



# **Nama Khoi** **LOCAL** **Municipality**

***SUMMARY OF REVISED BUDGET***  
***2023/2024 – PRESENTED TO COUNCIL***  
***ON***  
***28 FEBRUARY 2024***

## 1. STRATEGIC OBJECTIVE

The strategic objective of this report is to ensure good governance, financial viability, and optimal institutional transformation with the capacity to execute its mandate.

## 2. 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.

**This table presents a summary of all the important tables of the revised budget for 2024:**

Nama Khoi Municipality - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 28 February 2024												
Description	Ref	Budget Year 2023/24									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2024/25 Adjusted Budget	+2 2025/26 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	149 047	-	-	-	-	-	(45 113)	(45 113)	103 934	117 959	133 807
Service charges - Water	2	57 176	-	-	-	-	-	(2 000)	(2 000)	55 176	57 714	60 369
Service charges - Waste Water Management	2	22 428	-	-	-	-	-	(2 000)	(2 000)	20 428	21 368	22 351
Service charges - Waste Management	2	26 640	-	-	-	-	-	(2 000)	(2 000)	24 640	25 773	26 959
Sale of Goods and Rendering of Services		792						2 947	2 947	3 739	3 911	4 091
Agency services		400						(310)	(310)	89	94	98
Interest		-						-	-	-	-	-
Interest earned from Receivables		15 342						5 915	5 915	21 258	22 236	23 258
Interest earned from Current and Non Current Assets		2 085						2 134	2 134	4 219	4 413	4 616
Dividends		-						-	-	-	-	-
Rent on Land		1 194						-	-	1 194	1 249	1 307
Rental from Fixed Assets		3 240						-	-	3 240	3 389	3 545
Licence and permits		1 586						-	-	1 586	1 659	1 736
Operational Revenue		340						49	49	389	407	426
<b>Non-Exchange Revenue</b>												
Property rates	2	57 428	-	-	-	-	-	(1)	(1)	57 427	60 068	62 831
Surcharges and Taxes		-						-	-	-	-	-
Fines, penalties and forfeits		575						-	-	575	601	629
Licences or permits		-						-	-	-	-	-
Transfer and subsidies - Operational		69 179						817	817	69 996	72 907	76 764
Interest		4 187						-	-	4 187	4 379	4 581
Fuel Levy		-						-	-	-	-	-
Operational Revenue		-						-	-	-	-	-
Gains on disposal of Assets		-						-	-	-	-	-
Other Gains		-						-	-	-	-	-
Discontinued Operations		-						-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>411 638</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(39 561)</b>	<b>(39 561)</b>	<b>372 077</b>	<b>398 128</b>	<b>427 366</b>
<b>Expenditure By Type</b>												
Employee related costs		102 967	-	-	-	-	-	(8 164)	(8 164)	94 803	99 878	105 228
Remuneration of councillors		6 759						543	543	7 302	7 813	8 360
Bulk purchases - electricity		138 000	-	-	-	-	-	(18 000)	(18 000)	120 000	135 288	152 524
Inventory consumed		65 596	-	-	-	-	-	(14 500)	(14 500)	51 096	53 446	55 905
Debt impairment		-						22 200	22 200	22 200	24 420	26 862
Depreciation and amortisation		81 663						(9 272)	(9 272)	72 392	72 392	72 392
Interest		2 703						14 523	14 523	17 225	18 018	18 847
Contracted services		42 470	-	-	-	-	-	(21 851)	(21 851)	20 619	21 567	22 558
Transfers and subsidies		-						-	-	-	-	-
Irrecoverable debts written off		21 986						(20 986)	(20 986)	1 000	1 012	1 012
Operational costs		33 560						(6 663)	(6 663)	26 897	28 133	29 425
Losses on disposal of Assets		-						-	-	-	-	-
Other Losses		8 421						(5 000)	(5 000)	3 421	3 588	3 753
<b>Total Expenditure</b>		<b>504 123</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(67 169)</b>	<b>(67 169)</b>	<b>436 954</b>	<b>465 554</b>	<b>496 864</b>
<b>Surplus/(Deficit)</b>		<b>(92 485)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27 608</b>	<b>27 608</b>	<b>(64 877)</b>	<b>(67 427)</b>	<b>(69 498)</b>
Transfers and subsidies - capital (monetary allocations)		36 599						(342)	(342)	36 257	20 461	19 947
Transfers and subsidies - capital (in-kind - all)		-						-	-	-	-	-
<b>Surplus/(Deficit) before taxation</b>		<b>(55 886)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27 265</b>	<b>27 265</b>	<b>(28 621)</b>	<b>(46 966)</b>	<b>(49 551)</b>
Income Tax		-						-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>(55 886)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27 265</b>	<b>27 265</b>	<b>(28 621)</b>	<b>(46 966)</b>	<b>(49 551)</b>
Share of Surplus/Deficit attributable to Joint Venture		-						-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-						-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(55 886)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27 265</b>	<b>27 265</b>	<b>(28 621)</b>	<b>(46 966)</b>	<b>(49 551)</b>
Share of Surplus/Deficit attributable to Associate		-						-	-	-	-	-
Intercompany/Parent subsidiary transactions		-						-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	1	<b>(55 886)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27 265</b>	<b>27 265</b>	<b>(28 621)</b>	<b>(46 966)</b>	<b>(49 551)</b>

