RICHMOND
Local Municipality

Mid-Year Budget and Assessment Report
December 2025

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Mayor's Report

The Mid-Year Budget statements for 2025/2026 set out a viable framework to ensure control and management of our finances. It is our responsibility to make sure that all fiscal and financial regulations are strictly adhered to and build the capabilities of maximing our output so that we achieve the municipaliy's vision of service delivery which is on par with the excelllence expected of us.

Furthermore the internal audit unit and external audit committee play a supportive role in guiding this process by making progressive input and recommendations. All Councillors are committed to maintain a clean financial management and a sustainable municipality.

A SUMMARY OF THE POTENTIAL IMPACT OF THE NATIONAL ADJUSTMENTS BUDGET AND RELEVANT PROVINCIAL ADJUSTMENT BUDGET

In the 2025 Medium Term Budget Policy Statement, on 12 November 2025, the Minister of Finance stated that:

"Many of our municipalities face serious governance, planning and financial management challenges".

Municipalities are under strain — many struggle with aging infrastructure, weak revenue collection, and governance issues that undermine their ability to deliver basic services. These challenges hinder service delivery response capacity and overall financial resilience.The budget acknowledges that sustained local government financial stability depends on improving service delivery, because poorer services reduce residents' willingness and ability to pay, which in turn weakens municipal revenue streams.

The deputy minister of finance's speech on the 8th of July 2025 highlighted that, in rebuilding Local Government Finances, the focus should be on the following key areas:

- Adoption of Funded Budgets: Municipalities can no longer adopt unfunded budgets based on wishful projections. Treasury is enforcing the requirement for credible, funded budgets as the basis of municipal financial planning.
- Revenue Value Chain Reforms: We are supporting municipalities to improve billing systems, strengthen collection rates, and protect revenue integrity. Without this, no budget can be sustainable.
- mSCOA Implementation: The Municipal Standard Chart of Accounts (mSCOA) brings transparency and uniformity to local government finances. It allows us to compare apples with apples — across municipalities, across provinces, and across time.
- Consequence Management: Treasury is working closely with COGTA and the AGSA to ensure that financial misconduct is addressed swiftly. Public money must be protected. Where there is wrongdoing, there must be consequences.

Overall, the 2025 budget speech positioned municipal finance reform and support as a necessary part of restoring service delivery, strengthening local governance, and building more financially sustainable municipalities in South Africa.

A RECOMMENDATION AS TO WHETHER AN ADJUSTMENTS BUDGET IS NECESSARY

The mid-year point of a financial period often necessitates a review and adjustment of the budget to ensure that financial planning continues to meet the municipality's needs. This period allows Council to assess progress made to date and to identify measures required to strengthen financial stability.

Council has adopted the 2025/2026 IDP and Budget, with a strong focus during the year on social responsibility and service delivery infrastructure. However, budget adjustments are necessary to ensure municipal viability, sustainability, and continuity, and to support the effective functioning of a well-organised municipality.

It is therefore recommended that the budget be adjusted to promote more effective upward mobility, strengthen fiscal discipline, and ensure optimal use of the limited resources available to the municipality.

In line with Section 72(3) of the MFMA and in accordance with Section 23(1) of the Budget and reporting Regulations we should adjust and confirm the budgets before 28 February 2026. Council is committed to ensuring compliance herein and finalsing an effective adjustment budget to address all needs up to 30 June 2026.

As agents of change, we are obliged to confront the realities that confront us from time to time and to adapt our thinking accordingly, ensuring that we remain progressive in the implementation of equal opportunities and the elimination of inequalities—one of the fundamental cornerstones and objectives of government. There is a pressing need to review our Employment Equity Policy to ensure that the composition of our workforce appropriately reflects the demographics of our population.

We are supported by committed Councillors and staff who, together with the community, are well positioned to strive towards achieving these objectives. I am confident that, collectively, we have built a capable and dedicated team that can sustain success and effectively serve the needs of our community.

....

His Worship the Mayor

Cllr. M.K. Ngcongo

Richmond Local Municipality

RESOLUTIONS

a) That the report on the Second Quarter and Mid Year Budget assessment , as per Section 72 of the MFMA, for the 2025/2026 financial year, as presented, be accepted and noted;

b) That the report on the Second Quarter and Mid year Service Delivery and Budget Implementation Plan (SDBIP) assessment, as referred to Section 72 of the MFMA, for the 2025/2026 be accpeted and noted.

c) That Council consider an adjustment budget before the end of February 2026.

1.1 Executive Summary

The Municipal Finance Management Act (MFMA) assigns various responsibilities to the Mayor and the Accounting Officer (Municipal Manager).

As per Section 72 (1) (a) and (b) of the MFMA" *The accounting officer of a municipality must by 25 January of each year assess the performance of the municipality during the first half of the year and submit a report of such an assessment to the mayor of the municipality, National Treasury and Provincial Treasury*.

