

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
2.3 Property, Plant and Equipment which is in the process of being constructed or developed:		
Infrastructure Assets	35 900 537	35 683 560
Roads	716 538	716 538
Electricity	3 955 037	263 035
Water Supply	31 228 962	26 964 034
Sanitation	-	7 739 953
Community Assets	398 875	398 875
Other Assets	-	-
Total Property, Plant and Equipment under construction	36 299 413	36 082 436
The movements for the year can be reconciled as follows:		
Balance at beginning of year	36 082 436	21 634 109
Balance previously stated		26 512 373
Correction of Error - Note 42.1		(4 878 264)
Expenditure during the year	13 054 248	16 948 786
Balance previously stated		16 652 890
Correction of Error - Note 42.1		295 896
Assets unbundled during the year	(12 730 572)	(2 500 459)
Balance previously reported		-
Correction of Error		(2 500 459)
Material used for operating expenditure	(106 699)	-
Balance at end of year	36 299 413	36 082 436
2.4 Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:		
Infrastructure Assets	716 538	263 035
Roads	716 538	-
Electricity	-	263 035
Community Assets	398 875	-
Total	1 115 414	263 035
The municipality awaits additional funding to complete the project.		
2.5 Expenditure incurred to repair and maintain Property, Plant and Equipment:		
Contracted Services	3 563 739	3 769 117
Total Repairs and Maintenance	3 563 739	3 769 117
2.6 Assets pledged as security:		
Leased Property, Plant and Equipment of R4 160 125 (2023: R5 912 330) is secured for leases as set out in Note 9.		
2.7 Contractual commitments for acquisition of Property, Plant and Equipment:		
Approved and contracted for:	-	-
Infrastructure	-	-
Community	-	-
Other	-	-
Total	-	-
This expenditure will be financed from:		
External Loans	-	-
Capital Replacement Reserve	-	-
Government Grants	-	-
Own Resources	-	-
District Council Grants	-	-
Total	-	-

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	2024 R	2023 R
3. INVESTMENT PROPERTY		
3.1 Net Carrying amount at 1 July	7 462 519	7 613 933
Cost	17 990 762	17 995 262
Balance previously stated		29 567 562
Correction of Error - Note 42.2		(11 572 300)
Accumulated Depreciation	(3 446 843)	(3 299 928)
Balance previously stated		(3 405 560)
Correction of Error - Note 42.2		105 632
Accumulated Impairment Loss	(7 081 400)	(7 081 400)
Impairment	(6 262)	-
Depreciation for the year	(146 915)	(146 915)
Balance previously stated		(150 250)
Correction of Error - Note 42.2		3 335
Disposal	-	(4 500)
Net Carrying amount at 30 June	7 309 342	7 462 519
Cost	17 990 762	17 990 762
Accumulated Depreciation	(3 593 758)	(3 446 843)
Accumulated Impairment Loss	(7 087 682)	(7 081 400)
3.2 Revenue from Investment Property		
Revenue derived from the rental of Investment Property	343 136	369 875
There are no Investment Property which is in the process of being constructed or developed.		
There are no Investment Property that are taking a significantly longer period of time to complete than expected.		
There are no Investment Property where construction or development has been halted.		
There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.		
There are no contractual obligation to purchase, construct or develop investment property or for repairs, maintenance or enhancements.		
4. INTANGIBLE ASSETS		
4.1 Net Carrying amount at 1 July	4 428	4 428
Cost	491 855	491 855
Accumulated Amortisation	(487 427)	(487 427)
Amortisation	-	(4 428)
Disposals	-	-
Amortisation written back on disposal	-	-
Net Carrying amount at 30 June	-	(0)
Cost	-	491 855
Accumulated Amortisation	-	(487 427)
There are no Intangible Assets which is in the process of being constructed or developed.		
There are no Intangible Assets that is taking a significantly longer period of time to complete than expected.		
There are no Intangible Assets where construction or development has been halted.		
No intangible asset were assed having an indefinite useful life.		
There are no internally generated intangible assets at reporting date.		
There are no intangible assets whose title is restricted.		
There are no intangible assets pledged as security for liabilities.		
There are no contractual commitments for the acquisition of intangible assets.		
5. INVENTORY		
Water	22 652	16 774
Total Inventory	22 652	16 774
The municipality recognised only purification costs in respect of non-purchased purified water inventory.		
5.1 Inventories recognise as an expense during the year:		
Consumables	-	442
Materials and Supplies	605 001	955 616
Water	86 793	409 565
Total	691 794	1 365 623

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
6. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	3 642 836	4 615 281
Balance previously stated		4 615 915
Correction of Error - Note 42.3		(635)
Water	22 641 990	20 618 299
Balance previously stated		20 744 528
Correction of Error - Note 42.3		(126 229)
Property Rentals	2 390 858	1 906 522
Balance previously stated		1 901 697
Correction of Error - Note 42.3		4 825
Waste Management	20 944 932	18 417 958
Balance previously stated		18 455 688
Correction of Error - Note 42.3		(37 730)
Waste Water Management	19 487 415	17 328 980
Balance previously stated		(15 180)
Correction of Error - Note 42.3		3 039 014
Abeyance	1 695 567	82 573
Grazing Fees	74 731	4 730 858
Other Arrears	5 886 631	4 713 649
Balance previously stated		17 007
Correction of Error - Note 42.3		
Total: Receivables from exchange transactions (before provision)	76 764 960	70 724 104
Less: Provision for Debt Impairment	(76 403 962)	(69 996 046)
Total: Receivables from exchange transactions (after provision)	360 998	728 057

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

The fair value of receivables approximate their carrying value.

(Electricity): Ageing

Current (0 - 30 days)	792 852	275 000
31 - 60 Days	259 365	180 000
61 - 90 Days	72 491	193 000
+ 90 Days	2 518 129	3 967 281
Total	3 642 836	4 615 281

(Water): Ageing

Current (0 - 30 days)	643 835	520 000
31 - 60 Days	435 994	531 000
61 - 90 Days	342 645	456 000
+ 90 Days	21 219 516	19 111 299
Total	22 641 990	20 618 299

(Property Rentals): Ageing

Current (0 - 30 days)	29 090	47 600
31 - 60 Days	14 891	53 600
61 - 90 Days	14 123	343 000
+ 90 Days	2 332 754	1 462 322
Total	2 390 858	1 906 522

(Waste Management): Ageing

Current (0 - 30 days)	482 849	401 000
31 - 60 Days	370 399	316 000
61 - 90 Days	327 577	307 000
+ 90 Days	19 764 108	17 393 958
Total	20 944 932	18 417 958

(Waste Water Management): Ageing

Current (0 - 30 days)	528 608	363 000
31 - 60 Days	386 472	320 000
61 - 90 Days	333 763	313 000
+ 90 Days	18 238 573	16 317 800
Total	19 487 415	17 313 800

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
<u>(Abeyance): Ageing</u>		
Current (0 - 30 days)	1 231	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	1 694 336	3 039 014
Total	1 695 667	3 039 014
<u>(Grazing Fees): Ageing</u>		
Current (0 - 30 days)	24 985	27 607
31 - 60 Days	24 873	27 483
61 - 90 Days	24 873	27 483
+ 90 Days	-	-
Total	74 731	82 673
<u>(Other): Ageing</u>		
Current (0 - 30 days)	44 966	75 325
31 - 60 Days	5 368	8 826
61 - 90 Days	11 426	26 885
+ 90 Days	5 824 870	4 619 620
Total	5 886 631	4 730 656
<u>(Total): Ageing</u>		
Current (0 - 30 days)	2 548 415	1 709 532
31 - 60 Days	1 497 362	1 436 910
61 - 90 Days	1 126 898	1 666 368
+ 90 Days	71 592 284	65 911 294
Total	76 764 960	70 724 104

Summary of Debtors by Customer Classification

	Other	Residential	Industrial/ Commercial	National and Provincial Government	Total
30 June 2024					
Current (0 - 30 days)	105 794	1 276 742	595 184	161 664	2 139 383
31 - 60 Days	30 478	1 181 792	267 346	17 746	1 497 362
61 - 90 Days	29 816	1 019 612	66 453	11 018	1 126 898
+ 90 Days	5 828 695	62 903 861	3 014 212	254 548	72 001 316
Sub-total	5 994 783	66 382 005	3 943 195	444 976	76 764 960
Less: Provision for Debt Impairment					(76 403 962)
Total debtors by customer classification					360 998

Summary of Debtors by Customer Classification

	Other	Residential	Industrial/ Commercial	National and Provincial Government	Total
30 June 2023					
Current (0 - 30 days)	102 932	794 600	703 000	109 000	1 709 532
31 - 60 Days	36 310	967 600	367 000	66 000	1 436 909
61 - 90 Days	54 368	1 090 000	434 000	88 000	1 666 369
+ 90 Days	7 641 626	55 147 667	2 723 000	399 000	65 911 294
Sub-total	7 835 236	57 999 867	4 227 000	662 000	70 724 104
Less: Provision for Debt Impairment					(69 996 046)
Total debtors by customer classification					728 057

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	69 996 046	59 348 322
Balance previously stated		59 348 322
Correction of Error - Note 42.3		-
Contribution to provision	5 572 101	9 258 891
Balance previously stated		9 258 891
Correction of Error - Note 42.3		-
VAT on provision	835 815	1 388 834
Balance previously stated		1 388 834
Correction of Error - Note 42.3		-
Reversal of provision		-
Balance at end of year	76 403 962	69 996 046

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
The total amount of this provision is R 77 003 962 and consist of:		
Electricity	4 011 869	3 731 879
Water	22 641 990	20 590 508
Refuse	20 944 932	18 549 522
Sewerage	19 487 415	17 203 491
Commonage and Old Service	9 317 756	9 920 647
	<u>76 403 962</u>	<u>69 996 046</u>
Ageing of amounts past due but not impaired:		
1 month past due	-	-
2+ months past due	-	-
	<u>-</u>	<u>-</u>
6.1 Bad Debts Written Off: Receivables from Exchange Transactions		
Outstanding consumer accounts written-off during the year, after approval by Council	1 644 758	1 760 846
	<u>1 644 758</u>	<u>1 760 846</u>
7. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Taxes - Rates	47 506 303	33 685 615
Balance previously stated		34 739 631
Correction of Error - Note 42.4		(1 054 016)
Availability Charges	21 392 701	19 969 509
Balance previously stated		18 403 193
Correction of Error - Note 42.4		1 566 316
Kai-Kai Development	37 346 374	37 461 957
Other Receivables	303 519	313 634
	<u>106 548 897</u>	<u>91 430 716</u>
	(107 082 457)	(92 723 241)
Less: Provision for Debt Impairment		
Total Receivables from non-exchange transactions	<u>(533 560)</u>	<u>(1 292 525)</u>

The fair value of other receivables approximate their carrying value.

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

(Rates): Ageing

Current (0 - 30 days)	1 288 724	1 440 000
31 - 60 Days	651 546	476 000
61 - 90 Days	668 806	2 829 800
+ 90 Days	44 897 227	28 939 815
Total	<u>47 506 303</u>	<u>33 685 615</u>

(Availability Charges): Ageing

Current (0 - 30 days)	469 887	389 847
31 - 60 Days	333 221	367 928
61 - 90 Days	323 791	297 499
+ 90 Days	20 266 002	18 974 235
Total	<u>21 392 701</u>	<u>19 969 509</u>

Summary of Debtors (Rates) by Customer Classification

	Other	Residential	Industrial/ Commercial	National and Provincial Government	Total
30 June 2024					
Current (0 - 30 days)	359 808	815 078	95 809	18 029	1 288 724
31 - 60 Days	356 449	271 981	21 408	1 708	651 546
61 - 90 Days	355 154	295 534	16 409	1 708	668 806
+ 90 Days	29 348 163	14 122 995	1 224 968	201 101	44 897 227
Sub-total	<u>30 419 574</u>	<u>15 505 588</u>	<u>1 358 594</u>	<u>222 546</u>	<u>47 506 303</u>
Less: Provision for Debt Impairment					(48 236 333)
Total debtors by customer classification					<u>(730 031)</u>

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Summary of Debtors (Rates) by Customer Classification

	Other	Residential	Industrial/ Commercial	National and Provincial Government	Total
30 June 2023					
Current (0 - 30 days)	517 715	778 552	61 461	19 165	1 376 893
31 - 60 Days	207 907	244 989	20 493	1 607	474 997
61 - 90 Days	2 555 366	298 841	37 905	1 604	2 893 716
+ 90 Days	15 528 884	12 149 860	1 082 816	178 349	28 940 010
Sub-total	18 809 872	13 472 341	1 202 676	200 725	33 685 615
Less: Provision for Debt Impairment					(36 798 076)
Total debtors by customer classification					(3 112 481)

	2024 R	2023 R
Reconciliation of Provision for Debt Impairment		
Balance at beginning of year	92 723 241	99 489 218
Previously stated		89 320 371
Correction of Error - Note 42.4		10 168 846
Contribution to provision	14 359 216	944 068
Previously stated	-	57 791
Correction of Error - Note 42.4	-	886 276
Reversal of provision	-	(7 710 045)
Balance at end of year	107 082 457	92 723 241

The total amount of this provision is R106 482 457 and consist of:

Taxes	48 236 333	36 798 076
Availability Charges	21 384 168	18 463 208
Kai-Kai Development	37 461 956	37 461 956
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	107 082 457	92 723 240

Ageing of amounts past due but not impaired:

1 month past due	-	-
2+ months past due	-	-
	-	-

7.1 Bad Debts Written Off: Receivables from Exchange Transactions

Outstanding consumer accounts written-off during the year, after approval by Council	449 770	306 340
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8. BANK ACCOUNTS

8.1 Cash and Cash Equivalents

Current Accounts	271 557	868 525
Call Deposits and Investments	33 847	1 329 779
Cash On-hand	380	380
Total Cash and Cash Equivalents - Assets	305 784	2 198 684

8.2 Liabilities

Current Accounts	-	-
Total Cash and Cash Equivalents - Liabilities	-	-

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

Call Investments Deposits to an amount of R6 651 are held to fund the Unspent Conditional Grants (2023: R44 477).

