

RICHTERSVELD MUNICIPALITY(NC061)



**MUNISIPALITEIT
RICHTERSVELD
MUNICIPALITY**

Die Richtersveld leuse is:

!Ghâi //Khoredi

Dit beteken: "Strewe na sukses" in Nama

MID YEAR BUDGET ASSESSMENT REPORT FOR THE 2023/24 FINANCIAL YEAR

Richtersveld Municipality
Mid-Year Budget and Performance Report for period ending 31
December 2023

TABLE OF CONTENTS

SECTION 1 : INTRODUCTION	PAGE NO
1.1 Purpose of the report	5
1.2 Legal requirements:Mayor 's report	5
1.3 Recommendation	5-6
Section 2 :IN YEAR REPORTING	
2.1 Section 71 executive summary	6-20
2.2 Debtors analysis	21
2.3 creditors age analysis	22
2.4 allocation of grants received and expenditure	22
SECTION 3 CONCLUSION	
3.1 Motivation	24
3.11 Adjustment budget	24
SECTION 4 MUNICIPAL MANAGER QUALITY CERTIFICATE	
4.1 Certification	25

Richtersveld Municipality

Mid-Year Budget and Performance Report for period ending 31 December 2023

Glossary

Adjustments Budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.
Allocations – Money received from Provincial or National Government or other municipalities.
Budget – The financial plan of the Municipality.
Budget Related Policy – Policy of a municipality affecting or affected by the budget, such as the tariffs policy, rates policy and credit control and debt collection policy.
Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.
Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it scores as expenditure in the month it is received, even though it may not be paid in the same period.
DORA – Division of Revenue Act. Annual piece of legislation that shows the amount of allocations from national to local government.
Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.
Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.
GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.
GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.
IDP – Integrated Development Plan. The main strategic planning document of the Municipality
KPI's – Key Performance Indicators. Measures of service output and/or outcome.
MFMA – The Municipal Finance Management Act – No 53 of 2003. The principle piece of legislation relating to municipal financial management.
MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.
Operating Expenditure – Spending on the day to day expenses of the Municipality



Richtersveld Municipality

Mid-Year Budget and Performance Report for period ending 31 December 2023

such as salaries and wages.

Rates – Local Government taxation based on an assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided, usually at directorate / department level.

REFER TO THE NEXT PAGE

Richtersveld Municipality

Mid-Year Budget and Performance Report for period ending 31 December 2023

Section 1- Introduction

1.1 PURPOSE OF THE REPORT

To inform Council of progress made in the implementation of the budget and performance outcomes in respect of the first six months of the 2023/2024 financial year, also to recommend whether an adjustments budget is deemed necessary.

1.2 LEGAL REQUIREMENTS :MAYOR 'S REPORT

In terms of Section 72 of the Municipal Finance Management Act, the accounting officer **must** by January 25 of each year assess the performance of Richtersveld Municipality for the first half of the financial year taking into account the following:

- The monthly financial performance statement referred to in Section 71 of the Municipal Finance Management Act;
- The municipality's service delivery performance as per approved Service Delivery and Implementation Plan
- The past years Annual report and progress resolving problems identified in the annual report
- The performance of every municipal entity under the sole control of the municipality

The mid- year report must also include explanations of:

- Any material variances from municipality's projected revenue by source and expenditure by vote
- Any variances from Service Delivery and Implementation Plan (SDBIP)
- Any remedial/ corrective steps taken or to be taken to ensure that the projected revenue and expenditure remains within the budget
- A projection of the municipality's revenue and expenditure for the rest of the financial year and revision for the initial projections

In terms of Section 72 of the Municipal Finance Management Act the following information must be taken into account when assessing the financial performance of the Richtersveld Municipality:

- Actual revenue per source
- Actual expenditure per vote
- Actual capital expenditure per vote
- The amount of any allocations received and the expenditure on those allocations

Richtersveld Municipality

Mid-Year Budget and Performance Report for period ending 31 December 2023

1.3 RECOMMENDATIONS

As part of the review and performance assessment process the accounting officer must make recommendations as to whether an adjustment budget is necessary based on the following considerations:

1.3.1 An adjustment budget:

- Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- May appropriate additional revenues that have become available over and above the anticipated in the annual budget, but only to revise or accelerate spending on programs already budgeted for;
- May within a prescribed framework, authorize unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- May authorize the utilization of projected savings in one vote towards spending under another vote;
- May authorize the spending of funds that were unspent at the end of the past financial year where the under spending could not reasonably have been foreseen at the time to include projected roll-over when the annual budget for the current year was approved by the council;
- May correct errors in the annual budget;
- May provide for any other expenditure within a prescribed framework.

1.3.2 When an adjustment budget is tabled, it must be accompanied by:

- An explanation of how the adjustment budget impacts on the annual budget;
- A motivation of any material changes to the annual budget;
- An explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years;
- Any other supporting documentation that may be prescribed.

Richtersveld Municipality
Mid-Year Budget and Performance Report for period ending 31
December 2023

SECTION 2 : IN YEAR REPORTING

2.1 section 71 Executive summary

The following tables indicates the financial performance of Richtersveld municipality.

Table C1: s71 Monthly Budget Statement Summary

REVENUE

In accordance with the approved budget, the total revenue amounts to **R 117 652 000**. The actual revenue billed is **R 65 414 000**, while the projected revenue year to date should be **R 58 826 000**. There is a variance of **11%**.

Expenditure

In accordance with the approved budget, the total expenditure amounts to **R 119 096 000**. The actual **expenditure** billed is **R 49 836 000**, while the projected revenue year to date should be **R 59 548 000**. There is a variance of **16%**.

Table C1: Monthly Budget Statement – Summary

Refer to the next page

Richtersveld Municipality

Mid-Year Budget and Performance Report for period ending 31 December 2023

NC061 Richtersveld - Table C1 Monthly Budget Statement Summary - M06 December									
Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	20 018	-	(21)	20 850	10 009	10 840	108%	20 018
Service charges	16 805	38 932	-	2 145	12 654	19 466	(6 812)	-35%	38 932
Investment revenue	339	-	-	-	-	-	-		-
Transfers and subsidies - Operational	339	246	-	2	21	123	(102)	-83%	246
Other own revenue	43 877	58 456	-	9 792	31 890	29 228	2 662	9%	-
	61 360	117 652	-	11 919	65 414	58 826	6 588	11%	117 652
Total Revenue (excluding capital transfers and contributions)									
Employee costs	35 318	36 372	-	3 276	19 457	18 186	1 271		36 372
Remuneration of Councillors	4 703	4 882	-	676	2 598	2 441	157		4 882
Depreciation and amortisation	11 862	13 323	-	-	-	6 661	(6 661)		13 323
Interest	10 740	3 808	-	111	2 990	1 904	1 086		3 808
Inventory consumed and bulk purchases	18 640	18 093	-	1 586	11 406	9 046	2 360		18 093
Transfers and subsidies	-	-	-	-	-	-	-		-
Other expenditure	23 228	42 619	-	2 692	13 385	21 310	(7 925)	-37%	42 619
Total Expenditure	104 492	119 096	-	8 342	49 836	59 548	(9 712)	-16%	119 096
Surplus/(Deficit)	(43 133)	(1 444)	-	3 577	15 577	(722)	16 300	-2257%	(1 444)
Transfers and subsidies - capital (monetary allocations)	17 697	17 726	-	-	4 950	8 863	(3 913)	-44%	17 726
Transfers and subsidies - capital (in-kind)	66	-	-	(52)	(41)	-	(41)	#DIV/0!	-
	(25 370)	16 282	-	3 524	20 487	8 141	12 346	152%	16 282
Surplus/(Deficit) after capital transfers & contributions									
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	(25 370)	16 282	-	3 524	20 487	8 141	12 346	152%	16 282

