ANNUAL BUDGET OF

RICHMOND MUNICIPALITY

2025/2026 TO 2027/2028

MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Abbreviations and Acronyms

BSC	Budget Steering Committee
CFO	Chief Financial Officer
MM	Municipal Manager
CPI	Consumer Price Index
DoRA	Division of Revenue Act
EE	Employment Equity
EM	Executive Mayor
FBS	Free basic services
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MSCOA	Municipal Standard Chart of Accounts
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

1.1 Mayor's Report

On 12 March 2026, South Africa's Finance Minister, Enoch Godongwana, delivered the 2026 Budget Speech, outlining government's fiscal framework and priorities for the medium term. The national budget continues to emphasize macroeconomic stability through prudent fiscal management, the acceleration of structural reforms to remove barriers to growth, and increased infrastructure investment to unlock the productive capacity of the economy.

The Minister further underscored the ongoing financial and operational challenges faced by local municipalities. Continued refinements to the intergovernmental grant system are aimed at strengthening accountability and incentivising municipalities to diversify their funding sources and improve financial management. Despite these interventions, financial pressures have contributed to declining service delivery in many municipalities across cities, towns, and rural areas, highlighting the systemic nature of these challenges.

The Richmond Local Municipality is not immune to these economic constraints. In response, the budget presented today incorporates cost-containment measures while prioritising efficient service delivery and long-term financial sustainability.

We have actively engaged with the Richmond community and carefully considered the needs and concerns raised during public participation processes conducted in November 2025. These engagements have informed the planning of targeted programmes and projects aimed at addressing key service delivery challenges.

Accordingly, due consideration has been given to all submissions received, and outcome-based implementation plans are being finalised to ensure that services are delivered in a cost-effective, efficient, and sustainable manner.

We remain steadfast in our commitment to achieving the Municipality's five Key Performance Areas, namely:

Good Governance and Public Participation
Basic Infrastructure and Service Delivery
Local Economic Development
Municipal Financial Viability
Municipal Transformation and Organisational Development

……………………………………
His Worship the Mayor
Richmond Local Municipality

1.2 Council Resolutions

1.1 The Council of Richmond Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

- 1.1.1 The Draft Budget of the municipality for the financial year 2026/2027 and the multi-year and single-year capital appropriations as set out in the following tables:
- 1.1.2 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2;
- 1.1.3 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3;
- 1.1.4 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4; and
- 1.1.5 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.

1.2 The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:

- 1.2.1 Budgeted Financial Position as contained in Table A6;
- 1.2.2 Budgeted Cash Flows as contained in Table A7;
- 1.2.3 Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;
- 1.2.4 Asset management as contained in Table A9; and
- 1.2.5 Basic service delivery measurement as contained in Table A10.

1.3 The Council of Richmond Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2021:

- 1.3.1 the tariffs for property rates – as set out in Annexure A1,
- 1.3.2 the tariffs for solid waste services – as set out in Annexure A3
- 1.3.3 The Council of Richmond Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2024 the tariffs for other services, as set out in Annexure A1 to A5 respectively.

1.4 To give proper effect to the municipality's annual budget, the Council of Richmond Municipality approves:

- 1.4.1 That cash backing is implemented as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

1.5 That in terms of section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium-term revenue and expenditure framework as set out in Supporting Table SA7 are approved.

1.6 That in terms of section 24(2)(c)(iv) of the Municipal Finance Management Act, 56 of 2003, the amendments to the integrated development plan as set out in Budget Chapter 17 are approved.

1.7 That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003, the budget related policies, including any amendments are approved for the budget year 2026/2027, for the following policies:

- 1.7.1 Asset Management Policy
- 1.7.2 Borrowings Policy
- 1.7.3 Budget Policy
- 1.7.4 Cash Management and Investment Policy
- 1.7.5 Rates Policy
- 1.7.6 Rates By Laws
- 1.7.7 Debt Collection and Credit control Policy
- 1.7.8 Funds and Reserve Policy
- 1.7.9 Indigent and Free Basic Service Policy
- 1.7.10 Infrastructure and Capital plan Policy
- 1.7.11 Long term financial Plan policy
- 1.7.12 Supply Chain Management Policy
- 1.7.13 Tariff Setting Policy
- 1.7.14 Virement Policy
- 1.7.15 Cost Containment Policy

1.8 That in terms of sections 22(2)(b) of the Municipal Finance Management Act read together with section 23(3) of the Municipal Budget and Reporting Regulations, council approves an application to National Treasury for the roll-over of any unspent balances (if applicable) of the 2025/26.

1.9 The Draft Service standards document is noted by council

1.3 Executive Summary

The application of sound financial management principles in compiling the municipality's financial plan is essential to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically, and equitably to all communities.

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes to maintain sound financial stewardship. A critical review was also undertaken of expenditures on non-core and „nice to have" items.

It is about sticking to our plans despite challenging circumstances. The municipality aims to eliminate wasteful spending and reduce it on non-critical items to sustain service delivery and maintain strong public finances.

The Municipality will embark on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers, including the debt collection and credit control policy and the approved revenue enhancement strategy.

National Treasury's MFMA Circulars No. 51,54, 55,57,58,59,66,67,70,72, 74, 75,78,79,82,85, 86, 89, 90, 91, 93, 94, 97, 98, 99, 107, 108, 112, 115, 116, 122,123,126,129,130,132 and 134 were used to guide the compilation of the 2026/27 MTREF.

The main challenges experienced during the compilation of the 2026/27 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy.
- Aging and poorly maintained roads and other infrastructure assets.
- The need to reprioritize projects and expenditure within the existing resource envelope, given the available sources of funding.
- Wage increases for municipal staff continue to exceed consumer inflation, as well as the need to fill critical vacancies, which makes it difficult to maintain the salaries budget within the acceptable norm as a percentage of the total operating budget; and

The following budget principles and guidelines directly informed the compilation of the 2026/27 MTREF:

- The 2025/26 Adjustments Budget priorities and targets.
- Intermediate service level standards were used to inform measurable objectives, targets, and backlog eradication goals.
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI. In addition, tariffs need to remain or move towards being cost-reflective, and should consider the need to address infrastructure backlogs.

- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been Gazetted as required by the annual Division of Revenue Act; and
- Local Government budget and financial reforms: Regulation of a “Standard Chart of Accounts’ (SCOA) for local government.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2026/27 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2026/27 MTREF

R thousand	Adjustmnet Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Total Operating Revenue	154,417	156,765	158,186	166,307
Total Operating Expenditure	186,170	179,065	184,823	191,092
Surplus / (Deficit for the year)	(31,753)	(22,300)	(26,637)	(24,784)
Total Capital Expenditure	37,935	24,360	25,164	25,969

Total operating revenue has increased by **2 per cent or R 2.3 million** for the 2025/26 budget year when compared to the 2024/25 Adjusted Budget. For the two outer years, the budget increased by 1% and subsequently by 5%. Changes in revenue are mainly driven by changes in the municipality’s operational grants (Equitable share).

Total operating expenditure for the 2026/27 financial year has been appropriated at **R 179 million**, resulting in a budgeted **deficit of R 22 million**. When compared to the 2025/26 Adjusted Budget, operating expenditure has reduced by **4%**. Expenditure is projected to grow by **3.3%** in 2027/28 and **3.2 %** in 2028/29.

The operating budget has been compiled considering inputs received from the community during the IDP consultation process conducted in **November 2025**. Furthermore, the budget continues to apply **cost-containment and zero-based budgeting principles** across key votes to ensure efficiency and financial sustainability.

The capital budget for 2026/27 amounts to **R24 million**, representing a **decrease of 36%** compared to the 2025/26 Adjusted Budget. The capital programme increases to **an average of 3%** in 2027/28 and 2028/29.

A portion of the capital budget will be funded from **internal sources**, while the majority will be financed through **conditional grants**. As a result, the capital budget remains **relatively stable** over the MTREF period.

1.4 Operating Revenue Framework

For Richmond Municipality to continue improving the quality of services provided to its citizens, it needs to generate the required revenue. In these tough economic times, strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with developmental backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence, difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components.

- National Treasury's guidelines and macroeconomic policy.
- Efficient revenue management which aims to ensure a 95% percent annual collection rate for rates and other service charges.
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of Free Basic Services.
- The Tariff Policy of the municipality;

Management has adopted a conservative approach when projecting revenue and cash receipts. Council has also carefully considered the affordability of tariff increases, especially as it relates to domestic consumers whilst considering the level of service versus the associated cost. Attention was paid to managing revenue effectively and evaluating all spending decisions.

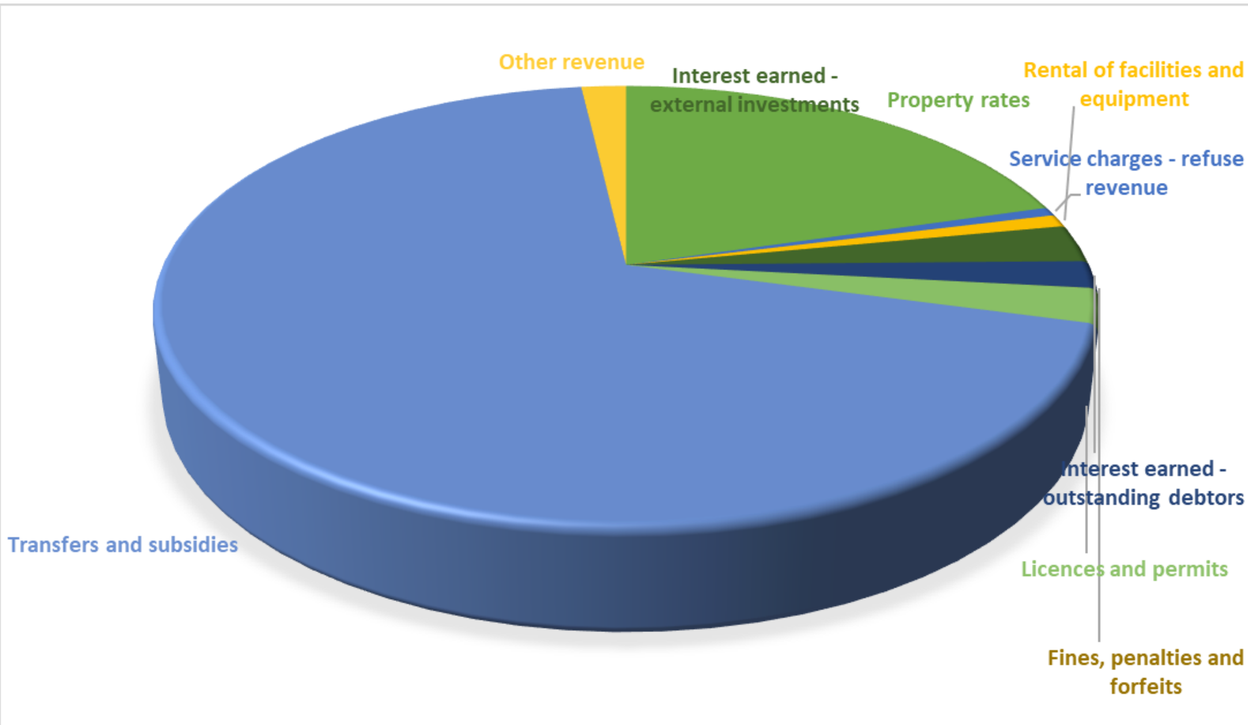
Table 2 Summary of revenue classified by main revenue source

KZN227 Richmond - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	966	1,023	987	1,126	957	957	638	992	1,025	1,058
Sale of Goods and Rendering of Services	2	326	395	503	524	405	405	224	370	382	394
Agency services	2	-	-	-	-	-	-	-	-	-	-
Interest		130	139	14	25	0	0	-	-	-	-
Interest earned from Receivables	2	278	291	452	508	536	536	360	560	579	597
Interest earned from Current and Non Current Assets	2	2,779	2,939	2,873	3,673	3,390	3,390	1,765	3,745	3,868	3,992
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	1,098	1,098	1,257	1,054	1,542	1,542	918	1,427	1,474	1,522
Licence and permits	2	12	12	28	39	39	39	17	26	27	28
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	6,957	-	-	-	-	-	1,632	1,686	1,740
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	1,010	715	736	1,265	1,105	1,105	487	876	905	934
Non-Exchange Revenue											
Property rates	2	27,115	28,871	29,400	31,092	31,092	31,092	25,985	32,020	33,077	34,135
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	4,417	3,325	495	32	10	10	6	9	10	10
Licences or permits	2	2,553	2,366	2,777	2,850	3,624	3,624	2,543	3,939	4,069	4,199
Transfer and subsidies - Operational	2	98,785	99,868	106,715	108,576	108,947	108,947	81,069	108,050	107,864	114,375
Interest	2	-	-	3,145	2,744	2,769	2,769	2,005	3,118	3,221	3,324
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	(196)	-	1,138	-	-	-	-	-	-	-
Other Gains	2	1,482	62	326	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		**140,756**	**148,061**	**150,847**	**153,507**	**154,417**	**154,417**	**116,015**	**156,765**	**158,186**	**166,307**

Table 3 Percentage growth in revenue by the main revenue source

KZN227 Richmond - Table A4 Budgeted Financial Performance (revenue and expenditure)						
Description	**Budget Year 2026/27**	**%**	**Budget Year +1 2027/28**	**%**	**Budget Year +1 2028/29**	**%**
Revenue By Source						
Property rates	32,020,104	20%	33,076,776	21%	34,135,224	21%
Service charges - refuse revenue	992,148	1%	1,024,884	1%	1,057,680	1%
Rental of facilities and equipment	1,427,340	1%	1,474,428	1%	1,521,624	1%
Interest earned - external investments	4,304,920	3%	4,446,988	3%	4,589,280	3%
Interest earned - outstanding debtors	3,118,332	2%	3,221,232	2%	3,324,312	2%
Fines, penalties and forfeits	9,288	0%	9,600	0%	9,900	0%
Licences and permits	3,964,932	3%	4,095,768	3%	4,226,832	3%
Transfers and subsidies	108,050,072	69%	107,863,650	68%	114,374,900	69%
Other revenue	2,877,588	2%	2,972,556	2%	3,067,656	2%
Total Revenue	156,764,724		158,185,882		166,307,408	100%



Revenue generated from **rates and services charges** forms an insignificant percentage of the revenue basket for the Richmond Municipality when compared to Transfers and Subsidies. Rates and service charges revenues comprise less than 21 per cent of the total revenue mix. In the 2026/27 financial year, revenue from rates and services charges totaled R33 million or 21 per cent. This increased to R34 million and R35 million in the respective outer financial years of the MTREF.

Richmond Municipality remains largely dependent on grant funding, with grant revenue continuing to be the primary contributor, accounting for approximately 70% of total operating revenue.

Operating grants and transfers amount to R108 million in the 2026/27 financial year, decreasing slightly to R107 million in 2027/28, before increasing to R114 million in 2028/29.This trend reflects a relatively stable but highly grant-reliant revenue structure, highlighting limited growth in internally generated revenue streams.

The table below provides a detailed breakdown of the various operating grants and subsidies allocated to the municipality over the medium-term revenue and expenditure framework (MTREF):

Table 4 Operating Transfers and Grant Receipts

KZN227 Richmond - Supporting Table SA18 Transfers and grant receipts										
Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		96,653	95,994	101,305	103,511	103,511	77,825	102,364	102,390	108,901
Expanded Public Works Programme Integrated Grant		1,287	1,125	1,410	2,054	2,054	2,054	1,966	1,966	1,966
Local Government Financial Management Grant		1,950	1,950	1,900	2,000	2,000	2,000	2,200	2,300	2,400
Municipal Infrastructure Grant		7,000	–	–	1,096	1,096	–	1,107	1,209	1,241
Equitable Share		86,416	92,919	97,995	98,361	98,361	73,771	97,091	96,915	103,294
Provincial Government:		6,454	3,766	6,289	5,065	4,988	7,352	5,686	5,474	5,474
Specify (Add grant description)		–	500	–	–	–	–	–	–	–
Municipal Employment Initiative		–	–	–	–	–	–	500	–	–
Provincialisation of Libraries		3,200	3,200	–	5,065	4,988	–	3,358	3,515	3,515
Specify (Add grant description)		–	66	429	–	–	620	–	–	–
Specify (Add grant description)		3,000	–	2,000	–	–	–	–	–	–
Specify (Add grant description)		–	–	–	–	–	1,743	–	–	–
Community of Libraries		254	–	3,860	–	–	4,988	1,828	1,959	1,959
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	103,107	99,760	107,594	108,576	108,499	85,177	108,050	107,864	114,375

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were considered to ensure the financial sustainability of the municipality. National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. The municipality has provisionally increased rates and domestic refuse charges by 3.7%.

1.4.1 Property Rates

The municipality has applied a 3.7% tariff increase in the property rates for the 2026/27 budget year.

The number of properties recorded in the Richmond Municipality valuation roll is not expected to increase in the 2027 budget year. However, market values across property categories including residential, business and commercial, agricultural, vacant land, and public service properties are anticipated to fluctuate compared to the 2026 financial year. These variations are expected to result in an effective 3% increase in actual property rates revenue relative to the 2026 adjustment budget.

In accordance with MFMA circular no 93, the municipality had ensured to submit the reconciliation of the valuation roll to the billing system to the National and Provincial treasury on a quarterly basis.

The budgeted property rates have been determined based on the most recent supplementary valuation roll issued at the end of February 2026. This valuation roll reflects updates to property values resulting from changes such as new developments, alterations, or corrections to existing property records.

The Municipality is currently in the process of considering any potential objections from property owners who may have concerns or disputes regarding the revised valuations of their properties. In accordance with Section 78 of the Municipal Property Rates Act, property owners are afforded an opportunity to lodge objections within a prescribed period

Property rates are budgeted at R32 million in the 2026/27 financial year, with the 3.3% and 3.2% increase on the respective outer years.

The Property Rates Policy has been amended to implement the provisions of Section 93A of the Municipal Property Rates Amendment Act, 2014 (MPRA) on Transitional arrangement: Public Service Infrastructure, which states: -

The following provisions in respect of the Property Rates Policy are highlighted below:
It is recorded that the municipality may not, in terms of section 17 of the Municipal Property Rates Act, levy a rate.

- the first 30% of the market value of public service infrastructure;
- the first R15,000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of a municipality to a category determined by the municipality
  - (i) for residential properties; or
  - (ii) for properties used for multiple purposes, provided one or more components of the property are used for residential purposes; or
- A property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

Furthermore,

- The municipality has resolved to further reduce the value upon which rates will be levied by an amount not exceeding R 35 000,00 in respect of all developed properties or properties used for multiple purposes provided that one or more components of the property are used for residential purposes.

- The municipality has resolved to further reduce the value upon which rates will be levied by an amount not exceeding R200 000,00 in respect of low-cost housing properties provided that the properties are used for residential purposes.
- Rebates will be granted to registered indigents in terms of the Indigent Policy;
- For the aged a maximum rebate of 90 per cent will be granted to the owners of residential ratable property, and must be occupied only by the applicant and his/her spouse, if any. (Other stipulations are contained in the policy)
- The municipality has resolved to further reduce the value upon which rates will be levied by an amount not exceeding R50 000 in respect of all agricultural properties which are bona fide farmers.

Table 5 Comparison of proposed rates to levied for the 2026/27 financial year:

Property Rate Category	Current Tariff (1 July 2025)	Proposed Tariff (from 1 July 2026)	% Increase	Rate Ratio
Residential	0.009650778	0.010007857	3.70%	8%
Industrial	0.019483812	0.020204713	3.70%	17%
Business and Commercial	0.019483812	0.020204713	3.70%	17%
Agricultural	0.002412666	0.002501935	3.70%	2%
Public Service Purposes	0.019483812	0.020204713	3.70%	17%
Public Service Infrastructure	0.002412666	0.002501935	3.70%	2%
Public Benefit Organization	0.002412666	0.002501935	3.70%	2%
Communal Property	0.002412666	0.002501935	3.70%	2%
Municipal	0.002412666	0.002501935	3.70%	2%
Protected Area	0.002412666	0.002501935	3.70%	2%
Place of Worship	0.002412666	0.002501935	3.70%	2%
Vacant land	0.02933984	0.030425414	3.70%	26%

1.4.2 Refuse Removal and Impact of Tariff Increases

Waste removal services are currently operating at a deficit. It is generally accepted that the provision of this service should, at a minimum, be at break-even position; however, this is not presently the case. To address this challenge, the Municipality will need to implement a comprehensive solid waste management strategy to ensure long-term financial sustainability.

In response, the Municipality has reviewed tariffs relating to commercial users and introduced increases aimed at reducing the deficit. Furthermore, the tariff structure has been revised so that charges are levied per unit rather than per property, allowing for a more equitable and cost-reflective approach.

In addition, the municipality has since developed a tariff modelling tool designed to improve the accuracy of pricing for refuse removal services. The objective is not only to maintain affordability for consumers but also to ensure the sustainability and viability of waste management services over the medium to long term. Although the tariff modelling tool has not yet yielded the desired outcomes. The municipality has developed a comprehensive plan to adjust its tariffs accordingly.

This is particularly important given the socio-economic context of Richmond, where a significant proportion of the population resides in predominantly rural areas, requiring careful consideration to ensure that tariffs remain affordable and equitable for all residents.

A 3.7 per cent increase in the waste removal tariff for domestic and commercial users is proposed from 1 July 2026. There were no material changes in the number of households receiving waste removal for the 2027 budgeted year. Currently indigent residential consumers are subsidized in full for refuse removal.

Table 6 Comparison between current waste removal fees and increases

Category	Current Tariffs 2025/26	Proposed Tariffs 2026/27	% Increase
Refuse removal residential once a week	61.9	64.19	3.70%
Refuse – Residential complex	953.61	988.89	3.70%
Commercial twice a week	492.65	510.88	3.70%
Commercial five times a week	1906.11	1976.64	3.70%
Commercial bulk	3814.43	3955.56	3.70%
Commercial daily	4577.31	4746.67	3.70%
Hire of Skipper bin	5254.58	5449.00	3.70%

The Indigent and Free Basic Services Policy provides that qualifying indigent households are entitled to full relief on refuse removal charges. In this regard, a rebate of 100% is granted on the monthly tariff billed for the household refuse removal service.

Furthermore, this benefit applies specifically to households occupying properties with a market value not exceeding R200 000, which are typically classified as low-cost housing. This provision is aimed at alleviating the financial burden on vulnerable households and ensuring equitable access to essential municipal services.

The policy forms part of the Municipality’s broader social support framework, which seeks to promote affordability, improve living conditions, and support sustainable service delivery to indigent communities”.

1.4.3 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and a small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on households’ bills has been increased by 3.7%

Table 7 MBRR Table SA14 – Household bills

KZN227 Richmond - Supporting Table SA14 Household bills											
Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Rand/cent								% incr.			
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		324.00	324.00	350.00	400.00	450.00	450.00	12.50%	450.00	450.00	450.00
Electricity: Basic levy		–	–	–	–	–	–	0.00%	–	-	-
Electricity: Consumption		–	–	–	–	–	–	0.00%	–	-	-
Water: Basic levy		–	–	–	–	–	–	0.00%	–	-	-
Water: Consumption		–	–	–	–	–	–	0.00%	–	-	-
Sanitation		–	–	–	–	–	–	0.00%	–	-	-
Refuse removal		40.00	50.00	60.00	80.00	90.00	90.00	12.50%	90.00	90.00	90.00
Other		–	–	–	–	–	–	0.00%	–	-	-
sub-total		**364.00**	**374.00**	**410.00**	**480.00**	**540.00**	**540.00**	**12.5%**	**540.00**	**540.00**	**540.00**
VAT on Services		–	–	–	–	–	–	0.00%	–	-	-
Total large household bill:		**364.00**	**374.00**	**410.00**	**480.00**	**540.00**	**540.00**	**12.5%**	**540.00**	**540.00**	**540.00**
% increase/-decrease		**–**	**2.7%**	**9.6%**	**17.1%**	**12.5%**	**–**	**(100.0%)**	**–**	**–**	**–**
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		150.00	150.00	150.00	150.00	150.00	150.00	0.00%	150.00	150.00	150.00
Electricity: Basic levy		–	–	–	–	–	–	0.00%	–	-	-
Electricity: Consumption		–	–	–	–	–	–	0.00%	–	-	-
Water: Basic levy		–	–	–	–	–	–	0.00%	–	-	-
Water: Consumption		–	–	–	–	–	–	0.00%	–	-	-
Sanitation		–	–	–	–	–	–	0.00%	–	-	-
Refuse removal		–	–	–	–	–	–	0.00%	–	-	-
Other		–	–	–	–	–	–	0.00%	–	-	-
sub-total		**150.00**	**150.00**	**150.00**	**150.00**	**150.00**	**150.00**	**–**	**150.00**	**150.00**	**150.00**
VAT on Services		–	–	–	–	–	–	0.00%	–	-	-
Total small household bill:		**150.00**	**150.00**	**150.00**	**150.00**	**150.00**	**150.00**	**–**	**150.00**	**150.00**	**150.00**
% increase/-decrease		**–**	**–**	**–**	**–**	**–**	**–**	**(100.0%)**	**–**	**–**	**–**
				-	-	-	-				
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		–	–	–	–	–	–	0.00%	–	-	-
Electricity: Basic levy		–	–	–	–	–	–	0.00%	–	-	-
Electricity: Consumption		–	–	–	–	–	–	0.00%	–	-	-
Water: Basic levy		–	–	–	–	–	–	0.00%	–	-	-
Water: Consumption		–	–	–	–	–	–	0.00%	–	-	-
Sanitation		–	–	–	–	–	–	0.00%	–	-	-
Refuse removal		53.00	54.00	55.00	57.00	57.00	57.00	0.00%	57.00	58.00	59.00
Other		–	–	–	–	–	–	0.00%	–	-	-
sub-total		**53.00**	**54.00**	**55.00**	**57.00**	**57.00**	**57.00**	**–**	**57.00**	**58.00**	**59.00**
VAT on Services		–	–	–	–	–	–	0.00%	–	-	-
Total small household bill:		**53.00**	**54.00**	**55.00**	**57.00**	**57.00**	**57.00**	**–**	**57.00**	**58.00**	**59.00**
% increase/-decrease		**–**	**1.9%**	**1.9%**	**3.6%**	**–**	**–**	**(100.0%)**	**–**	**1.8%**	**1.7%**

1.4.4 Rental of facilities and Equipment

The municipality has budgeted R1.4 million for rental of facilities and equipment in the 2026/27 budget year. The CPI was further applied in the 2027/28 and 2028/29 outer years.

