

# In- year monitoring for EC106: Sundays River Valley Municipality

Prepared in terms of the Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 May 2009

# Section 71 Monthly Budget Statement for period ending 28 February 2025



Sundays River Valley

**Municipality** 

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MARIENA

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#### 1. LEGAL CONTEXT

The Municipal Budget and Reporting Regulations (MBRR) are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium-term planning and policy choices on service delivery.

This report has been prepared in terms of the following legislative framework:

- The Municipal Finance Management Act No. 56 of 2003, Section 71,
- and The Municipal Budget and Reporting Regulations

The MBRR highlights the format of the monthly budget statements. The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

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

#### 1.1 MONTHLY BUDGET STATEMENT

Section 71 of the Municipal Finance Management Act determines that:

- "(1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:
  - (a) Actual revenue, per revenue source;
  - (b) actual borrowings;
  - (c) actual expenditure, per vote;
  - (d) actual capital expenditure, per vote;
  - (e) the amount of any allocations received;
  - (f) actual expenditure on those allocations, excluding expenditure on
    - (i) its share of the local government equitable share

- (ii) and allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g) when necessary, an explanation of
  - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
  - (ii) any material variances from the municipality's projected revenue by source any material variances from the service delivery and budget implementation plan; and
  - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.
- (2) The statement must include—
  - (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and
  - (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87 (10)
- (3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.
- (4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.
- (5) The accounting officer of a municipality which has received an allocation referred to in subsection (1) (e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1) (e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.
- (6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.
- (7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality

and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter".

#### 1.2 RESPONSIBILITY OF THE MAYOR

Section 54 of the MFMA determines that:

- "(1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must—
  - (a) consider the statement or report;
  - (b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
  - (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;
  - (d) issue any appropriate instructions to the accounting officer to ensure—
    - (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
    - (ii) that spending of funds and revenue collection proceed in accordance with the budget;
  - (e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and
  - (f) in the case of a section 72 report, submit the report to the council by 31 January of each year.
- (2) If the municipality faces any serious financial problems, the mayor must—
- (a) Promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include—
  - (i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;
  - (ii) the tabling of an adjustments budget; or
  - (iii)steps in terms of Chapter 13; and
- (b) alert the council and the MEC for local government in the province to those problems.
- (3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly".

#### 2. MAYOR'S REPORT

#### 2.1 IN-YEAR MONTHLY BUDGET STATEMENT REPORT

This report represents the Section 71 MFMA monthly budget statement for the month ending 28 February 2025 and reflects the implementation of the budget and the financial situation of the Municipality.

I hereby wish to submit a report to the Finance and Administration Committee on the implementation of the budget and financial situation of the Municipality as at the end of February 2025.

Further to the above, Section 54 (1) of the MFMA determines that the Mayor must consider the Section 71 report submitted by the Accounting Officer and assess whether the Municipality's approved budget is implemented in accordance with the approved Service Delivery Budget Implementation Plan (SDBIP), and if necessary issue appropriate instructions to the Accounting Officer.

#### 2.2 FINANCIAL SUSTAINABILITY

The cashflow position of the municipality remains concern, as cash commitments continue to exceed cash available.

The collection of outstanding debt in the 2024/25 financial year still requires improvement to ensure financial sustainability.

Firm expenditure control in the 2024/25 financial year must be applied to ensure unauthorised expenditure is avoided and that there is no abuse of municipal funds.

An Unauthorised, Irregular, Fruitless and Wasteful Reduction Strategy has been developed but needs further attention to make it realistic to the municipality's needs

#### 2.3 RECOMMENDATIONS

- 1. That Finance and Administration Committee notes the Section 71 budget statement for February 2025.
- 2. That Finance and Administration Committee notes the Section 71 budget statement for February 2025 will be published in the municipal website.
- 3. That Finance and Administration Committee notes the Section 71 budget statement reports for February 2025 was submitted to the Mayor, National Treasury, and the Eastern Cape Provincial Treasury

#### 3. ACCOUNTING OFFICERS REPORT

#### 3.1 EXECUTIVE SUMMARY

The monthly Financial Monitoring Report (FMR) aims to provide a regular update on indicators critical to the organisation's viability and serve as an early warning indicator where remedial action is required. The consolidated performance is a high-level overview of the organisation's financial viability and sustainability. The Municipal Manager, as Accounting Officer of the Municipality, is required by Section 71(1) of the Municipal Finance Management Act to submit a report in a prescribed format within 10 working days after the end of each month on the state of the Municipality's budget.

This report is a summary of the main budget issues arising from the monitoring process. It compares the progress of the budget to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP).

Section 54 of the MFMA requires the Mayor to consider the Section 71 report and take appropriate action to ensure that the approved budget is implemented in accordance with the SDBIP.

The financial performance of the operating and capital budget for the 2024/25 financial year, and an overview of the municipality's financial position is provided below.

#### 3.2 FINANCIAL PERFORMANCE OVERVIEW

| 00  | Original<br>Budget | Adjusted<br>Budget | Monthly actual<br>- Feb | YTD actual  | YTD budget   | YTD variance |
|---|--------------------|--------------------|-------------------------|-------------|--------------|--------------|
| R thousands   |                    |                    |                         |             |              |              |
| Revenue   |                    |                    |                         |             |              |              |
| Exchange Revenue  |                    |                    |                         |             |              |              |
| Service charges - Electricity                                 | 34 950 435         | 34 950 435         | 2 077 054               | 21 237 755  | 23 300 290   | 2 062 535    |
| Service charges - Water                                       | 20 444 334         | 20 444 334         | 1 537 534               | 13 623 513  | 13 629 556   | 6 043        |
| Service charges - Waste Water Management                      | 3 629 816          | 3 629 816          | 444 640                 | 3 740 384   | 2 419 877 -  | 1 320 506    |
| Service charges - Waste management                            | 7 807 426          | 7 807 426          | 509 292                 | 4 867 142   | 5 204 951    | 337 809      |
| Sale of Goods and Rendering of Services                       | 656 017            | 274 193            | 25 737                  | 166 900     | 182 795      | 15 895       |
| Agency services   | 3 646 767          | 2 812 343          | 126 754                 | 1 489 097   | 1 874 895    | 385 798      |
| Interest earned from Receivables                              | 13 712 539         | 15 061 899         | 1 149 914               | 8 718 149   | 10 041 266   | 1 323 117    |
| Interest from Current and Non Current Assets                  | 1 778 550          | 1 778 550          | 124 456                 | 1 234 437   | 1 185 700 -  | 48 737       |
| Rental from Fixed Assets                                      | 71 576             | 199 074            | 15 686                  | 146 247     | 132 716 -    | 13 531       |
| Licence and permits   | 1 020 231          | 1 765 683          | 172 902                 | 961 485     | 1 177 122    | 215 637      |
| Operational Revenue   | 1 383 645          | 669 600            | 13 937                  | 119 082     | 446 400      | 327 318      |
| Non-Exchange Revenue  |                    |                    |                         | -           | -            | -            |
| Property rates  | 49 057 562         | 56 662 698         | 3 514 277               | 41 058 658  | 37 775 132 - | 3 283 526    |
| Surcharges and Taxes  | -                  |                    | 798 224                 | 5 408 618   |              | 5 408 618    |
| Fines, penalties and forfeits                                 | 1 848 580          | 434 567            | 300                     | 35 252      | 289 711      | 254 459      |
| Licence and permits   | 24 259             | 261 581            | 1 241                   | 251 873     | 174 387 -    | 77 485       |
| Transfers and subsidies - Operational                         | 126 564 500        | 126 564 500        | -                       | 94 383 239  | 84 376 333 - | 10 006 906   |
| Interest  | 7 512 338          | 8 638 320          | 868 420                 | 6 120 392   | 5 758 880 -  | 361 512      |
| Gains on disposal of Assets                                   | -                  |                    | -                       | -           | -            | -            |
| Total Revenue (excluding capital transfers and contributions) | 274 108 575        | 281 955 019        | 11 380 368              | 203 562 223 | 187 970 013  | 15 592 210   |