**ADJUSTMENTS MADE DURING THE COMPILATION OF THE BUDGET AS SEEN IN THE TABLE ABOVE:**

1. Service Charges Revenue – decreased to reflect more realistic revenue to be billed.
2. Employee-related cost – decreased to reflect what is currently expensed and bring in all vacant posts anticipated to be filled this financial year.

3. Decreased over-budgeting in Bulk Purchases, contracted services, and inventory consumed. Please note that there were a lot of line items budgeted excessively and never expensed. Therefore, a total decrease in these expenses amounted to R61million. Alignment on the required outstanding payment to ESKOM and Vaal Central Water will be done to ensure the municipality adheres to the requirements of Circular 124
4. Non –cash Items such as depreciation and debt impairment as well as interest on landfill sites and post-retirement benefits were also budgeted for to make room for these expenses.
5. Please note the treasury requirement that in table B4 the municipality must strive to budget for a surplus and not a deficit. In our case even though we realized a deficit, it must be emphasized that total Expenditure included non-cash items, which do not have any bearing on the cash flow of the Municipality. **A demonstration of this can be made available to the committee when discussing this table.**

Expenditure By Type													
Employee related costs		102 967	-	-	-	-	-	(8 164)	(8 164)	94 803	99 879	105 228	
Remuneration of councillors		6 759	-	-	-	-	-	543	543	7 302	7 813	8 360	
Bulk purchases - electricity		138 000	-	-	-	-	-	(18 000)	(18 000)	120 000	135 288	152 524	
Inventory consumed		65 596	-	-	-	-	-	(14 500)	(14 500)	51 096	53 446	55 905	
Debt impairment		-	-	-	-	-	-	22 200	22 200	22 200	24 420	26 862	
<b>Depreciation and amortisation</b>		<b>81 663</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9 272)</b>	<b>(9 272)</b>	<b>72 392</b>	<b>72 392</b>	<b>72 392</b>	
Interest		2 703	-	-	-	-	-	14 523	14 523	17 225	18 018	18 847	
Contracted services		42 470	-	-	-	-	-	(21 851)	(21 851)	20 619	21 567	22 558	
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	
Irrecoverable debts written off		21 986	-	-	-	-	-	(20 986)	(20 986)	1 000	1 012	1 012	
Operational costs		33 560	-	-	-	-	-	(6 663)	(6 663)	26 897	28 133	29 425	
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	
Other Losses		8 421	-	-	-	-	-	-	-	8 421	8 421	8 421	
<b>Total Expenditure</b>		<b>504 123</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(62 169)</b>	<b>(62 169)</b>	<b>369 563</b>	<b>470 386</b>	<b>501 532</b>	
<b>Surplus/(Deficit)</b>		<b>(92 485)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22 608</b>	<b>22 608</b>	<b>2 514</b>	<b>(72 259)</b>	<b>(74 165)</b>	
Transfers and subsidies - capital (monetary allocations)		36 599	-	-	-	-	-	(342)	(342)	36 257	20 461	19 947	
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) before taxation</b>		<b>(55 886)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22 265</b>	<b>22 265</b>	<b>38 771</b>	<b>(51 798)</b>	<b>(54 218)</b>	
Income Tax		-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after taxation</b>		<b>(55 886)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22 265</b>	<b>22 265</b>	<b>38 771</b>	<b>(51 798)</b>	<b>(54 218)</b>	
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(55 886)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22 265</b>	<b>22 265</b>	<b>38 771</b>	<b>(51 798)</b>	<b>(54 218)</b>	
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/ (Deficit) for the year</b>	1	<b>(55 886)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22 265</b>	<b>22 265</b>	<b>38 771</b>	<b>(51 798)</b>	<b>(54 218)</b>	

