
NQUTHU MUNICIPALITY



BUDGET ADJUSTMENT 2024-25 NARRATION FOR ADJUSTMENTS

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1.1. MAYORS' REPORT

The 2024/2025 MTREF was approved by Council on 17 May 2024 in accordance with Section 24(1) of the Local Government: Municipal Finance Management Act, 2003(Act 56 of 2003). In terms of section 28 of the MFMA a municipality may revise an approved annual budget through an adjustments budget. Only the Mayor may table an adjustments budget in the municipal council. Consideration of the reasons for the adjustment budget covers the backdrop provided in the Section 72 report, whereby a thorough assessment was done in reviewing the revenue and expenditure items in the budget. The mid-year assessment give rise to the need for the adjustment budget. The following crucial areas underpin the revision of the annual budget.

1. New allocations of cash backed reserves/investment to fund capex or opex.

There are no new allocations of cash backed accumulated funds to support both capital and operational expenditure.

2. Multi -year fund shifting in capital projects

No multi-year funds will be shift in the capital program

3. Unforeseen and unavoidable expenditure

In terms of regulation 23(6)(b), a special adjustments budget must be tabled in the municipal council when a mayor tables the annual report in terms of section 127(2) of the MFMA, which may only deal with unauthorised expenditure from the previous financial year which the council is being requested to authorise in terms of section 32(2)(a)(i) of the MFMA.

The municipality did not table for approval an adjustments budget in relation to the unauthorised expenditure which was incurred during the 2023/24 financial year in line with section 28(2)(g) of the MFMA, read with regulation 23(6) of the MBRR.

4. Allocation and grant adjustment

The municipality did not receive additional grant funding from the amended gazetted DORA notice No. 52142 issued on 19 February 2025. The roll-over applications were submitted for the INEP grant (R2,7 million rands) and Massification Electrification grant (R3,7 million rands). The grant roll-over approval received. EPWP grant was topped by internally by an amount of R2.7 million rands.

The municipality is mindful of the opportunity brought by the adjustment budget in terms of authorisation of unforeseen and unavoidable expenditure (MBRR Regulation 71), the adjustment budget allows council

to provide ex post authorisation for unforeseen and unavoidable expenditure in terms of section 29 of the MFMA. The mayor therefore recommend the municipal council to approve the funded adjustment budget, the mayor further recommend that the council approve the revision to the SDBIP where applicable.

1.2. RESOLUTIONS

Adjustment budget is tabled before council for consideration by Council. Hereunder are the resolutions in terms of the Municipal Budget and Reporting Regulations Schedule- B for consideration by council:

- The Council approves and adopts the adjustment budget for 2024/2025 financial year and the two outer years with the proposed amendments.

1.3. EXECUTIVE SUMMARY

The fundamental purpose of this report is to comply with section 21 and section 22 of the Municipal Budget and Reporting Regulations, by submitting to the Council for the approval of the adjustment budget in a format specified in Schedule A and in line with funding requirements of section 22. The executive summary provides a high-level overview of the adjusted budgeted financial performance of the municipality. This section highlights the adjustments made to the approved annual budget. Additional information is provided to augment the B-schedule tables.

Fundamentally the focus is made on completing all capital infrastructure projects funded internally. The municipality aim to review all long outstanding capital project that have been in progress for more than five years. The table below shows the list of internally funded capital projects in the current year.

Table:1 Internally Funded Projects (2024/25)

INHOUSE PROJECTS					
PROJECT NAME	CONTRACT VALUE	EXPENDITURE INC.VAT	Retention Held Inc.	AVAILABLE BUDGET	
BHEKEKHANYA CRECHE	R 2 631 469,00	R 2 000 764,32	R 275 935,50	R	906 640,18
MALANGA ROAD	R 10 967 239,00	R 12 033 284,99	R 1 019 217,02	R	1 019 217,02
NYAKAZA HALL	R 5 179 359,77	R 5 342 355,25	R 911 938,48	R	748 943,00
TLOKWENI CRECHE	R 3 575 701,58	R 2 759 218,41	R 421 592,88	R	1 238 076,04
BUY BACK CENTRE	R 23 377 324,08	R 22 807 818,77	R 2 058 963,31	R	2 628 468,62
SHEEP AND WOOL	R 18 505 194,51	R 10 364 157,94	R 1 704 349,00	R	9 845 385,57
NCOME HALL	R 5 065 612,00	R 5 108 643,49	R 964 245,56	R	921 214,07
NHLABAMKHOSI HALL	R 5 600 014,63	R 5 293 843,48	R 955 382,74	R	1 261 553,89
INCUBATOR UNIT 5&6	R 12 166 194,43	R 2 745 430,70	R 244 126,60	R	9 664 890,33
CEMETRIES	R 4 421 938,19	R 3 937 447,08	R 422 541,25	R	907 032,35
	R 91 490 047,19	R 72 392 964,44	R 8 978 292,33	R	29 141 421,07