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1.4.5 Interest earned from External Investments

The municipality has budgeted R4.3 million in the Interest Earned from External Investments for the 2026/2027 budget year, which is aligned with the latest interest rate market in SA. The Municipality will continue implementing aggressive investment strategies in the 2026/2027 financial year to maximize returns. The CPI was further applied in the 2027/28 and 2028/29 outer years.

1.4.6 Licenses and permits

The municipality has applied a CPI percentage increment for license and permits that resulting to the budget being increased by only 3.7%. The CPI was further applied in the 2027/28 and 2028/29 outer years.
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1.4.7 Transfers recognized

Transfers recognized contributes to about 69 per cent of the total operating income of the municipality.

1.4.8 Other operational Revenue

The municipality has budgeted for other income at R 2.8 million in the 2025/26 budget year. The CPI was further applied in the 2027/28 and 2028/29 outer years.

1.5 Operating Expenditure Framework

The Richmond's expenditure framework for the 2026/27 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The following table is a high-level summary of the 2026/27 budget and MTREF (classified per main type of operating expenditure):

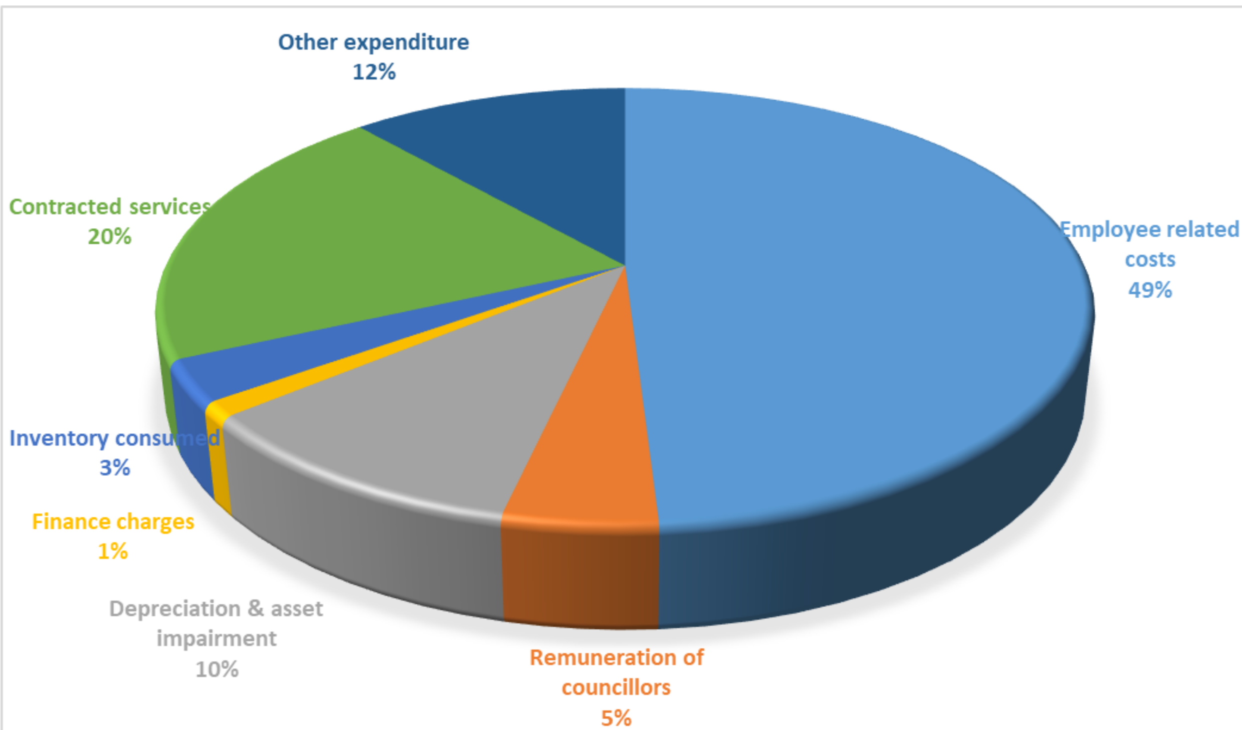
Table 8 Summary of operating expenditure by standard classification item

KZN227 Richmond - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Expenditure											
Employee related costs	2	64,238	69,247	78,707	78,361	79,847	79,847	56,013	85,981	88,819	91,661
Remuneration of councillors	2	6,051	6,549	6,522	7,590	7,590	7,590	4,645	7,932	8,194	8,456
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	2,8	7,437	4,694	3,678	4,475	3,653	3,653	2,249	5,417	5,079	5,242
Debt impairment	2,3	160	3,834	3,075	4,468	4,468	4,468	2,122	3,468	3,582	3,697
Depreciation, amortisation and impairment	2	14,955	18,036	17,620	21,358	21,358	21,358	12,398	18,306	18,943	19,582
Interest, Dividends and Rent on Land	2	360	851	752	1,159	3,078	3,078	653	1,942	2,006	2,070
Contracted services	2	30,594	38,907	32,132	37,480	43,349	43,349	30,559	35,602	37,109	38,618
Transfers and subsidies	2	556	523	-	-	-	-	-	-	-	-
Irrecoverable debts written off	2	12,801	1,713	992	-	170	170	99	250	258	267
Operational costs	2	18,408	25,532	22,368	22,060	22,656	22,656	17,006	20,167	20,833	21,499
Disposal of Fixed and Intangible Assets	2	-	124	387	-	-	-	-	-	-	-
Other Losses	2	-	-	85	-	-	-	-	-	-	-
Total Expenditure		**155,561**	**170,010**	**166,320**	**176,951**	**186,170**	**186,170**	**125,745**	**179,065**	**184,823**	**191,092**

Table 9 Percentage growth in operating expenditure by main expenditure source

KZN227 Richmond - Table A4 Budgeted Financial Performance (revenue and expenditure)						
Description	**Budget Year 2026/27**	**%**	**Budget Year +1 2027/28**	**%**	**Budget Year +1 2028/29**	**%**
Expenditure by Type						
Employee related costs	85,981,368	48%	88,818,624	48%	91,661,022	48%
Remuneration of councillors	7,931,856	4%	8,193,564	4%	8,455,800	4%
Depreciation & asset impairment	18,305,580	10%	18,943,140	10%	19,581,768	10%
Finance charges	1,941,924	1%	2,006,016	1%	2,070,216	1%
Inventory consumed	5,417,012	3%	5,079,240	3%	5,241,852	3%
Contracted services	35,601,678	20%	37,108,638	20%	38,618,106	20%
Other expenditure	20,167,080	11%	20,832,732	11%	21,499,180	11%
Debt write-off and impairment	3,718,008.00	2%	3,840,696.00	2%	3,963,600.00	2%
Total Expenditure	**179,064,506**	**100%**	**184,822,650**	**100%**	**191,091,544**	**100%**



1.5.1 Employee Related Costs

The budgeted allocation for employee-related costs for the 2026/27 financial year totals R86 million, which equals 45% of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 4.75 per cent for the 2025/26 financial year. Zero-based budgeting was applied using the number of employees employed by the municipality. The municipality is freezing all vacant non-strategic positions within the employment structure or organogram of the municipality.

An annual increase of 4.75 per cent has been included for the budget outer years. The budget has also been drawn up considering the budgeting for applicable annual notch increases.

1.5.2 Remuneration of Councilors

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). A 4.75 per cent increase has been factored into the budget for the 2026/27 financial year.

The municipality is legislated to have a full-time mayor, full time speaker, full time deputy mayor, part time member of the executive committee and part time councilors. The positions of full-time speaker and deputy mayor were Gazetted and effective from April.

1.5.3 Depreciation

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy and the municipality asset module. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R18 million for the 2026/27 financial and equates to 10 per cent of the total operating expenditure.

1.5.4 Finance charges

The finance charges budgeted for under Table A4 relates to bank charges, finance lease charges on the lease of photocopiers and vehicles and unwinding of landfill site provision.

1.5.5 Inventory Consumed

Operational repairs and maintenance are not regarded as a direct expenditure driver in terms of the Municipal Budget and Reporting Regulations; rather, they are an outcome of other expenditure items such as employee-related costs, inventory purchases, and contracted services.

During the compilation of the 2026/2027 Medium-Term Revenue and Expenditure Framework (MTREF), operational repairs and maintenance were identified as a strategic priority due to the aging municipal infrastructure.

An amount of R4.9 million has been budgeted for inventory in the 2026/2027 financial year to fund the procurement of materials required for infrastructure maintenance (such as asphalt for pothole patching programmes). The municipality has adopted a zero-based budgeting approach for this line item to ensure that allocations are aligned with actual maintenance needs and cost drivers.

1.5.6 Contracted Services

The municipality has budgeted R 35 million for Contracted Services for the budget year 2026/2027. and CPI was applied for the outer years.

Furthermore, the contracted services have been identified as a cost saving area for the Richmond Municipality. As part of the compilation of the 2026/27 MTREF this group of expenditure was critically evaluated, and operational inefficiencies were noted, particularly around the security services contract.

1.5.7 Other expenditure

The budget for the 2026/27 is R 20 million and CPI was applied for the outer years.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings can be achieved to align the expenditure with the reduction of the equitable share allocation in the 2026/27 budget year.

1.6 Capital expenditure

Municipal Infrastructure grant

Number	Projects	Amount
1	Siyathuthuka/Magoda Phase 3	16,658,328
2	Upgrading of Slahla Access road	4,376,568
		21,034,891

Integrated Funded Capital Projects

	Projects	Amount
1	Furniture Internal Audit Office	26,100.00
2	Trafman System	15,996.00
3	Alcohol Screeners	18,000.00
4	Binoculars	6,000.00
5	Traffic Robot- Educational	12,000.00
6	Laptops- Roads	45,000.00
7	TLB	1,500,000.00
8	Generator- Roads	24,996.00
9	Mechanical Tools	60,000.00
10	Roads Brush Cutter Machine	114,996.00
11	Heavy Duty Chainsaw	69,996.00
12	Skip Bins	500,004.00

13	Pedestrian Roller	200,004.00
14	Pruner	50,004.00
15	Blower	15,000.00
16	Trailer	60,000.00
17	Air Compressor	9,996.00
18	Diagnostic Machine	39,996.00
19	Ladder	20,004.00
20	Electrification Of Nelson Street Stalls	249,996.00
21	Water Meter Installations For Nelson Street Stalls	45,000.00
22	Planning Office Furniture	60,000.00
23	Laptop MM	50,004.00
24	Projector MM	9,996.00
25	Shredder MM	15,000.00
26	Chairs MM	99,996.00
27	Laminating Machine MM	6,996.00

Table 10 MBRR Table A1 - Budget Summary

KZN227 Richmond - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousands	Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
Financial Performance										
Property rates	27,115	28,871	29,400	31,092	31,092	31,092	25,977	32,020	33,077	34,135
Service charges	966	1,023	987	1,126	957	957	638	992	1,025	1,058
Investment revenue	2,779	2,939	2,873	3,673	3,390	3,390	1,765	3,745	3,868	3,992
Transfer and subsidies - Operational	98,785	99,868	106,715	108,576	108,947	108,947	81,069	108,050	107,864	114,375
Other own revenue	11,111	15,360	10,872	9,040	10,031	10,031	6,559	11,958	12,352	12,747
Total Revenue (excluding capital transfers and contributions)	140,756	148,061	150,847	153,507	154,417	154,417	116,007	156,765	158,186	166,307
Employee costs	64,238	69,247	78,707	78,361	79,847	79,847	56,013	85,981	88,819	91,661
Remuneration of councillors	6,051	6,549	6,522	7,590	7,590	7,590	4,645	7,932	8,194	8,456
Depreciation, amortisation and impairment	14,955	18,036	17,620	21,358	21,358	21,358	12,398	18,306	18,943	19,582
Interest, Dividends and Rent on Land	360	851	752	1,159	3,078	3,078	653	1,942	2,006	2,070
Inventory consumed and bulk purchases	7,437	4,694	3,678	4,475	3,667	3,667	2,055	5,417	5,079	5,242
Transfers and subsidies	556	523	–	–	–	–	–	–	–	–
Other expenditure	61,963	70,111	59,040	64,008	70,629	70,629	48,737	59,487	61,782	64,081
Total Expenditure	155,561	170,010	166,320	176,951	186,170	186,170	124,501	179,065	184,823	191,092
Surplus/(Deficit)	(14,805)	(21,950)	(15,473)	(23,444)	(31,753)	(31,753)	(8,494)	(22,300)	(26,637)	(24,784)
Transfers and subsidies - capital (monetary allocations)	20,134	22,213	23,056	22,210	22,210	22,210	(14,075)	21,035	22,964	23,577
Transfers and subsidies - capital (in-kind)	–	–	–	–	33,434	33,434	(32,601)	–	–	–
Surplus/(Deficit) after capital transfers &	5,329	264	7,583	(1,234)	23,891	23,891	(55,170)	(1,265)	(3,672)	(1,207)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	5,329	264	7,583	(1,234)	23,891	23,891	(55,170)	(1,265)	(3,672)	(1,207)
Capital expenditure & funds sources										
Capital expenditure	53,252	21,937	24,620	23,780	37,935	37,935	30,386	24,360	25,164	25,969
Transfers recognised - capital	48,701	18,446	20,056	20,819	19,574	19,574	12,291	21,035	21,729	22,424
Borrowing	–	–	–	–	16,419	16,419	14,767	–	–	–
Internally generated funds	3,808	2,092	288	2,961	1,942	1,942	1,676	2,775	2,867	2,958
Total sources of capital funds	52,509	20,537	20,344	23,780	37,935	37,935	28,733	23,810	24,596	25,383
Financial position										
Total current assets	31,463	25,444	32,251	32,397	42,045	42,045	37,806	30,402	27,828	30,127
Total non current assets	367,942	370,952	377,667	390,438	427,678	427,678	428,256	437,567	437,733	437,900
Total current liabilities	26,230	21,587	23,256	14,860	22,433	22,433	24,781	10,417	10,353	10,289
Total non current liabilities	14,770	16,210	20,481	18,115	43,217	43,217	36,914	33,944	34,008	34,072
Community wealth/Equity	358,404	358,599	366,182	389,860	404,073	404,073	408,124	423,607	421,200	423,665
Cash flows										
Net cash from (used) operating	248,029	(17,917)	(65,013)	27,869	21,918	21,918	21,918	4,082	132	2,874
Net cash from (used) investing	(28,249)	(23,167)	(23,728)	(23,780)	(24,538)	(24,538)	(24,538)	(24,360)	(25,164)	(25,969)
Net cash from (used) financing	–	–	(280)	–	–	–	–	–	–	–
Cash/cash equivalents at the year end:	246,683	(22,342)	(77,150)	16,505	18,010	18,010	18,010	9,428	(15,604)	(38,699)
Cash backing/surplus reconciliation										
Cash and investments available	246,683	(22,341)	(77,150)	16,506	18,011	18,011	18,011	9,428	(15,604)	(38,699)
Application of cash and investments	28,172	22,043	26,035	9,784	24,373	24,373	27,649	4,191	4,178	4,166
Balance - surplus (shortfall)	218,511	(44,384)	(103,185)	6,722	(6,363)	(6,363)	(9,638)	5,238	(19,782)	(42,865)
Asset management										
Asset register summary (WDV)	350,798	342,946	344,934	363,753	383,724	383,724		372,578	372,050	371,522
Depreciation	16,015	16,478	15,473	21,358	21,358	21,358		18,306	18,943	19,582
Renewal and Upgrading of Existing Assets	15,607	10,833	20,018	10,563	11,134	11,134		21,035	21,729	22,424
Repairs and Maintenance	12,919	13,272	9,247	18,444	19,488	19,488		18,113	18,711	19,310
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–		–	–	–
Revenue cost of free services provided	(303)	(317)	(335)	(1,410)	(1,589)	(1,589)		(350)	(1,649)	(1,703)
Households below minimum service level										
Water:	–	–	–	–	–	–		–	–	–
Sanitation/sewerage:	–	–	–	–	–	–		–	–	–
Energy:	–	–	–	–	–	–		–	–	–
Refuse:	–	–	–	–	–	–		–	–	–

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Richmond's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

Table 11 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

KZN227 Richmond - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional										
Governance and administration		**92,547**	**132,337**	**140,096**	**132,913**	**64,749**	**64,749**	**136,323**	**137,463**	**145,169**
Executive and council		–	–	2	–	–	–	–	–	–
Finance and administration		92,547	132,337	140,094	132,913	64,749	64,749	136,323	137,463	145,169
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**38,151**	**3,390**	**4,647**	**8,710**	**94,169**	**94,169**	**5,488**	**5,786**	**5,796**
Community and social services		38,151	3,390	4,163	8,699	93,709	93,709	5,488	5,786	5,796
Sport and recreation		–	–	0	11	11	11	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	483	–	448	448	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**28,892**	**33,160**	**27,773**	**27,039**	**30,094**	**30,094**	**31,053**	**32,797**	**33,655**
Planning and development		20,651	22,855	24,076	23,782	25,887	25,887	24,989	26,533	27,190
Road transport		8,241	10,305	3,698	3,257	4,207	4,207	6,064	6,264	6,465
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**1,299**	**1,386**	**1,386**	**7,055**	**21,050**	**21,050**	**4,935**	**5,104**	**5,264**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		1,299	1,386	1,386	7,055	21,050	21,050	4,935	5,104	5,264
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	**160,889**	**170,274**	**173,903**	**175,717**	**210,061**	**210,061**	**177,800**	**181,150**	**189,885**
Expenditure - Functional										
Governance and administration		**71,718**	**67,824**	**74,660**	**72,935**	**80,166**	**80,166**	**74,592**	**77,127**	**79,668**
Executive and council		16,781	19,417	20,666	21,302	22,057	22,057	23,482	24,257	25,033
Finance and administration		53,410	46,827	52,170	49,906	56,341	56,341	48,899	50,587	52,278
Internal audit		1,527	1,581	1,824	1,727	1,768	1,768	2,211	2,284	2,357
Community and public safety		**23,666**	**26,764**	**30,247**	**30,526**	**34,923**	**34,923**	**34,008**	**35,315**	**36,623**
Community and social services		19,758	22,549	25,774	24,368	29,627	29,627	28,543	29,669	30,797
Sport and recreation		3,484	3,745	3,954	5,637	4,735	4,735	4,862	5,023	5,184
Public safety		–	–	–	–	–	–	–	–	–
Housing		424	469	518	521	561	561	603	623	643
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**52,182**	**67,206**	**53,748**	**65,886**	**62,962**	**62,962**	**62,339**	**63,970**	**66,105**
Planning and development		8,501	10,991	11,462	12,840	14,030	14,030	14,893	14,905	15,418
Road transport		43,682	56,215	42,286	53,047	48,931	48,931	47,446	49,065	50,687
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**7,995**	**8,216**	**7,665**	**7,603**	**8,120**	**8,120**	**8,126**	**8,410**	**8,695**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		456	493	577	497	477	477	524	541	558
Waste management		7,539	7,724	7,089	7,106	7,643	7,643	7,602	7,869	8,137
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	**155,561**	**170,010**	**166,320**	**176,951**	**186,170**	**186,170**	**179,065**	**184,823**	**191,092**
Surplus/(Deficit) for the year		**5,329**	**264**	**7,583**	**(1,234)**	**23,891**	**23,891**	**(1,265)**	**(3,672)**	**(1,207)**

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification.
2. The Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4.

Table 12 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

KZN227 Richmond - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
Revenue by Vote	1									
Vote 1 - Executive And Council		–	–	2	–	–	–	–	–	–
Vote 2 - Finance and administration		92,547	132,337	139,230	132,913	64,749	64,749	136,323	137,463	145,169
Vote 3 - Housing		–	–	483	–	448	448	–	–	–
Vote 4 - Community and Social Services		38,151	3,390	4,163	8,537	93,616	93,616	5,389	5,684	5,691
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–
Vote 6 - Planning and Development		20,651	22,855	24,075	21,915	22,076	22,076	22,308	24,344	24,995
Vote 7 - Road Transport		8,241	10,305	3,698	3,257	4,207	4,207	6,064	6,264	6,465
Vote 8 - Sport and Recreation		–	–	0	11	11	11	–	–	–
Vote 9 - Waste Management		1,299	1,386	1,386	7,055	21,050	21,050	4,935	5,104	5,264
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**160,889**	**170,274**	**173,037**	**173,689**	**206,157**	**206,157**	**175,019**	**178,860**	**187,584**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Executive And Council		16,781	19,417	20,666	21,302	22,057	22,057	23,482	24,257	25,033
Vote 2 - Finance and administration		53,410	46,827	51,318	49,906	55,718	55,718	48,276	49,943	51,613
Vote 3 - Housing		424	469	518	521	561	561	603	623	643
Vote 4 - Community and Social Services		19,758	22,549	24,359	21,718	26,791	26,791	25,810	26,836	27,864
Vote 5 - Internal Audit		1,527	1,581	1,824	1,727	1,768	1,768	2,211	2,284	2,357
Vote 6 - Planning and Development		8,501	10,991	11,187	1,131	2,213	2,213	1,794	1,869	1,945
Vote 7 - Road Transport		43,682	56,215	41,505	53,047	48,809	48,809	47,323	48,939	50,557
Vote 8 - Sport and Recreation		3,484	3,745	3,954	5,637	4,735	4,735	4,862	5,023	5,184
Vote 9 - Waste Management		7,539	7,724	7,089	7,106	7,643	7,643	7,602	7,869	8,137
Vote 10 - Waste Water Management		456	493	577	497	477	477	524	541	558
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**155,561**	**170,010**	**162,997**	**162,593**	**170,771**	**170,771**	**162,487**	**168,184**	**173,891**
Surplus/(Deficit) for the year	2	**5,329**	**264**	**10,041**	**11,096**	**35,385**	**35,385**	**12,533**	**10,676**	**13,693**

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Richmond. This means it is possible to present the operating surplus or deficit of a vote.

Table 13 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	966	1,023	987	1,126	957	957	638	992	1,025	1,058
Sale of Goods and Rendering of Services	2	326	395	503	524	405	405	224	370	382	394
Agency services	2	-	-	-	-	-	-	-	-	-	-
Interest		130	139	14	25	0	0	-	-	-	-
Interest earned from Receivables	2	278	291	452	508	536	536	360	560	579	597
Interest earned from Current and Non Current Assets	2	2,779	2,939	2,873	3,673	3,390	3,390	1,765	3,745	3,868	3,992
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	1,098	1,098	1,257	1,054	1,542	1,542	918	1,427	1,474	1,522
Licence and permits	2	12	12	28	39	39	39	17	26	27	28
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	6,957	-	-	-	-	-	1,632	1,686	1,740
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	1,010	715	736	1,265	1,105	1,105	487	876	905	934
Non-Exchange Revenue											
Property rates	2	27,115	28,871	29,400	31,092	31,092	31,092	25,977	32,020	33,077	34,135
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	4,417	3,325	495	32	10	10	6	9	10	10
Licences or permits	2	2,553	2,366	2,777	2,850	3,624	3,624	2,543	3,939	4,069	4,199
Transfer and subsidies - Operational	2	98,785	99,868	106,715	108,576	108,947	108,947	81,069	108,050	107,864	114,375
Interest	2	-	-	3,145	2,744	2,769	2,769	2,005	3,118	3,221	3,324
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	(196)	-	1,138	-	-	-	-	-	-	-
Other Gains	2	1,482	62	326	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		**140,756**	**148,061**	**150,847**	**153,507**	**154,417**	**154,417**	**116,007**	**156,765**	**158,186**	**166,307**
Expenditure											
Employee related costs	2	64,238	69,247	78,707	78,361	79,847	79,847	56,013	85,981	88,819	91,661
Remuneration of councillors	2	6,051	6,549	6,522	7,590	7,590	7,590	4,645	7,932	8,194	8,456
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	2,8	7,437	4,694	3,678	4,475	3,667	3,667	2,055	5,417	5,079	5,242
Debt impairment	2,3	160	3,834	3,075	4,468	4,468	4,468	2,122	3,468	3,582	3,697
Depreciation, amortisation and impairment	2	14,955	18,036	17,620	21,358	21,358	21,358	12,398	18,306	18,943	19,582
Interest, Dividends and Rent on Land	2	360	851	752	1,159	3,078	3,078	653	1,942	2,006	2,070
Contracted services	2	30,594	38,907	32,132	37,480	43,349	43,349	29,728	35,602	37,109	38,618
Transfers and subsidies	2	556	523	-	-	-	-	-	-	-	-
Irrecoverable debts written off	2	12,801	1,713	992	-	170	170	99	250	258	267
Operational costs	2	18,408	25,532	22,368	22,060	22,642	22,642	16,787	20,167	20,833	21,499
Disposal of Fixed and Intangible Assets	2	-	124	387	-	-	-	-	-	-	-
Other Losses	2	-	-	85	-	-	-	-	-	-	-
Total Expenditure		**155,561**	**170,010**	**166,320**	**176,951**	**186,170**	**186,170**	**124,501**	**179,065**	**184,823**	**191,092**
Surplus/(Deficit)		**(14,805)**	**(21,950)**	**(15,473)**	**(23,444)**	**(31,753)**	**(31,753)**	**(8,494)**	**(22,300)**	**(26,637)**	**(24,784)**
Transfers and subsidies - capital (monetary allocations)	6	20,134	22,213	23,056	22,210	22,210	22,210	(14,075)	21,035	22,964	23,577
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	33,434	33,434	(32,601)	-	-	-
Surplus/(Deficit) after capital transfers & contributions		**5,329**	**264**	**7,583**	**(1,234)**	**23,891**	**23,891**	**(55,170)**	**(1,265)**	**(3,672)**	**(1,207)**
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		**5,329**	**264**	**7,583**	**(1,234)**	**23,891**	**23,891**	**(55,170)**	**(1,265)**	**(3,672)**	**(1,207)**
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		**5,329**	**264**	**7,583**	**(1,234)**	**23,891**	**23,891**	**(55,170)**	**(1,265)**	**(3,672)**	**(1,207)**
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	**5,329**	**264**	**7,583**	**(1,234)**	**23,891**	**23,891**	**(55,170)**	**(1,265)**	**(3,672)**	**(1,207)**

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R 148 million in 2024/25 and increases to R 154 million 2025/26
2. Revenue to be generated from property rates is R 31 million in the 2025/26 financial year and increases to R 32 million in the 2026/27 and to R33 million in the 2027/28 financial year.