3.2.1 The summary of Financial Performance shows the actual monthly operating revenue of R11,4 million. Year-to-date actual operating revenue of R203, 6 million compared to the year-to-date budgeted operating revenue of R188 million results in a negative variance of R15,6 million.

#### **VARIANCE EXPLANATIONS:**

**SERVICE CHARGES** – The variance in service charges between the YTD actuals and YTD is higher for waste-water management than other service charges. It is noted that on average the Municipality bills an average of R420 thousand whereas the municipality budgeted revenue of R375 thousand per month.

**AGENCY FEES** – The reason for the variance between the YTD actual and YTD budget is caused by the change effected in the SLA for the Department of Transport. Percentage allocations have been revisited resulting in lower income for the municipality. This has been accounted for in the adjustment budget.

**LICENCE AND PERMITS** – Licencing and permits had a large variance from the YTD budget and YTD expenditure. The reason for this variance is

because this more walk-ins due to the Drives Testing Ground being operational. This was corrected in the adjustment budget.

**PROPERTY RATES** – The variance is a byproduct of the annual billing raised in September, yet the budget is evenly distributed monthly. However, revenue from property rates is starting to even out therefore no cause for concern is warranted.

3.2.2 Monthly actual operating expenditure for the month ending February 2025 amounts to R20,1 million. Year to-date actual operating expenditure of R174,5 million compared to the year-to-date budgeted operating expenditure of R165,2 million resulting in a negative variance of R9,4 million.

| ement - Expenditure Financial Perforr | ment - Expenditure Financial Performance- M08 February |                 |                  |                |                |              |  |  |  |  |  |  |
|---------------------------------------|--|-----------------|------------------|----------------|----------------|--------------|--|--|--|--|--|--|
|                                       |  |                 | Monthly actual - |                |                |              |  |  |  |  |  |  |
|                                       | Original Budget  | Adjusted Budget | Feb              | YearTD actual  | YearTD budget  | YTD variance |  |  |  |  |  |  |
| R thousands                           |  |                 |                  |                |                |              |  |  |  |  |  |  |
| Expenditure By Type                   |  |                 |                  |                |                |              |  |  |  |  |  |  |
| Employee related costs                | 104 673 910,00   | 104 673 910,00  | 9 119 024,00     | 77 386 663,20  | 69 782 606,67  | - 7 604 057  |  |  |  |  |  |  |
| Remuneration of councillors           | 7 762 759,00   | 7 762 759,00    | 753 146,00       | 5 425 946,14   | 5 175 172,67   | - 250 773    |  |  |  |  |  |  |
| Bulk purchases - electricity          | 31 949 779,00  | 31 949 779,00   | -                | 21 983 212,57  | 21 299 852,67  | - 683 360    |  |  |  |  |  |  |
| Inventory consumed                    | 8 602 623,00   | 6 841 912,00    | 1 915 472,00     | 7 055 610,38   | 4 561 274,67   | - 2 494 336  |  |  |  |  |  |  |
| Debt impairment                       | - 2 955 686,00   | 13 888 901,00   | -                | -              | 9 259 267,33   | 9 259 267    |  |  |  |  |  |  |
| Depreciation and amortisation         | 29 848 278,00  | 29 848 278,00   | -                | -              | 19 898 852,00  | 19 898 852   |  |  |  |  |  |  |
| Interest                              | 2 659 742,00   | 2 659 742,00    | 300 436,00       | 1 919 575,18   | 1 773 161,33   | - 146 414    |  |  |  |  |  |  |
| Contracted services                   | 33 764 978,00  | 31 474 744,00   | 2 488 227,00     | 28 503 176,47  | 20 983 162,67  | - 7 520 014  |  |  |  |  |  |  |
| Transfers and subsidies               | -  | -               | -                | -              | -              | -            |  |  |  |  |  |  |
| Irrecoverable debts written off       | -  | -               | -                | 6 869,00       | =              | - 6 869      |  |  |  |  |  |  |
| Operational costs                     | 19 602 320,00  | 18 664 500,00   | 5 533 745,00     | 32 281 108,49  | 12 443 000,00  | - 19 838 108 |  |  |  |  |  |  |
| Losses on Disposal of Assets          | -  |                 |                  | -              | -              | -            |  |  |  |  |  |  |
| Other Losses                          | -  |                 |                  | -              | -              | -            |  |  |  |  |  |  |
| Total Expenditure                     | 235 908 703,00   | 247 764 525,00  | 20 110 050,00    | 174 562 161,43 | 165 176 350,00 | - 9 385 811  |  |  |  |  |  |  |

#### **VARIANCE EXPLANATIONS:**

**BULK ELECTRICITY** – No Bulk Electricity invoice recorded in the month of February as it was not received timeously.

**DEBT IMPAIRMENT** -This will be recorded at year end as per policy

**DEPRECIATION** – Asset module not yet functioning and therefore will only be recorded at year-end.

**CONTRACTED SERVICES** – Contracted services have reduced from R3 million in January to R2,5 million in February. The largest contributors to this R2,5 million are security services. Although contracted services have reduced, careful attention needs to be paid to the expenditure of security services.

**OPERATIONAL COST** – The large variance between the YTD budget and YTD actual is attributable Eskom (small accounts), water and AGSA.

#### **REMEDIAL ACTION:**

To lower the costs of security services the Director of Community services should explore a more cost-effective way of providing security services, for example insourcing instead of outsourcing.