Section 72(3)(a) and (b) of the MFMA also states that" *the Accounting Officer must as part of the review make recommendations as to whether an Adjustments budget is necessary and recommend revised projections for revenue and expenditure to the extent that this may be necessary."*

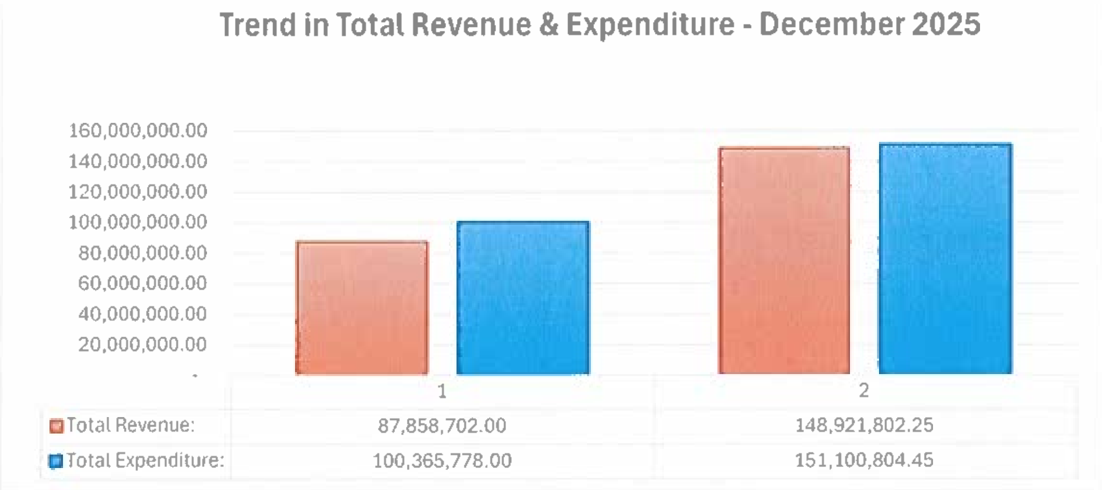
Furthermore, Section 52(d) of the MFMA states*: "**52. General responsibilities:** - The Mayor of a municipality-*

(d) Must within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality."

This in year report is prepared in terms of the municipal budget and reporting regulations that were promulgated in the Government Gazette No. 32141 of 17 April 2009.

1.1.1 Overview of financial performance

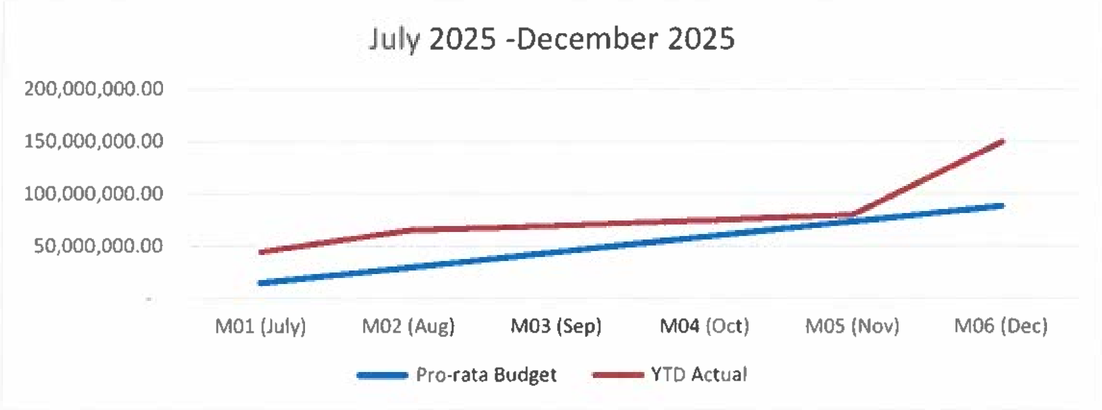
Description	Table 1 - Summary for Financial Period ended 2025/26					
	Full Year Budget	Pro Rata Budget	YTD Actual	YTD Variance		
	2025/26	December	December	December		%
Total Revenue:	**175,717,404.00**	**87,858,702.00**	**148,921,802.25**	**R**	**61,063,100**	**70%**
Revenue - Operational	153,507,144.00	76,753,572.00	107,680,794.68	R	30,927,223	40%
Revenue - Capital	22,210,260.00	11,105,130.00	41,241,007.57	R	30,135,878	271%
Total Expenditure:	**200,731,556.00**	**100,365,778.00**	**151,100,804.45**	**R**	**50,735,026**	**51%**
Expenditure - Operational	176,951,300.00	88,475,650.00	93,002,657.96	R	4,527,008	5%
Expenditure - Capital	23,780,256.00	11,890,128.00	58,098,146.49	R	46,208,018	389%
						Source: Budget Table C1



Key Observations:

- The table & illustrations above provide an overview of the municipal financial performance and position as of **December 2025.**
- Total revenue accrued amounted to **R148.9m,** which is higher compared to the pro rata budget of **R87.9m**.
- Total expenditure incurred amounted to **R151.1m,** which is slightly higher compared to the pro rata budget of **R100.4m**.

