

RICHTERSVELD MUNICIPALITY(NC061)



**MUNISIPALITEIT
RICHTERSVELD
MUNICIPALITY**

Die Richtersveld leuse is:

!Ghâi //Khoredi

Dit beteken: "Strewe na sukses" in Nama

MID YEAR BUDGET ASSESSMENT REPORT FOR THE 2024/25 FINANCIAL YEAR

Richtersveld Municipality
Mid-Year Budget and Performance Report for period ending 31
December 2024

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Glossary

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



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such as salaries and wages.

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

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

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

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

Virement – A transfer of budget.

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

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

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Section 1- Introduction

1.1 PURPOSE OF THE REPORT

To inform Council of progress made in the implementation of the budget and performance outcomes in respect of the first six months of the 2024/2025 financial year, also to recommend whether an adjustments budget is deemed necessary.

1.2 LEGAL REQUIREMENTS :MAYOR 'S REPORT

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

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

The mid- year report must also include explanations of:

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

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

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

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1.3 RECOMMENDATIONS

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

1.3.1 An adjustment budget:

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

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

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

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SECTION 2 : IN YEAR REPORTING

2.1 section 71 Executive summary

The following tables indicates the financial performance of Richtersveld municipality.

Table C1: s71 Monthly Budget Statement Summary

NC061 Richtersveld - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Budget Year 2024/25							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue								
Total operating revenue	146 747	146 747	14 745	58 820	73 373	(14 553)	-20%	146 747
Total Expenditure	128 552	128 552	6 934	34 776	64 275	(29 499)	-46%	128 552
Surplus/(Deficit)	18 195	18 194	7 810	24 043	9 098	14 946	0	18 194
Transfers and subsidies - capital (monetary allocations)	12 759	12 759	1 392	8 445	6 379	2 066	0	12 759
Surplus/(Deficit) after capital transfers & contributions	30 954	30 953	9 202	32 489	15 477	17 012	0	30 953

REVENUE

In accordance with the approved budget, the total revenue amounts to **R 146 747 000**. The actual revenue billed is **R 58 820 000**, while the projected revenue year to date should be **R 73 373 000**. There is a variance of **20%**.

Expenditure

In accordance with the approved budget, the total expenditure amounts to **R 128 552 000**. The actual expenditure billed is **R 34 776 000**, while the projected revenue year to date should be **R 6 275 000**. There is a huge variance of **46%**.

Refer to the next page

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Table C1: Monthly Budget Statement – Summary

NC061 Richtersveld - Table C1 Monthly Budget Statement Summary - M06 December									
Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	–	28 604	28 604	543	14 484	14 302	182	1%	28 604
Service charges	–	45 037	45 037	4 402	17 827	22 518	(4 691)	-21%	45 037
Investment revenue	–	869	869	2	11	434	(424)	-98%	869
Transfers and subsidies	–	31 757	31 757	8 876	19 988	15 878	4 109	0	31 757
Other own revenue	–	40 480	40 480	922	6 510	20 240	(13 730)	-68%	–
(excluding capital	–	146 747	146 747	14 745	58 820	73 373	(14 553)	-20%	146 747
Employee costs	–	40 794	40 795	3 479	21 225	20 397	827	4%	40 795
Remuneration of Council	–	4 636	4 636	767	2 850	2 318	532	23%	4 636
Depreciation and amortis	–	12 207	12 207	–	–	6 103	(6 103)	-100%	12 207
Interest	–	10 535	10 035	0	120	5 040	(4 920)	-98%	10 035
Inventory consumed and	–	26 586	26 586	270	864	13 293	(12 429)	-94%	26 586
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	–	33 794	34 293	2 417	9 717	17 123	(7 406)	-43%	34 293
Total Expenditure	–	128 552	128 552	6 934	34 776	64 275	(29 499)	-46%	128 552
Surplus/(Deficit)	–	18 195	18 194	7 810	24 043	9 098	14 946	164%	18 194
Transfers and subsidies - capital (monetary	–	12 759	12 759	1 392	8 445	6 379	2 066	32%	12 759
Transfers and subsidies -	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers &	–	30 954	30 953	9 202	32 489	15 477	17 012	110%	30 953
Share of surplus/	–	–	–	–	–	–	–		–
year	–	30 954	30 953	9 202	32 489	15 477	17 012	110%	30 953

