

# RICHTERSVELD MUNICIPALITY

## ADJUSTMENT BUDGET

## 2024/25 FINANCIAL YEAR



**MUNISIPALITEIT  
RICHTERSVELD  
MUNICIPALITY**

Die Richtersveld leuse is:

!Ghâi //Khoredi

Dit beteken: "Strewe na sukses" in Nama

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## Glossary

**Act** – means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)

**Adjustments Budget** – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

**Allocations** – Money received from Provincial or National Government or other municipalities.

**Budget** – The financial plan of the Municipality.

**Budget Related Policy** – Policy of a municipality affecting or affected by the budget, such as the tariffs policy, rates policy and credit control and debt collection policy.

**Capital Expenditure** - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

**Cash flow statement** – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it scores as expenditure in the month it is received, even though it may not be paid in the same period.

**DORA – Division of Revenue Act.** Annual piece of legislation that shows the amount of allocations from national to local government.

**Equitable Share** – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

**GFS** – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

**IDP** – Integrated Development Plan. The main strategic planning document of the Municipality

**KPI's** – Key Performance Indicators. Measures of service output and/or outcome.

**MFMA** – The Municipal Finance Management Act – no 53 of 2003. The principle piece of legislation relating to municipal financial management.

**MTREF** – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

**Operating Expenditure** – Spending on the day to day expenses of the Municipality such as salaries and wages.

**Own Revenue** – Means total revenue as reflected in the municipality's financial performance budget less national and provincial conditional transfers.

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

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

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

**Virement** – A transfer of budget.

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

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

## Part 1 – Adjustments Budget

### 1.1 Foreword

The Local Government: Municipal Finance Management Act (56 of 2003): Municipal budget and reporting regulations stipulates in Regulation 28(2) (c) - A municipal council may approve an adjustments budget dealing with matters referred to in the Act only if the expenditure was recommended by the mayor in accordance with the framework prescribed in Chapter 5 of the Regulations.

### 1.2 Report of the Mayor

As part of the Mid-year budget and performance assessment process, the Accounting Officer of the Richtersveld Municipality made recommendations to the council as to the amendments to the original budget based on certain considerations that were identified during the first half of the 2024/25 municipal financial year.

### 1.3 Resolutions

On 23 January 2024 mid-year assessment was submitted to the Mayor with proposal for adjustment budget, the same report was presented to council .

- An Adjustments budget for 2024/25 be prepared and be approved no later than 28 February 2025
- All the necessary adjustments identified in the mid-year assessment report are included in the adjustment budget.

### 1.4 Framework for Adjustments Budget

Section 28 of the MFMA states that ...”(a) an adjustments budget must adjust the revenue and expenditure estimates downwards if there is material under collection of revenue during the current year...”

**The operational budget changes are summarized as follows:-**

	<b>OPERATING REVENUE</b>	<b>OPERATING EXPENDITURE</b>	<b>SURPLUS / (DEFICIT)</b>
2024/25 approved budget	R 146 747 000	(R128 552 000)	
Adjustments	(R 27 299 000)	(R1 373 000)	
2024/25 Adjustments Budget	R 119 447 000	(R 129 925 000)	(R 10 478 000)

The Capital budget changes are summarized as follows:-

	<b>TRANSFERS RECOGNISED</b>
2024/25 Approved Budget	R 14 064 000
Adjustments	(R 415 000)
2024/25 Adjustments Budget	R 13 649 000

## **Part 2 – Adjustments Budget Schedules**

### **2.1 – Legislative Framework**

Section 21 of the Municipal Budget and Reporting Regulations (MBRR) stipulates that,

An adjustments budget and supporting documentation of a municipality must be in the format specified in Schedule B and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168 (1) of the Act.

The objective of the MBRR is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the Act.