1.1.2 Revenue Trend



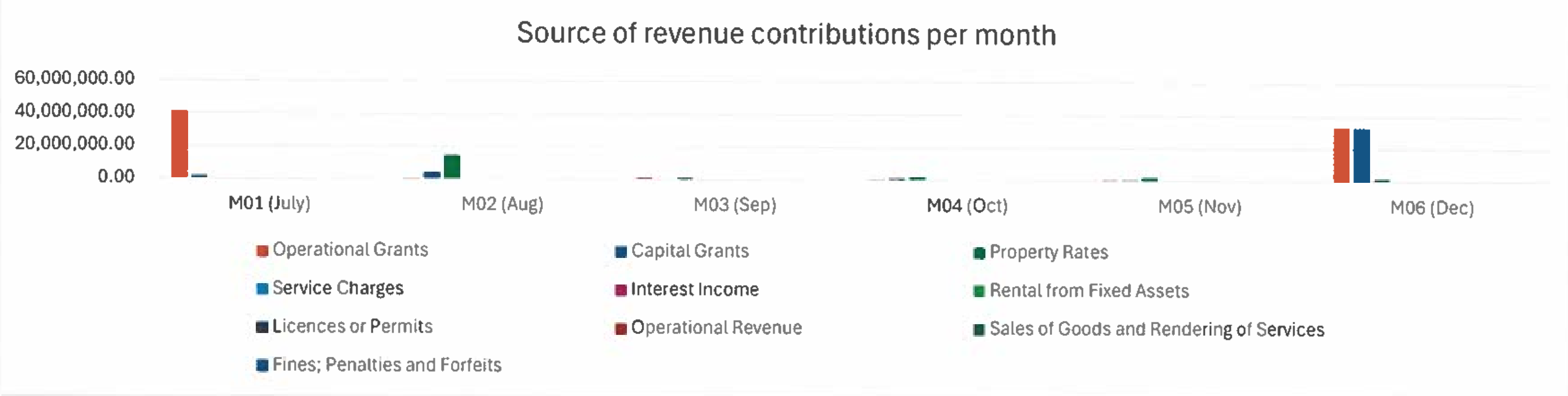
1.1.3 Revenue by source

The following revenue tables are from Richmond Local Municipality financial system their purpose is to disclose revenue performance by source. These tables are aligned with **Table C4, Monthly Budget Statement – Financial performance (revenue M06)**. Key variances are further detailed and analysed below:

Revenue by Source	Budget to Date	Actual to Date	Variance
Operational Grants	54,287,880.00	79,251,446.35	24,963,566.35
Capital Grants	11,105,130.00	41,241,007.57	30,135,877.57
Property Rates	15,545,904.00	21,872,696.94	6,326,792.94
Service Charges	563,028.00	480,760.03	-82,267.97
Interest Income	3,475,500.00	3,199,245.30	-276,254.70
Rental from Fixed Assets	526,866.00	688,581.70	161,715.70
Licences or Permits	1,444,104.00	1,663,548.02	219,444.02
Operational Revenue	632,274.00	335,171.44	-297,102.56
Sales of Goods and Rendering of Services	262,236.00	183,374.47	-78,861.53
Fines; Penalties and Forfeits	15,780.00	5,970.43	-9,809.57