1.4. ADJUSTMENT BUDGET TABLES

BUDGET FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE) - TABLE B4

Choose name from list - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2024/25									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 2025/26	+2 2026/27
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	32 108	-	-	-	-	-	-	-	32 108	35 883	40 710
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	1 962	-	-	-	-	-	-	-	1 962	2 071	2 163
Sale of Goods and Rendering of Services		259	-	-	-	-	-	-	-	259	270	275
Agency services		-	-	-	-	-	-	-	-	-	-	-
Interest		0	-	-	-	-	-	-	-	0	-	-
Interest earned from Receivables		681	-	-	-	-	-	-	-	681	708	740
Interest earned from Current and Non Current Assets		5 995	-	-	-	-	-	3 100	3 100	9 095	8 280	4 491
Dividends		-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		871	-	-	-	-	-	(0)	(0)	871	911	952
Licence and permits		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		216	-	-	-	-	-	1 589	1 589	1 805	229	242
Non-Exchange Revenue												
Property rates	2	52 750	-	-	-	-	-	-	-	52 750	55 176	57 659
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 009	-	-	-	-	-	-	-	1 009	1 056	1 103
Licences or permits		1 010	-	-	-	-	-	-	-	1 010	1 056	1 104
Transfer and subsidies - Operational		212 836	-	-	-	-	-	-	-	212 836	206 378	195 873
Interest		1 335	-	-	-	-	-	-	-	1 335	1 396	1 459
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	0	0	0	-	0
Other Gains		-	-	-	-	-	-	0	0	0	-	0
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		311 031	-	-	-	-	-	4 689	4 689	315 720	313 414	306 772
Expenditure By Type												
Employee related costs		118 969	-	-	-	-	-	(622)	(622)	118 347	124 972	132 190
Remuneration of councillors		17 155	-	-	-	-	-	-	-	17 155	18 167	19 221
Bulk purchases - electricity		40 970	-	-	-	-	-	4 000	4 000	44 970	38 677	40 920
Inventory consumed		1 618	-	-	-	-	-	(296)	(296)	1 322	1 531	1 792
Debt impairment		-	-	-	-	-	-	0	0	0	-	0
Depreciation and amortisation		36 000	-	-	-	-	-	0	0	36 000	39 000	41 000
Interest		0	-	-	-	-	-	-	-	0	0	0
Contracted services		49 983	-	-	-	-	-	(863)	(863)	49 120	53 542	52 174
Transfers and subsidies		2 854	-	-	-	-	-	(345)	(345)	2 510	2 908	3 023
Irrecoverable debts written off		12 999	-	-	-	-	-	-	-	12 999	13 500	14 150
Operational costs		41 523	-	-	-	-	-	(1 823)	(1 823)	39 701	34 803	36 454
Losses on disposal of Assets		-	-	-	-	-	-	0	0	0	-	0

1.4.1. REVENUE BY SOURCE NARRATION

Property rates – the municipality did not adjust the property rates revenue.

Service charges – (electricity) - the municipality did not adjust the property rates revenue.

Service charges – (refuse) – there are no budget movements made for refuse removal.

Rendering of services - there are no budget movements made for rendering of services.

Interest earned from Current and Non-Current Assets – the original budget in relation to investment was R5.9 million rands, the figure has been adjusted upward to R9 million rands. The addition to investments is attributable to VAT refunds from SARS and the Dept of Public Works debt payments.

Operational Revenue – revenues from miscellaneous sources such as burial fees, tender sales etc, are adjusted upward by R1.5 million rands from original budget of R216 thousand. The actual transactions reflects that the municipality is generating more revenue from the above listed sources.

1.4.2. EXPENDITURE BY TYPE NARRATION

Employee related costs – employee costs have been adjusted downward from the original budget by an amount of R622 thousand, the adjusted budget stands at R118.3 million rands from original budget of R118.9.

Remuneration of councillors – the original budget has not been adjusted, hence the final figure for councillors’ remuneration remains unchanged at R17.1 million rands.

Bulk purchases – electricity – the original budget of R40 million rands is adjusted upward by R4 million rands hence the final budget is R44.9 million rands, this adjustment is caused by the actual Eskom billing for six months.

Inventory consumed – inventory consumed initial budget is dropped by R296 thousand from R1.6 million rands. The adjustment is supported by identified transactions that are not classified as inventory.

Contracted services –review of contracted services done for six months concludes that some contracted services will require less funding e.g. accommodation other contracted services adjusted include security services, plant hire, internal audit, etc., thus the budget has been adjusted down by R863 thousand million rands from R49.9 million rands to R49.1 million rands.

Transfer and subsidies – this line items includes expenditures that relates mostly to the municipal events, hand-outs, poverty alleviation projects, youth excellence awards, youth empowerment programs, etc. The budget for such events has been scaled down to align available funds with planned events. Downward adjustment is made amounting to R345 thousand million rands from R2.8 million rands to R2.5 million rands.

Other expenditure (operational costs) – other expenditure entails general expenses that the municipality incurs, ranging from bank charges, fuel and oil, electricity charges (other than bulk electricity), to telephone, commission etc., these expenditures are projected to decrease based on the assessment of the first half of the year hence the adjustment of R1.8 thereby reducing the original budget from R41.5 million rands to R39.7 million rands.

Surplus/(Deficit) – the surplus is adjusted by R10.7 million rands stemming from transfers and subsidies - capital adjustment of R6 million rands and the surplus / deficit is adjusted by R4.6 million rands.

Nquthu Local Municipality Budget Adjustment Narrations 24-25

1.4.3. CAPITAL EXPENDITURE AND FUNDS SOURCES

Table SB17 shows monthly capital expenditure functional classification. The municipality project to spend R7 million rands at minimum for capital expenditure monthly.

Choose name from list - Supporting Table SB17 Adjustments Budget - monthly capital expenditure (functional classification) -

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework				
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27		
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget		
R thousands																		
Capital Expenditure - Functional																		
Governance and administration		189	189	189	189	189	189	189	189	189	189	189	189	189	2 266	0	0	
Executive and council		58	58	58	58	58	58	58	58	58	58	58	58	700	-	-		
Finance and administration		130	130	130	130	130	130	130	130	130	130	130	130	1 565	0	0		
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Community and public safety		4 460	4 460	4 460	4 460	4 460	4 460	4 460	4 460	4 460	4 460	4 460	4 460	53 516	19 130	0		
Community and social services		3 634	3 634	3 634	3 634	3 634	3 634	3 634	3 634	3 634	3 634	3 634	3 634	43 602	19 130	0		
Sport and recreation		725	725	725	725	725	725	725	725	725	725	725	725	8 696	-	-		
Public safety		101	101	101	101	101	101	101	101	101	101	101	101	1 218	-	-		
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Economic and environmental services		1 878	1 878	1 878	1 878	1 878	1 878	1 878	1 878	1 878	1 878	1 878	1 878	22 541	13 701	29 565		
Planning and development		391	391	391	391	391	391	391	391	391	391	391	391	4 696	-	-		
Road transport		1 487	1 487	1 487	1 487	1 487	1 487	1 487	1 487	1 487	1 487	1 487	1 487	17 845	13 701	29 565		
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Trading services		601	601	601	601	601	601	601	601	601	601	601	601	7 207	-	-		
Energy sources		564	564	564	564	564	564	564	564	564	564	564	564	6 772	-	-		
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Waste management		36	36	36	36	36	36	36	36	36	36	36	36	435	-	-		
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Capital Expenditure - Functional		7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	85 528	32 831	29 565		