### **2.2 – Adjustments budget schedules**

## **ADJUSTMENT BUDGET SUMMARY**

**REFER TO THE NEXT PAGE**

**NC061 Richtersveld - Table B1 Adjustments Budget Summary -**

Description	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	1	6	7	8		
<b>R thousands</b>	A	A1	F	G	H		
<b>Financial Performance</b>							
Property rates	28 604	28 604	(7 154)	(7 154)	21 450	32 268	34 025
Service charges	45 037	45 037	(1 545)	(1 545)	43 491	49 617	55 604
Investment revenue	869	869	21	21	890	921	98
Transfers recognised - operational	31 757	31 757	–	–	31 757	31 410	32 064
Other own revenue	40 480	40 480	(18 621)	(18 621)	21 859	41 811	43 290
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>146 747</b>	<b>146 747</b>	<b>(27 299)</b>	<b>(27 299)</b>	<b>119 447</b>	<b>156 027</b>	<b>165 080</b>
Employee costs	40 794	40 795	2 748	2 748	43 543	44 911	44 633
Remuneration of councillors	4 636	4 636	(0)	(0)	4 636	4 762	4 891
Depreciation & asset impairment	15 350	15 350	–	–	15 350	16 625	19 920
Finance charges	10 535	10 035	–	–	10 035	11 020	11 527
Inventory consumed and bulk purchases	26 586	26 586	(110)	(110)	26 476	27 816	29 096
Transfers and subsidies	–	–	–	–	–	–	–
Other expenditure	30 651	31 150	(1 264)	(1 264)	29 885	31 685	33 098
<b>Total Expenditure</b>	<b>128 552</b>	<b>128 552</b>	<b>1 373</b>	<b>1 373</b>	<b>129 925</b>	<b>136 819</b>	<b>143 165</b>
<b>Surplus/(Deficit)</b>	<b>18 195</b>	<b>18 194</b>	<b>(28 673)</b>	<b>(28 673)</b>	<b>(10 478)</b>	<b>19 208</b>	<b>21 915</b>
Transfers and subsidies - capital (monetary allocations)	12 759	12 759	–	–	12 759	27 155	27 555
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>30 954</b>	<b>30 953</b>	<b>(28 673)</b>	<b>(28 673)</b>	<b>2 281</b>	<b>46 363</b>	<b>49 470</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>30 954</b>	<b>30 953</b>	<b>(28 673)</b>	<b>(28 673)</b>	<b>2 281</b>	<b>46 363</b>	<b>49 470</b>
<b>Capital expenditure &amp; funds sources</b>							
<b>Capital expenditure</b>	<b>14 064</b>	<b>14 064</b>	<b>(415)</b>	<b>(415)</b>	<b>13 649</b>	<b>27 447</b>	<b>27 859</b>
Transfers recognised - capital	12 759	12 759	–	–	12 759	27 155	27 555
Borrowing	–	–	–	–	–	–	–
Internally generated funds	1 305	1 305	(415)	(415)	890	292	304
<b>Total sources of capital funds</b>	<b>14 064</b>	<b>14 064</b>	<b>(415)</b>	<b>(415)</b>	<b>13 649</b>	<b>27 447</b>	<b>27 859</b>
<b>Financial position</b>							
Total current assets	97 379	97 379	(99 010)	(99 010)	(1 631)	77 734	82 231
Total non current assets	212 846	212 846	(323)	(323)	212 523	292 180	297 240
Total current liabilities	99 421	99 421	(9 469)	(9 469)	89 952	91 244	95 731
Total non current liabilities	59 780	55 504	3 906	3 906	59 410	62 083	63 635
Community wealth/Equity	<b>154 931</b>	<b>154 930</b>	<b>(93 399)</b>	<b>(93 399)</b>	<b>61 531</b>	<b>216 587</b>	<b>220 106</b>
<b>Cash flows</b>							
Net cash from (used) operating	9 369	9 369	(3 868)	(3 868)	5 501	30 716	35 893
Net cash from (used) investing	(14 064)	(14 064)	(1 632)	(1 632)	(15 696)	(31 563)	(32 037)
Net cash from (used) financing	–	–	–	–	–	–	–
<b>Cash/cash equivalents at the year end</b>	<b>13 270</b>	<b>13 270</b>	<b>(23 159)</b>	<b>(23 159)</b>	<b>(9 890)</b>	<b>(10 737)</b>	<b>(6 881)</b>
<b>Cash backing/surplus reconciliation</b>							
Cash and investments available	39 755	39 755	(87 056)	(87 056)	(47 301)	40 847	46 948
Application of cash and investments	41 581	41 581	39 160	39 160	80 741	20 181	23 434
<b>Balance - surplus (shortfall)</b>	<b>(1 826)</b>	<b>(1 825)</b>	<b>(126 216)</b>	<b>(126 216)</b>	<b>(128 042)</b>	<b>20 666</b>	<b>23 514</b>
<b>Asset Management</b>							
Asset register summary (WDV)	212 846	212 846	(323)	(323)	212 523	292 180	297 240
Depreciation	12 207	12 207	–	–	12 207	12 872	13 464
Renewal and Upgrading of Existing Assets	520	520	(30)	(30)	490	–	–
Repairs and Maintenance	4 166	4 166	(2 886)	(2 886)	1 281	4 359	4 562
<b>Free services</b>							
Cost of Free Basic Services provided	5 804	5 804	(706)	(706)	5 099	6 281	6 826
Revenue cost of free services provided	–	–	2 491	2 491	2 491	–	0