Table 14 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Single-year expenditure *to be appropriated*	2										
Vote 1 - Executive And Council		749	973	513	80	5,293	5,293	–	182	188	194
Vote 2 - Finance and administration		1,943	1,697	1,047	1,720	4,258	4,258	–	–	–	–
Vote 3 - Housing		–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		1,784	32	53	–	3,201	3,201	–	–	–	–
Vote 5 - Internal Audit		–	–	–	–	–	–	–	26	27	28
Vote 6 - Planning and Development		192	145	2,309	–	–	–	–	–	–	–
Vote 7 - Road Transport		43,848	19,091	18,054	21,159	23,174	23,174	–	23,797	24,582	25,369
Vote 8 - Sport and Recreation		–	–	104	–	681	681	–	–	–	–
Vote 9 - Waste Management		–	–	2,515	–	684	684	–	–	–	–
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**48,515**	**21,937**	**24,596**	**22,959**	**37,291**	**37,291**	**–**	**24,005**	**24,797**	**25,591**
Total Capital Expenditure - Vote		**48,515**	**21,937**	**24,596**	**22,959**	**37,291**	**37,291**	**–**	**24,005**	**24,797**	**25,591**

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Table 15 MBRR Table A6 - Budgeted Financial Position

KZN227 Richmond - Table A6 Budgeted Financial Position

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current assets											
Cash and cash equivalents	1	18,742	11,871	20,630	22,661	29,722	29,722	13,275	23,997	21,476	23,828
Short term Investments	2	–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	3	(14,347)	(12,326)	(14,498)	1,822	(14,917)	(14,917)	(13,171)	3,428	3,483	3,538
Receivables from non-exchange transactions	3	5,882	4,901	6,599	6,145	5,278	5,278	16,194	2,190	2,082	1,974
Current portion of non-current receivables	4	–	–	–	–	–	–	–	–	–	–
Inventory	5	(0)	(0)	0	–	–	–	0	0	–	–
VAT Receivable	6	21,186	20,938	18,734	1,769	21,176	21,176	20,722	–	–	–
Other current assets	7	0	60	787	–	787	787	787	787	787	787
Total current assets		**31,463**	**25,444**	**32,251**	**32,397**	**42,045**	**42,045**	**37,806**	**30,402**	**27,828**	**30,127**
Non current assets											
Investments	8	0	0	0	0	0	0	0	0	0	0
Investment property	9	1,186	1,186	1,186	1,240	1,186	1,186	1,186	1,186	1,186	1,186
Property, plant and equipment	10	366,190	368,756	375,334	388,508	425,679	425,679	426,143	435,834	436,043	436,252
Biological assets	11	–	–	–	–	–	–	–	–	–	–
Living resources	12	–	–	–	–	–	–	–	–	–	–
Heritage assets	13	213	213	213	223	213	213	213	213	213	213
Intangible assets	14	353	797	934	467	599	599	713	333	291	249
Trade and other receivables from exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Other non-current assets	16	–	–	–	–	–	–	–	–	–	–
Total non current assets		**367,942**	**370,952**	**377,667**	**390,438**	**427,678**	**427,678**	**428,256**	**437,567**	**437,733**	**437,900**
TOTAL ASSETS		**399,404**	**396,396**	**409,918**	**422,835**	**469,723**	**469,723**	**466,062**	**467,968**	**465,561**	**468,026**
LIABILITIES											
Current liabilities											
Bank overdraft	17	–	–	–	–	–	–	–	–	–	–
Financial liabilities	18	875	940	716	983	716	716	716	716	716	716
Consumer deposits	19	11	13	14	14	14	14	15	14	14	14
Trade and other payables from exchange transactions	20	20,758	18,234	19,049	4,865	18,895	18,895	14,752	5,549	5,485	5,421
Trade and other payables from non-exchange transactions	21	7,279	5,071	5,841	5,235	5,393	5,393	11,661	3,261	3,261	3,261
Provision	22	817	740	876	774	876	876	876	876	876	876
VAT Payable	23	(4,124)	(4,032)	(4,018)	2,339	(4,239)	(4,239)	(4,017)	–	–	–
Other current liabilities	24	614	621	777	650	777	777	777	–	–	–
Total current liabilities		**26,230**	**21,587**	**23,256**	**14,860**	**22,433**	**22,433**	**24,781**	**10,417**	**10,353**	**10,289**
Non current liabilities											
Financial liabilities	25	268	(0)	(0)	1,159	22,737	22,737	16,434	24,679	24,743	24,807
Provision	26	5,659	6,146	9,266	6,429	9,266	9,266	9,266	9,266	9,266	9,266
Long term portion of trade payables	27	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities	28	8,843	10,064	11,215	10,527	11,215	11,215	11,215	–	–	–
Total non current liabilities		**14,770**	**16,210**	**20,481**	**18,115**	**43,217**	**43,217**	**36,914**	**33,944**	**34,008**	**34,072**
TOTAL LIABILITIES		**41,000**	**37,798**	**43,736**	**32,975**	**65,650**	**65,650**	**61,696**	**44,361**	**44,361**	**44,361**
NET ASSETS		**358,404**	**358,599**	**366,182**	**389,860**	**404,073**	**404,073**	**404,366**	**423,607**	**421,200**	**423,665**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	358,404	358,599	366,182	389,860	404,073	404,073	408,124	423,607	421,200	423,665
Reserves and funds	30	–	–	–	–	–	–	–	–	–	–
Other	31	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	32	**358,404**	**358,599**	**366,182**	**389,860**	**404,073**	**404,073**	**408,124**	**423,607**	**421,200**	**423,665**

References

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. Table A6 is supported by an extensive table of notes (SA3 which can be found in this document) providing a detailed analysis of the major components of a number of items, including:
   - Call investments deposits;
   - Consumer debtors;
   - Property, plant and equipment;
   - Trade and other payables;
   - Provisions non-current;
   - Changes in net assets; and
   - Reserves
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. The municipality has factored in all expected movements in the asset categories including the expected disposal of land in the 2025/26 financial year if it doesn't take place by the end of 2024/25. The listing of the land earmarked for disposal is appended to this document together with other supporting documents. The municipality has been conservative in the estimating the selling prices of the plots and used at the current municipal valuation roll.

Table 16 MBRR Table A7 - Budgeted Cash Flow Statement

KZN227 Richmond - Table A7 Budgeted Cash Flows											
Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		24,815	–	–	27,894	27,894	27,894	27,894	29,812	30,796	31,781
Service charges		795	–	–	1,472	1,472	1,472	1,472	1,306	1,349	1,392
Other revenue		48,843	–	–	5,403	6,250	6,250	6,250	6,285	6,492	6,700
Transfers and Subsidies - Operational	1	202,206	–	–	111,380	111,579	111,579	111,579	110,176	110,059	116,641
Transfers and Subsidies - Capital	1	38,492	51,895	–	20,819	20,819	20,819	20,819	–	–	–
Interest		1,155	–	–	6,598	6,359	6,359	6,359	7,045	7,278	7,510
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(68,277)	(69,812)	(65,013)	(145,697)	(152,455)	(152,455)	(152,455)	(148,600)	(153,836)	(159,081)
Finance charges		–	–	–	–	–	–	–	(1,942)	(2,006)	(2,070)
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**248,029**	**(17,917)**	**(65,013)**	**27,869**	**21,918**	**21,918**	**21,918**	**4,082**	**132**	**2,874**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Insurance Refund - Capital		–	–	–	–	–	–	–	–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(28,249)	(23,167)	(23,728)	(23,780)	(24,538)	(24,538)	(24,538)	(24,360)	(25,164)	(25,969)
Retention (Capital)		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(28,249)**	**(23,167)**	**(23,728)**	**(23,780)**	**(24,538)**	**(24,538)**	**(24,538)**	**(24,360)**	**(25,164)**	**(25,969)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	(280)	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**(280)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**219,781**	**(41,084)**	**(89,021)**	**4,088**	**(2,619)**	**(2,619)**	**(2,619)**	**(20,278)**	**(25,032)**	**(23,095)**
Cash/cash equivalents at the year begin:	2	**26,902**	**18,742**	**11,871**	**12,417**	**20,630**	**20,630**	**20,630**	**29,706**	**9,428**	**(15,604)**
Cash/cash equivalents at the year end:	2	**246,683**	**(22,342)**	**(77,150)**	**16,505**	**18,010**	**18,010**	**18,010**	**9,428**	**(15,604)**	**(38,699)**
References											
1. Local/District municipalities to include transfers from/to District/Local Municipalities											
2. Cash equivalents includes investments with maturities of 3 months or less											
3. The MTREF is populated directly from SA30.											
Total receipts		316,306	51,895	–	173,566	174,373	174,373	174,373	154,624	155,974	164,025
Total payments		(96,526)	(92,979)	(88,741)	(169,478)	(176,992)	(176,992)	(176,992)	(174,902)	(181,006)	(187,120)
		219,781	(41,084)	(88,741)	4,088	(2,619)	(2,619)	(2,619)	(20,278)	(25,032)	(23,095)
Borrowings & investments & c.deposits		–	–	–	–	–	–	–	–	–	–
Repayment of borrowing		–	–	(280)	–	–	–	–	–	–	–
		219,781	(41,084)	(89,021)	4,088	(2,619)	(2,619)	(2,619)	(20,278)	(25,032)	(23,095)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Table 17 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN227 Richmond - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year +1	Budget Year +2
Cash and investments available											
Cash/cash equivalents at the year end	1	246,683	(22,342)	(77,150)	16,505	18,010	18,010	18,010	9,428	(15,604)	(38,699)
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Non current Investments	1	0	0	0	0	0	0	0	0	0	0
Cash and investments available:		**246,683**	**(22,341)**	**(77,150)**	**16,506**	**18,011**	**18,011**	**18,011**	**9,428**	**(15,604)**	**(38,699)**
Application of cash and investments											
Unspent conditional transfers		7,279	5,071	5,841	5,235	5,393	5,393	11,661	3,261	3,261	3,261
Unspent borrowing											
Statutory requirements	2	(4,271)	(2,623)	(509)	(440)	(3,153)	(3,153)	3,504	–	–	–
Other working capital requirements	3	23,732	18,234	19,049	3,566	20,480	20,480	14,137	53	41	29
Other provisions		1,431	1,361	1,653	1,423	1,653	1,653	(1,653)	876	876	876
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		**28,172**	**22,043**	**26,035**	**9,784**	**24,373**	**24,373**	**27,649**	**4,191**	**4,178**	**4,166**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		**218,511**	**(44,384)**	**(103,185)**	**6,722**	**(6,363)**	**(6,363)**	**(9,638)**	**5,238**	**(19,782)**	**(42,865)**
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**218,511**	**(44,384)**	**(103,185)**	**6,722**	**(6,363)**	**(6,363)**	**(9,638)**	**5,238**	**(19,782)**	**(42,865)**
References											
1. Must reconcile with Budgeted Cash Flows											
2. For example: VAT, taxation											
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)											
4. For example: sinking fund requirements for borrowing											
5. Council approval required for each reserve created and basis of cash backing of reserves - Total Reserves to be backed by cash/investments excl Valuation reserve											
Other working capital requirements											
Debtors		(2,974)	–	–	1,299	(1,585)	(1,585)	615	5,496	5,444	5,392
Creditors due		20,758	18,234	19,049	4,865	18,895	18,895	14,752	5,549	5,485	5,421
Total		(23,732)	(18,234)	(19,049)	(3,566)	(20,480)	(20,480)	(14,137)	(53)	(41)	(29)
Debtors collection assumptions											
Balance outstanding - debtors		(8,465)	(7,425)	(7,899)	7,967	(9,639)	(9,639)	3,023	5,618	5,565	5,512
Estimate of debtors collection rate		35.1%	0.0%	0.0%	16.3%	16.4%	16.4%	20.3%	97.8%	97.8%	97.8%

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

Table 18 MBRR Table A9 - Asset Management

KZN227 Richmond - Table A9 Asset Management

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CAPITAL EXPENDITURE										
Total New Assets	1	**37,645**	**11,105**	**4,602**	**13,217**	**26,801**	**26,801**	**3,325**	**3,435**	**3,545**
Roads Infrastructure		20,697	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		8,333	348	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	2,515	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***29,029***	***348***	***2,515***	**–**	**–**	**–**	**–**	**–**	**–**
Community Facilities		4,868	–	–	250	0	0	295	305	314
Sport and Recreation Facilities		423	7,376	–	200	(0)	(0)	–	–	–
Community Assets		***5,290***	***7,376***	**–**	***450***	***0***	***0***	***295***	***305***	***314***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	670	87	87	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	***670***	***87***	***87***	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	600	–	–	–	–	16	17	17
Intangible Assets		**–**	***600***	**–**	**–**	**–**	**–**	***16***	***17***	***17***
Computer Equipment		**887**	**641**	**829**	**600**	**491**	**491**	**105**	**108**	**112**
Furniture and Office Equipment		**1,126**	**414**	**827**	**861**	**3,021**	**3,021**	**208**	**215**	**222**
Machinery and Equipment		**563**	**992**	**430**	**6,636**	**2,903**	**2,903**	**1,201**	**1,241**	**1,280**
Transport Assets		**749**	**734**	**–**	**4,000**	**20,299**	**20,299**	**1,500**	**1,550**	**1,599**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	**2,591**	**4,359**	**–**	**200**	**3,231**	**3,231**	**16,658**	**4,521**	**4,666**
Roads Infrastructure		2,591	4,359	–	–	3,231	3,231	16,658	4,521	4,666
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***2,591***	***4,359***	**–**	**–**	***3,231***	***3,231***	***16,658***	***4,521***	***4,666***
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	200	(0)	(0)	–	–	–
Community Assets		**–**	**–**	**–**	***200***	***(0)***	***(0)***	**–**	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	**13,016**	**6,474**	**20,018**	**10,363**	**7,902**	**7,902**	**4,377**	**17,208**	**17,759**
Roads Infrastructure		11,478	–	3,066	5,057	2,654	2,654	4,377	17,208	17,759
Storm water Infrastructure		–	6,345	14,736	5,306	5,249	5,249	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***11,478***	***6,345***	***17,802***	***10,363***	***7,902***	***7,902***	***4,377***	***17,208***	***17,759***
Community Facilities		1,538	128	2,216	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***1,538***	***128***	***2,216***	**–**	**–**	**–**	**–**	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Richmond meets both these recommendations.

Table 19 MBRR Table A10 - Basic Service Delivery Measurement

KZN227 Richmond - Table A10 Basic service delivery measurement

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment) (impermissable values per section 17 of MPRA)**		–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		–	–	–	(1,064)	(1,064)	(1,064)	–	(1,104)	(1,141)
Water **(in excess of 6 kilolitres per indigent household per month)**		–	–	–	–	–	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**		–	–	–	–	–	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		–	–	–	–	–	–	–	–	–
Refuse **(in excess of one removal a week for indigent households)**		(303)	(317)	(335)	(346)	(524)	(524)	(350)	(545)	(563)
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		**(303)**	**(317)**	**(335)**	**(1,410)**	**(1,589)**	**(1,589)**	**(350)**	**(1,649)**	**(1,703)**

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Richmond's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2025) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 30 August 2025. Key dates applicable to the process were:

Key dates applicable to the process were: -

- **August 2025** : Adoption of Budget and IDP Schedule of Key deadlines;
- **September 2025**: Engagement with Sector Departments on sector specific programmes;
- **October 2025** **:** S52(d) Mayoral report on the implementation of the 2025/2026 budget and SDBIP;
- **November and December 2025**: Review of IDP strategies to ensure relevance;
- **January 2026** **:** First community consultative process, tabling of annual report 2025/2026 and Mid-Year review of Budget and SDBIP 2025/2026 ;
- **February 2026** **:** Adoption of adjustment budget 2025/2026 and Budget steering meeting to discuss input for first Draft Budget 2025/2026 ;
- **March 2026** **:** Oversight report on the annual report, First Draft Budget to Budget steering committee, Exco and table to Council to seek approval before community participation;

- **April 2026 :** Adoption of Draft Budget 2026/2027 and the IDP;
- **June 2026 :** Mayor to Sign SDBIP and submission of Budget / IDP and SDBIP to relevant structures and departments.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

This will be year 5 of IDP of the adopted council. It started in August 2022 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2025/26 MTREF.

The municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

The IDP has been taken into a business and financial planning process leading up to the 2026/27 MTREF, based on the approved 2025/26 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2026/27 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year performance against the 2025/26 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2026/27 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2026/27 MTREF:

- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, household debt, migration patterns)
- Performance trends
- The approved 2022/23 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery
- The FMCMM assessment as tabled at council

In addition to the above, the strategic guidance given in National Treasury' MFMA Circulars 66,67, 70 72,74,75, 78, 79, 82, 85, 89, 91,93 94, 97, 98, 99, 107,108, 112, 115, 123, 129, 130,134 and 135 has been taken into consideration in the planning and prioritization process.

2.1.4 Community Consultation

Once the Draft Budget is approved by council the following community consultation process will place: -

- The Final 2026/27 MTREF will be published on the municipality's website;
- Hard copies will be made available at all municipal offices and libraries;
- Notices will be placed on municipal notice boards;
- A "budget on page document" will be prepared for ease reference and circulated on all Richmond Social Media platforms.
- Written communication will be received from the Ratepayers Association – a response will be duly forwarded, and their input considered in the Draft Budget;
- All documents in the appropriate format (electronic and printed) was provided to National Treasury and Provincial Treasury in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs- input was received from Provincial Treasury and has been considered in this Draft Budget.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process. Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP but must also conduct its affairs in a manner which is consistent with its IDP.

Table 20 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

KZN227 Richmond - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	MTDP Service Outcome	IUDF	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
An efficient effective and	4 KPA4 - MUNICIPAL	04								378	391	403
An efficient effective and	4 KPA4 - MUNICIPAL	04								3,451	3,571	3,682
An efficient effective and	4 KPA4 - MUNICIPAL	04								1,537	1,587	1,638
An efficient effective and	2 KPA2 - BASIC SERVICE	02								(545)	(563)	(581)
An efficient effective and	4 KPA4 - MUNICIPAL	04								33	34	35
An efficient effective and	4 KPA4 - MUNICIPAL	04								151	156	161
An efficient effective and	4 KPA4 - MUNICIPAL	04								1,107	1,209	1,241
An efficient effective and	4 KPA4 - MUNICIPAL	04								21,035	22,964	23,577
An efficient effective and	4 KPA4 - MUNICIPAL	04								99	102	105
An efficient effective and	4 KPA4 - MUNICIPAL	04								1,868	1,929	1,991
An efficient effective and	4 KPA4 - MUNICIPAL	04								2,200	2,300	2,400
An efficient effective and	4 KPA4 - MUNICIPAL	04								104	107	111
An efficient effective and	4 KPA4 - MUNICIPAL	04								4,303	4,445	4,587
An efficient effective and	4 KPA4 - MUNICIPAL	01								(1,104)	(1,141)	(1,177)
An efficient effective and	4 KPA4 - MUNICIPAL	04								58	60	62
An efficient effective and	4 KPA4 - MUNICIPAL	04								219	226	233
An efficient effective and	4 KPA4 - MUNICIPAL	04								88	90	93
An efficient effective and	4 KPA4 - MUNICIPAL	04								15,617	16,132	16,648
An efficient effective and	4 KPA4 - MUNICIPAL	04								495	511	528
An efficient effective and	4 KPA4 - MUNICIPAL	04								1,375	1,421	1,466
An efficient effective and	4 KPA4 - MUNICIPAL	04								3,526	3,642	3,759
An efficient effective and	4 KPA4 - MUNICIPAL	04								12	13	13
An efficient effective and	4 KPA4 - MUNICIPAL	04								6,322	6,531	6,740
An efficient effective and	4 KPA4 - MUNICIPAL	04								50	51	53
An efficient effective and	4 KPA4 - MUNICIPAL	04								93,640	93,344	99,612
An efficient effective and	4 KPA4 - MUNICIPAL	04								11	11	11
An efficient effective and	4 KPA4 - MUNICIPAL	04								3,118	3,221	3,324
An efficient effective and	4 KPA4 - MUNICIPAL	04								316	326	337
An efficient effective and	4 KPA4 - MUNICIPAL	04								3,640	3,760	3,881
An efficient effective and	4 KPA4 - MUNICIPAL	04								182	188	194
An efficient effective and	4 KPA4 - MUNICIPAL	04								93	96	99
An efficient effective and	4 KPA4 - MUNICIPAL	04								7	7	8
An efficient effective and	4 KPA4 - MUNICIPAL	04								1	1	1
An efficient effective and	4 KPA4 - MUNICIPAL	04								72	75	77
An efficient effective and	4 KPA4 - MUNICIPAL	04								53	54	56
An efficient effective and	4 KPA4 - MUNICIPAL	04								63	65	68
An efficient effective and	4 KPA4 - MUNICIPAL	04								2,621	2,708	2,795
An efficient effective and	4 KPA4 - MUNICIPAL	04								1,291	1,334	1,376
An efficient effective and	4 KPA4 - MUNICIPAL	04								1	1	1
An efficient effective and	4 KPA4 - MUNICIPAL	04								493	509	525
An efficient effective and	4 KPA4 - MUNICIPAL	04								26	27	28
An efficient effective and	4 KPA4 - MUNICIPAL	04								114	118	122
An efficient effective and	4 KPA4 - MUNICIPAL	04								31	32	33
An efficient effective and	4 KPA4 - MUNICIPAL	04								3,358	3,515	3,515
An efficient effective and development-oriented public service	4 KPA4 - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	04 Govern ance								4	4	4
An efficient effective and	4 KPA4 - MUNICIPAL	04								1,828	1,959	1,959
An efficient effective and	4 KPA4 - MUNICIPAL	04								11	11	12
An efficient effective and	4 KPA4 - MUNICIPAL	04								1,632	1,686	1,740
An efficient effective and	4 KPA4 - MUNICIPAL	04								9	9	9
An efficient effective and	4 KPA4 - MUNICIPAL	04								1,966	1,966	1,966
An efficient effective and	4 KPA4 - MUNICIPAL	04								33	34	35
An efficient effective and	4 KPA4 - MUNICIPAL	04								99	102	105
An efficient effective and devel	4 KPA4 - MUNICIPAL	04	2							500	–	–
An efficient effective and devel	**4 KPA4 - MUNICIPAL FINANCIA**	**04 Gove**	1	–	–	–	–	–	–	**26**	**27**	**28**
An efficient effective and developn	**4 KPA4 - MUNICIPAL FINANCIA**	**04 Governance**								**21**	**22**	**22**
An efficient effective and developn	4 KPA4 - MUNICIPAL FINANCIAL	04 Governance								**19**	**19**	**20**
An efficient effective and developm	4 KPA4 - MUNICIPAL FINANCIAL	04 Governance								5124	5292	5460
An efficient effective and developm	4 KPA4 - MUNICIPAL FINANCIAL	04 Governance								4656	4812	4968
An efficient effective and developm	4 KPA4 - MUNICIPAL FINANCIAL	04 Governance								134520	138960	143400