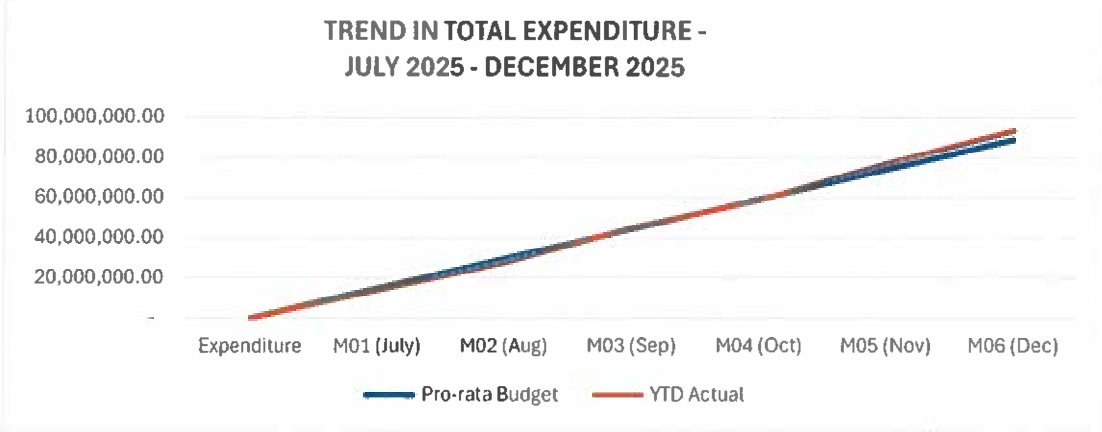
%	Revenue by Source	Comment	Explanations for variances above +/-10%
46%	Operational Grants	Favourable	The favourable variance is attributed to the timely receipt of the equitable share allocation and improved utilisation of conditional grants, resulting in higher than anticipated revenue recognition. No adjustment is proposed as these amounts are as per Dora or the gazette.
271%	Capital Grants	Favourable	The variance is due to the December library transfer from the Department of Sport, Art and Culture which is accounted as Donation revenue on the books of the municipality. An adjustment to cater for the donation will be considered on the adjustment budget
41%	Property Rates	Favourable	The variance is caused by the advance billing of property rates for certain accounts, resulting in revenue being raised earlier than anticipated. No adjustment is considered on Property Rates.
-15%	Service Charges	Unfavourable	The variance is caused by the budget being higher than the actual billing. The budget will be corrected during the adjustment budget process
-8%	Interest Income	Unfavourable	Variance within an acceptable threshold
31%	Rental from Fixed Assets	Favourable	The variance is caused by the implementation of annual rental escalations in line with signed lease agreements. Upward adjustment will be considered in the adjustment budget.
15%	Licences or Permits	Favourable	The variance is caused by fluctuations in the number of clients visiting the municipality for licence renewals. No adjustment is considered.
-47%	Operational Revenue	Unfavourable	The variance is caused by the uneven timing of revenue receipts budgeted for the year. The municipality anticipates that performance will stabilise as the year progresses. However, a downward adjustment will be considered by the municipality
-30%	Sales of Goods and Rendering of Services	Unfavourable	The variance is caused by the uneven timing of revenue from the sale of goods and rendering of services. The municipality anticipates that performance will stabilise as the year progresses. However, a downward adjustment will be considered by the municipality
-62%	Fines; Penalties and Forfeits	Unfavourable	The variance is caused by the delayed implementation of the traffic fines management module, which will enable the real-time capture and recognition of fines issued. However, a downward adjustment will be considered by the municipality

The table and graph below further show revenue per source monthly:



Revenue by Source	Total Budget	Prorata Budget	M01 (July)	M02 (Aug)	M03 (Sep)	M04 (Oct)	M05 (Nov)	M06 (Dec)	TotalActual
Operational Grants	108,575,760.00	54,287,880.00	41,512,440.98	795,858.65	1,510,149.81	832,432.64	1,108,939.01	33,491,625.26	**79,251,446.35**
Capital Grants	22,210,260.00	11,105,130.00	1,628,910.00	4,107,036.80	347,227.05	1,448,270.11	885,836.66	32,823,726.95	**41,241,007.57**
Property Rates	31,091,808.00	15,545,904.00	0.00	14,412,390.67	1,438,178.16	2,012,546.81	2,055,665.91	1,953,915.39	**21,872,696.94**
Service Charges	1,126,056.00	563,028.00	82,064.31	78,602.07	78,862.79	78,927.97	78,862.79	83,440.10	**480,760.03**
Interest Income	6,951,000.00	3,475,500.00	541,024.71	602,566.88	555,380.96	498,860.22	479,758.19	521,654.34	**3,199,245.30**
Rental from Fixed Assets	1,053,732.00	526,866.00	112,629.74	116,038.02	115,957.72	118,470.49	116,003.04	109,482.69	**688,581.70**
Licences or Permits	2,888,208.00	1,444,104.00	275,790.98	249,405.51	315,426.81	341,745.86	327,177.58	154,001.28	**1,663,548.02**
Operational Revenue	1,264,548.00	632,274.00	131,680.59	45,575.73	5,729.01	59,420.50	4,642.30	88,123.31	**335,171.44**
Sales of Goods and Rendering of Services	524,472.00	262,236.00	15,880.94	43,552.15	50,067.28	18,252.05	25,714.01	29,908.04	**183,374.47**
Fines; Penalties and Forfeits	31,560.00	15,780.00	0.00	0.00	0.00	0.00	2,000.00	3,970.43	**5,970.43**

