



**MUNISIPALITEIT
RICHTERSVELD
MUNICIPALITY**

Die Richtersveld leuse is:

!Ghâi //Khoredi

Dit beteken: "Strewe na sukses" in Nama

DRAFT ANNUAL BUDGET OF RICHTERSVELD MUNICIPALITY NC061

**2023/24 _ 2025/26
MEDIUM TERM REVENUE AND
EXPENDITURE FRAMEWORK**

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Abbreviations and Acronyms

AMR	Automated Meter Reading	MFMA	Municipal Financial Management Act
BPC	Budget Planning Committee		Programme
CBD	Central Business District	MIG	Municipal Infrastructure Grant
CFO	Chief Financial Officer	MM	Municipal Manager
CPI	Consumer Price Index	MMC	Member of Mayoral Committee
DBSA	Development Bank of South Africa	MPRA	Municipal Properties Rates Act
DoRA	Division of Revenue Act	MSA	Municipal Systems Act
DWA	Department of Water Affairs	MTEF	Medium-term Expenditure Framework
EE	Employment Equity	MTREF	Medium-term Revenue and Expenditure Framework
EM	Executive Mayor	NERSA	National Electricity Regulator South Africa
FBS	Free basic services	NGO	Non-Governmental organisations
GAMAP	Generally Accepted Municipal Accounting Practice	NKPIs	National Key Performance Indicators
GDP	Gross domestic product	OHS	Occupational Health and Safety
GFS	Government Financial Statistics	OP	Operational Plan
GRAP	General Recognised Accounting Practice	PBO	Public Benefit Organisations
HR	Human Resources	PHC	Provincial Health Care
HSRC	Human Science Research Council	PMS	Performance Management System
IDP	Integrated Development Strategy	PPE	Property Plant and Equipment
IT	Information Technology	PPP	Public Private Partnership
kℓ	kilolitre	RG	Restructuring Grant
km	kilometre	SALGA	South African Local Government Association
KPA	Key Performance Area	SDBIP	Service Delivery Budget Implementation Plan
KPI	Key Performance Indicator	SMME	Small Micro and Medium Enterprises
kWh	kilowatt		
ℓ	litre		
LED	Local Economic Development		
MEC	Member of the Executive Committee		

Part 1 – Draft Annual Budget

1.1 Mayor’s Report

Honourable councillors, municipal officials, partners in government, members of the community it is my privilege to present the draft annual budget for **2023/2024_2025/2026**.

This budget is a financial forecast of income and expenditure for Richtersveld Municipality.

The municipality is currently serving an approximately **3 543** households of which includes **1 331** registered indigents for basic services.

Budget Estimates

The projected Income and Expenditure for 2022/23 is based on a true reflection of actual outcomes 2022 AFS as well as 2023 adjustment budget.

Guidelines on budget estimates (based on circular 123)

The Consumer Price Index (CPI) is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore, municipalities are required to justify all increases in excess of the projected inflation target for 2023/24, therefore all revenue items was increased by 6% for respective financial year. All expenditure items were increased by **5.3%,4.9% and 4.7%** based on the consumer price index as per guidelines

In view of the aforementioned guidelines, the following table is a consolidated overview of the proposed 2023/24_2025/26 Medium-term Revenue and Expenditure Framework

2023/24 Draft Budget summary

Tariff increase

The majority of tariffs were increased by **6 %** in line with Circular 123. Electricity tariffs were increased by **20.7%** as per MFMA Circular 123. The electricity rates still to be approved by NERSA

Overview of 2023/24 MTREF			
REVENUE	- 99 716 043,66	- 105 679 095,71	- 110 925 805,55
EXPENDITURE	96 494 333,35	101 106 069,74	105 856 594,30
GAIN AND LOSSES	5 554 378,80	5 887 641,53	6 240 900,02
LOSS	2 332 668,49	1 314 615,55	1 171 688,77
CONDITIONAL GRANTS	- 17 726 000,00	- 24 613 000,00	- 25 498 000,00
MIG	- 7 826 000,00	- 7 963 000,00	- 8 106 000,00
WSIG	- 9 900 000,00	- 16 650 000,00	- 17 392 000,00
	- 15 393 331,51	- 23 298 384,45	- 24 326 311,23

Extract from Circular 123

Revenue Collection

- No operation can be sustainable if it does not collect its revenue. A municipality is no different. There is a misconception that a municipality may not interrupt or restrict the supply of water services of a defaulting consumer.
- The National Treasury confirms that neither the Water Services Act, 1997 (Act No. 108 of 1997) or any other legislation prevents a municipality from cutting the supply of water to a defaulting consumer unless the consumer is an indigent in which case the water services to that household must be restricted to the national free basic water limit of 6 kilolitre water monthly (or 50 kilowatt hours in the case of free basic electricity monthly).
- This was confirmed by the Constitutional Court in the matter of Mazibuko and Others v City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009).
- Municipalities are urged to use the restriction/ interruption of supply of both water and electricity services as a collection tool.
- Effective from the tabling and adoption of the 2023/24 MTREF, municipalities' By-laws and policies must facilitate this and clearly stipulate the order in which any partial payment of the consolidated municipal bill (including property rates) will be applied as well as the process before the supply of water and electricity services will be cut.
- The National Treasury recommended that any partial payment firstly be applied to property rates, wastewater, waste management, water and lastly to electricity.
- When interrupting or restricting the supply of water it is important that such is undertaken together with the municipal engineer(s) to ensure a continued minimum supply of waste-water