**Nama Khoi Municipality - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 28 February 2024**

Description	Ref	Budget Year 2023/24									Budget Year +1	Budget Year +2
		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	11	12
<b>Capital Expenditure - Functional</b>												
<b>Governance and administration</b>		17 100	-	-	-	-	-	(11 100)	(11 100)	6 000	-	-
Executive and council		17 100	-	-	-	-	-	(11 100)	(11 100)	6 000	-	-
Finance and administration		-	-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	-	-	-	-	-	550	550	550	-	-
Planning and development		-	-	-	-	-	-	550	550	550	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		38 799	-	-	-	-	-	3 145	3 145	41 944	17 161	17 747
Energy sources		1 600	-	-	-	-	-	2 600	2 600	4 200	-	-
Water management		600	-	-	-	-	-	887	887	1 487	-	-
Waste water management		36 599	-	-	-	-	-	(342)	(342)	36 257	17 161	17 747
Waste management		-	-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	55 899	-	-	-	-	-	(7 405)	(7 405)	48 494	17 161	17 747
<b>Funded by:</b>												
National Government		36 599	-	-	-	-	-	(342)	(342)	36 257	17 161	17 747
Provincial Government		-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	36 599	-	-	-	-	-	(342)	(342)	36 257	17 161	17 747
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		19 300	-	-	-	-	-	(7 063)	(7 063)	12 237	-	-
<b>Total Capital Funding</b>		55 899	-	-	-	-	-	(7 405)	(7 405)	48 494	17 161	17 747

**ADJUSTMENTS MADE DURING THE COMPILATION OF THE BUDGET AS SEEN IN THE TABLE ABOVE:  
CAPITAL EXPENDITURE**

- The municipality decrease the transport assets from 17,1 Million to R6 million procuring only  
5 LDV's  
Cherry picker  
Brick machine

Please note the rest of the loan will be left in an interest account.

- Procurement of the Bulk meters – Electricity and water will be procured by the end of June 2024.
- Thumper and voltage detector.
- Transformers and other electrical machinery
- Approved Rollover of R7 million brought back to be expensed this financial year – WSIG funding.
- Old Project** to be completed, previously MIG funding to be funded from disaster relief funds to the amount of R755 164, see extract of expenses below:

MIG Projects	Following Payment due to	Payment Due	Payment certificate no	Amount Excl.Vat	Vat	Amountn incl.Vat
1 #BOD NC062/02/2020-2021 - 32650.01 - Kommagas Bulkwater	Iceburg Trading 171cc	Outstanding payment	Certificate No.06	118 476,90	17 771,53	136 248,43
		Retention	Certificate No.07	146 361,12	21 954,17	168 315,29
		Final Retention is not due yet to the contractor	Certificate No.08	146 361,12	21 954,17	168 315,29
			Claim not received			
			<b>Total amount Due to Iceburg Trading</b>	<b>411 199,14</b>	<b>61 679,87</b>	<b>472 879,01</b>
2 KOMAGGAS BULWATER SUPPLY PHASE 6B - EQUIPING OF BOREHOLES IN BUFFELSRIVIER	Viking Pony Africa /Tricom	Final Retention still outstanding ,Will only be paid once outstanding work has been completed	Certificate No.07 Final	245 465,96	36 819,89	282 285,85
		<b>TOTAL</b>		<b>656 665,10</b>	<b>98 499,76</b>	<b>755 164,86</b>