Table 21 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

KZN227 Richmond - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	MTDP Service Outcome	IUDF	#REF!	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	A comprehensive, responsive and sustainable social p	Inclusion and access	217459	85	69	130	113	113	47			
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	Accelerated growth of strategic industrial and labour-int	Governance	1.39E+08	138,936	148,930	152,070	160,573	160,573	104,679	149,770	155,078	160,395
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	Accelerated growth of strategic industrial and labour-int	Inclusion and access								27	28	28
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	An efficient, competitive and responsive economic infras	Governance	961118	692	156	122	63	63	19			
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	An efficient, competitive and responsive economic infras	Inclusion and access	2235824	2,247	712	1,596	1,480	1,480	1,295			
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	An efficient, effective and development-oriented public s	Governance	142545	197	37	1,070	1,102	1,102	735			
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	An efficient, effective and development-oriented public s	Inclusion and access			304							
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	An efficient, effective and development-oriented public s	Spatial integration		10								
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	An ethical, capable, and professional public service	Growth	32274	66	86	200	190	190	51	200	207	213
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	An ethical, capable, and professional public service	Inclusion and access			14	11	10	10		80	83	85
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	Digital transformation across the state	Governance	82850	124		90	89	89	78	90	93	96
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	Digital transformation across the state	Inclusion and access	343849	394	20	321	289	289	289	953	468	483
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	Digital transformation across the state	Spatial integration	284039	142		16	17	17		16	16	17
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	Enabling environment for investment and improved con	Governance	73400	69	90	37	122	122	79	140	145	149
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	Improved access to affordable and quality healthcare	Governance				5,708	5,815	5,815	4,996	6,082	6,283	6,484
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	Improved access to affordable and quality healthcare	Inclusion and access	799745	6,956						1,632	1,686	1,740
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	Improved governance and performance of public entitie	Inclusion and access	112109	149	98	157	157	157	56	157	162	167
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	Increased employment and work opportunities	Governance	268143	367	222	292	211	211	138	132	137	141
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	Increased employment and work opportunities	Inclusion and access	18883							7	7	7
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	Increased infrastructure investment, access, and efficier	Governance	28026	63	55	57	58	58	52	30	31	32
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	Reduced poverty and improved livelihoods	Governance	753403	921	963	1,104	907	907	428	927	958	989
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	Reduced poverty and improved livelihoods	Inclusion and access	115928		2	20	18	18		133	138	142
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	Skills for the economy	Governance	207443	207	56	235	134	134	53	140	145	149
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	Skills for the economy	Inclusion and access		9	22	60	69	69	10	60	62	64
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENSURING IT	Social cohesion and nation-building	Governance	14800	19	8	51	47	47		50	52	53
IMPLEMENT SERVICE DELIVERY PROGRAMMES AND REDUCE	Effective border security	Growth			141	200	115	115		115	119	123
Implement service delivery programmes and reduce services and infr	A comprehensive, responsive and sustainable social p	Inclusion and access		32	28	26	20	20	9			
Implement service delivery programmes and reduce services and infr	A reformed, integrated, and modernised criminal justice	Governance		199	383	298	462	462	319	412	426	440
Implement service delivery programmes and reduce services and infr	A reformed, integrated, and modernised criminal justice	Growth		68	132	189	133	133	56	141	146	151
Implement service delivery programmes and reduce services and infr	Accelerated growth of strategic industrial and labour-int	Governance	131560	212	200	209	282	282	62	240	248	256
Implement service delivery programmes and reduce services and infr	Accelerated growth of strategic industrial and labour-int	Inclusion and access	83883	99	39	100	92	92	56	160	165	171
Implement service delivery programmes and reduce services and infr	An efficient, competitive and responsive economic infras	Growth		2	15	10	0	0				
Implement service delivery programmes and reduce services and infr	An efficient, competitive and responsive economic infras	Inclusion and access	874553	810	438	200	102	102	84			
Implement service delivery programmes and reduce services and infr	An efficient, effective and development-oriented public s	Governance	1418707	1,118	820	559	380	380	98			
Implement service delivery programmes and reduce services and infr	An efficient, effective and development-oriented public s	Inclusion and access				100	97	97				
Implement service delivery programmes and reduce services and infr	An ethical, capable, and professional public service	Governance	164482	69	186	209	207	207	32	240	248	256
Implement service delivery programmes and reduce services and infr	Effective border security	Governance	132250	243	99	209	202	202	23	240	248	256
Implement service delivery programmes and reduce services and infr	Effective border security	Growth			114	424	313	313	178	342	354	365
Implement service delivery programmes and reduce services and infr	Enhanced peace and security in Africa	Growth		42	14	57	49	49	35	105	108	112
Implement service delivery programmes and reduce services and infr	Improved access to affordable and quality healthcare	Governance	132499	993	684	1,155	1,538	1,538	471	1,270	1,312	1,354
Implement service delivery programmes and reduce services and infr	Improved access to affordable and quality healthcare	Growth		32	732	798	696	696	467	1,200	1,240	1,279
Implement service delivery programmes and reduce services and infr	Improved access to affordable and quality healthcare	Inclusion and access	333286	485	713	909	799	799	584	773	799	824
Implement service delivery programmes and reduce services and infr	Improved coverage of social protection	Growth			20	144	132	132	81	137	142	146
Implement service delivery programmes and reduce services and infr	Improved education outcomes and skills	Governance	698427	695	525	741	807	807	380	850	878	906
Implement service delivery programmes and reduce services and infr	Improved governance and performance of public entitie	Inclusion and access	143468		11	12	11	11		127	131	135
Implement service delivery programmes and reduce services and infr	Increased employment and work opportunities	Governance	57888	113	167	193	248	248	131	269	278	287
Implement service delivery programmes and reduce services and infr	Increased infrastructure investment, access, and efficier	Governance	249629	282	82	94	186	186	158	120	124	128
Implement service delivery programmes and reduce services and infr	Reduced poverty and improved livelihoods	Governance	453602	543	207	563	504	504	132	210	217	224
Implement service delivery programmes and reduce services and infr	Responsive, accountable, effective and efficient local gc	Governance	2054675	1,869	1,440	1,457	1,769	1,769	864			
Implement service delivery programmes and reduce services and infr	Skills for the economy	Governance	352559	777	334	618	569	569	452	620	640	661
Implement service delivery programmes and reduce services and infr	Social cohesion and nation-building	Growth				52	25	25	21	60	62	64
Implement service delivery programmes and reduce services and infr	Supportive and sustainable economic policy environme	Growth								1,420	1,467	1,514
To capacitatie youth and empower youth on resources available	A comprehensive, responsive and sustainable social p	Inclusion and access			190		865	865	554			
To capacitatie youth and empower youth on resources available	A reformed, integrated, and modernised criminal justice	Inclusion and access	141679	8	7	56	12	12	7	150	155	160
To capacitatie youth and empower youth on resources available	Effective border security	Governance					460	460	340	527	544	562
To capacitatie youth and empower youth on resources available	Enhanced peace and security in Africa	Governance								220	227	235
To capacitatie youth and empower youth on resources available	Improved access to affordable and quality healthcare	Governance					61	61	61	222	229	237
To capacitatie youth and empower youth on resources available	Improved access to affordable and quality healthcare	Inclusion and access	205031	324	352	440	319	319	170	489	505	521
To capacitatie youth and empower youth on resources available	Quality basic education	Governance		5	6							
To capacitatie youth and empower youth on resources available	Supportive and sustainable economic policy environme	Governance								355	367	378
To enhance the lives of the poor thus alleviating poverty	A comprehensive, responsive and sustainable social p	Inclusion and access	113130	40	27	91	56	56				
To enhance the lives of the poor thus alleviating poverty	A reformed, integrated, and modernised criminal justice	Governance					93	93	52	346	357	369
To enhance the lives of the poor thus alleviating poverty	A reformed, integrated, and modernised criminal justice	Inclusion and access	117563	151	172	279	161	161	95	255	263	272
To enhance the lives of the poor thus alleviating poverty	A reformed, integrated, and modernised criminal justice	Spatial integration	32140	15	35	29	28	28		31	32	33
To enhance the lives of the poor thus alleviating poverty	An efficient, effective and development-oriented public s	Governance	102342	133	75	125	100	100				
To enhance the lives of the poor thus alleviating poverty	An efficient, effective and development-oriented public s	Spatial integration		285								
To enhance the lives of the poor thus alleviating poverty	An ethical, capable, and professional public service	Inclusion and access		188	207	110	175	175	175	180	186	192
To enhance the lives of the poor thus alleviating poverty	Digital transformation across the state	Inclusion and access		54	111	30	28	28	28	60	62	64
To enhance the lives of the poor thus alleviating poverty	Enhanced peace and security in Africa	Governance					249	249	155	1,350	1,395	1,439
To enhance the lives of the poor thus alleviating poverty	Improved access to affordable and quality healthcare	Governance	753000	1,090	729	743	731	731	446	1,427	1,474	1,521
To enhance the lives of the poor thus alleviating poverty	Improved coverage of social protection	Inclusion and access		95	84	88	74	74		140	145	149
To enhance the lives of the poor thus alleviating poverty	Increased employment and work opportunities	Governance	77017	41	55	152	99	99	76	156	161	166
To enhance the lives of the poor thus alleviating poverty	Increased employment and work opportunities	Inclusion and access	119755	31	33	44	3	3		90	93	96
To enhance the lives of the poor thus alleviating poverty	Quality basic education	Inclusion and access				50	46	46				
To enhance the lives of the poor thus alleviating poverty	Responsive, accountable, effective and efficient local gc	Inclusion and access				15	14	14	14			
To enhance the lives of the poor thus alleviating poverty	Social cohesion and nation-building	Governance								90	93	96
To enhance the lives of the poor thus alleviating poverty	Supportive and sustainable economic policy environme	Governance								785	811	837
To ensure a safe environment for the community	Effective border security	Growth				25	(2)	(2)		30	31	32
To eradicate service delivery backlogs	Responsive, accountable, effective and efficient local gc	Growth				207	3	3	3			
To erradicate the past perception of the municipality	A reformed, integrated, and modernised criminal justice	Inclusion and access	99996	9	6	10	9	9		127	131	135
To erradicate the past perception of the municipality	Effective border security	Inclusion and access								38	39	41
To erradicate the past perception of the municipality	Improved governance and performance of public entitie	Growth	492646	551	203	500	660	660	432	660	682	704
To erradicate the past perception of the municipality	Improved governance and performance of public entitie	Inclusion and access	579398	19	24	59	56	56	2	658	680	702
To erradicate the past perception of the municipality	Increased employment and work opportunities	Inclusion and access	531813	1,092	1,358	1,000	670	670	405	1,000	1,033	1,066
To erradicate the past perception of the municipality												
Allocations to other priorities												
Allocations to other priorities												
Total Expenditure			1	**164,468**	**163,043**	**176,927**	**186,170**	**186,170**	**120,708**	**175,596**	**181,240**	**187,394**

References

1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

2. Balance of allocations not directly linked to an IDP strategic objective

Table 22 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

KZN227 Richmond - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	MTDP Service Outcome	IUDF		2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
IMPLEMENT PLANS AND MAINTAIN ASSETS THUS EN	A reformed, integrated, and modernised crimina	Growth			90	10	150	109	109	100	103	107
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENS	Accelerated growth of strategic industrial and lab	Growth								70	72	75
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENS	An efficient, competitive and responsive econom	nclusion and access			4,359							
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENS	An efficient, effective and development-oriented	Governance					4,350	1,787	1,787			
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENS	An efficient, effective and development-oriented	Growth					400	200	200			
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENS	An efficient, effective and development-oriented	nclusion and access						2,297	2,297			
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENS	An efficient, effective and development-oriented	Spatial integration					250	0	0			
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENS	Digital transformation across the state	Growth			65					78	81	83
IMPLEMENT PLANS TO MAINTAIN ASSETS THUS ENS	Social cohesion and nation-building	Growth			23					15	15	16
IMPLEMENT SERVICE DELIVERY PROGRAMMES AND	An efficient, effective and development-oriented	Growth				149						
IMPLEMENT SERVICE DELIVERY PROGRAMMES AND	Enhanced peace and security in Africa	Growth			410					500	517	533
Implement service delivery programmes and reduce servic	An efficient, competitive and responsive econom	Growth		7,812	150	751	6,976	2,836	2,836			
Implement service delivery programmes and reduce servic	An efficient, competitive and responsive econom	nclusion and access			6,474	17,565	5,306	5,306	5,306			
Implement service delivery programmes and reduce servic	An efficient, effective and development-oriented	Growth		765		139						
Implement service delivery programmes and reduce servic	Effective border security	Growth				3,074	5,057	5,057	5,057	6,285	19,179	19,793
Implement service delivery programmes and reduce servic	Improved access to affordable and quality healt	Growth						770	770	16,658	4,521	4,666
Implement service delivery programmes and reduce servic	Responsive, accountable, effective and efficient	Governance		347				18,559	18,559			
Implement service delivery programmes and reduce servic	Supportive and sustainable economic policy env	Growth								307	317	327
Implement service delivery programmes and reduce servic	Vibrant, equitable, sustainable rural communities	Growth		7,047								
PROVIDE BASIC SERVICES TO THE DISADVANTAGED	Improved coverage of social protection	Growth		21	8					50	52	53
To enhance the lives of the poor thus alieviating poverty	A long and healthy life for all South Africans	Growth		423	7,376							
To enhance the lives of the poor thus alieviating poverty	A reformed, integrated, and modernised crimina	Growth		204	101	230	241	410	410	201	208	214
To enhance the lives of the poor thus alieviating poverty	An efficient, competitive and responsive econom	Growth		12,885								
To enhance the lives of the poor thus alieviating poverty	An efficient, effective and development-oriented	Governance		19								
To enhance the lives of the poor thus alieviating poverty	An efficient, effective and development-oriented	Growth		385	55	91	1,050	601	601			
To enhance the lives of the poor thus alieviating poverty	Digital transformation across the state	Growth		14		55				10	10	11
To enhance the lives of the poor thus alieviating poverty	Effective border security	Growth		383	384					25	26	27
To enhance the lives of the poor thus alieviating poverty	Increased employment and work opportunities	Growth			600					16	17	17
To enhance the lives of the poor thus alieviating poverty	Mainstreaming of gender, youth, and disability e	Growth			483	42				45	46	48
Allocations to other priorities												
Allocations to other priorities			3									
Total Capital Expenditure			1	**21,727**	**9,006**	**418**	**1,291**	**19,571**	**19,571**	**654**	**676**	**697**

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

The planning, budgeting and reporting cycle can be graphically illustrated as follows

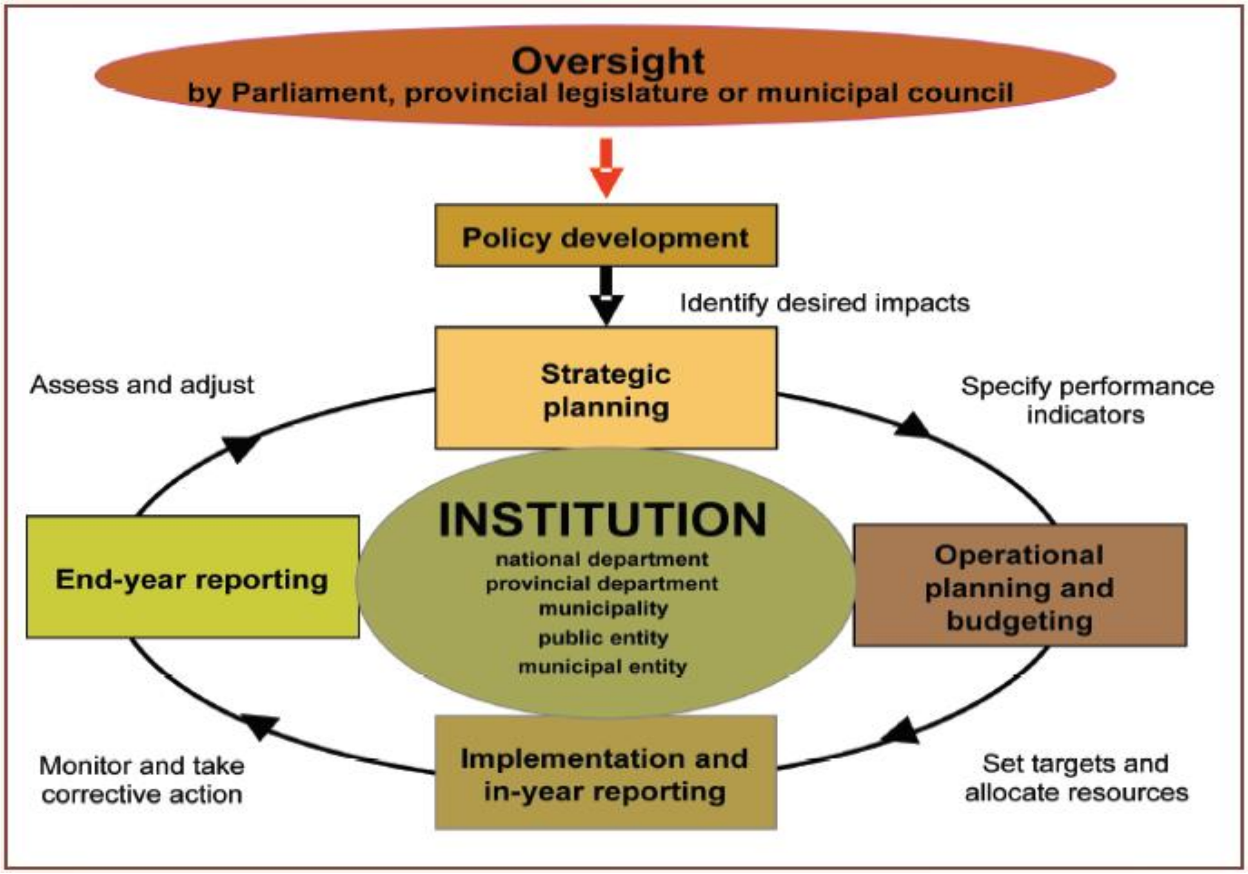


Figure 1 Planning, budgeting and reporting cycle

2.3.1 Performance indicators and benchmarks

2.3.1.1 Liquidity

- Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. Going forward it will be necessary to maintain these levels.
- The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

2.3.1.2 Revenue Management

- As part of the financial sustainability strategy, the debt collection and credit control policy has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears more than 90 days.

2.3.1.3 Creditors Management

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. The municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favorable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

The performance information concepts used by Richmond in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

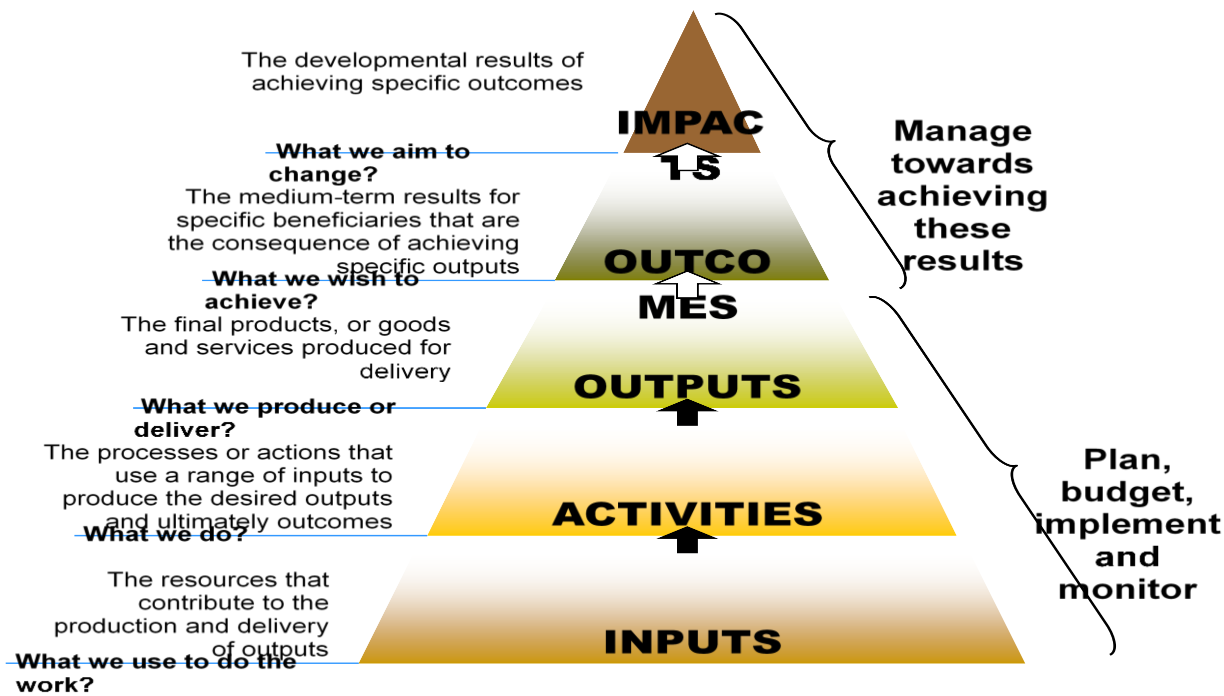


Figure 2 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 23 MBRR Table SA7 - Measurable performance objectives

KZN227 Richmond - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Vote 1 -Roads and Stormwater										
Function -Roads										
Sub-function 1 -Eradication of backlogs		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Reduce road backlogs										
	Kilometer									
Sub-function 2 - Roads maintained										
Surface roads resurfaced / rehabilitated										
	Kilometer	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sub-function 3 - Roads for growth										
New roads to be constructed										
	Kilometer	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Function - Stormwater										
Sub-function 1 - Reduction of backlog										
Stormatwer drainage to stimulate growth		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Kilometer	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sub-function 2 -Stormwater for growth										
Stormatwer drainage to stimulate growth		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Kilometer	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Vote 2 - Energy and Electricity										
Function - Electrifciation										
Sub-function 1 - New connections										
Houses electrified to eradciate backlogs										
	No of Households	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Vote - Housing										
Function 1 - Housing										
Sub-function 1 - Construction of houses										
No of houses constructed to eradicate backlogs										
	no of houses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Vote - Solid waste										
Function 1 - Refuse removal										
Sub-function 1 - Refuse collection	no fo houses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Extension of refuse removal service to eradicate	**no fo houses**									
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 3 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										

The following table sets out the municipality's main performance objectives and benchmarks for the 2023/24 MTREF.

Table 24 MBRR Table SA8 - Performance indicators and benchmarks

KZN227 Richmond - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating	0.2%	0.5%	0.6%	0.7%	1.7%	1.7%	0.5%	1.1%	1.1%	1.1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing	0.3%	0.6%	0.7%	0.8%	2.0%	2.0%	0.6%	1.2%	1.3%	1.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	1.2	1.2	1.4	2.2	1.9	1.9	1.5	2.9	2.7	2.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current	1.2	1.2	1.4	2.2	1.9	1.9	1.5	2.9	2.7	2.9
Liquidity Ratio	Monetary Assets/Current Liabilities	0.2	(0.0)	0.3	1.6	0.7	0.7	0.0	2.6	2.4	2.7
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	1981.5%	0.0%	0.0%	1779.2%	2155.4%	2155.4%	3406.7%	2285.1%	2285.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		1981.5%	0.0%	0.0%	1779.2%	2155.4%	2155.4%	3406.7%	2285.1%	2285.1%	2285.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	20.1%	18.3%	17.6%	6.0%	17.9%	17.9%	32.8%	2.2%	2.1%	1.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors >										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))										
Creditors to Cash and Investments		8.4%	-81.6%	-24.7%	29.5%	104.9%	104.9%	81.9%	58.9%	-35.2%	-14.0%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Volumes :System input	Bulk Purchase										
	Water treatment works										
	Natural sources										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital	45.6%	46.8%	52.2%	51.0%	51.7%	51.7%	48.3%	54.8%	56.1%	55.1%
Remuneration	Total remuneration/(Total Revenue - capital	49.7%	51.0%	56.3%	56.0%	56.6%	56.6%	68.4%	50.7%	51.9%	50.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital	9.2%	9.0%	6.1%	12.0%	12.6%	12.6%	15.6%	11.6%	11.8%	11.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	10.9%	12.8%	12.2%	14.7%	15.8%	15.8%	11.2%	12.9%	13.2%	13.0%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating	–	528.3	22.7	24.1	24.3	24.3	16.5	21.5	21.1	22.1
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual	2094.3%	1822.1%	1699.7%	479.5%	1941.6%	1941.6%	4282.5%	160.8%	148.0%	136.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed	–	–	–	–	–	–	–	–	–	–
References											
1. Consumer debtors > 12 months old are excluded from current assets											
2. Only include if services provided by the municipality											
Calculation data											
Debtors > 90 days											
Monthly fixed operational expenditure		–	–	–	–	–	–	–	–	–	–
Fixed operational expenditure % assumption		40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Own capex		(186)	3,492	4,540	2,140	1,298	1,298	(27,057)	2,970	3,068	3,166
Borrowing		–	–	–	–	–	–	–	–	–	–

2.3.1 Performance indicators and benchmarks

2.4 Overview of budget related-policies

The Richmond's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.
All policies as listed hereunder, are available on the municipality's website.

The Following policies have been amended for the 2025/2026 financial year.

NO.	POLICY	DEPT.	AVAILABILITY	ADOPTION DATE
2.4.1	Debt Collection and Credit Control Policy	Budget & Treasury Office	Y	31/03/2026
2.4.2	Property Rates Act Policy	Budget & Treasury Office	Y	31/03/2026
2.4.3	Revenue enhancement Policy	Budget & Treasury Office	Y	31/03/2026
2.4.4	Petty Cash Policy	Budget & Treasury Office	Y	31/03/2026
2.4.5	Borrowing Policy	Budget & Treasury Office	Y	31/03/2026
2.4.6	Long Term Financial Plan Policy	Budget & Treasury Office	Y	31/03/2026
2.4.7	Supply Chain Management policy	Budget & Treasury Office	Y	31/03/2026
2.4.8	Asset management policy	Budget & Treasury Office	Y	31/03/2026
2.4.9	Indigent policy and Free Basic Services Policy	Budget &Treasury Office	Y	31/03/2026
2.4.10	Cash Management and Investment Policy	Budget & Treasury Office	Y	31/03/2026
2.4.11	Budget Policy	Budget & Treasury Office	Y	31/03/2026
2.4.12	Infrastructure and Capital Investment policy	Budget & Treasury Office	Y	31/03/2026
2.4.13	Funds and Reserves Policy	Budget & Treasury Office	Y	31/03/2026
2.4.14	Tariff Policy(including Property Rates Tariff, Refuse Removal / Solid Waste Tariff)	Budget & Treasury Office	Y	31/03/2026
2.4.15	Virement Policy	Budget & Treasury Office	Y	31/03/2026
2.4.16	Budget Implementation and Management Policy	Budget & Treasury Office	Y	31/03/2026

NO.	POLICY	DEPT.	AVAILABILIT Y	ADOPTION DATE	
2.14.17	Contract Management Policy and Manual	Budget and Treasury Office	Y		31/03/2026
2.14.18	Land Disposal Policy	Town Planning and Budget and Treasury Office	Y		31/03/2026
2.14.19	Debt Incentive Scheme Policy	Budget and Treasury Office	Y		31/03/2026
2.14.20	Loss management Control Policy	Budget and Treasury Office	Y		31/03/2026
2.14.21	Cost Containment Policy	Budget and Treasury Office	Y		31/03/2026

2.4.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council has been reviewed and adopted for implementation in the 2026/27 financial year.

The 2026/27 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 80 per cent on current billings. In addition, the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the Richmond's cash levels. The potential of a payment incentive scheme is being explored and a debt incentive scheme has been approved by Council in December 2022.

2.4.2 Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the Richmond's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

2.4.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the Richmond continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

2.4.4 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in September 2007.

The National Treasury proposed changes to the Preferential Procurement Regulations. The change which was due to come into effect 16 January 2023, is the results of February 2022 Constitutional Court ruling that the 2017 amended regulations are illegal and unconstitutional. National Treasury has subsequently removed all references, requirements and definitions for BEE and local content from the procurement regulations as well as per-qualification criteria and functionality requirement of the previous legislation.

The proposed changes essentially repeal the 2017 regulations preferential procurement amendments and strip the rules down to the bare basics of the 2001 regulations including it broader transformation objectives,

The new regulations mean that state owned enterprises:

- Can set their own procurement policies as envisaged in section 217(1) of the Constitution and section 2(1) of Preferential Procurement Policy Framework Act (PPPFA).
- Can use their own procurement policies to set their own specific goals for the awarding of 20 or 10 points depending on a contract value.
- Cannot use local content requirement as a disqualification criterion for tender.
- Can choose to include subcontracting in their procurement policies, but it is not mandatory.

Specific goals as defined per the PPPFA may include contracting with persons, or categories of person, historically disadvantages by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of Reconstruction and Development Programme (RDP) as published in the Government Gazette No. 16085 dated 23 November 1994. Encouraging, the application of Framework is much simpler, less prescriptive and narrow, and reduces the barriers to entry for many companies.

It is important to note, however, that the changes to the Preferential Procurement Regulation do not mean that the government has abandoned its B-BBEE goals. To the contrary, President Cyril Ramaphosa recently reaffirm government commitment to BEE telling the parliament that, " Our People have inherited poverty from generation to generation. There are people who are too poor to pay for water and electricity. That is why the government will persevere with affirmative action and BEE".

2.4.5 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Richmond's system of delegations. The Budget and Virement Policy was approved by Council.

2.4.6 Cash Management and Investment Policy

The Richmond's Cash Management and Investment Policy was amended by. The aim of the policy is to ensure that the Richmond's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

2.4.7 Tariff Policies

The Richmond's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved.
All the above policies are available on the Richmond's website, as well as the following budget related policies:

- Property Rates Policy;
- Funding and Reserves Policy;
- Borrowing Policy;
- Budget Policy; and
- Basic Social Services Package (Indigent Policy).

2.5 Overview of budget assumptions

2.5.1 External factors

Owing to the economic slowdown, there are reduced payment levels by consumers. This is being addressed by the implementation of the debt collection and credit control policy.

The National Treasury has revised South Africa's economic growth estimate for 2026 to 4.4 per cent, from 4.9 per cent at the time of the MTBPS. GDP is expected to grow by 0.1 per cent in real terms in 2027.