The municipality has the following bank accounts:

Current Accounts

First National Bank - Account Number 534 7183 1653 (Primary Bank Account):	271 557	868 525
	271 557	868 525

Call Deposits and Investments

First National Bank - Account Number 620 6286 9521 (Equitable Share Account):	1 385	1 000
First National Bank - Account Number 620 6973 7173 (Leave Gratiuity Account):	11 429	103 466
First National Bank - Account Number 620 7204 0555 (FMG Account):	2 800	4 942
First National Bank - Account Number 620 9751 5880 (Consumer Deposits Account):	2 843	2 843
First National Bank - Account Number 620 9751 7571 (CRR Account):	1 631	1 168 084
First National Bank - Account Number 621 1760 8581 (Dev. Housing Account):	1 317	1 317
First National Bank - Account Number 743 3049 9861 (EFT/DBSA Account):	7 530	7 530
First National Bank - Account Number 621 3757 8433 (Projects Account):	1 062	1 062
First National Bank - Account Number 621 3757 7782 (Grants and Subsidies Account):	800	800
First National Bank - Account Number 622 3714 1099 (Library Account):	1 046	2 707
First National Bank - Account Number 622 7711 8313 (MIG Account):	1 005	35 028
First National Bank - Account Number 624 2665 8508 (EPWP):	1 000	1 001
	33 847	1 329 779

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Details of current account is as follows:

	2024 R	2023 R
First National Bank - Account Number 534 7183 1653 (Primary Bank Account):		
Cash book balance at beginning of year	868 525	3 884 690
Cash book balance at end of year	<u>271 557</u>	<u>868 525</u>
Bank statement balance at beginning of year	805 600	2 933 721
Bank statement balance at end of year	<u>717 080</u>	<u>805 600</u>
Details of call investment accounts are as follow:		
First National Bank - Account Number 620 6266 9521 (Equitable Share Account):		
Cash book balance at beginning of year	1 000	637 345
Cash book balance at end of year	<u>1 385</u>	<u>1 000</u>
Bank statement balance at beginning of year	1 000	637 345
Bank statement balance at end of year	<u>1 385</u>	<u>1 000</u>
First National Bank - Account Number 620 6973 7173 (Leave Gratuity Account):		
Cash book balance at beginning of year	103 466	280 834
Cash book balance at end of year	<u>11 429</u>	<u>103 466</u>
Bank statement balance at beginning of year	106 473	280 834
Bank statement balance at end of year	<u>11 429</u>	<u>106 473</u>
First National Bank - Account Number 620 7204 0555 (FMG Account):		
Cash book balance at beginning of year	4 942	433 044
Cash book balance at end of year	<u>2 800</u>	<u>4 942</u>
Bank statement balance at beginning of year	4 942	433 044
Bank statement balance at end of year	<u>2 800</u>	<u>4 942</u>
First National Bank - Account Number 620 9751 5880 (Consumer Deposits Account):		
Cash book balance at beginning of year	2 843	101 621
Cash book balance at end of year	<u>2 843</u>	<u>2 843</u>
Bank statement balance at beginning of year	2 843	101 621
Bank statement balance at end of year	<u>2 843</u>	<u>2 843</u>
First National Bank - Account Number 620 9751 7571 (CRR Account):		
Cash book balance at beginning of year	1 168 084	574 677
Cash book balance at end of year	<u>1 631</u>	<u>1 168 084</u>
Bank statement balance at beginning of year	1 168 084	574 677
Bank statement balance at end of year	<u>1 631</u>	<u>1 168 084</u>
First National Bank - Account Number 621 1760 8581 (Dev. Housing Account):		
Cash book balance at beginning of year	1 317	1 317
Cash book balance at end of year	<u>1 317</u>	<u>1 317</u>
Bank statement balance at beginning of year	1 317	1 317
Bank statement balance at end of year	<u>1 317</u>	<u>1 317</u>
First National Bank - Account Number 743 3049 9861 (EFT/DBSA Account):		
Cash book balance at beginning of year	7 530	7 530
Cash book balance at end of year	<u>7 530</u>	<u>7 530</u>
Bank statement balance at beginning of year	7 530	7 530
Bank statement balance at end of year	<u>7 530</u>	<u>7 530</u>
First National Bank - Account Number 621 3757 8433 (Projects Account):		
Cash book balance at beginning of year	1 062	1 062
Cash book balance at end of year	<u>1 062</u>	<u>1 062</u>
Bank statement balance at beginning of year	1 062	1 062
Bank statement balance at end of year	<u>1 062</u>	<u>1 062</u>
First National Bank - Account Number 621 3757 7782 (Grants and Subsidies Account):		
Cash book balance at beginning of year	800	800
Cash book balance at end of year	<u>800</u>	<u>800</u>
Bank statement balance at beginning of year	800	800
Bank statement balance at end of year	<u>800</u>	<u>800</u>

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	2024 R	2023 R
First National Bank - Account Number 622 3714 1099 (Library Account):		
Cash book balance at beginning of year	2 707	60 837
Cash book balance at end of year	1 046	2 707
Bank statement balance at beginning of year	2 707	60 837
Bank statement balance at end of year	1 046	2 707
First National Bank - Account Number 622 7711 8313 (MIG Account):		
Cash book balance at beginning of year	35 028	1 416
Cash book balance at end of year	1 005	35 028
Bank statement balance at beginning of year	35 028	1 416
Bank statement balance at end of year	1 005	35 028
First National Bank - Account Number 624 2665 8508 (EPWP):		
Cash book balance at beginning of year	1 001	32 712
Cash book balance at end of year	1 000	1 001
Bank statement balance at beginning of year	1 001	32 712
Bank statement balance at end of year	1 000	1 001
9. LONG-TERM BORROWINGS		
Capitalised Lease Liability - At amortised cost	4 276 593	7 128 051
Balance previously stated	-	7 374 321
Correction of Error - Note 42.5	-	(246 270)
	4 276 593	7 128 051
Less: Current Portion transferred to Current Liabilities	(2 970 030)	(840 367)
Capitalised Lease Liability - At amortised cost	(2 970 030)	(840 367)
	1 306 563	6 287 684
Total Long-term Borrowings	1 306 563	6 287 684

	2024 R	2023 R
9.1		Minimum payments
The obligations under finance leases are scheduled below:		
Amounts payable under finance leases:		
Payable within one year	1 647 099	1 925 006
Payable within two to five years	3 729 759	5 449 315
Payable after five years	-	-
	5 376 858	7 374 321
Less: Future finance obligations	(1 100 266)	-
Present value of finance lease obligations	4 276 592	7 374 321

The capitalised lease liability consist out of the following contracts:

Supplier	Description of leased item	Effective Interest rate	Annual Escalation	Lease Term	Maturity Date
Telkom	Cell phones	prime +5%	0%	2 years	01/12/2024
Nashua	Copier	14,70%	0%	3 Years	31/01/2024
Standard Bank	Fleet	14.15%	linked	5years	31/01/2028

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

10. NON-CURRENT PROVISIONS		
Provision for Rehabilitation of Landfill-sites	50 876 946	44 009 531
Total Non-current Provisions	50 876 946	44 009 531
10.1 Landfill Sites		
Balance 1 July	44 009 531	36 214 274
Balance perviously slated		37 184 593
Correction of Error - Note 42.6		(970 319)
Contribution for the year	4 607 510	4 185 505
Balance perviously stated		3 830 154
Correction of Error - Note 42.6		355 351
Change in Provision for Rehabilitation Cost	2 259 905	3 609 752
Balance perviously stated		(741 648)
Correction of Error - Note 42.6		4 351 400
Total provision 30 June	50 876 947	44 009 531
Less: Transfer of Current Portion to Current Provisions	-	-
Balance 30 June	50 876 947	44 009 531

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The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows:

	Port Nolloth	Eksteensfontein	Lekkersing	Kuboes	Sanddrift
Rehabilitation Area (m ²)	55 647	10 304	1 842	440	4 515
Preliminary and General	5 611 561	1 130 058	393 101	98 143	620 288
Site Clearance and Preparation	82 914	15 353	2 745	656	6 727
Storm Water Control Measures	3 744 409	1 041 302	488 644	225 744	557 883
Capping	25 099 138	4 688 473	1 070 504	244 869	2 238 754
Gas Management	-	-	-	-	-
Leachate Management	1 735 094	567 378	240 213	118 914	270 964
Fencing	3 871 125	641 698	616 977	13 777	742 828
Environmental Authorisation (Closure License)	460 688	460 688	460 688	460 688	460 688
Technical ROD	232 968	232 968	232 968	232 968	232 968
Install Groundwater Monitoring Boreholes with caps	207 368	238 176	388 985	290 594	260 006
Landscape Architects	175 800	164 818	165 699	165 871	167 522
Water use licence	-	-	-	-	-
Topographical Survey	48 195	7 950	8 909	7 950	7 950
Contingencies (10%)	4 014 424	808 426	281 218	70 210	443 744
Engineering: Professional Fees	4 240 803	1 076 643	380 728	106 300	595 263
Site Supervision (Engineer's Representative)	890 999	282 232	209 512	211 472	250 475
Site Supervision (Environmental Control Officer & OHS Agent)	398 291	177 870	181 154	164 223	215 020

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. The estimate cost, based on a current inflation rate of 6,02%, and date of decommission of the sites are as follows:

Location	Estimated decommission date	2024 R	2023 R
Port Nolloth	2033	78 964 083	75 099 512
Eksteensfontein	2033	17 923 767	17 131 418
Lekkersing	2033	7 928 522	7 622 605
Kuboes	2033	3 748 809	3 885 239
Sanddrift	2033	10 988 383	10 416 782
		119 563 565	114 155 554

11. NON-CURRENT EMPLOYEE BENEFITS

Provision for Post Retirement Health Care Benefits	2 029 999	1 954 999
Provision for Long Service Awards	1 680 000	1 663 000
Total Non-current Employee Benefits	3 709 999	3 617 999

Post Retirement Health Care Benefits

Balance 1 July	2 157 999	2 214 999
Contribution for the year	238 000	238 000
Expenditure for the year	(207 801)	(190 789)
Actuarial Loss/(Gain)	62 801	(104 211)
Total provision 30 June	2 248 999	2 157 999
Less: Transfer of Current Portion to Current Provisions - Note 13	(219 000)	(203 000)
Balance 30 June	2 029 999	1 954 999

Long Service Awards

Balance 1 July	1 898 000	1 786 000
Contribution for the year	371 000	341 000
Expenditure for the year	(168 897)	(182 805)
Actuarial Loss/(Gain)	(93 303)	(46 195)
Total provision 30 June	2 007 000	1 898 000
Less: Transfer of Current Portion to Current Provisions - Note 13	(327 000)	(235 000)
Balance 30 June	1 680 000	1 663 000

11.1 Provision for Post Retirement Health Care Benefits

The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	-	-
In-service (employee) non-members	-	-
Continuation members (e.g. Retirees, widows, orphans)	4	4
Total Members	4	4

The liability in respect of past service has been estimated to be as follows:

In-service members	-	-
In-service non-members	-	-
Continuation members	2 249 000	2 158 000
Total Liability	2 249 000	2 158 000

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2022 R	2021 R	2020 R
In-service members	-	-	-
In-service non-members	-	-	-
Continuation members	2 215 000	1 889 000	1 992 000
Total Liability	2 215 000	1 889 000	1 992 000

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

LA Health

The Current-service Cost for the ensuing year is estimated to be R0, whereas the Interest Cost for the next year is estimated to be R242 000.

Key actuarial assumptions used:	2024 %	2023 %
i) Rate of Interest		
Discount rate	11,29%	11,45%
Health Care Cost Inflation Rate	5,42%	7,18%
Net Effective Discount Rate	6,92%	3,98%

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

iii) Normal retirement age

The normal retirement age for employees of the municipality is 65 years (males) and 60 years (females).

iv) Expected rate of salary increases

Parties are still busy with negotiations of salary increases. The expected rate of salary increase is CPI.