1.1.4 Expenditure Trend



1.1.5 Expenditure by Type

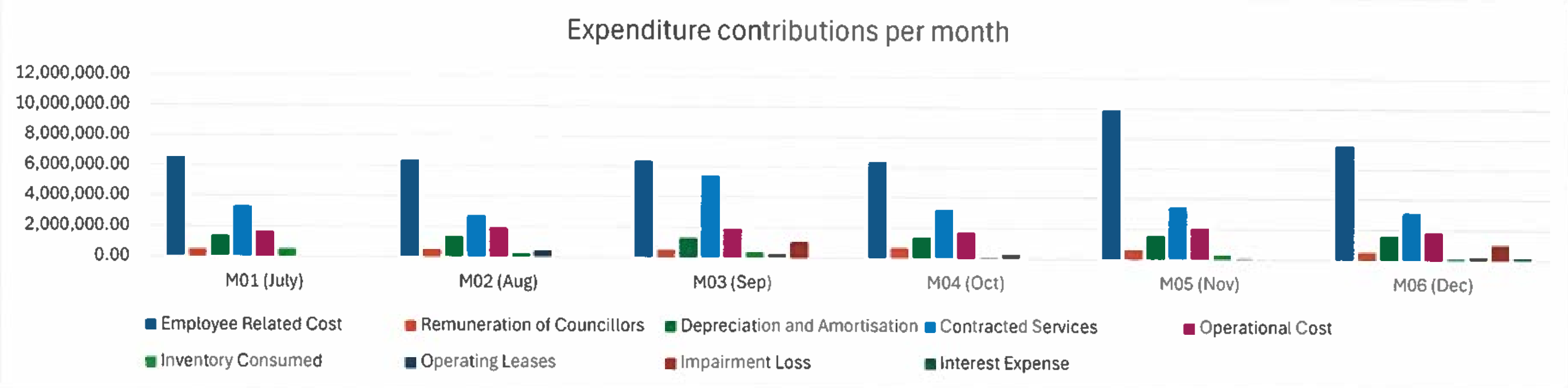
Operational cost

The following expenditure tables are from Richmond Local Municipality financial system, their purpose is to disclose expenditure by type. These tables are aligned with **Table C4, Monthly Budget Statement – Financial performance (expenditure M06)**. Key variances are further detailed and analysed below:

Expenditure by type	Budget to Date	Actual to Date	Variance
Employee Related Cost	39,180,396.00	43,114,159.86	-3,933,763.86
Remuneration of Councillors	3,795,150.00	3,543,990.92	251,159.08
Depreciation and Amortisation	10,679,190.00	8,564,168.80	2,115,021.20
Contracted Services	18,739,798.00	21,095,817.46	-2,356,019.46
Operational Cost	10,844,066.00	11,152,060.37	-307,994.37
Inventory Consumed	2,237,600.00	1,737,166.07	500,433.93
Operating Leases	185,880.00	1,320,032.89	- 1,134,152.89
Impairment Loss	2,234,006.00	2,216,947.52	17,058.48
Interest Expense	579,564.00	258,314.07	321,249.93

%	Expenditure by Type	Comment	Explanations for variances above +/-10%
-10%	Employee Related Cost	Unfavourable	Variance within an acceptable threshold
7%	Remuneration of Councillors	Favourable	Variance within an acceptable threshold
20%	Depreciation and Amortisation	Favourable	The variance is caused by the system-generated monthly depreciation being lower than budgeted. In addition, the impairment provision has not yet been processed, as this is only accounted for at year end. No adjustment is considered.
-13%	Contracted Services	Unfavourable	The variance is caused by the processing of annual licences and premiums, which were paid in full during the period under review. This resulted in higher than anticipated expenditure against the year-to-date budget. No adjustment is considered
-3%	Operational Cost	Unfavourable	Variance within an acceptable threshold
22%	Inventory Consumed	Favourable	The variance is due to the implementation of cost containment measures and strict spending patterns, which reduced spending to below budgeted amount. Downward adjustment will be processed during the adjustment budget
-610%	Operating Leases	Unfavourable	The variance is due to the late finalisation of the finance lease contract for the procurement of vehicles for the municipality. As a result, the budget for this line item will have to be adjusted accordingly in the February budget adjustment period.
1%	Impairment Loss	Favourable	Variance within an acceptable threshold
55%	Interest Expense	Favourable	The variance is due to the delay in finalising the vehicle finance lease agreement, resulting in no interest charges being incurred during the period. The budgeted interest expense will be adjusted upwards during the adjustment budget

The table and graph below further show expenditure per source monthly:



Expenditure by type	Total Budget	Prorata Budget	M01 (July)	M02 (Aug)	M03 (Sep)	M04 (Oct)	M05 (Nov)	M06 (Dec)	TotalActual
Employee Related Cost	78,360,792.00	39,180,396.00	6,538,904.20	6,394,327.99	6,385,119.51	6,360,983.36	9,877,534.47	7,557,290.33	**43,114,159.86**
Remuneration of Councillors	7,590,300.00	3,795,150.00	539,527.31	539,527.31	539,527.31	711,865.00	661,503.67	552,040.32	**3,543,990.92**
Depreciation and Amortisation	21,358,380.00	10,679,190.00	1,362,240.79	1,341,936.35	1,313,165.20	1,364,958.63	1,564,662.89	1,617,204.94	**8,564,168.80**
Contracted Services	37,479,596.00	18,739,798.00	3,276,989.22	2,704,457.90	5,396,465.90	3,203,794.53	3,414,263.93	3,099,845.98	**21,095,817.46**
Operational Cost	21,688,132.00	10,844,066.00	1,662,999.80	1,926,549.83	1,907,391.73	1,746,974.42	2,051,194.66	1,856,949.93	**11,152,060.37**
Inventory Consumed	4,475,200.00	2,237,600.00	501,959.48	269,136.37	367,698.45	109,109.71	323,512.06	165,750.00	**1,737,166.07**
Operating Leases	371,760.00	185,880.00	26,785.03	413,072.45	274,303.31	291,024.25	88,277.56	226,570.29	**1,320,032.89**
Impairment Loss	4,468,012.00	2,234,006.00	38,296.12	372.35	1,061,152.85	30,355.72	25,617.63	1,061,152.85	**2,216,947.52**
Interest Expense	1,159,128.00	579,564.00	0.00	0.00	33,237.84	16,224.16	15,825.97	193,026.10	**258,314.07**