3.2.3 The municipality had a deficit of R3,4 million for the month ended 28 February 2025. The year-to-date actual operating revenue compared to the actual expenditure year to date, has a surplus of R62,7 million against the year-to-date budget of R61,3 million.

| ce-Summary (revenue and expenditure)                          | - M08 February 2 | 2025            |                |               |               |              |
|---|------------------|-----------------|----------------|---------------|---------------|--------------|
| Description   | Original Budget  | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance |
|   | R                | R               | R              | R             | R             | R            |
| Total Revenue (excluding capital transfers and contributions) | 274 108 575,00   | 281 955 019     | 11 380 368     | 203 562 223   | 187 970 013   | - 15 592 210 |
| Total Expenditure   | 235 908 703,00   | 247 764 525,00  | 20 110 050     | 174 562 161   | 165 176 350   | - 9 385 811  |
| Surplus/(Deficit)   | 38 199 872,00    | 34 190 494,00   | - 8 729 682    | 29 000 061    | 22 793 663    | - 6 206 398  |
| Transfers and subsidies - capital (monetary allocations)      | 57 687 500,00    | 57 687 500,00   | 5 321 492      | 33 696 559    | 38 458 333    | 4 761 774    |
| Transfers and subsidies - capital (in-kind)                   |                  | 0               | -              |               |               |              |
| Surplus/(Deficit) after capital transfers & contributions     | 95 887 372,00    | 91 877 994,00   | - 3 408 190    | 62 696 621    | 61 251 996    | - 1 444 624  |

# 3.2.4 The table below reflects repairs and maintenance expenditure for the month ended 31 January 2025.

| Project Name   | 2024 BUDGET | 202502 ACTUAL | YTD       | BUDGET YTD | VARIANCE  |
|--|-------------|---------------|-----------|------------|-----------|
| Emergency Maintenance:Transport Assets                                       | 456 087     | 148 501       | 557 222   | 304 058    | 253 164   |
| Preventative Maintenance:Transport Assets                                    | 228 043     | 11 370        | 137 051   | 152 029    | 14 978    |
| Building Maintenance   | 350 000     | 6 905         | 42 166    | 233 333    | 191 167   |
| Hall Maintainance (All Halls)  | 350 000     | 57 673        | 66 013    | 233 333    | 167 321   |
| Establishemnt & Maintainence of parks playgrounds and                        |             |               |           |            |           |
| sportfields  | 250 000     |               | 1 285     | 166 667    | 165 382   |
| Library  | 210 000     |               | 10 031    | 140 000    | 129 969   |
| Landfillsite   | 2 173 913   | 43 205        | 799 618   | 1 449 275  | 649 657   |
| Water Supply Infrastructure - Water Treatment - External Facilities          | 434 783     |               | 231 332   | 289 855    | 58 523    |
| Roads Civil structure  | 347 826     |               | 1 913     | 231 884    | 229 971   |
| Public Lighting  | 255 409     |               | 328 290   | 170 273 -  | 158 017   |
| Waste Water Treatment Works  | 729 739     |               | 1 410     | 486 493    | 485 082   |
| Jetting Service  | 228 043     |               | 55 167    | 152 029    | 96 861    |
| Public Ablution Facilities Maintance   | 25 000      |               |           | 16 667     | 16 667    |
| Sportfields upkeep   | 418 269     |               |           | 278 846    | 278 846   |
| Maintenance Planned: Machinery and Equipment                                 | 26 087      | 3 324         | 242 994   | 17 391 -   | 225 603   |
| Library Equipment maintenance-   | 60 000      | 5 322         | 5 322     | 40 000     | 34 678    |
| Maintenance of Vehicle   | 100 000     |               | 14 930    | 66 667     | 51 737    |
| Traffic Maintenance of Building  | 18 243      |               |           | 12 162     | 12 162    |
| Callibration of Road Worthy Testing Equipment & Courier                      |             |               |           |            |           |
| Service  | 130 435     | 23 137        | 23 137    | 86 957     | 63 819    |
| Callibration of Prolaser Speed Machines done yearly according to Act 93/1996 | 18 243      |               | 3 284     | 12 162     | 8 878     |
| Refuse Machinery and Equipment   | 26 087      |               |           | 17 391     | 17 391    |
| Water Pump Station - Pipe Works  | 434 783     |               | 164 071   | 289 855    | 125 785   |
| Water Supply Infrastructure - Pump Station                                   | 434 783     |               | 317 401   | 289 855 -  | 27 546    |
| Water Supply Infrastructure - Reservoirs                                     | 565 548     | 530           | 415 968   | 377 032 -  | 38 936    |
| Resealing of Roads   | 100 000     | 3 072         | 3 072     | 66 667     | 63 595    |
| Bulk Aggregates  | 100 000     |               |           | 66 667     | 66 667    |
| Road marking and signs   | 300 000     |               |           | 200 000    | 200 000   |
| Civil Structure  | 273 652     |               |           | 182 435    | 182 435   |
| Side walks   | 136 826     |               |           | 91 217     | 91 217    |
| Storm Water Drainage   | 300 000     |               |           | 200 000    | 200 000   |
| Network Extensions   | 104 348     | 78 011        | 78 011    | 69 565 -   | 8 446     |
| Website Maintenance  | 180 435     |               | 137 547   | 120 290 -  | 17 257    |
| Network Equipment and Transformers   | 346 626     |               | 214 349   | 231 084    | 16 735    |
| Bush Clearing  | 273 652     |               | 59 600    | 182 435    | 122 835   |
| Pump Stations  | 218 922     | 368 470       | 393 470   | 145 948 -  | 247 522   |
| Website Maintenance: Internet Charge   | 456 087     |               | 2 394 999 | 304 058 -  | 2 090 941 |
| Website Development and Maintenance  | 456 087     |               | 89 736    | 304 058    | 214 322   |
| Website Maintenance: Wireless Network  | 164 191     |               | 93 404    | 109 461    | 16 057    |
| Corrective Maintenance: Roads Infrastructure                                 | 100 000     |               | 1 670     | 66 667     | 64 997    |
| Corrective Maintenance: Roads Infrastructure                                 | 100 000     |               |           | 66 667     | 66 667    |
| Storm Water Drainage   | 347 826     | 8 800         | 179 005   | 231 884    | 52 879    |
| Total repairs and maintenance  | 12 229 973  | 758 320       | 7 063 469 | 8 153 315  | 1 089 846 |

Repair and Maintenance for the month of February amounted to R758 thousand, year to date actual spent is R7,1 million and year to date budget amounts to R8,2 million which leads to a variance R1,1 million.

#### 3.2.5 EXPENDITURE ON STAFF BENEFITS

Setion 66 of the MFMA requires disclosure of the municipalities expenditure on staff benefits as follows:

The Accounting Officer of the municipality must, in a format and for the periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits.