Capital expenditure original budget figure of R80.2 million rands is increased to R85.5 million rands. There are no new allocations from amended DORA in 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 Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
Community and public safety		53 516	5	6	-	-	-	0	11	0	53 516	19 130	0
Community and social services		43 602	-	-	-	-	-	0	0	0	43 602	19 130	0
Sport and recreation		8 696	-	-	-	-	-	-	-	-	8 696	-	-
Public safety		1 218	-	-	-	-	-	-	-	-	1 218	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		22 541	-	-	-	-	-	0	0	0	22 541	13 701	29 565
Planning and development		4 696	-	-	-	-	-	-	-	-	4 696	-	-
Road transport		17 845	-	-	-	-	-	0	0	0	17 845	13 701	29 565
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-
Trading services		1 913	-	-	-	-	-	5 293	5 293	5 293	7 207	-	-
Energy sources		1 478	-	-	-	-	-	5 293	5 293	5 293	6 772	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-
Waste management		435	-	-	-	-	-	-	-	-	435	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	80 235	-	-	-	-	-	5 293	5 293	5 293	85 528	32 831	29 565
Funded by:													
National Government		41 245	-	-	-	-	-	0	0	0	41 245	32 831	29 565
Provincial Government		27	-	-	-	-	-	5 293	5 293	5 293	5 321	-	-
District Municipality transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	41 272	-	-	-	-	-	5 293	5 293	5 293	46 566	32 831	29 565
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		38 963	-	-	-	-	-	0	0	0	38 963	0	0
Total Capital Funding		80 235	-	-	-	-	-	5 293	5 293	5 293	85 528	32 831	29 565

There are no borrowings that the municipality has applied or considered in this financial year. Expenditure funded from internally generated funds covers infrastructural and non-infrastructural projects that are not covered by MIG grant.

Nquthu Local Municipality Budget Adjustment Narrations 24-25

1.4.4. FINANCIAL POSITION SUMMARY

Overall, the financial position reflects a surplus figure. The restated balance due to adjusted accumulated surplus opening balance. The surplus and deficit adjusted figure increased to R45 million rands.

Choose name from list - Supporting Table SB2 Supporting detail to 'Financial Position Budget' -

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted 4	Accum. Funds 5	Multi-year capital 6	Unfore. Unavoid. 7	Nat. or Prov. Govt 8	Other Adjusts. 9	Total Adjusts. 10	Adjusted Budget 11	Adjusted Budget	Adjusted Budget
CHANGES IN NET ASSETS												
Accumulated surplus/(Deficit)												
Accumulated surplus/(Deficit) - opening balance		634 468	-	-	-	-	-	127 502	127 502	761 971	72 646	76 854
GRAP adjustments		(0)	-	-	-	-	-	-	-	(0)	(0)	(0)
Restated balance		634 468	-	-	-	-	-	127 502	127 502	761 971	72 646	76 854
Surplus/(Deficit)		35 113	-	-	-	-	-	10 725	10 725	45 838	24 071	6 632
Transfers to/from Reserves		(0)	-	-	-	-	-	-	-	(0)	-	-
Depreciation offsets		(0)	-	-	-	-	-	-	-	(0)	-	-
Other adjustments		137 665	-	-	-	-	-	(55 079)	(55 079)	82 586	47 160	88 193
Accumulated Surplus/(Deficit)	1	807 247	-	-	-	-	-	83 148	83 148	890 365	143 877	171 679
Reserves												
Housing Development Fund		141	-	-	-	-	-	10	10	152	14 986	15 855
Capital replacement		-	-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-	-

1.4.5. ADJUSTMENT BUDGET SUMMARY - TABLE B1

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 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	52 750	-	-	-	-	-	-	-	52 750	55 176	57 659
Service charges	34 070	-	-	-	-	-	-	-	34 070	37 954	42 873
Investment revenue	5 995	-	-	-	-	-	3 100	3 100	9 095	8 280	4 491
Transfers recognised - operational	212 836	-	-	-	-	-	-	-	212 836	206 378	195 873
Other own revenue	5 380	-	-	-	-	-	1 589	1 589	6 969	5 626	5 875
Total Revenue (excluding capital transfers and contributions)	311 031	-	-	-	-	-	4 689	4 689	315 720	313 414	306 772
Employee costs	118 969	-	-	-	-	-	(622)	(622)	118 347	124 972	132 190
Remuneration of councillors	17 155	-	-	-	-	-	-	-	17 155	18 167	19 221
Depreciation & asset impairment	36 000	-	-	-	-	-	0	0	36 000	39 000	41 000
Finance charges	0	-	-	-	-	-	-	-	0	0	0
Inventory consumed and bulk purchases	42 588	-	-	-	-	-	3 704	3 704	46 292	40 208	42 712
Transfers and subsidies	2 854	-	-	-	-	-	(345)	(345)	2 510	2 908	3 023
Other expenditure	104 505	-	-	-	-	-	(2 685)	(2 685)	101 820	101 844	102 779
Total Expenditure	322 072	-	-	-	-	-	52	52	322 124	327 100	340 925
Surplus/(Deficit)	(11 042)	-	-	-	-	-	4 637	4 637	(6 405)	(13 685)	(34 154)
Transfers and subsidies - capital (monetary allocations)	46 155	-	-	-	-	-	6 087	6 087	52 243	37 756	40 786
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	35 113	-	-	-	-	-	10 725	10 725	45 838	24 071	6 632
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	35 113	-	-	-	-	-	10 725	10 725	45 838	24 071	6 632
Capital expenditure & funds sources											
Capital expenditure	76 322	-	-	-	-	-	5 293	5 293	81 615	32 831	29 565
Transfers recognised - capital	41 272	-	-	-	-	-	5 293	5 293	46 566	32 831	29 565
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	38 963	-	-	-	-	-	(0)	(0)	38 963	0	0
Total sources of capital funds	80 235	-	-	-	-	-	5 293	5 293	85 528	32 831	29 565
Financial position											
Total current assets	132 617	-	-	-	-	-	50 228	50 228	182 845	98 475	102 771
Total non current assets	754 284	-	-	-	-	-	65 209	65 209	819 493	32 831	29 565
Total current liabilities	103 485	-	-	-	-	-	34 766	34 766	138 251	0	0
Total non current liabilities	3 364	-	-	-	-	-	(2 488)	(2 488)	875	-	0
Community wealth/Equity	807 388	-	-	-	-	-	83 158	83 158	890 546	158 862	187 534
Cash flows											
Net cash from (used) operating	40 885	-	-	-	-	-	6 374	6 374	47 259	248 590	236 493
Net cash from (used) investing	(90 933)	-	-	-	-	-	0	0	(90 933)	(37 756)	(34 000)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	22 420	-	-	-	-	-	47 127	47 127	69 547	280 381	482 874