**CLLR. CORNELL KNOPH
MAYOR**

1.2 Budget preparation process

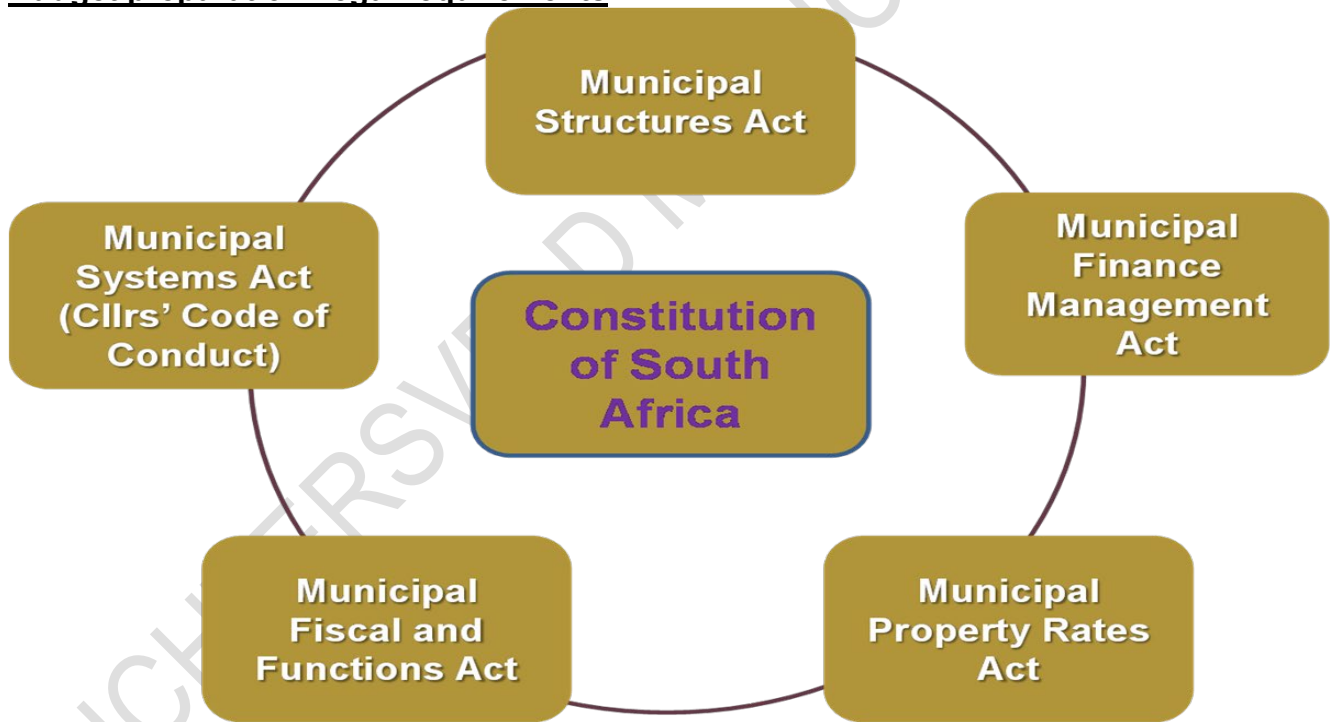
1.2.1 Budget framework and format

The budget needs to be prepared in terms of chapter 4 of the MFMA & guidelines as provided by NT.

A municipality may only incur expenditure in terms of an approved budget & within the limits of the amounts appropriated for the different votes

The council must for each financial year approve an annual budget for the municipality before the start of the financial year.

Budget preparation Legal requirements



- Defines a municipality as the structures, political office bearers and administration of the municipality; a geographic area; and the community of the municipality.
- In other words, a municipality consists of a municipal institution (political and administrative structures), and the people who live in the local area.

Municipal Finance Management Act 56 of 2003 intends:

- To secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government;
- To establish treasury norms and standards for the local sphere of government; and
- To provide for matters connected therewith.

Municipal Property Rates Act 6 of 2004 intends:

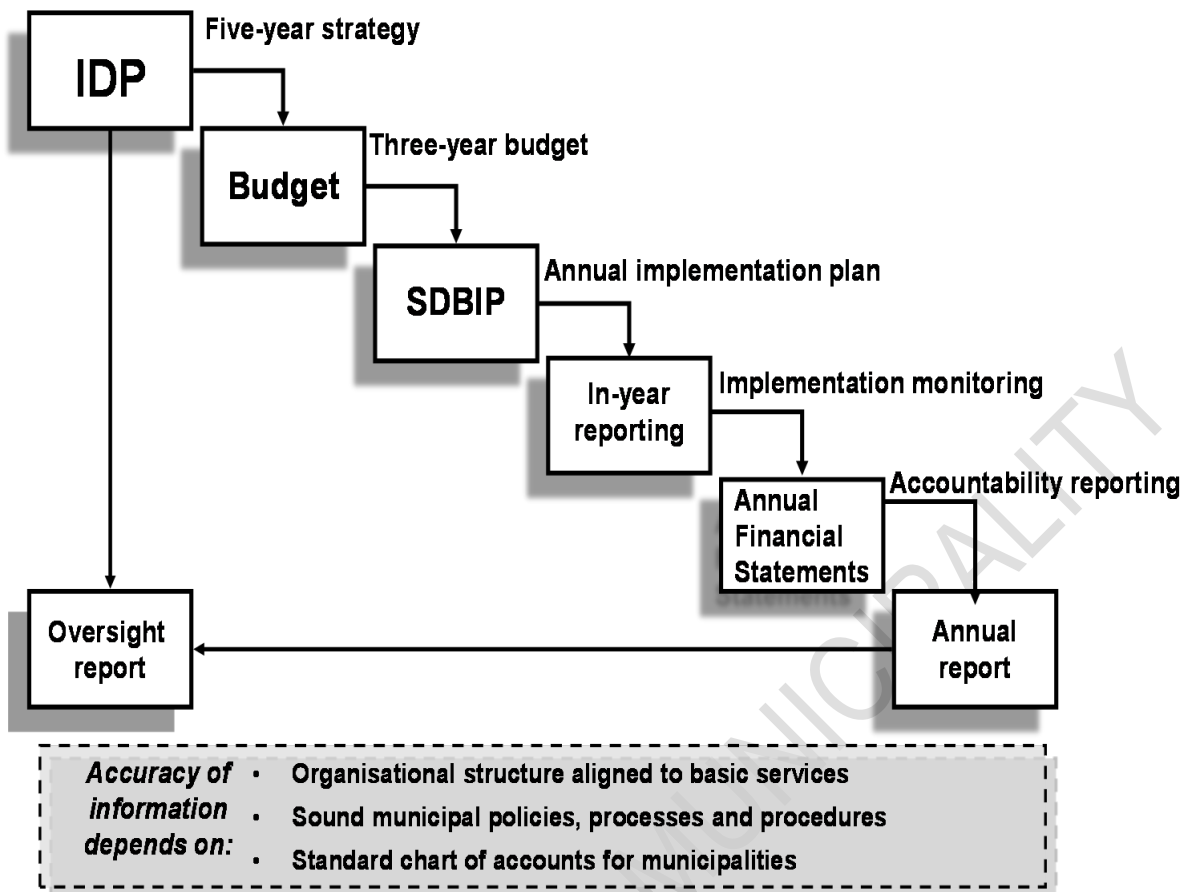
- To regulate the power of a municipality to impose rates on property; to exclude certain properties from rating in the national interest.

