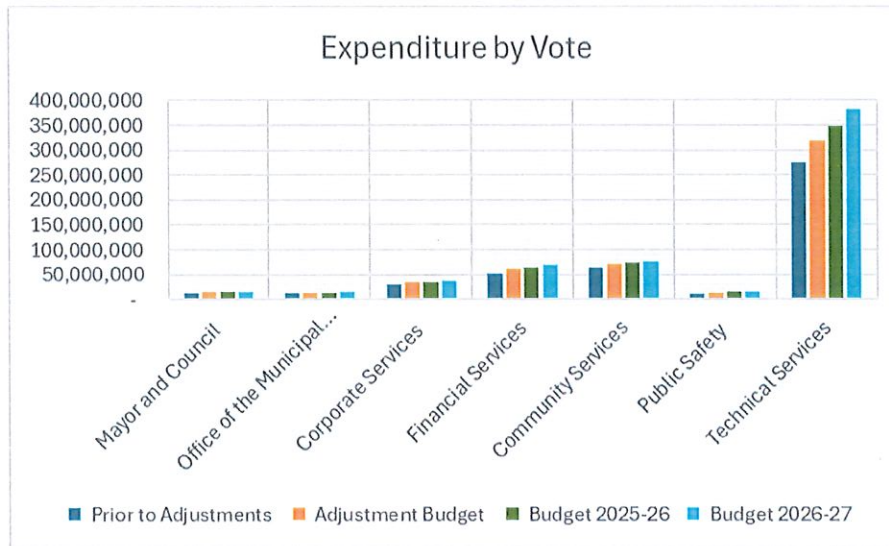
Original Revenue by Vote against Adjusted Revenue by Vote



Original Expenditure by Vote against Adjusted Expenditure by Vote 2024-25 (Annexure A – B3FinPerfV)

Expenditure by Vote	Original Budget	Prior Adjusted	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Vote 1 - EXECUTIVE MAYOR AND COUNCIL (10: IE)	12,914,388	12,914,408	1,316,435	14,230,843	15,062,771	15,945,544
Vote 2 - MUNICIPAL MANAGER (11: IE)	11,596,959	11,596,971	1,332,404	12,929,375	13,511,197	14,119,204
Vote 3 - CORPORATE SERVICES (13: IE)	30,030,344	30,030,353	3,695,190	33,725,543	35,075,353	36,485,907
Vote 4 - FINANCIAL SERVICES (15: IE)	50,595,496	50,595,500	11,542,119	62,137,619	64,599,102	67,506,066
Vote 5 - COMMUNITY SERVICES: COMM DEV (16: IE)	63,968,799	63,968,819	8,071,018	72,039,837	74,194,484	76,522,710
Vote 6 - COMMUNITY SERVICES: PUBLIC SAFETY (17: IE)	11,489,116	11,489,121	1,994,341	13,483,462	14,090,216	14,724,277
Vote 7 - INFRASTRUCTURE, ENG AND TECHNICAL (18: IE)	274,163,047	274,163,070	43,484,963	317,648,033	347,068,812	380,521,498
Total Expenditure by Vote	454,758,149	454,758,242	71,436,470	526,194,712	563,601,935	605,825,206

Original Expenditure by Vote against Adjusted Expenditure by Vote 2024-25 (Annexure A – B3FinPerf



CAPITAL BUDGET PER VOTE 2024-25 (Annexure A – C5-CAPEX)

Adjustment Capital Expenditure							
Description	Budget Year 2024/25		Total Adjsts.	Adjusted Budget	Adjusted Budget	Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted					
Capital Expenditure - Functional							
Finance and administration	1,800,000	1,800,000	-	1,800,000	2,362,748		2,753,317
Water management	-	-	1,627,305	1,627,305	-		-
Waste water management	26,322,000	55,588,613	12,105,000	67,693,613	34,551,252		40,262,687
Total Capital Expenditure - Functional	28,122,000	57,388,613	13,732,305	71,120,918	36,914,000		43,016,004
Funded by:							
National Government	26,322,000	50,765,000	10,000,000	60,765,000	34,551,252		40,262,687
Transfers recognised - capital	26,322,000	50,765,000	10,000,000	60,765,000	34,551,252		40,262,687
Internally generated funds	1,800,000	6,623,613	3,732,305	10,355,918	2,362,748		2,753,317
Total Capital Funding	28,122,000	57,388,613	13,732,305	71,120,918	36,914,000		43,016,004

Notes on Capital Budget

The municipal management made provision for the approved rollover of Water Services Infrastructure Grants

The municipality also adjusted for several projects to be funded from its own funds, this relates to prior year projects that had a co-funded component.