The economic outlook faces a range of risks, including weaker-than-expected global growth, further disruptions to global supply chains and renewed inflationary pressures from the war in Ukraine, continued power cuts and a deterioration in port and rail infrastructure, widespread criminal activity, and any deterioration of the fiscal outlook.

Government is taking urgent measures to reduce load-shedding in the short term and transform the sector through market reforms to achieve long-term energy security. Several reforms are under way to improve the performance of the transport sector, specifically freight rail and to improve the capability of the state.

2.5.2 General inflation outlook and its impact on the municipal activities

The following factors have been taken into consideration in the compilation of the 2025/26 MTREF

- National Government macro-economic targets';
- The general inflationary outlook;
- The increase in the cost of remuneration;
- The increase in the cost of services by service providers;
- Annual increases in contracted services;
- Building the capacity of local government through the ***"Back to Basics"*** which will focus on improving service delivery

2.5.3 Credit rating outlook

As per the MFMA circular 89, municipalities were requested to take the following macro-economic forecasts into consideration when preparing the 2024/2025 budgets and MTREF: -

Table 12 Credit rating outlook

Table 1: Macroeconomic performance and projections, 2023 – 2029

Fiscal year	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Actual	Actual	Estimate		Forecast	
CPI Inflation	6.9%	5.9%	4.4.%	3.3%	3.7%	3.3%	3.2%

Source: National Treasury Budget Review 2025.

2.5.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase by 3.7 per cent respectively. It is also assumed that the current economic conditions, volatile due to the upcoming local government elections, will continue for the forecaster term.

The rate of revenue collection is currently expressed as a percentage (80 per cent) of annual billings. There should also be an increased collection of arrear debt from the appointment of new debt collectors. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.5 Growth or decline in tax base of the municipality

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Richmond, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals.

Household formation rates are assumed to convert to household dwellings. In addition, the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.5.6 Salary increases

The Salary and Wage Collective Agreement for the period 01 July 2026 to 30 June 20267dated 28 March 2026 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2022/23 MTREF, therefore the salary increases have been budgeted at 4.5 % in line with the inflation increase.

2.5.7 Remuneration of Councillors

The municipality has considered the gazette on the Remuneration of Public Office bearers Act: Determination of Upper limits of Salaries, allowances and Benefits of different members of municipal council for the 2024/2025 financial year.
The following positions have been budgeted for on a full-time basis: -

- Mayor
- Speaker
- Deputy Mayor

2.5.8 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of 100 per cent is achieved on operating and capital expenditure for the 2024/2025 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 25 Breakdown of the operating revenue over the medium-term

KZN227 Richmond - Table A4 Budgeted Financial Performance (revenue and expenditure)						
Description	**Budget Year 2026/27**	**%**	**Budget Year +1 2027/28**	**%**	**Budget Year +1 2028/29**	**%**
Revenue By Source						
Property rates	32,020,104	20%	33,076,776	21%	34,135,224	21%
Service charges - refuse revenue	992,148	1%	1,024,884	1%	1,057,680	1%
Rental of facilities and equipment	1,427,340	1%	1,474,428	1%	1,521,624	1%
Interest earned - external investments	4,304,920	3%	4,446,988	3%	4,589,280	3%
Interest earned - outstanding debtors	3,118,332	2%	3,221,232	2%	3,324,312	2%
Fines, penalties and forfeits	9,288	0%	9,600	0%	9,900	0%
Licences and permits	3,964,932	3%	4,095,768	3%	4,226,832	3%
Transfers and subsidies	108,050,072	69%	107,863,650	68%	114,374,900	69%
Other revenue	2,877,588	2%	2,972,556	2%	3,067,656	2%
Total Revenue	156,764,724		158,185,882		166,307,408	100%

The following graph is a breakdown of the operational revenue per main category for the 2026/27 financial year.

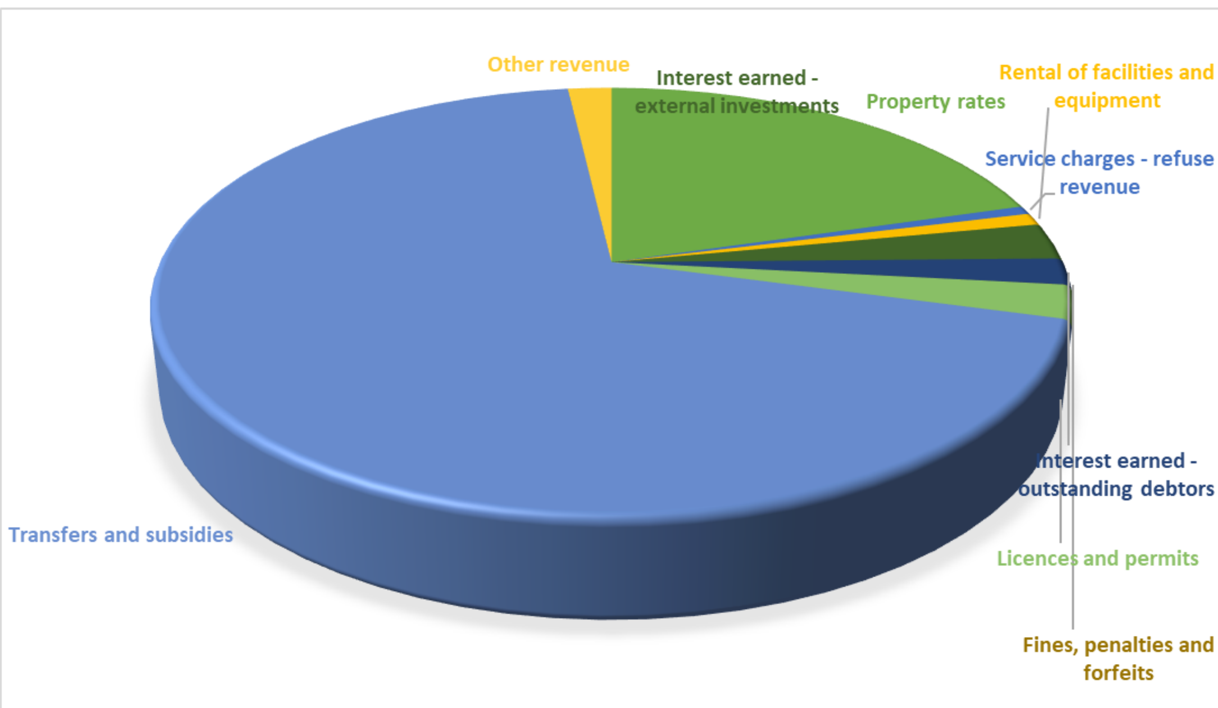


Figure 3 Breakdown of operating revenue over the 2026/27 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Richmond derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the Richmond and economic development;
- Revenue management and enhancement;
- Achievement of a 95 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The tables below provide detail investment information and investment particulars by maturity.

Table 26 MBRR SA15 – Detail Investment Information

KZN227 Richmond - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		19,050	21,042	42,902	35,776	35,776	35,776	28,753	9,077	15,420
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	19,050	21,042	42,902	35,776	35,776	35,776	28,753	9,077	15,420

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2026/27 medium-term capital programme:

Table 27 Sources of capital revenue over the MTREF

The above table is graphically represented as follows for the 2026/27 financial year.

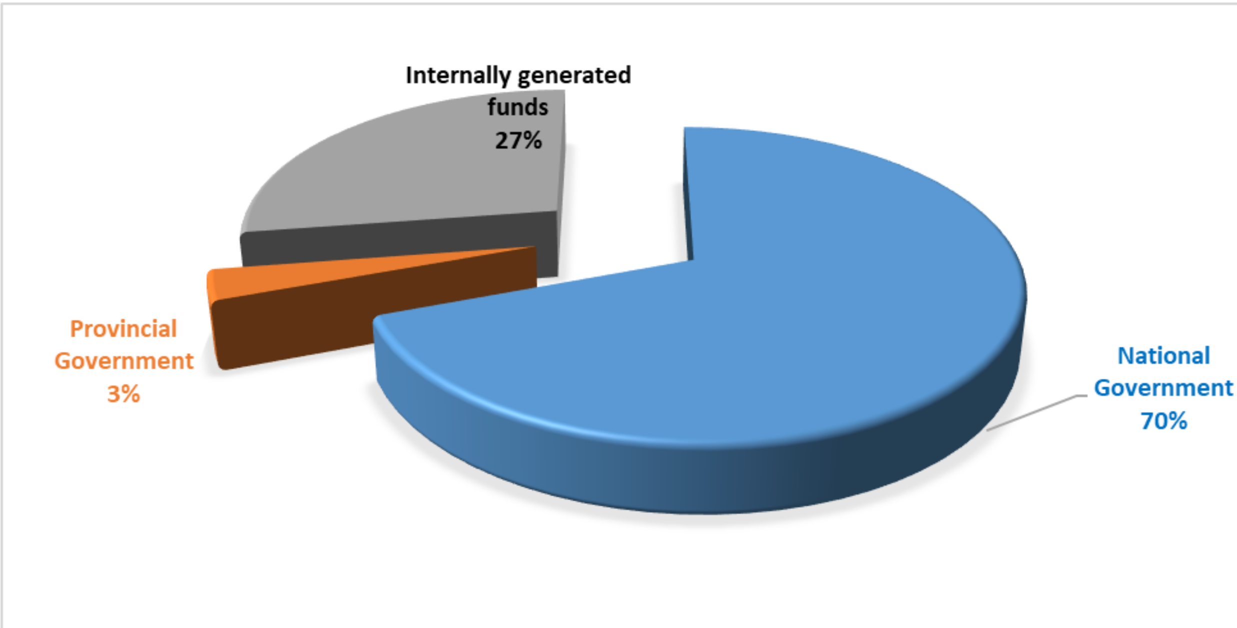


Figure 4 Sources of capital revenue for **the 2026/27 financial year**

Table 28 MBRR Table SA 18 - Capital transfers and grant receipts

KZN227 Richmond - Supporting Table SA18 Transfers and grant receipts

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		96,653	95,994	101,305	103,511	103,511	77,825	102,364	102,390	108,901
Expanded Public Works Programme Integrated Grant		1,287	1,125	1,410	2,054	2,054	2,054	1,966	1,966	1,966
Local Government Financial Management Grant		1,950	1,950	1,900	2,000	2,000	2,000	2,200	2,300	2,400
Municipal Infrastructure Grant		7,000	–	–	1,096	1,096	–	1,107	1,209	1,241
Equitable Share		86,416	92,919	97,995	98,361	98,361	73,771	97,091	96,915	103,294
Provincial Government:		6,454	3,766	6,289	5,065	4,988	7,352	5,686	5,474	5,474
Specify (Add grant description)		–	500	–	–	–	–	–	–	–
Municipal Employment Initiative		–	–	–	–	–	–	500	–	–
Provincialisation of Libraries		3,200	3,200	–	5,065	4,988	–	3,358	3,515	3,515
Specify (Add grant description)		–	66	429	–	–	620	–	–	–
Specify (Add grant description)		3,000	–	2,000	–	–	–	–	–	–
Specify (Add grant description)		–	–	–	–	–	1,743	–	–	–
Community of Libraries		254	–	3,860	–	–	4,988	1,828	1,959	1,959
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	103,107	99,760	107,594	108,576	108,499	85,177	108,050	107,864	114,375
Capital Transfers and Grants										
National Government:		16,211	22,331	20,974	20,819	20,819	16,000	21,035	22,964	23,577
Municipal Infrastructure Grant		13,511	22,331	20,974	20,819	20,819	16,000	21,035	22,964	23,577
Integrated National Electrification Programme Grant		2,700	–	–	–	–	–	–	–	–
Provincial Government:		5,440	323	2,926	1,391	1,391	1,531	–	–	–
Specify (Add grant description)		–	–	359	1,391	1,391	1,391	–	–	–
Specify (Add grant description)		240	323	267	–	–	140	–	–	–
Specify (Add grant description)		5,200	–	–	–	–	–	–	–	–
Specify (Add grant description)		–	–	2,300	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	21,651	22,654	23,900	22,210	22,210	17,531	21,035	22,964	23,577
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	124,758	122,414	131,494	130,786	130,709	102,707	129,085	130,828	137,952

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words, the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long-term borrowing (debt).

Table 29 MBRR Table A7 - Budget cash flow statement

KZN227 Richmond - Table A7 Budgeted Cash Flows											
Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		24,815	–	–	27,894	27,894	27,894	27,894	29,812	30,796	31,781
Service charges		795	–	–	1,472	1,472	1,472	1,472	1,306	1,349	1,392
Other revenue		48,843	–	–	5,403	6,250	6,250	6,250	6,285	6,492	6,700
Transfers and Subsidies - Operational	1	202,206	–	–	111,380	111,579	111,579	111,579	110,176	110,059	116,641
Transfers and Subsidies - Capital	1	38,492	51,895	–	20,819	20,819	20,819	20,819	–	–	–
Interest		1,155	–	–	6,598	6,359	6,359	6,359	7,045	7,278	7,510
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(68,277)	(69,812)	(65,013)	(145,697)	(152,455)	(152,455)	(152,455)	(148,600)	(153,836)	(159,081)
Finance charges		–	–	–	–	–	–	–	(1,942)	(2,006)	(2,070)
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**248,029**	**(17,917)**	**(65,013)**	**27,869**	**21,918**	**21,918**	**21,918**	**4,082**	**132**	**2,874**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Insurance Refund - Capital		–	–	–	–	–	–	–	–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(28,249)	(23,167)	(23,728)	(23,780)	(24,538)	(24,538)	(24,538)	(24,360)	(25,164)	(25,969)
Retention (Capital)		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(28,249)**	**(23,167)**	**(23,728)**	**(23,780)**	**(24,538)**	**(24,538)**	**(24,538)**	**(24,360)**	**(25,164)**	**(25,969)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	(280)	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**(280)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**219,781**	**(41,084)**	**(89,021)**	**4,088**	**(2,619)**	**(2,619)**	**(2,619)**	**(20,278)**	**(25,032)**	**(23,095)**
Cash/cash equivalents at the year begin:	2	**26,902**	**18,742**	**11,871**	**12,417**	**20,630**	**20,630**	**20,630**	**29,706**	**9,428**	**(15,604)**
Cash/cash equivalents at the year end:	2	**246,683**	**(22,342)**	**(77,150)**	**16,505**	**18,010**	**18,010**	**18,010**	**9,428**	**(15,604)**	**(38,699)**
References											
1. Local/District municipalities to include transfers from/to District/Local Municipalities											
2. Cash equivalents includes investments with maturities of 3 months or less											
3. The MTREF is populated directly from SA30.											
Total receipts		316,306	51,895	–	173,566	174,373	174,373	174,373	154,624	155,974	164,025
Total payments		(96,526)	(92,979)	(88,741)	(169,478)	(176,992)	(176,992)	(176,992)	(174,902)	(181,006)	(187,120)
		219,781	(41,084)	(88,741)	4,088	(2,619)	(2,619)	(2,619)	(20,278)	(25,032)	(23,095)
Borrowings & investments & c.deposits		–	–	–	–	–	–	–	–	–	–
Repayment of borrowing		–	–	(280)	–	–	–	–	–	–	–
		219,781	(41,084)	(89,021)	4,088	(2,619)	(2,619)	(2,619)	(20,278)	(25,032)	(23,095)

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 30 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

KZN227 Richmond - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year +1	Budget Year +2
Cash and investments available											
Cash/cash equivalents at the year end	1	246,683	(22,342)	(77,150)	16,505	18,010	18,010	18,010	9,428	(15,604)	(38,699)
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Non current Investments	1	0	0	0	0	0	0	0	0	0	0
Cash and investments available:		**246,683**	**(22,341)**	**(77,150)**	**16,506**	**18,011**	**18,011**	**18,011**	**9,428**	**(15,604)**	**(38,699)**
Application of cash and investments											
Unspent conditional transfers		7,279	5,071	5,841	5,235	5,393	5,393	11,661	3,261	3,261	3,261
Unspent borrowing											
Statutory requirements	2	(4,271)	(2,623)	(509)	(440)	(3,153)	(3,153)	3,504	–	–	–
Other working capital requirements	3	23,732	18,234	19,049	3,566	20,480	20,480	14,137	53	41	29
Other provisions		1,431	1,361	1,653	1,423	1,653	1,653	(1,653)	876	876	876
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		**28,172**	**22,043**	**26,035**	**9,784**	**24,373**	**24,373**	**27,649**	**4,191**	**4,178**	**4,166**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		**218,511**	**(44,384)**	**(103,185)**	**6,722**	**(6,363)**	**(6,363)**	**(9,638)**	**5,238**	**(19,782)**	**(42,865)**
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**218,511**	**(44,384)**	**(103,185)**	**6,722**	**(6,363)**	**(6,363)**	**(9,638)**	**5,238**	**(19,782)**	**(42,865)**

Figure 5 Cash and cash equivalents / Cash backed reserves and accumulated funds

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 31 MBRR SA10 – Funding compliance measurement

KZN227 Richmond Supporting Table SA10 Funding measurement

Description	MFMA section	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
			Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	246,683	(22,342)	(77,150)	16,505	18,010	18,010	18,010	9,428	(15,604)	(38,699)
Cash + investments at the yr end less applications - R'000	18(1)b	2	218,511	(44,384)	(103,185)	6,722	(6,363)	(6,363)	(9,638)	5,238	(19,782)	(42,865)
Cash year end/monthly employee/supplier payments	18(1)b	3	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	5,329	264	7,583	(1,234)	23,891	23,891	(55,170)	(1,265)	(3,672)	(1,207)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	0.5%	(4.4%)	0.0%	(6.5%)	(6.0%)	(23.0%)	(3.0%)	(2.7%)	(2.8%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	35.1%	0.0%	0.0%	16.3%	16.4%	16.4%	20.3%	97.8%	97.8%	97.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.6%	12.8%	10.1%	13.9%	13.9%	13.9%	8.0%	10.5%	10.5%	10.5%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(12.3%)	6.4%	(200.9%)	(221.0%)	0.0%	(131.4%)	85.9%	(0.9%)	(1.0%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	3.7%	3.9%	2.7%	3.9%	3.9%	3.9%	4.0%	4.1%	4.2%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	4.9%	19.9%	0.0%	0.8%	8.5%	8.5%	0.0%	68.4%	18.0%	18.0%

2.6.5.1 Cash/cash equivalent position

The Richmond's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium-term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 34. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Richmond to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

2.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance.

2.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for.

2.6.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Richmond's policy of settling debtors accounts within 30 days.

2.6.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

2.6.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorize each capital project as a new asset or a renewal/rehabilitation project.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 32 MBRR SA19 - Expenditure on transfers and grant programmes

KZN227 Richmond - Supporting Table SA19 Expenditure on transfers and grant programme

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		90,030	96,512	101,876	103,511	103,511	77,150	102,364	102,390	108,901
Expanded Public Works Programme Integrated Grant		1,287	1,125	1,410	2,054	2,054	1,178	1,966	1,966	1,966
Local Government Financial Management Grant		1,950	1,950	1,900	2,000	2,000	1,386	2,200	2,300	2,400
Municipal Infrastructure Grant		377	518	571	1,096	1,096	815	1,107	1,209	1,241
Equitable Share		86,416	92,919	97,995	98,361	98,361	73,771	97,091	96,915	103,294
Provincial Government:		4,211	5,888	4,955	5,065	5,436	5,662	5,686	5,474	5,474
Specify (Add grant description)		–	–	–	–	–	465	–	–	–
Specify (Add grant description)		–	147	–	–	–	–	–	–	–
Municipal Employment Initiative		–	–	–	–	–	–	500	–	–
Provincialisation of Libraries		3,455	2,921	3,076	–	–	465	3,358	3,515	3,515
Specify (Add grant description)		–	–	495	–	–	–	–	–	–
Specify (Add grant description)		247	2,541	116	–	–	–	–	–	–
Specify (Add grant description)		–	–	483	–	448	261	–	–	–
Specify (Add grant description)		–	–	–	–	–	1,743	–	–	–
Community Library Services		508	279	784	5,065	4,988	2,727	1,828	1,959	1,959
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		94,241	102,400	106,831	108,576	108,947	82,812	108,050	107,864	114,375
Capital expenditure of Transfers and Grants										
National Government:		28,329	21,813	20,403	20,819	20,819	13,917	21,035	22,964	23,577
Municipal Infrastructure Grant		20,134	21,813	20,403	20,819	20,819	13,917	21,035	22,964	23,577
Integrated National Electrification Programme Grant		8,195	(0)	–	–	–	–	–	–	–
Provincial Government:		4,791	409	2,653	1,391	1,391	158	–	–	–
Specify (Add grant description)		–	–	–	1,391	1,391	–	–	–	–
Specify (Add grant description)		4,791	409	–	–	–	–	–	–	–
Specify (Add grant description)		–	–	2,653	–	–	–	–	–	–
Specify (Add grant description)		–	–	–	–	–	158	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		33,120	22,222	23,056	22,210	22,210	14,075	21,035	22,964	23,577
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		127,361	124,622	129,887	130,786	131,157	96,887	129,085	130,828	137,952

Table 33 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

KZN227 Richmond - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Operating transfers and grants:	1,3									
National Government										
Balance unspent at beginning of the year		16,779	23,402	22,884	23,937	22,313	22,313	20,177	20,177	20,177
Current year receipts		96,653	95,994	101,305	103,511	103,511	103,511	102,364	102,390	108,901
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		**90,030**	**96,512**	**101,876**	**103,511**	**103,511**	**103,511**	**102,364**	**102,390**	**108,901**
Conditions still to be met - transferred to liabilities		23,402	22,884	22,313	23,937	22,313	22,313	20,177	20,177	20,177
Provincial Government:										
Balance unspent at beginning of the year		(581)	1,652	(470)	(561)	27	27	(422)	(422)	(422)
Current year receipts		6,454	3,766	6,289	5,065	4,988	4,988	5,686	5,474	5,474
Repayment of grants		11	–	837	–	–	–	–	–	–
Conditions met - transferred to revenue		**4,211**	**5,888**	**4,955**	**5,065**	**5,436**	**5,436**	**5,686**	**5,474**	**5,474**
Conditions still to be met - transferred to liabilities		1,652	(470)	27	(561)	(422)	(422)	(422)	(422)	(422)
District Municipality:										
Balance unspent at beginning of the year		–	(48)	(48)	(50)	(48)	(48)	(48)	(48)	(48)
Current year receipts		–	–	–	–	–	–	–	–	–
Repayment of grants		48	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		(48)	(48)	(48)	(50)	(48)	(48)	(48)	(48)	(48)
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue		**94,241**	**102,400**	**106,831**	**108,576**	**108,947**	**108,947**	**108,050**	**107,864**	**114,375**
Total operating transfers and grants - CTBM	2	**25,006**	**22,366**	**22,292**	**23,326**	**21,844**	**21,844**	**19,708**	**19,708**	**19,708**
Capital transfers and grants:	1,3									
National Government										
Balance unspent at beginning of the year		(8,997)	(22,253)	(21,735)	(22,735)	(21,164)	(21,164)	(21,160)	(21,160)	(21,160)
Current year receipts		16,211	22,331	20,974	20,819	20,819	20,819	21,035	22,964	23,577
Repayment of grants		1,138	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		**28,329**	**21,813**	**20,403**	**20,819**	**20,819**	**20,819**	**21,035**	**22,964**	**23,577**
Conditions still to be met - transferred to liabilities		(22,253)	(21,735)	(21,164)	(22,735)	(21,164)	(21,164)	(21,160)	(21,160)	(21,160)
Provincial Government:										
Balance unspent at beginning of the year		3,878	4,527	4,441	4,645	4,714	4,714	4,714	4,714	4,714
Current year receipts		5,440	323	2,926	1,391	1,391	1,391	–	–	–
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		**4,791**	**409**	**2,653**	**1,391**	**1,391**	**1,391**	–	–	–
Conditions still to be met - transferred to liabilities		4,527	4,441	4,714	4,645	4,714	4,714	4,714	4,714	4,714
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue		**33,120**	**22,222**	**23,056**	**22,210**	**22,210**	**22,210**	**21,035**	**22,964**	**23,577**
Total capital transfers and grants - CTBM	2	**(17,727)**	**(17,295)**	**(16,450)**	**(18,090)**	**(16,450)**	**(16,450)**	**(16,446)**	**(16,446)**	**(16,446)**
TOTAL TRANSFERS AND GRANTS REVENUE		**127,361**	**124,622**	**129,887**	**130,786**	**131,157**	**131,157**	**129,085**	**130,828**	**137,952**
TOTAL TRANSFERS AND GRANTS - CTBM		**7,279**	**5,071**	**5,841**	**5,235**	**5,393**	**5,393**	**3,261**	**3,261**	**3,261**