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NC061 Richtersveld - Table C1 Monthly Budget Statement Summary - M06 December									
Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure & funds sources									
Capital expenditure	-	14 064	14 064	1 283	9 789	7 032	2 757	39%	14 064
Capital transfers recognis	-	12 759	12 759	1 283	9 789	6 379	3 410	53%	12 759
Borrowing	-	-	-	-	-	-	-		-
Internally generated fund	-	1 305	1 305	-	-	652	(652)	-100%	1 305
Total sources of capital f	-	14 064	14 064	1 283	9 789	7 032	2 757	39%	14 064
Financial position									
Total current assets	-	97 379	97 379		22 224				97 379
Total non current assets	-	212 846	212 846		220 870				212 846
Total current liabilities	-	99 421	99 421		91 946				99 421
Total non current liabilities	-	59 780	55 504		59 410				55 504
Community wealth/Equit	-	154 931	154 930		91 739				154 930
Cash flows									
Net cash from (used) ope	-	19 904	19 904	13 201	27 179	22 540	(4 639)	-21%	19 904
Net cash from (used) inv	-	(14 064)	(14 064)	(1 475)	(11 258)	(7 032)	4 226	-60%	(14 064)
Net cash from (used) fina	-	-	-	(3 479)	(21 225)	-	21 225		-
Cash/cash equivalents at	-	23 805	23 805	8 246	(4 998)	33 473	38 471	115%	6 146
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	6 030	2 121	1 822	2 382	9 348	2 105	1 918	134 900	160 626
Creditors Age Analysis									
Total Creditors	18	2 001	105	630	497	358	6 694	65 212	75 515

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

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

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NC061 Richtersveld - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands		1								%
Revenue - Functional										
Governance and administration			77 427	77 427	9 948	38 435	38 713	(279)	-1%	77 427
Executive and council			-	-	-	-	-	-		-
Finance and administration			77 427	77 427	9 948	38 435	38 713	(279)	-1%	77 427
Internal audit			-	-	-	-	-	-		-
Community and public safety			5 296	5 296	415	2 750	2 648	102	4%	5 296
Community and social services			2 304	2 304	1	17	1 152	(1 135)	-99%	2 304
Sport and recreation			1 334	1 334	-	-	667	(667)	-100%	1 334
Public safety			-	-	-	-	-	-		-
Housing			-	-	14	171	-	171		-
Health			1 657	1 657	399	2 562	829	1 734	209%	1 657
Economic and environmental services			7 885	7 885	1 414	3 925	3 943	(18)	0%	7 885
Planning and development			105	105	0	14	53	(38)	-73%	105
Road transport			7 780	7 780	1 414	3 911	3 890	21	1%	7 780
Environmental protection			-	-	-	-	-	-		-
Trading services			68 897	68 897	4 359	22 155	34 449	(12 293)	-36%	68 897
Energy sources			42 896	42 896	3 259	10 237	21 448	(11 210)	-52%	42 896
Water management			16 750	16 750	613	8 691	8 375	316	4%	16 750
Waste water management			5 139	5 139	384	2 572	2 570	2	0%	5 139
Waste management			4 112	4 112	103	655	2 056	(1 401)	-68%	4 112
Other	4		-	-	-	-	-	-		-
Total Revenue - Functional	2		159 506	159 506	16 136	67 265	79 753	(12 487)	-16%	159 506
Expenditure - Functional										
Governance and administration			49 468	49 968	4 710	21 787	24 934	(3 147)	-13%	49 968
Executive and council			11 288	11 288	1 307	5 259	5 644	(385)	-7%	11 288
Finance and administration			36 740	37 240	3 280	16 040	18 570	(2 529)	-14%	37 240
Internal audit			1 440	1 440	123	488	720	(232)	-32%	1 440
Community and public safety			5 796	5 796	714	4 031	2 898	1 133	39%	5 796
Community and social services			2 280	2 280	507	2 328	1 140	1 188	104%	2 280
Sport and recreation			2 808	2 808	131	795	1 404	(609)	-43%	2 808
Public safety			273	273	37	57	136	(79)	-58%	273
Housing			436	436	39	851	218	633	291%	436
Health			-	-	-	-	-	-		-
Economic and environmental services			14 623	14 623	593	3 605	7 312	(3 706)	-51%	14 623
Planning and development			25	25	249	1 119	13	1 106	8728%	25
Road transport			14 598	14 598	343	2 487	7 299	(4 812)	-66%	14 598
Environmental protection			-	-	-	-	-	-		-
Trading services			58 353	57 853	911	5 288	28 976	(23 689)	-82%	57 853
Energy sources			34 351	32 651	518	2 092	16 375	(14 283)	-87%	32 651
Water management			9 496	9 496	172	1 695	4 748	(3 053)	-64%	9 496
Waste water management			6 050	6 050	130	1 000	3 025	(2 025)	-67%	6 050
Waste management			8 457	9 657	91	501	4 828	(4 327)	-90%	9 657
Other			311	311	7	65	155	(90)	-58%	311
Total Expenditure - Functional	3		128 552	128 552	6 934	34 776	64 275	(29 499)	-46%	128 552
Surplus/ (Deficit) for the year			30 954	30 953	9 202	32 489	15 477	17 012	1,0991273	30 953