Richtersveld Municipality

Mid-Year Budget and Performance Report for period ending 31 December 2023

NC061 Richtersveld - Table C1 Monthly Budget Statement Summary - M06 December									
Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure & funds sources									
Capital expenditure	-	17 986	-	248	6 274	8 993	(2 719)	-30%	17 986
Capital transfers recognised	-	17 726	-	248	7 180	8 863	(1 683)	-19%	17 726
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	-	260	-	-	9	130	(121)	-93%	260
Total sources of capital funds	-	17 986	-	248	7 188	8 993	(1 805)	-20%	17 986
Financial position									
Total current assets	35 295	26 778	-		26 450				26 778
Total non current assets	212 736	206 277	-		220 261				206 277
Total current liabilities	68 982	61 833	-		81 147				61 833
Total non current liabilities	50 196	41 525	-		51 703				41 525
Community wealth/Equity	113 722	129 697	-		93 374				129 697
Cash flows									
Net cash from (used) operating	(64 226)	27 355	-	(7 872)	(37 842)	(45 242)	(7 400)	16%	(90 484)
Net cash from (used) investing	-	(17 986)	-	(4)	(42)	-	42	#DIV/0!	-
Net cash from (used) financing	-	-	-	-	-	-	-		-
Cash/cash equivalents at the month/year end	2 199	17 965	-	3 861	10 096	11 992	1 896	16%	-
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	9 135	2 502	2 186	2 625	10 032	1 943	14 180	100 392	142 996
Creditors Age Analysis									
Total Creditors	2 988	3 378	1 822	676	647	706	6 492	55 199	71 909

Table C2: Monthly Budget Statement – Financial Performance (Standard classification)

This table reflects the operating budget in the standard classification which are Government Finance Statistics Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of unique organizational structures used by different institutions.

REFER TO THE NEXT PAGE

Richtersveld Municipality
Mid-Year Budget and Performance Report for period ending 31
December 2023

NC061 Richtersveld - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		44 898	57 344	-	8 989	46 656	28 672	17 984	63%	57 344
Executive and council		(314)	-	-	-	-	-	-		-
Finance and administration		45 212	57 344	-	8 989	46 656	28 672	17 984	63%	57 344
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		1 897	5 431	-	119	961	2 715	(1 755)	-65%	5 431
Community and social services		1 166	1 555	-	(3)	599	778	(179)	-23%	1 555
Sport and recreation		736	(19)	-	123	366	(10)	376	-3871%	(19)
Public safety		-	-	-	-	-	-	-		-
Housing		-	1 643	-	-	-	821	(821)	-100%	1 643
Health		(5)	2 252	-	(1)	(4)	1 126	(1 130)	-100%	2 252
Economic and environmental services		7 801	8 092	-	22	53	4 046	(3 993)	-99%	8 092
Planning and development		106	100	-	22	55	50	5	9%	100
Road transport		7 694	7 992	-	(0)	(2)	3 996	(3 997)	-100%	7 992
Environmental protection		-	-	-	-	-	-	-		-
Trading services		31 115	64 511	-	2 825	22 742	32 255	(9 514)	-29%	64 511
Energy sources		11 717	32 360	-	1 473	9 114	16 180	(7 066)	-44%	32 360
Water management		14 300	21 916	-	537	8 333	10 958	(2 625)	-24%	21 916
Waste water management		3 164	6 150	-	443	2 876	3 075	(199)	-6%	6 150
Waste management		1 934	4 084	-	371	2 418	2 042	376	18%	4 084
Other	4	-	-	-	(88)	(88)	-	(88)		-
Total Revenue - Functional	2	85 710	135 378	-	11 867	70 323	67 689	2 634	4%	135 378

Richtersveld Municipality
Mid-Year Budget and Performance Report for period ending 31
December 2023

