

RICHTERSVELD

MUNICIPALITY



**MUNISIPALITEIT
RICHTERSVELD
MUNICIPALITY**

Die Richtersveld leuse is:

!Ghâi //Khoredi

Dit beteken: "Strewe na sukses" in Nama

FINANCIAL STATEMENTS

30 JUNE 2023

RICHTERSVELD MUNICIPALITY

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RICHTERSVELD MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

GENERAL INFORMATION

NATURE OF BUSINESS

Richtersveld Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Richtersveld Municipality includes the areas of Port Nolloth, Eksteensfontein, Kuboes, Alexander Bay, Sandrift and Lekkersing.

MAYOR

C Knoph

MUNICIPAL MANAGER

JG Cloete

CHIEF FINANCIAL OFFICER

D Moshobane

REGISTERED OFFICE

Private Bag X113
PORT NOLLOTH
8280

AUDITORS

Auditor-General

PRINCIPLE BANKERS

First National Bank

RICHTERSVELD MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

GENERAL INFORMATION

ATTORNEYS

Tobie Kotze & Van Sitterts
Schreuders
Werksmans Attorney
NSW Attorneys

RELEVANT LEGISLATION

Basic Conditions of Employment Act (Act no 75 of 1997)
Collective Agreements
Division of Revenue Act
Electricity Act (Act no 41 of 1987)
Employment Equity Act (Act no 55 of 1998)
Housing Act (Act no 107 of 1997)
Infrastructure Grants
Municipal Budget and Reporting Regulations
Municipal Finance Management Act (Act no 56 of 2003)
Municipal Planning and Performance Management Regulations
Municipal Property Rates Act (Act no 6 of 2004)
Municipal Regulations on Standard Chart of Accounts
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Systems Amendment Act (Act no 7 of 2011)
SALBC Leave Regulations
Skills Development Levies Act (Act no 9 of 1999)
Supply Chain Management Regulations, 2005
The Income Tax Act
Unemployment Insurance Act (Act no 30 of 1966)
Value Added Tax Act
Water Services Act (Act no 108 of 1997)

MEMBERS OF THE RICHTERSVELD MUNICIPALITY

WARD

1
2
3
4
5
6
Proportional
Proportional

COUNCILLOR

R Thomas
M Fredericks
C Sonamzi
M Obies
F Mabale
C Knoph
A Bock
CJ Stuurman

RICHTERSVELD MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

GENERAL INFORMATION

Proportional
Proportional
Proportional

R Jonker
N Mbambani
R Van Wyk

RICHTERSVELD MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2023, which are set out on pages 5 to 116 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2024 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements were prepared on the going concern basis and the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

JG Cloete
Municipal Manager

Date

RICHTERSVELD MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023

	Notes	2023 R	2022 R
ASSETS			
Non-Current Assets		212 736 486	201 373 162
Property, Plant and Equipment	2	193 810 635	182 288 134
Investment Property	3	18 925 851	19 080 601
Intangible Assets	4	-	4 428
Current Assets		19 180 834	16 951 540
Inventory	5	16 774	10 507
Receivables from Exchange Transactions	6	885 998	4 525 257
Receivables from Non-exchange Transactions	7	9 250 298	1 988 320
Taxes	16.3	6 829 079	4 409 192
Cash and Cash Equivalents	8.1	2 198 684	6 018 264
Total Assets		<u>231 917 320</u>	<u>218 324 702</u>
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		50 425 050	40 912 267
Long-term Borrowings	9	6 533 953	145 675
Non-current Provisions	10	40 273 098	37 184 593
Non-current Employee Benefits	11	3 617 999	3 581 999
Current Liabilities		77 822 120	64 190 709
Consumer Deposits	12	1 690 290	1 731 720
Current Employee Benefits	13	4 502 279	3 893 394
Trade and Other Payables from Exchange Transactions	14	70 315 504	57 897 755
Unspent Transfers and Subsidies	15	473 680	473 680
Current Portion of Long-term Borrowings	9	840 367	194 160
Total Liabilities		<u>128 247 170</u>	<u>105 102 976</u>
Net Assets		103 670 149	113 221 726
Capital Replacement Reserve	17	567 685	567 685
Housing Development Fund	17	1 317	1 317
Accumulated Surplus/(Deficit)		103 101 148	112 652 725
Total Net Assets and Liabilities		<u>231 917 320</u>	<u>218 324 702</u>

RICHTERSVELD MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 R	2022 R
REVENUE			
Revenue from Non-exchange Transactions		77 013 550	78 936 946
Taxation Revenue		19 320 476	18 808 328
Property Rates	18	19 320 476	18 808 328
Transfer Revenue		46 557 506	50 366 760
Government Grants and Subsidies	19	45 647 506	49 779 360
Public Contributions and Donations	20	910 000	587 400
Contributed Property, Plant and Equipment		-	-
Other Revenue		11 135 568	9 761 857
Actuarial Gains	11	150 406	-
Availability Charges	22	4 382 937	4 012 374
Fines, Penalties and Forfeits		36 500	37 957
Interest Earned - Non-exchange Transactions	21	2 906 532	2 018 679
Operational Revenue	30	3 659 193	3 692 848
Revenue from Exchange Transactions		26 818 690	33 180 378
Service Charges	24	18 527 674	26 677 596
Sales of Goods and Rendering of Services	25	1 126 973	947 631
Rent on Land	26	410 814	405 713
Rental from Fixed Assets	27	372 275	349 677
Interest Earned - External Investments	28	338 895	260 324
Interest Earned - Exchange Transactions	29	5 840 368	4 274 571
Licences and Permits	23	13 535	12 920
Agency Services		125 819	88 342
Operational Revenue	30	62 338	163 605
Total Revenue		103 832 240	112 117 324
EXPENDITURE			
Employee related costs	31	(35 054 012)	(31 397 124)
Remuneration of Councillors	32	(4 703 204)	(3 819 459)
Bad Debts Written Off	6.1 & 7.1	(2 067 186)	(1 484 918)
Contracted Services	33	(9 947 142)	(6 503 345)
Depreciation and Amortisation	34	(11 636 554)	(10 903 849)
Actuarial Losses	11	-	-
Finance Costs	35	(11 184 117)	(8 274 262)
Bulk Purchases	36	(17 109 007)	(19 232 895)
Inventory Consumed	5	(1 365 623)	(1 692 870)
Rental Costs	37	(1 057 210)	(1 106 344)
Operational Costs	38	(15 682 469)	(12 360 058)
Total Expenditure		(109 806 524)	(96 775 124)
Operating Surplus/(Deficit) for the Year		(5 974 284)	15 342 200
Reversal of Impairment Loss/(Impairment Loss) on Receivables	39	(1 967 374)	(4 799 046)
Gains/(Loss) on Sale of Fixed Assets	40	(313 995)	(252 307)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets		(225 710)	-
Water Losses	41	(155 755)	(74 678)
NET SURPLUS/(DEFICIT) FOR THE YEAR		(8 637 118)	10 216 170

RICHTERSVELD MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

	Capital Replacement Reserve	Housing Development Fund	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R
Balance at 1 July 2021	221 372	1 317	106 459 579	106 682 268
Correction of Error - Note 42.7	-	-	(3 676 711)	(3 676 711)
Restated balance	221 372	1 317	102 782 868	103 005 557
Net Surplus/(Deficit) for the year	-	-	10 216 170	10 216 170
Net Surplus/(Deficit) previously reported	-	-	6 385 714	6 385 714
Effects of Correction of Errors - Note 42.8	-	-	3 830 456	3 830 456
Transfer to/from CRR	346 313	-	(346 313)	-
Restated balance at 30 June 2022	567 685	1 317	112 652 725	113 221 726
Net Surplus/(Deficit) for the year	-	-	(8 637 118)	(8 637 118)
Balance at 30 June 2023	567 685	1 317	103 101 148	103 670 150

RICHTERSVELD MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 R	2022 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Taxation		24 817 617	15 449 594
Service Charges		19 957 609	22 195 723
Other Revenue		6 649 993	7 477 245
Government - Operating		28 285 506	15 338 525
Government - Capital		17 697 000	30 217 387
Interest		338 895	260 324
Cash payments			
Suppliers and Employees		(76 995 274)	(61 940 878)
Finance Charges		(6 317 055)	(3 265 537)
Net Cash from Operating Activities	43	14 434 291	25 732 383
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(16 796 594)	(24 993 326)
Proceeds on Disposal of Fixed Assets		-	214 396
Net Cash from Investing Activities		(16 796 594)	(24 778 930)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of Borrowing		(840 367)	(147 680)
finance cost and borrowings		(616 909)	
Net Cash from Financing Activities		(1 457 276)	(147 680)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(3 819 579)	805 773
Cash and Cash Equivalents at the beginning of the year		6 018 264	5 212 491
Cash and Cash Equivalents at the end of the year	44	2 198 684	6 018 264
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(3 819 579)	805 773

RICHTERSVELD MUNICIPALITY
REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2023

For management purposes, the municipality is organised and operates in key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level.

Management receives on a monthly basis a C Schedule that provides actual amounts at that time per both the department and function.

The key functional segments comprise of:

PRIMARY SEGMENTS

Functional Segments	Sub vote	Aggregation	Reportable Segment	Types of Goods/Services delivered
Vote 1 - Executive & Council	1.2-Council General Expenses	Aggregated	Governance and Administration	Supporting service departments
	1.3 - Municipal Manager	Aggregated	Governance and administration	Supporting service departments
	1.4-Tourism	Aggregated	Other	Tourism
Vote 2 - Administration :Corporate	2.2-Administration	Aggregated	Governance and Administration	Supporting service departments
	2.3-Health Services	Aggregated	Community and public safety	Library services, community halls and property management
	2.4-Library	Aggregated	Community and public safety	
	2.5-Offices	Aggregated	Governance and Administration	
	2.6-Vehicle Testing	Aggregated	Economic & Environmental Services	Motor Vehicle Licensing
	3.2-Properties	Aggregated	Governance and Administration	Housing, cemeteries and recreational facilities
Vote 3 - Administration:Community	3.3-Commonage	Aggregated	Community and public safety	
	3.4-Cemetery	Aggregated	Community and public safety	
	3.5-Housing Scheme-4	Aggregated	Community and public safety	
	3.6-Housing Scheme-5	Aggregated	Community and public safety	
	3.7-Fire Brigade	Aggregated	Community and public safety	
	3.8-Workshop	Aggregated	Economic & Environmental Services	
	3.9-Beaches	Aggregated	Community and public safety	
	3.10-Caravan Park	Aggregated	Community and public safety	
	3.11-Museum	Aggregated	Community and public safety	
	3.12-Recreational Park	Aggregated	Community and public safety	
	3.13-Community Gymn	Aggregated	Community and public safety	
	Vote4- Financial Services	4.2-Finance Administration	Aggregated	Governance and Administration
4.3-Assessment Rates		Aggregated	Governance and Administration	Supporting service departments
Vote 5 - Infrastructure	5.1-Refuse Removal	Individually Reported	Trading Services	Waste Management
	5.2-Sewerage Services	Individually Reported	Trading Services	Waste Water Management
	5.3-Roads & Stormwater	Aggregated	Economic & Environmental Services	Roads and Stormwater
	5.4-Water Services	Individually Reported	Trading Services	Water Management
	5.5-Electricity Services	Individually Reported	Trading Services	Electricity Services
	5.6- Sport Ground	Aggregated	Community and public safety	Recreation Facilities
	5.7-Planning & Development	Aggregated	Economic & Environmental Services	Local Economic Development

SECONDARY SEGMENTS

mSCOA Functional Segments identified	Aggregation	Aggregation	Reportable Segment	Types of Goods/Services delivered
• Governance and Administration	Executive and Council	Aggregated	Governance and Administration	Supporting service departments
	Finance and Administration	Aggregated	Governance and Administration	Supporting service departments
	Internal Audit	Aggregated	Governance and Administration	Supporting service departments
• Community and Public Safety	Community and Social Services	Aggregated	Community and public safety	
	Sport and Recreation	Aggregated	Community and public safety	
	Public safety	Aggregated	Community and public safety	
	Housing	Aggregated	Community and public safety	Library services, Community halls rentals and recreation centers
	Health	Aggregated	Community and public safety	
• Economic and Environmental Services	Planning and Development	Aggregated	Economic and environmental services	Local Economic Development
	Road Transport	Aggregated	Economic and environmental services	Roads and Storm Water
• Trading services	Energy Sources	Individually Reported	Trading Services	Electricity services
	Water Management	Individually Reported	Trading Services	Water management
	Waste Water Management	Individually Reported	Trading Services	Waste water management
	Waste Management Service	Individually Reported	Trading Services	Waste management service
• Other	Tourism	Aggregated	Other	Tourism

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

Management does not monitor performance geographically as it does not at present have reliable separate financial information for decision making purposes. The Cost to develop this separately would be excessive.

RICHTERSVELD MUNICIPALITY
PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Governance and Administration	Community and Public Safety	Technical Services	Economic and Environmental Services	Other	Total
	R	R	R	R	R	R
SEGMENT REVENUE						
External revenue from exchange transactions	5 940 757	697 012	23 736 487	103 627	-	30 477 883
Service Charges - Electricity Revenue	(4 880 550)	(176 384)	11 119 341	(2 673)	-	6 059 734
Service Charges - Water Revenue	(28 839)	(24 879)	4 595 446	-	-	4 541 728
Service Charges - Sanitation Revenue	(14 114)	(10 444)	4 090 632	-	-	4 066 075
Service Charges - Refuse Revenue	(4 866)	(66 065)	3 931 068	-	-	3 860 136
Rental of Facilities and Equipment	-	-	-	-	-	-
Interest Earned - External Investments	338 895	-	-	-	-	338 895
Interest Earned - Outstanding Debtors	5 840 368	-	-	-	-	5 840 368
Licences and Permits	13 440	-	-	95	-	13 535
Agency Services	125 819	-	-	-	-	125 819
Other Revenue	4 550 604	974 785	-	106 205	-	5 631 593
External revenue from non-exchange transactions	50 074 420	1 200 000	14 382 937	7 697 000	-	73 354 356
Fines	36 500	-	-	-	-	36 500
Transfers Recognised - Operational	26 750 506	1 200 000	10 000 000	7 697 000	-	45 647 506
Property Rates	19 320 476	-	-	-	-	19 320 476
Availability Charges	-	-	4 382 937	-	-	4 382 937
Other Income	3 816 532	-	-	-	-	3 816 532
Gains	150 406	-	-	-	-	150 406
Revenue from transactions with other segments	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-
Total Segment Revenue (excluding capital transfers and	56 015 177	1 897 012	38 119 424	7 800 627	-	103 832 240
SEGMENT EXPENDITURE						
Employee Related Costs	(20 797 676)	(4 397 877)	(6 122 868)	(3 885 997)	-	(35 204 418)
Remuneration of Councillors	(4 703 204)	-	-	-	-	(4 703 204)
Debt Impairment	6 173 144	(1 585 475)	(8 622 230)	-	-	(4 034 560)
Depreciation and Asset Impairment	(1 871 463)	-	(5 878 996)	(4 111 805)	-	(11 862 264)
Finance Charges	(7 353 964)	-	(3 830 154)	-	-	(11 184 117)
Bulk Purchases	-	-	(17 109 007)	-	-	(17 109 007)
Inventory Consumed	(632 726)	(217 603)	(499 853)	-	(15 442)	(1 365 623)
Contracted Services	(5 815 420)	(489 400)	(3 024 534)	(310 139)	(307 648)	(9 947 142)
Transfers and Grants	-	-	-	-	-	-
Other Expenditure	(12 253 816)	(1 742 850)	(2 459 079)	(283 935)	-	(16 739 680)
Losses	(313 995)	-	(155 755)	-	-	(469 750)
Expenditure from transactions with other segments	-	-	-	-	-	-
Internal Charges	-	-	-	-	-	-
Total Segment Expenditure	(47 569 119)	(8 433 205)	(47 702 475)	(8 591 875)	(323 090)	(112 619 764)
Surplus/(Deficit)	8 446 058	(6 536 193)	(9 583 051)	(791 249)	(323 090)	(8 787 524)

	Governance and Administration	Community and Public Safety	Technical Services	Economic and Environmental Services	Other	Total
	R	R	R	R	R	R
Transfers Recognised - Capital	-	-	-	-	-	-
Contributions Recognised - Capital	-	-	-	-	-	-
Contributed Assets	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	8 446 058	(6 536 193)	(9 583 051)	(791 249)	(323 090)	(8 787 524)
Taxation	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	8 446 058	(6 536 193)	(9 583 051)	(791 249)	(323 090)	(8 787 524)
Attributable to Minorities	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	8 446 058	(6 536 193)	(9 583 051)	(791 249)	(323 090)	(8 787 524)
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
Surplus/(Deficit) for the year	8 446 058	(6 536 193)	(9 583 051)	(791 249)	(323 090)	(8 787 524)

	Governance and Administration	Community and Public Safety	Technical Services	Economic and Environmental Services	Unallocated	Total
	R	R	R	R	R	R
OTHER INFORMATION						
Segment Assets	-	-	-	-	231 917 320	231 917 320
Segment liabilities	-	-	-	-	(128 247 170)	(128 247 170)
Additions to non-current assets	-	-	-	-	-	-
Investment in associates (equity method) and joint ventures	-	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-	-
Non-cash expenditure (included above)	-	-	-	-	-	-

RICHTERSVELD MUNICIPALITY

SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Community and public safety	Economic and environmental services	Trading Services				Other	Governance and Administration	Unallocated	Total
			Energy Sources	Water Management	Waste Water Management	Waste Management				
	R	R	R	R	R	R	R	R	R	
SEGMENT REVENUE										
External revenue from exchange transactions	697 012	103 627	10 924 899	4 598 931	4 236 386	3 976 271	-	5 940 757	-	30 477 883
Service Charges - Electricity Revenue	(176 384)	(2 673)	11 119 341	-	-	-	-	(4 880 550)	-	6 059 734
Service Charges - Water Revenue	(24 879)	-	-	4 598 931	(3 485)	-	-	(28 839)	-	4 541 728
Service Charges - Sanitation Revenue	(10 444)	-	(194 442)	-	4 239 871	45 203	-	(14 114)	-	4 066 075
Service Charges - Refuse Revenue	(66 065)	-	-	-	-	3 931 068	-	(4 866)	-	3 860 136
Rental of Facilities and Equipment	-	-	-	-	-	-	-	-	-	-
Interest Earned - External Investments	-	-	-	-	-	-	-	338 895	-	338 895
Interest Earned - Outstanding Debtors	-	-	-	-	-	-	-	5 840 368	-	5 840 368
Licences and Permits	-	95	-	-	-	-	-	13 440	-	13 535
Agency Services	-	-	-	-	-	-	-	125 819	-	125 819
Other Revenue	974 785	106 205	-	-	-	-	-	4 550 604	-	5 631 593
External revenue from non-exchange transactions	1 200 000	7 697 000	906 024	11 612 419	1 275 863	588 632	-	50 074 420	-	73 354 356
Dividends Received	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	36 500	-	36 500
Transfers Recognised - Operational	1 200 000	7 697 000	-	10 000 000	-	-	-	26 750 506	-	45 647 506
Property Rates	-	-	-	-	-	-	-	19 320 476	-	19 320 476
Availability Charges	-	-	906 024	1 612 419	1 275 863	588 632	-	-	-	4 382 937
Other Income	-	-	-	-	-	-	-	3 816 532	-	3 816 532
Gains	-	-	-	-	-	-	-	150 406	-	150 406
Revenue from transactions with other segments	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-	-	-	-	-
Total Segment Revenue (excluding capital transfers and contributions)	1 897 012	7 800 627	11 830 923	16 211 350	5 512 248	4 564 903	-	56 015 177	-	103 832 240
SEGMENT EXPENDITURE										
Employee Related Costs	(4 397 877)	(3 885 997)	(1 141 890)	(1 642 925)	(1 937 770)	(1 400 284)	-	(20 797 676)	-	(35 204 418)
Remuneration of Councillors	-	-	-	-	-	-	-	(4 703 204)	-	(4 703 204)
Debt Impairment	(1 585 475)	-	(1 385 821)	(2 600 044)	(2 178 014)	(2 458 351)	-	6 173 144	-	(4 034 560)
Depreciation and Asset Impairment	-	(4 111 805)	(839 084)	(2 414 903)	(1 153 040)	(1 471 969)	-	(1 871 463)	-	(11 862 264)
Finance Charges	-	-	-	-	-	(3 830 154)	-	(7 353 964)	-	(11 184 117)
Bulk Purchases	-	-	(17 109 007)	-	-	-	-	-	-	(17 109 007)
Inventory Consumed	(217 603)	-	-	(409 565)	-	(90 287)	(15 442)	(632 726)	-	(1 365 623)
Contracted Services	(489 400)	(310 139)	(350 772)	(380 518)	(1 813 301)	(479 943)	(307 648)	(5 815 420)	-	(9 947 142)
Transfers and Grants	-	-	-	-	-	-	-	-	-	-
Other Expenditure	(1 742 850)	(283 935)	(589 747)	(308 222)	(1 204 783)	(356 327)	-	(12 253 816)	-	(16 739 680)
Losses	-	-	-	(109 740)	-	-	-	(313 995)	-	(423 735)
Internal charges	-	-	-	-	-	-	-	-	-	-
Total Segment Expenditure	(8 433 205)	(8 591 875)	(21 416 320)	(7 865 918)	(8 286 908)	(10 087 315)	(323 090)	(47 569 119)	-	(112 573 750)
Surplus/(Deficit)	(6 536 193)	(791 249)	(9 585 397)	8 345 432	(2 774 660)	(5 522 412)	(323 090)	8 446 058	-	(8 741 510)