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

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NC061 Richtersveld - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06										
Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - EXECUTIVE COUNCIL	1	-	-	-	-	-	-	-	-	-
Vote 2 - ADMINISTRATION: CORPORATE		-	1 657	1 657	399	2 562	829	1 734	209,2%	1 657
Vote 3 - ADMIN: COMMUNITY		-	2 985	2 985	175	1 051	1 493	(442)	-29,6%	2 985
Vote 4 - ADMINISTRATION: SPORT RECRTN		-	2 018	2 018	-	-	1 009	(1 009)	-100,0%	2 018
Vote 5 - FINANCIAL SERVICES		-	91 714	91 714	9 789	37 572	45 857	(8 285)	-18,1%	91 714
Vote 6 - INFRASTRUCTURE		-	61 130	61 130	5 773	26 080	30 565	(4 485)	-14,7%	61 130
Total Revenue by Vote	2	-	159 506	159 506	16 136	67 265	79 753	(12 487)	-15,7%	159 506
Expenditure by Vote										
Vote 1 - EXECUTIVE COUNCIL	1	-	12 728	12 728	1 430	5 746	6 364	(618)	-9,7%	12 728
Vote 2 - ADMINISTRATION: CORPORATE		-	1 512	1 512	671	3 194	756	2 438	322,6%	1 512
Vote 3 - ADMIN: COMMUNITY		-	7 879	7 879	870	5 226	3 939	1 287	32,7%	7 879
Vote 4 - ADMINISTRATION: SPORT RECRTN		-	2 808	2 808	131	795	1 404	(609)	-43,4%	2 808
Vote 5 - FINANCIAL SERVICES		-	30 674	31 174	2 328	10 924	15 537	(4 613)	-29,7%	31 174
Vote 6 - INFRASTRUCTURE		-	72 951	72 451	1 504	8 891	36 275	(27 384)	-75,5%	72 451
Total Expenditure by Vote	2	-	128 552	128 552	6 934	34 776	64 275	(29 499)	-45,9%	128 552
Surplus/ (Deficit) for the year	2	-	30 954	30 953	9 202	32 489	15 477	17 012	109,9%	30 953

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

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		-	26 825	26 825	3 241	10 207	13 412	(3 205)	-24%	26 825
Service charges - Water		-	8 811	8 811	482	3 235	4 405	(1 170)	-27%	8 811
Service charges - Waste Water Management		-	3 306	3 306	352	2 203	1 653	550	33%	3 306
Service charges - Waste management		-	6 094	6 094	327	2 182	3 047	(865)	-28%	6 094
Sale of Goods and Rendering of Services		-	1 386	1 386	4	1 396	693	703	101%	1 386
Agency services		-	180	180	53	214	90	124	138%	180
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	7 962	7 962	562	3 340	3 981	(641)	-16%	7 962
Interest from Current and Non Current Assets		-	869	869	2	11	434	(424)	-98%	869
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	141	141	44	220	71	149	211%	141
Rental from Fixed Assets		-	810	810	116	645	405	240	59%	810
Licence and permits		-	32	32	3	11	16	(4)	-28%	32
Operational Revenue		-	90	90	26	9	45	(36)	-80%	90