## B2:ADJUSTMENTS BUDGET – FINANCIAL PERFORMANCE- STANDARD CLASSIFICATION

NC061 Richtersveld - Table B2 Adjustments Budget Financial Performance (functional classification) -								
Standard Description	Ref	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			5	10	11	12		
<b>R thousands</b>	1, 4	A	A1	F	G	H		
<b>Revenue - Functional</b>								
<b>Government and administration</b>		77 427	77 427	(16 543)	(16 543)	60 884	81 766	84 377
Executive and council		-	-	-	-	-	-	-
Finance and administration		77 427	77 427	(16 543)	(16 543)	60 884	81 766	84 377
Internal audit		-	-	-	-	-	-	-
<b>Community and public safety</b>		5 296	5 296	2 505	2 505	7 801	4 832	5 139
Community and social services		2 304	2 304	(970)	(970)	1 334	2 392	2 571
Sport and recreation		1 334	1 334	(1 334)	(1 334)	-	1 397	1 463
Public safety		-	-	-	-	-	-	-
Housing		-	-	342	342	342	-	0
Health		1 657	1 657	4 467	4 467	6 124	1 042	1 104
<b>Economic and environmental services</b>		7 885	7 885	(93)	(93)	7 793	8 035	8 309
Planning and development		105	105	(77)	(77)	29	110	115
Road transport		7 780	7 780	(16)	(16)	7 764	7 925	8 194
Environmental protection		-	-	-	-	-	-	-
<b>Trading services</b>		68 897	68 897	(13 168)	(13 168)	55 729	88 550	94 810
Energy sources		42 896	42 896	(16 205)	(16 205)	26 691	48 356	53 021
Water management		16 750	16 750	734	734	17 484	30 387	31 394
Waste water management		5 139	5 139	4 268	4 268	9 408	5 447	5 774
Waste management		4 112	4 112	(1 965)	(1 965)	2 148	4 359	4 621
<b>Other</b>		-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	159 506	159 506	(27 299)	(27 299)	132 206	183 182	192 635
<b>Expenditure - Functional</b>								
<b>Government and administration</b>		49 468	49 968	5 432	5 432	55 400	52 977	54 106
Executive and council		11 288	11 288	450	450	11 738	11 830	12 142
Finance and administration		36 740	37 240	5 446	5 446	42 686	39 641	40 388
Internal audit		1 440	1 440	(464)	(464)	976	1 506	1 576
<b>Community and public safety</b>		5 796	5 796	1 035	1 035	6 832	6 342	6 357
Community and social services		2 280	2 280	962	962	3 242	2 496	2 495
Sport and recreation		2 808	2 808	(1 032)	(1 032)	1 776	3 186	3 181
Public safety		273	273	(162)	(162)	111	294	298
Housing		436	436	1 267	1 267	1 703	366	383
Health		-	-	-	-	-	-	0
<b>Economic and environmental services</b>		14 623	14 623	1 295	1 295	15 918	15 399	15 865
Planning and development		25	25	2 255	2 255	2 280	27	27
Road transport		14 598	14 598	(960)	(960)	13 638	15 372	15 837
Environmental protection		-	-	-	-	-	-	-
<b>Trading services</b>		58 353	57 853	(6 942)	(6 942)	50 912	61 765	66 497
Energy sources		34 351	32 651	(631)	(631)	32 020	36 409	40 127
Water management		9 496	9 496	(3 489)	(3 489)	6 006	9 957	10 346
Waste water management		6 050	6 050	(1 146)	(1 146)	4 904	6 487	6 669
Waste management		8 457	9 657	(1 675)	(1 675)	7 982	8 912	9 355
<b>Other</b>		311	311	553	553	864	336	340
<b>Total Expenditure - Functional</b>	3	128 552	128 552	1 373	1 373	129 925	136 819	143 165
<b>Surplus/ (Deficit) for the year</b>		30 954	30 953	(28 673)	(28 673)	2 281	46 363	49 470



**NC061 Richtersveld - Table B2 Adjustments Budget Financial Performance (functional classification) -**

Standard Description	Ref	Budget Year 2023/24					Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			5	10	11	12		
R thousands	1,4	A	A1	F	G	H		
<b>Expenditure - Functional</b>								
<b>Governance and administration</b>		39 433	39 433	15 832	15 832	55 265	41 208	47 301
Executive and council		10 288	10 288	1 982	1 982	12 269	9 825	10 287
Finance and administration		27 865	27 865	14 619	14 619	42 485	30 881	36 489
Internal audit		1 280	1 280	(769)	(769)	511	501	525
<b>Community and public safety</b>		7 320	7 320	2 144	2 144	9 464	6 247	6 486
Community and social services		2 026	2 026	1 453	1 453	3 480	1 421	1 488
Sport and recreation		2 640	2 640	2 522	2 522	5 162	2 104	2 202
Public safety		142	142	235	235	377	147	154
Housing		2 512	2 512	(2 157)	(2 157)	355	2 523	2 642
Health		-	-	91	91	91	52	-
<b>Economic and environmental services</b>		19 845	19 845	(9 178)	(9 178)	10 667	17 098	18 242
Planning and development		2 720	2 720	(2 672)	(2 672)	48	2 708	2 835
Road transport		17 125	17 125	(6 506)	(6 506)	10 619	14 390	15 407
Environmental protection		-	-	-	-	-	-	-
<b>Trading services</b>		51 834	51 834	3 535	3 535	55 369	51 493	53 519
Energy sources		28 934	28 934	3 608	3 608	32 542	30 984	32 217
Water management		11 454	11 454	(3 829)	(3 829)	7 625	9 953	10 346
Waste water management		4 557	4 557	2 847	2 847	7 404	4 034	4 171
Waste management		6 888	6 888	909	909	7 797	6 522	6 785
<b>Other</b>		317	317	(139)	(139)	177	701	734
<b>Total Expenditure - Functional</b>	3	118 749	118 749	12 194	12 194	130 943	116 747	126 282
<b>Surplus/ (Deficit) for the year</b>		16 629	16 629	(36 543)	(36 543)	(19 914)	14 686	25 223