The Municipal Fiscal Powers and Functions Act 12 of 2007 intends

- To regulate the exercise by municipalities of their power to impose surcharges on fees for services provided under section 229 (l) (a) of the Constitution.

The Municipal Systems Act obliges municipalities to establish procedures for:

- Receiving and responding to petitions and complaints lodged by members of the community;
- Giving notice of public meetings, and allowing for public comment when appropriate;
- Holding consultative sessions with locally recognised community organisations and, where appropriate, with traditional authorities;
- Reporting back to the local community.



Budget document

Budget is an estimate of income and expenditure for a set period of time.

- A budget is a plan to get resources (planned revenue), & to use those resources (planned expenditure) to meet the objectives of the municipality.

The budget must:

- prioritize communities' basic needs;
- be funded;
- be sustainable;
- realistic

The budget needs to be prepared in terms of chapter 4 of the MFMA & guidelines as provided by NT.

- A municipality may only incur expenditure in terms of an approved budget & within the limits of the amounts appropriated for the different votes

The council must for each financial year approve an annual budget for the municipality before the start of the financial year.

1.2.2 Funding of the Budget:

- Sources of funding for the operating budget:

- Own revenue:
- Rates and taxes
- Service charges
- Transfers
- Equitable share
- National and provincial grants
- Borrowing (only for capital infrastructure)
- Public contributions and donations

Budget must have

- **Adequate cash coverage** Municipality should have enough cash to pay suppliers;
- **Sustainable revenue management** proper billing & collection; fair rates & taxes that cover the cost to provide services as well as fair & well-managed indigents policy (assistance to the poor);
- Include receipt of grant funding as per DoRA allocation
- **Include maintenance plan** _Renewal and maintenance of existing assets to preserve current income generating capacity

Budget process

The mayor of a municipality must:

Co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.

- At least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for:
 - The preparation, tabling and approval of the annual budget.
 - The annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act.
 - The budget-related policies and the tabling and adoption of any amendments to the integrated development plan and the budget-related policies.
 - any consultative processes forming part of the processes in the reviewing of the IDP and budget related policies

1.2.3 Budget publication

After an annual budget is tabled in a municipal council, the accounting officer of the municipality must:

- Make public the annual budget and the documents referred to in section 17(3).
- Invite the local community to submit representations in connection with the budget;

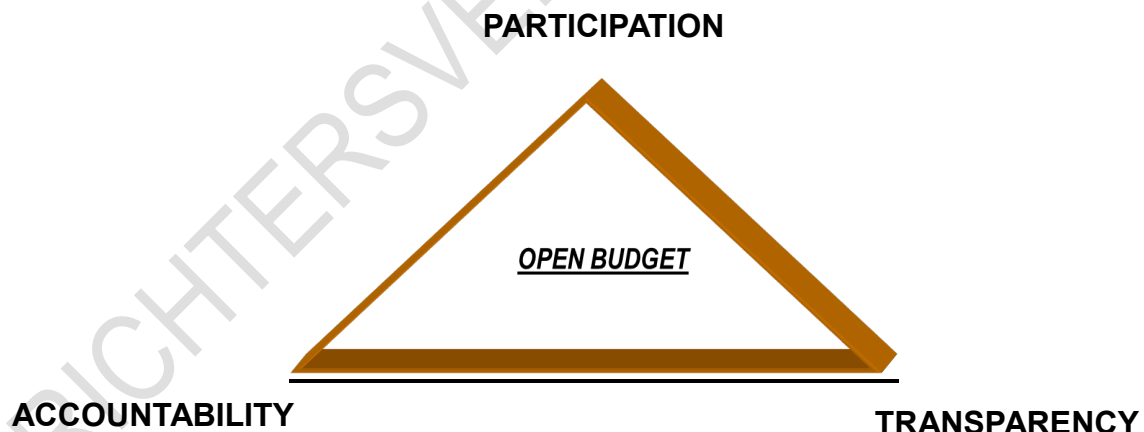
- Submit the annual budget in both printed and electronic formats to the National Treasury and the relevant provincial treasury.
- Submit the annual budget in either format to any prescribed national or provincial organs of state and to other municipalities affected by the budget.

1.2.4 Budget consultation

After tabling of the annual budget, the municipal council must consider the views of:

- The local community
- The National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the budget.
- After considering all budget submissions, the council must give the **mayor an opportunity**:
- To respond to the submissions.
- To revise the budget and table amendments for consideration by the council

Transparent budget



1.2.5 Approval of final budget

The municipal council must at least 30 days before the start of the budget year **consider** approval of the annual budget. An annual budget must be approved:

- Before the start of the budget year.
- By the adoption by the council of a resolution referred to in section 17(3)(a)(i) of the MFMA.

The budget must be approved together with the adoption of resolutions as may be necessary:

- Resolutions to impose any municipal tax for the budget year.
- To set any municipal tariffs for the budget year.
- To approve measurable performance objectives for revenue from each source and for each vote in the budget.
- To approve any changes to the municipality's integrated development plan
- To approve any changes to the municipality's budget-related policies

1.2.6 Failure to approve the budget

If a municipal council fails to approve an annual budget, including revenue raising measures necessary to give effect to the budget, the council must reconsider the budget and again vote on the budget, or on an amended version thereof, within seven days of the council meeting that failed to approve the budget.

- The process provided above must be repeated until a budget, including revenue-raising measures necessary to give effect to the budget, is approved.
- If a municipality has not approved an annual budget, including revenue-raising measures necessary to give effect to the budget, by the first day of the budget year, the mayor must immediately comply with section 55 by reporting immediately the non-approval of the budget to the MEC.