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NC061 Richtersveld - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue										
Non-Exchange Revenue										
Property rates		-	28 604	28 604	543	14 484	14 302	182	1%	28 604
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	10	10	-	12	5	6	122%	10
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		-	31 757	31 757	8 876	19 988	15 878	4 109	26%	31 757
Interest		-	3 776	3 776	82	281	1 888	(1 607)	-85%	3 776
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	10 316	10 316	32	382	5 158	(4 776)	-93%	10 316
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		-	15 776	15 776	-	-	7 888	(7 888)	-100%	15 776
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	146 747	146 747	14 745	58 820	73 373	(14 553)	-20%	146 747
Expenditure By Type										
Employee related costs		-	40 794	40 795	3 479	21 225	20 397	827	4%	40 795
Remuneration of councillors		-	4 636	4 636	767	2 850	2 318	532	23%	4 636
Bulk purchases - electricity		-	25 176	25 176	174	502	12 588	(12 086)	-96%	25 176
Inventory consumed		-	1 410	1 410	96	362	705	(343)	-49%	1 410
Debt impairment		-	3 143	3 143	-	-	1 571	(1 571)	-100%	3 143
Depreciation and amortisation		-	12 207	12 207	-	-	6 103	(6 103)	-100%	12 207
Interest		-	10 535	10 035	0	120	5 040	(4 920)	-98%	10 035
Contracted services		-	13 096	12 476	594	1 902	6 288	(4 386)	-70%	12 476
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	1 721	1 721	39	853	860	(7)	-1%	1 721
Operational costs		-	15 545	16 664	1 784	6 962	8 259	(1 297)	-16%	16 664
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		-	289	289	-	-	144	(144)	-100%	289
Total Expenditure		-	128 552	128 552	6 934	34 776	64 275	(29 499)	-46%	128 552
Surplus/(Deficit)		-	18 195	18 194	7 810	24 043	9 098	14 946	0	18 194
Transfers and subsidies - capital (monetary allocations)		-	12 759	12 759	1 392	8 445	6 379	2 066	0	12 759
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		-	30 954	30 953	9 202	32 489	15 477	17 012	0	30 953
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		-	30 954	30 953	9 202	32 489	15 477	17 012	0	30 953
Share of Surplus/Deficit attributable to Joint Ventures		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to		-	30 954	30 953	9 202	32 489	15 477	17 012	0	30 953
Share of Surplus/Deficit attributable to Associated Entities		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		-	30 954	30 953	9 202	32 489	15 477	17 012	0	30 953

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

NC061 Richtersveld - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December										
Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - ADMINISTRATION: CORPORATE		-	-	-	-	-	-	-	-	-
Vote 3 - ADMIN: COMMUNITY		-	580	580	-	-	290	(290)	-100%	580
Vote 4 - ADMINISTRATION: SPORT RECRTN		-	-	-	-	-	-	-	-	-
Vote 5 - FINANCIAL SERVICES		-	725	725	-	-	362	(362)	-100%	725
Vote 6 - INFRASTRUCTURE		-	12 759	12 759	1 283	9 789	6 379	3 410	53%	12 759
Total Capital Multi-year expenditure	4,7	-	14 064	14 064	1 283	9 789	7 032	2 757	39%	14 064
Capital Expenditure - Functional Classification										
Governance and administration		-	725	725	-	-	362	(362)	-100%	725
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	725	725	-	-	362	(362)	-100%	725
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	580	580	-	-	290	(290)	-100%	580
Community and social services		-	580	580	-	-	290	(290)	-100%	580
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	12 759	12 759	1 283	9 789	6 379	3 410	53%	12 759
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	5 000	5 000	73	4 171	2 500	1 671	67%	5 000
Waste water management		-	7 759	7 759	1 210	5 618	3 879	1 739	45%	7 759
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	-	14 064	14 064	1 283	9 789	7 032	2 757	39%	14 064
Funded by:										
National Government		-	12 759	12 759	1 283	9 789	6 379	3 410	53%	12 759
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-

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Table C6: Monthly Budget Statement – Financial position