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**NC061 Richtersveld - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by muni**

Vote Description	Ref	Budget Year 2024/25			Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted	Other Adjusts.	Adjusted Budget	Adjusted Budget
<i>[Insert departmental structure etc]</i>			3	8		
<b>R thousands</b>		A	A1	F		
<b>Revenue by Vote</b>	1					
<b>Vote 1 - EXECUTIVE COUNCIL</b>		-	-	-	-	-
<b>Vote 2 - ADMINISTRATION: CORPORATE</b>		1 657	1 657	4 467	1 042	1 104
2.1 - [Name of sub-vote]		1 657	1 657	4 467	1 042	1 104
<b>Vote 3 - ADMIN: COMMUNITY</b>		2 985	2 985	1 502	3 195	3 516
3.1 - [Name of sub-vote]		2 985	2 985	1 502	3 195	3 516
<b>Vote 4 - ADMINISTRATION: SPORT RECR TN</b>		2 018	2 018	(2 018)	2 122	2 232
4.1 - [Name of sub-vote]		2 018	2 018	(2 018)	2 122	2 232
<b>Vote 5 - FINANCIAL SERVICES</b>		91 714	91 714	(33 642)	95 890	98 316
5.1 - [Name of sub-vote]		91 714	91 714	(33 642)	95 890	98 316
<b>Vote 6 - INFRASTRUCTURE</b>		61 130	61 130	2 392	80 933	87 467
6.1 - [Name of sub-vote]		61 130	61 130	2 392	80 933	87 467
<b>Total Revenue by Vote</b>	2	<b>159 506</b>	<b>159 506</b>	<b>(27 299)</b>	<b>183 182</b>	<b>192 635</b>
<b>Expenditure by Vote</b>	1					
<b>Vote 1 - EXECUTIVE COUNCIL</b>		12 728	12 728	(14)	13 337	13 718
1.1 - [Name of sub-vote]		12 728	12 728	(14)	13 337	13 718
<b>Vote 2 - ADMINISTRATION: CORPORATE</b>		1 512	1 512	4 884	1 647	1 653
2.1 - [Name of sub-vote]		1 512	1 512	4 884	1 647	1 653
<b>Vote 3 - ADMIN: COMMUNITY</b>		7 879	7 879	2 011	8 529	8 527
3.1 - [Name of sub-vote]		7 879	7 879	2 011	8 529	8 527
<b>Vote 4 - ADMINISTRATION: SPORT RECR TN</b>		2 808	2 808	(1 032)	3 186	3 181
4.1 - [Name of sub-vote]		2 808	2 808	(1 032)	3 186	3 181
<b>Vote 5 - FINANCIAL SERVICES</b>		30 674	31 174	1 161	32 984	33 751
5.1 - [Name of sub-vote]		30 674	31 174	1 161	32 984	33 751
<b>Vote 6 - INFRASTRUCTURE</b>		72 951	72 451	(5 636)	77 137	82 335
6.1 - [Name of sub-vote]		72 951	72 451	(5 636)	77 137	82 335
<b>Total Expenditure by Vote</b>	2	<b>128 552</b>	<b>128 552</b>	<b>1 373</b>	<b>136 819</b>	<b>143 165</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>30 954</b>	<b>30 953</b>	<b>(28 673)</b>	<b>46 363</b>	<b>49 470</b>

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## ADJUSTMENTS BUDGET – FINANCIAL PERFORMANCE- REVENUE AND EXPENDITURE BY MUNICIPAL VOTE