- As seen Capital Expenditure decreased from R55 899 million to R48 494 million.

**Nama Khoi Municipality - Table B6 Adjustments Budget Financial Position - 28 February 2024**

Description	Ref	Budget Year 2023/24									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2024/25	+2 2025/26
		A	A1	B	C	D	E	F	G	H		
<b>R thousands</b>												
<b>ASSETS</b>												
<b>Current assets</b>												
Cash and cash equivalents		5 272						(2 730)	(2 730)	2 542	530	382
Trade and other receivables from exchange transactions	1	65 735	-	-	-	-	-	3 295	3 295	69 030	89 316	110 306
Receivables from non-exchange transactions	1	31 297	-	-	-	-	-	(18 079)	(18 079)	13 218	19 663	26 404
Current portion of non-current receivables	2	-	-	-	-	-	-	-	-	-	-	-
Inventory		(5 844)	-	-	-	-	-	7 460	7 460	1 616	1 769	1 929
VAT		23 256	-	-	-	-	-	46 161	46 161	69 417	69 417	69 417
Other current assets		(518)	-	-	-	-	-	5 358	5 358	4 840	4 840	4 840
<b>Total current assets</b>		<b>119 199</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41 465</b>	<b>41 465</b>	<b>160 663</b>	<b>185 535</b>	<b>213 279</b>
<b>Non current assets</b>												
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		138 836	-	-	-	-	-	(14 445)	(14 445)	124 391	124 391	124 391
Property, plant and equipment	3	677 492	-	-	-	-	-	(51 725)	(51 725)	625 767	570 537	515 892
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		1 484	-	-	-	-	-	-	-	1 484	1 484	1 484
Intangible assets		96	-	-	-	-	-	56	56	152	152	152
Trade and other receivables from exchange transactions		(7 662)	-	-	-	-	-	7 662	7 662	-	-	-
Non-current receivables from non-exchange transactions		1 364	-	-	-	-	-	125	125	1 490	1 490	1 490
Other non-current assets		-	-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>811 611</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(58 326)</b>	<b>(58 326)</b>	<b>753 285</b>	<b>698 054</b>	<b>643 410</b>
<b>TOTAL ASSETS</b>		<b>930 810</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16 861)</b>	<b>(16 861)</b>	<b>913 948</b>	<b>883 589</b>	<b>856 688</b>
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Financial liabilities		466	-	-	-	-	-	3 149	3 149	3 615	3 615	3 615
Consumer deposits		3 570	-	-	-	-	-	164	164	3 734	3 734	3 734
Trade and other payables from exchange transactions		414 490	-	-	-	-	-	(376 156)	(376 156)	38 334	57 582	78 818
Trade and other payables from non-exchange transactions		18 701	-	-	-	-	-	(2 487)	(2 487)	16 214	12 914	10 714
Provisions		17 444	-	-	-	-	-	(635)	(635)	16 809	17 141	20 430
VAT		491	-	-	-	-	-	47 465	47 465	47 956	47 956	47 956
Other current liabilities		-	-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>455 162</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(328 500)</b>	<b>(328 500)</b>	<b>126 662</b>	<b>142 943</b>	<b>165 267</b>
<b>Non current liabilities</b>												
Borrowing	1	704	-	-	-	-	-	20 920	20 920	21 624	21 624	21 624
Provisions	1	161 487	-	-	-	-	-	(65 992)	(65 992)	95 495	95 495	95 495
Long term portion of trade payables		-	-	-	-	-	-	425 461	425 461	425 461	425 461	425 461
Other non-current liabilities		-	-	-	-	-	-	23 131	23 131	23 131	23 456	23 782
<b>Total non current liabilities</b>		<b>162 191</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>403 520</b>	<b>403 520</b>	<b>565 711</b>	<b>566 036</b>	<b>566 362</b>
<b>TOTAL LIABILITIES</b>		<b>617 353</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75 020</b>	<b>75 020</b>	<b>692 373</b>	<b>708 979</b>	<b>731 629</b>
<b>NET ASSETS</b>	2	<b>313 457</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(91 881)</b>	<b>(91 881)</b>	<b>221 576</b>	<b>174 610</b>	<b>125 059</b>
<b>COMMUNITY WEALTH/EQUITY</b>												
Accumulated Surplus/(Deficit)		313 227	-	-	-	-	-	(91 881)	(91 881)	221 345	174 380	124 829
Funds and Reserves		230	-	-	-	-	-	-	-	230	230	230
Other		-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>313 457</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(91 881)</b>	<b>(91 881)</b>	<b>221 576</b>	<b>174 610</b>	<b>125 059</b>