NC061 Richtersveld - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Expenditure - Functional										
Governance and administration		45 214	39 433	-	4 628	26 679	19 717	6 963	35%	39 433
Executive and council		9 444	10 288	-	990	4 626	5 144	(518)	-10%	10 288
Finance and administration		35 415	27 865	-	3 632	21 833	13 933	7 900	57%	27 865
Internal audit		355	1 280	-	6	221	640	(419)	-65%	1 280
Community and public safety		8 772	7 320	-	597	3 585	3 660	(76)	-2%	7 320
Community and social services		2 582	2 026	-	248	1 357	1 013	344	34%	2 026
Sport and recreation		3 146	2 640	-	305	1 993	1 320	673	51%	2 640
Public safety		376	142	-	30	157	71	86	122%	142
Housing		2 550	2 512	-	6	39	1 256	(1 217)	-97%	2 512
Health		117	-	-	6	39	-	39	#DIV/0!	-
Economic and environmental services		8 592	19 845	-	391	2 493	9 923	(7 430)	-75%	19 845
Planning and development		57	2 720	-	3	19	1 360	(1 341)	-99%	2 720
Road transport		8 535	17 125	-	388	2 473	8 563	(6 089)	-71%	17 125
Environmental protection		-	-	-	-	-	-	-		-
Trading services		41 927	51 507	-	2 641	16 995	25 753	(8 758)	-34%	51 507
Energy sources		21 416	28 706	-	1 775	12 329	14 353	(2 024)	-14%	28 706
Water management		6 773	11 419	-	274	2 121	5 710	(3 589)	-63%	11 419
Waste water management		6 109	4 493	-	458	1 786	2 246	(460)	-20%	4 493
Waste management		7 629	6 888	-	134	759	3 444	(2 685)	-78%	6 888
Other		(12)	317	-	85	85	158	(73)	-46%	317
Total Expenditure - Functional	3	104 492	118 422	-	8 342	49 836	59 211	(9 375)	-16%	118 422
Surplus/ (Deficit) for the year		(18 782)	16 956	-	3 524	20 487	8 478	12 009	142%	16 956

Table C3: Monthly Budget Statement – Revenue by source and expenditure by vote

Richtersveld Municipality
Mid-Year Budget and Performance Report for period ending 31
December 2023

NC061 Richtersveld - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December										
Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL (11: IE)		-	-	-	-	-	-	-	-	-
Vote 2 - ADMIN: CORPORATE (12: IE)		-	-	-	-	-	-	-	-	-
Vote 3 - ADMIN: SPORT AND RECRTN (14: IE)		-	-	-	-	-	-	-	-	-
Vote 4 - EXECUTIVE AND COUNCIL (21: IE)		(314)	-	-	(88)	(88)	-	(88)	#DIV/0!	-
Vote 5 - ADMIN: CORPORATE (22: IE)		35 848	34 297	-	9 343	25 733	17 149	8 584	50,1%	34 297
Vote 6 - ADMIN: COMMUNITY (23: IE)		312	1 949	-	20	110	975	(865)	-88,7%	1 949
Vote 7 - ADMIN: SPORT AND RECRTN (24: IE)		735	78	-	123	366	39	327	836,2%	78
Vote 8 - FINANCIAL SERVICES (26: IE)		10 175	26 450	-	(378)	21 407	13 225	8 182	61,9%	26 450
Vote 9 - INFRASTRUCTURE (28: IE)		38 953	72 603	-	2 847	22 795	36 301	(13 507)	-37,2%	72 603
Total Revenue by Vote	2	85 710	135 378	-	11 867	70 323	67 689	2 634	3,9%	135 378
Expenditure by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL (11: IE)		-	-	-	-	-	-	-	-	-
Vote 2 - ADMIN: CORPORATE (12: IE)		-	-	-	-	-	-	-	-	-
Vote 3 - ADMIN: SPORT AND RECRTN (14: IE)		-	-	-	-	-	-	-	-	-
Vote 4 - EXECUTIVE AND COUNCIL (21: IE)		9 539	11 260	-	1 012	4 572	5 630	(1 058)	-18,8%	11 260
Vote 5 - ADMIN: CORPORATE (22: IE)		23 956	13 233	-	1 806	10 375	6 617	3 758	56,8%	13 233
Vote 6 - ADMIN: COMMUNITY (23: IE)		5 858	5 647	-	261	1 839	2 823	(984)	-34,9%	5 647
Vote 7 - ADMIN: SPORT AND RECRTN (24: IE)		2 676	4 274	-	307	1 908	2 137	(229)	-10,7%	4 274
Vote 8 - FINANCIAL SERVICES (26: IE)		12 923	13 160	-	1 936	11 714	6 580	5 135	78,0%	13 160
Vote 9 - INFRASTRUCTURE (28: IE)		49 540	70 849	-	3 020	19 428	35 424	(15 996)	-45,2%	70 849
Total Expenditure by Vote	2	104 492	118 422	-	8 342	49 836	59 211	(9 375)	-15,8%	118 422
Surplus/ (Deficit) for the year	2	(18 782)	16 956	-	3 524	20 487	8 478	12 009	141,7%	16 956