2.8 Councilor and employee benefits

Table 34 MBRR SA22 - Summary of councilor and staff benefits

KZN227 Richmond - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Allowances and Service Related Benefits										
Basic Salary		4,730	5,161	5,204	5,821	5,821	5,821	6,083	6,284	6,485
Cell phone Allowance		619	678	625	723	723	723	756	781	806
Housing Allowance		–	–	–	–	–	–	–	–	–
In-kind Benefits		–	–	–	–	–	–	–	–	–
Market Related Non-pensionable Allowance		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		541	550	450	678	678	678	709	732	756
Office-bearer Allowance		–	–	–	–	–	–	–	–	–
Out of pocket Expenses		21	11	9	6	6	6	7	7	7
Travelling Allowance		87	87	171	108	108	108	113	117	121
Use of Personal Facilities		–	–	–	–	–	–	–	–	–
Total Allowances and Service Related Benefits		**5,998**	**6,487**	**6,459**	**7,337**	**7,337**	**7,337**	**7,667**	**7,920**	**8,174**
Social Contributions										
Medial Aid Benefits		23	35	35	88	88	88	91	94	97
Pension Fund Contributions		31	28	28	166	166	166	173	179	184
Total Social Contributions		**54**	**63**	**63**	**253**	**253**	**253**	**264**	**273**	**282**
Total Councillors		**6,051**	**6,549**	**6,522**	**7,590**	**7,590**	**7,590**	**7,932**	**8,194**	**8,456**
% increase	4		**8.2%**	**(0.4%)**	**16.4%**	**–**	**–**	**4.5%**	**3.3%**	**3.2%**
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		4,685	5,015	5,143	5,532	5,532	5,532	4,890	5,051	5,213
Bonuses		44	–	119	–	–	–	–	–	–
Allowance										
Accommodation, Travel and Incidental		–	–	–	–	–	–	–	–	–
Cellular and Telephone	3	36	–	2	–	–	–	–	–	–
Housing Benefits	3	–	–	–	–	–	–	–	–	–
Non-pensionable		–	97	102	–	–	–	–	–	–
Travel or Motor Vehicle	3	765	804	780	887	887	887	781	806	832
Voluntary Work		–	–	–	–	–	–	–	–	–
Total Allowance		**801**	**901**	**884**	**887**	**887**	**887**	**781**	**806**	**832**
Service Related Benefits										
Leave Pay	3	15	–	–	–	–	–	–	–	–
Long Term Service Award		–	–	–	–	–	–	–	–	–
Total Service Related Benefits		**15**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Salaries and Allowances		**5,545**	**5,916**	**6,146**	**6,419**	**6,419**	**6,419**	**5,670**	**5,858**	**6,045**
Social Contributions										
Bargaining Council		1	1	1	1	1	1	1	1	1
Unemployment Insurance		10	11	10	12	12	12	10	11	11
Total Social Contributions		**11**	**11**	**11**	**13**	**13**	**13**	**11**	**11**	**12**
Post-retirement Benefit	6									
Pension		(346)	145	–	–	–	–	–	–	–
Total Post-retirement Benefit		**(346)**	**145**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Costs Capitalised to PPE		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		**5,210**	**6,072**	**6,157**	**6,431**	**6,431**	**6,431**	**5,681**	**5,869**	**6,057**
% increase	4		**16.5%**	**1.4%**	**4.5%**	**–**	**–**	**(11.7%)**	**3.3%**	**3.2%**
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		40,007	45,254	49,393	51,270	53,388	53,388	47,634	49,206	50,781
Bonuses		2,994	3,106	3,589	3,397	3,397	3,397	3,046	3,147	3,248
Allowance										
Accommodation, Travel and Incidental		–	–	–	–	–	–	–	–	–
Cellular and Telephone	3	401	426	481	457	457	457	432	447	461
Housing Benefits	3	165	322	368	342	342	342	268	277	286
Non-pensionable		14	14	238	133	133	133	121	125	129
Travel or Motor Vehicle	3	1,728	1,598	1,761	1,642	1,642	1,642	1,564	1,615	1,667
Voluntary Work		–	–	–	–	–	–	–	–	–
Total Allowance		**2,308**	**2,360**	**2,848**	**2,574**	**2,574**	**2,574**	**2,385**	**2,464**	**2,543**
Service Related Benefits										
Acting	3	–	–	–	–	–	–	–	–	–
Bonus	3	83	255	139	–	–	–	–	–	–
In-kind Benefits	3	–	–	–	–	–	–	–	–	–
Leave Pay	3	2,286	(430)	2,237	1,613	1,629	1,629	1,347	1,391	1,436
Lifeguard/Duty Squads		42	42	42	46	46	46	48	50	52
Long Service Award		–	–	–	–	–	–	–	–	–
Overtime		1,326	1,392	1,871	2,209	1,561	1,561	1,337	1,381	1,425
Scarcity	3	–	–	–	–	–	–	–	–	–
Standby Allowance	3	–	462	474	488	488	488	510	527	544
Tools Allowance	3	–	–	–	–	–	–	–	–	–
Uniform/Special/Protective Clothing	3	103	137	172	149	149	149	156	161	166
Leave gratuity		–	–	–	–	–	–	–	–	–
Long Term Service Award		–	–	–	–	–	–	–	–	–
Total Service Related Benefits		**3,841**	**1,857**	**4,935**	**4,505**	**3,873**	**3,873**	**3,398**	**3,510**	**3,622**
Total Salaries and Allowances		**49,149**	**52,578**	**60,765**	**61,746**	**63,232**	**63,232**	**56,464**	**58,327**	**60,194**
Social Contributions										
Bargaining Council		22	24	26	27	27	27	23	24	25
Group Life Insurance		–	–	–	–	–	–	–	–	–
Medical		2,133	2,415	2,698	2,627	2,627	2,627	2,492	2,575	2,657
Pension		5,680	6,389	7,038	7,122	7,122	7,122	6,453	6,666	6,879
Unemployment Insurance		349	378	395	408	408	408	360	372	384
Total Social Contributions		**8,184**	**9,205**	**10,157**	**10,184**	**10,184**	**10,184**	**9,328**	**9,636**	**9,945**
Post-retirement Benefit	6									
Medical		1,308	1,162	1,302	–	–	–	–	–	–
Other Benefits		–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit		**1,308**	**1,162**	**1,302**	**-**	**-**	**-**	**-**	**-**	**-**
Costs Capitalised to PPE		–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		**58,641**	**62,946**	**72,224**	**71,930**	**73,416**	**73,416**	**65,792**	**67,963**	**70,138**
% increase	4		**7.3%**	**14.7%**	**(0.4%)**	**2.1%**	**–**	**(10.4%)**	**3.3%**	**3.2%**
Total Parent Municipality		**69,903**	**75,568**	**84,903**	**85,951**	**87,437**	**87,437**	**79,405**	**82,026**	**84,651**
Board Members of Entities										
Total Post-retirement Benefit		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Costs Capitalised to PPE		–	–	–	–	–	–	–	–	–
Sub Total - Other Staff of Entities		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
% increase	4		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Municipal Entities		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL SALARY, ALLOWANCES & BENEFITS		**69,903**	**75,568**	**84,903**	**85,951**	**87,437**	**87,437**	**79,405**	**82,026**	**84,651**
% increase	4		**8.1%**	**12.4%**	**1.2%**	**1.7%**	**–**	**(9.2%)**	**3.3%**	**3.2%**
TOTAL MANAGERS AND STAFF	5,7	**63,851**	**69,018**	**78,381**	**78,361**	**79,847**	**79,847**	**71,474**	**73,832**	**76,195**

Table 35 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councilors/ senior managers)

KZN227 Richmond - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	###	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		869,988	22,860	53,988	–	–	946,836
Chief Whip			–	–	–	–	–	–
Executive Mayor			1,076,532	16,668	632,172	–	6,624	1,725,372
Deputy Executive Mayor			884,268	31,452	111,804	–	–	1,027,524
Executive Committee			328,368	63,336	129,252	–	–	520,956
Total for all other councillors			1,461,900	130,164	325,272	–	–	1,917,336
Section 79 Committee Chairperson			1,461,912	–	325,296	–	–	1,787,208
Total Councillors	8	–	4,621,056	264,480	1,252,488			6,138,024
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1,412,424	2,628	216,816	–	–	1,631,868
Chief Finance Officer			1,159,176	2,736	187,908	–	–	1,349,820
Senior Manager: Corporate Services			1,159,176	2,736	187,908	–	–	1,349,820
Senior Manager: Community Services			1,159,176	2,736	187,908	–	–	1,349,820
Senior Manager: Technical Services			1,150,968	2,736	187,908	–	–	1,341,612

Table 36 MBRR SA24 – Summary of personnel numbers

KZN227 Richmond - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	####	2024/25			Current Year 2025/26			Budget Year 2026/27		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		14	–	14	18	–	18	18	–	18
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–
Municipal employees	5	–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	3	5	5	–	5	5	–	5	5	–
Other Managers	7	8	8	–	14	14	–	14	14	–
Professionals		*16*	*15*	*1*	*17*	*16*	*1*	*17*	*16*	*1*
Finance		4	3	1	4	3	1	4	3	1
Spatial/town planning		4	4	–	5	5	–	5	5	–
Information Technology		1	1	–	1	1	–	1	1	–
Roads		1	1	–	1	1	–	1	1	–
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		1	1	–	1	1	–	1	1	–
Other		5	5	–	5	5	–	5	5	–
Technicians		*10*	*10*	–	*10*	*10*	–	*10*	*10*	–
Finance		–	–	–	–	–	–	–	–	–
Spatial/town planning		1	1	–	1	1	–	1	1	–
Information Technology		1	1	–	1	1	–	1	1	–
Roads		2	2	–	2	2	–	2	2	–
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		1	1	–	1	1	–	1	1	–
Other		5	5	–	5	5	–	5	5	–
Clerks (Clerical and administrative)		10	10	–	10	10	–	10	10	–
Service and sales workers		–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–
Craft and related trades		–	–	–	–	–	–	–	–	–
Plant and Machine Operators		–	–	–	–	–	–	–	–	–
Elementary Occupations		129	129	–	129	129	–	129	129	–
TOTAL PERSONNEL NUMBERS	9	192	177	15	203	184	19	203	184	19
% increase					5.7%	4.0%	26.7%	–	–	–
Total municipal employees headcount	6, 10	–	–	–	–	–	–	–	–	–
Finance personnel headcount	8, 10	–	–	–	–	–	–	–	–	–
Human Resources personnel headcount	8, 10	–	–	–	–	–	–	–	–	–

2.9 Monthly targets for revenue, expenditure and cash flow

Table 37 MBRR SA25 - Budgeted monthly revenue and expenditure

KZN227 Richmond - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	###	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year	Budget Year +1	Budget Year +2
Revenue																
Exchange Revenue																
Service charges - Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management		83	83	83	83	83	83	83	83	83	83	83	83	992	1,025	1,058
Sale of Goods and Rendering of Services		31	31	31	31	31	31	31	31	31	31	31	31	370	382	394
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		47	47	47	47	47	47	47	47	47	47	47	47	560	579	597
Interest earned from Current and Non Current Assets		429	429	429	429	429	229	229	229	229	229	229	229	3,745	3,868	3,992
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		119	119	119	119	119	119	119	119	119	119	119	119	1,427	1,474	1,522
Licence and permits		2	2	2	2	2	2	2	2	2	2	2	2	26	27	28
Special rating levies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Construction Contract Revenue		136	136	136	136	136	136	136	136	136	136	136	136	1,632	1,686	1,740
Development Charges		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		73	73	73	73	73	73	73	73	73	73	73	73	876	905	934
Non-Exchange Revenue																
Property rates		2,668	2,668	2,668	2,668	2,668	2,668	2,668	2,668	2,668	2,668	2,668	2,668	32,020	33,077	34,135
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		1	1	1	1	1	1	1	1	1	1	1	1	9	10	10
Licences or permits		328	328	328	328	328	328	328	328	328	328	328	328	3,939	4,069	4,199
Transfer and subsidies - Operational		8,963	8,963	8,963	8,963	8,963	8,963	8,963	8,963	8,963	8,963	8,963	9,463	108,050	107,864	114,375
Interest		260	260	260	260	260	260	260	260	260	260	260	260	3,118	3,221	3,324
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**13,139**	**13,139**	**13,139**	**13,139**	**13,139**	**12,939**	**12,939**	**12,939**	**12,939**	**12,939**	**12,939**	**13,439**	**156,765**	**158,186**	**166,307**
Expenditure																
Employee related costs		7,165	7,165	7,165	7,165	7,165	7,165	7,165	7,165	7,165	7,165	7,165	7,165	85,981	88,819	91,661
Remuneration of councillors		661	661	661	661	661	661	661	661	661	661	661	661	7,932	8,194	8,456
Bulk purchases - electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Inventory consumed		410	410	410	410	410	410	410	410	410	410	410	910	5,417	5,079	5,242
Debt impairment		289	289	289	289	289	289	289	289	289	289	289	289	3,468	3,582	3,697
Depreciation, amortisation and impairment		1,610	1,610	1,610	1,610	1,610	1,610	1,610	1,610	1,610	1,610	1,610	596	18,306	18,943	19,582
Interest, Dividends and Rent on Land		162	162	162	162	162	162	162	162	162	162	162	162	1,942	2,006	2,070
Contracted services		3,806	3,806	3,806	3,806	3,806	3,806	3,806	3,806	3,806	3,806	3,806	(6,260)	35,602	37,109	38,618
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Irrecoverable debts written off		21	21	21	21	21	21	21	21	21	21	21	21	250	258	267
Operational costs		1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	20,167	20,833	21,499
Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**15,804**	**15,804**	**15,804**	**15,804**	**15,804**	**15,804**	**15,804**	**15,804**	**15,804**	**15,804**	**15,804**	**5,224**	**179,065**	**184,823**	**191,092**
Surplus/(Deficit)		**(2,665)**	**(2,665)**	**(2,665)**	**(2,665)**	**(2,665)**	**(2,865)**	**(2,865)**	**(2,865)**	**(2,865)**	**(2,865)**	**(2,865)**	**8,215**	**(22,300)**	**(26,637)**	**(24,784)**
Transfers and subsidies - capital (monetary allocations)		1,753	1,753	1,753	1,753	1,753	1,753	1,753	1,753	1,753	1,753	1,753	1,753	21,035	22,964	23,577
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**(912)**	**(912)**	**(912)**	**(912)**	**(912)**	**(1,112)**	**(1,112)**	**(1,112)**	**(1,112)**	**(1,112)**	**(1,112)**	**9,967**	**(1,265)**	**(3,672)**	**(1,207)**
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**(912)**	**(912)**	**(912)**	**(912)**	**(912)**	**(1,112)**	**(1,112)**	**(1,112)**	**(1,112)**	**(1,112)**	**(1,112)**	**9,967**	**(1,265)**	**(3,672)**	**(1,207)**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**(912)**	**(912)**	**(912)**	**(912)**	**(912)**	**(1,112)**	**(1,112)**	**(1,112)**	**(1,112)**	**(1,112)**	**(1,112)**	**9,967**	**(1,265)**	**(3,672)**	**(1,207)**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**(912)**	**(912)**	**(912)**	**(912)**	**(912)**	**(1,112)**	**(1,112)**	**(1,112)**	**(1,112)**	**(1,112)**	**(1,112)**	**9,967**	**(1,265)**	**(3,672)**	**(1,207)**
References																
1. Surplus (Deficit) must reconcile with Budgeted Financial Performance																
														-	-	-

Table 38 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

KZN227 Richmond - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	###	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote																
Vote 1 - Executive And Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and administration		11,477	11,477	11,477	11,477	11,477	11,277	11,277	11,277	11,277	11,277	11,277	11,277	136,323	137,463	145,169
Vote 3 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		449	449	449	449	449	449	449	449	449	449	449	449	5,389	5,684	5,691
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Planning and Development		1,859	1,859	1,859	1,859	1,859	1,859	1,859	1,859	1,859	1,859	1,859	1,859	22,308	24,344	24,995
Vote 7 - Road Transport		505	505	505	505	505	505	505	505	505	505	505	505	6,064	6,264	6,465
Vote 8 - Sport and Recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Waste Management		411	411	411	411	411	411	411	411	411	411	411	411	4,935	5,104	5,264
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		**14,702**	**14,702**	**14,702**	**14,702**	**14,702**	**14,502**	**14,502**	**14,502**	**14,502**	**14,502**	**14,502**	**14,502**	**175,019**	**178,860**	**187,584**
Expenditure by Vote to be appropriated																
Vote 1 - Executive And Council		1,957	1,957	1,957	1,957	1,957	1,957	1,957	1,957	1,957	1,957	1,957	1,957	23,482	24,257	25,033
Vote 2 - Finance and administration		4,211	4,211	4,211	4,211	4,211	4,211	4,211	4,211	4,211	4,211	4,211	1,958	48,276	49,943	51,613
Vote 3 - Housing		50	50	50	50	50	50	50	50	50	50	50	50	603	623	643
Vote 4 - Community and Social Services		2,590	2,590	2,590	2,590	2,590	2,590	2,590	2,590	2,590	2,590	2,590	(2,685)	25,810	26,836	27,864
Vote 5 - Internal Audit		184	184	184	184	184	184	184	184	184	184	184	184	2,211	2,284	2,357
Vote 6 - Planning and Development		191	191	191	191	191	191	191	191	191	191	191	(313)	1,794	1,869	1,945
Vote 7 - Road Transport		4,079	4,079	4,079	4,079	4,079	4,079	4,079	4,079	4,079	4,079	4,079	2,453	47,323	48,939	50,557
Vote 8 - Sport and Recreation		405	405	405	405	405	405	405	405	405	405	405	405	4,862	5,023	5,184
Vote 9 - Waste Management		675	675	675	675	675	675	675	675	675	675	675	182	7,602	7,869	8,137
Vote 10 - Waste Water Management		44	44	44	44	44	44	44	44	44	44	44	44	524	541	558
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		**14,386**	**14,386**	**14,386**	**14,386**	**14,386**	**14,386**	**14,386**	**14,386**	**14,386**	**14,386**	**14,386**	**4,235**	**162,487**	**168,184**	**173,891**
Surplus/(Deficit) before assoc.		**315**	**315**	**315**	**315**	**315**	**115**	**115**	**115**	**115**	**115**	**115**	**10,266**	**12,533**	**10,676**	**13,693**
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**315**	**315**	**315**	**315**	**315**	**115**	**115**	**115**	**115**	**115**	**115**	**10,266**	**12,533**	**10,676**	**13,693**

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

Table 39 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

KZN227 Richmond - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	###	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional																
Governance and administration		11,477	11,477	11,477	11,477	11,477	11,277	11,277	11,277	11,277	11,277	11,277	11,277	136,323	137,463	145,169
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		11,477	11,477	11,477	11,477	11,477	11,277	11,277	11,277	11,277	11,277	11,277	11,277	136,323	137,463	145,169
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		457	457	457	457	457	457	457	457	457	457	457	457	5,488	5,786	5,796
Community and social services		457	457	457	457	457	457	457	457	457	457	457	457	5,488	5,786	5,796
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		2,546	2,546	2,546	2,546	2,546	2,546	2,546	2,546	2,546	2,546	2,546	3,046	31,053	32,797	33,655
Planning and development		2,041	2,041	2,041	2,041	2,041	2,041	2,041	2,041	2,041	2,041	2,041	2,541	24,989	26,533	27,190
Road transport		505	505	505	505	505	505	505	505	505	505	505	505	6,064	6,264	6,465
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		411	411	411	411	411	411	411	411	411	411	411	411	4,935	5,104	5,264
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		411	411	411	411	411	411	411	411	411	411	411	411	4,935	5,104	5,264
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional		14,892	14,892	14,892	14,892	14,892	14,692	14,692	14,692	14,692	14,692	14,692	15,192	177,800	181,150	189,885
Expenditure - Functional																
Governance and administration		6,404	6,404	6,404	6,404	6,404	6,404	6,404	6,404	6,404	6,404	6,404	4,151	74,592	77,127	79,668
Executive and council		1,957	1,957	1,957	1,957	1,957	1,957	1,957	1,957	1,957	1,957	1,957	1,957	23,482	24,257	25,033
Finance and administration		4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	2,010	48,899	50,587	52,278
Internal audit		184	184	184	184	184	184	184	184	184	184	184	184	2,211	2,284	2,357
Community and public safety		3,299	3,299	3,299	3,299	3,299	3,299	3,299	3,299	3,299	3,299	3,299	(2,285)	34,008	35,315	36,623
Community and social services		2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	(2,741)	28,543	29,669	30,797
Sport and recreation		405	405	405	405	405	405	405	405	405	405	405	405	4,862	5,023	5,184
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		50	50	50	50	50	50	50	50	50	50	50	50	603	623	643
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		5,382	5,382	5,382	5,382	5,382	5,382	5,382	5,382	5,382	5,382	5,382	3,133	62,339	63,970	66,105
Planning and development		1,293	1,293	1,293	1,293	1,293	1,293	1,293	1,293	1,293	1,293	1,293	670	14,893	14,905	15,418
Road transport		4,089	4,089	4,089	4,089	4,089	4,089	4,089	4,089	4,089	4,089	4,089	2,463	47,446	49,065	50,687
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		718	718	718	718	718	718	718	718	718	718	718	226	8,126	8,410	8,695
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		44	44	44	44	44	44	44	44	44	44	44	44	524	541	558
Waste management		675	675	675	675	675	675	675	675	675	675	675	182	7,602	7,869	8,137
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional		15,804	15,804	15,804	15,804	15,804	15,804	15,804	15,804	15,804	15,804	15,804	5,224	179,065	184,823	191,092
Surplus/(Deficit) before assoc.		(912)	(912)	(912)	(912)	(912)	(1,112)	(1,112)	(1,112)	(1,112)	(1,112)	(1,112)	9,967	(1,265)	(3,672)	(1,207)
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	(912)	(912)	(912)	(912)	(912)	(1,112)	(1,112)	(1,112)	(1,112)	(1,112)	(1,112)	9,967	(1,265)	(3,672)	(1,207)

Table 40 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

KZN227 Richmond - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)																
Description	###	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Multi-year expenditure ***to be appropriated***	1															
Vote 1 - Executive And Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and administration		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Planning and Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Road Transport		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Sport and Recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Waste Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Single-year expenditure ***to be appropriated***																
Vote 1 - Executive And Council		15	15	15	15	15	15	15	15	15	15	15	15	182	188	194
Vote 2 - Finance and administration		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Internal Audit		2	2	2	2	2	2	2	2	2	2	2	2	26	27	28
Vote 6 - Planning and Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Road Transport		1,983	1,983	1,983	1,983	1,983	1,983	1,983	1,983	1,983	1,983	1,983	1,983	23,797	24,582	25,369
Vote 8 - Sport and Recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Waste Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	2	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,005	24,797	25,591
Total Capital Expenditure	2	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,005	24,797	25,591

Table 41 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

KZN227 Richmond - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)																
Description	###	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital Expenditure - Functional	1															
Governance and administration		**117**	**117**	**117**	**117**	**117**	**117**	**117**	**117**	**117**	**117**	**117**	**117**	**1,398**	**1,462**	**1,530**
Executive and council		32	32	32	32	32	32	32	32	32	32	32	32	380	397	416
Finance and administration		85	85	85	85	85	85	85	85	85	85	85	85	1,018	1,065	1,114
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**13**	**28**	**28**	**28**	**28**	**28**	**28**	**28**	**28**	**28**	**44**	**28**	**338**	**520**	**543**
Community and social services		–	16	16	16	16	16	16	16	16	16	31	16	188	363	379
Sport and recreation		13	13	13	13	13	13	13	13	13	13	13	13	150	157	164
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**2,111**	**1,857**	**1,857**	**1,857**	**1,857**	**1,857**	**1,857**	**1,857**	**1,857**	**1,857**	**1,603**	**1,857**	**22,284**	**20,879**	**22,391**
Planning and development		188	188	188	188	188	188	188	188	188	188	188	188	2,260	63	66
Road transport		1,923	1,669	1,669	1,669	1,669	1,669	1,669	1,669	1,669	1,669	1,414	1,669	20,024	20,816	22,325
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–	–	–	**–**	**–**	**–**
Total Capital Expenditure - Functional	2	**2,240**	**2,002**	**2,002**	**2,002**	**2,002**	**2,002**	**2,002**	**2,002**	**2,002**	**2,002**	**1,763**	**2,002**	**24,020**	**22,861**	**24,464**
Funded by:																
National Government		1,915	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,406	1,660	**19,925**	**20,713**	**22,217**
Provincial Government		183	199	199	199	212	212	199	199	199	199	202	186	2,388	197	206
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		**2,098**	**1,859**	**1,859**	**1,859**	**1,873**	**1,873**	**1,859**	**1,859**	**1,859**	**1,859**	**1,608**	**1,846**	**22,314**	**20,910**	**22,423**
Borrowing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds		87	87	87	87	74	74	87	87	87	87	100	100	1,047	1,260	1,318
Total Capital Funding		**2,185**	**1,947**	**1,947**	**1,947**	**1,947**	**1,947**	**1,947**	**1,947**	**1,947**	**1,947**	1,708	1,947	23,360	22,170	23,742

Table 42 MBRR SA30 - Budgeted monthly cash flow

KZN227 Richmond - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash Receipts By Source													1		
Property rates	2,484	2,484	2,484	2,484	2,484	2,484	2,484	2,484	2,484	2,484	2,484	2,484	29,812	30,796	31,781
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	109	109	109	109	109	109	109	109	109	109	109	109	1,306	1,349	1,392
Rental of facilities and equipment	112	112	112	112	112	112	112	112	112	112	112	112	1,339	1,384	1,428
Interest earned - external investments	429	429	429	429	429	229	229	229	229	229	229	229	3,745	3,868	3,992
Interest earned - outstanding debtors	275	275	275	275	275	275	275	275	275	275	275	275	3,300	3,409	3,518
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1	1	1	1	1	1	1	1	1	1	1	1	9	10	10
Licences and permits	350	350	350	350	350	350	350	350	350	350	350	350	4,194	4,332	4,471
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies - Operational	9,140	9,140	9,140	9,140	9,140	9,140	9,140	9,140	9,140	9,140	9,140	9,640	110,176	110,059	116,641
Other revenue	62	62	62	62	62	62	62	62	62	62	62	62	742	766	791
Cash Receipts by Source	**12,960**	**12,960**	**12,960**	**12,960**	**12,960**	**12,760**	**12,760**	**12,760**	**12,760**	**12,760**	**12,760**	**13,260**	**154,624**	**155,974**	**164,025**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vat Control (receipts)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Insurance Refund - Capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	**12,960**	**12,960**	**12,960**	**12,960**	**12,960**	**12,760**	**12,760**	**12,760**	**12,760**	**12,760**	**12,760**	**13,260**	**154,624**	**155,974**	**164,025**
Cash Payments by Type															
Employee related costs	7,826	7,826	7,826	7,826	7,826	7,826	7,826	7,826	7,826	7,826	7,826	7,826	93,913	97,012	100,117
Remuneration of councillors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance charges	162	162	162	162	162	162	162	162	162	162	162	162	1,942	2,006	2,070
Bulk purchases - Electricity	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services	3,715	3,715	3,715	3,715	3,715	3,715	3,715	3,715	3,715	3,715	3,715	(6,350)	34,520	35,991	37,465
Transfers and subsidies - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	1,681	20,167	20,833	21,499
Cash Payments by Type	**13,384**	**13,384**	**13,384**	**13,384**	**13,384**	**13,384**	**13,384**	**13,384**	**13,384**	**13,384**	**13,384**	**3,318**	**150,542**	**155,842**	**161,151**
Other Cash Flows/Payments by Type															
Capital assets	2,030	2,030	2,030	2,030	2,030	2,030	2,030	2,030	2,030	2,030	2,030	2,030	24,360	25,164	25,969
Retention (Capital)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**15,414**	**15,414**	**15,414**	**15,414**	**15,414**	**15,414**	**15,414**	**15,414**	**15,414**	**15,414**	**15,414**	**5,348**	**174,902**	**181,006**	**187,120**
NET INCREASE/(DECREASE) IN CASH HELD	**(2,454)**	**(2,454)**	**(2,454)**	**(2,454)**	**(2,454)**	**(2,654)**	**(2,654)**	**(2,654)**	**(2,654)**	**(2,654)**	**(2,654)**	**7,912**	**(20,278)**	**(25,032)**	**(23,095)**
Cash/cash equivalents at the month/year begin:	29,706	27,253	24,799	22,345	19,891	17,438	14,784	12,130	9,477	6,823	4,169	1,516	29,706	9,428	(15,604)
Cash/cash equivalents at the month/year end:	27,253	24,799	22,345	19,891	17,438	14,784	12,130	9,477	6,823	4,169	1,516	9,428	9,428	(15,604)	(38,699)

2.10 Annual budgets and SDBIPs – internal departments

See attached.