The municipality made provision for several pumps that will be implemented to ensure service delivery can improve.

Adjusted Cash Flow Budget 2024-25

Table B7 Adjustments Budget Cash Flows -						
Description	Budget Year 2024/25			Budget Year +1 2025/26		Budget Year +2 2026/27
	Original Budget	Prior Adjusted	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates	55,018,426	55,018,426	618,184	55,636,610	88,387,230	92,364,655
Service charges	205,263,509	205,263,509	246,175	205,017,334	247,893,450	276,601,611
Other revenue	4,095,843	4,095,843	8,615,956	12,711,799	13,283,827	13,779,182
Transfers and Subsidies - Operational	79,315,372	79,315,372	285,721,163	365,036,535	75,665,000	79,203,000
Transfers and Subsidies - Capital	26,322,000	50,765,000	14,443,000	36,322,000	18,914,000	43,016,000
Interest	4,425,355	4,425,355	7,500,000	11,925,355	12,461,995	13,022,784
Payments						
Suppliers and employees	- 330,743,599	- 332,306,493	- 53,782,802	- 386,089,295	- 395,072,942	- 428,800,643
Finance charges	- 17,225,338	- 17,225,338	- 2,557,438	- 19,782,776	- 20,673,002	- 21,603,288
NET CASH FROM/(USED) OPERATING ACTIVITIES	26,471,568	49,351,674	231,425,888	280,777,562	40,859,558	67,583,301
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-
Payments						
Capital assets	- 28,122,000	- 52,565,000	- 18,555,918	- 71,120,918	- 36,914,000	- 43,016,004
NET CASH FROM/(USED) INVESTING ACTIVITIES	- 28,122,000	- 52,565,000	- 18,555,918	- 71,120,918	- 36,914,000	- 43,016,004
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Short term loans	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	1
Increase (decrease) in consumer deposits	-	-	-	-	-	-
Payments						
Repayment of borrowing	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	-	1
NET INCREASE/ (DECREASE) IN CASH HELD	- 1,650,432	- 3,213,326	212,869,970	209,656,644	3,945,558	24,567,298
Cash/cash equivalents at the year begin:	44,220,285	44,220,285	-	44,220,285	253,876,929	257,822,487
Cash/cash equivalents at the year end:	42,569,853	41,006,959	212,869,970	253,876,929	257,822,487	282,389,785

Adjustments from the Original Budget

Please note Cash Flow Statement is directly linked to the Statement of Financial Performance and the same adjustments are applicable, however, the collection rate applies to the Cash Flow Statement, and the cash and cash equivalents balance includes grants.

The cash and cash equivalents balance includes the De Beers settlement agreement.

Table B8 Cash-backed reserves/accumulated surplus reconciliation –

Table B8 Cash backed reserves/accumulated surplus reconciliation-						
Description	Budget Year 2024/25		Total Adjusts.	Adjusted Budget	Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted			Adjusted Budget	Adjusted Budget
Cash and investments available						
Cash/cash equivalents at the year end	2,591,911	50,685,262	203,191,667	253,876,929	257,822,487	282,389,785
Other current investments > 90 days	- 10,692,000	- 32,505,412	- 8,853,293	- 41,358,705	- 10,277,552	- 35,134,909
Cash and investments available:	- 8,100,089	18,179,850	194,338,374	212,518,224	247,544,935	247,254,876
Applications of cash and investments						
Unspent conditional transfers	15,679,256	25,458,598	- 16,484,817	8,973,781	8,973,781	8,973,781
Other working capital requirements	- 49,800,030	- 37,160,129	230,229,301	193,069,172	216,570,623	203,396,689
Reserves to be backed by cash/investments	230,077	230,077	-	230,077	230,077	230,077
Total Application of cash and investments:	- 33,890,697	- 11,471,454	213,744,483	202,273,029	225,774,481	212,600,547
Surplus(shortfall)	25,790,608	29,651,304	- 19,406,109	10,245,195	21,770,454	34,654,329
References				FUNDED BUDGET		

The municipality budget is found to be funded

Section 4

A summary of a budget is as follows:

Revenue

The revenue was adjusted with the De Beers Contribution Settlement as well as the revenue to be derived from the Kleinzee town.