NC061 Richtersveld - Table C6 Monthly Budget Statement - Financial Position - M06 December						
Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		–	13 270	13 270	4 687	13 270
Trade and other receivables from exchange transactions		–	35 772	35 772	51 596	35 772
Receivables from non-exchange transactions		–	26 485	26 485	(33 518)	26 485
Current portion of non-current receivables		–	508	508	(1 110)	508
Inventory		–	147	147	23	147
VAT		–	21 197	21 197	545	21 197
Other current assets		–	–	–	2	–
Total current assets		–	97 379	97 379	22 224	97 379
Non current assets						
Investments		–	–	–	–	–
Investment property		–	19 081	19 081	7 309	19 081
Property, plant and equipment		–	193 620	193 620	213 561	193 620
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		–	146	146	–	146
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		–	212 846	212 846	220 870	212 846
TOTAL ASSETS		–	310 225	310 225	243 094	310 225
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		–	1 732	1 732	1 778	1 732
Trade and other payables from exchange transactions		–	57 961	57 961	80 575	57 961
Trade and other payables from non-exchange transactions		–	16 589	16 589	2 528	16 589
Provision		–	3 474	3 474	4 389	3 474
VAT		–	19 664	19 664	2 676	19 664
Other current liabilities		–	–	–	–	–
Total current liabilities		–	99 421	99 421	91 946	99 421
Non current liabilities						
Financial liabilities		–	595	(3 682)	4 277	(3 682)
Provision		–	38 971	38 971	52 884	38 971
Long term portion of trade payables		–	18 000	18 000	–	18 000
Other non-current liabilities		–	2 215	2 215	2 249	2 215
Total non current liabilities		–	59 780	55 504	59 410	55 504
TOTAL LIABILITIES		–	159 201	154 924	151 355	154 924
NET ASSETS	2	–	151 024	155 301	91 739	155 301
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		–	154 362	154 361	91 170	154 361
Reserves and funds		–	569	569	569	569
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	–	154 931	154 930	91 739	154 930

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Table C7: Monthly Budget Statement – Cashflow Statement

NC061 Richtersveld - Table C7 Monthly Budget Statement - Cash Flow - M06 December										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	22 883	22 883	770	7 709	11 442	(3 733)	-33%	22 883
Service charges		-	36 029	36 029	4 003	14 241	18 015	(3 774)	-21%	36 029
Other revenue		-	9 053	9 053	2 636	1 956	4 527	(2 571)	-57%	9 053
Transfers and Subsidies - Operational		-	31 757	31 757	9 424	23 419	15 878	7 541	47%	31 757
Transfers and Subsidies - Capital		-	12 759	12 759	1 800	7 485	6 379	1 106	17%	12 759
Interest		-	6 369	6 369	521	2 819	3 185	(366)	-11%	6 369
Dividends		-	-	-	-	-	-	-		-
			118 851	118 851	19 154	57 629	59 426	(1 797)		118 851
Payments										
Suppliers and employees		-	(98 947)	(98 947)	(5 953)	(30 450)	(36 886)	(6 435)	17%	(98 947)
Interest		-	-	-	-	-	-	-		-
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	19 904	19 904	13 201	27 179	22 540	(4 639)	-21%	19 904
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		-	(14 064)	(14 064)	(1 475)	(11 258)	(7 032)	4 226	-60%	(14 064)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(14 064)	(14 064)	(1 475)	(11 258)	(7 032)	4 226	-60%	(14 064)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	(3 479)	(21 225)	-	(21 225)		-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	(3 479)	(21 225)	-	21 225		-
NET INCREASE/ (DECREASE) IN CASH HELD										
		-	5 840	5 840	8 246	(5 304)	15 508			5 840
Cash/cash equivalents at beginning:		-	17 965	17 965		306	17 965			306
Cash/cash equivalents at month/year end:		-	23 805	23 805	8 246	(4 998)	33 473			6 146