Employee costs for the month of February 2025 amount to R9,1 million. The YTD actual amounts to R77,5 million against the YTD budget of R70,4 million.

| STAFF BENEFITTS                     |                |                         |               |               |              |
|-------------------------------------|----------------|-------------------------|---------------|---------------|--------------|
| Description                         | Budget 2024/25 | Monthly<br>actual - Feb | YearTD actual | YearTD budget | YTD variance |
| R thousands                         |                |                         |               |               |              |
| Other Municipal Saff                |                |                         |               |               |              |
| Basic Salaries and Wages            | 63 335 228     | 5 938 521,00            | 46 349 958,91 | 42 223 485    | (4 126 474)  |
| Pension fund and UIF Contributions  | 11 395 679     | 989 022,00              | 8 104 872,36  | 7 597 119     | (507 753)    |
| Medical Aid Contributions           | 4 945 001      | 427 437,00              | 3 231 967,82  | 3 296 667     | 64 700       |
| Overtime                            | 4 466 085      | 408 680,00              | 3 468 926,12  | 2 977 390     | (491 536)    |
| Annual Bonus                        | 4 577 721      | -                       | 4 889 659,51  | 3 051 814     | (1 837 846)  |
| Motor Vehicle Allowance             | 6 243 842      | 503 533,00              | 4 179 993,87  | 4 162 561     | (17 433)     |
| Cellphone Allowance                 | 922 765        | 82 091,00               | 609 228,11    | 615 177       | 5 949        |
| Housing Allowance                   | 549 692        | 48 042,00               | 383 693,21    | 366 461       | (17 232)     |
| Other Benefits and Allowances       | 1 739 853      | 121 915,00              | 1 393 684,82  | 1 159 902     | (233 783)    |
| Long Service Awards                 | 13 559         | 54 548,00               | 241 388,96    | 9 039         | (232 350)    |
| Acting and post related allowance   | 90 899         | 26 841,00               | 146 715,02    | 60 599        | (86 116)     |
| Sub-total Other Municipal Staff     | 98 280 324     | 8 600 630               | 73 000 089    | 65 520 216    | (7 479 873)  |
| Senior Managers of the Municipality |                |                         | -             | -             | -            |
| Basic Salaries and Wages            | 4 897 975      | 400 700,00              | 3 306 316,47  | 3 265 317     | (41 000)     |
| Pension fund and UIF Contributions  | 11 255         | 886,00                  | 7 057,00      | 7 503         | 446          |
| Motor Vehicle Allowance             | 912 827        | 71 831,00               | 574 647,55    | 608 551       | 33 904       |
| Cellphone Allowance                 | 1 024 429      | 10 000,00               | 218 844,90    | 682 953       | 464 108      |
| Housing Allowance                   | 203 328        | 16 000,00               | 128 000,00    | 135 552       | 7 552        |
| Other Benefits and Allowances       | 290            | 60,00                   | 372,62        | 193           | (179)        |
| Scarcity                            | 240 396        | 18 917,00               | 151 335,95    | 160 264       | 8 928        |
| Sub-total Senior Managers           | 7 290 500      | 518 394                 | 4 386 574     | 4 860 333     | 473 759      |
| Total Employee Cost                 | 105 570 824    | 9 119 024               | 77 386 663    | 70 380 549    | (7 006 114)  |

#### 3.2.6 EXPENDITURE: REMUNERATION OF COUNCILLORS

# Remuneration of Councillors

| OOOHOHOI                |                   |   |              |               |                 |
|-------------------------|-------------------|---|--------------|---------------|-----------------|
| Description             | Budget<br>2024/25 | 7 |              | YearTD budget | YTD<br>variance |
| R thousands             | R                 |   | R            | R             | R               |
| Basic Salary            | 6 353 155         | 640 196,41                              | 4 522 352,05 | 4 235 436,67  | - 286 915,38    |
| Cellphone Allowance     | 718 848           | 57 600,00                               | 460 800,00   | 479 232,00    | 18 432,00       |
| Housing Allowance       | 312 000           | 25 000,00                               | 200 000,00   | 208 000,00    | 8 000,00        |
| Office Bearer Allowance | 66 756            | 5 072,00                                | 41 180,24    | 44 504,00     | 3 323,76        |
| Out of pocket expenses  | 3 458             | 277,12                                  | 2 166,60     | 2 305,33      | 138,73          |
| Travelling allowance    | 312 000           | 25 000,00                               | 200 000,00   | 208 000,00    | 8 000,00        |
|                         | 7 766 217         | 753 146                                 | 5 426 499    | 5 177 478     | (249 021)       |

Remuneration of councillors for the month of February 2025 amounts to R753 thousand. The YTD actual amounts to R5,4 million against the YTD budget of R5,2 million which amounts to a variance of R250 thousand.

#### 3.3 FINANCIAL POSITION OVERVIEW

#### 3.3.1 <u>Ratios</u>

| TIO        |                               | NORM/RANGE      | INPUT DESCRIPTION                               | DATA INPUTS<br>AND RESULTS<br>" R 000 "        | INTERPRETATION   |  |
|------------|-------------------------------|-----------------|---|--|--|--|
| obtoro l   | Management                    |                 |   | " K 000 "                                      |  |  |
| Jeniois i  | wanagement                    |                 |   |  |  |  |
|            |                               | 30 days         |   | 612 days                                       | This is above the norm, suggesting debtor                                      |  |
|            |                               | oo aayo         | Gross debtors                                   | 305 194 055                                    |  |  |
|            | Net Debtors Days              |                 | Bad debts Provision                             | 160 897 963                                    | culture of credit control and revenue  |  |
|            |                               |                 | Billed Revenue                                  | 86 054 033                                     | management must be improved.   |  |
|            |                               |                 | 2.mod retorido                                  | 00 00 1 000                                    | g  |  |
|            |                               |                 |   |  |  |  |
| iquidity   | Management                    |                 |   | <u>,                                      </u> |  |  |
|            |                               | 1 - 3 Months    |   | 1 Month  |  |  |
|            | Cash / Cost                   | i - 3 IVIUITIIS | Cash and cash equivalents                       | 15 700 755                                     | This ratio shows that the municipality does                                    |  |
|            | Coverage Ratio                |                 | Unspent Conditional Grants                      | 7 876 533                                      | not have enough cash on hand to render   |  |
|            | (Excl. Unspent                |                 | Overdraft                                       | 1 010 555                                      | services but this must not be viewed on its                                    |  |
|            | Conditional                   |                 | Short Term Investments                          |  | own but with Debtors Management and  |  |
|            | Grants)                       |                 | Total Annual Operational                        | _  | Cashflow anaylisis.  |  |
|            | Orano)                        |                 | Expenditure                                     | 174 562 161                                    | Casillow anaylisis.  |  |
|            |                               |                 | Exponditure                                     |  |  |  |
|            |                               | 1.5 - 2:1       |   | 0.55   |  |  |
|            |                               | 1.0 2.1         | Current Assets                                  | 103 640 800                                    | The municipality doesn't have the ability to                                   |  |
|            | Current Ratio                 |                 | Current 7,000to                                 | 100 040 000                                    | meet its short term financial obligations                                      |  |
|            |                               |                 | Current Liabilities                             | 188 047 763                                    | should a financial recession or shock occur with its current financial muscle. |  |
|            |                               |                 |   |  | with its current infancial muscle.   |  |
| iability l | Management                    |                 |   |  |  |  |
| iability i | wanagement                    |                 |   |  |  |  |
|            |                               | 45%             |   | 0%   | According to this ratio sufficient revenue is                                  |  |
|            | Debt (Total                   |                 | Total Debt                                      | -  | available to repay liabilities however this                                    |  |
|            | Borrowings) /                 |                 | Total Operating Revenue                         | 202 770 378                                    | ratio should be analysed along with other                                      |  |
|            | Revenue                       |                 | Operational Conditional Grants                  | 94 383 239                                     | ratios to show the true reflection of the                                      |  |
|            |                               |                 |   |  | munonoliti   |  |
| xpendit    | ure Management                |                 |   |  |  |  |
|            | Remuneration as               | 25% - 40%       |   | 47%  | This ratio is above the norm of 40%  |  |
|            | % of Total                    |                 | Employee/personnel related cost                 | 77 386 663                                     | meaning that employee costs are  |  |
|            | Operating                     |                 | Councillors Remuneration                        | 5 425 946                                      | significantly high.  |  |
|            | Expenditure                   |                 | Total Operating Expenditure                     | 174 562 161                                    | organicality riight.   |  |
|            | Contracted                    | 2% - 5%         |   | 400/   |  |  |
|            | i contracted i                | 2% - 5%         |   | 16%  | Contracted services form a sufficient amount                                   |  |
|            | Continue / Total              |                 |   |  |  |  |
|            | Services / Total<br>Operating |                 | Contracted Services Total Operating Expenditure | 28 503 176<br>174 562 161                      | of the total operating expenditure which is                                    |  |