	2024 R	2023 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	2 249 000	2 158 000
Fair value of plan assets	-	-
	<u>2 249 000</u>	<u>2 158 000</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present Value of unfunded obligations	-	-
Net liability/(asset)	<u>2 249 000</u>	<u>2 158 000</u>

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	2 158 000	2 215 000
Total expenses	236 000	238 000
Current service cost	-	-
Interest Cost	236 000	238 000
Remeasurement of net defined benefit liability	62 801	(104 211)
Return on plan assets (excl interest)	-	-
Actuarial (gains)/losses from demographic assumptions	-	-
Actuarial (gains)/losses from financial assumptions	62 801	(104 211)
Changes in effect of limiting	-	-
Past service cost	-	-
Gains and losses from settlement	-	-
Effect of change in foreign exchange rates	-	-
Contributions to plan from employer	-	-
Contributions to plan from employee	-	-
Benefits Paid	(207 801)	(190 789)
Effect of transfers of functions, mergers and disposals	-	-
Present value of fund obligation at the end of the year	<u>2 249 000</u>	<u>2 158 000</u>

Reconciliation of fair value of plan assets:

Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions: Employer	-	-
Contributions: Employee	-	-
Past Service Costs	-	-
Actuarial (gains)/losses	-	-
Benefits Paid	-	-
Fair value of plan assets at the end of the year	<u>-</u>	<u>-</u>

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Sensitivity Analysis on the Accrued Liability on 30 June 2024

Assumption	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)
Central Assumptions	–	2,249	2,249

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Medical Aid Contribution Inflation Rate	1%	–	2,453	2,453	9%
Medical Aid Contribution Inflation Rate	-1%	–	2,072	2,072	-8%
Discount Rate	1%	–	2,080	2,08	-8%
Discount Rate	-1%	–	2,447	2,447	9%
Post-employment mortality	1 yr	–	2,178	2,178	-3%
Post-employment mortality	-1 yr	–	2,321	2,321	3%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 202

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	–	242,000	242 000

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Medical Aid Contribution Inflation Rate	1%	–	265,000	265 000	10%
Medical Aid Contribution Inflation Rate	-1%	–	222,000	222 000	-8%
Discount Rate	1%	–	243,000	243 000	0%
Discount Rate	-1%	–	241,000	241 000	0%
Post-employment mortality	1%	–	234,000	234 000	-3%
Post-employment mortality	-1%	–	250,000	250 000	3%

Experience adjustments were calculated as follows:

	2024 Rm	2023 Rm
Liabilities: (Gain) / loss	0,084	0,082
Assets: Gain / (loss)	–	–

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2022 Rm	2021 Rm	2020 Rm
Liabilities: (Gain) / loss	0,426	(0,220)	0,129
Assets: Gain / (loss)	–	–	–

Material analysis

The following figure shows the maturity analysis (undiscounted expected benefit payments for the next 80 years in R'million).

#UNKNOWN!

11.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 104 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R177 000 whereas the Interest Cost for the next year is estimated to be R201 000.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Key actuarial assumptions used:	2024 %	2023 %
i) Rate of Interest		
Discount rate	10,89%	11,15%
General Salary Inflation (long-term)	5,00%	6,50%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	6,00%	4,36%

	2024 R	2023 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	2 007 000	1 898 000
Fair value of plan assets	-	-
	<u>2 007 000</u>	<u>1 898 000</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
Net liability/(asset)	<u><u>2 007 000</u></u>	<u><u>1 898 000</u></u>

Reconciliation of present value of fund obligation:

	2024 R	2023 R
Present value of fund obligation at the beginning of the year	1 898 000	1 786 000
Total expenses	371 000	341 000
Current service cost	172 000	159 000
Interest Cost	199 000	182 000
Remeasurement of net defined benefit liability	(93 303)	(46 195)
Return on plan assets (excl interest)	-	-
Actuarial (gains)/losses from demographic assumptions	-	-
Actuarial (gains)/losses from financial assumptions	(93 303)	(46 195)
Changes in effect of limiting	-	-
Past service cost	-	-
Gains and losses from settlement	-	-
Effect of change in foreign exchange rates	-	-
Contributions to plan from employer	-	-
Contributions to plan from employee	-	-
Benefits Paid	(168 697)	(182 805)
Effect of transfers of functions, mergers and disposals	-	-
Present value of fund obligation at the end of the year	<u><u>2 007 000</u></u>	<u><u>1 898 000</u></u>

Reconciliation of fair value of plan assets:

Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution: Employer	-	-
Contribution: Employee	-	-
Past service costs	-	-
Actuarial (gains)/losses	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	<u><u>-</u></u>	<u><u>-</u></u>

Sensitivity Analysis on the Accrued Liability on 30 June 2024

Assumption	Change	Liability (Rm)	% change
Central assumptions		1,898	
General salary inflation	1%	1,999	6%
General salary inflation	-1%	1,804	-5%
Discount Rate	1%	1,803	-5%
Discount Rate	-1%	2,003	6%
Average retirement age	2 yrs	2,075	9%
Average retirement age	-2 yrs	1,705	-10%
Withdrawal rates	x2	1,569	-17%
Withdrawal rates	x0.5	2,116	11%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2024

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	172 000	199 000	371 000

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
General earnings inflation rate	1%	184 000	210 000	394 000	6%
General earnings inflation rate	-1%	162 000	188 000	350 000	-6%
Discount rate	1%	163 000	205 000	368 000	-1%
Discount rate	-1%	183 000	192 000	375 000	1%
Average retirement age	2 year	185 000	219 000	404 000	9%
Average retirement age	-2 year	158 000	177 000	335 000	-10%
Rates of termination of service	x2	132 000	162 000	294 000	-21%
Rates of termination of service	x0.5	201 000	223 000	424 000	14%
				2024	2023
				Rm	Rm

Experience adjustments were calculated as follows:

Liabilities: (Gain) / loss	0,074	0,109
Assets: Gain / (loss)	-	-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2022 Rm	2021 Rm	2020 Rm
Liabilities: (Gain) / loss	(0,118)	0,011	(0,122)
Assets: Gain / (loss)	-	-	-

Material analysis

The following figure shows the DBC's maturity analysis (undiscounted expected benefits vesting) for the next 40 years in R'million.

#UNKNOWN!

11.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

CONSOLIDATED RETIREMENT FUND (PREVIOUSLY CAPE JOINT RETIREMENT FUND)

The contribution rate paid by the members (9,0%) and Council (18,0%). The last actuarial valuation performed for the year ended 30 June 2023 revealed that the fund is in a sound financial position with a funding level of 120,1% (30 June 2022 - 131,5%).

Contributions paid recognised in the Statement of Financial Performance

2024 R	2023 R
2 580 607	1 939 970

DEFINED CONTRIBUTION FUNDS

Council contribute to the Government Employees Pension Fund, Municipal Council Pension Fund, IMATU Retirement Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

SAMWU National Provident Fund

1 610 343	1 603 178
1 610 343	1 603 178

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
12. CONSUMER DEPOSITS		
Electricity	1 094 619	1 035 970
Rental Properties	155 503	137 064
Posters	6 721	5 710
Refuse	528 197	511 545
Total Consumer Deposits	1 785 040	1 690 290
The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.		
13. CURRENT EMPLOYEE BENEFITS		
Staff Bonuses	1 050 018	897 480
Staff Leave	3 339 320	3 166 800
Current Portion of Non-Current Provisions	546 000	438 000
Current Portion of Post Retirement Benefits - Note 11	219 000	203 000
Current Portion of Long-Service Provisions - Note 11	327 000	235 000
Total Provisions	4 935 338	4 602 279
The movement in current provisions are reconciled as follows:		
13.1 Staff Bonuses		
Balance at beginning of year	897 480	799 554
Contribution to current portion	2 113 312	1 817 632
Expenditure incurred	(1 960 773)	(1 719 706)
Balance at end of year	1 050 018	897 480
Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.		
13.2 Staff Leave		
Balance at beginning of year	3 166 800	2 674 840
Contribution to current portion	363 227	711 539
Expenditure incurred	(190 706)	(219 579)
Balance at end of year	3 339 320	3 166 800
Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.		
14. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade Payables	79 090 643	62 137 691
Balance previously stated		66 152 727
Correction of Error - Note 42.6		(4 015 036)
Advance Payments	2 116 554	1 294 872
Control, Clearing and Interface Accounts	3 578	3 441
Other Payables	2 354 033	983 249
Retentions	2 797 125	1 881 215
Total Trade Payables	86 361 933	66 306 468
Payables are being recognised net of any discounts.		
The carrying value of trade and other payables approximates its fair value.		
All payables are unsecured.		
15. UNSPENT TRANSFERS AND SUBSIDIES		
Unspent Transfers and Subsidies	56 760	158 760
National Government Grants	1	102 001
Balance previously stated		416 921
Correction of Error - Note 42.7		(314 921)
Provincial Government Grants	-	-
Other Sources	56 759	56 759
Less: Unpaid Transfers and Subsidies	-	-
National Government Grants	-	-
Provincial Government Grants	-	-
Other Sources	-	-
Total Unspent Transfers and Subsidies	56 760	158 760

See appendix "D" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
16. TAXES		
16.1 VAT Payable	3 628 462	3 007 344
VAT Output In Suspense	(11 007 534)	(10 119 967)
Less: Contribution to Provision for Doubtful Debt Impairment	-	-
Total VAT Payable	(7 379 072)	(7 112 623)
16.2 VAT Receivable	(798 832)	-
VAT Input in Suspense	13 838 949	13 941 702
Total VAT Receivable	13 040 117	13 941 702
16.3 Net VAT (Payable)/Receivable	5 661 046	6 829 079
VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.		
17. NET ASSET RESERVES		
RESERVES	569 001	569 001
Capital Replacement Reserve	567 685	567 685
Housing Development Fund	1 317	1 317
Total Net Asset Reserve and Liabilities	569 001	569 001
17.1 The Capital Replacement Reserve is used to finance future capital expenditure from own funds.		
17.2 The Housing Development Fund was established in terms of section 15 (5) and 16 of the Housing Act, Act 107 of 1997. The proceeds in this fund are utilised for housing development projects approved by the MEC. Any surplus/(deficit) on the Housing Department in the Statement of Financial Performance is transferred to the Housing Development Fund.		
18. PROPERTY RATES		
<u>Actual</u>		
Rateable Land and Buildings	20 568 803	19 154 810
Farm Properties	684 878	614 077
Industrial Property	(6 482)	(6 082)
Mining Properties	6 910 500	(1 395 955)
Municipal Properties	227 506	214 205
Residential Properties	9 723 319	9 184 510
Small Holdings	2 631 854	10 334 957
State-owned Properties	397 229	374 744
Balances previously stated		19 320 476
Correction of Error - Note 42.9		(165 666)
Total Property Rates	20 568 803	19 164 810
<u>Valuations - 1 July 2023</u>		
Rateable Land and Buildings	1 647 760 000	1 625 723 000
Business and Commercial Property	115 032 000	106 451 000
Public Service Infrastructure Properties(PSI)	7 210 000	2 530 000
PBO	2 270 000	270 000
PBW	16 877 000	
Properties used for accommodation and hospitality	38 640 000	
Multi use	130 000	130 000
Municipal Properties	3 491 000	131 391 000
Vacant land	7 045 000	-
Industrial Property	20 213 000	14 820 000
Mining Properties	82 261 000	82 261 000
Residential Properties	893 058 000	830 645 000
State-owned Properties	58 245 000	24 365 000
Agricultural Property	399 075 000	385 430 000
Other Categories	4 213 000	47 380 000
Total Assessment Rates	1 647 760 000	1 625 723 000
Assessment Rates are levied on the value of land and improvements, which valuation is performed every 5 years. The last valuation came into effect on 1 July 2019. Interim (supplementary) valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.		
Basic Rate		
Residential Properties	0,013550	0,012783
Farms	0,002089	0,001971
Guesthouse	0,015765	0,014873
Business	0,017984	0,016966
Private school	0,017984	0,016966
Government residential	0,013550	0,012783
Government commercial	0,017984	0,016966
Developments	0,045320	0,042755
Mine grounds	0,040650	0,038349

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Rates are levied annually and monthly. Monthly rates are payable by the 7th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential -	- The first R25 000 on the valuation is exempted.
Indigents -	- The first R75 000 on the valuation is exempted.
Pensioners -	- 33,3%
Government -	- 20%

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

	2024 R	2023 R
19. GOVERNMENT GRANTS AND SUBSIDIES		
Government Grants and Subsidies - Operating	30 154 833	27 950 506
Equitable Share	25 229 000	23 085 000
Expanded Public Works Programme Integrated Grant	950 000	950 000
Local Government Financial Management Grant	2 650 000	2 650 000
Libraries, Archives and Museums	1 252 000	1 200 000
Construction, Education and Training SETA	73 833	65 506
Government Grants and Subsidies - Capital	13 565 000	17 697 000
Municipal Infrastructure Grant	7 304 000	7 697 000
Water Services Infrastructure Grant	6 261 000	10 000 000
Total Government Grants and Subsidies	43 719 833	45 647 506

Included in above are the following grants and subsidies received:

Unconditional	25 229 000	23 085 000
Equitable Share	25 229 000	23 085 000
Conditional	18 490 833	22 562 506
Local Government Financial Management Grant	2 650 000	2 650 000
Expanded Public Works Programme Integrated Grant	950 000	950 000
Libraries, Archives and Museums	1 252 000	1 200 000
Construction, Education and Training SETA	73 833	65 506
Municipal Infrastructure Grant	7 304 000	7 697 000
Water Services Infrastructure Grant	6 261 000	10 000 000
Total Government Grants and Subsidies	43 719 833	45 647 506

Revenue recognised per vote as required by Section 123 (c) of the MFMA:

Equitable share	25 229 000	23 085 000
Executive and Council	73 833	65 506
Finance and Administration	3 600 000	3 600 000
Community and Social Services	1 252 000	1 200 000
Water Management	6 261 000	10 000 000
Waste Water Management	7 304 000	7 697 000
Total Government Grants and Subsidies	43 719 833	45 647 506

Based on the allocations set out in the Division of Revenue Act (DoRA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.