	Community and public safety	Economic and environmental services	Trading Services				Other	Governance and Administration	Unallocated	Total
			Energy Sources	Water Management	Waste Water Management	Waste Management				
	R	R	R	R	R	R	R	R	R	
Transfers Recognised - Capital	-	-	-	-	-	-	-	-	-	
Contributions Recognised - Capital	-	-	-	-	-	-	-	-	-	
Contributed Assets	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after Capital Transfers & Contributions	(6 536 193)	(791 249)	(9 585 397)	8 345 432	(2 774 660)	(5 522 412)	(323 090)	8 446 058	-	(8 741 510)
Taxation	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	(6 536 193)	(791 249)	(9 585 397)	8 345 432	(2 774 660)	(5 522 412)	(323 090)	8 446 058	-	(8 741 510)
Attributable to Minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	(6 536 193)	(791 249)	(9 585 397)	8 345 432	(2 774 660)	(5 522 412)	(323 090)	8 446 058	-	(8 741 510)
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(6 536 193)	(791 249)	(9 585 397)	8 345 432	(2 774 660)	(5 522 412)	(323 090)	8 446 058	-	(8 741 510)

	Community and public safety	Economic and environmental services	Trading Services				Other	Governance and Administration	Unallocated	Total
			Energy Sources	Water Management	Waste Water Management	Waste Management				
	R	R	R	R	R	R	R	R	R	
OTHER INFORMATION										
Segment Assets	-	-	-	-	-	-	-	-	231 917 320	231 917 320
Segment liabilities	-	-	-	-	-	-	-	-	(128 247 170)	(128 247 170)
Additions to non-current assets	-	-	-	-	-	-	-	-	-	-
Investment in associates (equity method) and joint venture	-	-	-	-	-	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-	-	-	-	-	-
Non-cash expenditure (included above)	-	-	-	-	-	-	-	-	-	-

Reconciliation of Segment Revenue to Total Revenue as per the Annual Financial Statements for the year ended 30 June 2023

Total Segment Revenue (including capital transfers and contributions)	103 832 240
Total Revenue as per Statement of Financial Performance	103 832 240
Difference	<u><u>-</u></u>

Reconciliation of Segment Expenses to Total Expenses as per the Annual Financial Statements for the year ended 30 June 2023

Total Segment Expenditure	(112 619 764)
Total Expenditure as per Statement of Financial Performance	(112 243 648)
Difference	<u><u>(376 116)</u></u>
Reconciling items	(376 116)
Gains/(Loss) on Sale of Fixed Assets	(150 406)
Impairment Loss	(225 710)

Reconciliation of the Statement of Financial Performance as at 30 June 2023 as per the Annual Financial Statements vs the Surplus of the Segment report

Surplus/(Deficit) for the year as per Segments	(8 787 524)
Surplus/(Deficit) for the year as per Statement of Financial Performance	<u>(8 787 524)</u>
Difference - as explained above	<u><u>-</u></u>

See the explanations for differences above under Revenue and Expenses.

Reconciliation of Segment Assets to Total Assets as per the Annual Financial Statements for the year ended 30 June 2023

Total Segment Assets	231 917 320
Total Assets as per Statement of Financial Position	<u>231 917 320</u>
Difference	<u><u>-</u></u>

Management does not monitor assets per segments as it does not at present have reliable separate financial information for decision making purposes. The Cost to develop this separately would be excessive, based on the municipality's current financial position.

Reconciliation of Segment Liabilities to Total Liabilities as per the Annual Financial Statements for the year ended 30 June 2023

Total Segment Liabilities	(128 247 170)
Total Liabilities as per Statement of Financial Position	<u>(128 247 170)</u>
Difference	<u><u>-</u></u>

Management does not monitor liabilities per segments as it does not at present have reliable separate financial information for decision making purposes. The Cost to develop this separately would be excessive, based on the municipality's current financial position.

RICHTERSVELD MUNICIPALITY
PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2022

	Governance and Administration	Community and Public Safety	Technical Services	Economic and Environmental Services	Other	Total
	R	R	R	R	R	R
SEGMENT REVENUE						
External revenue from exchange transactions	3 358 102	552 413	31 720 212	53 274	-	35 684 001
Service Charges - Electricity Revenue	(4 734 330)	(165 626)	18 967 844	(2 277)	-	14 065 610
Service Charges - Water Revenue	(28 308)	(20 201)	4 972 411	-	-	4 923 902
Service Charges - Sanitation Revenue	(13 638)	(10 460)	3 937 550	-	-	3 913 451
Service Charges - Refuse Revenue	(4 949)	(63 667)	3 842 408	-	-	3 773 792
Rental of Facilities and Equipment	-	-	-	-	-	-
Interest Earned - External Investments	260 324	-	-	-	-	260 324
Interest Earned - Outstanding Debtors	4 274 571	-	-	-	-	4 274 571
Licences and Permits	12 920	-	-	-	-	12 920
Agency Services	88 342	-	-	-	-	88 342
Other Revenue	3 503 170	812 367	-	55 551	-	4 371 089
External revenue from non-exchange transactions	47 272 293	2 083 101	21 250 979	-	-	70 606 373
Dividends Received	37 957	-	-	-	-	37 957
Fines	21 863 779	2 083 101	20 000 000	-	-	43 946 880
Transfers Recognised - Operational	21 570 563	-	-	-	-	21 570 563
Property Rates	-	-	1 250 979	-	-	1 250 979
Availability Charges	3 794 464	-	-	-	-	3 794 464
Other Income	5 531	-	-	-	-	5 531
Gains	-	-	-	-	-	-
Revenue from transactions with other segments	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-
Total Segment Revenue (excluding capital transfers and contributions)	50 630 395	2 635 514	52 971 191	53 274	-	106 290 374
SEGMENT EXPENDITURE						
Employee Related Costs	(18 359 143)	(3 323 964)	(6 253 335)	(3 539 363)	-	(31 475 804)
Remuneration of Councillors	(3 819 459)	-	-	-	-	(3 819 459)
Debt Impairment	(8 953 249)	2 399 467	(3 651 701)	-	-	(10 205 483)
Depreciation and Asset Impairment	(1 168 584)	(738 560)	(5 496 617)	(3 626 886)	-	(11 030 647)
Finance Charges	(4 669 471)	-	(3 604 792)	-	-	(8 274 262)
Bulk Purchases	-	-	(19 232 895)	-	-	(19 232 895)
Inventory Consumed	(492 931)	(166 959)	(737 266)	(6 428)	(287 984)	(1 691 568)
Contracted Services	(3 069 607)	(572 888)	(2 623 397)	(278 106)	-	(6 543 998)
Transfers and Grants	-	-	-	-	-	-
Other Expenditure	(10 120 703)	(1 296 379)	(1 728 640)	(281 329)	-	(13 427 050)
Losses	(298 322)	-	(28 663)	-	-	(326 985)
Internal charges	-	-	-	-	-	-
Total Segment Expenditure	(50 951 467)	(3 699 282)	(43 357 306)	(7 732 113)	(287 984)	(106 028 153)
Surplus/(Deficit)	(321 072)	(1 063 768)	9 613 885	(7 678 838)	(287 984)	262 222

	Governance and Administration	Community and Public Safety	Technical Services	Economic and Environmental Services	Other	Total
	R	R	R	R	R	R
Transfers Recognised - Capital	-	-	5 832 481	-	-	5 832 481
Contributions Recognised - Capital	-	-	-	-	-	-
Contributed Assets	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	(321 072)	(1 063 768)	15 446 366	(7 678 838)	(287 984)	6 094 702
Taxation	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	(321 072)	(1 063 768)	15 446 366	(7 678 838)	(287 984)	6 094 702
Attributable to Minorities	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	(321 072)	(1 063 768)	15 446 366	(7 678 838)	(287 984)	6 094 702
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
Surplus/(Deficit) for the year	(321 072)	(1 063 768)	15 446 366	(7 678 838)	(287 984)	6 094 702

	Governance and Administration	Community and Public Safety	Technical Services	Economic and Environmental Services	Other	Total
	R	R	R	R	R	R
OTHER INFORMATION						
Segment Assets	-	-	-	-	221 916 068	221 916 068
Segment liabilities	-	-	-	-	(108 848 087)	(108 848 087)
Additions to non-current assets	-	-	-	-	-	-
Investment in associates (equity method) and joint ventures	-	-	-	-	-	-
Non-cash revenue (included above)	-	-	-	-	-	-
Non-cash expenditure (included above)	-	-	-	-	-	-

RICHTERSVELD MUNICIPALITY
SECONDARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2022

	Community and public safety	Economic and environmental services	Trading Services				Other	Governance and Administration	Unallocated	Total
			Energy Sources	Water Management	Waste Water Management	Waste Management				
	R	R	R	R	R	R	R	R	R	
SEGMENT REVENUE										
External revenue from exchange transactions	552 413	53 274	18 784 548	4 976 363	4 077 065	3 882 237	-	3 358 102	-	35 684 001
Service Charges - Electricity Revenue	(165 626)	(2 277)	18 967 844	-	-	-	-	(4 734 330)	-	14 065 610
Service Charges - Water Revenue	(20 201)	-	-	4 976 363	(3 952)	-	-	(28 308)	-	4 923 902
Service Charges - Sanitation Revenue	(10 460)	-	(183 296)	-	4 081 016	39 829	-	(13 638)	-	3 913 451
Service Charges - Refuse Revenue	(63 667)	-	-	-	-	3 842 408	-	(4 949)	-	3 773 792
Interest Earned - External Investments	-	-	-	-	-	-	-	260 324	-	260 324
Interest Earned - Outstanding Debtors	-	-	-	-	-	-	-	4 274 571	-	4 274 571
Licences and Permits	-	-	-	-	-	-	-	12 920	-	12 920
Agency Services	-	-	-	-	-	-	-	88 342	-	88 342
Other Revenue	812 367	55 551	-	-	-	-	-	3 503 170	-	4 371 089
External revenue from non-exchange transactions	2 083 101	-	821 099	21 433 374	1 177 127	581 614	-	44 510 059	-	70 606 373
Dividends Received	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	37 957	-	37 957
Transfers Recognised - Operational	2 083 101	-	-	20 000 000	-	-	-	21 863 779	-	43 946 880
Property Rates	-	-	-	-	-	-	-	18 808 328	-	18 808 328
Availability Charges	-	-	821 099	1 433 374	1 177 127	581 614	-	-	-	4 013 214
Other Revenue	-	-	-	-	-	-	-	3 794 464	-	3 794 464
Gains on Disposal of PPE	-	-	-	-	-	-	-	5 531	-	5 531
Revenue from transactions with other segments	-	-	-	-	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-	-	-	-	-
Total Segment Revenue (excluding capital transfers and contributions)	2 635 514	53 274	19 605 647	26 409 737	5 254 191	4 463 850	-	47 868 160	-	106 290 374
SEGMENT EXPENDITURE										
Employee Related Costs	(3 323 964)	(3 539 363)	(1 063 483)	(1 572 296)	(1 873 063)	(1 744 493)	-	(18 359 142)	-	(31 475 804)
Remuneration of Councillors	-	-	-	-	-	-	-	(3 819 459)	-	(3 819 459)
Debt Impairment	2 399 467	-	674 018	(1 871 507)	(1 267 874)	(1 186 339)	-	(8 953 249)	-	(10 205 483)
Depreciation and Asset Impairment	(738 560)	(3 626 886)	(829 209)	(2 043 288)	(1 123 838)	(1 500 283)	-	(1 168 584)	-	(11 030 647)
Finance Charges	-	-	-	-	-	(3 604 792)	-	(4 669 471)	-	(8 274 262)
Bulk Purchases	-	-	(19 232 895)	-	-	-	-	-	-	(19 232 895)
Inventory Consumed	(166 959)	(6 428)	-	(675 153)	-	(62 113)	(287 984)	(492 931)	-	(1 691 568)
Contracted Services	(572 888)	(278 106)	(188 605)	(177 947)	(2 170 015)	(86 830)	-	(2 898 760)	-	(6 373 151)
Other Expenditure	(1 296 379)	(281 329)	(754 644)	(146 330)	(410 136)	(417 530)	-	(10 120 703)	-	(13 427 050)
Loss on Disposal of PPE	-	-	-	(28 664)	-	-	-	(298 322)	-	(326 986)
Internal charges	-	-	-	-	-	-	-	-	-	-
Total Segment Expenditure	(3 699 282)	(7 732 113)	(21 394 817)	(6 515 183)	(6 844 926)	(8 602 380)	(287 984)	(50 780 620)	-	(105 857 306)
Surplus/(Deficit)	(1 063 768)	(7 678 838)	(1 789 170)	19 894 554	(1 590 735)	(4 138 530)	(287 984)	(2 912 459)	-	433 069
Transfers Recognised - Capital	-	-	-	-	5 832 481	-	-	-	-	5 832 481
Contributions Recognised - Capital	-	-	-	-	-	-	-	-	-	-
Contributed Assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	(1 063 768)	(7 678 838)	(1 789 170)	19 894 554	4 241 746	(4 138 530)	(287 984)	(2 912 459)	-	6 265 549

	Community and public safety	Economic and environmental services	Trading Services				Other	Governance and Administration	Unallocated	Total
			Energy Sources	Water Management	Waste Water Management	Waste Management				
	R	R	R	R	R	R	R	R	R	
Taxation	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after Taxation	(1 063 768)	(7 678 838)	(1 789 170)	19 894 554	4 241 746	(4 138 530)	(287 984)	(2 912 459)	6 265 549	
Attributable to Minorities	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) Attributable to Municipality	(1 063 768)	(7 678 838)	(1 789 170)	19 894 554	4 241 746	(4 138 530)	(287 984)	(2 912 459)	6 265 549	
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) for the year	(1 063 768)	(7 678 838)	(1 789 170)	19 894 554	4 241 746	(4 138 530)	(287 984)	(2 912 459)	6 265 549	

	Community and public safety	Economic and environmental services	Trading Services				Other	Governance and Administration	Unallocated	Total
			Energy Sources	Water Management	Waste Water Management	Waste Management				
	R	R	R	R	R	R	R	R	R	
OTHER INFORMATION										
Segment Assets	-	-	-	-	-	-	-	208 155 856	208 155 856	
Segment liabilities	-	-	-	-	-	-	-	(105 102 976)	(105 102 976)	
Additions to non-current assets	-	-	-	-	-	-	-	-	-	
Investment in associates (equity method) and joint ventures	-	-	-	-	-	-	-	-	-	
Non-cash revenue (included above)	-	-	-	-	-	-	-	-	-	
Non-cash expenditure (included above)	-	-	-	-	-	-	-	-	-	

Reconciliation of Segment Revenue to Total Revenue as per the Annual Financial Statements for the year ended 30 June 2022

Total Segment Revenue (including capital transfers and contributions)	112 122 855
Total Revenue as per Statement of Financial Performance	112 117 324
Difference	<u>5 531</u>

Reconciliation of Segment Expenses to Total Expenses as per the Annual Financial Statements for the year ended 30 June 2022

Total Segment Expenditure	(105 857 306)
Total Expenditure as per Statement of Financial Performance	(101 901 154)
Difference	<u>(3 956 151)</u>

Reconciliation of the Statement of Financial Performance as at 30 June 2022 as per the Annual Financial Statements vs the Surplus of the Segment report

Surplus/(Deficit) for the year as per Segments	6 265 549
Surplus/(Deficit) for the year as per Statement of Financial Performance	10 216 170
Difference - as explained above	<u>(3 950 620)</u>

Reconciliation of Segment Assets to Total Assets as per the Annual Financial Statements for the year ended 30 June 2022

Total Segment Assets	208 155 856
Total Assets as per Statement of Financial Position	<u>218 324 702</u>
Difference	<u><u>(10 168 846)</u></u>

Management does not monitor assets per segments as it does not at present have reliable separate financial information for decision making purposes. The Cost to develop this separately would be excessive, based on the municipality's current financial position.

Reconciliation of Segment Liabilities to Total Liabilities as per the Annual Financial Statements for the year ended 30 June 2022

Total Segment Liabilities	(105 102 976)
Total Liabilities as per Statement of Financial Position	<u>(105 102 976)</u>
Difference	<u><u>0</u></u>

Management does not monitor liabilities per segments as it does not at present have reliable separate financial information for decision making purposes. The Cost to develop this separately would be excessive, based on the municipality's current financial position.