### ADJUSTMENTS BUDGET – FINANCIAL PERFORMANCE- REVENUE AND EXPENDITURE

NC061 Richtersveld - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -								
Description	Ref	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	F	G	H		
<b>Revenue By Source</b>								
<b>Exchange Revenue</b>								
Service charges - Electricity	2	26 825	26 825	(955)	(955)	25 870	31 028	35 899
Service charges - Water	2	8 811	8 811	(1 170)	(1 170)	7 641	9 340	9 900
Service charges - Waste Water Management	2	3 306	3 306	1 310	1 310	4 616	3 505	3 715
Service charges - Waste Management	2	6 094	6 094	(730)	(730)	5 364	5 745	6 090
Sale of Goods and Rendering of Services		1 386	1 386	(1 272)	(1 272)	114	1 422	1 488
Agency services		180	180	249	249	429	191	203
Interest		-	-	-	-	-	-	-
Interest earned from Receivables		7 962	7 962	(1 411)	(1 411)	6 550	8 440	8 946
Interest earned from Current and Non Current Assets		869	869	21	21	890	921	98
Dividends		-	-	-	-	-	-	-
Rent on Land		141	141	299	299	440	148	155
Rental from Fixed Assets		810	810	1 630	1 630	2 440	848	887
Licence and permits		32	32	-	-	32	34	36
Operational Revenue		90	90	747	747	838	52	55
<b>Non-Exchange Revenue</b>								
Property rates	2	28 604	28 604	(7 154)	(7 154)	21 450	32 268	34 025
Surcharges and Taxes		-	-	-	-	-	-	-
Fines, penalties and forfeits		10	10	5	5	15	11	11
Licences or permits		-	-	-	-	-	-	0
Transfer and subsidies - Operational		31 757	31 757	-	-	31 757	31 410	32 064
Interest		3 776	3 776	(3 215)	(3 215)	562	3 950	4 132
Fuel Levy		-	-	-	-	-	-	-
Operational Revenue		10 316	10 316	-	-	10 316	10 935	11 591
Gains on disposal of Assets		-	-	-	-	-	-	-
Other Gains		15 776	15 776	(15 652)	(15 652)	123	15 781	15 787
Discontinued Operations		-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>146 747</b>	<b>146 747</b>	<b>(27 299)</b>	<b>(27 299)</b>	<b>119 447</b>	<b>156 027</b>	<b>165 080</b>

After the comparison of the billing report, C-Schedule and the Original Budget the following line items was increased, the amount will exceed the anticipated revenue budgeted.

#### Waste water management

The billing report and the C-Schedule shows that the actual amount budgeted should be increased, this might be due to the additional services (extra drain service).

## Agency fees

Shows that the actual revenue received will exceed the budgeted amount at year therefore the increase was taken into consideration.

## Interest earned on current and non current assets

The actual interest accrued on grants will exceed the budgeted amount at year therefore the increase was taken into consideration.

## Rent on land

The amount billed will be more than the actual budgeted amount, it should also be noted that grazing fees are not collected whatsoever (**lessees are actually not paying their accounts, resulting in an increase in debtors**).

## Rental on fixed assets

The billing report and the C-Schedule shows that the actual amount budgeted should be increased, this might be due to an increase in bookings at the caravan park.

## Operational revenue

The billing report and the C-Schedule shows that the actual amount budgeted should be increased.

**After the comparison of the Billing Report, C-Schedule and the Original Budget the following line items was decreased: (the amount billed is less than what was anticipated in the Original Budget).**

<b>Non-Exchange Revenue</b>			
Property rates	28 604	(7 154)	21 450
Surcharges and Taxes	–	–	–
Fines, penalties and forfeits	10	5	15
Licences or permits	–	–	–
Transfer and subsidies - Operational	31 757	–	31 757
Interest	3 776	(3 215)	562
Fuel Levy	–	–	–
Operational Revenue	10 316	–	10 316
Gains on disposal of Assets	–	–	–
Other Gains	15 776	(15 652)	123

## EXPENDITURE

After the comparison of the C-Schedule with the Original Budget the following line items was increased: **(the amount will exceed the anticipated revenue budgeted)**

**Employee related cost and irrecoverable debt written off**

### **CIRCULAR NO.: 6/2024** **SALARY AND WAGE COLLECTIVE AGREEMENT**

The parties (SALGA, SAMWU and IMATU) to the Council have been engaged in three rounds of salary and wage negotiations, in July and August 2024. These negotiations were facilitated by two independent facilitators and a Facilitator's Proposal, was issued on 16 August 2024.

The parties to the Council adopted and signed the attached Salary and Wage Collective Agreement at the Bargaining Committee, held on 6 September 2024.

In respect of this financial year, all employees covered by this agreement shall receive an increase of **four and a half percent (4.5%)** with effect from 1 July 2024.

With effect from 1 March 2025, all employees covered by this agreement shall receive a further increase of **one and a half percent (1.5%)**, based on the salaries of the employees as at 28 February 2025.

#### **GAP Market Allowance**

Gap Market employees are defined as employees whose income is regarded as too low to access bank funded housing finance (mortgage finance), but too high to qualify for the national government's free-basic housing subsidy scheme.

Gap Market employees who earn a basic salary of R22 000.00 per month or less, as at 01 July 2024, and who do not own a house or receive any form of housing assistance or do not participate in the current or any Home-Owners Allowance shall be paid a once-off, non-pensionable payment of **R2 000.00**.

The once off, non-pensionable payment shall be made on 31 December 2024, and where not possible, by no later than 31 March 2025.