19.1 Equitable Share

Opening balance	-	-
Grants received	25 127 000	23 085 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(25 127 000)	(23 085 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
19.2 <u>Local Government Financial Management Grant (FMG)</u>		
Opening balance	-	-
Grants received	2 650 000	2 650 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(2 650 000)	(2 650 000)
Conditions met - Capital	-	-
Conditions still to be met	<u>-</u>	<u>-</u>
<p>The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).</p>		
19.3 <u>Municipal Infrastructure Grant (MIG)</u>		
Opening balance	58 000	328 519
Correction of Error - Note 42.9	-	(270 519)
Grants received	7 304 000	7 697 000
Interest received	-	-
Repaid to National Revenue Fund	(58 000)	-
Conditions met - Operating	-	-
Conditions met - Capital	(7 304 000)	(7 697 000)
Conditions still to be met	<u>-</u>	<u>58 000</u>
<p>The Municipal Infrastructure Grant is used for approved capital projects.</p>		
19.4 <u>Expanded Public Works Programme Integrated Grant</u>		
Opening balance	-	-
Grants received	950 000	950 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(950 000)	(950 000)
Conditions met - Capital	-	-
Conditions still to be met	<u>-</u>	<u>-</u>
<p>The EPWP Grant was used for job creation.</p>		
19.5 <u>Municipal Disaster Grant</u>		
Opening balance	-	86 309
Correction of Error - Note 42.9	-	(86 309)
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>-</u>	<u>-</u>
<p>The Municipal Disaster Grant was used to fund Covid-19 expenditure.</p>		
19.6 <u>Water Services Infrastructure Grant</u>		
Opening balance	44 000	2 093
Correction of Error - Note 42.9	-	41 907
Grants received	6 261 000	10 000 000
Interest received	-	-
Repaid to National Revenue Fund	(44 000)	-
Conditions met - Operating	-	-
Conditions met - Capital	(6 261 000)	(10 000 000)
Conditions still to be met	<u>-</u>	<u>44 000</u>
<p>The grant was used to construct water infrastructure.</p>		
19.7 <u>Libraries, Archives and Museums</u>		
Opening balance	-	-
Grants received	1 252 000	1 200 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 252 000)	(1 200 000)
Conditions met - Capital	-	-
Conditions still to be met	<u>-</u>	<u>-</u>
<p>The grant was used to finance library activities.</p>		

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
19.8 Economic Development and Tourism		
Opening balance	-	-
Grants received	-	335 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(335 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-
The grant was used for the festival in Port Nolloth.		
19.9 Alexkor		
Opening balance	56 759	56 759
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	56 759	56 759
The grant was used for various projects.		
19.10 Total Grants		
Opening balance	158 759	4 697 129
Correction of Error - Note 42.9	-	(314 921)
Grants received	43 617 833	50 045 769
Interest received	-	-
Repaid to National Revenue Fund	(102 000)	(4 489 857)
Conditions met - Operating	(30 052 833)	(22 378 153)
Conditions met - Capital	(13 565 000)	(27 401 208)
Conditions still to be met/(Grant expenditure to be recovered)	56 759	158 759
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	56 759	158 759
Unpaid Conditional Government Grants and Receipts	-	-
Total	56 759	158 759
20. PUBLIC CONTRIBUTIONS AND DONATIONS		
Donations	2 016 212	910 000
Total Public Contributions and Donations	2 016 212	910 000
21. INTEREST EARNED - NON-EXCHANGE TRANSACTIONS		
Receivables	3 847 803	2 848 741
Kai-Kai Development	57 791	57 791
Total Contributed Property, Plant and Equipment	3 905 594	2 906 532
22. AVAILABILITY CHARGES		
Electricity	988 467	906 024
Water	1 589 988	1 612 419
Waste Management	483 742	588 632
Waste Water Management	1 213 940	1 275 863
Correction of Error - Note 42.9	-	(94 801)
Total Availability Charges	4 276 137	4 288 136
23. LICENCES AND PERMITS		
Trading	24 951	13 440
Road and Transport	-	95
Total Licences and Permits	24 951	13 535
<u>Disclosed as follows:</u>		
Revenue from Non-Exchange Transactions	-	-
Revenue from Exchange Transactions	24 951	13 535
Total Licences and Permits	24 951	13 535

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
24. SERVICE CHARGES		
Electricity	15 697 757	9 720 991
Service Charges	16 403 845	10 876 191
Balance previously stated		10 876 828
Correction of Error - Note 42.10		(635)
Less: Revenue Forgone	(706 089)	(1 155 200)
Water	4 162 041	3 643 069
Service Charges	4 934 471	4 416 499
Balance previously stated		4 541 728
Correction of Error - Note 42.10		(126 229)
Less: Revenue Forgone	(772 430)	(772 430)
Waste Management	2 501 352	2 329 034
Service Charges	3 994 725	3 822 406
Balance previously stated		3 860 136
Correction of Error - Note 42.10		(37 730)
Less: Revenue Forgone	(1 493 373)	(1 493 373)
Waste Water Management	2 633 150	2 654 806
Service Charges	4 029 238	4 050 895
Balance previously stated		4 066 075
Correction of Error - Note 42.10		(15 180)
Less: Revenue Forgone	(1 396 089)	(1 396 089)
Total Service Charges	24 994 300	18 347 900
Revenue Forgone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.		
25. SALES OF GOODS AND RENDERING OF SERVICES		
Advertisements	11 808	21 870
Building Plan Clause Levy	127 111	106 205
Camping Fees	985 763	970 423
Cemetery and Burial	6 891	3 961
Entrance Fees	553	401
Management Fees	-	-
Photocopies and Faxes	2 502	1 262
Scrap, Waste & Other Goods	18 993	22 852
Total Sales of Goods and Rendering of Services	1 153 620	1 126 973
26. RENT ON LAND		
Land	100 971	111 078
Grazing Fees	100 971	111 078
Undeveloped Land	-	-
Servitudes	299 819	299 736
Total Rent on Land	400 790	410 814
27. RENTAL FROM FIXED ASSETS		
Investment Property	343 136	369 875
Property, Plant and Equipment	2 400	24 233
Balance previously stated		2 400
Correction of Error - Note 42.10		21 833
Total Rental from Fixed Assets	345 536	394 107
28. INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank	511 662	338 895
Total Interest Earned - External Investments	511 662	338 895
29. INTEREST EARNED - EXCHANGE TRANSACTIONS		
Trade Receivables	7 183 879	5 840 368
Total Interest Earned - Outstanding Receivables	7 183 879	5 840 368

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
30. OPERATIONAL REVENUE		
Commission	15 446	15 555
Debt Relief by National Treasury	2 134 476	3 659 193
Incidental Cash Surpluses	0	0
Insurance Refund	34 755	27 521
Request for Information	20 615	19 262
Total Operational Revenue	2 205 291	3 721 531
<i>Disclosed as follows:</i>		
Revenue from Exchange Transactions	70 815	62 338
Revenue from Non-Exchange Transactions	2 134 476	3 659 193
Total Operational Revenue	2 205 291	3 721 531
31. EMPLOYEE RELATED COSTS		
Basic Salaries and Wages	27 900 646	24 991 757
Pension and UIF Contributions	4 445 088	3 807 623
Medical Aid Contributions	551 734	457 844
Overtime	1 891 088	1 582 896
Bonuses	2 113 312	1 817 632
Motor Vehicle Allowance	592 227	503 638
Cell Phone Allowance	50 443	39 943
Housing Allowances	368 653	380 375
Other benefits and allowances	621 085	601 766
Payments in lieu of leave	363 227	711 539
Post-retirement Benefit Obligations	172 000	159 000
Total Employee Related Costs	39 069 502	35 054 012
KEY MANAGEMENT PERSONNEL		
<p>The Municipal Manager is appointed on 5-year fixed contract. The rest of key management is appointed on a full-time basis. There are no post-employment or termination benefits payable to them at the end of the contract periods.</p>		
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
<i>Remuneration of the Municipal Manager - SC Adams (previous)</i>		
Basic Salary	-	380 500
Contributions to UIF, Medical and Pension Funds	-	118 289
Annual Bonus	-	45 298
Motor Vehicle Allowance	-	88 232
Leave	-	86 102
Housing Allowances	-	22 830
Other benefits and allowances	-	109 666
Total	-	850 917
<i>Remuneration of the Municipal Manager - JG Cloete (current)</i>		
Basic Salary	641 196	267 165
Contributions to UIF, Medical and Pension Funds	176 536	72 852
Cellphone allowance	18 000	7 500
Annual Bonus	44 528	-
Motor Vehicle Allowance	147 695	50 000
Other benefits and allowances	107 445	41 980
Back pay	21 322	-
Total	1 156 722	439 497
<i>Remuneration of the Chief Financial Officer - D Moshobane</i>		
Basic Salary	451 420	451 419
Contributions to UIF, Medical and Pension Funds	144 210	140 542
Cellphone allowance	14 443	14 443
Annual Bonus	37 618	37 618
Motor Vehicle Allowance	162 979	142 644
Housing Allowances	42 000	42 000
Other benefits and allowances	89 554	121 611
Back pay	45 366	-
Total	987 590	950 277
<i>Remuneration of the Manager: Infrastructure - I Cloete</i>		
Basic Salary	489 038	489 038
Contributions to UIF, Medical and Pension Funds	43 331	15 390
Cellphone allowance	18 000	18 000
Annual Bonus	40 753	40 753
Motor Vehicle Allowance	218 655	222 761
Housing Allowances	41 567	36 474
Other benefits and allowances	89 554	121 610
Back pay	45 366	-
Total	986 264	944 026

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
Remuneration of the Manager: Municipal Support/Compliance - L Young		
Basic Salary	621 261	575 622
Contributions to UIF, Medical and Pension Funds	179 789	159 160
Medical Aid Contributions	51 772	-
Annual Bonus	-	47 968
Other benefits and allowances	157 553	169 938
Total	1 010 375	952 688
Remuneration of Manager: Administration - LS Cloete		
Basic Salary	621 261	575 622
Contributions to UIF, Medical and Pension Funds	113 953	105 737
Annual Bonus	51 772	47 968
Other benefits and allowances	151 312	146 545
Total	938 298	874 873
Remuneration of Manager: Community Services - B Williams		
Basic Salary	621 261	575 622
Contributions to UIF, Medical and Pension Funds	189 931	171 587
Annual Bonus	51 772	47 968
Other benefits and allowances	66 000	151 295
Rural allowance	92 494	-
Total	1 021 458	946 472
Total Key Management Remuneration		
Basic Salary	3 445 437	3 314 987
Contributions to UIF, Medical and Pension Funds	847 750	783 557
Medical Aid Contributions	51 772	-
Cellphone allowance	50 443	39 943
Annual Bonus	226 443	267 574
Motor Vehicle Allowance	529 329	503 637
Leave	-	86 102
Housing Allowances	83 587	101 304
Other benefits and allowances	661 418	861 645
Rural allowance	92 494	-
Back pay	112 054	-
Total	6 100 707	5 968 750

32. REMUNERATION OF COUNCILLORS

AM Jansen	6 861	-
C Knoph	1 072 138	684 769
M Fredericks	818 325	715 497
C Sonamzi	439 210	392 524
R Thomas	415 017	382 135
M Obies	453 600	392 524
F Mabala	359 184	308 646
N Mpambani	116 965	308 646
C Augustus	196 510	-
R van Wyk	338 111	308 646
B Augustus	211 806	-
R Jonker	102 546	308 646
A Bock	351 092	308 646
CJ Stuurman	426 774	392 524
Total Councillors' Remuneration	5 302 192	4 703 203

Remuneration paid to Councillors can be summarised as follow:

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Mayor	896 404	128 730	47 004	-	1 072 138
Executive Deputy-Mayor / Deputy-Mayor	-	-	-	-	-
Speaker	718 261	53 060	47 004	-	818 325
Chief Whip	378 366	13 840	47 004	-	439 210
Councillors	2 566 380	77 111	329 028	-	2 972 519
Total Councillors' Remuneration	4 569 411	272 741	470 040	-	5 302 192