RICHTERSVELD MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023

Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget	
	R	R	R	R	R	R	2023 R	%	
ASSETS									
Current Assets									
	Cash	1 535 537	(1 807 571)	(272 034)	-	-	(272 034)	2 198 684	-908%
	Call Investment Deposits	5 521 233	(3 388 038)	2 133 195	-	-	2 133 195	-	-100%
	Consumer Debtors	14 792 715	2 234 224	17 026 939	-	-	17 026 939	7 715 077	-55%
	Other Debtors	3 923 420	(805 356)	3 118 064	-	-	3 118 064	9 250 298	197%
	Current Portion of long-term receivables	19 501	-	19 501	-	-	19 501	-	-100%
	Inventory	13 038	(2 531)	10 507	-	-	10 507	16 774	60%
47.2.1	Total Current Assets	25 805 444	(3 769 272)	22 036 172	-	-	22 036 172	19 180 834	-13%
Non-Current Assets									
	Long-term Receivables	-	-	-	-	-	-	-	
	Investments	-	-	-	-	-	-	-	
	Investment Property	18 817 051	263 458	19 080 509	-	-	19 080 509	18 925 851	-1%
	Investment in Associates	-	-	-	-	-	-	-	
	Property, Plant and Equipment	191 718 667	(2 819 171)	188 899 496	-	-	188 899 496	193 810 635	3%
	Agricultural Assets	-	-	-	-	-	-	-	
	Biological Assets	-	-	-	-	-	-	-	
	Intangible Assets	(223 508)	227 936	4 428	-	-	4 428	-	-100%
	Other Non-Current Assets	-	-	-	-	-	-	-	
47.2.2	Total Non-Current Assets	210 312 210	(2 327 777)	207 984 433	-	-	207 984 433	212 736 486	2%
	TOTAL ASSETS	236 117 654	(6 097 049)	230 020 605	-	-	230 020 605	231 917 320	1%
LIABILITIES									
Current Liabilities									
	Bank Overdraft	-	-	-	-	-	-	-	
	Borrowing	-	-	-	-	-	-	840 367	100%
	Consumer Deposits	1 690 432	41 287	1 731 719	-	-	1 731 719	1 690 290	-2%
	Trade and Other Payables	46 850 809	9 775 822	56 626 631	-	-	56 626 631	70 789 184	25%
	Provisions	3 194 259	280 135	3 474 394	-	-	3 474 394	4 502 279	30%
47.2.3	Total Current Liabilities	51 735 500	10 097 244	61 832 744	-	-	61 832 744	77 822 120	26%
Non-Current Liabilities									
	Borrowing	(360)	85 248	84 888	-	-	84 888	6 533 953	7597%
	Provisions	37 246 818	3 938 774	41 185 592	-	-	41 185 592	43 891 097	7%
47.2.4	Total Non-Current Liabilities	37 246 458	4 024 022	41 270 480	-	-	41 270 480	50 425 050	22%
	TOTAL LIABILITIES	88 981 958	14 121 266	103 103 224	-	-	103 103 224	128 247 170	24%
NET ASSETS									
	Accumulated Surplus/(Deficit)	146 913 007	(20 564 628)	126 348 379	-	-	126 348 379	103 101 148	-18%
	Reserves	222 689	346 313	569 002	-	-	569 002	569 001	0%
47.2.5	TOTAL NET ASSETS	147 135 696	(20 218 315)	126 917 381	-	-	126 917 381	103 670 149	-18%

RICHTERSVELD MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

Notes	Original Budget	Budget Adjustments	Final Adjustment Budget	Shifting of Funds	Virement	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget	
	R	(i.t.o. s28 and s31 of the MFMA)	R	(i.t.o. s31 of the MFMA)	(i.t.o. Council approved by-law)	R	2023 R	%	
REVENUE									
Property Rates	20 960 000	5 296 880	26 256 880	-	-	26 256 880	19 320 476	-26,42%	
Service Charges - Electricity Revenue	19 894 566	(679 978)	19 214 588	-	-	19 214 588	10 627 649	-44,69%	
Service Charges - Water Revenue	5 652 198	1 598 249	7 250 447	-	-	7 250 447	5 381 717	-25,77%	
Service Charges - Sanitation Revenue	3 851 402	1 302 257	5 153 659	-	-	5 153 659	3 945 849	-23,44%	
Service Charges - Refuse Revenue	3 263 400	(200 400)	3 063 000	-	-	3 063 000	2 955 396	-3,51%	
Rental of Facilities and Equipment	15 429 646	(14 809 965)	619 681	-	-	619 681	783 089	26,37%	
Interest Earned - External Investments	221 015	11 424	232 439	-	-	232 439	338 895	45,80%	
Interest Earned - Outstanding Debtors	10 435 951	(141 058)	10 294 893	-	-	10 294 893	8 746 900	-15,04%	
Dividends Received	-	-	-	-	-	-	-	-	
Fines	118 624	376	119 000	-	-	119 000	36 500	-69,33%	
Licences and Permits	9 312	(312)	9 000	-	-	9 000	13 535	50,39%	
Agency Services	95 550	450	96 000	-	-	96 000	125 819	31,06%	
Transfers Recognised - Operational	28 214 000	(1 000 000)	27 214 000	-	-	27 214 000	28 860 506	6,05%	
Other Revenue	4 515 809	(3 834 439)	681 370	-	-	681 370	4 848 504	611,58%	
Gains on Disposal of PPE	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)	47.2.6	112 661 473	(12 456 516)	100 204 957	-	-	100 204 957	85 984 834	-14,19%
EXPENDITURE									
Employee Related Costs	31 384 029	(8 653)	31 375 376	-	-	31 375 376	34 903 606	11,25%	
Remuneration of Councillors	4 944 299	(308 299)	4 636 000	-	-	4 636 000	4 703 204	1,45%	
Debt Impairment	13 365 111	(252 011)	13 113 100	-	-	13 113 100	1 967 374	-85,00%	
Depreciation and Asset Impairment	10 813 824	1 217 676	12 031 500	-	-	12 031 500	11 636 554	-3,28%	
Finance Charges	3 615 600	400	3 616 000	-	-	3 616 000	11 184 117	209,30%	
Bulk Purchases	17 956 871	(5 383 026)	12 573 845	-	-	12 573 845	17 109 007	36,07%	
Other Materials	3 604 704	296	3 605 000	-	-	3 605 000	1 365 623	-62,12%	
Contracted Services	4 660 771	(433 771)	4 227 000	-	-	4 227 000	9 947 142	135,32%	
Transfers and Grants	-	-	-	-	-	-	-	-	
Other Expenditure	16 005 429	3 124 258	19 129 687	-	-	19 129 687	19 188 330	0,31%	
Loss on Disposal of PPE	247 559	(105 809)	141 750	-	-	141 750	313 995	100,00%	
Total Expenditure	47.2.7	106 598 197	(2 148 939)	104 449 258	-	-	104 449 258	112 318 952	7,53%
Surplus/(Deficit)		6 063 276	(10 307 577)	(4 244 301)	-	-	(4 244 301)	(26 334 118)	520,46%
Transfers Recognised - Capital		17 697 000	-	17 697 000	-	-	17 697 000	17 697 000	0,00%
Contributions Recognised - Capital		-	-	-	-	-	-	-	
Contributed Assets		-	-	-	-	-	-	-	
Surplus/(Deficit) after Capital Transfers & Contributions		23 760 276	(10 307 577)	13 452 699	-	-	13 452 699	(8 637 118)	-164,20%
Taxation		-	-	-	-	-	-	-	
Surplus/(Deficit) after Taxation		23 760 276	(10 307 577)	13 452 699	-	-	13 452 699	(8 637 118)	-164,20%
Attributable to Minorities		-	-	-	-	-	-	-	
Surplus/(Deficit) Attributable to Municipality		23 760 276	(10 307 577)	13 452 699	-	-	13 452 699	(8 637 118)	-164,20%
Share of Surplus/(Deficit) of Associate		-	-	-	-	-	-	-	
Surplus/(Deficit) for the year		23 760 276	(10 307 577)	13 452 699	-	-	13 452 699	(8 637 118)	-164,20%

RICHTERSVELD MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2023	Actual Outcome as % of Final Budget	
	R	R	R	R	R	R	R	%	
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Taxation	15 392 580	5 162 215	20 554 795	-	-	20 554 795	24 817 617	20,74%	
Service Charges	20 154 681	5 965 925	26 120 606	-	-	26 120 606	19 957 609	-23,59%	
Other Revenue	12 379 541	(12 802 681)	(423 140)	-	-	(423 140)	6 649 993	-1671,58%	
Government - Operating	22 974 020	(4 605 602)	18 368 418	-	-	18 368 418	28 285 506	53,99%	
Government - Capital	17 697 000	-	17 697 000	-	-	17 697 000	17 697 000	0,00%	
Interest	2 606 658	997 459	3 604 117	-	-	3 604 117	338 895	100,00%	
Dividends	-	-	-	-	-	-	-		
Payments									
Suppliers and Employees	(54 527 437)	(13 237 763)	(67 765 200)	-	-	(67 765 200)	(76 995 274)	13,62%	
Finance costs	(3 615 600)	(400)	(3 616 000)	-	-	(3 616 000)	(6 317 055)	74,70%	
Transfers and Grants	-	-	-	-	-	-	-		
Net Cash from/(used) Operating Activities	47.2.8	33 061 443	(18 520 847)	14 540 596	-	-	14 540 596	14 434 291	-0,73%
CASH FLOW FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	100,00%	
Decrease/(Increase) in Non-Current Debtors	-	-	-	-	-	-	-		
Decrease/(Increase) in Other Non-Current Receivables	-	-	-	-	-	-	-		
Decrease/(Increase) in Non-Current Investments	-	-	-	-	-	-	-		
Payments									
Capital Assets	(17 698 000)	(999 700)	(18 697 700)	-	-	(18 697 700)	(16 796 594)	-10,17%	
Net Cash from/(used) Investing Activities	(17 698 000)	(999 700)	(18 697 700)	-	-	(18 697 700)	(16 796 594)	-10,17%	
CASH FLOW FROM FINANCING ACTIVITIES									
Receipts									
Short Term Loans	-	-	-	-	-	-	-		
Borrowing long term/refinancing	-	-	-	-	-	-	-		
Increase/(Decrease) in Consumer Deposits	(91 433)	-	(91 433)	-	-	(91 433)	-	-100,00%	
Payments									
Repayment of Borrowing	-	-	-	-	-	-	(840 367)	100,00%	
Net Cash from/(used) Financing Activities	47.2.9	(91 433)	-	(91 433)	-	(91 433)	(840 367)	819,11%	
NET INCREASE/(DECREASE) IN CASH HELD									
Cash and Cash Equivalents at the year begin:	15 272 010	(19 520 547)	(4 248 537)	-	-	(4 248 537)	(3 202 670)	-24,62%	
Cash and Cash Equivalents at the year end:	5 192 320	825 945	6 018 265	-	-	6 018 265	6 018 264	0,00%	
Cash and Cash Equivalents at the year end:	20 464 330	(18 694 602)	1 769 728	-	-	1 769 728	2 815 593	59,10%	

INSERT ACCOUNTING POLICY

See word document pages 12-63

RICHTERSVELD MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 June 2023

Reconciliation of Carrying Value	Buildings R	Land R	Infrastructure R	Community R	Lease Assets R	Other R	Total R
Carrying value at 1 July 2022	3 265 436	16 184 360	156 002 235	4 408 454	464 320	1 963 329	182 288 134
Cost	9 004 084	21 387 360	267 909 419	13 593 962	537 505	9 234 809	321 667 139
Accumulated Depreciation and Impairment Losses	(5 738 649)	(5 203 000)	(111 907 184)	(9 185 508)	(73 185)	(7 271 480)	(139 379 006)
Acquisitions			16 758 950		6 367 918	1 154 363	24 281 231
Change in Provision for Rehabilitation Cost - IGRAP 2 - Note 10.1	-	-	(741 648)		-	-	(741 648)
Depreciation	(264 403)	-	(9 245 651)	(235 500)	(919 907)	(816 415)	(11 481 876)
Carrying value of disposals / write-offs	-	-	(157 568)	-	-	(151 928)	(309 496)
Cost	-	-	(640 655)	-	-	(1 357 771)	(1 998 426)
Accumulated Depreciation	-	-	483 087	-	-	1 205 843	1 688 930
Impairment losses	-	-	(225 710)	-	-	-	(225 710)
Carrying value at 30 June 2023	3 001 033	16 184 360	162 390 607	4 172 954	5 912 331	2 149 349	193 810 634
Cost	9 004 084	21 387 360	283 286 066	13 593 962	6 905 423	9 031 401	343 208 296
Original Cost	9 004 084	21 387 360	283 286 066	13 593 962	6 905 423	9 031 401	343 208 296
Accumulated Depreciation and Impairment Losses	(6 003 051)	(5 203 000)	(120 895 459)	(9 421 008)	(993 092)	(6 882 052)	(149 397 662)
Original Cost	(6 003 051)	(5 203 000)	(120 895 459)	(9 421 008)	(993 092)	(6 882 052)	(149 397 662)

RICHTERSVELD MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

2.2 30 June 2022

Reconciliation of Carrying Value	Buildings	Land	Infrastructure	Community	Lease Assets	Other	Total
	R	R	R	R	R	R	R
Carrying value at 1 July 2021	3 557 558	16 184 360	143 457 308	2 184 895	426 170	2 311 521	168 121 812
Cost	9 004 084	21 387 360	252 642 676	10 910 778	438 086	9 374 229	303 757 213
Original Cost	9 147 584	21 389 860	252 642 676	10 910 778	438 086	9 374 229	303 903 213
Correction of Error - Note 42.1	(143 500)	(2 500)					(146 000)
Accumulated Depreciation and Impairment Losses	(5 446 526)	(5 203 000)	(109 185 367)	(8 725 883)	(11 916)	(7 062 709)	(135 635 401)
Original Cost	(5 552 158)	(5 203 000)	(109 185 367)	(8 725 883)	(11 916)	(7 062 709)	(135 741 033)
Correction of Error - Note 42.1	105 632						105 632
Acquisitions	-	-	21 758 199	2 899 334	99 420	335 794	25 092 746
Previously disclosed	-	-	21 758 199	2 899 334	99 420	335 794	25 092 746
Correction of Error - Note 42.1							-
Change in Provision for Rehabilitation Cost - IGRAP 2	-	-	(148 019)	-	-	-	(148 019)
Depreciation	(292 122)	-	(9 064 228)	(674 628)	(61 270)	(648 246)	(10 740 494)
Normal Depreciation	(289 142)	-	(9 123 504)	(738 560)	(61 264)	(654 731)	(10 867 200)
Correction of Error - Note 42.1	(2 981)		59 276	63 932	(6)	6 484	126 706
Carrying value of disposals	-		(1 025)	(1 147)	-	(35 739)	(37 911)
Cost	-	-	(6 343 436)	(216 150)	-	(475 214)	(7 034 800)
Accumulated Depreciation	-	-	6 342 411	215 003	-	439 475	6 996 889
Carrying value at 30 June 2022	3 265 436	16 184 360	156 002 235	4 408 454	464 320	1 963 329	182 288 134
Cost	9 004 084	21 387 360	267 909 419	13 593 962	537 505	9 234 809	321 667 139
Original Cost	9 004 084	21 387 360	267 909 419	13 593 962	537 505	9 234 809	321 667 139
Accumulated Depreciation and Impairment Losses	(5 738 649)	(5 203 000)	(111 907 184)	(9 185 508)	(73 185)	(7 271 480)	(139 379 006)
Original Cost	(5 738 649)	(5 203 000)	(111 907 184)	(9 185 508)	(73 185)	(7 271 480)	(139 379 006)

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
2.3 Property, Plant and Equipment which is in the process of being constructed or developed:		
Infrastructure Assets	40 265 929	23 613 039
Roads	716 538	716 538
Electricity	263 035	263 035
Water Supply	31 546 402	18 411 468
Sanitation	7 739 953	4 221 997
Community Assets	2 899 334	2 899 334
Other Assets	-	-
Total Property, Plant and Equipment under construction	43 165 263	26 512 373
The movements for the year can be reconciled as follows:		
Balance at beginning of year	26 512 373	9 554 217
Expenditure during the year	16 652 890	24 657 533
Assets unbundled during the year	-	(7 699 377)
Impairment recognised during the year	-	-
Balance at end of year	43 165 263	26 512 373
2.4 Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:		
Infrastructure Assets	263 035	263 035
Electricity	263 035	263 035
Total	263 035	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	3 769 117	4 006 524
Total Repairs and Maintenance	3 769 117	4 006 524
2.6 Assets pledged as security:		
Leased Property, Plant and Equipment of R5 912 330 (2022: R464 326) 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	-	-
3. INVESTMENT PROPERTY		
3.1 Net Carrying amount at 1 July	19 080 601	19 230 851
Cost	29 567 562	29 567 562
Accumulated Depreciation	(3 405 560)	(3 255 310)
Accumulated Impairment Loss	(7 081 400)	(7 081 400)
Depreciation for the year	(150 250)	(150 250)
Balance previously stated		(150 343)
Correction of Error - Note 40.2		92
Disposal	(4 500)	-
Net Carrying amount at 30 June	18 925 851	19 080 601
Cost	29 563 062	29 567 562
Accumulated Depreciation	(3 555 810)	(3 405 560)
Accumulated Impairment Loss	(7 081 400)	(7 081 400)

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
3.2 Revenue from Investment Property		
Revenue derived from the rental of Investment Property	<u>369 875</u>	<u>344 599</u>
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	17 532
Cost	491 855	768 040
Accumulated Amortisation	(487 427)	(750 508)
Amortisation	(4 428)	(13 105)
Disposals	-	276 185
Amortisation written back on disposal	-	(276 185)
Net Carrying amount at 30 June	-	4 428
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	16 774	10 507
Total Inventory	<u>16 774</u>	<u>10 507</u>
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	287 984
Materials and Supplies	955 616	728 432
Water	409 565	675 153
Total	<u>1 365 623</u>	<u>1 691 568</u>

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
6. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	4 615 915	3 772 053
Water	20 744 528	18 993 850
Balance previously stated		19 022 563
Correction of Error - Note 42.1		(28 713)
Property Rentals	1 901 697	1 777 146
Waste Management	18 455 688	16 554 184
Waste Water Management	17 328 980	15 408 745
Abeysance	3 039 014	2 853 556
Grazing Fees	82 573	3 548 703
Other Arrears	4 713 649	965 341
Total: Receivables from exchange transactions (before provision)	70 882 045	63 873 579
Less: Provision for Debt Impairment	(69 996 046)	(59 348 322)
Total: Receivables from exchange transactions (after provision)	885 998	4 525 257

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)	275 000	633 874
31 - 60 Days	180 000	96 614
61 - 90 Days	193 000	46 288
+ 90 Days	3 967 915	2 995 278
Total	4 615 915	3 772 053

(Water): Ageing

Current (0 - 30 days)	520 000	567 915
31 - 60 Days	531 000	311 128
61 - 90 Days	456 000	275 831
+ 90 Days	19 237 528	17 838 975
Total	20 744 528	18 993 850

(Property Rentals): Ageing

Current (0 - 30 days)	47 600	27 621
31 - 60 Days	53 600	16 593
61 - 90 Days	343 000	15 107
+ 90 Days	1 457 497	1 717 826
Total	1 901 697	1 777 146

(Waste Management): Ageing

Current (0 - 30 days)	401 000	386 338
31 - 60 Days	316 000	267 697
61 - 90 Days	307 000	255 049
+ 90 Days	17 431 688	15 645 100
Total	18 455 688	16 554 184

(Waste Water Management): Ageing

Current (0 - 30 days)	363 000	453 303
31 - 60 Days	320 000	281 124
61 - 90 Days	313 000	251 513
+ 90 Days	16 332 980	14 422 806
Total	17 328 980	15 408 745

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
<u>(Abevance): Ageing</u>		
Current (0 - 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	3 039 014	2 853 556
Total	3 039 014	2 853 556
<u>(Grazing Fees): Ageing</u>		
Current (0 - 30 days)	27 607	25 097
31 - 60 Days	27 483	24 985
61 - 90 Days	27 483	24 985
+ 90 Days	-	3 473 637
Total	82 573	3 548 703
<u>(Other): Ageing</u>		
Current (0 - 30 days)	75 325	60 260
31 - 60 Days	8 826	7 061
61 - 90 Days	26 885	21 508
+ 90 Days	4 602 612	876 512
Total	4 713 649	965 341
<u>(Total): Ageing</u>		
Current (0 - 30 days)	1 709 532	2 154 408
31 - 60 Days	1 436 910	1 005 201
61 - 90 Days	1 666 368	890 281
+ 90 Days	66 069 235	59 823 688
Total	70 882 045	63 873 579

Summary of Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Total</u>
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	1 666 368
+ 90 Days	7 641 626	55 305 608	2 723 000	399 000	66 069 235
Sub-total	7 835 236	58 157 808	4 227 000	662 000	70 882 045
Less: Provision for Debt Impairment					(69 996 046)
Total debtors by customer classification					885 998

Summary of Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Total</u>
30 June 2022					
Current (0 - 30 days)	767 348	1 382 179	422 990	184 609	2 757 125
31 - 60 Days	27 883	897 279	65 392	14 647	1 005 201
61 - 90 Days	27 377	796 526	61 817	4 561	890 281
+ 90 Days	3 659 519	52 718 458	2 688 857	154 138	59 220 971
Sub-total	4 482 126	55 794 443	3 239 055	357 954	63 873 579
Less: Provision for Debt Impairment					(59 348 322)
Total debtors by customer classification					4 525 257

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	59 348 322	59 348 043
Balance previously stated		57 209 527
Correction of Error - Note 42.1		2 138 516
Contribution to provision	9 258 891	279
Balance previously stated		173 928
Correction of Error - Note 42.1		(173 648)
VAT on provision	1 388 834	-
Balance previously stated		26 089
Correction of Error - Note 42.1		(26 089)
Reversal of provision	-	-
Balance at end of year	69 996 046	59 348 322