Expenditure

The expenditure was adjusted upwards to make provision for vacancies that are needed to improve service delivery as well as consultancy services that are needed for several projects including the investigation of the UIF and W Expenditures

Capital Expenditure

The municipality adjusted capital expenditure upwards to male the provision for the approved rollover as well as projects to be funded from its own funds that had previously not been concluded

Cash Flow Budget

Cash Flow adjustments are linked to revenue and expenditure.

Additional Note

The Adjustment Budget will be assessed by the Provincial and National Treasury to verify if the budget complies with all the MSCOA data strings requirements as well as the funding budget status. The municipality will continue to submit the Funded Budget Plan with the Adjustment Budget.

Section 5- Adjustment budget Tables as per B-Schedule

Choose name from list - 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 Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	57,427	57,427	-	-	-	-	-	-	57,427	60,011	62,711
Service charges	225,766	225,766	-	-	-	-	21,625	21,625	247,391	275,381	307,276
Investment revenue	4,425	4,425	-	-	-	-	11,794	11,794	16,219	16,949	17,711
Transfers recognised - operational	73,321	73,321	-	-	-	-	266,043	266,043	339,364	75,665	79,203
Other own revenue	98,623	98,623	-	-	-	-	2,622	2,622	101,244	103,074	104,883
Total Revenue (excluding capital transfers and contributions)	459,561	459,561	-	-	-	-	302,083	302,083	761,644	531,079	571,785
Employee costs	105,613	105,613	-	-	-	-	8,896	8,896	114,509	119,137	124,498
Remuneration of councillors	7,282	7,282	-	-	-	-	379	379	7,661	8,198	8,772
Depreciation & asset impairment	94,592	94,592	-	-	-	-	16,800	16,800	111,392	115,292	119,582
Finance charges	17,225	17,225	-	-	-	-	2,557	2,557	19,783	20,673	21,603
Inventory consumed and bulk purchases	175,976	175,976	-	-	-	-	9,245	9,245	185,221	208,676	235,560
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	54,070	54,070	-	-	-	-	33,558	33,558	87,629	91,627	95,811
Total Expenditure	454,758	454,758	-	-	-	-	71,436	71,436	526,195	563,602	605,825
Surplus/(Deficit)	4,803	4,803	-	-	-	-	230,647	230,647	235,450	(32,523)	(34,040)
Transfers and subsidies - capital (monetary allocations)	26,322	50,765	-	-	-	-	10,000	10,000	60,765	18,914	43,016
Transfers and subsidies - capital (in-kind - a))	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	31,125	55,568	-	-	-	-	240,647	240,647	296,215	(13,609)	8,976
Share of surplus/ (deficit) of associates	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	31,125	55,568	-	-	-	-	240,647	240,647	296,215	(13,609)	8,976
Capital expenditure & funds sources											
Capital expenditure	18,122	47,389	-	-	-	-	23,732	23,732	71,121	36,914	43,016
Transfers recognised - capital	26,322	50,765	-	-	-	-	10,000	10,000	60,765	34,551	40,283
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	1,800	6,624	-	-	-	-	3,732	3,732	10,358	2,363	2,753
Total sources of capital funds	28,122	57,389	-	-	-	-	13,732	13,732	71,121	36,914	43,016
Financial position											
Total current assets	199,881	253,797	-	-	-	-	127,894	127,894	381,691	367,948	373,560
Total non current assets	707,315	727,309	-	-	-	-	37,221	37,221	764,529	729,052	699,676
Total current liabilities	127,572	150,798	-	-	-	-	107,590	107,590	258,388	308,787	287,034
Total non current liabilities	518,213	540,325	-	-	-	-	(204,815)	(204,815)	335,510	249,499	238,514
Community wealth/Equity	284,868	309,310	-	-	-	-	243,011	243,011	552,322	538,712	547,688
Cash flows											
Net cash from (used) operating	26,472	49,352	-	-	-	-	231,426	231,426	280,778	40,860	67,583
Net cash from (used) investing	(28,122)	(52,565)	-	-	-	-	(18,556)	(18,556)	(71,121)	(36,914)	(43,016)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	0
Cash/cash equivalents at the year end	42,570	41,007	-	-	-	-	212,870	212,870	253,877	257,822	282,390
Cash backing/surplus reconciliation											
Cash and investments available	(8,100)	18,180	-	-	-	-	194,338	194,338	212,518	247,545	247,255
Application of cash and investments	(33,891)	(11,471)	-	-	-	-	213,744	213,744	202,273	225,774	212,601
Balance - surplus (shortfall)	25,791	29,651	-	-	-	-	(19,406)	(19,406)	10,245	21,770	34,654
Asset Management											
Asset register summary (WDV)	696,745	725,754	-	-	-	-	37,066	37,066	762,819	727,342	697,966
Depreciation	72,392	72,392	-	-	-	-	(35,172)	(35,172)	37,220	72,392	72,392
Renewal and Upgrading of Existing Assets	10,000	10,000	-	-	-	-	5,000	5,000	15,000	21,452	26,312
Repairs and Maintenance	(111,425)	(111,425)	-	-	-	-	10,247	10,247	(101,178)	(121,445)	(136,910)
Free services											
Cost of Free Basic Services provided	53,604	53,604	-	-	-	-	-	-	53,604	56,017	58,537
Revenue cost of free services provided	4,050	4,050	-	-	-	-	-	-	4,050	4,232	4,422