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2.2 DEBTORS AGE ANALYSIS

NC061 Richtersveld - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December												
Description	NT Code	Budget Year 2024/25									Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1 200	1 169 341	413 311	440 831	518 963	435 196	505 451	533 208	34 943 724	38 960 025	36 936 542	
Trade and Other Receivables from Exchange Transactions - Electricity	1 300	1 188 704	299 556	155 011	468 110	302 640	138 430	111 738	5 360 671	8 024 860	6 381 589	
Receivables from Non-exchange Transactions - Property Rates	1 400	1 392 090	472 175	318 484	250 617	6 335 865	679 062	547 731	43 658 614	53 654 638	51 471 889	
Receivables from Exchange Transactions - Waste Water Management	1 500	1 027 508	419 891	403 551	533 433	424 498	378 755	346 257	19 999 431	23 533 324	21 682 374	
Receivables from Exchange Transactions - Waste Management	1 600	946 399	382 846	374 339	482 538	404 649	358 413	340 609	21 237 551	24 527 344	22 823 760	
Receivables from Exchange Transactions - Property Rental Debtors	1 700	96 376	40 199	35 358	35 699	36 351	16 408	13 534	2 492 197	2 766 122	2 594 189	
Interest on Arrear Debtor Accounts	1 810	-	-	-	-	-	-	-	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1 820	-	-	-	-	-	-	-	-	-	-	
Other	1 900	209 914	93 455	94 193	92 617	1 408 918	28 441	25 012	7 207 496	9 160 046	8 762 484	
Total By Income Source	2 000	6 030 332	2 121 433	1 821 767	2 381 977	9 348 117	2 104 960	1 918 089	134 899 684	160 626 359	150 652 827	
2023/24 - totals only		3 733 729	1 717 734	2 034 576	36 530 682	15 045 483	-	-	71 723 089	130 785 293	123 299 254	
Debtors Age Analysis By Customer Group												
Organs of State	2 200	122 741	54 395	34 661	32 801	1 357 489	97 986	73 836	8 690 800	10 464 709	10 252 912	
Commercial	2 300	1 088 124	402 745	150 830	174 855	2 619 165	271 539	270 616	14 144 187	19 122 061	17 480 362	
Households	2 400	4 819 467	1 664 293	1 636 276	2 174 321	5 371 463	1 735 435	1 573 637	112 064 697	131 039 589	122 919 553	
Other	2 500	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2 600	6 030 332	2 121 433	1 821 767	2 381 977	9 348 117	2 104 960	1 918 089	134 899 684	160 626 359	150 652 827	

2.3 CREDITORS AGE ANALYSIS

NC061 Richtersveld - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December										
Description	NT Code	Budget Year 2024/25								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	8 961	4 201 248	58 626 673	62 836 883
Bulk Water	0200	-	-	-	-	17 023	2 560	-	-	19 583
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	17 654	2 001 979	105 244	630 283	479 728	346 075	1 912 780	1 787 277	7 281 021
Auditor General	0800	-	-	-	-	-	-	580 080	4 797 876	5 377 956
Other	0900	-	-	-	-	-	-	-	-	-
Medical Aid deductions										
Total By Customer Type	1 000	17 654	2 001 979	105 244	630 283	496 752	357 596	6 694 108	65 211 826	75 515 442

The Municipality still experience severe cash flow constraints, due to historic debt and also the current collection rate not being able to cover all operational requirements. The municipality however entered into agreements with our largest creditors because creditors cannot be paid within the prescribed amount, so far is only SALGA and AG and that accepted the arrangement but are making every effort to settle our debts with the little we have, without compromising the day to day functioning of the municipality.

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2.4 ALLOCATION AND GRANTS RECEIPT AND EXPENDITURE

Description	allocation received	total expenditure	%spent
FMG	2 600 000,00	1 723 818,46	66%
LIBRARY	620000	0	0%
MIG	6 985 000,00	6 828 192,73	98%
WSIG	5 028 662,96	4 874 566,79	97%
EPWP	840 000,00	561 607,00	67%
TOTALS	16 073 662,96	13 988 184,98	0,87

SECTION 3:CONCLUSION

3.1 Motivation

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

The mid-year budget and performance assessment indicates that:

- (a) An adjustments budget(**upwards or downwards depending on the item**) for 2024/25 will be required for all items that has a variance of 10% and above in the report
- (b) Therefore, based on the financial evaluation for the first 6 months of the financial year, Richtersveld Municipality has complied with the requirements as stated in section 72 of the MFMA.

RECOMMENDATION:

That:

1. An Adjustments budget for 2024/25 be prepared and be approved not later than 28 February 2025;
2. All the necessary adjustments identified in this report must be included in the adjustment budget to follow this mid-year budget and performance assessment.

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Section 4: Municipal Manager's Quality

4.1 Certification

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

Print Name: **Joseph Cloete**

Municipal Manager of Richtersveld Local Municipality (NC061)

Signature _____

Date _____

Richtersveld Municipality
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