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
The total amount of this provision is R 69 996 046 and consist of:		
Electricity	3 731 879	2 271 608
Water	20 590 508	18 650 712
Refuse	18 549 522	16 208 231
Sewerage	17 203 491	15 139 639
Commonage and Old Service	9 920 647	7 078 133
	69 996 046	59 348 322

Ageing of amounts past due but not impaired:

1 month past due	1 436 910	1 005 201
2+ months past due	(2 260 443)	3 333 139
	(823 534)	2 370 849

6.1 Bad Debts Written Off: Receivables from Exchange Transactions

Outstanding consumer accounts written-off during the year, after approval by Council	1 760 846	1 164 356
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7. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Taxes - Rates	34 739 631	37 214 658
Balance previously stated		47 383 504
Correction of Error - Note 42.4		(10 168 846)
Availability Charges	18 403 193	16 344 466
Balance previously stated		16 345 306
Correction of Error - Note 42.4		(840)
Payments in Advance	-	-
Balance previously stated		500 000
Correction of Error - Note 42.4		(500 000)
Kai-Kai Development	37 461 957	37 404 166
Other Receivables	313 634	345 402
	90 918 415	91 308 692
Less: Provision for Debt Impairment	(81 668 118)	(89 320 371)
Total Receivables from non-exchange transactions	9 250 298	1 988 320

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)	1 440 000	951 548
31 - 60 Days	476 000	490 935
61 - 90 Days	2 829 800	560 286
+ 90 Days	29 993 831	35 211 889
Total	34 739 631	37 214 658

(Availability Charges): Ageing

Current (0 - 30 days)	389 847	311 878
31 - 60 Days	307 928	246 342
61 - 90 Days	297 499	237 999
+ 90 Days	17 407 919	15 548 247
Total	18 403 193	16 344 466

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	15 694 550	13 038 310	1 082 816	178 349	29 994 025
Sub-total	18 975 538	14 360 691	1 202 676	200 725	34 739 631
Less: Provision for Debt Impairment					(25 742 954)
Total debtors by customer classification					8 996 677

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Summary of Debtors (Rates) by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Total</u>
30 June 2022					
Current (0 - 30 days)	315 702	564 686	54 999	16 277	951 666
31 - 60 Days	237 569	237 189	15 040	1 137	490 935
61 - 90 Days	303 211	240 694	15 187	1 076	560 169
+ 90 Days	22 778 807	11 409 611	848 695	174 777	35 211 889
Sub-total	23 635 290	12 452 181	933 921	193 267	37 214 658
Less: Provision for Debt Impairment					(51 916 207)
Total debtors by customer classification					(14 701 548)

	2023 R	2022 R
Reconciliation of Provision for Debt Impairment		
Balance at beginning of year	89 320 371	84 499 719
Previously stated		89 484 434
Correction of Error - Note 40.2		(4 984 715)
Contribution to provision	57 791	5 935 117
Previously stated	-	9 656 899
Correction of Error - Note 40.2	-	(3 721 782)
Reversal of provision	(7 710 045)	(1 114 464)
Balance at end of year	81 668 118	89 320 371
The total amount of this provision is R91 836 .964 and consist of:		
Taxes	25 742 954	46 795 451
Availability Charges	18 463 208	5 120 756
Kai-Kai Development	37 461 956	37 404 165
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	81 668 118	89 320 371

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	306 340	320 562
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8. BANK ACCOUNTS

8.1 Cash and Cash Equivalents

Current Accounts	868 525	3 884 690
Call Deposits and Investments	1 329 779	2 133 193
Cash On-hand	380	380
Total Cash and Cash Equivalents - Assets	2 198 684	6 018 264

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 R44 477 are held to fund the Unspent Conditional Grants (2022: R528 827).

The municipality has the following bank accounts:

Current Accounts

First National Bank - Account Number 534 7183 1653 (Primary Bank Account):	868 525	3 884 690
	868 525	3 884 690

Call Deposits and Investments

First National Bank - Account Number 620 6266 9521 (Equitable Share Account):	1 000	637 345
First National Bank - Account Number 620 6973 7173 (Leave Gratuity Account):	103 466	280 834
First National Bank - Account Number 620 7204 0555 (FMG Account):	4 942	433 044
First National Bank - Account Number 620 9751 5880 (Consumer Deposits Account):	2 843	101 621
First National Bank - Account Number 620 9751 7571 (CRR Account):	1 168 084	574 677
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):	2 707	60 837
First National Bank - Account Number 622 7711 8313 (MIG Account):	35 028	1 416
First National Bank - Account Number 624 2665 8508 (EPWP):	1 001	32 712
	1 329 779	2 133 193

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Details of current account is as follows:

	2023 R	2022 R
First National Bank - Account Number 534 7183 1653 (Primary Bank Account):		
Cash book balance at beginning of year	3 884 690	(329 293)
Cash book balance at end of year	<u>868 525</u>	<u>3 884 690</u>
Bank statement balance at beginning of year	2 933 721	595 099
Bank statement balance at end of year	<u>805 600</u>	<u>2 933 721</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	637 345	1 548
Cash book balance at end of year	<u>1 000</u>	<u>637 345</u>
Bank statement balance at beginning of year	637 345	1 547
Bank statement balance at end of year	<u>1 000</u>	<u>637 345</u>
First National Bank - Account Number 620 6973 7173 (Leave Gratuity Account):		
Cash book balance at beginning of year	280 834	1 984 610
Cash book balance at end of year	<u>103 466</u>	<u>280 834</u>
Bank statement balance at beginning of year	280 834	15 425
Bank statement balance at end of year	<u>106 473</u>	<u>280 834</u>
First National Bank - Account Number 620 7204 0555 (FMG Account):		
Cash book balance at beginning of year	433 044	15 425
Cash book balance at end of year	<u>4 942</u>	<u>433 044</u>
Bank statement balance at beginning of year	433 044	99 416
Bank statement balance at end of year	<u>4 942</u>	<u>433 044</u>
First National Bank - Account Number 620 9751 5880 (Consumer Deposits Account):		
Cash book balance at beginning of year	101 621	99 416
Cash book balance at end of year	<u>2 843</u>	<u>101 621</u>
Bank statement balance at beginning of year	101 621	99 416
Bank statement balance at end of year	<u>2 843</u>	<u>101 621</u>
First National Bank - Account Number 620 9751 7571 (CRR Account):		
Cash book balance at beginning of year	574 677	221 372
Cash book balance at end of year	<u>1 168 084</u>	<u>574 677</u>
Bank statement balance at beginning of year	574 677	61 741
Bank statement balance at end of year	<u>1 168 084</u>	<u>574 677</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	174 962
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>

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R			
First National Bank - Account Number 622 3714 1099 (Library Account):					
Cash book balance at beginning of year	60 837	237 996			
Cash book balance at end of year	<u>2 707</u>	<u>60 837</u>			
Bank statement balance at beginning of year	60 837	38 137			
Bank statement balance at end of year	<u>2 707</u>	<u>60 837</u>			
First National Bank - Account Number 622 7711 8313 (MIG Account):					
Cash book balance at beginning of year	1 416	2 918 119			
Cash book balance at end of year	<u>35 028</u>	<u>1 416</u>			
Bank statement balance at beginning of year	1 416	32 133			
Bank statement balance at end of year	<u>35 028</u>	<u>1 416</u>			
First National Bank - Account Number 624 2665 8508 (EPWP):					
Cash book balance at beginning of year	32 712	32 038			
Cash book balance at end of year	<u>1 001</u>	<u>32 712</u>			
Bank statement balance at beginning of year	32 712	1 055			
Bank statement balance at end of year	<u>1 001</u>	<u>32 712</u>			
9. LONG-TERM BORROWINGS					
Capitalised Lease Liability - At amortised cost	<u>7 374 321</u>	<u>339 836</u>			
Less: Current Portion transferred to Current Liabilities	<u>(840 367)</u>	<u>(194 160)</u>			
Capitalised Lease Liability - At amortised cost	<u>(840 367)</u>	<u>(194 160)</u>			
Total Long-term Borrowings	<u>6 533 953</u>	<u>145 675</u>			
9.1 The obligations under finance leases are scheduled below:		Minimum payments			
Amounts payable under finance leases:					
Payable within one year	1 925 006	229 806			
Payable within two to five years	5 449 315	154 058			
Payable after five years	-	-			
	<u>7 374 321</u>	<u>383 864</u>			
Less: Future finance obligations	-	(44 028)			
Present value of finance lease obligations	<u>7 374 321</u>	<u>339 835</u>			
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		40 273 098			37 184 593
Total Non-current Provisions		<u>40 273 098</u>			<u>37 184 593</u>
10.1 Landfill Sites					
Balance 1 July		37 184 593			33 727 820
Contribution for the year		3 830 154			3 604 792
Change in Provision for Rehabilitation Cost		(741 648)			(148 019)
Total provision 30 June		<u>40 273 099</u>			<u>37 184 593</u>
Less: Transfer of Current Portion to Current Provisions		-			-
Balance 30 June		<u>40 273 099</u>			<u>37 184 593</u>

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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)	74 850	10 300	5 470	440	6 763
Capping	26 378 668	4 159 351	1 212 604	102 325	2 381 584
Ancillary Work	3 597 924	1 155 610	985 510	365 940	1 177 660
Contractor P&Gs	5 995 319	1 062 993	439 623	93 653	711 849
Environmental process	592 900	592 900	592 900	592 900	592 900
Professional Fees	3 712 638	1 216 089	632 316	284 354	765 197
Disbursements	427 416	117 673	46 292	17 139	74 317
Contingencies (10%)	4 070 487	830 462	390 925	145 631	570 351

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 5,18%, and date of decommission of the sites are as follows:

Location	Estimated decommission date	2023 R	2022 R
Port Nolloth	2033	74 123 812	75 099 512
Eksteensfontein	2033	15 122 758	17 131 418
Lekkersing	2033	7 118 760	7 622 605
Kuboes	2033	2 651 951	3 885 239
Sanddrift	2033	10 386 122	10 416 782
		109 403 403	114 155 554

11. NON-CURRENT EMPLOYEE BENEFITS

Provision for Post Retirement Health Care Benefits	1 954 999	2 026 999
Provision for Long Service Awards	1 663 000	1 555 000
Total Non-current Employee Benefits	3 617 999	3 581 999

Post Retirement Health Care Benefits

Balance 1 July	2 214 999	1 888 999
Contribution for the year	238 000	160 000
Expenditure for the year	(190 789)	(132 322)
Actuarial Loss/(Gain)	(104 211)	298 322
Total provision 30 June	2 157 999	2 214 999
Less: Transfer of Current Portion to Current Provisions - Note 13	(203 000)	(188 000)
Balance 30 June	1 954 999	2 026 999

Long Service Awards

Balance 1 July	1 786 000	1 630 000
Contribution for the year	341 000	284 000
Expenditure for the year	(182 805)	(122 469)
Actuarial Loss/(Gain)	(46 195)	(5 531)
Total provision 30 June	1 898 000	1 786 000
Less: Transfer of Current Portion to Current Provisions - Note 13	(235 000)	(231 000)
Balance 30 June	1 663 000	1 555 000

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	2 158 000	2 215 000
Total Liability	2 158 000	2 215 000

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

	2021 R	2020 R	2019 R
In-service members	-	-	-
In-service non-members	-	-	-
Continuation members	1 889 000	1 992 000	2 109 328
Total Liability	1 889 000	1 992 000	2 109 328

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 R236 000.

Key actuarial assumptions used:	2023 %	2022 %
i) Rate of interest		
Discount rate	11,45%	11,21%
Health Care Cost Inflation Rate	7,18%	7,88%
Net Effective Discount Rate	3,98%	3,09%

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

The salary increase for 2023/24 is 5,4%.

	2023 R	2022 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	2 158 000	2 215 000
Fair value of plan assets	-	-
	<u>2 158 000</u>	<u>2 215 000</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present Value of unfunded obligations	-	-
Net liability/(asset)	<u>2 158 000</u>	<u>2 215 000</u>

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	2 215 000	1 889 000
Total expenses	47 211	27 678
Current service cost	-	-
Interest Cost	238 000	160 000
Benefits Paid	(190 789)	(132 322)
Actuarial (gains)/losses	(104 211)	298 322
Present value of fund obligation at the end of the year	<u>2 158 000</u>	<u>2 215 000</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>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Sensitivity Analysis on the Accrued Liability on 30 June 2023

	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)
Assumption			
Central Assumptions	–	2,158	2,158

The effect of movements in the assumptions are as follows:

	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Assumption					
Health care inflation	1%	–	2,359	2,359	9%
Health care inflation	-1%	–	1,984	1,984	-8%
Discount Rate	1%	–	1,991	1,991	-8%
Discount Rate	-1%	–	2,352	2,352	9%
Post-employment mortality	1%	–	2,09	2,09	-3%
Post-employment mortality	-1%	–	2,226	2,226	3%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2023

	Current Service Cost (R)	Interest Cost (R)	Total (R)
Assumption			
Central Assumptions	–	238,000	238 000

The effect of movements in the assumptions are as follows:

	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Assumption					
Health care inflation	1%	–	259,000	259 000	10%
Health care inflation	-1%	–	216,000	216 000	-8%
Discount Rate	1%	–	236,000	236 000	0%
Discount Rate	-1%	–	235,000	235 000	0%
Post-employment mortality	1%	–	228,000	228 000	-3%
Post-employment mortality	-1%	–	244,000	244 000	3%

	2023 Rm	2022 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	0,104	0,426
Assets: Gain / (loss)	–	–

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

	2021 Rm	2020 Rm	2019 Rm
Liabilities: (Gain) / loss	-0,220	0,129	0,083
Assets: Gain / (loss)	–	–	–

Impact of Covid-19

It is difficult to estimate what impact the pandemic is likely to have on the Municipality's liability at this early stage. There is much uncertainty as to how it will affect mortality, in the medium to long term, and what effect treatments and/or vaccines will have. Once any long-term impacts of COVID-19 on the various valuation parameters becomes more evident, appropriate adjustments to the parameters will be feasible. In the meanwhile, any short-term impacts of actual experience being different to the current long-term assumptions will contribute to actuarial gain/loss items.

11.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 101 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R172 000 whereas the Interest Cost for the next year is estimated to be R199 000.

	2023 %	2022 %
Key actuarial assumptions used:		
i) Rate of interest		
Discount rate	11,15%	10,87%
General Salary Inflation (long-term)	6,50%	7,33%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	4,36%	3,30%

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	1 898 000	1 786 000
Fair value of plan assets	-	-
	<u>1 898 000</u>	<u>1 786 000</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
Net liability/(asset)	<u>1 898 000</u>	<u>1 786 000</u>

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	1 786 000	1 630 000
Total expenses	158 195	161 531
Current service cost	159 000	149 000
Vested past service cost	-	-
Interest Cost	182 000	135 000
Benefits Paid	(182 805)	(122 469)
Actuarial (gains)/losses	(46 195)	(5 531)
Present value of fund obligation at the end of the year	<u><u>1 898 000</u></u>	<u><u>1 786 000</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 2023

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 2023

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	159 000	182 000	341 000

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%	170 000	193 000	363 000	6%
General earnings inflation rate	-1%	149 000	172 000	321 000	-6%
Discount rate	1%	150 000	187 000	337 000	-1%
Discount rate	-1%	169 000	175 000	344 000	1%
Average retirement age	2 year	171 000	200 000	371 000	9%
Average retirement age	-2 year	146 000	163 000	309 000	-9%
Withdrawal rates	x2	120 000	147 000	267 000	-22%
Withdrawal rates	x0.5	187 000	206 000	393 000	15%
				2023 Rm	2022 Rm

Experience adjustments were calculated as follows:

Liabilities: (Gain) / loss	(0,046)	(0,118)
Assets: Gain / (loss)	-	-

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

	2021 Rm	2020 Rm	2019 Rm
Liabilities: (Gain) / loss	0,011	(0,012)	0,036
Assets: Gain / (loss)	-	-	-

Impact of Covid-19

It is difficult to estimate what impact the pandemic is likely to have on the Municipality's liability at this early stage. There is much uncertainty as to how it will affect mortality, in the medium to long term, and what effect treatments and/or vaccines will have. Once any long-term impacts of COVID-19 on the various valuation parameters becomes more evident, appropriate adjustments to the parameters will be feasible. In the meanwhile, any short-term impacts of actual experience being different to the current long-term assumptions will contribute to actuarial gain/loss items.

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.

	2023 R	2022 R
<u>CONSOLIDATED RETIREMENT FUND (PREVIOUSLY CAPE JOINT RETIREMENT FUND)</u>		
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 100,4% (30 June 2022 - 100,5%).		
Contributions paid recognised in the Statement of Financial Performance	1 939 970	1 658 728

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	1 603 178	1 186 139
	<u>1 603 178</u>	<u>1 186 139</u>

12. CONSUMER DEPOSITS

Electricity	1 035 970	1 114 119
Rental Properties	137 064	133 132
Posters	5 710	5 710
Refuse	511 545	478 758
Total Consumer Deposits	<u>1 690 290</u>	<u>1 731 720</u>

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

13. CURRENT EMPLOYEE BENEFITS

Staff Bonuses	897 480	799 554
Staff Leave	3 166 800	2 674 840
Current Portion of Non-Current Provisions	438 000	419 000
Current Portion of Post Retirement Benefits - Note 11	203 000	188 000
Current Portion of Long-Service Provisions - Note 11	235 000	231 000
Total Provisions	<u>4 502 279</u>	<u>3 893 394</u>

The movement in current provisions are reconciled as follows:

13.1 Staff Bonuses

Balance at beginning of year	799 554	824 301
Contribution to current portion	1 817 632	1 682 913
Expenditure incurred	(1 719 706)	(1 707 659)
Balance at end of year	<u>897 480</u>	<u>799 554</u>

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.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
13.2 Staff Leave		
Balance at beginning of year	2 674 840	2 369 958
Contribution to current portion	711 539	473 872
Expenditure incurred	(219 579)	(168 990)
Balance at end of year	<u>3 166 800</u>	<u>2 674 840</u>
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	66 152 727	54 592 257
Balance previously stated		58 337 368
Correction of Error - Note 42.3		(3 745 111)
Advance Payments	1 294 872	1 033 127
Control, Clearing and Interface Accounts	3 441	951 227
Other Payables	983 249	516 608
Retentions	1 881 215	804 536
Total Trade Payables	<u>70 315 504</u>	<u>57 897 755</u>
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	473 680	473 680
National Government Grants	416 921	416 921
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	<u>473 680</u>	<u>473 680</u>
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.		
16. TAXES		
16.1 VAT Payable		
VAT Payable	3 007 344	3 262 151
VAT Output in Suspense	(10 119 967)	(9 135 520)
Less: Contribution to Provision for Doubtful Debt Impairment	-	-
Total VAT Payable	<u>(7 112 623)</u>	<u>(5 873 369)</u>
16.2 VAT Receivable		
VAT Receivable	-	(1 447 156)
VAT Input in Suspense	13 941 702	11 729 717
Balance previously reported		11 476 833
Correction of Error - Note 42.4		252 884
Total VAT Receivable	<u>13 941 702</u>	<u>10 282 561</u>
16.3 Net VAT (Payable)/Receivable	<u>6 829 079</u>	<u>4 409 192</u>
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	<u>569 001</u>	<u>569 001</u>
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.	