If the failure to approve the budget can be attributed to an unfunded budget, then the municipality must compile a credible budget funding plan and table, the funding plan together with the unfunded budget for adoption by Council.

1.2.7 Consequences of failure to approve budget

If by the start of the budget year a municipal council has not approved an annual budget or any revenue-raising measures necessary to give effect to the budget, the provincial executive of the relevant province must intervene in the municipality in terms of section 139(4) of the Constitution by taking any appropriate steps to ensure that the budget or those revenue-raising measures are approved, including dissolving the council and:

- Appointing an administrator until a newly elected council has been declared elected.
- Approving a temporary budget or revenue-raising measures to provide for the continued functioning of the municipality.
- Until a budget for the municipality is approved funds for the requirements of the municipality may, with the approval of the MEC for finance in the province, be withdrawn from the municipality's bank account to defray current expenditure in connection with votes for which funds were approved in the approved budget for the previous year.

The funds approved by the MEC may not during any month, exceed eight per cent of the total amount appropriated in that approved budget for current expenditure

1.3 Council Resolutions

On **31 March 2023**, Council of Richtersveld Local Municipality met in the Council Chambers to consider the Draft Annual Budget of the municipality for the financial year **2023/24**. Council approved and adopted the following resolutions:

1. The Council of Richtersveld Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The Draft Annual budget of the municipality for the financial year **2023/24** and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification).
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote).
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type).
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source.
2. The Council of Richtersveld Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2023:
 - 2.1. the tariffs for property rates
 - 2.2. the tariffs for electricity
 - 2.3. the tariffs for the supply of water
 - 2.4. the tariffs for sanitation services
 - 2.5. the tariffs for solid waste services
 - 2.6. sundry income
3. The Council of Richtersveld Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2023 the tariffs for other services.
4. That the cash backing is implemented to ensure that all unspent grants, capital reserves and provisions are cash backed as required in terms of municipal funding and reserves policy as prescribed by section 8 of Municipal Budget and Reporting Regulation.

1.4 Executive Summary

The application of sound financial management principles for the compilation of the Municipalities financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainable, economically and equitably to all communities.

The Municipalities' business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds should be

transferred from low- to high-priority programmes so as to maintain sound financial stewardship.

The Municipality should implement a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality should undertake various customer care initiatives to ensure the municipality involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 51, 54, 58, 59, 66, 67, 70, 72, 74, 75, 78,79 ,85,86, 108_115_123 were used to guide the compilation of the **2023/24** MTREF.

The main challenges experienced during the compilation of the **2023/24** MTREF can be summarised as follows:

- Load shedding, it has direct impact on service delivery
- The continuing difficulties in the national and local economy;
- Ageing of infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will come a point where services will no longer be affordable to the community;
- Wage increases for municipal staff that continues to exceed consumer inflation.
- Affordability of capital projects- expenditure associated with prior year's capital investments needed to be factored into the budget as part of the **2023/24** MTREF process; and
- The municipality is grant dependant as the income from consumers will not be able to fund operations
- The vastness of the municipal jurisdiction also attributes to the increase in direct and indirect cost to provide services to remote communities.

The following budget principles and guidelines directly informed the compilation of the **2023/24** MTREF:

- The 2022/23 Adjustments Budget priorities and targets, as well as the base line allocations contained in the Adjustments Budget were adopted as the upper limits for the new baselines for the 2023/24 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national

and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

- An upper limit of expenditure was set for the following items and allocations to these items had to be supported by a list and/or motivation setting out the intention and cost of the expenditure which was used to prioritize expenditures:

Overview of the Proposed 2023/24 medium term revenue and expenditure framework

1.4.1 Service Charges

The majority of tariffs were increased by **6 %** in line with Circular 123. Electricity tariffs were increased by **20.7 %** as per MFMA Circular 123. The electricity rates still to be approved by NERSA.

Free Basic Services

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipalities Indigent Policy.

This process is reviewed annually. The cost of the social package of the registered indigent households is fully financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

Registered households with an income not exceeding **R 5 200.00** per household (total income per household) qualifies for this subsidy. The subsidy consists of 6 kiloliter of free water, 50 kwh electricity, free refuse removal (4 times a month, once a week) and free sanitation (once off) per month.

1.4.2 .1Tariff Setting

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

The tariff increases are as follows:

- | | | |
|--------------------------|----------------|---|
| <input type="checkbox"/> | Property Rates | 6% |
| <input type="checkbox"/> | Electricity | 20.7% as per NT Guidelines (NERSA to approve) |
| <input type="checkbox"/> | Water | 6% p |
| <input type="checkbox"/> | Waste Water | 6% |
| <input type="checkbox"/> | Refuse Removal | 6% |

1.4.2 .2 Tariff Setting the impact of load shedding

Loadshedding not only affects the electricity service but also some municipalities' ability to pump water, thereby negatively impacting the stability of water supplies and

the related functioning of the wastewater reticulation network. Loadshedding crisis has been declared a state of disaster and will require tough budgeting choices for municipalities to make sure that basic municipal services are sustained.

The regulations published in the Government Gazette No. 48152 on 27 February 2023 in terms of the Disaster Management Act, 2002 (Act 57 of 2002) require municipalities to “ensure continuous operation of water infrastructure and other specified essential infrastructure, including by installing alternative energy sources or other measures to provide an uninterrupted power supply.” Municipalities are also required to “mobilise available resources” and “provide funds for this purpose, subject to affordability.”

As an immediate interim solution back-up electricity to pump water should be prioritised while being mindful of its affordability within the municipality’s available funding sources and other critical priorities. The municipality need to adequately plan and prioritise funding in its 2023/24 MTREF for this purpose, including:

Cost reflective tariffs

National treasury is involved in the process of determining cost reflective tariff council will be informed as soon as the process is complete.

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service.

This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

With effect, from the 2023/24 MTREF, all municipalities (except metropolitan cities and district municipalities that do not provide any services) as part of both the tabled and adopted MTREF submissions must submit the completed National Treasury tariff tool (in excel format) illustrating that the revenue component of the budget is credible and funded and that the municipality’s tariffs are cost reflective. If the municipality’s initial calculation results in high increases to facilitate cost-reflectiveness, it is recommended that such are phased in over 3 to 5 years. The municipality’s strategy in this regard should be included as part of the budget narratives.

Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality’s budgeting process.

National Treasury’s MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of

Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done and implemented and the Property Rates Policy of the Municipality meet the prescribed regulation.

The following stipulations in the Property Rates Policy are highlighted:

- The first R25 000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA).

proposed rates to be levied for the 2022/23 financial year

category	tarriff from 1 July 2022	Proposed tarriff from 1 July 2023
Residential Properties	0,012783	0,013549662
Farms	0,001971	0,002089101
Guesthouse	0,016982	0,018001132
Business	0,014873	0,015765645
Private school	0,016966	0,017983854
Government residential	0,012783	0,013549662
Government commercial	0,016966	0,017983854
Developments	0,042755	0,045320247
Mine grounds	0,038349	0,040650099
Pensioners discount	68 761,99	72887,71
pensiners discount	33,33%	33,33%

Sale of Electricity and Impact of Tariff Increases

NERSA GUIDELINES

NERSA has announced the proposed bulk electricity pricing structure. An increase of **18.7%** electricity is proposed from 1 July 2023 as per electricity tariff guidelines

RICHTERSVELD MUNISIPALITEIT

TARIEWE 2023/2024

ELEKTRISITEIT

7.47%

20.7% NERSA

1. <u>VERBRUIKERS:</u>	<u>TARIEF</u> <u>2022/2023</u>	<u>TARIEF</u> <u>2023/2024</u>
<u>Minimum per wooneinheid:</u>		
Huise enkel fase :	R 193.21	R 233.20
Huise (3 Fase) :	R 217.92	R 263.03
Besighede (per besigheid) :	R 384.66	R 464.28
Grootmaat per KVA :	R 182.35	R 220.09
Armlastige huishoudings :	R 193.21	R 233.20
<u>Eenhede:</u>		
Huise konvensioneel Enkel fase		
0 – 350 c / kwh :	R 1.7328	R 2.0915
> 350 c / kwh :	R 2.3059	R 2.7832
Huise konvensioneel 3 fase		
0 – 350 c / kwh :	R 1.7328	R 2.0915
> 350 c / kwh :	R 2.5676	R 3.0991
Armlastige Huise		
0 – 350 c / kwh :	R 1.6703	R 2.0161
> 350 c / kwh :	R 2.3385	R 2.8226
Besighede		
0 – 350 c / kwh :	R 2.2144	R 2.6728
> 350 c / kwh :	R 2.5128	R 3.0329
Grootmaat (Per KWU)		
Eerste 10 000 KWU :	R 1.4730	R 1.7779
> 10 000 KWU :	R 1.2212	R 1.4739
Kitskrag		
Kommersiëel & Industriëel		
0 – 350 c / kwh :	R 2.9246	R 3.5299
> 350 c / kwh :	R 3.0242	R 3.6502
Residensieël		
0 – 350 c / kwh :	R 1.7534	R 2.1164
> 350 c / kwh :	R 2.6445	R 3.1919

Indigent Kitskrag

0 – 350 c/kwh		R 1.6928	R 2.0432
> 350 c /kwh	:	R 2.4559	R 2.9643

GASTEHUISE

Minimum/basies	:	R 238.0607	R 287.3393
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Eenhede (per Kwh):

0 – 350 c / kwh	:	R 2.2144	R 2.6728
> 350 c / kwh	:	R 2.5128	R 3.0329

Eenhede Kitskrag:

0 – 350 c / kwh	:	R 2.9246	R 3.5299
> 350 c / kwh	:	R 3.0242	R 3.6502

BESKIKBAARHEID

Huishoudelik	:	R 132.9403	R 160.4589
Besighede/Nywerheid	:	R 399.0353	R 481.6356

NUWE AANSLUITINGS (VOORUITBETAALBAAR)

Enkelfase (Per aansluiting)	:	Werklike kostes	Werklike kostes
Driefase (Per aansluiting)	:	Werklike kostes	Werklike kostes

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand outgrows the supply. Richtersveld Municipality should carefully review the level and structure of their water tariffs to ensure:

Provision of water to the community has become a very huge challenge due to load shedding. The municipality has been forced to make use of communal water points therefore transporting this service to the community brings in effect higher distribution losses because the water that is distributed is not accounted for.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

<u>WATER</u>		6 %
Beskikbaarheidsgelde (Per maand)	:	R 83.25
Vragte water (Per 200 liter)	:	R 19.80
Aansluitings (Vooruitbetaalbaar)		
(1) 15 mm per aansluiting	:	Werklike koste
(2) 20 mm per aansluiting	:	Werklike koste
Diverse (Vooruitbetaalbaar)		
(1) Heraansluitings (per aansluiting)	:	R 276.25
(2) Toets van meters (per toets)	:	R 121.98
<u>VERBRUIKERS</u>		
Huishoudelik 0-6 kiloliter	:	R 15.38
7-20 kiloliter	:	R 16.44
21 + kiloliter	:	R 17.57
Besighede / Gastehuse 0-2 kiloliter	:	R 18.72
3 + kiloliter	:	R 19.80
Nywerheid (0-2 kiloliter)	:	R 19.01
(3 + kiloliter) (22 sent duurder as besigh)	:	R 20.08

TARIEWE 2023/2024

REINIGINGSDIENSTE

6 %

Beskikbaarheidsgelde	:	R 97.03
Verkope: Vullisverwydering: Huishoudelik	:	R 104.12
Verkope: Vullisverwydering: Besighede/Nywerheid (Kleinmaat)	:	R 390.62
Verkope: Vullisverwydering: Besighede/Nywerheid (Grootmaat) (bv. Spar, U Save en Scotia Inn)	:	R 781.22
Ekstra Vullisverwydering (Bakkie)	:	R 578.25
Ekstra Vullisverwydering (Vragmotor)	:	R1 073.96
Vullisverwydering – Muisvlak	:	R 914.29
Bederfbare voedsel/en ander abnormale	:	R 577.41
Eenmallige funksies (Per verwydering)bv op Sportgronde	:	R 610.04
<u>Gastehuse</u>		
Verkope Vullisverwydering		R 198.69