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
33. CONTRACTED SERVICES		
Consultants and Professional Services	1 609 155	3 346 414
Business and Advisory	1 543 302	2 810 528
Business and Financial Management	1 407 184	2 759 061
Medical Examinations	88 631	2 257
Occupational Health and Safety	-	49 210
Valuer and Assessors	47 487	-
Laboratory Services	64 854	57 139
Water	64 854	57 139
Legal Cost	1 000	478 747
Legal Advice and Litigation	1 000	158 204
Collection	-	320 543
Contractors	5 122 514	6 312 047
Catering Services	5 048	9 952
Event Promoters	208 611	307 648
Maintenance of Buildings and Facilities	-	175 791
Balance previously stated	-	168 576
Correction of Error - Note 42.9	-	7 215
Maintenance of Equipment	2 976 425	3 291 238
Previously stated	-	3 587 133
Correction of Error - Note 42.9	-	(295 895)
Maintenance of Unspecified Assets	589 818	187 994
Tracing Agents and Debt Collectors	707	11 342
Safeguard and Security	1 341 905	2 328 083
Total Contracted Services	8 731 669	9 658 461
34. DEPRECIATION AND AMORTISATION		
Property, Plant and Equipment	12 899 321	11 500 199
Balance previously stated	-	11 481 676
Correction of Error - Note 42.9	-	18 323
Intangible Assets	-	4 428
Investment Property carried at cost	146 915	146 915
Balance previously stated	-	150 250
Correction of Error - Note 42.9	-	(3 335)
Total Depreciation and Amortisation	13 046 236	11 651 541
35. FINANCE COSTS		
Long-term Borrowings	1 345 172	616 909
Non-current Provisions	4 607 510	4 185 505
Balance previously stated	-	3 830 154
Correction of Error - Note 42.9	-	355 351
Non-current Employee Benefits	435 000	420 000
Interest on late payments	3 183 413	6 317 055
Total Finance Costs	9 571 095	11 539 468
36. BULK PURCHASES		
Electricity	20 201 722	17 109 007
Total Bulk Purchases	20 201 722	17 109 007
37. RENTAL COSTS		
Rentals	811 858	1 057 210
Total Operating Leases	811 858	1 057 210

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
38. OPERATIONAL COSTS		
Advertising, Publicity and Marketing	35 865	233 937
Balance previously stated		185 997
Correction of Error - Note 42.10		47 940
Assets less than the Capitalisation Threshold		127 616
Audit Fees	817	2 913 326
Bank Charges, Facility and Card Fees	164 923	164 684
Commission	855 950	434 922
Courier and Delivery Services	1 930	6 444
Communication	217 433	254 184
Eskom Connection Fees	946 750	-
Entertainment	191 472	150 979
External Computer Service	2 537 342	1 966 102
Insurance Underwriting	1 678 447	1 480 803
Licences	696 519	1 135 485
Parking Fees	15 583	6 869
Printing, Publications and Books	91 768	191 710
Professional Bodies, Membership and Subscription	524 232	521 750
Remuneration to Ward Committees	242 500	287 000
Settlement Discount	-	681 330
Skills Development Fund Levy	377 091	339 115
Travel and Subsistence	1 286 505	2 219 432
Uniform and Protective Clothing	142 357	268 450
Wet Fuel	2 878 510	2 348 270
Total Operational Costs	16 164 617	15 730 409
39. REVERSAL OF IMPAIRMENT LOSS/(IMPAIRMENT LOSS) ON RECEIVABLES		
Receivables from Exchange Transactions - Note 6	(5 572 101)	(9 258 891)
Receivables from Non-exchange Revenue - Note 7	(14 359 216)	6 405 240
Previously stated		7 291 517
Correction of Error - Note 42.10		(886 276)
Total Reversal of Impairment Loss/(Impairment Loss) on Receivables	(19 931 317)	(2 853 651)
40. GAINS/ (LOSS) ON SALE OF FIXED ASSETS		
Investment Property	(4 500)	(4 500)
Property, Plant and Equipment	(382 759)	(329 632)
Balance previously reported		(309 495)
Correction of Error - Note 42.10		(20 136)
Total Gains/ (Loss) on Sale of Fixed Assets	(387 259)	(334 132)
41. WATER LOSSES		
Real Losses	443 552	155 755
Total Water Losses	443 552	155 755
42. CORRECTION OF ERROR IN TERMS OF GRAP 3		

The following adjustments were made to amounts previously reported in the annual financial statements:

42.1 Property, Plant and Equipment		193 810 635
Balance previously reported		(251 375)
Cost		
Land recognised incorrectly in periods before 1 July 2022 - Note 2	-	102 500
Buildings derecognised incorrectly in periods before 1 July 2022 - Note 2	-	143 500
IGRAP 2 adjustment recognised incorrectly in 2022/2023 - Note 2	-	4 351 400
Infrastructure Assets recognised incorrectly in 2022/2023 - Note 2	-	295 896
Infrastructure Assets recognised incorrectly in periods before 1 July 2022 - Note 2	-	(4 678 264)
Asset written-off not recorded in 2022/2023	-	(266 406)
Accumulated Depreciation and Impairment		5 773 780
Depreciation on Infrastructure Assets not recognised in 2022/2023 - Note 2	-	10 089
Depreciation on Infrastructure Assets recognised incorrectly in periods before 1 July 2022 - Note 2	-	5 535 390
Impairment on Other Assets recognised incorrectly in periods before 1 July 2022 - Note 2	-	106
Impairment on Other Assets recognised incorrectly in 2022/2023 - Note 2	-	106
Depreciation on Buildings recognised incorrectly in periods before 1 July 2022 - Note 2	-	(105 632)
Depreciation on Buildings recognised incorrectly in 2022/2023 - Note 2	-	(26 392)
Depreciation on Investment Property recognised incorrectly as Property, Plant & Equipment in periods before 1 July 2021 - Note 2	-	-
Depreciation on Other Assets recognised incorrectly in periods before 1 July 2022 - Note 2	-	362 132
Restated Balance		199 333 040

Reconstructing of Asset Register as a result of asset verification and resolving of prior year audit findings.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
42.2 Investment Property		
Balance previously reported	-	18 925 851
Investment Property recognised incorrectly in periods before 1 July 2022 - Note 3	-	(11 572 300)
Depreciation on Investment Property recognised incorrectly in periods before 1 July 2022 - Note 3	-	105 632
Depreciation on Investment Property recognised incorrectly in 2022/2023 - Note 3	-	3 335
Restated Balance	-	7 462 519
Restructuring of Investment Property Register as a result of prior year audit findings.		
42.3 Receivables from Exchange Transactions		
Balance previously reported	-	886 998
Correction of Consumer Accounts in 2022/2023 - Note 6	-	(157 941)
Restated Balance	-	728 057
Correction of Consumer Accounts due to Incorrect billing and correction of Provision for Debt Impairment to resolve prior year audit findings.		
42.4 Receivables from Non-Exchange Transactions		
Balance previously reported	-	9 250 298
Correction of Consumer Accounts in 2022/2023 - Note 7	-	(260 467)
Correction of Provision for Debt Impairment for Consumer Accounts in periods before 1 July 2022 - Note 7	-	(10 168 846)
Correction of Provision for Debt Impairment for Consumer Accounts in 2022/2023 - Note 7	-	(886 276)
Property Rates not recognised incorrectly in periods before 1 July 2022 - Note 7	-	772 767
Restated Balance	-	(1 292 525)
Correction of Consumer Accounts due to incorrect billing and correction of Provision for Debt Impairment and Payments received in advance to resolve prior year audit findings.		
42.5 Long-Term Borrowings		
Balance previously reported	-	6 533 953
Correction of redemption recorded incorrectly in 2022/23 - Note 9	-	(246 270)
Restated Balance	-	6 287 684
Correction of prior year capital redemption.		
42.6 Non-Current Provisions		
Balance previously reported	-	40 273 098
Provision for Rehabilitation of Landfill-sites recognised incorrectly in periods before 1 July 2022 - Note 10.1	-	(970 319)
Contribution to Rehabilitation of Landfill-sites recognised incorrectly in 2022/2023 - Note 10.1	-	355 351
IGRAP 2 adjustment recognised incorrectly in 2022/23 - Note 10.1	-	4 351 400
Restated Balance	-	44 009 530
Provision for rehabilitation of landfill-sites recognised incorrectly in prior years.		
42.7 Trade and Other Payables from Exchange Transactions		
Balance previously reported	-	70 315 504
Correction of payable accounts in periods before 1 July 2022 - Note 14	-	(4 070 191)
Correction of payable accounts in 2022/23 - Note 14	-	65 155
Restated Balance	-	66 300 468
Correction of prior year Creditors as a result of initial transactions not recorded in the correct accounting period.		
42.8 Unspent Transfers and Subsidies		
Balance previously reported	-	473 680
Correction of Unspent Grants recognised incorrectly in periods before 1 July 2022 - Note 19.11	-	(314 921)
Restated Balance	-	158 760
Unspent grants recognised incorrectly in prior years.		
42.9 Accumulated Surplus/(Deficit) - 1 July 2022		
Land recognised incorrectly in periods before 1 July 2022 - Note 42.1	-	102 500
Buildings derecognised incorrectly in periods before 1 July 2022 - Note 42.1	-	143 500
Depreciation on Investment Property recognised incorrectly in periods before 1 July 2022 - Note 42.2	-	105 632
Impairment on Other Assets recognised incorrectly in periods before 1 July 2022 - Note 42.1	-	106
Infrastructure Assets recognised incorrectly in periods before 1 July 2022 - Note 42.1	-	(4 878 264)
Depreciation on Buildings recognised incorrectly in periods before 1 July 2022 - Note 42.1	-	(105 632)
Depreciation on Other Assets recognised incorrectly in periods before 1 July 2022 - Note 42.1	-	362 132
Depreciation on Infrastructure Assets recognised incorrectly in periods before 1 July 2022 - Note 44.1	-	5 535 390
Investment Property recognised incorrectly in periods before 1 July 2012 - Note 42.2	-	(11 572 300)
Provision for Rehabilitation of landfill-sites recognised incorrectly in prior years - Note 42.6	-	970 319
Correction of Unspent Grants recognised incorrectly in periods before 1 July 2022 - Note 42.8	-	314 921
Correction of Payables in periods before 1 July 2022 - Note 42.7	-	4 070 191
Payments received in advance incorrectly disclosed in periods before 1 July 2021 - Note 42.4	-	(10 168 846)
Property Rates and Interest not recognised incorrectly in periods before 1 July 2021 - Note 42.4	-	772 767
Total	-	(14 347 684)

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

		2024 R	2023 R
42.10 Changes to Statement of Financial Performance			
Movement on operating account as a result of misstatements in prior years and GRAP standards not implemented in prior years:			
	Note	Balance previously reported	Restated Balance
Revenue			
Property Rates	42.4	19 320 476	19 154 810
Government Grants and Subsidies		45 647 506	45 647 506
Public Contributions and Donations		910 000	910 000
Availability Charges	42.4	4 382 937	4 288 136
Fines, Penalties and Forfeits		36 500	36 500
Interest Earned - Non-exchange Transactions		2 906 532	2 906 532
Service Charges	42.3	18 527 674	18 347 900
Sales of Goods and Rendering of Services		1 126 973	1 126 973
Rental from Fixed Assets	42.3	783 089	804 922
Interest Earned - External Investments		338 895	338 895
Interest Earned - Exchange Transactions		5 840 368	5 840 368
Licences and Permits from Exchange Transactions		13 535	13 535
Agency Services		125 819	125 819
Operational Revenue		3 721 531	3 721 531
Total		103 832 240	103 413 832
Expenditure			
Employee related costs		(35 054 012)	(35 054 012)
Remuneration of Councillors		(4 703 204)	(4 703 204)
Bad Debts Written Off		(2 067 186)	(2 067 186)
Contracted Services	42.7	(9 947 142)	(9 658 461)
Depreciation and Amortisation	42.1	(11 636 554)	(11 651 542)
Finance Costs	42.6	(11 184 117)	(11 539 488)
Bulk Purchases		(17 109 007)	(17 109 007)
Inventory Consumed		(1 365 623)	(1 365 623)
Rental Costs		(1 057 210)	(1 057 210)
Operational Costs	42.7	(15 682 469)	(15 730 409)
Total		(109 806 624)	(109 936 122)
Gains and Losses			
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value		(1 967 374)	(2 853 651)
Reversal of Impairment Loss/(Impairment Loss) on Receivables		(313 895)	(334 132)
Gains/(Loss) on Sale of Fixed Assets		(155 755)	(155 755)
Water Losses		-	-
Total		(2 662 834)	(3 569 141)
Net Surplus/(Deficit) for the year		(8 637 118)	(10 091 431)
		2024	2023
		R	R
43. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS			
Surplus/(Deficit) for the year		(22 956 735)	(10 091 431)
Adjustments for:			
Depreciation and Amortisation		13 046 236	11 636 554
Loss/(Gain) on Sale of Fixed Assets		387 259	313 996
Impairment Loss/(Reversal of Impairment Loss)		(2 490)	225 710
Government Grants and Subsidies received		43 617 833	45 982 506
Government Grants and Subsidies recognised as revenue		(43 952 833)	(45 982 506)
Government Grants repaid to National Revenue Fund		(102 000)	-
Contribution to provisions – Non-Current Provisions		4 607 510	3 830 154
Contribution from/to provisions - Non-Current Employee Benefits		230 502	205 406
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains		(30 502)	(150 406)
Contribution from/to - Current Employee Benefits		325 059	589 886
Contribution to provisions – Bad Debt		20 767 132	2 995 471
Bad Debts written off		2 094 528	2 067 186
Operating Surplus/(Deficit) before changes in working capital		18 031 500	11 622 525
Changes in working capital		(1 600 192)	2 811 766
Increase/(Decrease) in Trade and Other Payables		20 061 485	13 964 726
Increase/(Decrease) in Taxes		1 503 036	(2 419 887)
Increase/(Decrease) in Consumer Deposits		94 750	(41 430)
(Increase)/Decrease in Inventory		(5 878)	(6 267)
(Increase)/Decrease in Trade Receivables from Exchange Transactions		(8 135 384)	(9 075 652)
(Increase)/Decrease in Other Receivables from Non-Exchange Transactions		(15 118 181)	390 276
Cash generated/(absorbed) by operations		16 431 308	14 434 291

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
44. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 8	271 557	868 525
Call Deposits and Investments - Note 8	33 847	1 329 779
Cash Floats - Note 8	380	380
Total cash and cash equivalents	305 784	2 198 684
45. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 44	305 784	2 198 684
Less:	(3 685 222)	(3 166 104)
Unspent Transfers and Subsidies - Note 15	(58 760)	(158 780)
VAT - Note 16	(3 628 462)	(3 007 344)
Net cash resources available for internal distribution	(3 379 438)	(967 420)
Allocated to:		
Capital Replacement Reserve	(567 685)	(567 685)
Resources available for working capital requirements	(3 947 123)	(1 535 105)
46. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - Note 9	4 276 593	7 128 051
Used to finance property, plant and equipment - at cost	(4 276 593)	(7 128 051)
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities	-	-

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

47. BUDGET INFORMATION

The Annual Budget of the Municipality is prepared for a 2023/24 MTREF period and is applicable from 1 July 2023 until 30 June 2024.