Nquthu Local Municipality Budget Adjustment Narrations 24-25

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 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
Cash backing/surplus reconciliation											
Cash and investments available	61 145	-	-	-	-	-	46 869	46 869	108 014	100 626	105 084
Application of cash and investments	51 801	-	-	-	-	-	25 154	25 154	76 955	12 946	13 842
Balance - surplus (shortfall)	9 344	-	-	-	-	-	21 715	21 715	31 059	87 680	91 242
Asset Management											
Asset register summary (WDV)	521 232	-	-	-	-	-	104 755	104 755	625 987	0	0
Depreciation	36 000	-	-	-	-	-	-	-	36 000	39 000	41 000
Renewal and Upgrading of Existing Assets	12 000	-	-	-	-	-	-	-	12 000	-	-
Repairs and Maintenance	9 514	-	-	-	-	-	(630)	(630)	8 884	10 877	11 284
Free services											
Cost of Free Basic Services provided	799	-	-	-	-	-	-	-	799	-	-
Revenue cost of free services provided	2 085	-	-	-	-	-	-	-	2 085	-	-
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

Only two revenue items were adjusted that is investment revenue and other own revenue. The action to adjust the revenue items is supported by actual revenue recognised from interest on investment as well as revenue from miscellaneous items such as tender documents sales.

In essence four adjustments in relation to expenditure items are noted and details thereto are covered under table B4.

1.4.6. BUDGET FINANCIAL POSITION - TABLE B6

Total current assets budget has been adjusted significantly upward by R50 million rands, from the original budget amount of R132 million rands to a final figure of R182 million rands. The main attributing factors to this increase are the increase cash and cash equivalents and receivables from non-exchange. The municipality invested extra reserves in the month of February, thereby pushing the investment balance to R94 million rands.

Total non-current assets budget has been adjusted upward by R65.2 million rands, to account for accurate audited opening balance, additions to PPPE, intangible assets and long-term receivables.

Total current liabilities – trade and other payables budget is increased by R34.7 million rands from the original budget amount of R103 million rands, the adjustment aims to cover shortfalls noted on trade and other payables from exchange transactions, trade and other payables from non-exchange transactions, provisions and VAT line items. Table B6 below details the adjustments related to financial position of the municipality.

Nquthu Local Municipality Budget Adjustment Narrations 24-25

Choose name from list - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2024/25									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 2025/26 Adjusted Budget	+2 2026/27 Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
ASSETS												
Current assets												
Cash and cash equivalents		16 996	-	-	-	-	-	36 666	36 666	53 662	90 159	95 384
Trade and other receivables from exchange transactions	1	11 208	-	-	-	-	-	(485)	(485)	10 723	(2 151)	(2 313)
Receivables from non-exchange transactions	1	44 149	-	-	-	-	-	10 203	10 203	54 352	10 467	9 700
Current portion of non-current receivables	2	-	-	-	-	-	-	-	-	-	-	-
Inventory		139	-	-	-	-	-	(249)	(249)	(110)	0	0
VAT		60 017	-	-	-	-	-	4 136	4 136	64 153	-	0
Other current assets		108	-	-	-	-	-	(42)	(42)	66	-	0
Total current assets		132 817	-	-	-	-	-	50 228	50 228	182 845	98 475	102 771
Non current assets												
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		42 923	-	-	-	-	-	(1 584)	(1 584)	41 338	-	-
Property, plant and equipment	3	711 266	-	-	-	-	-	66 798	66 798	778 064	32 831	29 565
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		79	-	-	-	-	-	-	-	79	-	-
Intangible assets		16	-	-	-	-	-	(6)	(6)	11	-	(0)
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-	-
Other non-current assets		0	-	-	-	-	-	-	-	0	-	-
Total non current assets		754 284	-	-	-	-	-	65 209	65 209	819 493	32 831	29 565
TOTAL ASSETS		888 902	-	-	-	-	-	115 436	115 436	1 002 338	131 306	132 337
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Financial liabilities	20	20	-	-	-	-	-	-	-	20	-	-
Consumer deposits		2 170	-	-	-	-	-	144	144	2 313	-	0
Trade and other payables from exchange transactions		64 120	-	-	-	-	-	23 436	23 436	87 556	0	0
Trade and other payables from non-exchange transactions		0	-	-	-	-	-	3 675	3 675	3 675	-	(0)
Provisions		10 074	-	-	-	-	-	2 959	2 959	13 034	-	(0)
VAT		27 101	-	-	-	-	-	4 552	4 552	31 653	-	-
Other current liabilities		-	-	-	-	-	-	-	-	-	-	-
Total current liabilities		103 485	-	-	-	-	-	34 766	34 766	138 251	0	0
Non current liabilities												
Borrowing	1	(20)	-	-	-	-	-	-	-	(20)	-	-
Provisions	1	3 384	-	-	-	-	-	(2 488)	(2 488)	896	-	0
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		0	-	-	-	-	-	-	-	0	-	-
Total non current liabilities		3 364	-	-	-	-	-	(2 488)	(2 488)	875	-	0
TOTAL LIABILITIES		106 848	-	-	-	-	-	32 278	32 278	139 127	0	0

Description	Ref	Budget Year 2024/25									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 2025/26 Adjusted Budget	+2 2026/27 Adjusted Budget
NET ASSETS	2	780 053	3	4	5	6	7	8	9	10		
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		807 247	-	-	-	-	-	83 148	83 148	890 395	143 877	171 679
Funds and Reserves		141	-	-	-	-	-	10	10	152	14 986	15 855
Other		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		807 388	-	-	-	-	-	83 158	83 158	890 546	158 862	187 534

1.4.7. FUNDED POSITION

1.4.7.1. ADJUSTMENT BUDGET CASH FLOW - TABLE B7

The municipal adjustment budget is funded. Original budget for receipts under cash flow from operating activities totals to R334 million rands and only two adjustments are made on transfers and subsidies - capital as well as interest. Payments under cash flow from operating activities totals R296 million rands after an increase in adjustment amounting to R2.8 million rands. Operating activities are covered by R50 million as the receipts exceed payments by the same amount.