#### .3.2 Cash and cash equivalents

Cash and cash equivalents show an amount of R15,7 million for 28 February 2025 as per Trial Balance.

No long-term investments are held by the municipality.

No investments are ceded over as security.

Furthermore, it should be noted that the municipality doesn't have Capital Replacement Reserve. It is therefore critical for debt collection and the recovery of unpaid grants to receive immediate priority.

| Description                    | Jan-25          | Feb-25           | Movement       |
|--------------------------------|-----------------|------------------|----------------|
|                                |                 |                  | R              |
| Cash and cash equivalent       | 18 043 765,00   | 15 700 755,00    | - 2 343 010,00 |
| Total cash and cash equivalent | 18 043 765,00   | 15 700 755,00    | - 2 343 010,00 |
| Unspent grant                  | 7 684 590,43    | 7 876 533,47     | 191 943,04     |
| SARS                           |                 |                  | -              |
| Payable from exchange          | 90 439 890,70   | 96 924 164,00    | 6 484 273,30   |
| Total commitments              | (98 124 481,13) | (104 800 697,47) | (6 676 216,34) |
| Surplus/Shortfall              | - 80 080 716,13 | - 89 099 942,47  | - 9 019 226,34 |

The municipality has insufficient money to meet all its commitments. A shortfall of R89,1 million. Management should urgently devise plans to ensure financial sustainability and financial longevity for the municipality.

#### 3.3.3 Unspent Conditional Grants

| Grant                              | Nature    | Type: Conditional /<br>Unconditional | Opening |          |               | Conditions met - | Unspent as @<br>February 2025 |
|------------------------------------|-----------|--------------------------------------|---------|----------|---------------|------------------|-------------------------------|
|                                    |           | onconditional                        | Dalance | Rejected | •             | Revenue          | rebiodity 2023                |
| Municipal Infrastructure Grant     | Capital   | Conditional                          | -       |          | 30 316 869,57 | 25 011 852,85    | 5 305 016,72                  |
| INEP                               | Capital   | Conditional                          | -       |          | 430 434,78    | 2 431 576,75     | - 2 001 141,97                |
| Energy Efficiency Demand Grant     | Capital   | Conditional                          |         |          | 3 478 260,87  | 1 469 834,25     | 2 008 426,62                  |
| Water Services Infrastructure Gran | Capital   | Conditional                          | -       |          | 12 372 652,17 | 10 258 524,94    | 2 114 127,23                  |
| Small Town Revitalisation          | Capital   | Conditional                          | -       |          | =             | -                | -                             |
| Financial Management Grant         | Operating | Conditional                          | -       |          | 3 800 000,00  | 3 958 396,97     | - 158 396,97                  |
| Environmental District Grant       | Operating | Conditional                          |         |          | 199 999,95    |                  | 199 999,95                    |
| EPWP                               | Operating | Conditional                          | -       |          | 750 434,79    | 341 932,90       | 408 501,89                    |
|                                    |           |                                      | -       | -        | 51 348 652,13 | 43 472 118,66    | 7 876 533,47                  |

Unspent conditional grants in the table above reflect a total balance of R7,9 million as of February 2025.

Allocations received are as follows during the current year:

- MIG R14 million was received however this is recorded incorrectly in the respective account due to VAT setups.
- An additional R6,3 million was received and recorded correctly
- EPWP R308 thousand was received however VAT setups must be corrected to ensure correct recording of financial transactions.
- An addition of R482 609 was received for EPWP
- FMG R3,8 million received and recorded correctly
- INEP R450 thousand was received but recorded inaccurately in the financial system.
- EEDMS An additional R696 thousand was received and recorded correctly.
- WSIG R8,7 million was received and recorded correctly.
- An additional R3,7 million was received and recorded correctly.
- EDG R199 999,95 was received and it was recorded correctly.

Careful attention needs to be paid by the municipality to ensure that expenditure is updated timeously on the system so that the correct revenue is recognised against the grants received.

CFO must ensure correcting journals are processed for Grant deposits, furthermore, must ensure VAT setups must be relooked to ensure correct functioning of the Grants Module.

#### 3.3.4 Creditors Analysis

Outstanding creditors total to R96,9 million as of February 2025.

| Choose name from list - Supporting Table SC4 Monthly Budg | et Statement | - aged credi | itors - M08 | February |          |          |          |            |        |        |
|---|--------------|--------------|-------------|----------|----------|----------|----------|------------|--------|--------|
| Description   |              |              | #REF!       |          |          |          |          |            |        |        |
| Description   | NT Code      | 0 -          | 31 -        | 61 -     | 91 -     | 121 -    | 151 -    | 181 Days - | Over 1 | Total  |
| R thousands   |              | 30 Days      | 60 Days     | 90 Days  | 120 Days | 150 Days | 180 Days | 1 Year     | Year   | 1      |
| Creditors Age Analysis By Customer Type                   |              |              |             |          |          |          |          |            |        |        |
| Bulk Electricity  | 0100         | 3 833        | 2 692       | 2 759    | 2 879    | 2 699    | 4 217    | 6 013      | 87     | 25 177 |
| Bulk Water  | 0200         | _            | -           | -        | -        | -        | -        | -          | -      | -      |
| PAYE deductions   | 0300         | -            | -           | -        | -        | -        | -        | -          | -      | -      |
| VAT (output less input)                                   | 0400         | _            | -           | -        | -        | -        | -        | -          | -      | -      |
| Pensions / Retirement deductions                          | 0500         | _            | -           | -        | -        | -        | -        | -          | -      | -      |
| Loan repayments   | 0600         | -            | -           | -        | -        | -        | -        | -          | -      | -      |
| Trade Creditors   | 0700         | 2 483        | 2 429       | (1 116)  | (657)    | 390      | 3 432    | 11 487     | 45 503 | 63 950 |
| Auditor General   | 0800         | 22           | 544         | 1 199    | 2 324    | 2 236    | 1 355    | -          | 117    | 7 797  |
| Other   | 0900         | -            | -           | -        | -        | -        | -        | -          | -      | -      |
| Medical Aid deductions                                    |              |              |             |          |          |          |          |            |        | _      |
| Total By Customer Type                                    | 4000         | 6 227        | E CCE       | 2 042    | A EAC    | E 22E    | 0.004    | 47 500     | 4E 706 | 06 024 |