**ADJUSTMENTS MADE DURING THE COMPILATION OF THE BUDGET AS SEEN IN THE TABLE ABOVE:  
STATEMENT OF FINANCIAL POSITION**

- The most significant adjustment on this table is the Trade and other payables from exchange transactions more specifically the balances of Eskom and Vaal Water as of 31 December 2023 amounting to R425 Million, which was transferred from current liability (payable within one year) to Non-Current Liability to help with the budget be categorized as being **FUNDED**.
- This is mainly due to the DEBT relief that was approved by the National Treasury to the Nama Khoi Municipality and the dispute with Vaal Water in connection with their outstanding balance. GRAP 1 was also considered in coming to this decision. Seeing that this debt will only be settled much later than 12 Months.

**EXTRACT FROM GRAP 1 – PRESENTATION OF FINANCIAL STATEMENTS**

- .62 An entity shall present current and non-current assets, and current and non-current liabilities, as separate classifications on the face of its statement financial position in accordance with paragraphs .68 to .78 except when a presentation based on liquidity provides information that is reliable and more relevant. When that exception applies, all assets and liabilities shall be presented broadly in order of their liquidity.**
- .63 Whichever method of presentation is adopted, for each asset and liability line item that combines amounts expected to be recovered or settled (a) no more than twelve months after the reporting date; and (b) more than twelve months after the reporting date, an entity shall disclose the amount expected to be recovered or settled after more than twelve months.**

Nama Khoi Municipality - Table B7 Adjustments Budget Cash Flows - 28 February 2024												
Description	Ref	Budget Year 2023/24									Budget Year +1 2024/25	Budget Year +2 2025/26
		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		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Property rates		61 477						(6 025)	(6 025)	55 452	58 003	60 671
Service charges		306 391						(137 811)	(137 811)	168 580	200 581	219 187
Other revenue		7 876						1 743	1 743	9 619	10 061	10 524
Transfers and Subsidies - Operational	1	14 029						55 150	55 150	69 179	72 907	76 764
Transfers and Subsidies - Capital	1	36 599						(342)	(342)	36 257	17 161	17 747
Interest		2 085						2 134	2 134	4 219	4 413	4 616
Dividends		-						-	-	-	-	-
<b>Payments</b>												
Suppliers and employees		(389 100)						66 469	66 469	(322 631)	(329 960)	(353 063)
Finance charges		(2 703)						(14 523)	(14 523)	(17 225)	(18 018)	(18 847)
Transfers and Subsidies	1	-						-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>36 654</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(33 206)</b>	<b>(33 206)</b>	<b>3 449</b>	<b>15 148</b>	<b>17 600</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds on disposal of PPE		-						-	-	-	-	-
Decrease (increase) in non-current receivables		-						-	-	-	-	-
Decrease (increase) in non-current investments		-						-	-	-	-	-
<b>Payments</b>												
Capital assets		(55 899)						8 222	8 222	(47 677)	(17 161)	(17 747)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(55 899)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 222</b>	<b>8 222</b>	<b>(47 677)</b>	<b>(17 161)</b>	<b>(17 747)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<b>Receipts</b>												
Short term loans		-						-	-	-	-	-
Borrowing long term/refinancing		-						-	-	-	-	-
Increase (decrease) in consumer deposits		-						-	-	-	-	-
<b>Payments</b>												
Repayment of borrowing		-						-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(19 245)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24 983)</b>	<b>(24 983)</b>	<b>(44 228)</b>	<b>(2 013)</b>	<b>(147)</b>
Cash/cash equivalents at the year begin:	2	46 770						-	-	46 770	2 543	530
Cash/cash equivalents at the year end:	2	27 526						(24 983)	(24 983)	2 543	530	383