Cashflow from investing activities shows an amount of R90 million rands which shows that there was an outflow of cash toward asset expansion/addition which is a good indication of investment by the municipality. There are no receipts under the investing activities.

Nquthu Local Municipality Budget Adjustment Narrations 24-25

Cashflow from investing activities reflects no transactions, this is because the municipality has no borrowings in the current financial year to finance capital expenditure. Table B7 below gives full indication of transactions relating to cash flow of the municipality.

ADJUSTMENT BUDGET CASH FLOW - TABLE B7

Choose name from list - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2024/25									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjuts.	Total Adjuts.	Adjusted Budget	Adjusted Budget	+1 2025/26
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		43 374	-	-	-	-	-	-	-	43 374	46 470	49 714
Service charges		23 338	-	-	-	-	-	-	-	23 338	26 857	30 055
Other revenue		2 767	-	-	-	-	-	-	-	2 767	2 950	3 137
Transfers and Subsidies - Operational	1	212 835	-	-	-	-	-	-	-	212 835	210 778	200 471
Transfers and Subsidies - Capital	1	46 128	-	-	-	-	-	6 087	6 087	52 216	75 512	74 786
Interest		6 054	-	-	-	-	-	3 100	3 100	9 154	5 348	5 319
Dividends		-	-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees		(293 610)	-	-	-	-	-	(2 814)	(2 814)	(296 424)	(119 325)	(126 989)
Finance charges		-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		40 885	-	-	-	-	-	6 374	6 374	47 259	248 590	236 493
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		(90 933)	-	-	-	-	-	0	0	(90 933)	(37 756)	(34 000)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(90 933)	-	-	-	-	-	0	0	(90 933)	(37 756)	(34 000)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	-
Payments												
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(50 048)	-	-	-	-	-	6 374	6 374	(43 674)	210 834	202 493
Cash/cash equivalents at the year begin:	2	72 468	-	-	-	-	-	40 753	40 753	113 221	69 547	280 381
Cash/cash equivalents at the year end:	2	22 420	-	-	-	-	-	47 127	47 127	69 547	280 381	482 874

Cash and cash equivalent at the year-end amount shows a final figure of R69.5 million rands which decreased slightly from R72.4 million rands reported in the previous year. As a result of the cash and cash equivalent balance the adjustment budget position is funded.

PART 2 – SUPPORTING DOCUMENTATION

2.1. ADJUSTMENT BUDGET ASSUMPTION

When preparing the 2024 /2025 budget estimates, the following assumptions were taken into consideration:

1. The average CPI index for the period 01 July 2023 to 28 February 2024.
2. The bulk electricity service provider will be allowed a maximum 11.66% inflation increase.
3. The employee related costs and councillor allowances will be allowed in line with gazette.
4. Critical positions will be filled and strategic positions in the management will be filled.
5. Interest rates will remain at 8% for outstanding debtors.
6. Collection rate is assumed to gradually increase in line with CPI or remain still.

The adjustment budget assumptions could not diverge from the annual budget assumptions thus remaining unchanged. However, the revenue and expenditure projected and budgeted for at the beginning of the financial year has been revised. Table B4 and Table B1 provide extensive details on revised figures and reasoning thereof.

2.2. ADJUSTMENTS TO BUDGET FUNDING

Significant adjustments to budget funding was concluded on the following revenue and expenditure line items, and the reasons thereof are detailed under Table B4.

Nquthu Local Municipality Budget Adjustment Narrations 24-25

Choose name from list - 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 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue by Vote	1											
Vote 1 - Office of the Municipal Manager		46 128	-	-	-	-	-	-	-	46 128	37 756	40 786
Vote 2 - Planning and Economic Development		551	-	-	-	-	-	1 510	1 510	2 061	576	602
Vote 3 - Budget and Treasury		251 524	-	-	-	-	-	3 100	3 100	254 624	254 056	245 341
Vote 4 - Corporate and Community Service		6 156	-	-	-	-	-	79	79	6 235	2 038	2 129
Vote 5 - Technical Services		52 827	-	-	-	-	-	6 087	6 087	58 914	56 745	58 699
Vote 6 - Council And General		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	357 186	-	-	-	-	-	10 776	10 776	367 962	351 170	347 558
Expenditure by Vote	1											
Vote 1 - Office of the Municipal Manager		20 068	-	-	-	-	-	(939)	(939)	19 129	21 282	22 463
Vote 2 - Planning and Economic Development		16 546	-	-	-	-	-	(390)	(390)	16 156	17 017	17 658
Vote 3 - Budget and Treasury		75 532	-	-	-	-	-	(1 104)	(1 104)	74 428	80 839	85 088
Vote 4 - Corporate and Community Service		81 921	-	-	-	-	-	(1 054)	(1 054)	80 868	76 481	80 779
Vote 5 - Technical Services		92 105	-	-	-	-	-	3 156	3 156	95 261	93 864	95 377
Vote 6 - Council And General		18 412	-	-	-	-	-	-	-	18 412	18 983	20 070
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	304 584	-	-	-	-	-	(330)	(330)	304 253	308 465	321 434
Surplus/ (Deficit) for the year	2	52 602	-	-	-	-	-	11 107	11 107	63 709	42 705	26 124

2.3. ADJUSTMENT TO EXPENDITURE ON ALLOCATION AND GRANT PROGRAMMS

Grant register extract below shows the expenditure recognised, there are no adjustment to expenditure allocation on grant programmes. The adjusted DORA notice No. 52142 issued on 19 February 2025 did not include new allocations for Nquthu Municipality.