1.1.6 Financial Health Indicators

The following provides an overview of the key financial health indicators

Crucial ratios	A brief definition of that ratio	M01	M02	M03	M04	M05	M06
Collection rate	The ratio indicates the collection rate, i.e. level of payments. It measures an increase or decreases in debtors relative to annual billed revenue. In addition, in order to determine the real collection rate bad debts written off are taken into consideration. The norm is 95%	217%	22%	41%	49%	51%	54%
Cash/Cost Coverage ratio (excluding unspent conditional grants)	The ratio indicates the municipality's or municipal entity's ability to meet at least its monthly fixed operating commitments from cash and short-term investments without collecting any additional revenue, during that month. The norm range is between 1 month to 3 months.	3.8 months	3 months	2.1 Months	1.4 Months	1.0 months	2 Months
Current ratio	The ratio is used to assess the municipality's or municipal entity's ability to pay back its short-term liabilities (Debt and Payables) with its short-term assets (cash, inventory, receivables). The norm ranges between 1.5 to 2:1	2.4	2.7	1.9	1.7	1.4	1.9
Creditor payment period	This ratio indicates the average number of days taken for trade creditors to be paid. The norm is 30 days	15 Days	14 Days	20 Days	19 Days	20 Days	20 Days

Debtors' collection rate (norm 95%)

The collection rate as of the end of December was 54%. This is considered below the norm of 95%; however, this is mainly due to the yearly billing done in August.

Cash coverage (norm 1-3 months)

The current ratio falls within acceptable benchmarks, suggesting that the municipality can sustain its operations for a period exceeding 2 months without external financial support.

Current ratio: (Norm 1:1.5)

The current ratio for December is above the norm, which means the municipality is still able to meet its short-term obligations.

Creditors payment period (norm 30 days)

The municipality is within the norm of paying it short-term creditors within 30 days. This means that the municipality is complying with section 65 of the MFMA.

1.1.7 Material differences from the SDBIP

None identified, however a detailed report is attached under performance information.

1.1.8 Remedial or corrective steps

None identified

1.2 In-Year Budget Statement Tables

The In-Year Budget Statement Tables, that are submitted with this report, include the following:

TABLE	DESCRIPTION	ADDITIONAL DETAILS
C1	Monthly Budget Statement	S71 Summary
C2	Monthly Budget Statement	Financial Performance (standard classification)
C3	Monthly Budget Statement	Financial Performance (revenue and expenditure by municipal vote)
C4	Monthly Budget Statement	Financial Performance (revenue and expenditure)
C5	Monthly Budget Statement	Capital expenditure
C6	Monthly Budget Statement	Financial Position
C7	Monthly Budget Statement	Cash Flow

2 Part 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The following is from **Table SC3, Monthly Budget Statement – aged debtors**, and an analysis is further provided:

KZN227 Richmond - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 - December

Description R thousands	NT Code	Budget Year 2025/26 0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	1,873	1,384	1,329	1,183	8,785	48	520	30,579	45,686	41,124	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	133	70	66	64	60	60	66	2,538	3,046	2,777	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1810	321	343	306	302	277	277	286	14,387	16,478	15,538	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	1	–	–	–	–	–	6	28	35	34	–	–
Total By Income Source	2000	2,427	1,743	1,888	1,559	9,121	384	867	47,542	65,344	59,474	–	–
2024/25 - totals only		1,771	1,148	1,039	942	10,130	317	335	44,189	59,851	55,883	–	–
Debtors Age Analysis By Customer Group													
Organs of State	2200	881	686	655	653	6,846	37	93	11,385	21,246	19,014	–	–
Commercial	2300	334	86	46	44	286	6	30	306	1,138	672	–	–
Households	2400	1,202	972	888	862	1,990	341	745	35,851	42,881	39,788	–	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	2600	2,427	1,743	1,888	1,559	9,121	384	867	47,542	65,344	59,474	–	–

The Debtor's report has been prepared based on the format required to be lodged electronically with National Treasury. This format provides an extended aged analysis, as well as an aged analysis by debtor type. The summary report indicates that the debtors >90 days balance amounts to **R59.47m.**

2.2 Creditors Analysis

The following is from **Table SC4, Monthly Budget Statement – aged creditors**, and an analysis is further provided:

KZN227 Richmond - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 - December

Description R thousands	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	–	–	–	–	–	–	–	–	–	–
Bulk Water	0200	–	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	–	–	–	–	–	–	–	–	–	–
Auditor General	0800	–	–	–	–	–	–	–	–	–	–
Other	0900	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	1000	–	–	–	–	–	–	–	–	–	–

The Creditors report has been prepared based on the format required to be lodged electronically with National Treasury. This format provides an extended aged analysis, as well as an aged analysis by creditor type.