Below find top ten creditors of the municipality.

|                 | TOP 10 CREDITORS M08 FEBRUARY 2025 |               |               |              |              |               |
|-----------------|------------------------------------|---------------|---------------|--------------|--------------|---------------|
| Supplier Number | Supplier Name                      | BALANCE       | CURRENT       | 30 DAYS      | 60 DAYS      | 90 DAYS +     |
|                 |                                    |               |               |              |              |               |
| 248             | WATER AND SANITATION               | 56 645 380,45 | 1 889 414,75  | 6 647,24     | 868 649,24   | 53 880 669,22 |
| 306             | ESKOM BULK                         | 24 345 293,00 | 5 771 646,14  | 2 758 632,44 | 2 878 685,43 | 12 936 328,99 |
| 81              | AUDITOR GENERAL                    | 7 796 603,61  | 566 241,54    | 1 199 038,85 | 2 324 046,59 | 3 707 276,63  |
| 906             | SOUTH AFRICAN LOCAL GOV            | 2 273 294,47  | -             | -            | -            | 2 273 294,47  |
| 453             | SUMMERFALLS TRADING                | 1 601 487,31  | - 150 000,00  | - 150 000,00 | - 150 000,00 | 2 051 487,31  |
| 1135            | VUSA ITHEMBA                       | 1 194 178,34  | 1 194 178,34  |              | 582 335,85   | - 582 335,85  |
| 307             | ESKOM HOLDINGS                     | 832 112,53    | 753 001,01    |              |              | 79 111,52     |
| 404             | IBHABHATHANE TRADING               | 710 880,50    |               |              | -            | 710 880,50    |
| 569             | LOWER SUNDAYS RIVER WATER          | 658 695,93    | 648 284,56    |              |              | 10 411,37     |
| 648             | METSI WATER SOLUTIONS              | 257 542,50    | 515 135,00    | - 257 592,50 |              | -             |
|                 |                                    |               |               |              |              |               |
|                 | Total                              | 96 315 468,64 | 11 187 901,34 | 3 556 726,03 | 6 503 717,11 | 75 067 124,16 |

The total balance of the municipality's top ten creditors is R96,3 million on 28 February 2025 with R75 million being over the 90-day period.

Engagements with The Department of Water and Sanitation have been finalised and the municipality will honour the arrangement without fail. Payments have already been made in the past months to honour the arrangement made.

#### 3.3.5 Consumer Debtors

Total outstanding debtors at end February 2025, R305,2 million.

The municipality should consider writing off debt as irrecoverable for most of customers as the possibility of collection is low due to culture of non-payment has been carried out throughout the years.

| <b>Detail Report</b> |                      |    |                |    |            |    |                    |    |               |   |               |    |               |    |      |    |     |       |
|----------------------|----------------------|----|----------------|----|------------|----|--------------------|----|---------------|---|---------------|----|---------------|----|------|----|-----|-------|
| Region               | Department           | Сι | ırrent         | In | terest     | 30 | ) Days             | 60 | Days          | 9 | 0 Days        | 12 | 20 Days +     | To | otal |    |     |       |
| Sarah Baartman       | Education            | R  | 366 694,91     | R  | 0,00       | R  | 2 400,94           | R  | 6 018,66      | R | 6 497,17      | R  | 147 637,97    | R  |      | 52 | 9 2 | 49,65 |
|                      | Education (S21)      | R  | 196 502,69     | R  | 0,00       | R  | 33 939,33          | R  | 22 095,56     | R | 24 212,56     | R  | 48 345,93     | R  |      | 32 | 5 0 | 96,07 |
|                      | Health               | R  | 301 869,83     | R  | 0,00       | R  | 2 221,03           | R  | 33 297,73     | R | 99 618,64     | R  | 256 639,17    | R  |      | 69 | 3 6 | 46,40 |
|                      | Human Settlements    | R  | 6 475,96       | R  | 0,00       | R  | 0,00               | R  | 0,00          | R | 0,00          | R  | 0,00          | R  |      |    | 6 4 | 75,96 |
|                      | Public Works         | R  | 2 253 451,26   | R  | 0,00       | R  | 1 222 844,62       | R  | 72 964,93     | R | 72 964,93     | R  | 219 694,52    | R  | 3    | 84 | 1 9 | 20,26 |
|                      | Roads                | R  | 0,00           | R  | 0,00       | R  | 0,00               | R  | 0,00          | R | 0,00          | R  | 0,00          | R  |      |    |     | 0,00  |
|                      | Residents            | R  | 221 530 773,22 | R  | 0,00       | R  | 6 116 286,61       | R  | 3 447 040,33  | R | 3 469 762,72  | R  | 12 185 019,28 | R  | 246  | 74 | 8 8 | 82,16 |
|                      | Councillors          | R  | 450 035,66     | R  | 0,00       | R  | 6 934,21           | R  | 17 061,31     | R | 12 855,04     | R  | 42 754,35     | R  |      | 52 | 9 6 | 40,57 |
|                      | Municipal Officials  | R  | 2 736 206,77   | R  | 0,00       | R  | 42 167,36          | R  | 25 817,42     | R | 28 534,45     | R  | 126 178,90    | R  | 2    | 95 | 8 9 | 04,90 |
|                      | Industries           | R  | 21 189 124,63  | R  | 0,00       | R  | 1 564 614,15       | R  | 667 078,59    | R | 682 064,80    | R  | 3 765 132,08  | R  | 27   | 86 | 8 0 | 14,25 |
|                      | National Departments | R  | 17 960 816,74  | R  | 0,00       | R  | 3 084 540,24       | R  | 157 963,62    | R | 120 013,57    | R  | 368 890,97    | R  | 21   | 69 | 2 2 | 25,14 |
|                      | Grand Total          | R  | 266 991 951,67 | R  | 0,00       | R  | 12 075 948,49      | R  | 4 449 338,15  | R | 4 516 523,88  | R  | 17 160 293,17 | R  | 305  | 19 | 4 0 | 55,36 |
| Region               | Debt By Type         | Re | sidents        | Co | ouncillors | М  | unicipal Officials | In | dustries      | N | at Depts      | Pr | ov Depts      | То | otal |    |     |       |
| Sarah Baartman       | Water                | R  | 87 493 093,35  | R  | 102 702,76 | R  | 1 151 964,54       | R  | 3 223 818,89  | R | 100 757,09    | R  | 1 409 807,42  | R  | 93   | 48 | 2 1 | 44,05 |
|                      | Electricity          | R  | 4 639 656,05   | R  | 923,95     | R  | 63 538,15          | R  | 7 097 459,78  | R | 264 074,03    | R  | 1 266 213,36  | R  | 13   | 33 | 18  | 65,32 |
|                      | Sewerage             | R  | 44 717 885,68  | R  | 27 572,69  | R  | 671 740,05         | R  | 1 421 938,27  | R | 25 086,47     | R  | 597 259,83    | R  | 47   | 46 | 1 4 | 82,99 |
|                      | Refuse               | R  | 20 978 506,45  | R  | 4 960,05   | R  | 242 347,94         | R  | 646 972,06    | R | 4 222,96      | R  | 219 828,46    | R  | 22   | 09 | 6 8 | 37,92 |
|                      | Rates                | R  | 81 441 070,20  | R  | 64 337,54  | R  | 177 721,09         | R  | 15 161 504,69 | R | 21 117 676,61 | R  | 1 640 784,87  | R  | 119  | 60 | 3 0 | 95,00 |
|                      | Other                | R  | 7 478 670,43   | R  | 329 143,58 | R  | 651 593,13         | R  | 316 320,56    | R | 180 407,98    | R  | 262 494,40    | R  | 9    | 21 | 8 6 | 30,08 |