Nquthu Local Municipality Budget Adjustment Narrations 24-25

Choose name from list - Supporting Table SB7 Adjustments Budget - transfers and grant receipts -

Description	Ref	Budget Year 2024/25							Budget Year	Budget Year
		Original Budget 6 A	Prior Adjusted 7 A1	Multi-year capital 8 B	Unions, Unions, Nat. or Prov. Govt 9 C	Other Adjusts. 10 D	Total Adjusts. 11 E	Adjusted Budget 12 F	+1 2025/26 Adjusted Budget	+2 2026/27 Adjusted Budget
R thousands										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		0	-	-	-	3 278	3 278	3 278	-	-
Energy Efficiency and Demand Side Management Grant		0	-	-	-	-	-	0	-	-
Expanded Public Works Programme Integrated Grant	3	0	-	-	-	1 478	1 478	1 478	-	-
Local Government Financial Management Grant		0	-	-	-	1 800	1 800	1 800	-	-
Municipal Disaster Response Grant		0	-	-	-	-	-	0	-	-
Other transfers and grants [insert description]										
Provincial Government:		0	-	-	-	7 883	7 883	7 883	-	-
Specify (Add grant description)		0	-	-	-	7 883	7 883	7 883	-	-
Other transfers and grants [insert description]	4									
Other transfers and grants [insert description]	5									
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		0	-	-	-	-	-	0	-	-
Specify (Replace with the name of the Entity)		0	-	-	-	-	-	0	-	-
Total Operating Transfers and Grants	6	0	-	-	-	11 161	11 161	11 161	-	-
Capital Transfers and Grants										
National Government:		0	-	-	-	46 128	46 128	46 128	-	-
Municipal Infrastructure Grant		0	-	-	-	46 128	46 128	46 128	-	-
Other capital transfers [insert description]										
Provincial Government:		0	-	-	-	-	-	0	-	-
Specify (Add grant description)		0	-	-	-	-	-	0	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	6	0	-	-	-	46 128	46 128	46 128	-	-

2.4. ADJUSTMENT TO ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

There are no allocations and grants made by the municipality in the annual budget, thus there are no adjustment allocations and grants made as per table SB10 below.

Choose name from list - Supporting Table SB10 Adjustments Budget - transfers and grants made by the municipality -

Description	Ref	Budget Year 2024/25										Budget Year	Budget Year	
		Original Budget 6 A	Prior Adjusted 7 A1	Accum. Funds 7 B	Multi-year capital 8 C	Unions, Unions, Nat. or Prov. Govt 9 D	Other Adjusts. 10 E	Total Adjusts. 11 F	Total Adjusts. 12 G	Adjusted Budget 13 H	Adjusted Budget 14 I	+1 2025/26 Adjusted Budget	+2 2026/27 Adjusted Budget	
R thousands														
Cash transfers to other municipalities:														
[insert description]	1													
[insert description]														
[insert description]														
TOTAL ALLOCATIONS TO MUNICIPALITIES:		-	-	-	-	-	-	-	-	-	-	-	-	-
Cash transfers to Entities/Other External Mechanisms:														
[insert description]	2													
[insert description]														
[insert description]														
TOTAL ALLOCATIONS TO ENTITIES/EMs:		-	-	-	-	-	-	-	-	-	-	-	-	-
Cash transfers to other Organs of State:														
[insert description]	3													
[insert description]														
[insert description]														
TOTAL ALLOCATIONS TO OTHER ORGANS OF STATE:		-	-	-	-	-	-	-	-	-	-	-	-	-
Cash transfers to other Organisations:														
[insert description]	4													
[insert description]														
[insert description]														
TOTAL CASH TRANSFERS TO OTHER ORGANISATIONS:		-	-	-	-	-	-	-	-	-	-	-	-	-
Groups of Individuals:														
[insert description]														
[insert description]														
[insert description]														
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS	5	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-cash transfers to other municipalities:														
[insert description]	1													
[insert description]														
[insert description]														
TOTAL ALLOCATIONS TO MUNICIPALITIES:		-	-	-	-	-	-	-	-	-	-	-	-	-
Non-cash transfers to Entities/Other External Mechanisms:														
[insert description]	2													
[insert description]														
[insert description]														
TOTAL ALLOCATIONS TO ENTITIES/EMs:		-	-	-	-	-	-	-	-	-	-	-	-	-
Non-cash transfers to other Organs of State:														

2.5. ADJUSTMENT TO COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

An upward adjustment is made to senior managers basic salaries and wages, UIF, leave payment due to under estimation made in the original budget. significant adjustments are noted from employee benefits

Nquthu Local Municipality Budget Adjustment Narrations 24-25

whereby downward adjustments include staff salaries and wages, pension & UIF, housing allowance as well as post-retirement obligations. The upward adjustment is supported by actual expenditure to date and covers the following items medical aid contributions, overtime, performance bonus and other benefits & allowances.

Choose name from list - Supporting Table SB11 Adjustments Budget - councillor and staff benefits -

Summary of remuneration	Ref	Budget Year 2024/25										% change
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget		
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Councillors (Political Office Bearers plus Other)												
Basic Salaries and Wages		15 540	-								15 540	0.0%
Pension and UIF Contributions		-	-								-	
Medical Aid Contributions		-	-								-	
Motor Vehicle Allowance		-	-								-	
Cellphone Allowance		1 615	-								1 615	
Housing Allowances		-	-								-	
Other benefits and allowances		0	-								0	
Sub Total - Councillors		17 155	-								17 155	0.0%
% increase			(0)									
Senior Managers of the Municipality												
Basic Salaries and Wages		3 902	-					1 048	1 048		4 950	26.9%
Pension and UIF Contributions		9	-					2	2		11	24.6%
Medical Aid Contributions		0	-								0	0.0%
Overtime		-	-								-	
Performance Bonus		-	-								-	
Motor Vehicle Allowance		0	-								0	0.0%
Cellphone Allowance		-	-								-	
Housing Allowances		0	-								0	
Other benefits and allowances		1	-					1	1		2	
Payments in lieu of leave		95	-					34	34		129	
Long service awards		-	-								-	
Post-retirement benefit obligations	5	0	-								0	0.0%
Entertainment		-	-								-	
Scarcity		-	-								-	
Acting and post related allowance		-	-								-	
In kind benefits		-	-								-	
Sub Total - Senior Managers of Municipality		4 007	-					1 084	1 084		5 091	27.1%
% increase			(0)								0	
Other Municipal Staff												
Basic Salaries and Wages		82 894	-					(1 078)	(1 078)		81 815	-1.3%
Pension and UIF Contributions		13 952	-					(1 516)	(1 516)		12 436	-10.9%
Medical Aid Contributions		2 014	-					274	274		2 288	13.6%
Overtime		2 289	-					197	197		2 486	8.6%
Performance Bonus		5 856	-					87	87		5 943	
Motor Vehicle Allowance		4 031	-					(0)	(0)		4 031	0.0%
Cellphone Allowance		0	-								0	0.0%
Housing Allowances		698	-					(15)	(15)		683	
Other benefits and allowances		1 099	-					398	398		1 497	
Payments in lieu of leave		-	-								-	
Long service awards		0	-								0	0.0%
Post-retirement benefit obligations	5	2 128	-					(52)	(52)		2 076	-2.5%

2.6. ADJUSTMENT TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

Separate report from Performance Management Unit entails the details to this subject.