2.11 Contracts having future budgetary implications

In terms of the Richmond's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

KZN227 Richmond - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
	Yrs				
MILLS FITCHET NATAL 19/20	6.083	0000000046	General Valuation And Preperation Of Valuation Roll For Ir	2027/06/30	279
AFRIRENT	3	0000000140	Supply And Install Car Tracking Device For Municipal Veh	2027/02/08	58
PRO SECURE	2.583	0000000145	Provision Of Security Services To Various Richmond Muni	2027/06/30	15,747
Imvokoqa Solutions	3	0000000160	Development Maintenance And Hosting Of A Website And	2027/12/11	200
THOKOMELA TRADING PTY LTD	3	0000000162	Assessment And Maintanance Of Street Light	2028/04/02	496
SURG SUT	3	0000000164	Appointment Of Service Provider For Landfill Site Manager	2028/04/24	3,604
LATERAL UNISON	3	0000000166	Provision Of Short Term Insurance For A Period Of 36 Mo	2028/05/19	724
Imvokoqa Solutions	3	0000000169	Information Communication Technology Managed Services	2028/08/01	295
MNDAWEGOLI	1	0000000175	Renewal Of Municipal Vehicles Licence Discs And Provide	2026/08/11	–
NJAJA	5.083	0000000180	Provision Of An Ip Based Telephone Management System	2030/09/30	876
MUNSOFT	3	0000000182	Provision Of Software Licence And Computer Applications	2027/06/30	4,783

2.12 Capital expenditure details

The following tables represent in detail how Richmond local municipality anticipate on spending its capital budget. Consideration has been given to all requests received during community engagements.

The following three tables present details of the Richmond's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 43 MBRR SA 34a - Capital expenditure on new assets by asset class

KZN227 Richmond - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on new assets by Asset Class/Sub-class										
Total Capital Expenditure on new assets	1	37,645	11,105	4,602	13,217	26,801	26,801	3,325	3,435	3,545

Table 44 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

KZN227 Richmond - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class										
Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Total Capital Expenditure on renewal of existing asset	1	2,591	4,359	–	200	3,231	3,231	16,658	4,521	4,666
Renewal of Existing Assets as % of total capex		*4.9%*	*19.9%*	*0.0%*	*0.8%*	*8.5%*	*8.5%*	*68.4%*	*18.0%*	*18.0%*
Renewal of Existing Assets as % of deprecn"		*16.2%*	*26.5%*	*0.0%*	*0.9%*	*15.1%*	*15.1%*	*91.0%*	*23.9%*	*23.8%*

Table 45 MBRR SA34c - Repairs and maintenance expenditure by asset class

KZN227 Richmond - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Repairs and maintenance expenditure by Asset Class/Sub-class										
Total Repairs and Maintenance Expenditure	1	12,919	13,272	9,247	18,444	19,488	19,488	18,113	18,711	19,310
R&M as a % of PPE & Investment Property		*3.7%*	*3.9%*	*2.7%*	*3.9%*	*3.9%*	*3.9%*	*4.0%*	*4.1%*	*4.2%*
R&M as % Operating Expenditure		*8.3%*	*7.8%*	*5.6%*	*10.4%*	*10.5%*	*10.5%*	*14.5%*	*10.4%*	*10.4%*

Table 46 MBRR SA35 - Future financial implications of the capital budget

KZN227 Richmond - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2026/27 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Present value
Capital expenditure	1							
Vote 1 - Executive And Council		182	188	194				
Vote 2 - Finance and administration		–	–	–				
Vote 3 - Housing		–	–	–				
Vote 4 - Community and Social Services		–	–	–				
Vote 5 - Internal Audit		26	27	28				
Vote 6 - Planning and Development		–	–	–				
Vote 7 - Road Transport		23,797	24,582	25,369				
Vote 8 - Sport and Recreation		–	–	–				
Vote 9 - Waste Management		–	–	–				
Vote 10 - Waste Water Management		–	–	–				
Vote 11 -		–	–	–				
Vote 12 -		–	–	–				
Vote 13 -		–	–	–				
Vote 14 -		–	–	–				
Vote 15 -		–	–	–				
List entity summary if applicable								
Total Capital Expenditure		**24,005**	**24,797**	**25,591**	**–**	**–**	**–**	**–**
Future operational costs by vote	2							
Vote 1 - Executive And Council		23,482	24,257	25,033				
Vote 2 - Finance and administration		48,276	49,943	51,613				
Vote 3 - Housing		603	623	643				
Vote 4 - Community and Social Services		25,810	26,836	27,864				
Vote 5 - Internal Audit		2,211	2,284	2,357				
Vote 6 - Planning and Development		1,794	1,869	1,945				
Vote 7 - Road Transport		47,323	48,939	50,557				
Vote 8 - Sport and Recreation		4,862	5,023	5,184				
Vote 9 - Waste Management		7,602	7,869	8,137				
Vote 10 - Waste Water Management		524	541	558				
Vote 11 -		–	–	–				
Vote 12 -		–	–	–				
Vote 13 -		–	–	–				
Vote 14 -		–	–	–				
Vote 15 -		–	–	–				
List entity summary if applicable								
Total future operational costs		162,487	168,184	173,891	–	–	–	–
Future revenue by source	3							
Exchange Revenue								
Service charges - Electricity								
Service charges - Water								
Service charges - Waste Water Management								
Service charges - Waste Management								
Agency services								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		**186,492**	**192,981**	**199,481**	**–**	**–**	**–**	**–**

Table 47 MBRR SA36 - Detailed capital budget per municipal vote

d - Supporting Table SA36 Detailed capital budget

R thousand														2026/27 Medium Term Revenue & Expenditure Framework			
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Audited Outcome 2024/25	Current Year 2025/26 Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	
Parent municipality:																	
List all capital projects grouped by Function																	
Administrative and Corporate Support	Municipal Offices:Pavements	02003003001001_00	New	competitive and responsive economic infrastruc	Growth	programmes and reduce services a	Operational Buildings	Municipal Offices	istrative or Head Office (Including Satellite O	30.28454455	-29.89245187		250	0			
Administrative and Corporate Support	Furniture and Office Equipment:Fridge	PC002003005_00001	New	ient, effective and development-oriented public	Governance	the lives of the poor thus alieviati	Furniture and Office Equipment		istrative or Head Office (Including Satellite O	0	0						
Administrative and Corporate Support	iture and Office Equipment:Vaccum Cle	PC002003005_00006	New	competitive and responsive economic infrastruc	Inclusion and access	programmes and reduce services a	Furniture and Office Equipment		Whole of the Municipality	0	0	14					
Administrative and Corporate Support	and Office Equipment:FILING CABINET	PC002003005_00014	New	competitive and responsive economic infrastruc	Inclusion and access	programmes and reduce services a	Furniture and Office Equipment		istrative or Head Office (Including Satellite O	0	0	95					
Administrative and Corporate Support	-	PC002003005_00057	New			-	Furniture and Office Equipment		istrative or Head Office (Including Satellite O	-	-						
Administrative and Corporate Support	ture and Office Equipment:Guillutine ma	PC002003005_00059	New	competitive and responsive economic infrastruc	Inclusion and access	programmes and reduce services a	Furniture and Office Equipment		istrative or Head Office (Including Satellite O	0	0	8					
Administrative and Corporate Support	d Office Equipment:Airconditioner Corp	PC002003005_00064	New	ient, effective and development-oriented public	Growth	the lives of the poor thus alieviati	Furniture and Office Equipment		istrative or Head Office (Including Satellite O	30.28454455	-29.89245187		450				
Asset Management	-	PC002003005_00053	New			-	Furniture and Office Equipment		istrative or Head Office (Including Satellite O	-	-						
Community Halls and Facilities	itdoor Facilities:Upgrade of Sportgroun	2002001002002002_(	Renewal	competitive and responsive economic infrastruc	Growth	programmes and reduce services a	Sport and Recreation Facilities	Outdoor Facilities	Ward 5	30.28454455	-29.89245187		200	(0)			
Community Halls and Facilities	itdoor Facilities:SPORT FACILITY WARD	02003002002002_00	New	ient, effective and development-oriented public	Growth	ASSETS THUS ENSURING ITS SUS	Sport and Recreation Facilities	Outdoor Facilities	Ward 4	30.28454455	-29.89245187		200	(0)			
Community Halls and Facilities	and Office Equipment:Chairs - Commun	PC002003005_00063	New	ient, effective and development-oriented public	Growth	ASSETS THUS ENSURING ITS SUS	Furniture and Office Equipment		Ward 1	30.28454455	-29.89245187		200	200			
Community Halls and Facilities	Transport Assets:DC99DGZN	PC002003010_00029	New	ve, accountable, effective and efficient local gov	Governance	programmes and reduce services a	Transport Assets		Whole of the Municipality	30.28454455	-29.89245187			681			
Community Halls and Facilities	Transport Assets:DC99FKZN	PC002003010_00039	New	ve, accountable, effective and efficient local gov	Governance	programmes and reduce services a	Transport Assets		Whole of the Municipality	30.28454455	-29.89245187			681			
Community Halls and Facilities	Transport Assets:DD07VBZN	PC002003010_00041	New	ve, accountable, effective and efficient local gov	Governance	programmes and reduce services a	Transport Assets		Whole of the Municipality	30.28454455	-29.89245187			681			
Corporate Wide Strategic Planning (IDP	ture and Office Equipment:AIRCONDITI	PC002003005_00035	New	ient, effective and development-oriented public	Growth	the lives of the poor thus alieviati	Furniture and Office Equipment		ad Office (Including Satellite Offices),Whole	30.28454455	-29.89245187	18					
Disaster Management	-	PC002003005_00044	New			-	Furniture and Office Equipment		istrative or Head Office (Including Satellite O	-	-						
Disaster Management	Transport Assets:DC99DVZN	PC002003010_00035	New	ve, accountable, effective and efficient local gov	Governance	programmes and reduce services a	Transport Assets		Whole of the Municipality	30.28454455	-29.89245187			895			
Economic Development/Planning	s:Rehabilitation of Nelson Street SMME	2002002002001018_(	Upgrading	competitive and responsive economic infrastruc	Inclusion and access	programmes and reduce services a	Community Facilities	Stalls	Whole of the Municipality	0	0	2,216					
Finance	ipal Offices:TIME AND ATTENDANCE MA	02003003001001_00	New	ient, effective and development-oriented public	Governance	ASSETS THUS ENSURING ITS SUS	Operational Buildings	Municipal Offices	istrative or Head Office (Including Satellite O	30.28454455	-29.89245187		350	(0)			
Finance	-	PC002003004_00010	New			-	Computer Equipment		istrative or Head Office (Including Satellite O	-	-						
Finance	Computer Equipment:UPS	PC002003004_00027	New	ve, accountable, effective and efficient local gov	Governance	programmes and reduce services a	Computer Equipment		istrative or Head Office (Including Satellite O	30.28454455	-29.89245187			47			
Finance	Computer Equipment:Server Finance	PC002003004_00028	New	competitive and responsive economic infrastruc	Growth	programmes and reduce services a	Computer Equipment		istrative or Head Office (Including Satellite O	30.28454455	-29.89245187	708					
Finance	Equipment:Municipality Laptop capacitat	PC002003004_00031	New	ient, effective and development-oriented public	Growth	the lives of the poor thus alieviati	Computer Equipment		istrative or Head Office (Including Satellite O	30.28454455	-29.89245187		600	443			
Finance	ture and Office Equipment:Telephone sy	PC002003005_00066	New	ient, effective and development-oriented public	Inclusion and access	ASSETS THUS ENSURING ITS SUS	Furniture and Office Equipment		istrative or Head Office (Including Satellite O	30.28454455	-29.89245187			643			
Finance	achinery and Equipment:Assets scanne	PC002003009_00045	New	competitive and responsive economic infrastruc	Growth	programmes and reduce services a	Machinery and Equipment		istrative or Head Office (Including Satellite O	30.28454455	-29.89245187	42					
Finance	Machinery and Equipment:Inverter	PC002003009_00046	New	ient, effective and development-oriented public	Growth	GRAMMES AND REDUCE SERVICE	Machinery and Equipment		Whole of the Municipality	30.28454455	-29.89245187	149					
Finance	Transport Assets:DC99GMZN	PC002003010_00036	New	ve, accountable, effective and efficient local gov	Governance	programmes and reduce services a	Transport Assets		Whole of the Municipality	30.28454455	-29.89245187			902			
Libraries and Archives	-	2002002002001010_(	Upgrading			-	Community Facilities	Libraries	Ward 1	-	-						
Libraries and Archives	Libraries:Library (DSAC) Donated Assets	02003002001010_00	New	ve, accountable, effective and efficient local gov	Governance	programmes and reduce services a	Community Facilities	Libraries	Ward 1,Ward 2,...	30.28454455	-29.89245187			0			
Libraries and Archives	Computer Equipment:DESKTOPS	PC002003004_00002	New	ient, effective and development-oriented public	Growth	the lives of the poor thus alieviati	Computer Equipment		Whole of the Municipality	0	0						
Libraries and Archives	Furniture and Office Equipment:DESKS	PC002003005_00038	New	ient, effective and development-oriented public	Growth	the lives of the poor thus alieviati	Furniture and Office Equipment		Ward 1	30.28454455	-29.89245187			158			
Libraries and Archives	-	PC002003005_00062	New			-	Furniture and Office Equipment		Whole of the Municipality	-	-						
Libraries and Archives	nd Office Equipment:Leased Assets - Ph	PC002003005_00065	New	ient, effective and development-oriented public	Inclusion and access	ASSETS THUS ENSURING ITS SUS	Furniture and Office Equipment		Whole of the Municipality	30.28454455	-29.89245187			1,652			
Libraries and Archives	achinery and Equipment:RFID Librarie	PC002003009_00041	New	competitive and responsive economic infrastruc	Inclusion and access	programmes and reduce services a	Machinery and Equipment		Whole of the Municipality	0	0	38					
Mayor and Council	Furniture and Office Equipment:Council	PC002003005_00007	New	competitive and responsive economic infrastruc	Inclusion and access	programmes and reduce services a	Furniture and Office Equipment		Whole of the Municipality	0	0	459					
Mayor and Council	-	PC002003010_00005	New			-	Transport Assets		Whole of the Municipality	-	-						
Mayor and Council	Transport Assets:VEHICLE DEPUTY	PC002003010_00007	New	ient, effective and development-oriented public	Growth	programmes and reduce services a	Transport Assets		Whole of the Municipality	0	0						
Municipal Manager, Town Secretary and	Computer Equipment:PRINTER	PC002003004_00003	New	Improved coverage of social protection	Growth	BASIC SERVICES TO THE DISADV	Computer Equipment		Whole of the Municipality	30.28454455	-29.89245187				50	52	53
Municipal Manager, Town Secretary and	Computer Equipment:Projector	PC002003004_00019	New	Digital transformation across the state	Growth	the lives of the poor thus alieviati	Computer Equipment		Whole of the Municipality	30.28454455	-29.89245187	55			10	10	11
Municipal Manager, Town Secretary and	rniture and Office Equipment:SHREDDE	PC002003005_00020	New	Social cohesion and nation-building	Growth	ASSETS THUS ENSURING ITS SUS	Furniture and Office Equipment		Whole of the Municipality	30.28454455	-29.89245187				15	15	16
Municipal Manager, Town Secretary and	Furniture and Office Equipment:CHAIRS	PC002003005_00036	New	ned, integrated, and modernised criminal justice	Growth	ASSETS THUS ENSURING ITS SUS	Furniture and Office Equipment		ad Office (Including Satellite Offices),Whole	30.28454455	-29.89245187	10	150	109	100	103	107
Municipal Manager, Town Secretary and	ure and Office Equipment:Lamination M	PC002003005_00058	New	Effective border security	Growth	programmes and reduce services a	Furniture and Office Equipment		istrative or Head Office (Including Satellite O	30.28454455	-29.89245187	8			7	7	7
Municipal Manager, Town Secretary and	-	PC002003005_00060	New			-	Furniture and Office Equipment		Whole of the Municipality	-	-						
Municipal Manager, Town Secretary and	Transport Assets:DC99RZZN	PC002003010_00032	New	ve, accountable, effective and efficient local gov	Governance	programmes and reduce services a	Transport Assets		Whole of the Municipality	30.28454455	-29.89245187			764			
Municipal Manager, Town Secretary and	Transport Assets:DC99RTZN	PC002003010_00033	New	ve, accountable, effective and efficient local gov	Governance	programmes and reduce services a	Transport Assets		Whole of the Municipality	30.28454455	-29.89245187			902			
Municipal Manager, Town Secretary and	Transport Assets:DD60RRZN	PC002003010_00040	New	ve, accountable, effective and efficient local gov	Governance	programmes and reduce services a	Transport Assets		Whole of the Municipality	30.28454455	-29.89245187			681			
Regional Planning and Development	Stalls:Electrification Stalls	02003002001018_00	New	ortive and sustainable economic policy environ	Growth	programmes and reduce services a	Community Facilities	Stalls	Whole of the Municipality	30.28454455	-29.89245187				250	258	267
Regional Planning and Development	Stalls:Water Meters Stalls	02003002001018_00	New	ortive and sustainable economic policy environ	Growth	programmes and reduce services a	Community Facilities	Stalls	Whole of the Municipality	30.28454455	-29.89245187				45	46	48
Regional Planning and Development	nicipal Offices:LED SHELTER OR CARP	02003003001001_00	New	competitive and responsive economic infrastruc	Growth	programmes and reduce services a	Operational Buildings	Municipal Offices	Ward 1	30.28454455	-29.89245187		70	87			
Regional Planning and Development	urniture and Office Equipment:furniture	PC002003005_00055	New	ned, integrated, and modernised criminal justice	Growth	the lives of the poor thus alieviati	Furniture and Office Equipment		ad Office (Including Satellite Offices),Whole	30.28454455	-29.89245187	126	61	256	86	89	92
Road and Traffic Regulation	Testing Stations:ARMOUR	02003002001006_00	New	ient, effective and development-oriented public	Spatial integration	ASSETS THUS ENSURING ITS SUS	Community Facilities	Testing Stations	Ward 2	30.28454455	-29.89245187		250	0			
Road and Traffic Regulation	-	PC002003005_00061	New			-	Furniture and Office Equipment		Whole of the Municipality	-	-						
Road and Traffic Regulation	ware and Applications:Computer Softwa	02003007002004_00	New	Increased employment and work opportunities	Growth	the lives of the poor thus alieviati	Licences and Rights	Computer Software and Applications	ad Office (Including Satellite Offices),Whole	30.28454455	-29.89245187				16	17	17
Road and Traffic Regulation	Machinery and Equipment:FIRE ARMS	PC002003009_00001	New	ient, effective and development-oriented public	Growth	programmes and reduce services a	Machinery and Equipment		Whole of the Municipality	30.28454455	-29.89245187	97					
Road and Traffic Regulation	inery and Equipment:ALCOHOL SCREE	PC002003009_00011	New	Digital transformation across the state	Growth	ASSETS THUS ENSURING ITS SUS	Machinery and Equipment		Whole of the Municipality	30.28454455	-29.89245187				18	19	19
Road and Traffic Regulation	-	PC002003009_00038	New			-	Machinery and Equipment		istrative or Head Office (Including Satellite O	-	-						
Road and Traffic Regulation	Machinery and Equipment: Binoculars	PC002003009_00048	New	Effective border security	Growth	programmes and reduce services a	Machinery and Equipment		Whole of the Municipality	30.28454455	-29.89245187				6	6	6
Road and Traffic Regulation	d Equipment:Traffic Robots for Educatio	PC002003009_00056	New	ortive and sustainable economic policy environ	Growth	programmes and reduce services a	Machinery and Equipment		Whole of the Municipality	30.28454455	-29.89245187				12	12	13
Road and Traffic Regulation	Transport Assets:DD07KYZN	PC002003010_00042	New	ve, accountable, effective and efficient local gov	Governance	programmes and reduce services a	Transport Assets		Whole of the Municipality	30.28454455	-29.89245187			1,446			
Road and Traffic Regulation	Transport Assets:DD12KFZN	PC002003010_00044	New	ve, accountable, effective and efficient local gov	Governance	programmes and reduce services a	Transport Assets		Whole of the Municipality	30.28454455	-29.89245187			1,721			
Roads	-	01001001006001_00	Renewal			-	Roads Infrastructure	Roads	Ward 1	-	-						
Roads	habilitation of Siyathuthuka Magoda Ro	01001001006001_00	Renewal	competitive and responsive economic infrastruc	Inclusion and access	ASSETS THUS ENSURING ITS SUS	Roads Infrastructure	Roads	Ward 2	0	0						
Roads	ilitation of Siyathuthuka/Magoda Main R	01001001006001_00	Renewal	proved access to affordable and quality healthca	Growth	programmes and reduce services a	Roads Infrastructure	Roads	Ward 2	30.28454455	-29.89245187			770	16,658	4,521	4,666
Roads	-	01001002006001_00	Upgrading			-	Roads Infrastructure	Roads	Ward 1	-	-						
Roads	Roads:upgrade of illovo street	01001002006001_00	Upgrading	stainable rural communities contributing towar	Growth	programmes and reduce services a	Roads Infrastructure	Roads	Ward 1	0	0						
Roads	Roads:Upgrading of Slahla Access road	01001002006001_00	Upgrading	Effective border security	Growth	programmes and reduce services a	Roads Infrastructure	Roads	Ward 2	30.28454455	-29.89245187	3,066	5,057	5,057	4,377	17,208	17,759
Roads	Jpgrade of Khetho and Mjinti Stormwate	01001002007001_00	Upgrading	competitive and responsive economic infrastruc	Inclusion and access	programmes and reduce services a	Storm water Infrastructure	Drainage Collection	Ward 2	30.28454455	-29.89245187	14,736	5,306	5,306			
Roads	-	C001002001008_000	New			-	Electrical Infrastructure	LV Networks	Whole of the Municipality	-	-						
Roads	Roads:MAGODA MAIN ROAD	C001002006001_000	New	competitive and responsive economic infrastruc	Growth	programmes and reduce services a	Roads Infrastructure	Roads	Ward 7	0	0						
Roads	ictures:CONSTRUCTION OF SHETI BOX	C001002006002_000	New	competitive and responsive economic infrastruc	Growth	the lives of the poor thus alieviati	Roads Infrastructure	Road Structures	Ward 2,Whole of the Municipality,...	0	0						
Roads	-	02003002001001_00	New			-	Community Facilities	Halls	Ward 4,Whole of the Municipality,...	-	-						
Roads	icilities:CONSTRUCTION OF SPORT FIEL	02003002002002_00	New	A long and healthy life for all South Africans	Growth	the lives of the poor thus alieviati	Sport and Recreation Facilities	Outdoor Facilities	Ward 7	0	0						
Roads	tdoor Facilities:Ndaleni Ward 7 Sportsfi	02003002002002_00	New	A long and healthy life for all South Africans	Growth	the lives of the poor thus alieviati	Sport and Recreation Facilities	Outdoor Facilities	Ward 7	0	0						
Roads	Computer Equipment:LAPTOPS	PC002003004_00001	New	eaming of gender, youth, and disability empow	Growth	the lives of the poor thus alieviati	Computer Equipment		Whole of the Municipality	30.28454455	-29.89245187	42			45	46	48
Roads	ture and Office Equipment:AIRCONDITI	PC002003005_00018	New	ient, effective and development-oriented public	Growth	programmes and reduce services a	Furniture and Office Equipment		Whole of the Municipality	0	0	42					
Roads	urniture and Office Equipment:PRINTER	PC002003005_00043	New	ient, effective and development-oriented public	Growth	the lives of the poor thus alieviati	Furniture and Office Equipment		Whole of the Municipality	0	0	49					
Roads	Furniture and Office Equipment:Safe	PC002003005_00067	New	ient, effective and development-oriented public	Inclusion and access	ASSETS THUS ENSURING ITS SUS	Furniture and Office Equipment		istrative or Head Office (Including Satellite O	30.28454455	-29.89245187			3			
Roads	Machinery and Equipment:Generator	PC002003009_00006	New	Effective border security	Growth	the lives of the poor thus alieviati	Machinery and Equipment		ad Office (Including Satellite Offices),Whole	30.28454455	-29.89245187				25	26	27
Roads	hinery and Equipment:MECHANICAL TO	PC002003009_00016	New	Digital transformation across the state	Growth	ASSETS THUS ENSURING ITS SUS	Machinery and Equipment		Whole of the Municipality	30.28454455	-29.89245187				60	62	64
Roads	achinery and Equipment:BRUSH CUTTER	PC002003009_00026	New	ned, integrated, and modernised criminal justice	Growth	the lives of the poor thus alieviati	Machinery and Equipment		Whole of the Municipality	30.28454455	-29.89245187	104	180	154	115	119	123
Roads	nery and Equipment:HEAVY DUTY CHAIN	PC002003009_00027	New	l growth of strategic industrial and labour-intens	Growth	ASSETS THUS ENSURING ITS SUS	Machinery and Equipment		Whole of the Municipality	30.28454455	-29.89245187				70	72	75
Roads	-	PC002003009_00040	New			-	Machinery and Equipment		Whole of the Municipality	-	-						
Roads	Machinery and Equipment:Grader	PC002003009_00043	New	competitive and responsive economic infrastruc	Growth	programmes and reduce services a	Machinery and Equipment		Whole of the Municipality	30.28454455	-29.89245187		6,456	2,749			
Roads	Machinery and Equipment:Skip Bins	PC002003009_00044	New	Enhanced peace and security in Africa	Growth	GRAMMES AND REDUCE SERVICE	Machinery and Equipment		Whole of the Municipality	30.28454455	-29.89245187				500	517	533
Roads	achinery and Equipment:Pedestrian Roll	PC002003009_00049	New	Effective border security	Growth	programmes and reduce services a	Machinery and Equipment		Whole of the Municipality	30.28454455	-29.89245187				200	207	213
Roads	Machinery and Equipment:Pruner	PC002003009_00050	New	Effective border security	Growth	programmes and reduce services a	Machinery and Equipment		Whole of the Municipality	30.28454455	-29.89245187				50	52	53
Roads	Machinery and Equipment:Blower	PC002003009_00051	New	Effective border security	Growth	programmes and reduce services a	Machinery and Equipment		Whole of the Municipality	30.28454455	-29.89245187				15	15	16
Roads	Machinery and Equipment:Trailer	PC002003009_00052	New	Effective border security	Growth	programmes and reduce services a	Machinery and Equipment		Whole of the Municipality	30.28454455	-29.89245187				60	62	64
Roads	lachinery and Equipment:Air Compresso	PC002003009_00053	New	Effective border security	Growth	programmes and reduce services a	Machinery and Equipment		Whole of the Municipality	30.28454455	-29.89245187				10	10	11
Roads	chinery and Equipment:Diagnostic Mach	PC002003009_00054	New	Effective border security	Growth	programmes and reduce services a	Machinery and Equipment		Whole of the Municipality	30.28454455	-29.89245187				40	41	43
Roads	achinery and Equipment:Industrial Ladd	PC002003009_00055	New	Effective border security	Growth	programmes and reduce services a	Machinery and Equipment		Whole of the Municipality	30.28454455	-29.89245187				20	21	21
Roads	Transport Assets:Excavator	PC002003010_00024	New	ient, effective and development-oriented public	Governance	ASSETS THUS ENSURING ITS SUS	Transport Assets		Whole of the Municipality	30.28454455	-29.89245187		4,000	1,787			
Roads	Transport Assets:DC99WBZN	PC002003010_00038	New	ve, accountable, effective and efficient local gov	Governance	programmes and reduce services a	Transport Assets		Whole of the Municipality	30.28454455	-29.89245187			681			
Roads	Transport Assets:DD12HYZN	PC002003010_00043	New	ve, accountable, effective and efficient local gov	Governance	programmes and reduce services a	Transport Assets		Whole of the Municipality	30.28454455	-29.89245187			1,637			
Roads	ransport Assets:Refuse Compactor Truc	PC002003010_00045	New	ve, accountable, effective and efficient local gov	Governance	programmes and reduce services a	Transport Assets		Whole of the Municipality	30.28454455	-29.89245187			3,745			
Roads	Transport Assets:TLB Roads	PC002003010_00047	New	Effective border security	Growth	programmes and reduce services a	Transport Assets		Whole of the Municipality	30.28454455	-29.89245187				1,500	1,550	1,599
Security Services	Transport Assets:DC99TBZN	PC002003010_00031	New	ve, accountable, effective and efficient local gov	Governance	programmes and reduce services a	Transport Assets		Whole of the Municipality	30.28454455	-29.89245187			1,729			
Solid Waste Disposal (Landfill Sites)	-	C001002002001_000	New			-	Solid Waste Infrastructure	Landfill Sites	Ward 1	-	-	2,515					
Solid Waste Removal	Transport Assets:DC99GHZN	PC002003010_00037	New	ve, accountable, effective and efficient local gov	Governance	programmes and reduce services a	Transport Assets		Whole of the Municipality	30.28454455	-29.89245187			684			
Sports Grounds and Stadiums	Transport Assets:DC99VLZN	PC002003010_00030	New	ve, accountable, effective and efficient local gov	Governance	programmes and reduce services a	Transport Assets		Whole of the Municipality	30.28454455	-29.89245187			681			
Town Planning, Building Regulations an	mputer Equipment:Laptop Town Planni	PC002003004_00009	New	ient, effective and development-oriented public	Growth	the lives of the poor thus alieviati	Computer Equipment		Whole of the Municipality	0	0	24					
ture												24,620	23,780	37,935	24,360	25,164	25,969

2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. **In year reporting**

   Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Richmond's website.