A reconciliation is provided on the face of the Statement of comparison of budget and actual amounts for the classification disclosure differences resulting between the Budget and the Annual financial statements.

47.1 Explanation of variances between approved and final budget amounts

The reasons for the variances between the approved and final budgets are mainly due to virements, reprioritising of operating and capital projects, incorrect reports generated by budget module.

Explanation of variances greater than 10%: Final Budget and Actual Amounts

To be included with final set of AFS

47.2 Statement of Financial Position

47.2.1 Current Assets

Cash and cash equivalents

Cash and Equivalents more than budgeted for 3rd party payments made after year-end and not before year-end.

Receivables from non-exchange transactions

Unemployment, the inability of consumers to be able to pay their accounts has increased. The municipality is embarking on a new credit control procedure that will have a positive effect on collections

47.2.2 Non-Current Assets

Investment Property

Asset Register was reconstructed during the year to address prior year audit findings. Budgeted amount based on prior year amounts.

Property, Plant and Equipment

Asset Register was reconstructed during the year to address prior year audit findings. Budgeted amount based on prior year amounts.

Intangible assets

Asset Register was reconstructed during the year to address prior year audit findings. Budgeted amount based on prior year amounts.

47.2.3 Current Liabilities

Bank overdraft

Trade and other payables from exchange transactions

Increase due to uncomplete capital projects on year-end.

Provisions

Increase in staff leaves provision due to planned leave taken after year-end.

47.2.4 Non-Current Liabilities

Borrowing

Incorrect base-line used for budgeting of finance leases

Other non-current liabilities

The rehabilitation cost of landfill sites is more than anticipated.

47.2.5 Net Assets

Accumulated Surplus/(Deficit)

The difference in budgeted and actual amounts is the result of correction prior period errors and lower profit generated than budgeted for.

Statement of Financial Performance

47.2.6 Revenue

Property rates

The new valuation roll was implemented 1 July 2019, which had an effect on the tariffs and was more than anticipated.

Service charges - Electricity

Revenue received lower than budgeted for, as a result of high unemployment rate.

Service charges - Water

Revenue received lower than budgeted for, as a result of high unemployment rate.

Service charges - Waste Water Management

Revenue received lower than budgeted for, as a result of high unemployment rate.

Service charges - Waste Management

Revenue received lower than budgeted for, as a result of high unemployment rate.

47.2.7 Expenditure

Bulk purchases - electricity

Decrease due to less electricity sold.

Debt Impairment

Increase due to non implementation of credit control policy.

Irrecoverable debts written off

Bad debts written off was more than anticipated.

Cash Flow Statement

47.2.8 Net Cash from Operating Activities

Taxation

Decrease as a result of unemployment and also the new valuation roll being implemented last year consumers were hesitant to pay their property taxes. Action is being taken.

Service Charges

The under collection in service charges relates directly to the high unemployment rate, also the effect of covid through job losses

Other Revenue

Incorrect budgeting by the municipality.

Government - Operating

Additional grant funding for libraries not included in the budget.

Suppliers and Employees

The municipality budgeted incorrectly for this amount.

45.2.9 Net Cash from Investing Activities

Capital Assets

Finance Lease Assets included in the budget amount for cash flow.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

47.2.9 Net Cash from Financing Activities

Borrowing long term/refinancing

Incorrect budgeting.

Repayment of Borrowing

	2024 R	2023 R
48. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
48.1 <u>Unauthorised expenditure</u>		
Reconciliation of unauthorised expenditure:		
Opening balance	179 228 896	161 974 165
Correction of prior period error	-	-
Restated opening balance	179 228 896	161 974 165
Unauthorised expenditure current year - operational	11 955 165	17 254 731
Unauthorised expenditure current year - capital	-	-
Approved by Council or condoned	-	-
Current	-	-
Prior Period	-	-
Transfer to receivables for recovery	-	-
Current	-	-
Prior Period	-	-
Unauthorised expenditure awaiting authorisation	<u>191 184 060</u>	<u>179 228 896</u>

Unauthorised expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Over expenditure of approved operating budget - 2011	Under investigation	8 326 343	8 326 343
Over expenditure of approved capital budget - 2011	Under investigation	5 601 856	5 601 856
Over expenditure of approved operating budget - 2012	Under investigation	48 113	48 113
Over expenditure of approved capital budget - 2012	Under investigation	430 587	430 587
Over expenditure of approved operating budget - 2013	Under investigation	2 219 133	2 219 133
Over expenditure of approved capital budget - 2013	Under investigation	4 457 394	4 457 394
Over expenditure of approved operating budget - 2014	Under investigation	4 354 299	4 354 299
Over expenditure of approved capital budget - 2014	Under investigation	6 368 173	6 368 173
Over expenditure of approved operating budget - 2015	Under investigation	6 562 636	6 562 636
Over expenditure of approved capital budget - 2015	Under investigation	445 821	445 821
Over expenditure of approved operating budget - 2016	Under investigation	6 488 967	6 488 967
Over expenditure of approved capital budget - 2016	Under investigation	2 194 638	2 194 638
Over expenditure of approved operating budget - 2017	Under investigation	12 372 322	12 372 322
Over expenditure of approved capital budget - 2017	Under investigation	373 440	373 440
Over expenditure of approved operating budget - 2018	Under investigation	3 801 281	3 801 281
Over expenditure of approved operating budget - 2019	Under investigation	8 718 340	8 718 340
Over expenditure of approved operating budget - 2020	Under investigation	18 581 050	18 581 050
Over expenditure of approved operating budget - 2021	Under investigation	20 050 050	20 050 050
Over expenditure of approved operating budget - 2022	Under investigation	41 646 977	41 646 977
Over expenditure of approved capital budget - 2022	Under investigation	8 932 746	8 932 746
Over expenditure of approved operating budget - 2023	Under investigation	17 254 731	17 254 731
Over expenditure of approved operating budget - 2024	Under investigation	11 955 165	-
		<u>191 184 060</u>	<u>179 228 896</u>

The overspending of the Budget per municipal vote can be summarised as follows:

	2024 Actual R	2024 Final Budget R	2024 Variance R	2024 Unauthorised R
<u>Unauthorised expenditure current year - operating</u>				
Executive and council	10 522 648	10 838 914	(316 266)	-
Administration: Corporate	20 454 277	18 946 066	1 508 211	1 508 211
Administration: Community	9 989 892	12 366 233	(2 396 341)	-
Financial Services	33 857 918	23 410 964	10 446 954	10 446 954
Infrastructure	59 676 656	65 459 364	(5 782 708)	-
	<u>134 501 390</u>	<u>131 041 541</u>	<u>3 459 849</u>	<u>11 955 165</u>
<u>Unauthorised expenditure current year - capital</u>				
Executive and council	-	-	-	-
Administration: Corporate	-	25 000	(25 000)	-
Administration: Community	-	8 500	(8 500)	-
Financial Services	-	-	-	-
Infrastructure	-	-	-	-
	<u>15 472 748</u>	<u>18 354 000</u>	<u>(2 881 252)</u>	<u>-</u>
	<u>15 472 746</u>	<u>18 387 500</u>	<u>(2 914 752)</u>	<u>-</u>

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
48.2 Fruitless and wasteful expenditure		
Reconciliation of fruitless and wasteful expenditure:		
Opening balance	11 820 515	5 099 543
Correction of prior period error	-	-
Restated opening balance	11 820 515	5 099 543
Fruitless and wasteful expenditure current year	115 044	6 720 972
Balance previously reported		6 317 055
Correction of prior period error		403 917
Condoned or written off by Council		-
Current	-	-
Prior Period	-	-
Transfer to receivables for recovery - not condoned		
Current	-	-
Prior Period	-	-
Fruitless and wasteful expenditure awaiting condonement	<u>11 935 559</u>	<u>11 820 515</u>

Fruitless and wasteful expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Interest and Penalties Paid to SARS on late payment of employee tax.	Under investigation	115	115
Interest Paid to Eskom.	Under investigation	38 083	38 083
Interest Paid to Creditors.	Under investigation	6 331	6 331
Interest and Penalties Paid to SARS on late payment of VAT.	Under investigation	12 693	12 693
Power failure caused damages to lobster and abalone at the Port Lobster fishing factory	Under investigation	25 000	25 000
Official responsible for preparation of orders failed to supply order to ensure timeous payment of creditor	Under investigation	65	65
Official responsible for preparation of orders failed to supply order to ensure timeous payment of creditor	Under investigation	224	224
Interest Paid to Creditors	Under investigation	66 025	66 025
Interest and Penalties Paid to SARS on late payment of employee tax.	Under investigation	44	44
Interest Paid to Auditor General	Under investigation	13 944	13 944
Interest Paid to Creditors	Under investigation	4 770	4 770
Interest and Penalties Paid to SARS on late payment of Provident Fund	Under investigation	621	621
Interest Paid to Eskom	Under investigation	67 249	67 249
Interest Paid to post office	Under investigation	41 760	41 760
Interest Paid to D.J Scholtz & de Wit	Under investigation	5 264	5 264
Interest Paid to Wessee Konstruksie	Under investigation	206	206
Interest Paid to Van's Photo	Under investigation	57	57
Interest Paid to Honolulu Hardware	Under investigation	352	352
Interest Paid to Creditors	Under investigation	38	38
Interest Paid to Eskom	Under investigation	10 169	10 169
Interest Paid to Eskom	Under investigation	30 817	30 817
Interest Paid to Eskom	Under investigation	29 754	29 754
Interest Paid to Eskom	Under investigation	1 154	1 154
Interest Paid to Wessee Konstruksie	Under investigation	35 892	35 892
Interest Paid to Eskom	Under investigation	38 236	38 236
Interest Paid to Eskom	Under investigation	129	129
Interest Paid to Eskom	Under investigation	155	155
Interest on late payment -Government Printing	Under investigation	25	25
Interest Paid to Eskom	Under investigation	736	736
Interest Paid to Eskom	Under investigation	2 204	2 204
Interest on late payment - Municipal Workers Retirement	Under investigation	685	685
Interest Paid to Wessee Konstruksie	Under investigation	11	11
Interest Paid to Eskom	Under investigation	143	143
Interest on late payment - Honolulu Mica	Under investigation	705	705
Interest Paid to Telkom	Under investigation	302	302
Interest Paid to Eskom	Under investigation	325	325
Interest Paid to Auditor General	Under investigation	52 611	52 611
Interest Paid to SARS	Under investigation	2 556	2 556
Interest Paid to TGIS	Under investigation	952	952
Interest Paid to Wessee Konstruksie	Under investigation	91	91
Interest Paid to Eskom	Under investigation	199 125	199 125
Interest paid to SARS	Under investigation	214	214
Interest paid to Municipal workers retirement	Under investigation	675	675
Interest paid to Eskom	Under investigation	623 553	623 553
Interest paid to Auditor General	Under investigation	405 304	405 304
Interest Paid to Honolulu Hardware	Under investigation	156	156
Interest Paid to Eskom	Under investigation	6 739 591	6 739 591
Interest Paid to Creditors	Under investigation	2 290 759	2 290 759
Interest paid to Auditor General	Under investigation	788 264	788 264
Interest Paid to SARS	Under investigation	397 423	282 379
		<u>11 935 559</u>	<u>11 820 515</u>

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

48.3 Irregular expenditure

	2024 R	2023 R
Reconciliation of irregular expenditure:		
Opening balance	121 314 917	112 135 782
Correction of prior period error	-	-
	121 314 917	112 135 782
Restated opening balance	2 427 084	9 179 135
Irregular expenditure current year	-	8 166 223
Balance previously stated	-	1 012 912
Correction of Error	-	-
Expenditure authorised i.t.o. Section 32 of MFMA	-	-
Current	-	-
Prior Period	-	-
Condonement supported by council	-	-
Current	-	-
Prior Period	-	-
Transfer to receivables for recovery - not condoned	-	-
Current	-	-
Prior Period	-	-
	<u>123 742 001</u>	<u>121 314 917</u>
Irregular expenditure awaiting further action		