The municipality had a total of **R0.00** outstanding creditors as of **December 2025**.

2.3 Investment portfolio analysis

The following is from Richmond Local Municipality financial system and is aligned with Table **SC5, Monthly Budget Statement – Investment portfolio**, and an analysis is further provided:

INVESTMENT PORTFOLIO ANALYSIS

NOTICE NO. R.1536 - GOVT GAZETTE NO.18435

REGULATION 3(1)(g)

INVESTMENT PORTFOLIO :

Financial Institution	Account Number	Investment Type		Bal. as at 31 December 2025	Interest Rate	November 2025 Interest	Bal. as at 30 Novemberr 2025	Investment Period
First National Bank	61356002695	Call account		6,013,384.95		12,931.10	453.85	call
First National Bank	62117170407	Patheni Housing		-			-	daily call
First National Bank	62134473280	Housing Operating Account		479,496.62		2,395.31	477,101.31	daily call
First National Bank	62155682844	Zwelethu Housing		-			-	daily call
First National Bank	62176174383	Siyathuthuka Phase ii		-			-	daily call
First National Bank	62810019217	Housing Title deed Account		2,865,724.89		14,369.49	2,851,355.40	daily call
First National Bank	62299629116	Mig Grant Funding		6,751,357.84		7,821.37	79,917.85	daily call
First National Bank	62241817537	Financial Management Grant		-			-	daily call
First National Bank	62833569900	Library Services Grant		2,944,089.15		6,481.08	50,658.48	daily call
First National Bank	62833571385	Small Town Grant		2,056.01		10.51	2,045.50	daily call
FNB DME	63003663506	FNB DME		18,079.13		92.42	17,986.71	daily call
FNB RESERVES	63003024063	FNB RESERVES		6,017,232.37		12,950.77	4,281.60	daily call
NEDBANK	03/7165013946/000054	Nedbank Fixed		15,572,876.70		104,465.75	15,468,410.95	fixed inv.
ABSA BANK	20-8167-2454	ABSA Fixed		-			-	fixed inv.
Standard Bank	268791155 006	Standard Fixed		-			-	fixed inv.
First National Bank	63024683319	FNB HIGHOVER		2,017,331.12		4,376.15	12,954.97	daily call
First National Bank	63107196932	Nelson St. SMME Project		176,104.47		900.27	175,204.20	daily call
Standard Bank	268791155 005	Standard Fixed		-			-	fixed inv.
First National Bank	63138299341	Informal Economy Infrastructure		2,124,365.50		5,665.40	368,700.10	daily call
				44,982,098.75		172,459.62	19,509,070.92	

Summary of exposures to particular financial institutions

financial institution	amount invested	Percentage exposure
First National Bank	29,409,222.05	65.38
Nedbank	15,572,876.70	34.62
Investec	-	-
ABSA BANK	-	-
Standard Bank	-	-
TOTAL	44,982,098.75	100.00

Primary Bank Account	R 1,887,219.93
Cash & Cash Equivalent	46,869,318.68
CONDITIONAL GRANTS	-19762396.73
AVAILABLE MUNICIPAL FUNDS	[illegible]

2.4 Allocation and grants receipts & expenditure

Further detailed on **Table SC6, Monthly Budget Statement – Transfers and grant receipts** and **Table SC7, Monthly Budget Statement – Transfers an grant expenditure**:

KZN227 Richmond - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 - December

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		3,881	5,150	–	315	2,724	2,575	149	5.8%	5,150
Expanded Public Works Programme Integrated Grant		1,410	2,054	–	178	820	1,027	(207)	-20.1%	2,054
Local Government Financial Management Grant	3	1,900	2,000	–	42	1,298	1,000	298	29.8%	2,000
Municipal Infrastructure Grant		571	1,096	–	94	605	548	57	10.4%	1,096
Provincial Government:		4,955	5,065	–	390	2,757	2,532	224	8.9%	5,065
Specify (Add grant description)		–	–	–	–	267	–	267	#DIV/0!	–
Specify (Add grant description)		3,076	–	–	70	377	–	377	#DIV/0!	–
Specify (Add grant description)		495	–	–	–	–	–	–		–
Specify (Add grant description)		116	–	–	–	–	–	–		–
Specify (Add grant description)		483	–	–	–	–	–	–		–
Specify (Add grant description)		784	5,065	–	320	2,112	2,532	(421)	-16.6%	5,065
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		8,836	10,215	–	705	5,480	5,107	373	7.3%	10,215
Capital Transfers and Grants										
National Government:		20,403	20,819	–	223	8,640	10,410	(1,769)	-17.0%	20,819
Municipal Infrastructure Grant		20,403	20,819	–	223	8,640	10,410	(1,769)	-17.0%	20,819
Provincial Government:		2,653	1,391	–	–	–	696	(696)	-100.0%	1,391
Specify (Add grant description)		–	1,391	–	–	–	696	(696)	-100.0%	1,391
Specify (Add grant description)		2,653	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants		23,056	22,210	–	223	8,640	11,105	(2,465)	-22.2%	22,210
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		31,892	32,425	–	928	14,121	16,213	(2,092)	-12.9%	32,425