RIOLERING

6 %

Beskikbaarheidsgelde (Per maand)	:	R 106.71
Suigtenkverwyderings (Per maand)	:	R 189.53
Riolering (Per maand)	:	R 117.67
Oormaatverwyderings: (Normale ure)	:	R 194.87
(Na-ure en vakansiedae)	:	R 389.76
Rioolaansluitingsgelde (Vooruitbetaalbaar)	:	R3 508.45
Verstopingsdienste	:	R 476.16
Riool – Muisvlak	:	R 914.45
Tent Rent en ander (per vrag of gedeelte van 'n vrag)	:	R1 464.71
Gastehuse/Besighede/ Industrieël	:	R 245.40

1.4.3 Key Budgeted Expenditure Items MTREF 2023/24-2025/26

Some of the budgeted amounts have been based on realistic and inflation-based increases. The Municipality strives to adhere to realistic anticipated revenue. The municipality also made use of National Treasury Guidelines i.r.o. inflation and economic trends to compile 2023/24 MTREF.

Overview of 2023/24 MTREF			
REVENUE	- 99 716 043,66	- 105 679 095,71	- 110 925 805,55
EXPENDITURE	96 494 333,35	101 106 069,74	105 856 594,30
GAIN AND LOSSES	5 554 378,80	5 887 641,53	6 240 900,02
LOSS	2 332 668,49	1 314 615,55	1 171 688,77
CONDITIONAL GRANTS	- 17 726 000,00	- 24 613 000,00	- 25 498 000,00
MIG	- 7 826 000,00	- 7 963 000,00	- 8 106 000,00
WSIG	- 9 900 000,00	- 16 650 000,00	- 17 392 000,00
	- 15 393 331,51	- 23 298 384,45	- 24 326 311,23

The following grants allocations are gazette for the Richtersveld Municipality

DESCRIPTION	2023/24	2024/25	2025/26
Equitable Share	25 229 000,00	27 136 000,00	28 041 000,00
Financial Management	2 650 000,00	2 650 000,00	2 700 000,00
MIG	7 826 000,00	7 963 000,00	8 106 000,00
Electrification Grant	-	1 500 000,00	2 000 000,00
LIBRARY	1 252 000,00	1 310 000,00	1 712 000,00
EPWP	950 000,00	-	-
WSIG	9 900 000,00	16 650 000,00	17 392 000,00
TOTAL	47 807 000,00	57 209 000,00	59 951 000,00

Personnel Costs

EMPLOYEE RELATED	2023/24	2024/25	2025/26
employee related cost	32 881 394,05	34 492 582,36	36 113 733,73
total expenditure	96 494 333,35	101 106 069,74	105 856 594,30
%	34%	34%	34%
councillors remuneration	4 903 694,64	5 143 975,68	5 385 742,53
	39%	39%	39%

- Salaries amount to 39% of total operating expenditure, according to the collective agreement between the union and SALGA, salaries increased by 4.8%.

1.4.5 Capital Expenditure

The total Capital budgeted expenditure amounts to **R18 726,000.00** funded through grant funding of **R17 726 000.00** and the rest is capital assets that should be funded from own funding.

MIG

Waste water treatment plan

WSIG

Solar conversion of water system and rainbow /diamond city sewer network

Financial Management Grant (FMG)

The allocation for 2022/23 financial year amounts to **R 2,650.000**. This grant will be used for interns stipend, tools of trade for finance staff, capacity building in finance department and the majority for implementation of MSCOA.

1.5 Operating Revenue Framework

For Richtersveld Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Efficient revenue management, which aims to ensure a **80 per cent** annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2023/24 MTREF (classified by main revenue source):

Budget Summary

Summary of revenue and expenditure by standard classification

Capital transfers and contributions are excluded from the operating statements, in order to see the surplus/ deficit.

NC061 Richtersveld - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
Revenue											
Exchange Revenue											
Service charges - Electricity	2	(705)	(1 032)	(835)	321	1 599	1 599	14 255	19 692 000	20 121 783	20 647 963
Service charges - Water	2	-	-	-	387	873	873	5 430	7 656 488	8 115 877	8 602 830
Service charges - Waste Water Management	2	-	-	-	628	3 852	3 852	(956)	5 407 912	5 732 387	6 076 330
Service charges - Waste Management	2	-	-	-	2 577	2 463	2 463	1 061	3 246,780	3 441,587	3 648,082
Sale of Goods and Rendering of Services		-	-	-	4 295	500	500	500	530	562	596
Agency services		-	-	-	96	96	96	96	102	108	114
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	8 852	8 838	8 838	8 838	7 672	8 132	8 620
Interest earned from Current and Non Current Assets		-	-	-	221	232	232	232	246	261	277
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	45	127	127	127	135	143	151
Rental from Fixed Assets		-	-	-	15 430	620	620	620	657	696	738
Licence and permits		-	-	-	1	1	1	1	1	1	1
Operational Revenue		-	-	-	70	54	54	54	57	61	64
Non-Exchange Revenue					32 923	19 255	19 255	30 259	45 403	47 376	49 537
Property rates	2	-	-	-	20 960	20 960	20 960	20 960	21 978	23 297	24 695
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	119	119	119	119	126	134	142
Licences or permits		-	-	-	8	8	8	8	9	9	10
Transfer and subsidies - Operational		-	-	-	28 214	23 454	23 454	23 454	30 081	31 256	32 285
Interest		-	-	-	1 584	1 457	1 457	1 457	1 545	1 637	1 736
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	4 790	7 165	7 165	7 165	456	742	777
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	106	229	229	229	118	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		(705)	(1 032)	(835)	88 705	72 648	72 648	83 652	99 716	104 451	109 181

The only plans in place to enhance revenue and collection rate is through electricity prepaid meters as well as and sending demand /notices to consumers whose accounts are in arrears for long periods, disconnection of electricity services is implemented if the letter is ignored or if payment arrangement is not adhered to.