Irregular expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Non compliance with Supply Chain Management Policy - Three written quotations not obtained and incomplete registration forms	To be investigated	16 460 016	16 460 016
Non compliance of tenders with Supply Chain Management Policy	To be investigated	24 880 494	24 880 494
Non compliance with Supply Chain Management Policy - Supplier in service of state	To be investigated	506 874	506 874
Non compliance with Supply Chain Management Policy - Contracts awarded not published on website	To be investigated	1 487 349	1 487 349
Non compliance with Supply Chain Management Policy - Deviation not reported to council	To be investigated	3 670	3 670
Deviations from the Supply Chain regulations - 3 Quotations not obtained, No Original Tax Clearance Certificate, No declaration of interest and Preferential Procurement Policy Framework Act not followed - 2015	To be investigated	3 729 662	3 729 662
Employee Related Cost - employees acting as CFO for longer than 3 months - 2015	To be investigated	140 781	140 781
Employee Related Cost - appointments made not on organogram - 2015	To be investigated	1 251 121	1 251 121
Deviations from the Supply Chain regulations - 3 Quotations not obtained, No Original Tax Clearance Certificate, No declaration of interest and Preferential Procurement Policy Framework Act not followed - 2016	To be investigated	3 530 313	3 530 313
Overpayment of capital projects	To be investigated	165 577	165 577
Employee Related Cost - employees acting as Municipal Manager for longer than 6 months - 2016	To be investigated	79 141	79 141
Employee Related Cost - appointments made not on organogram - 2016	To be investigated	300 320	300 320
Employee Related Cost - employees acting as Municipal Manager for longer than 6 months - 2017	To be investigated	380 192	380 192
Deviations from the Supply Chain regulations - 3 Quotations not obtained, No Original Tax Clearance Certificate, No declaration of interest and Preferential Procurement Policy Framework Act not followed - 2017	To be investigated	4 633 079	4 633 079
Non compliance with Supply Chain Management Policy - R10 001 - R500 000 - 2019	To be investigated	266 471	266 471
Deviations from the Supply Chain Management Policy - 2019	To be investigated	381 500	381 500
Deviations from the Supply Chain regulations - Preference points system not used - 2019	To be investigated	552 761	552 761
Non compliance with Supply Chain Management Policy - Local content - 2019	To be investigated	4 434 339	4 434 339
Senior Manager Positions are filled by acting managers for more than three months - 2019	To be investigated	68 184	68 184
Procurement was deliberately split into parts of lesser value to avoid complying with the requirements of the SCM Policy/SCM Regulations - 2019	To be investigated	221 628	221 628
Non compliance with Supply Chain Management Policy - No declaration of interest - 2019	To be investigated	491 659	491 659
Officials approved payments without approved delegation - 2019	To be investigated	500 395	500 395
Procurement process is not followed for the banking services - 2019	To be investigated	97 273	97 273
No declaration of interest for written price quotations -2019	To be investigated	167 406	167 406
No declaration of interest for written price quotations -2020	To be investigated	36 164	36 164
Non compliance with Supply Chain Management Policy - Three written quotations not obtained and incomplete registration forms - 2021	To be investigated	3 302 504	3 302 504
Non compliance of tenders with Supply Chain Management Policy - 2021	To be investigated	9 960 582	9 960 582
Senior Manager Positions are filled by acting managers for more than three months - 2021	To be investigated	357 776	357 776
Procurement process is not followed for the banking services - 2021	To be investigated	185 126	185 126

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
Bids not evaluated in accordance with the Preferential Procurement Policy Framework Act - 2022		
		To be investigated
	18 033 864	18 033 864
Expired section 32 tender - 2022		
		To be investigated
	3 185 931	3 185 931
Expired service level agreement - 2022		
		To be investigated
	1 654 687	1 654 687
Procurement process not followed for good and/or services above R200 000 - 2022		
		To be investigated
	17 840 498	17 840 498
Procurement processes not followed - 2022		
		To be investigated
	1 014 670	1 014 670
Procurement processes not followed - 2023		
		To be investigated
	1 012 910	1 012 910
Procurement processes not followed - 2024		
		To be investigated
	2 427 084	-
	<u>123 742 001</u>	<u>121 314 917</u>

49. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

49.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)

Opening balance	1 409 205	2 514 827
Correction of prior period error	-	(1 393 417)
Restated opening balance	1 409 205	1 121 410
Council subscriptions	508 250	500 000
Amount paid - current year	-	-
Amount paid - previous years	-	(212 205)
Balance unpaid (included in creditors)	<u>1 917 455</u>	<u>1 409 205</u>

49.2 Audit fees - [MFMA 125 (1)(c)]

Opening balance	3 725 245	4 319 327
Correction of prior period error	-	-
Restated opening balance	3 725 245	4 319 327
Current year audit fee	3 745 477	2 221 844
External Audit - Auditor-General	3 745 477	2 194 410
Audit Committee	-	27 434
Amount paid - current year	(143 265)	(218 080)
Credit note	(2 454 647)	(3 111 139)
Interest	505 147	513 293
Balance unpaid (included in creditors)	<u>5 377 957</u>	<u>3 725 245</u>

49.3 VAT - [MFMA 125 (1)(c)]

VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year. The net of VAT Input Payables and VAT Output Receivables are shown in Note 16.

49.4 PAYE and UIF - [MFMA 125 (1)(c)]

Opening balance	-	310 476
Correction of prior period error	-	-
Restated opening balance	-	310 476
Current year payroll deductions	5 703 744	5 070 305
Amount paid - current year	(4 311 191)	(5 070 305)
Amount paid - previous year	-	(310 476)
Balance unpaid (included in creditors)	<u>1 392 553</u>	<u>-</u>

49.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]

Opening balance	-	413 920
Correction of prior period error	-	-
Restated opening balance	-	413 920
Current year payroll deductions and Council Contributions	8 057 476	4 163 639
Amount paid - current year	(7 400 278)	(4 163 639)
Amount paid - previous year	-	(413 920)
Balance unpaid (Included in creditors)	<u>657 198</u>	<u>-</u>

49.6 Councilor's arrear consumer accounts - [MFMA 124 (1)(b)]

The following Councilors had arrear accounts for more than 90 days as at 30 June 2024:

M Fredericks	20 921	14 085
N Mpambani	15 789	12 779
R Thomas	955	-
C Stuurman	2 045	-

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

49.7 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b):

30 June 2024	Amount	1/2 Quotes	Single Supplier	Type of Deviation		Emergency
				Impossible	Impractical	
July	84 123	-	12 650	-	-	71 473
August	16 615	-	5 000	-	-	11 615
September	2 588	-	-	-	-	2 588
October	18 207	-	-	-	-	18 207
November	-	-	-	-	-	-
December	254 880	24 200	199 780	-	30 900	-
January	106 048	7 807	-	-	23 417	74 825
February	183 900	4 198	-	-	147 146	32 557
March	25 717	2 717	8 000	-	-	15 000
April	184 221	-	14 451	-	130 402	39 369
May	-	-	-	-	-	-
June	47 954	-	-	-	47 954	-
	924 263	38 921	239 881	-	379 818	265 633

30 June 2023	Amount	1/2 Quotes	Single Supplier	Type of Deviation		Emergency
				Impossible	Impractical	
July	40 164	18 856	-	17 226	4 082	-
August	94 795	89 795	-	-	5 000	-
September	156 910	118 920	-	-	37 990	-
October	35 155	7 830	-	-	27 325	-
November	36 001	36 001	-	-	-	-
December	243 640	243 640	-	-	-	-
January	7 035	7 035	-	-	-	-
February	2 220	2 220	-	-	-	-
March	-	-	-	-	-	-
April	12 072	9 031	-	-	-	3 041
May	17 533	8 250	-	-	-	9 283
June	27 025	-	-	-	-	27 025
	672 551	541 579	-	17 226	74 397	39 349

2024
R

2023
R

49.8 Material losses

Electricity distribution losses

Units purchased (Kwh)	9 026 010	9 026 010
Units lost during distribution (Kwh)	409 555	741 722
Percentage lost during distribution	4,54%	8,22%
Distribution loss (Rand Value)	329 216	596 224

Water distribution losses

Units purchased (ml)	597 129	227 540
Units lost during distribution (ml)	161 291	56 638
Percentage lost during distribution	27,01%	24,89%
Distribution loss (Rand Value)	443 552	155 755

Normal pipe bursts and field leakages are responsible for water losses.

50. **ADDITIONAL DISCLOSURES IN TERMS OF BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT**

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

51. **FINANCIAL RISK MANAGEMENT**

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:

	2024 R	2023 R
1% (2023: 1%) Increase in interest rates	(39 712)	(51 760)
1% (2023: 1%) Decrease in interest rates	39 712	51 760

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All services are payable within 30 days from invoice date. Refer to note 6 and 7 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

	2024 %	2024 R	2023 %	2023 R
<u>Non-exchange Receivables</u>				
Availability Charges	100,00%	21 392 701	100,00%	19 969 509
	<u>100,00%</u>	<u>21 392 701</u>	<u>100,00%</u>	<u>19 969 509</u>
<u>Exchange Receivables</u>				
Electricity	4,75%	3 642 836	6,53%	4 615 281
Water	29,50%	22 641 990	29,15%	20 618 299
Property Rentals	3,11%	2 390 858	2,70%	1 906 522
Waste Management	27,28%	20 944 932	26,04%	18 417 958
Waste Water Management	25,39%	19 487 415	24,48%	17 313 800
Abeyanca	2,21%	1 695 567	4,30%	3 039 014
Grazing Fees	0,10%	74 731	0,12%	82 573
Other	7,67%	5 886 631	6,69%	4 730 656
	<u>100,00%</u>	<u>76 764 960</u>	<u>100,00%</u>	<u>70 724 104</u>

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 6 and 7 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follow:

	2024 %	2024 R	2023 %	2023 R
<u>Non-exchange Receivables</u>				
Availability Charges	21,87%	21 384 168	20,79%	18 463 208
<u>Exchange Receivables</u>				
Services	78,13%	76 403 962	79,21%	69 996 046
	<u>100,00%</u>	<u>97 788 130</u>	<u>100,00%</u>	<u>88 459 254</u>

Ageing of amounts past due but not impaired are as follow:

	2024	2023
1 month past due	-	-
2+ months past due	-	-
	<u>-</u>	<u>-</u>
2023		
1 month past due	-	-
2+ months past due	-	-
	<u>-</u>	<u>-</u>

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (First National Bank). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

	2024 R	2023 R
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	76 764 960	70 724 104
Receivables from non-exchange transactions	59 042 595	57 745 100
Cash and Cash Equivalents	33 847	2 198 304
	<u>135 841 401</u>	<u>130 667 508</u>

(e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2024				
Trade and Other Payables	86 361 933	-	-	-
	<u>86 361 933</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2023				
Trade and Other Payables	66 300 468	-	-	-
	<u>66 300 468</u>	<u>-</u>	<u>-</u>	<u>-</u>
			2024 R	2023 R

52. FINANCIAL INSTRUMENTS

In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:

52.1 Financial Assets	<u>Classification</u>		
Receivables from Exchange Transactions			
Electricity	Financial Instruments at amortised cost	3 642 836	4 615 281
Water	Financial Instruments at amortised cost	22 641 990	20 618 299
Property Rentals	Financial Instruments at amortised cost	2 390 858	1 906 522
Waste Management	Financial Instruments at amortised cost	20 944 932	18 417 958
Waste Water Management	Financial Instruments at amortised cost	19 487 415	17 313 800
Abeyance	Financial Instruments at amortised cost	1 695 567	3 039 014
Other Arrears	Financial Instruments at amortised cost	5 886 631	4 730 656
Cash and Cash Equivalents			
Bank Balances	Financial Instruments at amortised cost	271 557	868 525
Call Deposits	Financial Instruments at amortised cost	33 847	1 329 779
Total Financial Assets		<u>76 995 633</u>	<u>72 839 834</u>
Financial Instruments at amortised cost:			
Receivables from Exchange Transactions	Electricity	3 642 836	4 615 281
Receivables from Exchange Transactions	Water	22 641 990	20 618 299
Receivables from Exchange Transactions	Property Rentals	2 390 858	1 906 522
Receivables from Exchange Transactions	Waste Management	20 944 932	18 417 958
Receivables from Exchange Transactions	Waste Water Management	19 487 415	17 313 800
Receivables from Exchange Transactions	Abeyance	1 695 567	3 039 014
Receivables from Exchange Transactions	Other Arrears	5 886 631	4 730 656
Receivables from Exchange Transactions	Call Deposits	33 847	1 329 779
Cash and Cash Equivalents		<u>76 995 633</u>	<u>72 839 834</u>
Total Financial Assets			