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
18. PROPERTY RATES		
<u>Actual</u>		
Rateable Land and Buildings	19 320 476	18 808 328
Farm Properties	614 077	615 373
Industrial Property	(6 062)	4 194
Mining Properties	(1 395 955)	8 971 144
Municipal Properties	214 205	204 000
Residential Properties	9 184 510	8 912 388
Small Holdings	10 334 957	2 506 569
State-owned Properties	374 744	356 894
Balances previously stated		21 570 563
Correction of Error - Note 42.8		(2 762 234)
Total Property Rates	19 320 476	18 808 328

Valuations - 1 July 2022

	2023 R	2022 R
Rateable Land and Buildings	1 625 723 000	1 420 866 000
Business and Commercial Property	106 451 000	103 931 000
PBI	2 580 000	-
PBO	270 000	-
Multi use	130 000	-
Municipal Properties	131 391 000	-
Vacant land	-	-
Industrial Property	14 820 000	476 125 000
Mining Properties	82 261 000	-
Residential Properties	830 645 000	781 663 000
State-owned Properties	24 365 000	-
Agricultural Property	385 430 000	-
Other Categories	47 380 000	59 147 000
Total Assessment Rates	1 625 723 000	1 420 866 000

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2019. Interim 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	0,012783	0,012174
Farms	0,001971	0,001877
Guesthouse	0,014873	0,014165
Business	0,016966	0,016159
Private school	0,016966	0,016158
Government residential	0,012783	0,012174
Government commercial	0,016966	0,016158
Developments	0,042755	0,040719
Mine grounds	0,038349	0,036230

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.

19. GOVERNMENT GRANTS AND SUBSIDIES

Government Grants and Subsidies - Operating	27 950 506	22 378 153
Equitable Share	23 085 000	19 151 857
Expanded Public Works Programme Integrated Grant	950 000	-
Local Government Financial Management Grant	2 650 000	2 650 000
Libraries, Archives and Museums	1 200 000	514 374
Construction, Education and Training SETA	65 506	61 921
Economic Development and Tourism	-	-
Government Grants and Subsidies - Capital	17 697 000	27 401 208
Municipal Infrastructure Grant	7 697 000	5 832 481
Libraries, Archives and Museums	-	1 568 727
Water Services Infrastructure Grant	10 000 000	20 000 000
Total Government Grants and Subsidies	45 647 506	49 779 360

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
Included in above are the following grants and subsidies received:		
Unconditional	23 085 000	19 151 857
Equitable Share	23 085 000	19 151 857
Conditional	22 562 506	30 627 503
Local Government Financial Management Grant	2 650 000	2 650 000
Expanded Public Works Programme Integrated Grant	950 000	-
Libraries, Archives and Museums	1 200 000	2 083 101
Construction, Education and Training SETA	65 506	61 921
Municipal Infrastructure Grant	7 697 000	5 832 481
Water Services Infrastructure Grant	10 000 000	20 000 000
Total Government Grants and Subsidies	45 647 506	49 779 360

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

Equitable share	23 085 000	19 151 857
Executive and Council	65 506	61 921
Finance and Administration	3 600 000	2 650 000
Community and Social Services	1 200 000	2 083 101
Sport & Recreation	335 000	-
Water Management	10 000 000	20 000 000
Waste Water Management	7 697 000	5 832 481
Total Government Grants and Subsidies	45 982 506	49 779 360

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	-	-
Correction of Error	-	-
Grants received	23 085 000	19 151 857
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(23 085 000)	(19 151 857)
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.

19.2 Local Government Financial Management Grant (FMG)

Opening balance	-	-
Correction of Error	-	-
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	-	-

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).

19.3 Municipal Infrastructure Grant (MIG)

Opening balance	328 519	4 056 387
Correction of Error	-	-
Grants received	7 697 000	6 161 000
Interest received	-	-
Repaid to National Revenue Fund	-	(4 056 387)
Conditions met - Operating	-	-
Conditions met - Capital	(7 697 000)	(5 832 481)
Conditions still to be met	328 519	328 519

The Municipal Infrastructure Grant is used for approved capital projects.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
19.4 <u>Expanded Public Works Programme Integrated Grant</u>		
Opening balance	-	-
Correction of Error	-	-
Grants received	950 000	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(950 000)	-
Conditions met - Capital	-	-
	<u>-</u>	<u>-</u>
Conditions still to be met	<u>-</u>	<u>-</u>
The EPWP Grant was used for job creation.		
19.5 <u>Municipal Disaster Grant</u>		
Opening balance	86 309	86 309
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
	<u>86 309</u>	<u>86 309</u>
Conditions still to be met	<u>86 309</u>	<u>86 309</u>
The Municipal Disaster Grant was used to fund Covid-19 expenditure.		
19.6 <u>Water Services Infrastructure Grant</u>		
Opening balance	2 093	435 563
Correction of Error	-	-
Grants received	10 000 000	20 000 000
Interest received	-	-
Repaid to National Revenue Fund	-	(433 471)
Conditions met - Operating	-	-
Conditions met - Capital	(10 000 000)	(20 000 000)
	<u>2 093</u>	<u>2 093</u>
Conditions still to be met	<u>2 093</u>	<u>2 093</u>
The grant was used to construct water infrastructure.		
19.7 <u>Libraries, Archives and Museums</u>		
Opening balance	-	62 111
Correction of Error	-	-
Grants received	1 200 000	2 020 990
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 200 000)	(514 374)
Conditions met - Capital	-	(1 568 727)
	<u>-</u>	<u>-</u>
Conditions still to be met	<u>-</u>	<u>-</u>
The grant was used to finance library activities.		
19.8 <u>Economic Development and Tourism</u>		
Opening balance	-	-
Correction of Error	-	-
Grants received	335 000	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(335 000)	-
Conditions met - Capital	-	-
	<u>-</u>	<u>-</u>
Conditions still to be met	<u>-</u>	<u>-</u>
The grant was used for the festival in Port Nolloth.		
19.9 <u>Alexkor</u>		
Opening balance	56 759	56 759
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
	<u>56 759</u>	<u>56 759</u>
Conditions still to be met	<u>56 759</u>	<u>56 759</u>
The grant was used for various projects.		

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
19.10 Construction, Education and Training SETA		
Opening balance	-	-
Correction of Error	-	-
Grants received	-	61 921
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(61 921)
Conditions met - Capital	-	-
Conditions still to be met	<u>-</u>	<u>-</u>
19.11 Total Grants		
Opening balance	473 680	4 697 129
Correction of Error	-	-
Grants received	45 982 506	50 045 769
Interest received	-	-
Repaid to National Revenue Fund	-	(4 489 857)
Conditions met - Operating	(28 285 506)	(22 378 153)
Conditions met - Capital	(17 697 000)	(27 401 208)
Conditions still to be met/(Grant expenditure to be recovered)	<u>473 680</u>	<u>473 680</u>
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	473 680	473 680
Unpaid Conditional Government Grants and Receipts	-	-
Total	<u>473 680</u>	<u>473 680</u>
20. PUBLIC CONTRIBUTIONS AND DONATIONS		
Donations	<u>910 000</u>	<u>587 400</u>
Total Public Contributions and Donations	<u>910 000</u>	<u>587 400</u>
21. INTEREST EARNED - NON-EXCHANGE TRANSACTIONS		
Receivables	2 848 741	2 018 679
Kai-Kai Development	57 791	-
Total Contributed Property, Plant and Equipment	<u>2 906 532</u>	<u>2 018 679</u>
	2023	2022
	R	R
22. AVAILABILITY CHARGES		
Electricity	906 024	821 099
Water	1 612 419	1 433 374
Waste Management	588 632	581 614
Waste Water Management	1 275 863	1 176 287
Total Availability Charges	<u>4 382 937</u>	<u>4 012 374</u>
23. LICENCES AND PERMITS		
Trading	13 440	12 920
Road and Transport	95	-
Total Licences and Permits	<u>13 535</u>	<u>12 920</u>
<u>Disclosed as follows:</u>		
Revenue from Non-Exchange Transactions	-	-
Revenue from Exchange Transactions	13 535	12 920
Total Licences and Permits	<u>13 535</u>	<u>12 920</u>

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
24. SERVICE CHARGES		
Electricity	9 721 626	17 727 502
Service Charges	10 876 826	18 742 592
Balance previously stated		15 053 431
Correction of Error - Note 42.8		3 689 161
Less: Revenue Forgone	(1 155 200)	(1 015 090)
Water	3 769 298	4 152 312
Service Charges	4 541 728	4 924 742
Balance previously stated		4 953 456
Correction of Error - Note 42.8		(28 713)
Less: Revenue Forgone	(772 430)	(772 430)
Waste Management	2 366 764	2 280 419
Service Charges	3 860 136	3 773 792
Less: Revenue Forgone	(1 493 373)	(1 493 373)
Waste Water Management	2 669 986	2 517 363
Service Charges	4 066 075	3 913 451
Less: Revenue Forgone	(1 396 089)	(1 396 089)
Total Service Charges	18 527 674	26 677 596
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	21 870	21 120
Building Plan Clause Levy	106 205	52 873
Camping Fees	970 423	796 618
Cemetery and Burial	3 961	10 345
Entrance Fees	401	5 404
Management Fees	-	39 891
Photocopies and Faxes	1 262	465
Scrap, Waste & Other Goods	22 852	20 916
Total Sales of Goods and Rendering of Services	1 126 973	947 631
26. RENT ON LAND		
Land	111 078	104 640
Grazing Fees	111 078	104 640
Undeveloped Land	-	-
Servitudes	299 736	301 073
Total Rent on Land	410 814	405 713
27. RENTAL FROM FIXED ASSETS		
Investment Property	369 875	344 599
Property, Plant and Equipment	2 400	5 078
Total Rental from Fixed Assets	372 275	349 677
28. INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank	338 895	260 324
Total Interest Earned - External Investments	338 895	260 324
29. INTEREST EARNED - EXCHANGE TRANSACTIONS		
Trade Receivables	5 840 368	4 274 571
Total Interest Earned - Outstanding Receivables	5 840 368	4 274 571

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
30. OPERATIONAL REVENUE		
Commission	15 555	14 901
Debt Relief by National Treasury	3 659 193	3 692 848
Incidental Cash Surpluses	0	401
Insurance Refund	27 521	109 347
Request for Information	19 262	38 956
Total Operational Revenue	3 721 531	3 856 453
<u>Disclosed as follows:</u>		
Revenue from Exchange Transactions	62 338	163 605
Revenue from Non-Exchange Transactions	3 659 193	3 692 848
Total Operational Revenue	3 721 531	3 856 453
31. EMPLOYEE RELATED COSTS		
Basic Salaries and Wages	24 991 757	21 056 475
Balance previously reported		21 129 624
Correction of Error - Note 42.8		(73 150)
Pension and UIF Contributions	3 807 623	3 550 599
Medical Aid Contributions	457 844	553 973
Overtime	1 582 896	1 228 842
Bonuses	1 817 632	1 682 912
Motor Vehicle Allowance	503 638	518 094
Cell Phone Allowance	39 943	32 444
Housing Allowances	380 375	196 125
Other benefits and allowances	601 766	1 869 779
Payments in lieu of leave	711 539	473 872
Post-retirement Benefit Obligations	159 000	234 009
Total Employee Related Costs	35 054 012	31 397 124
KEY MANAGEMENT PERSONNEL		
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.		
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
Remuneration of the Municipal Manager - SC Adams (previous)		
Basic Salary	380 500	652 286
Contributions to UIF, Medical and Pension Funds	118 289	200 463
Annual Bonus	45 298	54 357
Motor Vehicle Allowance	88 232	146 556
Leave	86 102	-
Housing Allowances	22 830	39 137
Other benefits and allowances	109 666	108 714
Total	850 917	1 201 513
Remuneration of the Municipal Manager - JG Cloete (current)		
Basic Salary	267 165	-
Contributions to UIF, Medical and Pension Funds	72 852	-
cellphone allowance	7 500	-
Motor Vehicle Allowance	50 000	-
Other benefits and allowances	41 980	-
Total	439 497	-
Remuneration of the Chief Financial Officer - D Moshobane		
Basic Salary	451 419	451 419
Contributions to UIF, Medical and Pension Funds	140 542	137 662
cellphone allowance	14 443	-
Annual Bonus	37 618	37 618
Motor Vehicle Allowance	142 644	135 513
Housing Allowances	42 000	42 000
Other benefits and allowances	121 611	95 951
Total	950 277	900 163
Remuneration of the Manager: Infrastructure - I Cloete		
Basic Salary	489 038	489 038
Contributions to UIF, Medical and Pension Funds	15 390	2 012
cellphone allowance	18 000	-
Annual Bonus	40 753	40 753
Motor Vehicle Allowance	222 761	236 026
Housing Allowances	36 474	29 342
Other benefits and allowances	121 610	99 507
Total	944 026	896 678

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
Remuneration of the Manager: Municipal Support/Compliance - L Young		
Basic Salary	575 622	535 877
Contributions to UIF, Medical and Pension Funds	159 160	152 426
Medical Aid Contributions	-	-
Annual Bonus	47 968	44 656
Housing Allowances	-	-
Other benefits and allowances	169 938	141 966
Rural allowance	-	-
Total	952 688	874 925
Remuneration of Manager: Administration - LS Cloete		
Basic Salary	575 622	535 877
Contributions to UIF, Medical and Pension Funds	105 737	97 562
Annual Bonus	47 968	44 656
Housing Allowances	-	-
Other benefits and allowances	145 545	136 666
Rural allowance	-	-
Total	874 873	814 761
Remuneration of Manager: Community Services - B Williams		
Basic Salary	575 622	535 877
Contributions to UIF, Medical and Pension Funds	171 587	153 995
Medical Aid Contributions	-	-
Annual Bonus	47 968	44 656
Housing Allowances	-	-
Other benefits and allowances	151 295	142 161
Rural allowance	-	-
Total	946 472	876 689
Total Key Management Remuneration		
Basic Salary	3 314 987	3 200 374
Contributions to UIF, Medical and Pension Funds	783 557	744 120
Medical Aid Contributions	-	-
Cellphone allowance	39 943	-
Annual Bonus	267 574	266 696
Motor Vehicle Allowance	503 637	518 095
Leave	86 102	-
Housing Allowances	101 304	110 479
Other benefits and allowances	861 645	724 965
Rural allowance	-	-
Total	5 958 750	5 564 729

32. REMUNERATION OF COUNCILLORS

AM Jansen	-	302 129
C Knoph	884 769	527 742
M Fredericks	715 497	429 726
C Sonamzi	392 524	242 713
R Thomas	382 135	216 846
M Obies	392 524	242 713
F Mabala	308 646	192 754
N Mpambani	308 646	192 754
R van Wyk	308 646	192 754
G Beukes	-	106 394
WJP Links	-	106 394
R Jonker	308 646	299 491
S Isaaks	-	118 106
A Bock	308 646	299 491
CJ Stuurman	392 524	349 450
Total Councillors' Remuneration	4 703 203	3 819 457

Remuneration paid to Councillors can be summarised as follow:

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Mayor	826 218	-	58 551	-	884 769
Speaker	660 975	-	54 522	-	715 497
Chief Whip	345 693	-	46 831	-	392 524
Councillors	2 342 541	-	367 872	-	2 710 413
Total Councillors' Remuneration	4 175 427	-	527 776	-	4 703 203

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
33. CONTRACTED SERVICES		
Consultants and Professional Services	3 346 414	2 290 188
Business and Advisory	2 810 528	2 067 556
Business and Financial Management	2 759 061	2 099 642
Correction of Error - Note 42.8	-	(40 653)
Medical Examinations	2 257	-
Occupational Health and Safety	49 210	-
Valuer and Assessors	-	8 567
Laboratory Services	57 139	52 851
Water	57 139	52 851
Legal Cost	478 747	169 781
Legal Advice and Litigation	158 204	64 237
Collection	320 543	105 544
Contractors	6 600 728	4 213 157
Catering Services	9 952	2 097
Event Promoters	307 648	-
Maintenance of Buildings and Facilities	168 576	-
Maintenance of Equipment	3 587 133	3 168 998
Maintenance of Unspecified Assets	187 994	897 562
Tracing Agents and Debt Collectors	11 342	4 567
Safeguard and Security	2 328 083	139 934
Total Contracted Services	9 947 142	6 503 345
34. DEPRECIATION AND AMORTISATION		
Property, Plant and Equipment	11 481 876	10 740 494
Balance previously stated		10 867 200
Correction of Error - Note 42.8		(126 706)
Intangible Assets	4 428	13 105
Investment Property carried at cost	150 250	150 250
Balance previously stated		150 343
Correction of Error - Note 42.8		(92)
Total Depreciation and Amortisation	11 636 554	10 903 849
35. FINANCE COSTS		
Long-term Borrowings	616 909	45 380
Non-current Provisions	3 830 154	3 604 792
Non-current Employee Benefits	420 000	289 469
Interest on late payments	6 317 055	3 220 157
Kai-Kai Development	-	1 114 465
Total Finance Costs	11 184 117	8 274 262
36. BULK PURCHASES		
Electricity	17 109 007	19 232 895
Total Bulk Purchases	17 109 007	19 232 895
37. RENTAL COSTS		
Rentals	1 057 210	1 106 344
Total Operating Leases	1 057 210	1 106 344
38. OPERATIONAL COSTS		
Advertising, Publicity and Marketing	185 997	289 127
Assets less than the Capitalisation Threshold	127 616	10 611
Audit Fees	2 913 326	3 601 704
Bank Charges, Facility and Card Fees	164 684	166 496
Commission	434 922	573 727
Courier and Delivery Services	6 444	3 519
Communication	254 184	435 235
Eskom Connection Fees	-	51 279
Entertainment	150 979	109 576
External Computer Service	1 966 102	1 446 816
Insurance Underwriting	1 480 803	1 325 505
Licences	1 135 485	128 158
Parking Fees	6 869	-
Printing, Publications and Books	191 710	260 858
Professional Bodies, Membership and Subscription	521 750	605 858
Registration Fees	-	7 943
Remuneration to Ward Committees	287 000	199 000
Settlement Discount	681 330	-
Skills Development Fund Levy	339 115	298 706
Travel and Subsistence	2 219 432	1 447 610
Balance previously stated		1 408 259
Correction of Error - Note 42.8		39 352
Uniform and Protective Clothing	266 450	216 858
Wet Fuel	2 348 270	1 181 473
Total Operational Costs	15 682 469	12 360 058

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
39. REVERSAL OF IMPAIRMENT LOSS/(IMPAIRMENT LOSS) ON RECEIVABLES		
Receivables from Exchange Transactions - Note 6	(9 258 891)	279
Receivables from Non-exchange Revenue - Note 7	7 652 253	4 798 766
Previously stated		8 720 286
Correction of Error - Note 40.4		(3 921 519)
Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables	(1 606 637)	4 799 046
40. GAINS/ (LOSS) ON SALE OF FIXED ASSETS		
Investment Property	(4 500)	-
Property, Plant and Equipment	(309 495)	(252 307)
Total Gains/ (Loss) on Sale of Fixed Assets	(313 995)	(252 307)
41. WATER LOSSES		
Real Losses	155 755	74 679
Total Water Losses	155 755	74 679
42. CORRECTION OF ERROR IN TERMS OF GRAP 3		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:		
42.1 Property, Plant and Equipment		
Balance previously reported		182 201 796
Cost	-	(146 000)
Land and Buildings recognise incorrectly in periods before 1 July 2021 - Note 2	-	(146 000)
Accumulated Depreciation	-	232 338
Depreciation on Infrastructure Assets not recognised in 2021/2022 - Note 2	-	59 276
Depreciation on Other Assets not recognised in 2021/2022 - Note 2	-	6 484
Depreciation on Buildings recognised incorrectly in periods before 1 July 2021 - Note 2	-	105 632
Depreciation on Buildings recognised incorrectly in 2020/2021 - Note 2	-	(2 981)
Depreciation on Community Assets recognised incorrectly in 2021/2022 - Note 2	-	63 932
Depreciation on Lease Assets recognised incorrectly in 2021/2022 - Note 2	-	(6)
Restated Balance	-	182 288 134
Reconstructing of Asset Register as a result of asset verification and resolving of prior year audit findings.		
42.2 Investment Property		
Balance previously reported	-	19 080 509
Depreciation on Investment Property recognised incorrectly in 2021/2022 - Note 3	-	92
Restated Balance	-	19 080 601
Reconstructing of Investment Property Register as a result of prior year audit findings.		
42.3 Receivables from Exchange Transactions		
Balance previously reported	-	6 492 749
Correction of Consumer Accounts in 2021/2022 - Note 6	-	(28 713)
Correction of Provision for Debt Impairment in periods before 1 July 2021 - Note 6	-	(2 138 516)
Correction of Provision for Debt Impairment in 2021/2022 - Note 6	-	199 738
Restated Balance	-	4 525 257
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	-	3 951 509
Correction of Consumer Accounts in 2021/2022 - Note 7	-	(840)
Payments received in advance incorrectly disclosed in periods before 1 July 2021 - Note 7	-	(500 000)
Property Rates and Interest not recognised incorrectly in periods before 1 July 2021 - Note 7	-	(6 218 226)
Property Rates and interest not recognised incorrectly in 2021/2022 - Note 7	-	(3 950 620)
Correction of Provision for Debt Impairment for Consumer Accounts in periods before 1 July 2021 - Note 7	-	4 984 715
Correction of Provision for Debt Impairment for Consumer Accounts in 2021/2022 - Note 7	-	3 721 782
Restated Balance	-	1 988 320
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.		