Annexure -B-SCHEDULE - Adjustment budget tables

The adjustments budget tables are attached to this document as Tables B1 to B 10.

The Budget tables are:

Table B1 – Adjustments Budget Summary

Table B2 – Adjustments Budgeted Financial Performance (revenue and expenditure by standard classification)

Table B3 – Adjustments Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table B4 – Adjustments Budgeted Financial Performance (revenue and expenditure)

Table B5 – Adjustments Budgeted Capital Expenditure by vote, standard classification, and funding

Table B6 – Adjustments Budgeted Financial Position

Table B7 – Adjustments Budgeted Cash Flows

Table B8 – Adjustments Cash backed reserves/accumulated surplus reconciliation

Table B9 – Adjustments Budget Asset Management

Table B10 – Adjustments Budget Basic service delivery measurement

PART 2 – Additional Requirements

Section 6 – Budget related policies

There are no changes to the budget-related policies proposed in the adjustments budget.

Section 7 – Overview of budget assumptions

Budget Assumptions

There are no changes to the budget assumptions proposed in the adjustments budget.

Section 8– Funding compliance

The Adjustment is funded as per table B8, the Eskom Debt Relief as well as the De Beers Settlement Contribution assisted the municipality to table a funded budget.

Section 9 – Overview of budget funding

Funding the Budget

Section 18(1) of the MFMA states that an annual budget may only be funded from:

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

Achievement of this requirement in totality, effectively means, that the Council has 'balanced' its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.

A Credible Budget

Amongst other things, a credible budget is a budget that:

- Funds only activities consistent with the revised IDP and vice versa; ensuring the IDP is realistically achievable given the financial constraints of the municipality;
- Is achievable in terms of agreed service delivery and performance targets;
- Contains revenue and expenditure projections that are consistent with current and on past performance and supported by documented evidence of future assumptions;
- Does not jeopardize the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium, and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

A budget sets out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications.

Furthermore, budgets tabled for consultation at least 90 days before the start of the budget year should already be credible and fairly close to the final approved budget.

Section 10- Funding

10.1 Funding of operating and capital expenditure

As indicated the municipality Adjustment Budget is funded

10..2 Financial plans

The municipality adopted the Funded Budget Plan (financial recovery plan), this plan consists of 12 activities at this stage, each activity has several deliverables where the outcome will ensure the municipality finance can move to be more viable, cost containment is incorporated into the funding plan which will ensure all expenditure are kept to an acceptable level, the municipality will also start to explore other revenue enhancement programs including the Rural Maintenance Revenue Enhancement Initiatives.

Section 11 – Expenditure on allocations and grant programs

The municipality adjusted for the rollover of the Water Services Infrastructure Grant

Section 12 – Allocations and grants made by the Municipality

The municipality has adopted a Donation and Incentive Policy and all donations are made as per the donation policy.