Table C4: Monthly Budget Statement – revenue by source and expenditure by type

Richtersveld Municipality

Mid-Year Budget and Performance Report for period ending 31 December 2023

NC061 Richtersveld - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		10 843	23 802		1 417	8 304	11 901	(3 597)	-30%	23 802
Service charges - Water		2 761	9 811		412	2 442	4 905	(2 464)	-50%	9 811
Service charges - Waste Water Management		1 834	3 128		335	2 041	1 564	477	30%	3 128
Service charges - Waste management		1 367	2 190		(19)	(134)	1 095	(1 229)	-112%	2 190
Sale of Goods and Rendering of Services		1 127	530		173	623	265	358	135%	530
Agency services		126	102		10	76	51	25	49%	102
Interest		-	-		-	-	-	-		-
Interest earned from Receivables		5 840	7 672		599	3 506	3 836	(330)	-9%	7 672
Interest from Current and Non Current Assets		339	246		2	21	123			246
Dividends		-	-		-	-	-	-		-
Rent on Land		111	135		9	53	67	(15)		135
Rental from Fixed Assets		672	2 940		58	331	1 470	(1 139)	-77%	2 940
Licence and permits		13	1		4	20	0	20	6165%	1
Operational Revenue		62	496		1	42	248	(206)	-83%	496
Non-Exchange Revenue										
Property rates		-	20 018		(21)	20 850	10 009	10 840	108%	20 018
Surcharges and Taxes		-	-		-	-	-	-		-
Fines, penalties and forfeits		37	126		1	4	63	(59)		126
Licence and permits		0	9		-	-	4	(4)		9
Transfers and subsidies - Operational		31 141	30 071		8 308	22 763	15 036	7 728		30 071
Interest		1 481	1 545		356	1 781	772	1 009		1 545
Fuel Levy		-	-		-	-	-	-		-
Operational Revenue		3 918	14 712		274	2 692	7 356	(4 664)	-63%	14 712
Gains on disposal of Assets		-	-		-	-	-	-		-
Other Gains		(314)	118		-	-	59	(59)		118
Discontinued Operations		-	-		-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		61 360	117 652	-	11 919	65 414	58 826	6 588	11%	117 652