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
42.5 Trade and Other Payables from Exchange Transactions		
Balance previously reported	-	61 642 866
Correction of payable accounts in periods before 1 July 2021 - Note 14	-	17 200
Correction of payable accounts in 2021/22 - Note 14	-	(3 762 311)
Restated Balance	<u>-</u>	<u>57 897 755</u>

Correction of prior year Creditors as a result of initial transactions not recorded in the correct accounting period.

42.6 Taxes		
Balance previously reported	-	4 156 308
Correction of VAT in periods before 1 July 2021 - Note 17	-	252 884
Restated Balance	<u>-</u>	<u>4 409 192</u>

Correction of VAT Control Account as a result of the outcome of a VAT investigation.

42.7 Accumulated Surplus/(Deficit) - 1 July 2021		
Land and Buildings recognise incorrectly in periods before 1 July 2020 - Note 42.1	-	(146 000)
Depreciation on Buildings recognised incorrectly in periods before 1 July 2020 - Note 42.1	-	105 632
Correction of Payables in periods before 1 July 2021 - Note 42.3	-	(17 200)
Correction of Provision for Debt Impairment in periods before 1 July 2021 - Note 42.1	-	(2 138 516)
Correction of Provision for Debt Impairment in periods before 1 July 2021 - Note 42.2	-	4 984 715
Correction of VAT in periods before 1 July 2021 - Note 42.4	-	252 884
Payments received in advance incorrectly disclosed in periods before 1 July 2021 - Note 42.4	-	(500 000)
Property Rates and Interest not recognised incorrectly in periods before 1 July 2021 - Note 42.4	-	(6 218 226)
Total	<u>-</u>	<u>(3 676 711)</u>

42.8 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	Adjustments	Restated Balance
Revenue				
Property Rates		21 570 563	(2 762 234)	18 808 328
Government Grants and Subsidies		49 779 360	-	49 779 360
Public Contributions and Donations		587 400	-	587 400
Availability Charges	42,4	4 013 214	(840)	4 012 374
Fines, Penalties and Forfeits		37 957	-	37 957
Interest Earned - Non-exchange Transactions		3 207 064	(1 188 385)	2 018 679
Service Charges	42,3	23 017 148	3 660 448	26 677 596
Sales of Goods and Rendering of Services		947 631	-	947 631
Rental from Fixed Assets		755 390	-	755 390
Interest Earned - External Investments		260 324	-	260 324
Interest Earned - Exchange Transactions		4 274 571	-	4 274 571
Licences and Permits from Exchange Transactions		12 920	-	12 920
Agency Services		88 342	-	88 342
Operational Revenue		3 856 453	-	3 856 453
Total		<u>112 408 336</u>	<u>(291 012)</u>	<u>112 117 324</u>

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	Note	Balance previously reported	Adjustments	Restated Balance
Expenditure				
Employee related costs	42,3	(31 470 273)	73 150	(31 397 124)
Remuneration of Councillors		(3 819 459)	-	(3 819 459)
Bad Debts Written Off		(1 484 918)	-	(1 484 918)
Contracted Services		(6 543 998)	40 653	(6 503 345)
Depreciation and Amortisation	42,1	(11 030 647)	126 798	(10 903 849)
Finance Costs		(8 274 262)	-	(8 274 262)
Bulk Purchases		(19 232 895)	-	(19 232 895)
Inventory Consumed		(1 691 568)	(1 302)	(1 692 870)
Rental Costs		(1 106 344)	-	(1 106 344)
Operational Costs		(12 320 706)	(39 352)	(12 360 058)
Total		(96 975 072)	199 948	(96 775 124)
Gains and Losses				
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value		-	-	-
Reversal of Impairment Loss/(Impairment Loss) on Receivables	42,3	(8 720 565)	3 921 519	(4 799 046)
Gains/(Loss) on Sale of Fixed Assets		(252 307)	-	(252 307)
Water Losses		(74 678)	-	(74 678)
Total		(9 047 550)	3 921 519	(5 126 031)
Net Surplus/(Deficit) for the year		6 385 714	3 830 456	10 216 170

	2023 R	2022 R
43. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus/(Deficit) for the year	(8 637 118)	10 216 170
Adjustments for:		
Depreciation and Amortisation	11 636 554	11 030 647
Loss/(Gain) on Sale of Fixed Assets	313 996	(176 485)
Impairment Loss/(Reversal of Impairment Loss)	225 710	-
Government Grants and Subsidies received	45 982 506	50 045 769
Government Grants and Subsidies recognised as revenue	(45 982 506)	(49 779 360)
Government Grants repaid to National Revenue Fund	-	(4 489 857)
Contribution to provisions – Non-Current Provisions	3 830 154	3 604 792
Contribution from/to provisions - Non-Current Employee Benefits	205 406	189 209
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	(150 406)	292 791
Contribution from/to - Current Employee Benefits	589 886	280 135
Contribution to provisions – Bad Debt	2 995 471	8 742 451
Reversal of Provision for Bad Debt	-	-
Bad Debts written off	2 067 186	1 484 918
Operating Surplus/(Deficit) before changes in working capital	13 076 838	31 441 179
Changes in working capital	1 264 789	(5 708 796)
Increase/(Decrease) in Trade and Other Payables	12 417 749	18 605 946
Increase/(Decrease) in Taxes	(2 419 887)	(3 503 724)
Increase/(Decrease) in Consumer Deposits	(41 430)	41 288
(Increase)/Decrease in Inventory	(6 267)	2 530
(Increase)/Decrease in Trade Receivables from Exchange Transactions	(9 075 652)	(11 869 267)
(Increase)/Decrease in Other Receivables from Non-Exchange Transactions	390 276	(8 985 569)
Cash generated/(absorbed) by operations	14 341 627	25 732 383
44. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 8	868 525	3 884 690
Call Deposits and Investments - Note 8	1 329 779	2 133 193
Cash Floats - Note 8	380	380
Total cash and cash equivalents	2 198 684	6 018 264
45. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 44	2 198 684	6 018 264
Less:	(3 481 025)	(3 735 832)
Unspent Transfers and Subsidies - Note 15	(473 680)	(473 680)
VAT - Note 16	(3 007 344)	(3 262 151)
Net cash resources available for internal distribution	(1 282 340)	2 282 432
Allocated to:		
Capital Replacement Reserve	(567 685)	(567 685)
Resources available for working capital requirements	(1 850 025)	1 714 747

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
46. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - Note 9	7 374 321	339 836
Used to finance property, plant and equipment - at cost	(7 374 321)	(339 836)
	<u>-</u>	<u>-</u>
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities	<u>-</u>	<u>-</u>

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 2022/23 MTREF period and is applicable from 1 July 2022 until 30 June 2023.

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, and the negative effect of the Covid-19 pandemic on revenue, increase in consumer debtors, reprioritising of operating and capital projects.

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

47.2 Statement of Financial Position

47.2.1 Current Assets

Cash

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

Consumer Debtors

Unemployment, the inability of consumers to be able to pay their accounts has increased. The impact of Covid has also had a detrimental effect where people are focussing on their immediate needs. The municipality is embarking on a new credit control procedure that will have a positive effect on collections

Other Debtors

Unemployment, the inability of consumers to be able to pay their accounts has increased. The impact of Covid has also had a detrimental effect where people are focussing on their immediate needs. The municipality is embarking on a new credit control procedure that will have a positive effect on collections

Inventory

The obsolete stock was written-off in the prior year, but not taken into account during the preparation of the budget.

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

Borrowing

The municipality budgeted for new finance leases.

Consumer Deposits

Increase in Consumer Deposits as a result of the implementation of the council resolution to no longer open new accounts in the name of someone who is renting.

Trade and Other Payables

Increase in payables, as a result of cash constraints, and under collection of revenue.

Provisions

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

47.2.4 Non-Current Liabilities

Borrowing

Borrowing

The municipality did not budgeted for new finance leases.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Provisions

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.

Reserves

The municipality does not have any reserve to transfer additional funds to the Capital Replacement Reserve to fund future capital expenditure.

Statement of Financial Performance

47.2.6 Revenue

Service Charges - Electricity Revenue

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

Rental of Facilities and Equipment

Revenue received lower than budgeted for and the municipality budgeted incorrectly for rental income.

Interest Earned - External Investments

Increase due to cash funds being left in Investment accounts as long as possible to generate as much interest as possible. This interest is

Fines

Decrease due to projected fines for non-compliance with building laws not realising during the year.

Licences and Permits

Increase due to more local shopkeepers abided by bylaws and taking out trading permits with the municipality.

Gains on Disposal of PPE

Decrease due to sale of land that did not take place.

Transfers Recognised - Capital

Increase due to additional grant funding spent during the year.

47.2.7 Expenditure

Debt Impairment

Decrease due to over budgeting of debt impairment.

Depreciation and Asset Impairment

The budgeted amount was less than the actual as a result of incorrect budgeting, and restructuring of the asset register after correcting prior year misstatements.

Finance Charges

Increase due to liquidity issues, as the municipality was unable to pay creditors on time. This has led to interest paid on outstanding accounts.

Bulk Purchases

Increase due to an increase in electricity distribution losses.

Other Materials

Repairs and Maintenance expenditure required less material during the year, but more an increase in contractor services.

Contracted Services

Repairs and Maintenance expenditures required less material during the year, but more an increase in contractor services. Additional expenditure on emergency repairing work was also required.

Other Expenditure

The main expenses contributing to this are Commission on prepaid, computer licences and insurances, which had significant increase in relation previous years expenditure. The budgeting was based on conservative use of previous years figures, however this was exceeded by actual expenditure

Loss on Disposal of PPE

The municipality did not budget for write-off of assets.

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.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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.

Interest

Incorrect budgeting The municipality did not budget for receiving of interest on investment accounts on the Cash Flow Statement.

Suppliers and Employees

The municipality budgeted incorrectly for this amount.

47.2.9 Net Cash from Financing Activities

Increase/(Decrease) in Consumer Deposits

With not many new properties built, there was an under receipt of consumer deposits.

Repayment of Borrowing

	2023 R	2022 R
48. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
48.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure:		
Opening balance	161 974 165	111 394 442
Correction of prior period error	-	-
Restated opening balance	161 974 165	111 394 442
Unauthorised expenditure current year - operational	17 254 731	41 646 977
Unauthorised expenditure current year - capital	5 843 231	8 932 746
Approved by Council or condoned	-	-
Current	-	-
Prior Period	-	-
Transfer to receivables for recovery	-	-
Current	-	-
Prior Period	-	-
Unauthorised expenditure awaiting authorisation	185 072 127	161 974 165

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	-
Over expenditure of approved capital budget - 2023	Under investigation	5 843 231	-
		185 072 127	161 974 165

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

	2023 Actual R	2023 Final Budget R	2023 Variance R	2023 Unauthorised R
<u>Unauthorised expenditure current year - operating</u>				
Executive and council	10 456 837	7 886 050	2 570 787	2 570 787
Administration: Corporate	20 472 216	10 771 169	9 701 047	9 701 047
Administration: Community	10 254 197	7 576 142	2 678 055	2 678 055
Financial Services	15 032 016	12 727 174	2 304 842	2 304 842
Infrastructure	56 254 093	65 346 973	(9 092 880)	-
	<u>112 469 358</u>	<u>104 307 508</u>	<u>8 161 850</u>	<u>17 254 731</u>
<u>Unauthorised expenditure current year - capital</u>				
Executive and council	-	200 000	(200 000)	-
Administration: Corporate	-	-	-	-
Administration: Community	-	-	-	-
Financial Services	-	-	-	-
Infrastructure	24 281 231	18 438 000	5 843 231	5 843 231
	<u>24 281 231</u>	<u>18 638 000</u>	<u>5 643 231</u>	<u>5 843 231</u>
			2023 R	2022 R

48.2 **Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure:

Opening balance		5 099 543	1 719 522
Correction of prior period error		-	-
Restated opening balance		5 099 543	1 719 522
Fruitless and wasteful expenditure current year		6 317 055	3 380 021
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>11 416 598</u>	<u>5 099 543</u>

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
Fruitless and wasteful expenditure can be summarised as follow:		
Incident		Disciplinary steps/criminal proceedings
<i>Interest and Penalties Paid to SARS on late payment of employee tax.</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom.</i>	115	115
<i>Interest Paid to Creditors.</i>	38 083	38 083
<i>Interest and Penalties Paid to SARS on late payment of VAT.</i>	6 331	6 331
<i>Power failure caused damages to lobster and abalone at the Port Lobster fishing factory</i>	12 693	12 693
<i>Official responsible for preparation of orders failed to supply order to ensure timeous payment of creditor</i>		<i>Under investigation</i>
<i>Official responsible for preparation of orders failed to supply order to ensure timeous payment of creditor</i>	25 000	25 000
<i>Interest Paid to Creditors</i>		<i>Under investigation</i>
<i>Interest and Penalties Paid to SARS on late payment of employee tax.</i>	65	65
<i>Interest Paid to Auditor General</i>		<i>Under investigation</i>
<i>Interest Paid to Creditors</i>	224	224
<i>Interest and Penalties Paid to SARS on late payment of employee tax.</i>	66 025	66 025
<i>Interest Paid to Auditor General</i>		<i>Under investigation</i>
<i>Interest Paid to Creditors</i>	44	44
<i>Interest and Penalties Paid to SARS on late payment of Provident Fund</i>	13 944	13 944
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to post office</i>	4 770	4 770
<i>Interest Paid to D.J Scholtz & de Wit</i>		<i>Under investigation</i>
<i>Interest Paid to Wessee Konstruksie</i>	621	621
<i>Interest Paid to Van's Photo</i>	67 249	67 249
<i>Interest Paid to Honolulu Hardware</i>		<i>Under investigation</i>
<i>Interest Paid to Creditors</i>	41 760	41 760
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	5 264	5 264
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	206	206
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	57	57
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	352	352
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	38	38
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	10 169	10 169
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	30 817	30 817
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	29 754	29 754
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	1 154	1 154
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	35 892	35 892
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	38 236	38 236
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	129	129
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	155	155
<i>Interest on late payment - Government Printing</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	25	25
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	736	736
<i>Interest on late payment - Municipal Workers Retirement</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	2 204	2 204
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	685	685
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	11	11
<i>Interest on late payment - Honolulu Mica</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	143	143
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest on late payment - Honolulu Mica</i>	705	705
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	302	302
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	325	325
<i>Interest Paid to Auditor General</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	52 611	52 611
<i>Interest Paid to SARS</i>		<i>Under investigation</i>
<i>Interest Paid to TGIS</i>	2 556	2 556
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	952	952
<i>Interest Paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to Eskom</i>	91	91
<i>Interest paid to Eskom</i>		<i>Under investigation</i>
<i>Interest paid to Eskom</i>	199 125	199 125
<i>Interest paid to Eskom</i>		<i>Under investigation</i>
<i>Interest paid to Eskom</i>	214	214
<i>Interest paid to Eskom</i>		<i>Under investigation</i>
<i>Interest paid to Eskom</i>	675	675
<i>Interest paid to Eskom</i>		<i>Under investigation</i>
<i>Interest paid to Eskom</i>	623 553	623 553
<i>Interest paid to Eskom</i>		<i>Under investigation</i>
<i>Interest paid to Eskom</i>	405 304	405 304
<i>Interest paid to Eskom</i>		<i>Under investigation</i>
<i>Interest paid to Eskom</i>	156	156
<i>Interest paid to Eskom</i>		<i>Under investigation</i>
<i>Interest paid to Eskom</i>	6 739 591	1 091 991
<i>Interest paid to Eskom</i>		<i>Under investigation</i>
<i>Interest paid to Eskom</i>	1 886 842	1 875 572
<i>Interest paid to Eskom</i>		<i>Under investigation</i>
<i>Interest paid to Eskom</i>	788 264	312 476
<i>Interest paid to Eskom</i>		<i>Under investigation</i>
<i>Interest Paid to SARS</i>	282 379	99 981
	<u>11 416 598</u>	<u>5 099 543</u>

48.3 Irregular expenditure

Reconciliation of irregular expenditure:

Opening balance	112 135 782	78 572 357
Correction of prior period error	-	-
Restated opening balance	112 135 782	78 572 357
Irregular expenditure current year	8 166 223	33 563 426
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	-	-
Irregular expenditure awaiting further action	<u>120 302 005</u>	<u>112 135 782</u>

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
Irregular expenditure can be summarised as follow:		
Incident		Disciplinary steps/criminal proceedings
<i>Non compliance with Supply Chain Management Policy - Three written quotations not obtained and incomplete registration forms</i>		<i>To be investigated</i>
	16 460 016	16 460 016
<i>Non compliance of tenders with Supply Chain Management Policy</i>		<i>To be investigated</i>
	24 880 494	24 880 494
<i>Non compliance with Supply Chain Management Policy - Supplier in service of state</i>		<i>To be investigated</i>
	506 874	506 874
<i>Non compliance with Supply Chain Management Policy - Contracts awarded not published on website</i>		<i>To be investigated</i>
	1 487 349	1 487 349
<i>Non compliance with Supply Chain Management Policy - Deviation not reported to council</i>		<i>To be investigated</i>
	3 670	3 670
<i>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</i>		<i>To be investigated</i>
	3 729 662	3 729 662
<i>Employee Related Cost - employees acting as CFO for longer than 3 months - 2015</i>		<i>To be investigated</i>
	140 781	140 781
<i>Employee Related Cost - appointments made not on organogram - 2015</i>		<i>To be investigated</i>
	1 251 121	1 251 121
<i>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</i>		<i>To be investigated</i>
	3 530 313	3 530 313
<i>Overpayment of capital projects</i>		<i>To be investigated</i>
	165 577	165 577
<i>Employee Related Cost - employees acting as Municipal Manager for longer than 6 months - 2016</i>		<i>To be investigated</i>
	79 141	79 141
<i>Employee Related Cost - appointments made not on organogram - 2016</i>		<i>To be investigated</i>
	300 320	300 320
<i>Employee Related Cost - employees acting as Municipal Manager for longer than 6 months - 2017</i>		<i>To be investigated</i>
	380 192	380 192
<i>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</i>		<i>To be investigated</i>
	4 633 079	4 633 079
<i>Non compliance with Supply Chain Management Policy - R10 001 - R500 000 - 2019</i>		<i>To be investigated</i>
	266 471	266 471
<i>Deviations from the Supply Chain Management Policy - 2019</i>		<i>To be investigated</i>
	381 500	381 500
<i>Deviations from the Supply Chain regulations - Preference points system not used - 2019</i>		<i>To be investigated</i>
	552 761	552 761
<i>Non compliance with Supply Chain Management Policy - Local content - 2019</i>		<i>To be investigated</i>
	4 434 339	4 434 339
<i>Senior Manager Positions are filled by acting managers for more than three months - 2019</i>		<i>To be investigated</i>
	68 184	68 184
<i>Procurement was deliberately split into parts of lesser value to avoid complying with the requirements of the SCM Policy/SCM Regulations - 2019</i>		<i>To be investigated</i>
	221 628	221 628
<i>Non compliance with Supply Chain Management Policy - No declaration of interest - 2019</i>		<i>To be investigated</i>
	491 659	491 659
<i>Officials approved payments without approved delegation - 2019</i>		<i>To be investigated</i>
	500 395	500 395
<i>Procurement process is not followed for the banking services - 2019</i>		<i>To be investigated</i>
	97 273	97 273
<i>No declaration of interest for written price quotations -2019</i>		<i>To be investigated</i>
	167 406	167 406
<i>No declaration of interest for written price quotations -2020</i>		<i>To be investigated</i>
	36 164	36 164
<i>Non compliance with Supply Chain Management Policy - Three written quotations not obtained and incomplete registration forms - 2021</i>		<i>To be investigated</i>
	3 302 504	3 302 504
<i>Non compliance of tenders with Supply Chain Management Policy - 2021</i>		<i>To be investigated</i>
	9 960 582	9 960 582
<i>Senior Manager Positions are filled by acting managers for more than three months - 2021</i>		<i>To be investigated</i>
	357 776	357 776
<i>Procurement process is not followed for the banking services - 2021</i>		<i>To be investigated</i>
	185 126	185 126
<i>Bids not evaluated in accordance with the Preferential Procurement Policy Framework Act - 2022</i>		<i>To be investigated</i>
	18 033 864	18 033 864
<i>Expired section 32 tender - 2022</i>		<i>To be investigated</i>
	3 185 931	2 191 885
<i>Expired service level agreement - 2022</i>		<i>To be investigated</i>
	1 654 687	306 878
<i>Procurement process not followed for good and/or services above R200 000 - 2022</i>		<i>To be investigated</i>
	17 840 498	12 654 979
<i>Procurement processes not followed - 2022</i>		<i>To be investigated</i>
	1 014 670	375 820
	<u>120 302 007</u>	<u>112 135 782</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	2 514 827	1 236 038
Council subscriptions	500 000	524 705
Amount paid - current year	-	754 083
Amount paid - previous years	(212 205)	-
Balance unpaid (included in creditors)	2 802 622	2 514 827