**REFER TO THE NEXT PAGE**

NC061 Richtersveld - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -									
Description	Ref	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27	
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
		3	8	9	10				
R thousands	1	A	A1	F	G	H			
<b>Expenditure By Type</b>									
Employee related costs		40 794	40 795	2 748	2 748	43 543	44 911	44 633	
Remuneration of councillors		4 636	4 636	(0)	(0)	4 636	4 762	4 891	
Bulk purchases - electricity		25 176	25 176	-	-	25 176	26 334	27 545	
Inventory consumed		1 410	1 410	(110)	(110)	1 300	1 482	1 550	
Debt impairment		3 143	3 143	-	-	3 143	3 753	6 456	
Depreciation and amortisation		12 207	12 207	-	-	12 207	12 872	13 464	
Interest		10 535	10 035	-	-	10 035	11 020	11 527	
Contracted services		13 096	12 476	(1 242)	(1 242)	11 233	13 630	14 190	
Transfers and subsidies		-	-	-	-	-	-	-	
Irrecoverable debts written off		1 721	1 721	269	269	1 990	1 800	1 883	
Operational costs		15 545	16 664	(291)	(291)	16 374	15 953	16 709	
Losses on disposal of Assets		-	-	-	-	-	-	-	
Other Losses		289	289	-	-	289	302	316	
<b>Total Expenditure</b>		<b>128 552</b>	<b>128 552</b>	<b>1 373</b>	<b>1 373</b>	<b>129 925</b>	<b>136 819</b>	<b>143 165</b>	
<b>Surplus/(Deficit)</b>		<b>18 195</b>	<b>18 194</b>	<b>(28 673)</b>	<b>(28 673)</b>	<b>(10 478)</b>	<b>19 208</b>	<b>21 915</b>	
Transfers and subsidies - capital (monetary allocations)		12 759	12 759	-	-	12 759	27 155	27 555	
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	
<b>Surplus/(Deficit) before taxation</b>		<b>30 954</b>	<b>30 953</b>	<b>(28 673)</b>	<b>(28 673)</b>	<b>2 281</b>	<b>46 363</b>	<b>49 470</b>	
Income Tax		-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after taxation</b>		<b>30 954</b>	<b>30 953</b>	<b>(28 673)</b>	<b>(28 673)</b>	<b>2 281</b>	<b>46 363</b>	<b>49 470</b>	
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	
<b>Surplus/(Deficit) attributable to municipality</b>		<b>30 954</b>	<b>30 953</b>	<b>(28 673)</b>	<b>(28 673)</b>	<b>2 281</b>	<b>46 363</b>	<b>49 470</b>	
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	
<b>Surplus/ (Deficit) for the year</b>	<b>1</b>	<b>30 954</b>	<b>30 953</b>	<b>(28 673)</b>	<b>(28 673)</b>	<b>2 281</b>	<b>46 363</b>	<b>49 470</b>	

## ADJUSTMENTS BUDGET - CAPITAL EXPENDITURE

REFER TO THE NEXT PAGE

NC061 Richtersveld - Table B5 Adjustments Capital Expenditure Budget by vote and funding -								
Description	Ref	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	5 A1	10 F	11 G	12 H		
<b>Capital expenditure - Vote</b>								
<b>Multi-year expenditure to be adjusted</b>	2							
Vote 1 - EXECUTIVE COUNCIL		-	-	-	-	-	-	-
Vote 2 - ADMINISTRATION: CORPORATE		-	-	-	-	-	-	-
Vote 3 - ADMIN: COMMUNITY		580	580	(30)	(30)	550	-	-
Vote 4 - ADMINISTRATION: SPORT RECRTN		-	-	-	-	-	-	-
Vote 5 - FINANCIAL SERVICES		725	725	(385)	(385)	340	292	304
Vote 6 - INFRASTRUCTURE		12 759	12 759	-	-	12 759	27 155	27 555
<b>Capital multi-year expenditure sub-total</b>	3	<b>14 064</b>	<b>14 064</b>	<b>(415)</b>	<b>(415)</b>	<b>13 649</b>	<b>27 447</b>	<b>27 859</b>
<b>Total Capital Expenditure - Vote</b>		<b>14 064</b>	<b>14 064</b>	<b>(415)</b>	<b>(415)</b>	<b>13 649</b>	<b>27 447</b>	<b>27 859</b>
<b>Capital Expenditure - Functional</b>								
<b>Governance and administration</b>		725	725	(385)	(385)	340	292	304
Executive and council		-	-	-	-	-	-	-
Finance and administration		725	725	(385)	(385)	340	292	304
Internal audit		-	-	-	-	-	-	-
<b>Community and public safety</b>		580	580	(30)	(30)	550	-	-
Community and social services		580	580	(30)	(30)	550	-	-
<b>Trading services</b>		12 759	12 759	-	-	12 759	27 155	27 555
Energy sources		-	-	-	-	-	1 320	1 192
Water management		5 000	5 000	-	-	5 000	17 932	18 192
Waste water management		7 759	7 759	-	-	7 759	7 903	8 171
Waste management		-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	<b>14 064</b>	<b>14 064</b>	<b>(415)</b>	<b>(415)</b>	<b>13 649</b>	<b>27 447</b>	<b>27 859</b>
<b>Funded by:</b>								
National Government		12 759	12 759	-	-	12 759	27 155	27 555
Provincial Government		-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	<b>12 759</b>	<b>12 759</b>	<b>-</b>	<b>-</b>	<b>12 759</b>	<b>27 155</b>	<b>27 555</b>
<b>Borrowing</b>		-	-	-	-	-	-	-
<b>Internally generated funds</b>		1 305	1 305	(415)	(415)	890	292	304
<b>Total Capital Funding</b>		<b>14 064</b>	<b>14 064</b>	<b>(415)</b>	<b>(415)</b>	<b>13 649</b>	<b>27 447</b>	<b>27 859</b>