2.7. ADJUSTMENT TO CAPITAL EXPENDITURE

Nquthu Local Municipality Budget Adjustment Narrations 24-25

Choose name from list - Supporting Table SB17 Adjustments Budget - monthly capital expenditure (functional classification) -

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework				
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27		
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget		
R thousands																		
Capital Expenditure - Functional																		
Governance and administration		189	189	189	189	189	189	189	189	189	189	189	189	189	2 286	0	0	
Executive and council		58	58	58	58	58	58	58	58	58	58	58	58	700	-	-		
Finance and administration		130	130	130	130	130	130	130	130	130	130	130	130	1 565	0	0		
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Community and public safety		4 460	4 460	4 460	4 460	4 460	4 460	4 460	4 460	4 460	4 460	4 460	4 460	53 516	19 130	0		
Community and social services		3 634	3 634	3 634	3 634	3 634	3 634	3 634	3 634	3 634	3 634	3 634	3 634	43 602	19 130	0		
Sport and recreation		725	725	725	725	725	725	725	725	725	725	725	725	8 696	-	-		
Public safety		101	101	101	101	101	101	101	101	101	101	101	101	1 218	-	-		
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Economic and environmental services		1 878	1 878	1 878	1 878	1 878	1 878	1 878	1 878	1 878	1 878	1 878	1 878	22 541	13 701	29 565		
Planning and development		391	391	391	391	391	391	391	391	391	391	391	391	4 696	-	-		
Road transport		1 487	1 487	1 487	1 487	1 487	1 487	1 487	1 487	1 487	1 487	1 487	1 487	17 845	13 701	29 565		
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Trading services		601	601	601	601	601	601	601	601	601	601	601	601	7 207	-	-		
Energy sources		564	564	564	564	564	564	564	564	564	564	564	564	6 772	-	-		
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Waste management		36	36	36	36	36	36	36	36	36	36	36	36	435	-	-		
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Capital Expenditure - Functional		7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	85 528	32 831	29 565		

2.8. OTHER SUPPORTING DOCUMENTS

Cash backed reserves/accumulated surplus reconciliation - Table B8

Table B8 highlights additional information from cash backed reserves reconciliation and working capital requirements, thereby outlining the estimated collection rate of 23%.

Choose name from list - 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		
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H				
R thousands														
Cash and investments available														
Cash/cash equivalents at the year end	1	22 420	-	-	-	-	-	47 127	47 127	69 547	280 381	482 874		
Other current investments > 90 days		38 725	-	-	-	-	-	(258)	(258)	38 467	(179 755)	(377 790)		
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-		
Cash and investments available:		61 145	-	-	-	-	-	46 869	46 869	108 014	100 626	105 084		
Applications of cash and investments														
Unspent conditional transfers		0	-	-	-	-	-	3 675	3 675	3 675	-	(0)		
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-		
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-		
Other working capital requirements	2	51 660	-	-	-	-	-	21 468	21 468	73 128	(2 040)	(2 013)		
Other provisions		-	-	-	-	-	-	-	-	-	-	-		
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-		
Reserves to be backed by cash/investments		141	-	-	-	-	-	10	10	152	14 986	15 855		
Total Application of cash and investments:		51 801	-	-	-	-	-	25 154	25 154	76 955	12 946	13 842		
Surplus(shortfall)		9 344	-	-	-	-	-	21 715	21 715	31 059	87 680	91 242		

Other working capital requirements

Debtors	12 460	-
Creditors due	64 120	-
Total	(51 660)	-

Debtors collection assumptions:

Balance outstanding - debtors	55 357	-
Estimate of debtors collection rate	23%	0%

Nquthu Local Municipality Budget Adjustment Narrations 24-25

Table B2 Adjustments Budget Financial Performance (functional classification)

Table B2 highlights adjustment budget financial performance by functional classification.

Choose name from list - Table B2 Adjustments Budget Financial Performance (functional classification) -