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

		2024 R	2023 R
52.2	Financial Liabilities		
	Classification		
	Long-term Liabilities		
	Capitalised Lease Liability	4 276 593	7 128 051
	Trade and Other Payables		
	Trade Payables	79 090 643	62 137 691
	Advance Payments	2 116 554	1 294 872
	Control, Clearing and Interface Accounts	3 578	3 441
	Other Payables	2 354 033	983 249
	Retentions	2 797 125	1 881 215
	Cash and Cash Equivalents		
	Bank Overdraft	-	-
		<u>90 638 526</u>	<u>73 428 519</u>
	SUMMARY OF FINANCIAL LIABILITIES		
	Financial Instruments at amortised cost:		
	Long-term Liabilities	4 276 593	7 128 051
	Trade and Other Payables	79 090 643	62 137 691
	Trade and Other Payables	2 116 554	1 294 872
	Trade and Other Payables	3 578	3 441
	Trade and Other Payables	2 354 033	983 249
	Trade and Other Payables	2 797 125	1 881 215
	Cash and Cash Equivalents	-	-
		<u>90 638 526</u>	<u>73 428 519</u>
52.3	STATUTORY RECEIVABLES		
	In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:		
	Taxes		
	VAT Receivable	(798 832)	-
	Receivables from Non-Exchange Transactions	47 506 303	33 685 615
	Rates	<u>47 506 303</u>	<u>33 685 615</u>
	Total Statutory Receivables (before provision)	<u>46 707 471</u>	<u>33 685 615</u>
	Less: Provision for Debt Impairment	(48 236 333)	(36 798 076)
	Total Statutory Receivables (after provision)	<u>(1 528 862)</u>	<u>(3 112 461)</u>
	Statutory Receivables arises from the following legislation:		
	Taxes	- Value Added Tax Act (No 89 of 1991)	
	Rates	- Municipal Properties Rates Act (No 6 of 2004)	
	(Rates): Ageing		
	Current (0 - 30 days)	1 288 724	1 440 000
	31 - 60 Days	651 546	476 000
	61 - 90 Days	668 806	2 829 800
	+ 90 Days	44 897 227	28 939 815
	Total	<u>47 506 303</u>	<u>33 685 615</u>
	Reconciliation of Provision for Debt Impairment		
	Balance at beginning of year	36 798 076	45 498 261
	Contribution to provision	11 438 257	(8 700 184)
	Reversal of provision	-	-
	Balance at end of year	<u>48 236 333</u>	<u>36 798 076</u>
	Ageing of amounts past due and impaired:		
	1 month past due	-	-
	2+ months past due	48 236 333	36 798 076
		<u>48 236 333</u>	<u>36 798 076</u>
	Ageing of amounts past due but not impaired:		
	1 month past due	651 546	476 000
	2+ months past due	(1 381 576)	(3 588 461)
		<u>(730 031)</u>	<u>(3 112 461)</u>

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 R	2023 R
Interest Received from Statutory Receivables		
Taxes	3 905 594	2 906 532
Receivables from Non-Exchange Transactions	-	-
	<u>3 905 594</u>	<u>2 906 532</u>

Interest is levied at a rate determined by the council on outstanding rates amounts.

Since the previous reporting date, no additional Statutory Receivables were classified and measured in accordance with GRAP 108.

VAT Receivable	-	-
Rates	-	-
Fines	-	-
	<u>-</u>	<u>-</u>

54. **IN-KIND DONATIONS AND ASSISTANCE**

The municipality did not receive any in-kind donations or assistance during the year under review.

55. **PRIVATE PUBLIC PARTNERSHIPS**

Council has not entered into any private public partnerships during the financial year.

56. **PRINCIPAL - AGENT ARRANGEMENTS**

56.1 **Principal in other Principal-Agent Arrangements (non-material)**

Richtersveld Municipality is the Principal in arrangements with service providers who sell prepaid electricity on their behalf. Prepaid vendors earn commission on the value of each transaction.

The following information is disclosed in aggregate as per GRAP 109 par 61.

Compensation paid for agency activities

Commission - Note 36	855 950	434 922
Total Compensation	<u>855 950</u>	<u>434 922</u>

There are no resources under the custodianship of the agents, nor have they been recognised as such.

56.2 **Agent in arrangement**

Richtersveld Municipality is the Agent in the Principal-Agent arrangement with the Provincial Department of Transport, and collects licencing fees on behalf of the Provincial Department of Transport. The municipality can retain a portion of the fees collected and the net amount is due to the Provincial Department. The amount retained is recorded as Income from Agency Services in the Statement of Financial Performance. The amounts due to the Provincial Department at year end is included in the balances reported as Payables from Exchange Transactions in the Statement of Financial Position.

The municipality does not incur any expenses on behalf of the Provincial Department. No significant risks are noted to arise from the arrangement as the municipality merely collects monies on behalf of the department as part of its existing service offering at the traffic department and municipal cashier collection points. No resources are held on behalf of the Provincial Department (other than the receipts).

Compensation received for agency activities

Agency Fees	140 571	125 819
Total Compensation received	<u>140 571</u>	<u>125 819</u>

Richtersveld Municipality was paid 12% commission by the Provincial Department of Transport for acting as an agent on its behalf during the financial year.

Reconciliation of Agency Funds and Disbursements

Principal name	Total Agency funds received	Amount remitted to the principal	Variance between amounts received and amounts remitted	Explanation of Variance
Provincial Department of Transport	140 571	140 571	-	
	<u>140 571</u>	<u>140 571</u>	<u>-</u>	

57. **CONTINGENT LIABILITY**

Campro Trading

The applicant lodged two review applications. Application was opposed and security for cost issue still outstanding and set down for 23 February 2024 and is ongoing at court. Estimate cost exposure approximatley R200 000,00.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

58. RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

58.1 Related Party Transactions

	Rates	Service Charges	Rental	Interest	Outstanding Balance	Provision for Debt Impairment
Year ended 30 June 2024						
Councillors						
M Fredericks	2 446	10 416	-	-	32 837	-
C Sonamzi	878	4 233	-	-	351	-
R Thomas	-	3 816	-	-	955	-
M Obies	338	7 392	-	-	589	-
N Mpambani	-	5 328	-	-	15 789	-
R van Wyk	-	4 474	-	-	351	-
R Jonker	9 562	11 423	-	-	1 848	-
A Bock	-	-	-	-	-	-
CJ Stuurman	6 857	7 505	-	-	2 045	-
TOTAL	20 081	54 586	-	-	54 765	-
Municipal Manager and Managers						
H Cloete	-	26 634	-	-	247	-
JG Cloete	10 291	32 668	-	-	4 102	-
D Moshobane	-	7 722	27 085	-	728	-
B Williams	-	43 084	37 276	-	2 983	-
	10 291	110 108	64 361	-	8 060	-
Year ended 30 June 2023						
Councillors						
M Fredericks	-	5 109	169	656	17 789	15 429
C Sonamzi	1 217	3 971	-	-	331	165
R Thomas	2 759	2 467	-	18	600	400
M Obies	639	5 566	-	344	556	304
F Mabala	-	-	-	-	-	-
N Mpambani	1 576	1 850	-	719	13 204	12 914
R van Wyk	3 707	223	-	719	15	60
R Jonker	9 076	10 863	-	-	1 553	934
A Bock	-	-	-	-	-	-
CJ Stuurman	1 544	1 802	-	175	2 399	959
Total	20 518	-	169	2 631	36 447	31 165
Municipal Manager and Managers						
SC Adams	-	-	-	37	1 032	335
JG Cloete	3 114	336	-	623	6 461	3 700
D Moshobane	-	6 646	27 085	1	598	326
Beulah Williams	-	11 752	11 512	-	3 336	1 711
	3 114	18 734	38 597	661	11 427	6 072

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

Related party relationship

Councillors and management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality.

58.2 Compensation of key management personnel and councillors.

The compensation of key management personnel is set out in note 30 to the Annual Financial Statements, and the compensation of Councillors in note 31 of the Annual Financial Statements.

58.3 Current Employee Benefits

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2024:

Name	Position	Staff Leave Obligations	Staff Bonus Obligations	Travel and Subsistence paid
JG Cloete	Municipal Manager (current)	87 203	31 169	308 307
DG Moshobane	Chief Financial Officer	86 673	31 349	32 093
LS Cloete	Manager Administration	119 282	47 457	31 582
L Young	Manager: Municipal Support/Compliance	119 282	25 886	63 806
B Williams	Manager: Community Services	119 282	34 515	38 578
I Cloete	Manager: Infrastructure Services	93 895	30 565	109 470
		626 616	200 941	583 835

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2023:

Name	Position	Staff Leave Obligations	Staff Bonus Obligations	Travel and Subsistence paid
JG Cloete	Municipal Manager (current)	25 648	22 264	167 756
SC Adams	Municipal Manager (previous)	-	-	156 759
DG Moshobane	Chief Financial Officer	68 616	31 349	85 330
LS Cloete	Manager Administration	110 520	43 971	55 351
L Young	Manager: Municipal Support/Compliance	133 544	23 984	74 951
B Williams	Manager: Community Services	110 520	31 979	12 114
I Cloete	Manager: Infrastructure Services	93 895	30 565	157 737
		<u>517 094</u>	<u>161 848</u>	<u>542 242</u>
			2024	2023
			R	R

The Municipality paid the following travel and subsistence to Councillors in terms of their policy:

Name	Position		
A Bock	Councillor	-	24 422
CJ Stuurman	Councillor	-	2 835
C Knoph	Mayor	128 730	228 402
M Fredricks	Speaker	53 060	168 774
T Sonamzi	Councillor	13 840	-
R Thomas	Councillor	580	70 150
M Obies	Councillor	28 230	39 746
F Mabala	Councillor	24 613	67 367
N Mpambani	Councillor	15 156	32 528
R Van Wyk	Councillor	4 992	5 990
		<u>272 741</u>	<u>640 214</u>

58.4 Other related party transactions (Key Management)

The following personnel have interest in other entities

Company Name	Related Party	Service Capacity
IEC	JG Cloete	Municipal Manager
Rabbas Boerdery	ID Cloete	Technical Manager
Boeloe	BB Williams	Community service Manager

58.5 Other related party transactions (Councillors)

The following personnel have interest in other entities

Company Name	Related Party	Service Capacity
Diggers Den Primary Co Operative Limited	CC Knoph	Mayor
Rembed Investment Services	CC Knoph	Mayor
CKS General Trading	CC Knoph	Mayor
Richtersveld Investment Holding Company	MC Fredricks	Speaker
Kuboes Nama General Trading	RD Thomas	Councillor
K201201587	FY Mabala	Councillor
Na Mpambani Services	NA Mpambani	Councillor
Aukotowa Fisheries Primary Co-Operative Limited	RM Van Wyk	Councillor
Sekkera Diamond Primary Co Operative Limited	RM Van Wyk	Councillor
Ocean Victory Fishing	RM Van Wyk	Councillor
Daisy Ubuntu Charity	R Jonker	Councillor
Port Nolloth Viswinkel	R Jonker	Councillor

59 Transactions with municipal staff

The following purchases were made during the year where Councillors or staff have an interest:

Company Name	Related Party	Service Capacity	Relationship		
MC Spyseniering	L. Cloete	admin manager	Mother	6 275	25 850
C and L Enterprenur	R Cloete	Cleaner	Nephew	178 328	65 287
C Allie	Scotia inn	PA MM	Brother in law	41 834	8 970
NP Kotze	Alta Kotze	Tourism Clerk	Father	12 395	9 159
Weskus Motors	Alta Kotze	Tourism Clerk	Brother	340 880	972 137
T & D Caterers	B Raman	Testing Officer	Mother	67 082	40 702
Namakwaland Construction	Sonia Hearn	Payroll office	Husband	5 575 760	11 020 077
Namakloof Viei	N Swartbooi	Customer Care Clerk	Wife	-	3 540
				<u>6 222 655</u>	<u>12 145 722</u>

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

60 **Going concern**

Management is of the opinion that the Richtersveld Local Municipality will continue to operate as a going concern and perform its functions as set out in the Constitution and the MFMA.

The indicators or conditions that may, individually or collectively, cast significant doubt about the going concern assumption are as follows:

Financial Indicators

The total liabilities increased from R127 407 377 to R152 002 609 and current liabilities increased from R73 492 164 to R96 109 101. The increase is of a result that the municipality does not have sufficient funds to pay creditors as and when they become due.

The current asset R5 816 920 and current liability R96 109 101 position of the municipality is concerning and a further indication that the municipality will not be able to settle its short term debt over the next 12 months in the normal course of business.

The municipality is currently involved in litigation and there have been no indication of significant financial implications to the municipality.

Other

The above financial indicators are because of the economic environment in which the municipality operates in. The municipal area has a high rate of unemployment and poses a significant risk to the municipality to collect revenue as and when it becomes due.

The area covered by the municipality also result in high costs attached to service delivery, due to vast distances between settlements.

to finance the activities of the municipality. The government have no intention to liquidate or to cease operations of the municipality and grant funding have been received in terms of the DORA for 2024/25.

The municipality in terms of the Constitution and MFMA have the mandate to generate revenue through municipal services. The budget of 2024/25 does include an increase in service rates and there have been no reduction in the revenue capability of the municipality for the next financial year.

Revenue collection is however low and plans to collect revenue is continuously executed, however for economic reasons explained, is not favourable to the municipality.

The municipal budget for 2024/25 have been approved and the municipality budgeted for positive cash flows and surpluses, this budget is extensively monitored to ensure that results are achieved.

In spite of aforementioned, management has prepared the Annual Financial Statements on the Going Concern Basis.

61 **EVENTS AFTER REPORTING PERIOD**

No events which may have financial implications for the municipality and warrants disclosure in the financial statements occurred after 30 June 2024.