1.6 Operating Expenditure Framework

The Municipalities expenditure framework for the 2023/24 budget and MTREF is informed by the following:

- The asset lease strategy and the repairs and maintenance ;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) ;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned renewal strategy and the backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

Summary of operating expenditure by standard classification item

Refer to the next page

NC061 Richtersveld - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1										
Employee related costs	2	-	-	-	31 384	33 150	33 150	33 150	34 741	36 444	38 156
Remuneration of councillors		-	-	-	4 944	4 636	4 636	4 636	4 882	5 121	5 362
Bulk purchases - electricity	2	-	-	-	17 957	12 574	12 574	12 574	12 800	13 427	14 542
Inventory consumed	8	-	-	-	-	-	-	-	-	-	-
Debt impairment	3	-	-	-	12 611	11 587	11 587	11 587	5 554	5 888	6 241
Depreciation and amortisation		-	-	-	10 814	12 032	12 032	12 032	12 636	13 255	13 878
Interest		-	-	-	3 616	3 616	3 616	3 616	3 808	3 994	4 182
Contracted services		-	-	-	4 661	7 422	7 422	7 422	7 632	8 006	8 383
Transfers and subsidies		23	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	1 048	1 558	1 558	1 558	1 641	1 721	1 802
Operational costs		-	-	-	15 846	18 927	18 927	18 927	18 079	19 127	19 498
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	248	371	371	371	275	-	-
Total Expenditure		23	-	-	103 128	105 871	105 871	105 871	102 049	106 983	112 043
Surplus/(Deficit)		(728)	(1 032)	(835)	(14 423)	(33 224)	(33 224)	(22 219)	(2 333)	(2 532)	(2 863)
Transfers and subsidies - capital (monetary allocations)											
	6	-	-	-	17 697	17 697	17 697	17 697	17 726	26 113	25 498
Transfers and subsidies - capital (in-kind)											
	6	-	-	-	-	-	-	-	-	-	-
		(728)	(1 032)	(835)	3 274	(15 527)	(15 527)	(4 522)	15 393	23 581	22 635
Surplus/(Deficit) after capital transfers & contributions											

Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2023/24 MTREF.

In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 and 01 July 2024 an increase based on the projected average CPI percentages for 2023 (5.4 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023) **and 2024 (4.8 per cent** according to the Reserve Bank's Monetary Committee Statement for January 2023).

The forecasts of the Reserve Bank, in terms of the January 2023 and January 2024, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, to root out ghost employees.

According to the 2021 State of Local Government Finance Report, there are about 165 municipalities that are in financial distress. These municipalities need to ensure that they seek an early exemption from this dispensation of this salary agreement. Municipalities should also avoid paying out leave in cash while having major financial challenges.

Remuneration of Councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance.

- It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process.
- Any overpayment to councillors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from councillor(s) concerned.

Councillors and Senior managers benefits

Salaries, allowances and benefits (political office bearers/councillors----- / senior managers)

The table below represent the actual amount of councillors and managers benefit.

Disclosure of Salaries, Allowances & Benefits 1.	Salary	Allowances	Total Package
Councillors			
Speaker	664 199,00	40 800,00	704 999,00
Chief Whip	347 379,00	40 800,00	388 179,00
Executive Mayor	830 248,00	40 800,00	871 048,00
Section 79	327 367,00	40 800,00	368 167,00
Executive Committee	694 758,00	81 600,00	776 358,00
Total for all other councillors	1 313 720,00	204 000,00	1 517 720,00
Total Councillors	4 177 671,00	448 800,00	4 626 471,00
Senior Managers of the Municipality			
Municipal Manager (MM)	1 103 450,00	110 345,00	1 213 795,00
Chief Finance Officer	827 289,00	82 728,90	910 017,90
Technical Manager	827 289,00	82 728,90	910 017,90
Total Senior Managers of the Municipality	2 758 028,00	275 802,80	3 033 830,80
Total Councillors and Senior Managers	6 935 699,00	724 602,80	7 660 301,80

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures exclude distribution losses.

Other expenditure comprises of various line items relating to the daily operations of the municipality. etc..

Provision for depreciation and asset impairment has been informed by the Annual Financial Statements of 2022/23. Depreciation is widely considered a proxy for the measurement of the rate asset consumption.

Finance charges mainly consist of interest on overdue accounts.

Refer to the next page

CAPITAL BY VOTE

Capital expenditure - Municipal Vote											
<u>Single-year expenditure appropriation</u>	2										
Vote 11 - ADMIN: CORPORATE (32: CS)		44	-	-	-	200	200	200	260	-	-
11.1 - ADMIN (21)		44	-	-	-	200	200	200	260	-	-
Vote 14 - INFRASTRUCTURE (38: CS)		-	-	22 160	17 698	18 438	18 438	18 438	18 456	24 613	25 498
14.1 - REFUSE REMOVAL (81)		-	-	-	-	730	730	730	730	-	-
14.2 - SEWERAGE SERVICE (82)		-	-	4 763	7 698	7 698	7 698	7 698	7 826	7 963	8 106
14.3 - ROADS AND STORMWATER (83)		-	-	-	-	-	-	-	-	-	-
14.4 - WATER SERVICE (85)		-	-	17 397	10 000	10 010	10 010	10 010	9 900	16 650	17 392
14.5 - ELECTRICITY SERVICE (86)		-	-	-	-	-	-	-	-	-	-
5.6 - SUPPLY CHAIN MANAGEMENT (28)		-	-	-	-	-	-	-	-	-	-
5.7 - PROPERTIES (31)		-	-	-	-	-	-	-	-	-	-
5.8 - WORKSHOP (37)		-	-	-	-	-	-	-	-	-	-
5.9 - ELECTRICITY SERVICE (86)		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		78	7	22 988	17 698	18 638	18 638	18 638	18 716	24 613	25 498
Total Capital Expenditure		78	7	22 988	17 698	18 638	18 638	18 638	18 716	24 613	25 498