REFER TO THE NEXT PAGE

## ADJUSTMENTS BUDGET – FINANCIAL POSITION

NC061 Richtersveld - Table B6 Adjustments Budget Financial Position -								
Description	Ref	Budget Year 2024/25					Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	8 F	9 G	10 H		
<b>R thousands</b>								
<b>ASSETS</b>								
<b>Current assets</b>								
Cash and cash equivalents		13 270	13 270	(22 291)	(22 291)	(9 021)	(8 947)	(4 994)
Trade and other receivables from exchange transactions	1	35 772	35 772	10 804	10 804	46 576	36 678	35 074
Receivables from non-exchange transactions	1	26 485	26 485	(64 765)	(64 765)	(38 280)	49 794	51 942
Current portion of non-current receivables	2	508	508	(1 441)	(1 441)	(933)	57	57
Inventory		147	147	(124)	(124)	23	147	147
VAT		21 197	21 197	(21 197)	(21 197)	0	0	0
Other current assets		-	-	5	5	5	5	5
<b>Total current assets</b>		<b>97 379</b>	<b>97 379</b>	<b>(99 010)</b>	<b>(99 010)</b>	<b>(1 631)</b>	<b>77 734</b>	<b>82 231</b>
<b>Non current assets</b>								
Investments		-	-	-	-	-	-	-
Investment property		19 081	19 081	(11 771)	(11 771)	7 309	19 081	19 081
Property, plant and equipment	3	193 620	193 620	11 859	11 859	205 479	273 738	278 817
Biological assets		-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	0
Intangible assets		146	146	(411)	(411)	(265)	(639)	(657)
Trade and other receivables from exchange transactions		-	-	-	-	-	-	0
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	0
Other non-current assets		-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>212 846</b>	<b>212 846</b>	<b>(323)</b>	<b>(323)</b>	<b>212 523</b>	<b>292 180</b>	<b>297 240</b>
<b>TOTAL ASSETS</b>		<b>310 225</b>	<b>310 225</b>	<b>(99 333)</b>	<b>(99 333)</b>	<b>210 893</b>	<b>369 914</b>	<b>379 472</b>
<b>LIABILITIES</b>								
<b>Current liabilities</b>								
Bank overdraft		-	-	-	-	-	-	-
Financial liabilities		-	-	-	-	-	-	-
Consumer deposits		1 732	1 732	37	37	1 769	1 848	1 894
Trade and other payables from exchange transactions		57 961	57 961	27 593	27 593	85 554	86 879	91 378
Trade and other payables from non-exchange transactions		16 589	16 589	(16 532)	(16 532)	57	59	61
Provisions		3 474	3 474	915	915	4 389	4 587	4 702
VAT		19 664	19 664	(21 482)	(21 482)	(1 818)	(2 129)	(2 304)
Other current liabilities		-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>99 421</b>	<b>99 421</b>	<b>(9 469)</b>	<b>(9 469)</b>	<b>89 952</b>	<b>91 244</b>	<b>95 731</b>
<b>Non current liabilities</b>								
Borrowing	1	595	(3 682)	7 958	7 958	4 277	4 469	4 581
Provisions	1	38 971	38 971	13 913	13 913	52 884	55 264	56 645
Long term portion of trade payables		18 000	18 000	(18 000)	(18 000)	-	-	-
Other non-current liabilities		2 215	2 215	34	34	2 249	2 350	2 409
<b>Total non current liabilities</b>		<b>59 780</b>	<b>55 504</b>	<b>3 906</b>	<b>3 906</b>	<b>59 410</b>	<b>62 083</b>	<b>63 635</b>
<b>TOTAL LIABILITIES</b>		<b>159 201</b>	<b>154 924</b>	<b>(5 563)</b>	<b>(5 563)</b>	<b>149 361</b>	<b>153 327</b>	<b>159 366</b>
<b>NET ASSETS</b>	2	<b>151 024</b>	<b>155 301</b>	<b>(93 770)</b>	<b>(93 770)</b>	<b>61 531</b>	<b>216 587</b>	<b>220 106</b>
<b>COMMUNITY WEALTH/EQUITY</b>								
Accumulated Surplus/(Deficit)		154 362	154 361	(93 399)	(93 399)	60 962	216 018	219 537
Funds and Reserves		569	569	-	-	569	569	569
Other		-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>154 931</b>	<b>154 930</b>	<b>(93 399)</b>	<b>(93 399)</b>	<b>61 531</b>	<b>216 587</b>	<b>220 106</b>