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
49.2 <u>Audit fees - [MFMA 125 (1)(c)]</u>		
Opening balance	4 319 327	5 430 014
Correction of prior period error	-	-
Restated opening balance	4 319 327	5 430 014
Current year audit fee	2 221 844	3 601 704
External Audit - Auditor-General	2 194 410	3 584 275
Audit Committee	27 434	17 429
Amount paid - current year	(218 080)	(1 388 717)
Credit note	(3 111 139)	(3 692 848)
Interest	513 293	369 175
Balance unpaid (included in creditors)	3 725 245	4 319 327

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	292 441
Correction of prior period error	-	-
Restated opening balance	310 476	292 441
Current year payroll deductions	5 070 305	4 106 168
Amount paid - current year	(5 070 305)	(3 795 692)
Amount paid - previous year	(310 476)	(292 441)
Balance unpaid (included in creditors)	-	310 476

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

Opening balance	413 920	407 929
Correction of prior period error	-	-
Restated opening balance	413 920	407 929
Current year payroll deductions and Council Contributions	4 163 639	6 229 324
Amount paid - current year	(4 163 639)	(5 815 404)
Amount paid - previous year	(413 920)	(407 929)
Balance unpaid (included in creditors)	0	413 920

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

The following Councillors had arrear accounts for more than 90 days as at 30 June 2023:

M Fredericks	14 085	-
N Mpambani	12 779	-
M Obies	-	93
C Stuurman	-	12
R van Wyk	-	39

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 2023	Amount	1/2 Quotes	Single Supplier	Type of Deviation			Emergency
				Impossible	Impractical		
July	46 661	15 000	-	3 000	9 772	18 889	
August	17 130	4 710	-	-	12 420	-	
September	42 990	5 000	-	-	-	37 990	
October	13 962	3 540	-	-	-	10 422	
November	42 553	-	18 281	4 500	12 387	7 385	
December	194 864	-	-	5 600	-	189 264	
January	18 270	7 000	-	-	-	11 270	
February	38 445	2 220	-	-	-	36 225	
March	-	-	-	-	-	-	
April	156 105	-	-	17 457	-	138 648	
May	64 806	-	-	9 031	-	55 775	
June	46 121	-	-	-	-	46 121	
	681 908	37 470	18 281	39 588	34 579	551 990	

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

30 June 2022

	Amount	1/2 Quotes	Single Supplier	Type of Deviation		Emergency
				Impossible	Impractical	
July	115 000	5 583	76 262	-	33 154	-
August	83 945	21 517	-	35 976	26 452	-
September	60 686	11 904	-	8 400	40 382	-
October	453 987	54 655	31 649	11 945	-	355 737
November	162 807	57 108	73 104	11 870	3 500	17 225
December	274 065	101 000	90 916	19 200	-	62 949
January	179 246	104 417	-	30 286	44 543	-
February	115 337	30 698	38 390	8 400	37 849	-
March	106 236	21 980	61 038	16 433	6 785	-
April	205 511	59 816	80 357	59 824	5 514	-
May	163 795	44 627	20 352	32 403	-	66 413
June	145 953	40 834	40 311	54 808	10 000	-
	2 066 568	554 140	512 380	289 545	208 179	502 324

	2023 R	2022 R
49.8 Material losses		
Electricity distribution losses		
Units purchased (Kwh)	9 026 010	13 954 310
Units lost during distribution (Kwh)	741 722	3 698 076
Percentage lost during distribution	8,22%	26,50%
Distribution loss (Rand Value)	596 224	3 229 900
Water distribution losses		
Units purchased (ml)	227 540	255 949
Units lost during distribution (ml)	56 638	27 156
Percentage lost during distribution	24,89%	10,61%
Distribution loss (Rand Value)	155 755	74 679

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.

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:

	2023 R	2022 R
1% (2022: 1%) Increase in interest rates	(51 760)	56 780
1% (2022: 1%) Decrease in interest rates	51 760	(56 780)

(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.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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.

	2023 %	2023 R	2022 %	2022 R
Non-exchange Receivables				
Availability Charges	100,00%	18 403 193	100,00%	16 344 466
	<u>100,00%</u>	<u>18 403 193</u>	<u>100,00%</u>	<u>16 344 466</u>
Exchange Receivables				
Electricity	6,51%	4 615 915	5,91%	3 772 053
Water	29,27%	20 744 528	29,74%	18 993 850
Property Rentals	2,68%	1 901 697	2,78%	1 777 146
Waste Management	26,04%	18 455 688	25,92%	16 554 184
Waste Water Management	24,45%	17 328 980	24,12%	15 408 745
Abeysance	4,29%	3 039 014	4,47%	2 853 556
Grazing Fees	0,12%	82 573	5,56%	3 548 703
Other	6,65%	4 713 649	1,51%	965 341
	<u>100,00%</u>	<u>70 882 045</u>	<u>100,00%</u>	<u>63 873 579</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:

	2023 %	2023 R	2022 %	2022 R
Non-exchange Receivables				
Availability Charges	20,87%	18 463 208	20,79%	5 120 756
Exchange Receivables				
Services	79,13%	69 996 046	79,21%	59 348 322
	<u>100,00%</u>	<u>88 459 254</u>	<u>100,00%</u>	<u>64 469 078</u>

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

2023

	Exchange Receivables	Non- exchange Receivables
1 month past due	1 436 910	-
2+ months past due	(2 260 443)	-
	<u>(823 534)</u>	<u>-</u>

2022

	Exchange Receivables	Non- exchange Receivables
1 month past due	1 005 201	-
2+ months past due	3 333 139	-
	<u>4 338 340</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.

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.

	2023 R	2022 R
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	70 882 045	63 873 579
Receivables from non-exchange transactions	56 178 784	54 094 033
Cash and Cash Equivalents	1 329 779	6 017 884
	<u>128 390 608</u>	<u>123 985 495</u>

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

(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
2023				
Trade and Other Payables	70 315 504	-	-	-
	<u>70 315 504</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
2022				
Trade and Other Payables	57 897 755	-	-	-
	<u>57 897 755</u>	<u>-</u>	<u>-</u>	<u>-</u>
			2023	2022
			R	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

Classification

Receivables from Exchange Transactions

Electricity	Financial Instruments at amortised cost	4 615 915	3 772 053
Water	Financial Instruments at amortised cost	20 744 528	18 993 850
Property Rentals	Financial Instruments at amortised cost	1 901 697	1 777 146
Waste Management	Financial Instruments at amortised cost	18 455 688	16 554 184
Waste Water Management	Financial Instruments at amortised cost	17 328 980	15 408 745
Abeyance	Financial Instruments at amortised cost	3 039 014	2 853 556
Other Arrears	Financial Instruments at amortised cost	4 713 649	965 341

Cash and Cash Equivalents

Bank Balances	Financial Instruments at amortised cost	868 525	3 884 690
Call Deposits	Financial Instruments at amortised cost	1 329 779	2 133 193

Total Financial Assets

72 997 775 66 342 759

Financial Instruments at amortised cost:

Receivables from Exchange Transactions	Electricity	4 615 915	3 772 053
Receivables from Exchange Transactions	Water	20 744 528	18 993 850
Receivables from Exchange Transactions	Property Rentals	1 901 697	1 777 146
Receivables from Exchange Transactions	Waste Management	18 455 688	16 554 184
Receivables from Exchange Transactions	Waste Water Management	17 328 980	15 408 745
Receivables from Exchange Transactions	Abeyance	3 039 014	2 853 556
Receivables from Exchange Transactions	Other Arrears	4 713 649	965 341
Cash and Cash Equivalents	Call Deposits	1 329 779	2 133 193

Total Financial Assets

72 997 775 66 342 759

52.2 Financial Liabilities

Classification

Long-term Liabilities

Capitalised Lease Liability	Financial Instruments at amortised cost	7 374 321	339 836
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Trade and Other Payables

Trade Payables	Financial Instruments at amortised cost	66 152 727	54 592 257
Advance Payments	Financial Instruments at amortised cost	1 294 872	1 033 127
Control, Clearing and Interface Accounts	Financial Instruments at amortised cost	3 441	951 227
Other Payables	Financial Instruments at amortised cost	983 249	516 608
Retentions	Financial Instruments at amortised cost	1 881 215	804 536

Cash and Cash Equivalents

Bank Overdraft	Financial Instruments at amortised cost	-	-
		<u>77 689 824</u>	<u>58 237 591</u>

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R	
SUMMARY OF FINANCIAL LIABILITIES			
Financial instruments at amortised cost:			
Long-term Liabilities	Capitalised Lease Liability	7 374 321	339 836
Trade and Other Payables	Trade Payables	66 152 727	54 592 257
Trade and Other Payables	Advance Payments	1 294 872	1 033 127
Trade and Other Payables	Control, Clearing and Interface Accounts	3 441	951 227
Trade and Other Payables	Other Payables	983 249	516 608
Trade and Other Payables	Retentions	1 881 215	804 536
Cash and Cash Equivalents	Bank Overdraft	-	-
		77 689 824	58 237 591

52.3 STATUTORY RECEIVABLES

In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:

Taxes

VAT Receivable	-	(1 447 156)
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Receivables from Non-Exchange Transactions

Rates	34 739 631	37 214 658
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Total Statutory Receivables (before provision)

Less: Provision for Debt Impairment

Total Statutory Receivables (after provision)

	34 739 631	35 767 502
	(25 742 954)	(46 795 451)
	8 996 677	(11 027 949)

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)	1 440 000	951 548
31 - 60 Days	476 000	490 935
61 - 90 Days	2 829 800	560 286
+ 90 Days	29 993 831	35 211 889
Total	34 739 631	37 214 658

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	46 795 451	45 498 261
Contribution to provision	(21 052 497)	1 297 190
Reversal of provision	-	-
Balance at end of year	25 742 954	46 795 451

Ageing of amounts past due and impaired:

1 month past due	-	-
2+ months past due	25 742 954	46 795 451
	25 742 954	46 795 451

Ageing of amounts past due but not impaired:

1 month past due	476 000	490 935
2+ months past due	8 520 677	(10 071 728)
	8 996 677	(9 580 792)

Interest Received from Statutory Receivables

Taxes	2 906 532	2 018 679
Receivables from Non-Exchange Transactions	-	-
	2 906 532	2 018 679

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	-	-
	-	-

54. IN-KIND DONATIONS AND ASSISTANCE

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

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

2023
R

2022
R

434 922

573 727

Total Compensation

434 922

573 727

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

125 819

88 342

Total Compensation received

125 819

88 342

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	125 819	110 721	15 098	
	<u>125 819</u>	<u>110 721</u>	<u>15 098</u>	

57. CONTINGENT LIABILITY

Eskom SOC Limited

According to Eskom approximately R44 025 814 is outstanding by the municipality, which is in dispute by the municipality. Municipality and Eskom reached an agreement in debt relief programme as per National treasury guidelines and circular 123/4. Estimated cost exposure approximately R300 000.

Camppro 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 approximately R200 000,00.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 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
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	31 851	169	2 631	36 447	31 165
Municipal Manager and Managers						
Sydney Adams	-	-	-	37	1 032	335
Joseph Cloete	3 114	336	-	623	6 461	3 700
Dineo 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
Year ended 30 June 2022						
Councillors						
C Knoph	-	-	-	-	-	-
M Fredericks	-	3 394	19 766	271	13 422	8 353
C Sonamzi	1 217	3 782	-	2	315	37
R Thomas	-	3 394	-	11	283	20
M Obies	609	5 151	-	1 356	14 905	11 075
R Jonker	8 644	11 527	-	-	1 753	184
CJ Stuurman	6 452	8 028	-	119	4 610	1 448
Total	16 922	8 028	19 766	1 759	35 288	21 117
Municipal Manager and Managers						
SC Adams	-	24 229	39 201	244	1 299	91
DG Moshobane	-	7 147	27 085	-	1 033	301
	-	31 376	66 286	244	2 332	392

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.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 2022:

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
		542 742	184 112	709 998

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on 30 June 2022:

Name	Position	Staff Leave Obligations	Staff Bonus Obligations	Travel and Subsistence paid
SC Adams	Municipal Manager	83 492	54 357	205 367
DG Moshobane	Chief Financial Officer	48 753	37 618	61 218
LS Cloete	Manager Administration	102 888	40 753	99 642
L Young	Manager: Municipal Support/Compliance	102 888	44 656	134 337
B Williams	Manager: Community Services	62 162	44 656	44 012
I Cloete	Manager: Infrastructure Services	64 553	44 656	134 569
		464 738	266 696	679 145

Name	Position	Travel and Subsistence paid
A Bock	Councillor	24 422
Stuurman CJ	Councillor	2 835
Cornell Knoph	Mayor	228 402
Marlene Fredricks	Speaker	168 774
Ryno Thomas	Councillor	70 150
Maria Obies	Councillor	39 746
Funeka Mabala	Councillor	67 367
Natasha Mpambani	Councillor	32 528
Rentia Van Wyk	Councillor	5 990
		640 214

58.4 Other related party transactions (Key Management)

The following personeel have interest in other entities

Company Name	Related Party	Service Capacity
Browada Consultancy and management Service	SC Adams	Municipal Manager
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 personeel 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	25 850	14 000
C and L Enterprenur	R Cloete	Cleaner	Nephew	65 287	-
C Allie	Scotia inn	PA MM	Brother in law	8 970	-
NP Kotze	Alta Kotze	Tourism Clerk	Father	9 159	8 951
Weskus Motors	Alta Kotze	Tourism Clerk	Brother	972 137	587 334
T & D Caterers	B Raman	Testing Officer	Mother	40 702	57 682
Namakwa land Construction	Sonia Hearn	Payroll office	Husband	11 020 077	-
Namakloof vlei	Nicodemus	customer care and accounts clerk	Wife	3 540	-
				12 145 722	667 967



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 R105 102 976 to R128 471 170 and current liabilities increased from R64 190 709 to R77 822 10. The increased is of a result that the municipality does not have sufficient funds to pay creditors as and when they become due.

The current asset R19 180834 and current liability R77 822 120 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.

Significant impairments have been accounted for and receivables from exchange and non-exchange transactions amounting to R151 664 164, which constitutes 100% of receivable funds due to the municipality.

The municipality incurred a net deficit for the period of R8 83 859. This deficit is because of various losses incurred; Bad debt written off: R2 067 186; Impairments on receivable balances R2 795 860; Interest on late payment of suppliers R6 317 055.

The municipality on an overall level had negative cash flows of R3 819 579, reserve funds are being utilised to fund the municipality.

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.

Unless employment opportunities are not created to restore the economic conditions in the municipal area, the municipality will be reliant on government grant funding 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 2023/24.

The municipality in terms of the Constitution and MFMA have the mandate to generate revenue through municipal services. The budget of 2023/24 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 2023/24 have been approved and the municipality budgeted for positive cash flows and surpluses, this budget is extensively monitored to ensure that results are achieved.

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 2023.

**APPENDIX A
RICHTERSVELD MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2022**

EXTERNAL LOANS	Rate	Redeemable	Balance at 30 June 2022	Correction of Error	Received during the period	Redemption during the period	Balance at 30 June 2023
LEASE LIABILITY							
Cell phones	12,50%	01/12/2024	84 888	-	-	(40 065)	44 823
Photo Copiers	14.7%	31/01/2024	254 947	-	-	(154 095)	100 852
Fleet	14.15%	31/01/2028		-	7 874 853	(646 207)	7 228 646
Total Lease Liabilities			339 835	-	7 874 853	(840 367)	7 374 321
TOTAL EXTERNAL LOANS			339 835	-	7 874 853	(840 367)	7 374 321

APPENDIX B
RICHTERSVELD MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2022 Actual Income R	2022 Actual Expenditure R	2022 Surplus/ (Deficit) R		2023 Actual Income R	2023 Actual Expenditure R	2023 Surplus/ (Deficit) R
			Governance and Administration			
61 921	(6 757 753)	(6 695 831)	Executive and council	65 506	(9 722 229)	(9 656 723)
47 800 708	(35 986 863)	11 813 844	Finance and administration	55 949 671	(37 341 866)	18 607 805
-	(471 928)	(471 928)	Internal audit	-	(354 618)	(354 618)
			Community and Public Safety			
2 059 892	(1 856 813)	203 080	Community and social services	1 165 813	(2 582 034)	(1 416 221)
581 407	(3 794 431)	(3 213 024)	Sport and recreation	735 724	(3 694 106)	(2 958 383)
-	(264 953)	(264 953)	Public safety	-	(376 006)	(376 006)
-	2 276 379	2 276 379	Housing	-	(1 664 162)	(1 664 162)
(5 785)	(59 465)	(65 250)	Health	(4 524)	(116 896)	(121 420)
			Economic and Environmental Services			
52 873	(53 564)	(692)	Planning and development	106 205	(57 199)	49 006
401	(7 678 548)	(7 678 147)	Road transport	7 694 422	(8 534 677)	(840 254)
-	-	-	Environmental protection	-	-	-
			Trading Services			
15 916 486	(21 268 019)	(5 351 533)	Energy sources	11 830 923	(21 416 320)	(9 585 397)
26 439 290	(6 590 298)	19 848 992	Water management	16 211 350	(7 911 932)	8 299 418
11 086 672	(6 844 926)	4 241 746	Waste water management	5 512 248	(8 286 908)	(2 774 660)
4 463 850	(8 602 380)	(4 138 530)	Waste management	4 564 903	(10 087 315)	(5 522 412)
-	(287 984)	(287 984)	Other	-	(323 090)	(323 090)
108 457 716	(98 241 547)	10 216 169	Sub Total	103 832 240	(112 469 358)	(8 637 118)
-	-	-	Less Inter-Departmental Charges	-	-	-
108 457 716	(98 241 547)	10 216 169	Total	103 832 240	(112 469 358)	(8 637 118)