Richtersveld Municipality

Mid-Year Budget and Performance Report for period ending 31 December 2023

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Expenditure By Type										
Employee related costs		35 318	36 372		3 276	19 457	18 186	1 271	7%	36 372
Remuneration of councillors		4 703	4 882		676	2 598	2 441	157	6%	4 882
Bulk purchases - electricity		17 109	13 240		1 455	10 843	6 620	4 223		13 240
Inventory consumed		1 531	4 853		132	563	2 426	(1 863)		4 853
Debt impairment		(1 460)	12 004		-	1 158	6 002	(4 845)	-81%	12 004
Depreciation and amortisation		11 862	13 323		-	-	6 661	(6 661)	-100%	13 323
Interest		10 740	3 808		111	2 990	1 904	1 086	57%	3 808
Contracted services		9 623	10 599		996	2 650	5 300	(2 650)	-50%	10 599
Transfers and subsidies		-	-		-	-	-	-		-
Irrecoverable debts written off		-	1 641		-	-	820	(820)		1 641
Operational costs		15 065	18 099		1 696	9 577	9 050	528	6%	18 099
Losses on Disposal of Assets		-	-		-	-	-	-		-
Other Losses		-	275		-	-	138	(138)		275
Total Expenditure		104 492	119 096	-	8 342	49 836	59 548	(9 712)	-16%	119 096
Surplus/(Deficit)		(43 133)	(1 444)	-	3 577	15 577	(722)	16 300	(0)	(1 444)
Transfers and subsidies - capital (monetary allocations)		17 697	17 726		-	4 950	8 863	(3 913)	(0)	17 726
Transfers and subsidies - capital (in-kind)		66	-		(52)	(41)	-	(41)		-
Surplus/(Deficit) after capital transfers & contributions		(25 370)	16 282	-	3 524	20 487	8 141			16 282

Table C5:Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding)

Richtersveld Municipality

Mid-Year Budget and Performance Report for period ending 31 December 2023

NC061 Richtersveld - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December										
Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	2									
Vote 10 - ADMIN: CORPORATE (32: CAPEX)		-	200	-	-	9	100	(91)	-91%	200
Vote 11 - ADMIN: SPORT AND RECRTN (34: CAPEX)		-	-	-	8	8	-	8		-
Vote 12 - FINANCIAL SERVICES (36: CAPEX)		-	-	-	-	-	-	-		-
Vote 13 - INFRASTRUCTURE (38: CAPEX)		-	17 786	-	239	6 257	8 893	(2 636)	-30%	17 786
Total Capital single-year expenditure	4	-	17 986	-	248	6 274	8 993	(2 719)	-30%	17 986
Total Capital Expenditure		-	17 986	-	248	6 274	8 993	(2 719)	-30%	17 986
Capital Expenditure - Functional Classification										
Governance and administration		-	260	-	-	9	130	(121)	-93%	260
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		-	260	-	-	9	130	(121)	-93%	260
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		-	-	-	8	8	-	8		-
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	-	-	8	8	-	8		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		-	-	-	95	1 073	-	1 073		-
Planning and development		-	-	-	-	-	-	-		-
Road transport		-	-	-	95	1 073	-	1 073		-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		-	17 726	-	144	6 098	8 863	(2 765)	-31%	17 726
Energy sources		-	-	-	-	-	-	-		-
Water management		-	9 900	-	-	3 352	4 950	(1 598)	-32%	9 900
Waste water management		-	7 826	-	144	2 746	3 913	(1 167)	-30%	7 826
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	-	17 986	-	248	7 188	8 993	(1 805)	-20%	17 986
Funded by:										
National Government		-	17 726	-	248	7 180	8 863	(1 683)	-19%	17 726
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers recognised - capital		-	17 726	-	248	7 180	8 863	(1 683)	-19%	17 726
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		-	260	-	-	9	130	(121)	-93%	260
Total Capital Funding		-	17 986	-	248	7 188	8 993	(1 805)	-20%	17 986