## ADJUSTMENT BUDGET – CASH FLOWS

NC061 Richtersveld - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2024/25					Budget Year	Budget Year
		Original	Prior	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Adjusts.	Adjusts.	Budget	Budget	Budget
		3	8	9	10			
		A	A1	F	G	H		
<b>R thousands</b>								
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Property rates		22 883	22 883	(5 723)	(5 723)	17 160	30 732	32 432
Service charges		36 029	36 029	18 174	18 174	54 203	53 610	59 596
Other revenue		9 053	9 053	7 319	7 319	16 372	21 708	22 294
Transfers and Subsidies - Operational	1	31 757	31 757	300	300	32 057	31 724	32 386
Transfers and Subsidies - Capital	1	12 759	12 759	-	-	12 759	27 155	27 555
Interest		6 369	6 369	(6 369)	(6 369)	-	-	0
Dividends		-	-	-	-	-	-	-
<b>Payments</b>								
Suppliers and employees		(98 947)	(98 947)	(18 068)	(18 068)	(117 015)	(123 192)	(126 843)
Finance charges		(10 535)	(10 535)	500	500	(10 035)	(11 020)	(11 527)
Transfers and Subsidies	1	-	-	-	-	-	-	0
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>9 369</b>	<b>9 369</b>	<b>(3 868)</b>	<b>(3 868)</b>	<b>5 501</b>	<b>30 716</b>	<b>35 893</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE		-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-
<b>Payments</b>								
Capital assets		(14 064)	(14 064)	(1 632)	(1 632)	(15 696)	(31 563)	(32 037)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(14 064)</b>	<b>(14 064)</b>	<b>(1 632)</b>	<b>(1 632)</b>	<b>(15 696)</b>	<b>(31 563)</b>	<b>(32 037)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans		-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-
<b>Payments</b>								
Repayment of borrowing		-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(4 695)</b>	<b>(4 695)</b>	<b>(5 500)</b>	<b>(5 500)</b>	<b>(10 195)</b>	<b>(847)</b>	<b>3 856</b>
Cash/cash equivalents at the year begin:	2	17 965	17 965	(17 659)	(17 659)	306	(9 890)	(10 737)
Cash/cash equivalents at the year end:	2	13 270	13 270	(23 159)	(23 159)	(9 890)	(10 737)	(6 881)

NC061 Richtersveld - Table B8 Cash backed reserves/accumulated surplus reconciliation -							Budget Year +1 2025/26	Budget Year +2 2026/27
Description	Ref	Budget Year 2024/25					Adjusted Budget	Adjusted Budget
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget		
R thousands		A	A1	F	G	H		
<b>Cash and investments available</b>								
Cash/cash equivalents at the year end	1	13 270	13 270	(23 159)	(23 159)	(9 890)	(10 737)	(6 881)
Other current investments > 90 days		26 485	26 486	(63 897)	(63 897)	(37 411)	51 584	53 829
Non current assets - Investments	1	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>39 755</b>	<b>39 755</b>	<b>(87 056)</b>	<b>(87 056)</b>	<b>(47 301)</b>	<b>40 847</b>	<b>46 948</b>
<b>Applications of cash and investments</b>								
Unspent conditional transfers		16 589	16 589	(16 532)	(16 532)	57	59	61
Unspent borrowing					-	-		
Statutory requirements					-	-		
Other working capital requirements	2	24 423	24 423	55 692	55 692	80 115	19 552	22 804
Other provisions					-	-		
Long term investments committed		-	-	-	-	-	-	-
Reserves to be backed by cash/investments		569	569	-	-	569	569	569
<b>Total Application of cash and investments:</b>		<b>41 581</b>	<b>41 581</b>	<b>39 160</b>	<b>39 160</b>	<b>80 741</b>	<b>20 181</b>	<b>23 434</b>
<b>Surplus(shortfall)</b>		<b>(1 826)</b>	<b>(1 825)</b>	<b>(126 216)</b>	<b>(126 216)</b>	<b>(128 042)</b>	<b>20 666</b>	<b>23 514</b>

REFER TO THE NEXT PAGE

**Part 3 – MUNICIPAL MANAGER’S QUALITY CERTIFICATE**

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

Joseph Cloete  
Municipal Manager of Richtersveld Local Municipality (NC061)

Signature \_\_\_\_\_

Date \_\_\_\_\_