APPENDIX C
RICHTERSVELD MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023
MUNICIPAL VOTES CLASSIFICATIONS

2022 Actual Income R	2022 Actual Expenditure R	2022 Surplus/ (Deficit) R		2023 Actual Income R	2023 Actual Expenditure R	2023 Surplus/ (Deficit) R
			Executive and council			
-	(5 196 869)	(5 196 869)	Council General Expenses	-	(7 441 025)	(7 441 025)
61 921	(1 906 013)	(1 844 092)	Municipal Manager	65 506	(2 692 722)	(2 627 217)
-	(287 984)	(287 984)	Tourism	-	(323 090)	(323 090)
			Administration: Corporate			
26 783 706	(11 680 421)	15 103 285	Administration	32 968 766	(16 937 220)	16 031 546
(5 785)	(59 465)	(65 250)	Health Services	(4 524)	(116 896)	(121 420)
2 052 390	(1 731 437)	320 953	Library	1 164 928	(2 443 689)	(1 278 761)
4 163 083	(678 592)	3 484 491	Offices	4 206 995	(902 021)	3 304 974
-	(90 081)	(90 081)	Vehicle Testing	95	(72 390)	(72 295)
			Administration: Community			
(123 382)	(2 431 603)	(2 554 985)	Properties	(113 834)	(2 611 447)	(2 725 281)
443 670	(150 343)	293 327	Commonage	447 314	-	447 314
7 503	(65 911)	(58 409)	Cemetery	885	(70 659)	(69 774)
-	-	-	Housing Scheme 4	-	-	-
-	2 276 379	2 276 379	Housing	-	(1 664 162)	(1 664 162)
-	(264 953)	(264 953)	Fire Brigade	-	(376 006)	(376 006)
(18 838)	(1 598 011)	(1 616 849)	Workshop	(22 313)	(2 397 123)	(2 419 437)
-	(59 465)	(59 465)	Beaches	-	(30 220)	(30 220)
586 907	(2 346 425)	(1 759 519)	Caravan Park	741 789	(1 859 456)	(1 117 667)
-	(59 465)	(59 465)	Museum	-	(67 686)	(67 686)
(5 930)	(198 386)	(204 317)	Recreational Park	(6 467)	(232 423)	(238 890)
430	(791 204)	(790 773)	Community Gym	401	(945 013)	(944 612)
			Financial Services			
3 609 508	(13 102 809)	(9 493 301)	Finance Administration	3 959 359	(21 094 902)	(17 135 542)
12 942 962	(10 035 462)	2 907 499	Assessment Rates	14 503 384	6 062 885	20 566 270
			Infrastructure			
4 463 850	(8 602 380)	(4 138 530)	Refuse Removal	4 564 903	(10 087 315)	(5 522 412)
11 086 672	(6 844 926)	4 241 746	Sewerage Services	5 512 248	(8 286 908)	(2 774 660)
53 274	(7 588 467)	(7 535 193)	Roads & Stormwater	7 800 532	(8 462 286)	(661 754)
26 409 737	(6 590 298)	19 819 439	Water Services	16 211 350	(7 911 932)	8 299 418
19 605 647	(21 394 817)	(1 789 170)	Electricity Services	11 830 923	(21 416 320)	(9 585 397)
-	(398 951)	(398 951)	Sport Ground	-	(79 179)	(79 179)
-	(22 795)	(22 795)	Planning and Development	-	(10 153)	(10 153)
112 117 324	(101 901 154)	10 216 169	Sub Total	103 832 240	(112 469 358)	(8 637 118)
-	-	-	Less Inter-Departmental Charges	-	-	-
112 117 324	(101 901 154)	10 216 169	Total	103 832 240	(112 469 358)	(8 637 118)

APPENDIX D
RICHTERSVELD MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2022	Correction of Error	Restated Balance 30 June 2022	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2023	Unspent 30 June 2023 (Creditor)	Unpaid 30 June 2023 (Debtor)
<u>National Government Grants</u>											
Equitable Share	-	-	-	23 085 000	-	-	(23 085 000)	-	-	-	-
Finance Management Grant	-	-	-	2 650 000	-	-	(2 650 000)	-	-	-	-
Municipal Infrastructure Grant	328 519	-	328 519	7 697 000	-	-	-	(7 697 000)	328 519	328 519	-
EPWP	-	-	-	950 000	-	-	(950 000)	-	-	-	-
Municipal Disaster Relief Grant	86 309	-	86 309	-	-	-	-	-	86 309	86 309	-
Water Services Infrastructure Grant	2 093	-	2 093	10 000 000	-	-	-	(10 000 000)	2 093	2 093	-
Total National Government Grants	416 921	-	416 921	44 382 000	-	-	(26 685 000)	(17 697 000)	416 921	416 921	-
<u>Provincial Government Grants</u>											
Libraries, Archives and Museums	-	-	-	1 200 000	-	-	(1 200 000)	-	-	-	-
Economic Development and Tourism	-	-	-	335 000	-	-	(335 000)	-	-	-	-
Total Provincial Government Grants	-	-	-	1 535 000	-	-	(1 535 000)	-	-	-	-
<u>Other Grant Providers</u>											
Alexkor	56 759	-	56 759	-	-	-	-	-	56 759	56 759	-
LG SETA	-	-	-	65 506	-	-	(65 506)	-	-	-	-
Total Other Grant Providers	56 759	-	56 759	65 506	-	-	(65 506)	-	56 759	56 759	-
Total Grants	473 680	-	473 680	45 982 506	-	-	(28 285 506)	(17 697 000)	473 680	473 680	-

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received. No grants were withheld.

RICHTERSVELD - Reconciliation of Table A1 Budget Summary

Description	2022/23								2021/22			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
R thousands												
Financial Performance												
Property rates	19 962	-	19 962	19 320	-	641	96,8%	96,8%	-	-	-	18 808
Service charges	29 222	3	29 225	22 911	-	6 315	78,4%	78,4%	-	-	-	30 690
Investment revenue	210	-	210	783	-	(573)	372,0%	372,0%	-	-	-	755
Transfers recognised - operational	23 287	-	23 287	126	-	23 161	0,5%	0,5%	-	-	-	88
Other own revenue	62 584	(35 757)	26 827	42 845	-	(16 018)	159,7%	68,5%	-	-	-	34 374
Total Revenue (excluding capital transfers and contributions)	135 265	(35 753)	99 512	85 985		13 527	86,4%	63,6%				84 716
Employee costs	29 978	(61)	29 918	-	-	29 918	0,0%	0,0%	-	-	-	-
Remuneration of councillors	4 200	-	4 200	34 904	-	(30 704)	831,1%	831,1%	-	-	-	31 397
Depreciation & asset impairment	9 500	-	9 500	4 703	-	4 797	49,5%	49,5%	-	-	-	3 819
Finance charges	1 500	1 300	2 800	1 967	-	833	70,3%	131,2%	-	-	-	4 799
Materials and bulk purchases	18 807	900	19 707	11 637	-	8 071	59,0%	61,9%	-	-	-	10 904
Transfers and grants	-	-	-	28 293	-	(28 293)	-	-	-	-	-	27 507
Other expenditure	23 946	3 093	27 039	9 947	-	17 092	36,8%	41,5%	-	-	-	6 503
Total Expenditure	87 931	5 232	93 164	20 554		72 610	22,1%	23,4%				16 719
Surplus/(Deficit)	47 334		6 348				0,0%	0,0%				
Transfers recognised - capital	24 480	-	16 160	-	-	-	0,0%	0,0%	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	17 697	-	(17 697)	-	-	-	-	-	27 401
Surplus/(Deficit) after capital transfers & contributions	71 814		22 508									
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	71 814		22 508									
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	24 480	(8 320)	16 160	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	17 697	-	(17 697)	-	-	-	-	-	7 286
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds				6 584		(6 584)						
Cash flows												
Net cash from (used) operating	72 944	(52 201)	20 743	-	-	-	-	-	-	-	-	-
Net cash from (used) investing	(24 480)	8 320	(16 160)	14 434	-	(30 594)	-89,3%	-59,0%	-	-	-	25 732
Net cash from (used) financing	33	(115)	(82)	(16 797)	-	16 715	20488,4%	-50645,5%	-	-	-	(24 779)
Cash/cash equivalents at the year end	(91)		(91)	(840)		749	919,1%	919,1%				(148)

RICHTERSVELD - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2022/23								2021/22			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
Governance and administration	103 426	(35 699)	67 727	56 015		11 712	82,7%	54,2%				47 863
Executive and council	-	-	-	66		(66)	#DIV/0!	#DIV/0!				62
Finance and administration	103 426	(35 699)	67 727	55 950		11 778	82,6%	54,1%				47 801
Internal audit	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Community and public safety	2 799	-	2 799	1 897		902	67,8%	67,8%				2 636
Community and social services	1 372	-	1 372	1 166		206	85,0%	85,0%				2 060
Sport and recreation	1 431	-	1 431	736		696	51,4%	51,4%				581
Public safety	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Housing	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Health	(4)	-	(4)	(5)		0	104,6%	104,6%				(6)
Economic and environmental services	14 608	(8 314)	6 294	7 801		(1 506)	123,9%	53,4%				53
Planning and development	90	-	90	106		(16)	117,7%	117,7%				53
Road transport	14 518	(8 314)	6 204	7 694		(1 490)	124,0%	53,0%				0
Environmental protection	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Trading services	38 912	-	38 912	38 119		792	98,0%	98,0%				57 906
Electricity	16 463	-	16 463	11 831		4 632	71,9%	71,9%				15 916
Water	15 418	-	15 418	16 211		(794)	105,1%	105,1%				26 439
Waste water management	3 831	-	3 831	5 512		(1 681)	143,9%	143,9%				11 087
Waste management	3 200	-	3 200	4 565		(1 365)	142,7%	142,7%				4 464
Other	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Total Revenue - Standard	159 745	(44 013)	115 732	103 832		11 900	89,7%	65,0%				108 458
Expenditure - Standard												
Governance and administration	36 623	2 440	39 063	47 419	-	-	0,0%	0,0%	-	-	-	43 217
Executive and council	7 403	279	7 682	9 722	-	(2 041)	126,6%	131,3%	-	-	-	6 758
Finance and administration	29 003	1 952	30 956	37 342	-	(6 386)	120,6%	128,8%	-	-	-	35 987
Internal audit	216	209	426	355	-	71	83,3%	163,8%	-	-	-	472
Community and public safety	5 912	1 552	7 464	8 433	-	-	0,0%	0,0%	-	-	-	3 699
Community and social services	1 526	1 017	2 543	2 582	-	(39)	101,5%	169,2%	-	-	-	1 857
Sport and recreation	2 248	532	2 780	3 694	-	(914)	132,9%	164,3%	-	-	-	3 794
Public safety	143	-	143	376	-	(233)	263,0%	263,0%	-	-	-	265
Housing	1 920	-	1 920	1 664	-	256	86,7%	86,7%	-	-	-	(2 276)
Health	75	4	79	117	-	(38)	148,4%	155,9%	-	-	-	59
Economic and environmental services	6 980	-	6 980	8 592	-	-	0,0%	0,0%	-	-	-	7 732
Planning and development	1 684	-	1 684	57	-	1 627	3,4%	3,4%	-	-	-	54
Road transport	5 296	-	5 296	8 535	-	(3 239)	161,2%	161,2%	-	-	-	7 679
Environmental protection	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Trading services	38 416	1 300	39 716	48 026	-	-	0,0%	0,0%	-	-	-	43 594
Electricity	25 115	-	25 115	21 416	-	3 699	85,3%	85,3%	-	-	-	21 268
Water	5 116	-	5 116	7 912	-	(2 796)	154,7%	154,7%	-	-	-	6 590
Waste water management	3 277	-	3 277	8 287	-	(5 010)	252,9%	252,9%	-	-	-	6 845
Waste management	4 437	1 300	5 737	10 087	-	(4 350)	175,8%	227,3%	-	-	-	8 602
Other	472	-	472	323	-	-	0,0%	0,0%	-	-	-	288
Total Expenditure - Standard	87 931	5 293	93 224	112 469	-	-	0,0%	0,0%	-	-	-	98 242
Surplus/(Deficit) for the year	71 814	(49 305)	22 508	(8 637)	-	-	0,0%	0,0%	-	-	-	10 216

RICHTERSVELD - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2022/23								2021/22			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote												
Vote 1 - Executive and council	(106)	-	(106)	66		-	0,0%	0,0%				62
Vote 2 - Administration: Corporate	98 023	(35 699)	62 324	38 336		-	0,0%	0,0%				32 993
Vote 3 - Administration: Sport & Recreation	1 425	-	1 425	-		-	-	-				-
Vote 4 - Administration: Community	3 607	-	3 607	1 048		-	0,0%	0,0%				890
Vote 5 - Financial Services	22 940	-	22 940	18 463		-	0,0%	0,0%				16 552
Vote 6 - Infrastructure	33 857	(8 314)	25 543	45 920		-	-	-				61 619
Total Revenue by Vote	159 745	(44 013)	115 732	103 832		-	0,0%	0,0%				112 117
Expenditure by Vote to be appropriated												
Vote 1 - Executive and council	9 300	853	10 153	10 457	-	-	0,0%	0,0%	-	-	-	7 391
Vote 2 - Administration: Corporate	32 839	2 608	35 447	20 472	-	-	0,0%	0,0%	-	-	-	14 240
Vote 3 - Administration: Sport and Recreation	2 103	-	2 635	-	-	-	-	-	-	-	-	-
Vote 4 - Administration: Community	6 834	1 300	8 134	10 254	-	-	0,0%	0,0%	-	-	-	5 689
Vote 5 - Financial Services	17 466	-	17 466	15 032	-	-	0,0%	0,0%	-	-	-	23 138
Vote 6 - Infrastructure	19 389	-	19 389	56 254	-	-	0,0%	0,0%	-	-	-	51 443
Total Expenditure by Vote	87 931	4 761	93 224	112 469	-	(19 245)	120,6%	127,9%	-	-	-	101 901
Surplus/(Deficit) for the year	71 814	(48 774)	22 508	(8 637)		31 145	-38,4%	-12,0%				10 216

RICHTERSVELD - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2022/23								2021/22			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Property rates	19 962	–	19 962	19 320		641	96,8%	96,8%				18 808
Service charges - electricity revenue	17 066	–	17 066	10 628		6 438	62,3%	62,3%				18 549
Service charges - water revenue	5 383	–	5 383	5 382		2	100,0%	100,0%				5 586
Service charges - sanitation revenue	3 668	–	3 668	3 946		(278)	107,6%	107,6%				3 694
Service charges - refuse revenue	3 105	3	3 108	2 955		153	95,1%	95,2%				2 862
Rental of facilities and equipment	56 695	(42 000)	14 695	783		13 912	5,3%	1,4%				755
Interest earned - external investments	210	–	210	339		(128)	161,0%	161,0%				260
Interest earned - outstanding debtors	3 792	6 147	9 939	8 747		1 192	88,0%	230,7%				6 293
Dividends received	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Fines, penalties and forfeits	23	90	113	37		76	32,3%	158,1%				38
Licences and permits	2	6	9	14		(5)	152,6%	557,9%				13
Agency services	91	–	91	126		(35)	139,0%	139,0%				88
Transfers and subsidies	23 287	–	23 287	28 861		(5 574)	123,9%	123,9%				22 966
Other revenue	1 981	–	1 981	4 849		(2 868)	244,8%	244,8%				4 804
Gains on disposal of PPE	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Total Revenue (excluding capital transfers and contributions)	135 265	(35 753)	99 512	85 985		13 527	86,4%	63,6%				84 716
Expenditure By Type												
Employee related costs	29 978	(61)	29 918	34 904		(4 986)	116,7%	116,4%				31 397
Remuneration of councillors	4 200	–	4 200	4 703		(503)	112,0%	112,0%				3 819
Debt impairment	12 007	–	12 007	1 967		10 040	16,4%	16,4%				4 799
Depreciation & asset impairment	9 500	–	9 500	11 637		(2 137)	122,5%	122,5%				10 904
Finance charges	1 500	1 300	2 800	11 184		(8 384)	399,4%	745,6%				8 274
Bulk purchases	17 134	–	17 134	17 109		25	99,9%	99,9%				19 233
Other materials	1 673	900	2 573	1 366		1 207	53,1%	81,6%				1 693
Contracted services	3 500	709	4 209	9 947		(5 738)	236,3%	284,2%				6 503
Transfers and grants	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Other expenditure	8 438	2 384	10 823	19 188		(8 366)	177,3%	227,4%				15 026
Loss on disposal of PPE	–	–	–	314		(314)	#DIV/0!	#DIV/0!				252
Total Expenditure	87 931	5 232	93 164	112 318,952		(19 155)	120,6%	127,7%				101 901
Surplus/(Deficit)	47 334	(40 985)	6 348	(26 334)		32 682	-414,8%	-55,6%				(17 185)
Transfers recognised - capital	24 480	(8 320)	16 160	17 697		(1 537)	109,5%	72,3%				27 401
Contributions recognised - capital	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Contributed assets	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Surplus/(Deficit) after capital transfers & contributions	71 814	(49 305)	22 508	(8 637)		31 145	-38,4%	-12,0%				10 216
Taxation	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Surplus/(Deficit) after taxation	71 814	(49 305)	22 508	(8 637)		31 145	-38,4%	-12,0%				10 216
Attributable to minorities	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Surplus/(Deficit) attributable to municipality	71 814	(49 305)	22 508	(8 637)		31 145	-38,4%	-12,0%				10 216
Share of surplus/ (deficit) of associate	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Surplus/(Deficit) for the year	71 814	(49 305)	22 508	(8 637)		31 145	-38,4%	-12,0%				10 216

RICHTERSVELD - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2022/23								2021/22			
	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Vote 1 - Executive and council	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 2 - Administration: Corporate	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 3 - Administration: Sport and Recreation	7 000	(7 000)	-	-	-	-	#DIV/0!	0%	-	-	-	-
Vote 4 - Financial Services	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 5 - Infrastructure	17 480	(1 320)	16 160	-	-	16 160	0%	0%	-	-	-	-
Capital multi-year expenditure	24 480	(8 320)	16 160	-	-	16 160			-	-	-	-
Single-year expenditure												
Vote 1 - Executive and council	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	10
Vote 2 - Administration: Corporate	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	33
Vote 3 - Administration: Sport and Recreation	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	170
Vote 4 - Financial Services	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	49
Vote 5 - Infrastructure	-	-	-	24 281	-	(24 281)	#DIV/0!	#DIV/0!	-	-	-	7 024
Capital single-year expenditure	-	-	-	24 281	-	(24 281)	#DIV/0!	#DIV/0!	-	-	-	7 286
Total Capital Expenditure - Vote	24 480	(8 320)	16 160	24 281	-	(8 121)	150%	99%	-	-	-	7 286
Capital Expenditure - Standard												
Governance and administration												
Executive and council	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	262
Finance and administration	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	30
Internal audit	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	232
Community and public safety	7 000	(7 000)	-	-	-	-	#DIV/0!	0%	-	-	-	0
Community and social services	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Sport and recreation	7 000	(7 000)	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	0
Public safety	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Housing	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Health	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Economic and environmental services												
Planning and development	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Road transport	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Environmental protection	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Trading services	17 480	(1 320)	16 160	24 281	-	(8 121)	150%	139%	-	-	-	7 024
Electricity	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	531
Water	10 000	-	10 000	-	-	10 000	0%	0%	-	-	-	4 678
Waste water management	7 480	(1 320)	6 160	24 281	-	(18 121)	394%	325%	-	-	-	1 815
Waste management	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Other												
Total Capital Expenditure - Standard	24 480	(8 320)	16 160	24 281	-	(8 121)	150%	99%	-	-	-	7 286
Funded by:												
National Government	24 480	(8 320)	16 160	17 697	-	(1 537)	110%	72%	-	-	-	7 286
Provincial Government	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	24 480	(8 320)	16 160	17 697	-	(1 537)	110%	72%	-	-	-	7 286
Public contributions & donations												
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	6 584	-	(6 584)	#DIV/0!	#DIV/0!	-	-	-	-
Total Capital Funding	24 480	(8 320)	16 160	24 281	-	(8 121)	150%	99%	-	-	-	7 286