Table C6: Monthly Budget Statement – Financial position



Richtersveld Municipality

Mid-Year Budget and Performance Report for period ending 31 December 2023

NC061 Richtersveld - Table C6 Monthly Budget Statement - Financial Position - M06 December						
Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		2 199	17 965		10 096	17 965
Trade and other receivables from exchange transactions		33 060	37 264		41 790	37 264
Receivables from non-exchange transactions		–	(27 836)		(24 484)	(27 836)
Current portion of non-current receivables		20	(469)		(969)	(469)
Inventory		17	(147)		17	(147)
VAT		–	–		–	–
Other current assets		–	–		–	–
Total current assets		35 295	26 778	–	26 450	26 778
Non current assets						
Investments		–	–		–	–
Investment property		18 926	19 081		18 926	19 081
Property, plant and equipment		193 811	187 445		201 335	187 445
Biological assets		–	–		–	–
Living and non-living resources		–	–		–	–
Heritage assets		–	–		–	–
Intangible assets		–	(248)		–	(248)
Trade and other receivables from exchange transactions		–	–		–	–
Non-current receivables from non-exchange transactions		–	–		–	–
Other non-current assets		–	–		–	–
Total non current assets		212 736	206 277	–	220 261	206 277
TOTAL ASSETS		248 031	233 055	–	246 711	233 055
LIABILITIES						
Current liabilities						
Bank overdraft		–	–		–	–
Financial liabilities		–	–		–	–
Consumer deposits		1 690	1 732		1 743	1 732
Trade and other payables from exchange transactions		67 937	60 309		74 525	60 309
Trade and other payables from non-exchange transactions		474	474		7 454	474
Provision		4 064	3 474		4 064	3 474
VAT		(5 184)	(4 156)		(6 640)	(4 156)
Other current liabilities		–	–		–	–
Total current liabilities		68 982	61 833	–	81 147	61 833
Non current liabilities						
Financial liabilities		5 867	340		7 374	340
Provision		44 329	41 186		44 329	41 186
Long term portion of trade payables		–	–		–	–
Other non-current liabilities		–	–		–	–
Total non current liabilities		50 196	41 525	–	51 703	41 525
TOTAL LIABILITIES		119 178	103 358	–	132 850	103 358
NET ASSETS	2	128 853	129 697	–	113 861	129 697
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		113 153	129 128		92 805	129 128
Reserves and funds		569	569		569	569
Other		–	–		–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	113 722	129 697	–	93 374	129 697

Table C7: Monthly Budget Statement – Cashflow Statement



Richtersveld Municipality

Mid-Year Budget and Performance Report for period ending 31 December 2023

NC061 Richtersveld - Table C7 Monthly Budget Statement - Cash Flow - M06 December										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		21	21 226		739	6 903	-	6 903		-
Service charges		7	55 082		1 528	8 536	-	8 536		-
Other revenue		(65)	4 287		84	361	-	361		-
Transfers and Subsidies - Operational		-	19 517		-	238	-	238		-
Transfers and Subsidies - Capital		-	17 726		-	3	-	3		-
Interest		-	-		-	-	-	-		-
Dividends		-	-		-	-	-	-		-
Payments										
Suppliers and employees		(64 189)	(86 677)		(10 223)	(53 883)	(43 338)	10 544	-24%	(86 677)
Interest		-	(3 808)		-	-	(1 904)	(1 904)	100%	(3 808)
Transfers and Subsidies		-	-		-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(64 226)	27 355	-	(7 872)	(37 842)	(45 242)	(7 400)	16%	(90 484)
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		-	(17 986)		(4)	(42)	-	42		-
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(17 986)	-	(4)	(42)	-	42		-
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		(64 226)	9 369	-	(7 876)	(37 884)	(45 242)			(90 484)
Cash/cash equivalents at beginning:		66 425	8 597		11 737	47 980	8 597			47 980
Cash/cash equivalents at month/year end:		2 199	17 965		3 861	10 096	11 992			-

Currently cashflow statement is still work in progress in our financial system.

Richtersveld Municipality

Mid-Year Budget and Performance Report for period ending 31 December 2023

2.2 DEBTORS AGE ANALYSIS

NC061 Richtersveld - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2022/23								Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr		
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	568	495	545	524	399	425	2 678	26 022	31 657	30 049
Trade and Other Receivables from Exchange Transactions - Electricity	1300	281	210	294	153	85	95	499	3 358	4 976	4 191
Receivables from Non-exchange Transactions - Property Rates	1400	6 240	491	493	11 162	426	377	2 212	42 489	63 890	56 665
Receivables from Exchange Transactions - Waste Water Management	1500	417	347	395	294	267	249	1 609	13 846	17 422	16 265
Receivables from Exchange Transactions - Waste Management	1600	386	324	379	289	277	260	1 712	14 769	18 396	17 307
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	(0)	(0)	(0)
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	145	66	60	61	49	44	342	8 040	8 806	8 535
Other	1900	-	-	-	-	-	-	-	-	-	-
Total By Income Source	2000	8 037	1 934	2 165	12 483	1 503	1 449	9 052	108 523	145 147	133 011
2021/22 - totals only		0	0	0	0	0	0	0	0	-	-
Debtors Age Analysis By Customer Group											
Organs of State	2200	205	95	79	31	12	3	90	112	627	248
Commercial	2300	2 081	425	431	9 267	351	338	1 975	39 561	54 429	51 492
Households	2400	5 751	1 413	1 654	3 186	1 141	1 108	6 987	68 850	90 090	81 272
Other	2500	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	8 037	1 934	2 165	12 483	1 503	1 449	9 052	108 523	145 147	133 011