Refer to the next page

STATEMENT OF FINANCIAL POSITION

NC061 Richtersveld - Table A6 Budgeted Financial Position

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
ASSETS											
Current assets											
Cash and cash equivalents		-	-	-	7 057	1 861	1 861	1 861	5 863	6 151	6 440
Trade and other receivables from exchange transactions	1	-	-	-	-	-	-	-	40 536	44 569	48 710
Receivables from non-exchange transactions	1	-	-	-	-	-	-	-	16 800	17 623	18 451
Current portion of non-current receivables		-	-	-	20	20	20	20	(469)	(469)	(469)
Inventory	2	-	-	-	-	-	-	-	11	11	11
VAT		-	-	-	-	-	-	-	-	-	-
Other current assets		-	-	-	-	-	-	-	-	-	-
Total current assets		-	-	-	7 076	1 881	1 881	1 881	62 801	67 885	73 143
Non current assets											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		-	-	-	18 817	19 081	19 081	19 081	19 081	19 081	19 081
Property, plant and equipment	3	154 929	124 847	209 318	191 719	188 839	188 839	188 839	194 107	212 561	294 339
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-
Intangible assets		-	-	-	(224)	4	4	4	383	514	791
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		154 929	124 847	209 318	210 312	207 924	207 924	207 924	213 571	232 155	314 210
TOTAL ASSETS		154 929	124 847	209 318	217 388	209 805	209 805	209 805	276 372	300 040	387 353
LIABILITIES											
Current liabilities											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		-	-	-	-	-	-	-	-	-	-
Consumer deposits		-	-	-	1 690	1 732	1 732	1 732	1 732	1 732	1 732
Trade and other payables from exchange transactions	4	-	-	-	42 875	60 309	60 309	60 309	70 186	59 964	60 654
Trade and other payables from non-exchange transactions	5	-	-	-	4 696	474	474	474	474	6 635	6 635
Provision		-	-	-	3 194	3 474	3 474	3 474	3 474	3 474	3 474
VAT		-	-	-	(719)	(4 156)	(4 156)	(4 156)	(4 156)	(4 156)	(4 156)
Other current liabilities		-	-	-	-	-	-	-	-	-	-
Total current liabilities		-	-	-	51 736	61 833	61 833	61 833	71 710	67 649	68 339
Non current liabilities											
Financial liabilities	6	4 730	4 730	(0)	(0)	85	85	85	340	340	340
Provision	7	41 323	34 565	37 247	37 247	41 186	41 186	41 186	41 186	41 186	41 186
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		-	-	-	-	-	-	-	-	-	-
Total non current liabilities		46 053	39 295	37 246	37 246	41 270	41 270	41 270	41 525	41 525	41 525
TOTAL LIABILITIES		46 053	39 295	37 246	88 982	103 103	103 103	103 103	113 235	109 174	109 864
NET ASSETS		108 877	85 552	172 071	128 407	106 702	106 702	106 702	163 137	190 866	277 489
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	-	-	-	146 525	112 499	112 499	112 499	123 933	138 059	177 336
Reserves and funds	9	154	70	223	223	569	569	569	569	569	569
Other		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	154	70	223	146 748	113 068	113 068	113 068	124 502	138 628	177 905

CASHFLOW STATEMENT

NC061 Richtersveld - Table A7 Budgeted Cash Flows

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		(32)	(6)	-	15 393	-	20 555	20 555	13 766	17 266	18 341
Service charges		-	-	1	20 155	-	26 121	26 121	23 905	19 277	36 949
Other revenue		7	2	(49)	12 380	-	577	577	(2 024)	668	719
Transfers and Subsidies - Operational	1	(1 375)	(330)	5	22 974	-	18 368	18 368	24 624	25 876	26 914
Transfers and Subsidies - Capital	1	-	-	0	17 697	-	17 697	17 697	17 726	26 113	27 498
Interest		-	-	-	-	-	(1 000)	(1 000)	6 138	6 506	6 896
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		-	(1 697)	(21 072)	(52 431)	(67 765)	(67 765)	(67 765)	(69 798)	(69 798)	(71 892)
Finance charges		-	-	-	(3 616)	(3 616)	(3 616)	(3 616)	(3 652)	(3 689)	(3 726)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(1 400)	(2 031)	(21 115)	32 551	(71 381)	10 936	10 936	10 685	22 219	41 699
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	(1 000)	(1 000)	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	(1 000)	(1 000)	-	-	-
Payments											
Capital assets		-	-	-	-	-	-	-	(19 726)	(27 153)	(91 038)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	(17 698)	-	(18 698)	(18 698)	(19 726)	(27 153)	(91 038)
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		(1 400)	(2 031)	(21 115)	14 853	(71 381)	(7 761)	(7 761)	(9 041)	(4 934)	(49 339)
Cash/cash equivalents at the year begin:	2	-	-	-	-	-	-	-	6 018	(3 022)	(7 956)
Cash/cash equivalents at the year end:	2	(671)	628	8 431	7 057	1 861	1 861	1 861	(3 022)	(7 956)	(57 295)

CASHBACKED RESERVES AND ACCUMULATED SURPLUS

NC061 Richtersveld - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash and investments available											5
Cash/cash equivalents at the year end	1	(671)	628	8 431	7 057	1 861	1 861	1 861	(3)	(8)	145 720
Other current investments > 90 days		671	(628)	(8 431)	-	-	-	-	-	-	-
Investments - Property, plant and equipment	1	154 929	124 847	209 318	191 719	188 839	188 839	188 839	194 107	212 561	294 339
Cash and investments available:		154 929	124 847	209 318	198 775	190 701	190 701	190 701	194 104	212 553	440 059
Application of cash and investments											
Trade payables from Non-exchange transactions: Other		(7 516)	(8 903)	(13 115)	(719)	(4 156)	(4 156)	(4 156)	58 000	58 580	59 166
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	24 090	41 212	58 748	36 428	60 309	46 565	48 539	150 000	151 500	153 015
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		16 574	32 309	45 633	35 708	56 153	42 409	44 383	208 000	210 080	212 181
Surplus(shortfall)		138 355	92 537	163 685	163 067	134 548	148 292	146 318	(13 896)	2 473	227 878

Refer to the next page

1.7 Municipal manager's quality certificate

I, Joseph .G. Cloete Municipal manager of Richtersveld Municipality, hereby certify that the annual budget, 2023/24 and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: JG Cloete
Municipal Manager of Richtersveld Municipality (NC061)

Signature _____

Date _____

RICHTERSVELD MUNICIPALITY