#### **DEBT COLLECTION & CREDIT CONTROL**

Below are highlights of the credit control section in attempt to improve revenue collection:

#### • Indigent Registration

Grand Total % on Total Debt

o It seems Indigent Registration is moving slowly as the customers does not provide enough documentation during registration process.

R 246 748 882,16 R 529 640,57 R 2 958 904,90 R 27 868 014,25 R 21 692 225,14 R 5 396 388,34 R 305 194 055,36

0,97

- Challenges of getting the customers during the week due to seasonal employment.
- o It is advisable registration to be done throughout the year.

#### Other matters

- Sheriff has been appointed to assist with collection attempts
- o Follow up with municipal staff and councillors is being performed.
- Government debt reconciliations are being performed for Public Works, Rural development and Education

#### 3.3.6 Capital Expenditure by Project

| Authorised Capital Expenditure  |                                |                  |                        |                |                  |                |
|---|--------------------------------|------------------|------------------------|----------------|------------------|----------------|
| Capital Expenditure by Project  | Funding<br>Source              | Budget<br>Amount | Monthly<br>actual -Feb | YearTD actual  | YearTD<br>budget | YTD variance   |
| Grant Funding - Projects  |                                | Rands            |                        | Rands          | Rands            | Rands          |
| Upgrading of Roads &Stormwater in Enon and Bersheba – Phase 2   | MIG                            | R8 069 402,00    | R2 218 298,82          | R5 671 604,82  | R5 379 601,33    | -R292 003,49   |
| Construction of Multi- Purpose Sports Recreational Facility in Nomathamsanqa in Addo (Budget Maintanance) | MIG                            | R3 168 327,00    |                        | R1 904 528,00  | R2 112 218,00    | R207 690,00    |
| Construction of a New Community Hall in Moses<br>Mabhida (Budget Maintanance)                             | MIG                            | R2 348 069,70    |                        | R2 237 748,50  | R1 565 379,80    | -R672 368,70   |
| Refurbishment of Enon and Bersheba Water Borne<br>Sanitation  | MIG                            | R9 488 804,00    |                        | R0,00          | R6 325 869,33    | R6 325 869,33  |
| Emergency Flood Repairs at Vygie and Adams Street in Valencia   | MIG                            | R2 446 217,36    |                        | R2 259 651,00  | R1 630 811,57    | -R628 839,43   |
| Construction of Roads and Stormwater in Paterson -<br>Phase 1   | MIG                            | R3 340 601,00    |                        |                | R2 227 067,33    | R2 227 067,33  |
| Augmentation of the Water Reticulation Network in Paterson  | MIG                            | R6 032 129,00    | R773 283,00            | R8 115 064,05  | R4 021 419,33    | -R4 093 644,72 |
| Construction of Bulk and Water Reticulation in Molly Blackurn   | MIG                            | R2 000 000,00    |                        |                | R1 333 333,33    | R1 333 333,33  |
| Refurbishment of Addo Waste Water Pump Station  | WSIG                           | R10 578 664,00   | R623 740,70            | R6 056 540,70  | R7 052 442,67    | R995 901,97    |
| Construction of Luthando pipeline   | WSIG                           | R5 421 336,00    | R452 624,55            |                | R3 614 224,00    | -R501 124,55   |
| Electrification Kirkwood- Planning  | INEP                           | R495 000,00      | R1 253 545,00          | R1 683 980,00  | R330 000,00      | -R1 353 980,00 |
| Jetting Trucks  | Sarah<br>Baartman<br>District  | R1 300 000,00    |                        |                | R866 666,67      | R866 666,67    |
| Retrovit of Street Lights in Kirkwood and municipal buildings   | Energy<br>Effeciency<br>Demand | R4 000 000,00    |                        | R1 278 117,00  | R2 666 666,67    | R1 388 549,67  |
| Total Capex - Funded By Grants  |                                | R58 688 550,06   | R5 321 492,07          | R33 322 582,62 | R39 125 700,04   | R5 803 117,42  |
| Own Funding - Projects  |                                |                  |                        |                |                  |                |
| Fencing - Library   | Internal<br>Funds              | R150 000,00      |                        |                | R100 000,00      | R100 000,00    |
| Computer Equipment  | Internal                       | R300 000,00      |                        | R49 429,00     | R200 000,00      | R150 571,00    |
| Equipment for Water and Sanitation  | Internal                       | R400 000,00      |                        | R12 665,00     | R266 666,67      | R254 001,67    |
| Council Chamber Furniture   | Internal<br>Funds              | R600 000,00      | R4 573,92              | R9 123,92      | R400 000,00      | R390 876,08    |
| Upgrade of Kirkwood Water Treatment Works   | Internal<br>Funds              | R3 000 000,00    |                        |                | R2 000 000,00    | R2 000 000,00  |
| Total Capex - Funded By Own Resources   |                                | R4 450 000,00    |                        |                |                  |                |
| Total Capital Expenditure   |                                | R63 138 550,06   | R5 326 065,99          | R33 393 800,54 | R36 830 820,87   | R3 437 020,33  |

Capital acquisitions for the month of February 2025 amount to R5,3 million.

YTD actual capital expenditure is R33,4 million against the YTD budget of R36,1 million.

YTD variance of R3,4 million is noted.

Technical Director and CFO need to closely monitor and ensure that all projects are proceeding as planned. Expedite any delays and ensure compliance with SCM processes, to ensure that the grant allocation is preserved and that community interests are upheld through proper project implementation.