2. **Internship programme**

   The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Budget and Treasury Office. Since the introduction of the Internship programme the municipality has successfully employed and trained 15 interns through this programme.

3. **Budget and Treasury Office**

   The Budget and Treasury Office has been established in accordance with the MFMA.

4. **Audit Committee**

   An Audit Committee has been established and is fully functional.

5. **Service Delivery and Implementation Plan**

   The detail SDBIP document is at a final stage and will be finalized after approval of the 2023/24 MTREF in May 2023 directly aligned and informed by the 2026/27 MTREF.

6. **Annual Report**

   Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. **MFMA Training**

The MFMA training module in electronic format is presented at the Richmond's internal centre and training is ongoing.

8. Policies

All financial policies are reviewed and adopted annually as part of the budget process

2.14 Other supporting documents

Table 48 MBRR Table SA1 - Supporting detail to budgeted financial performance

KZN227 Richmond - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
REVENUE ITEMS:											
Exchange revenue											
Service charges - Electricity	6										
Appliance Maintenance									–	–	–
Availability Charges									–	–	–
Connection/Reconnection									–	–	–
Electricity Distribution Revenue for Services									–	–	–
Electricity Sales									–	–	–
Joint Pole Usage									–	–	–
Meter Compliance Testing									–	–	–
Meter Reading Fees									–	–	–
Notice Revenues									–	–	–
Temporary Service Plant									–	–	–
Total Service charges - Electricity		-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - Electricity		-	-	-	-	-	-	-	-	-	-
Service charges - Water	6										
Agricultural and Rural Water Service									–	–	–
Availability Charges									–	–	–
Connection/Disconnection									–	–	–
Industrial Water									–	–	–
Meter Reading Fees									–	–	–
Sale									–	–	–
Urban Higher Level Service									–	–	–
Total Service charges - Water		-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - Water		-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	6										
Agricultural and Rural									–	–	–
Availability Charges									–	–	–
Connection/Reconnection									–	–	–
Higher Level Service									–	–	–
Industrial Effluent									–	–	–
Industrial Waste Water									–	–	–
Pump/Removal of Waste Water									–	–	–
Sanitation Charges									–	–	–
Treatment of Effluent									–	–	–
Total Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	6										
Availability Charges									–	–	–
Carrier Bags									–	–	–
Disposal Facilities									–	–	–
Refuse Bags									–	–	–
Refuse Removal		1,269	1,341	1,322	1,472	1,481	1,481	988	1,537	1,587	1,638
Skip									–	–	–
Waste Bins									–	–	–
Total refuse removal revenue		1,269	1,341	1,322	1,472	1,481	1,481	988	1,537	1,587	1,638
Less Revenue Foregone (in excess of one removal a week to indigent households)		(303)	(317)	(335)	(346)	(524)	(524)	(350)	(545)	(563)	(581)
Less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - Waste Management		966	1,023	987	1,126	957	957	638	992	1,025	1,058
Sales of Goods and Rendering of Services											
Academic Services									–	–	–
Advertisements									–	–	–
Amendment Fees									–	–	–
Application Fees for Land Usage		11	40	21	44	40	40	23	36	37	39
Building Plan Approval		24	39	93	81	21	21	12	19	19	20
Building Plan Clause Levy									–	–	–
Buyers Card									–	–	–
Camping Fees									–	–	–
Cemetery and Burial		112	126	141	161	106	106	71	110	113	117
Cleaning and Removal		55	72	94	80	109	109	73	114	118	122
Clearance Certificates		8	10	8	10	10	10	7	11	11	11
Computer Services									–	–	–
Day Care Fees									–	–	–
Demolition Application Fees									–	–	–
Development Charges									–	–	–
Domestic Services									–	–	–
Drainage Fees									–	–	–
Encroachment Fees		13	13	14	21	21	21		21	22	22
Entrance Fees									–	–	–
Escort Fees									–	–	–
Exempted Parking									–	–	–
Fire Services									–	–	–
Health Services									–	–	–
Housing (Boarding Services)									–	–	–
Immunisation Fees									–	–	–
Laboratory Services									–	–	–
Legal Fees									–	–	–
Library Fees									–	–	–
Management Fees									–	–	–
Meal and Refreshment									–	–	–
Membership Fees									–	–	–
Objections and Appeals									–	–	–
Occupation Certificates									–	–	–
Parking Fees									–	–	–
Photo copies, Faxes and Telephone charges		1	2	5	3	4	4	3	4	4	4
Removal of Restrictions			1	14	23	23	23		–	–	–
Sale of Carbon Credits									–	–	–
Sale of Goods		102	90	111	101	70	70	35	54	56	58
Scrap, Waste & Other Goods									–	–	–
Shared Services									–	–	–
Squatter Re-allocation									–	–	–
Stone and Gravel									–	–	–
Streets/Street Markets (Informal Traders)									–	–	–
Town Planning and Servitudes									–	–	–
Traffic Control									–	–	–
Transport Fees									–	–	–
Valuation Services		1		2	2	2	2	1	1	1	1
Water Meter Protectors									–	–	–
Weighbridge Fees									–	–	–
Total Sales of Goods and Rendering of Services		326	395	503	524	405	405	224	370	382	394
Agency Services											

able 49 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

KZN227 Richmond - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	###	Vote 1 - Executive And Council	Vote 2 - Finance and administration	Vote 3 - Housing	Vote 4 - Community and Social Services	Vote 5 - Internal Audit	Vote 6 - Planning and Development	Vote 7 - Road Transport	Vote 8 - Sport and Recreation	Vote 9 - Waste Management	Vote 10 - Waste Water Management	Vote 11 -	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 -	Total
R thousand	1																
Revenue		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Exchange Revenue																	
Service charges - Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management		–	–	–	–	–	–	–	–	992	–	–	–	–	–	–	992
Sale of Goods and Rendering of Services		–	61	–	15	–	31	–	–	114	–	–	–	–	–	–	221
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		–	182	–	–	–	–	–	–	378	–	–	–	–	–	–	560
Interest earned from Current and Non Current Assets		–	3,745	–	–	–	–	–	–	–	–	–	–	–	–	–	3,745
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		–	973	–	188	–	135	–	–	–	–	–	–	–	–	–	1,296
Licence and permits		–	–	–	–	–	–	26	–	–	–	–	–	–	–	–	26
Special rating levies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Construction Contract Revenue		–	–	–	–	–	–	1,632	–	–	–	–	–	–	–	–	1,632
Development Charges		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	383	–	–	–	–	493	–	–	–	–	–	–	–	–	876
Non-Exchange Revenue																	
Property rates		–	32,020	–	–	–	–	–	–	–	–	–	–	–	–	–	32,020
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	–	–	–	–	1	–	–	–	–	–	–	–	–	1
Licences or permits		–	–	–	–	–	–	3,912	–	–	–	–	–	–	–	–	3,912
Transfer and subsidies - Operational		–	95,840	–	5,186	–	1,107	–	–	3,451	–	–	–	–	–	–	105,584
Interest		–	3,118	–	–	–	–	–	–	–	–	–	–	–	–	–	3,118
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributi		**–**	**136,323**	**–**	**5,389**	**–**	**1,273**	**6,064**	**–**	**4,935**	**–**	**–**	**–**	**–**	**–**	**–**	**153,985**
Expenditure																	
Employee related costs		6,316	26,563	557	13,041	1,810	1,187	20,423	3,494	2,967	517	–	–	–	–	–	76,875
Remuneration of councillors		7,932	–	–	–	–	–	–	–	–	–	–	–	–	–	–	7,932
Bulk purchases - electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Inventory consumed		115	415	–	1,500	–	–	2,032	80	305	–	–	–	–	–	–	4,447
Debt impairment		–	3,412	–	–	–	–	–	–	56	–	–	–	–	–	–	3,468
Depreciation, amortisation and impairment		837	1,236	0	1,201	4	90	12,175	476	488	–	–	–	–	–	–	16,508
Interest, Dividends and Rent on Land		642	231	–	110	–	–	477	96	97	–	–	–	–	–	–	1,653
Contracted services		2,299	8,586	–	8,189	300	504	8,706	272	3,424	–	–	–	–	–	–	32,282
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Irrecoverable debts written off		–	250	–	–	–	–	–	–	–	–	–	–	–	–	–	250
Operational costs		5,340	7,583	46	1,769	97	12	3,511	445	265	7	–	–	–	–	–	19,073
Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**23,482**	**48,276**	**603**	**25,810**	**2,211**	**1,794**	**47,323**	**4,862**	**7,602**	**524**	**–**	**–**	**–**	**–**	**–**	**162,487**
Surplus/(Deficit)		**(23,482)**	**88,047**	**(603)**	**(20,421)**	**(2,211)**	**(521)**	**(41,259)**	**(4,862)**	**(2,667)**	**(524)**	**–**	**–**	**–**	**–**	**–**	**(8,502)**
Transfers and subsidies - capital (monetary allocations)		–	–	–	–	–	21,035	–	–	–	–	–	–	–	–	–	21,035
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers &		**(23,482)**	**88,047**	**(603)**	**(20,421)**	**(2,211)**	**20,514**	**(41,259)**	**(4,862)**	**(2,667)**	**(524)**	**–**	**–**	**–**	**–**	**–**	**12,533**

References

1. Departmental columns to be based on municipal organisation structure

-13,797,522

Table 50 MBRR Table SA3 – Supporting detail to Statement of Financial Position

KZN227 Richmond - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current Assets											
Cash and Cash Equivalents											
Call Deposits and Investments		11,366	6,092	14,670	9,827	17,825	17,825	18,633	17,825	17,825	17,825
Cash at Bank		7,376	5,779	5,960	12,834	11,898	11,898	(5,358)	6,172	3,652	6,004
Cash on Hand		–	–	–	–	–	–	–	–	–	–
Total Cash and Cash Equivalents		18,742	11,871	20,630	22,661	29,722	29,722	13,275	23,997	21,476	23,828
Short term Investments											
Deposit Taking Institutions		–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions											
Electricity		–	–	–	–	–	–	–	–	–	–
Waste Management		3,343	3,656	4,118	3,672	3,585	3,585	4,518	4,955	5,000	5,045
Waste Water Management		–	–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–	–
Other trade receivables from exchange transactions		1,870	4,500	2,559	2,121	2,783	2,783	2,508	1,210	1,223	1,236
VAT Receivable Input Tax Accrual		(15,001)	(15,187)	(15,157)	1,676	(15,157)	(15,157)	(14,128)	–	–	–
Gross: Trade and other receivables from exchange transactions		(9,788)	(7,031)	(8,480)	7,470	(8,790)	(8,790)	(7,101)	6,165	6,223	6,281
Less: Impairment for debt											
Impairment for Electricity		–	–	–	–	–	–	–	–	–	–
Impairment for Waste Management		(3,073)	(3,528)	(3,997)	(4,041)	(4,053)	(4,053)	(4,024)	(609)	(611)	(613)
Impairment for Waste Water Management		–	–	–	–	–	–	–	–	–	–
Impairment for Water		–	–	–	–	–	–	–	–	–	–
Impairment for other trade receivalbes from exchange transactions		(1,486)	(1,767)	(2,022)	(1,607)	(2,074)	(2,074)	(2,047)	(2,127)	(2,129)	(2,130)
Total Less: Impairment for debt		(4,559)	(5,295)	(6,018)	(5,647)	(6,127)	(6,127)	(6,070)	(2,736)	(2,740)	(2,744)
Total net Trade and other receivables from Exchange Transactions		(14,347)	(12,326)	(14,498)	1,822	(14,917)	(14,917)	(13,171)	3,428	3,483	3,538
Receivables from non-exchange transactions											
Property rates											
Agricultural Properties		7,425	6,979	7,710	7,300	8,710	8,710	9,213	9,342	9,363	9,384
Business and Commercial Properties		3,712	3,177	4,582	3,323	1,582	1,582	5,743	1,946	1,958	1,970
Industrial Properties		955	(263)	2,149	1,452	2,149	2,149	2,670	2,336	2,342	2,349
Mining Properties		–	–	–	–	–	–	–	–	–	–
Public Benefit Organisations		–	–	–	–	–	–	–	–	–	–
Public Service Infrastructure Properties		11,897	12,960	13,005	13,556	14,005	14,005	15,438	14,005	14,005	14,005
Public Service Purposes Properties		(434)	1	–	1	1,000	1,000	3,990	2,562	2,613	2,665
Residential Properties		(7,588)	17,941	16,676	21,964	19,714	19,714	18,234	18,790	18,759	18,729
Residential Sectional Title Garages		–	–	–	–	–	–	–	–	–	–
Sports Clubs and Fields		–	–	–	–	–	–	–	–	–	–
Vacant Land		4,704	2,886	3,338	3,018	3,338	3,338	3,838	3,655	3,659	3,664
Property Rates General		–	–	–	–	–	–	–	–	–	–
Gross: Property rates		20,672	43,681	47,460	50,615	50,498	50,498	59,126	52,635	52,700	52,765
Less: Impairment of Property rates		(18,120)	(42,487)	(44,839)	(48,800)	(49,198)	(49,198)	(46,909)	(52,557)	(52,668)	(52,779)
Net Property rates		2,552	1,194	2,621	1,815	1,300	1,300	12,216	79	32	(14)
Other receivables from non-exchange transactions		5,064	4,630	4,900	5,295	4,900	4,900	4,900	3,034	2,972	2,911
Less:Impairment for other receivables from non-exchange transactions		(1,734)	(923)	(923)	(965)	(923)	(923)	(923)	(923)	(923)	(923)
Net other receivables from non-exchange transactions		3,330	3,707	3,978	4,330	3,978	3,978	3,978	2,111	2,050	1,988
Total net Receivables from non-exchange transactions		5,882	4,901	6,599	6,145	5,278	5,278	16,194	2,190	2,082	1,974
Current Portion of Non-current Receivables											
Associates		–	–	–	–	–	–	–	–	–	–
Bursary Obligations		–	–	–	–	–	–	–	–	–	–
Car		–	–	–	–	–	–	–	–	–	–
Computer and Electronic Equipment		–	–	–	–	–	–	–	–	–	–
Employee Benefits		–	–	–	–	–	–	–	–	–	–
Finance Lease Receivable		–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Housing Land Sales		–	–	–	–	–	–	–	–	–	–
Housing Selling Schemes		–	–	–	–	–	–	–	–	–	–
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Joint Ventures		–	–	–	–	–	–	–	–	–	–
Operating Lease		–	–	–	–	–	–	–	–	–	–
Public Organisation		–	–	–	–	–	–	–	–	–	–
Sporting and Other Bodies		–	–	–	–	–	–	–	–	–	–
Staff Loans/Recoveries		–	–	–	–	–	–	–	–	–	–
Subsidiaries		–	–	–	–	–	–	–	–	–	–
Total Current Portion of Non-current Receivables		-	-	-	-	-	-	-	-	-	-
Inventory											
Agricultural		–	–	–	–	–	–	–	–	–	–
Consumables		0	(0)	(0)	–	–	–	0	0	–	–
Finished Goods		–	–	–	–	–	–	–	–	–	–
Housing Stock		–	–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–	–
Materials and Supplies		(0)	(0)	0	–	–	–	0	–	–	–
Water		–	–	–	–	–	–	–	–	–	–
Work-in-progress		–	–	–	–	–	–	–	–	–	–
Total Inventory		(0)	(0)	0	-	-	-	0	0	-	-
VAT Receivable											
Input Tax Capital		7,463	7,463	7,463	(5,019)	2,444	2,444	7,501	–	–	–
Input Tax General		9,453	9,407	9,455	5,019	14,474	14,474	10,030	–	–	–
VAT Control (Receivable)		4,271	4,069	1,816	1,769	4,258	4,258	3,190	–	–	–
Total VAT Receivable		21,186	20,938	18,734	1,769	21,176	21,176	20,722	-	-	-
Other current assets											
Construction Contracts and Receivables		–	–	–	–	–	–	–	–	–	–
Control, Clearing and Interface Accounts		0	–	–	–	–	–	–	–	–	–
Deposits		–	60	787	–	787	787	787	787	787	787
Fair Value Adjustments		–	–	–	–	–	–	–	–	–	–
Income Tax Receivable		–	–	–	–	–	–	–	–	–	–
Operating Lease - Straight Lining		–	–	–	–	–	–	–	–	–	–
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Total Other current assets		0	60	787	-	787	787	787	787	787	787
Total Current Assets		31,463	25,444	32,251	32,397	42,045	42,045	37,806	30,402	27,828	30,127
Non-current Assets											
Investments											
Bank Repurchase Agreements		–	–	–	–	–	–	–	–	–	–
Bankers Acceptance Certificate		–	–	–	–	–	–	–	–	–	–
Deposit Taking Institutions		–	–	–	–	–	–	–	–	–	–
Derivative Financial Assets		–	–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (Sinking)		–	–	–	–	–	–	–	–	–	–
Interest Rate Swaps		–	–	–	–	–	–	–	–	–	–
Listed/Unlisted Bonds and Stocks		0	0	0	0	0	0	0	0	0	0
Municipal Bonds		–	–	–	–	–	–	–	–	–	–
National Government Securities		–	–	–	–	–	–	–	–	–	–
Negotiable Certificate of Deposits		–	–	–	–	–	–	–	–	–	–
Unamortised Debt Expense		–	–	–	–	–	–	–	–	–	–
Unamortised Preference Share Expense		–	–	–	–	–	–	–	–	–	–
Total Investments		0	0	0	0	0	0	0	0	0	0
Investment Property											
Investment Property at Cost / Fair Value		1,186	1,186	1,186	1,240	1,186	1,186	1,186	1,186	1,186	1,186
Less: Accumulated Depreciation		–	–	–	–	–	–	–	–	–	–
Less: Accumulated Impairment		–	–	–	–	–	–	–	–	–	–

Table 51 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

KZN227 Richmond - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2022/23	2023/24	2024/25	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population		Community Survey - Stats SA 2016				65793	65793	71547	71547	71547	71547	71547
Females aged 5 - 14		Community Survey - Stats SA 2016				6803	6803	47118	47118	47118	47118	47118
Males aged 5 - 14		Community Survey - Stats SA 2016				7233	7233	12093	12093	12093	12093	12093
Females aged 15 - 34		Community Survey - Stats SA 2016				11969	11969	12093	12093	12093	12093	12093
Males aged 15 - 34		Community Survey - Stats SA 2016				12326	12326	12336	12336	12336	12336	12336
Unemployment		Community Survey - Stats SA 2016										
Monthly household income (no. of households)	1, 12											
No income		Community Survey - Stats SA 2016				24,612	24,612	24,612	24,612	24,612	24,612	24,612
R1 - R1 600		Community Survey - Stats SA 2016				28,132	28,132	28,132	28,132	28,132	28,132	28,132
R1 601 - R3 200		Community Survey - Stats SA 2016				2,732	2,732	2,732	2,732	2,732	2,732	2,732
R3 201 - R6 400		Community Survey - Stats SA 2016				999	999	999	999	999	999	999
R6 401 - R12 800		Community Survey - Stats SA 2016				859	859	859	859	859	859	859
R12 801 - R25 600		Community Survey - Stats SA 2016				591	591	591	591	591	591	591
R25 601 - R51 200		Community Survey - Stats SA 2016				230	230	230	230	230	230	230
R52 201 - R102 400		Community Survey - Stats SA 2016				36	36	36	36	36	36	36
R102 401 - R204 800		Community Survey - Stats SA 2016				21	21	21	21	21	21	21
R204 801 - R409 600		Community Survey - Stats SA 2016										
R409 601 - R819 200		Community Survey - Stats SA 2016										
> R819 200		Community Survey - Stats SA 2016										
Poverty profiles (no. of households)												
< R2 060 per household per month	13	Community Survey - Stats SA 2016							29334.27	29334.27	29334.27	29334.27
Insert description	2	Community Survey - Stats SA 2016										
Household/demographics (000)												
Number of people in municipal area		Community Survey - Stats SA 2016							72	72	72	72
Number of poor people in municipal area		Community Survey - Stats SA 2016							55	55	55	55
Number of households in municipal area		Community Survey - Stats SA 2016							18	18	18	18
Number of poor households in municipal area		Community Survey - Stats SA 2016							14	14	14	14
Definition of poor household (R per month)		Community Survey - Stats SA 2016							2 STATE PENSI	2 STATE PENSI	2 STATE PENSI	2 STATE PENS
Housing statistics	3											
Formal		Community Survey - Stats SA 2016							12,236	12,236	12,236	12,236
Informal		Community Survey - Stats SA 2016							5,389	5,389	5,389	5,389
Total number of households			-	-	-	-	-	-	17,625	17,625	17,625	17,625
Dwellings provided by municipality	4	Community Survey - Stats SA 2016							1,000	1,000	1,000	1,000
Dwellings provided by province/s		Community Survey - Stats SA 2016							-	-	-	-
Dwellings provided by private sector	5	Community Survey - Stats SA 2016							16,624	16,624	16,624	16,624
Total new housing dwellings			-	-	-	-	-	-	17,624	17,624	17,624	17,624
Economic	6											
Inflation/inflation outlook (CPIX)									6.5%	5.2%	5.5%	5.5%
Interest rate - borrowing									9.5%	9.5%	9.5%	9.5%
Interest rate - investment									7.9%	7.0%	7.0%	7.0%
Remuneration increases									7.5%	6.0%	5.0%	6.0%
Consumption growth (electricity)									15.0%	14.3%	14.0%	14.0%
Consumption growth (water)									15.0%	28.0%	15.0%	14.0%
Collection rates	7											
Property tax/service charges									80.0%	90.0%	80.0%	80.0%
Rental of facilities & equipment									100.0%	100.0%	100.0%	100.0%
Interest - external investments									7.7%	7.7%	7.7%	7.7%
Interest - debtors									1.3%	1.3%	1.3%	1.3%
Revenue from agency services									100.0%	100.0%	100.0%	100.0%

Table 52 MBRR SA32 – List of external mechanisms

KZN227 Richmond - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
	Yrs				
MILLS FITCHET NATAL 19/20	6.083	0000000046	General Valuation And Preperation Of Valuation Roll For Ir	2027/06/30	279
AFRIRENT	3	0000000140	Supply And Install Car Tracking Device For Municipal Veh	2027/02/08	58
PRO SECURE	2.583	0000000145	Provision Of Security Services To Various Richmond Muni	2027/06/30	15,747
Imvokoqa Solutions	3	0000000160	Development Maintenance And Hosting Of A Website And	2027/12/11	200
THOKOMELA TRADING PTY LTD	3	0000000162	Assessment And Maintanance Of Street Light	2028/04/02	496
SURG SUT	3	0000000164	Appointment Of Service Provider For Landfill Site Manager	2028/04/24	3,604
LATERAL UNISON	3	0000000166	Provision Of Short Term Insurance For A Period Of 36 Mo	2028/05/19	724
Imvokoqa Solutions	3	0000000169	Information Communication Technology Managed Services	2028/08/01	295
MNDAWEGOLI	1	0000000175	Renewal Of Municipal Vehicles Licence Discs And Provide	2026/08/11	–
NJAJA	5.083	0000000180	Provision Of An Ip Based Telephone Management System	2030/09/30	876
MUNSOFT	3	0000000182	Provision Of Software Licence And Computer Applications	2027/06/30	4,783

2.15 Municipal manager's quality certificate

I BE Mswane, municipal manager of Richmond, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.