2.3 CREDITORS AGE ANALYSIS

Creditors Age Analysis as at 31 December 2023

NC061 Richtersveld - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2022/23								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	43	43	2 382	236	-	7 927	34 320	44 951
Bulk Water	0200	137	-	-	-	-	-	-	-	137
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	143	541	20	-	-	-	590	4 046	5 340
Auditor General	0800	38	1 033	1 175	277	-	30	(1 076)	5 413	6 890
Other	0900	3	1	-	-	-	-	-	-	4
Total By Customer Type	1000	320	1 619	1 237	2 658	236	30	7 441	43 779	57 321

The Municipality still experience severe cash flow constraints, due to historic debt and also the current collection rate not being able to cover all operational requirements. The municipality however entered into agreements with our largest creditors because creditors cannot be paid within the prescribed amount, so far is only SALGA and AG and that accepted the arrangement but are making every effort



Richtersveld Municipality

Mid-Year Budget and Performance Report for period ending 31 December 2023

to settle our debts with the little we have, without compromising the day to day functioning of the municipality.

2.4 ALLOCATION AND GRANTS RECEIPT AND EXPENDITURE

Grant	opening balance	allocation received	allocation spent	spent %	Closing balance
EPWP	-	666 000,00	(863 961,70)	130%	(197 961,70)
MIG	-	6 980 000,00	(3 541 244,01)	51%	3 438 755,99
WSIG	103 466,40	4 950 000,00	(1 598 817,93)	32%	3 454 648,47
FMG	-	2 650 000,00	(968 074,12)	37%	1 681 925,88
LIBRARY	-	626 000,00	(469 245,29)	75%	156 754,71
	103 466,40	15 872 000,00	(7 441 343,05)		8 534 123,35

SECTION 3: CONCLUSION

3.1 Motivation

As required by Section 72 (3) of the MFMA, an adjustments budget is needed to deal with items listed in Section 28(2) of the MFMA. The Adjustments Budget will have to at a minimum take into account changes in the National and Provincial budgets, effects of implementation of the capital program; unforeseen and unavoidable expenditure; adjustments required to the revenue and expenditure estimates.

The mid-year budget and performance assessment indicates that:

- (a) An adjustments budget (**upwards or downwards depending on the item**) for 2023/24 will be required for all items that has a variance of 10% and above in the report
- (b) Therefore, based on the financial evaluation for the first 6 months of the financial year, Richtersveld Municipality has complied with the requirements as stated in section 72 of the MFMA.

RECOMMENDATION:

That:

1. An Adjustments budget for 2023/24 be prepared and be approved not later than 28 February 2024;
2. All the necessary adjustments identified in this report must be included in the adjustment budget to follow this mid-year budget and performance assessment.

Richtersveld Municipality
Mid-Year Budget and Performance Report for period ending 31
December 2023

Section 4: Municipal Manager's Quality

4.1 Certification

I, **Joseph Cloete**, Municipal Manager of Richtersveld Municipality, hereby certify that the mid-year budget and performance assessment have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, specifically with regard to section 72 of the Municipal Finance Management Act

Print Name: **Joseph Cloete**

Municipal Manager of Richtersveld Local Municipality (NC061)

Signature _____

Date _____



Richtersveld Municipality
Mid-Year Budget and Performance Report for period ending 31
December 2023