Standard Description	Ref	Budget Year 2024/25									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	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	+1 2025/26	+2 2026/27
Revenue - Functional												
Governance and administration		297 997	--	--	--	--	--	3 179	3 179	301 176	292 169	286 498
Executive and council		46 128	--	--	--	--	--	--	--	46 128	37 756	40 796
Finance and administration		251 869	--	--	--	--	--	3 179	3 179	255 048	254 413	245 712
Internal audit		--	--	--	--	--	--	--	--	--	--	--
Community and public safety		6 287	--	--	--	--	--	--	--	6 287	2 178	2 279
Community and social services		4 454	--	--	--	--	--	--	--	4 454	260	275
Sport and recreation		--	--	--	--	--	--	--	--	--	--	--
Public safety		1 833	--	--	--	--	--	--	--	1 833	1 918	2 004
Housing		--	--	--	--	--	--	--	--	--	--	--
Health		--	--	--	--	--	--	--	--	--	--	--
Economic and environmental services		185	--	--	--	--	--	1 510	1 510	1 695	193	202
Planning and development		185	--	--	--	--	--	1 510	1 510	1 695	193	202
Road transport		--	--	--	--	--	--	--	--	--	--	--
Environmental protection		--	--	--	--	--	--	--	--	--	--	--
Trading services		52 717	--	--	--	--	--	6 087	6 087	58 804	56 830	58 579
Energy sources		50 682	--	--	--	--	--	6 087	6 087	56 769	54 502	56 356
Water management		--	--	--	--	--	--	--	--	--	--	--
Waste water management		--	--	--	--	--	--	--	--	--	--	--
Waste management		2 035	--	--	--	--	--	--	--	2 035	2 128	2 223
Other		--	--	--	--	--	--	--	--	--	--	--
Total Revenue - Functional	2	357 186	--	--	--	--	--	10 777	10 777	367 962	351 170	347 558
Expenditure - Functional												
Governance and administration		172 773	--	--	--	--	--	(5 342)	(5 342)	167 432	172 416	181 838
Executive and council		36 913	--	--	--	--	--	(2 456)	(2 456)	34 458	36 448	38 496
Finance and administration		132 533	--	--	--	--	--	(2 840)	(2 840)	129 693	132 026	139 172
Internal audit		3 327	--	--	--	--	--	(46)	(46)	3 281	3 942	4 170
Community and public safety		33 066	--	--	--	--	--	2 043	2 043	35 109	35 049	37 064
Community and social services		15 470	--	--	--	--	--	2 337	2 337	17 807	17 175	18 173
Sport and recreation		--	--	--	--	--	--	--	--	--	--	--
Public safety		17 596	--	--	--	--	--	(294)	(294)	17 302	17 874	18 891
Housing		--	--	--	--	--	--	--	--	--	--	--
Health		--	--	--	--	--	--	--	--	--	--	--
Economic and environmental services		27 566	--	--	--	--	--	(673)	(673)	26 893	29 535	30 950
Planning and development		16 443	--	--	--	--	--	(490)	(490)	15 953	16 969	17 608
Road transport		11 123	--	--	--	--	--	(183)	(183)	10 940	12 567	13 343
Environmental protection		--	--	--	--	--	--	--	--	--	--	--
Trading services		88 667	--	--	--	--	--	4 024	4 024	92 691	90 100	91 073
Energy sources		70 871	--	--	--	--	--	3 626	3 626	74 497	70 863	70 854
Water management		--	--	--	--	--	--	--	--	--	--	--
Waste water management		1 959	--	--	--	--	--	(32)	(32)	1 926	2 074	2 195

Nquthu Local Municipality Budget Adjustment Narrations 24-25

Asset Management - 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 7	Accum. Funds 8	Multi-year capital 9	Unfore. Unavoid. 10	Nat. or Prov. Govt 11	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget	
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		957	-	-	-	-	-	-	-	-	957	0	0
Furniture and Office Equipment		0	-	-	-	-	-	-	-	-	0	-	-
Machinery and Equipment		202	-	-	-	-	-	-	-	-	202	-	-
Transport Assets		700	-	-	-	-	-	-	-	-	700	-	-
Land		-	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	4	80 235	-	-	-	-	-	5 293	5 293	85 528	32 831	29 565	
ASSET REGISTER SUMMARY - PPE (WDV)	5	521 232	-	-	-	-	-	104 755	104 755	625 987	0	0	
Roads Infrastructure		474 443	-	-	-	-	-	(262 985)	(262 985)	211 458	-	0	0
Storm water Infrastructure		(0)	-	-	-	-	-	57 330	57 330	57 330	-	0	0
Electrical Infrastructure		1 478	-	-	-	-	-	24 918	24 918	26 396	-	0	0
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		(0)	-	-	-	-	-	1 507	1 507	1 507	-	0	0
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure		475 921	-	-	-	-	-	(179 230)	(179 230)	296 691	-	0	0
Community Assets		(0)	-	-	-	-	-	223 173	223 173	223 173	-	-	-
Heritage Assets		79	-	-	-	-	-	-	-	79	-	-	-
Investment properties		42 923	-	-	-	-	-	(1 584)	(1 584)	41 338	-	-	-
Other Assets		435	-	-	-	-	-	29 223	29 223	29 657	-	0	0
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		16	-	-	-	-	-	(6)	(6)	11	-	(0)	(0)
Computer Equipment		957	-	-	-	-	-	1 587	1 587	2 544	0	0	0
Furniture and Office Equipment		0	-	-	-	-	-	1 877	1 877	1 878	-	0	0
Machinery and Equipment		201	-	-	-	-	-	7 488	7 488	7 689	-	0	0
Transport Assets		700	-	-	-	-	-	16 336	16 336	17 036	-	0	0
Land		-	-	-	-	-	-	5 892	5 892	5 892	-	0	0
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	521 232	-	-	-	-	-	104 755	104 755	625 987	0	0	
EXPENDITURE OTHER ITEMS													
Depreciation & asset impairment		36 000	-	-	-	-	-	-	-	36 000	39 000	41 000	
Repairs and Maintenance by asset class		9 514	-	-	-	-	-	(630)	(630)	8 884	10 877	11 284	
Roads Infrastructure		792	-	-	-	-	-	-	-	792	1 330	1 425	
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-	

Basic service delivery measurement - Table B10

The original budgets for cost of free basic services provided to customers did not change.

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 7	Accum. Funds 8	Multi-year capital 9	Unfore. Unavoid. 10	Nat. or Prov. Govt 11	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget
Informal Settlements												
Cost of Free Basic Services provided (R'000)												
Water (6 kilolitres per indigent household per month)	16	-	-	-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		781	-	-	-	-	-	-	-	781	-	-
Refuse (removed once a week for indigent households)		17	-	-	-	-	-	-	-	17	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)												
Total cost of FBS provided		799	-	-	-	-	-	-	-	799	-	-
Highest level of free service provided												
Property rates (R'000 value threshold)		-	-	-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-	-	-
Electricity (kw per household per month)		-	-	-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided (R'000)												
Property rates (with adjustment) (impermissible values per section 17 of MPRA)	17	-	-	-	-	-	-	-	-	-	-	-
Property rates - exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		2 085	-	-	-	-	-	-	-	2 085	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	6	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided		2 085	-	-	-	-	-	-	-	2 085	-	-

2.9. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I **Mpumelelo. B. Jiyane**, Municipal Manager of Nquthu Municipality, hereby certify that the:

24/25 Adjusted Budget Supporting Documentation

has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the adjustment budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Name : Mr Mpumelelo B. Jiyane

Designation : Municipal Manager of Nquthu Municipality (KZN 242)

Signature: : _____

Date : 26/02/2024