2.5 Councillor & Board member allowances

The following is from **Table SC8, Monthly Budget Statement – Councillor and staff benefits**, and an analysis is further provided:

KZN227 Richmond - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 - December

Summary of Employee and Councillor remuneration	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		5,204	5,821	-	436	2,856	2,911	(54)	-2%	5,821
Pension and UIF Contributions		28	166	-	2	14	83	(69)	-83%	166
Medical Aid Contributions		35	88	-	3	17	44	(26)	-61%	88
Motor Vehicle Allowance		450	678	-	47	282	339	(57)	-17%	678
Cellphone Allowance		625	723	-	55	329	362	(33)	-9%	723
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		180	115	-	9	45	57	(12)	-21%	115
Sub Total - Councillors		6,522	7,590	-	552	3,544	3,795	(251)	-7%	7,590
% increase	4		16.4%							16.4%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5,143	5,532	-	1,344	2,881	2,766	115	4%	5,532
Pension and UIF Contributions		10	12	-	1	4	6	(2)	-37%	12
Medical Aid Contributions		-	-	-	-	-	-	-		-
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		119	-	-	34	91	-	91	#DIV/0!	-
Motor Vehicle Allowance		780	887	-	41	282	443	(162)	-36%	887
Cellphone Allowance		2	-	-	-	-	-	-		-
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		102	1	-	0	0	0	(0)	-36%	1
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-		-
Entertainment		-	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		-	-	-	-	-	-	-		-
In kind benefits		-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		6,157	6,431	-	1,420	3,258	3,216	42	1%	6,431
% increase	4		4.5%							4.5%
Other Municipal Staff										
Basic Salaries and Wages		49,393	51,270	-	4,490	26,712	25,635	1,077	4%	51,270
Pension and UIF Contributions		7,433	7,530	-	658	3,926	3,765	161	4%	7,530
Medical Aid Contributions		2,698	2,627	-	245	1,440	1,314	127	10%	2,627
Overtime		1,871	2,209	-	147	897	1,104	(208)	-19%	2,209
Performance Bonus		3,728	3,397	-	-	3,838	1,698	2,140	126%	3,397
Motor Vehicle Allowance		1,761	1,642	-	151	899	821	78	9%	1,642
Cellphone Allowance		481	457	-	40	244	229	15	7%	457
Housing Allowances		368	342	-	36	208	171	37	22%	342
Other benefits and allowances		952	843	-	64	387	421	(34)	-8%	843
Payments in lieu of leave		2,237	1,613	-	298	1,305	806	499	62%	1,613
Long service awards		326	-	-	-	-	-	-		-
Post-retirement benefit obligations	2	1,302	-	-	-	-	-	-		-
Entertainment		-	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		-	-	-	-	-	-	-		-
In kind benefits		-	-	-	-	-	-	-		-
Sub Total - Other Municipal Staff		72,550	71,930	-	6,130	39,856	35,965	3,891	11%	71,930
% increase	4		-0.9%							-0.9%
Total Parent Municipality		85,229	85,951	-	8,109	46,658	42,976	3,683	9%	85,951
			0.8%							0.8%

The schedule details expenditure incurred by the municipality on staff salaries, wages, allowances, and benefits. All expenditure is within year-to-date budget.

2.6 Material Variances to the SDBIP

None identified (more details on the SDBIP reports)

2.7 Capital programme performance

2.7.1 Capital expenditure per month

The following is from **Table SC12, Monthly Budget Statement – Capital expenditure trend** , and an analysis is further provided:

Row Labels	Sum of TotalBudget	Sum of Prorata Budget	Sum of TotalActual
Non-current Assets	**23780256**	**11890128**	**58098146.49**
Capital:	**23780256**	**11890128**	**58098146.49**
Finance and Administration	1719996	859998	4001595.99
Planning and Development	130992	65496	370009.48
Community and Social Services	690012	345006	35716924.69
Executive and Council	80004	40002	5292515.04
Road Transport	21159252	10579626	11352352.89
Waste Management	0	0	683642.22
Sport and Recreation	0	0	681106.18
Grand Total	**23780256**	**11890128**	**58098146.49**

An adjustment to the finance lease arrangements for the photocopiers and the municipal fleet will be incorporated in the adjustment budget, resulting in an increase in the municipality's capital budget.

2.7.2 Summary of Capital expenditure by asset class

The following is from **Table SC13a, Monthly Budget Statement – Capital expenditure on new assets by asset class**, and an *analysis is further provided on c schedule.*

2.8 Other supporting documents

A complete set of C schedule is attached.

2.9 Municipal Mangers Quality Certification

I, B.E Mswane, the Municipal Manager, of Richmond Municipality, hereby certify that the

- monthly budget statement
- c schedule

for the month of **December** of **2025** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Name: BE Mswane.

Municipal Manager of Richmond Municipality (KZN227)

Signature..