**ADJUSTMENTS MADE DURING THE COMPILATION OF THE BUDGET AS SEEN IN THE TABLE ABOVE:**

**CASH FLOW STATEMENT:**

1. Realising a positive cash flow of R2,543 million at year-end is an important aspect of finalizing our budget to be indicated as **FUNDED. With an average collection rate calculated at 75%**
2. Significant changes are the decreasing of the over-anticipated revenue budget and cash receipts of Service Charges. This was merely a result of the municipality not being able to bill revenue as budgeted, it must be noted that there are still meters that are by-passed as well as consumers that are billed incorrectly as per Syntell/Stellenbosch investigations.

**Nama Khoi Municipality - Table B8 Cash backed reserves/accumulated surplus reconciliation - 28 february 2024**

Description	Ref	Budget Year 2023/24									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2024/25	+2 2025/26
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	5 272	-	-	-	-	-	(2 730)	(2 730)	2 543	530	383
Other current investments > 90 days		65 735	-	-	-	-	-	(65 735)	(65 735)	(0)	(0)	(0)
Non current assets - Investments	1	677 492	-	-	-	-	-	(677 492)	(677 492)	-	-	-
<b>Cash and investments available:</b>		<b>748 499</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(745 957)</b>	<b>(745 957)</b>	<b>2 542</b>	<b>530</b>	<b>382</b>
<b>Applications of cash and investments</b>												
Unspent conditional transfers		-	-	-	-	-	-	(2 487)	(2 487)	(2 487)	12 914	10 714
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	319 382	-	-	-	-	-	(333 632)	(333 632)	(14 251)	(22 137)	(28 924)
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-	230	230	230	230	230
<b>Total Application of cash and investments:</b>		<b>319 382</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(335 890)</b>	<b>(335 890)</b>	<b>(16 508)</b>	<b>(8 992)</b>	<b>(17 980)</b>
<b>Surplus(shortfall)</b>		<b>429 117</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(410 067)</b>	<b>(410 067)</b>	<b>19 050</b>	<b>9 522</b>	<b>18 363</b>
<i>References</i>												

**FUNDED BUDGET**

This table is significant to make sure that we have a funded Budget. Nama Khoi Showed a surplus of R19,050 million which indicates we have a funded budget.

### 3. CLOSURE

It must be highlighted that the municipality not only had to adjust Revenue due to significantly underperforming in service charges but also had to adjust expenditures downwards, in recent months the actual bank balance has dipped below R500 000 additionally the municipality has struggled to settle monthly accounts from Vaal Central Water, it will be wise if the municipality sticks to the adjusted figures and strictly enforce Credit Control measures to ensure the municipality is successful in their Circular 124 application.

Drafted By:

W Jonker

Manager: Budget & Treasury

Reviewed By:

H CLOETE  
**CHIEF FINANCIAL OFFICER**



I, **Municipal Manager of Nama Khoi Municipality**, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance of the Municipal Finance Management Act and the regulations made under the Act and that the adjustments budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

**Municipal Manager of Nama Khoi Municipality (NC062)**

Signature .....

Date .....