#### 3.3.7 INVESTMENT

No investment portfolio held.

#### 3.3.8 BORROWINGS

No borrowings budget provision made and no borrowings taken by the municipality for the month.

#### 3.4 REMEDIAL OR CORRECTIVE STEPS REQUIRED

Revenue generation should be the agenda of the year. Strategies to improve revenue must be developed and implemented to ensure financial longevity and sustainability.

Procurement and Budgetary Control must be closely monitored to eliminate procurement of goods and services not budgeted for, suggesting redirecting of funds to unwarranted project not prioritised at planning stage.

Monitoring of contractors implementing capital projects must be done continuously by both Finance and Technical department.

Internal control adherence must be a non-negotiable for all municipal officials for efficient and effective service delivery.

#### 3.5 CONCLUSION

Financial Recovery Plan must be developed to remedy the state of financial affairs despite great strides achieved for the reporting year.

Poor adherence to internal controls and continued expenditure incurred on unfunded projects weakens our cashflow and positions the municipality in an unfavourable posture insofar as achieving its strategic objectives for the financial year.

### 4. QUALITY CERTIFICATE

Date:

| I, T. Klaas, Municipal Manager of Sundays River Valley Municipality, hereby certify that the monthly report on the implementation of the budget and financial affairs of the month of <b>February 2025</b> of the 2024/25 financial year has been prepared in accordance with the Municipal Financial Management Act and regulations made under that Act. |  |
|---|--|
| T KLAAS<br>MUNICIPAL MANAGER  |  |
| DATE: 13 March 2025   |  |
|   |  |
| Submitted to the office of the Mayor  |  |
| Received by:  |  |

## Part 2 - In-year budget statements tables

1.1 Table C1: Monthly Budget Statement Summary

|   | 2023/24         | y                 |                 |                | Budget Year 2024/25 |               |                 |                      |                         |
|---|-----------------|-------------------|-----------------|----------------|---------------------|---------------|-----------------|----------------------|-------------------------|
| Description R thousands                                   | Audited Outcome | Original Budget   | Adjusted Budget | Monthly actual | YearTD actual       | YearTD budget | YTD<br>variance | YTD<br>variance<br>% | Full Year Forecast      |
| Financial Performance                                     |                 |                   |                 |                |                     |               |                 |                      |                         |
| Property rates  | 44 517          | 49 058            | 56 663          | 3 514          | 41 059              | 32 705        | 8 354           | 26%                  | 49 05                   |
| Service charges   | 65 557          | 66 832            | 66 832          | 4 569          | 43 469              | 42 776        | 693             | 2%                   | 66 83                   |
| Investment revenue  | 1 655           | 1 779             | 1 779           | 124            | 1 234               | 1 186         | 49              | 4%                   | 177                     |
| Transfers and subsidies - Operational                     | 115 209         | 126 565           | 126 565         | 127            | 94 383              | 84 376        | 10 007          | 0                    | 126 56                  |
| Other own revenue   | 24 451          | 29 876            | 30 117          | 3 173          | 23 417              | 19 917        | 3 500           | 18%                  | 120 30                  |
| Total Revenue (excluding capital transfers and            | 251 389         | 274 109           | 281 955         | 11 380         | 203 562             | 180 960       | 22 602          | 12%                  | 274 10                  |
| contributions)  |                 |                   |                 |                |                     |               |                 |                      |                         |
| Employee costs  | 100 772         | 104 674           | 104 674         | 9 119          | 77 387              | 69 783        | 7 604           | 11%                  | 104 67                  |
| Remuneration of Councillors                               | 7 282           | 7 763             | 7 763           | 753            | 5 426               | 5 175         | 251             | 5%                   | 7 76                    |
| Depreciation and amortisation                             | 36 599          | 29 848            | 29 848          | -              | _                   | 19 899        | (19 899)        | -100%                | 29 84                   |
| Interest  | 11 189          | 2 660             | 2 660           | 300            | 1 920               | 1 773         | 146             | 8%                   | 2 66                    |
| Inventory consumed and bulk purchases                     | 39 816          | 40 552            | 38 792          | 1 915          | 29 039              | 25 007        | 4 032           | 16%                  | 40 57                   |
| Transfers and subsidies                                   | 52              | _                 | _               | _              | _                   | _             | _               |                      |                         |
| Other expenditure   | 138 745         | 50 412            | 64 028          | 8 022          | 60 791              | 35 448        | 25 344          | 71%                  | 50 38                   |
| Total Expenditure   | 334 455         | 235 909           | 247 765         | 20 110         | 174 562             | 157 085       | 17 477          | 11%                  | 235 90                  |
| Surplus/(Deficit)   | (83 066)        | 38 200            | 34 190          | (8 730)        | 29 000              | 23 875        | 5 125           | 21%!                 | 38 20                   |
| Transfers and subsidies - capital (monetary allocations)  | 48 435          | 57 688            | 57 688          | 5 321          | 33 697              | 38 458        | (4 761)         | -12%                 | 57 68                   |
| Transfers and subsidies - capital (in-kind)               | 350             | _                 | _               | _ [            | _                   | _             | _               |                      |                         |
| Surplus/(Deficit) after capital transfers & contributions | (34 281)        | 95 887            | 91 878          | (3 408)        | 62 697              | 62 334        | 364             | 1%                   | 95 88                   |
| Share of surplus/ (deficit) of associate                  | -               | -                 | -               | -              | -                   | -             | -               |                      |                         |
| Surplus/ (Deficit) for the year                           | (34 281)        | 95 887            | 91 878          | (3 408)        | 62 697              | 62 334        | 364             | 1%                   | 95 88                   |
| Capital expenditure & funds sources                       |                 |                   |                 |                |                     |               |                 |                      |                         |
| Capital expenditure                                       | _               | _                 | _               | _              | _                   | _             | _               |                      | -                       |
| Capital transfers recognised                              | -               | -                 | -               | _              | -                   | -             | -               |                      | -                       |
| Borrowing   | _               | -                 | _               | _              | _                   | _             | _               |                      |                         |
| Internally generated funds                                | _               | _                 | _               | _              | _                   | _             | _               |                      | _                       |
| Total sources of capital funds                            | -               | -                 | -               | -              | -                   | -             | -               |                      | -                       |
|   |                 |                   |                 |                |                     |               |                 |                      |                         |
| Financial position  Total current assets                  | 48 476          | 111 221           | 108 825         |                | 103 641             |               |                 |                      | 111 22                  |
| Total non current assets                                  | 983 855         | 891 233           | 992 371         |                | 992 140             |               |                 |                      | 891 23                  |
| Total current liabilities                                 | 161 711         | 84 917            | 163 807         |                | 188 048             |               |                 |                      | 84 91                   |
| Total non current liabilities                             | 58 370          | 46 989            | 58 370          |                | 58 370              |               |                 |                      | 46 98                   |
|   | 854 751         | 46 989<br>874 081 | 882 177         |                | 789 825             |               |                 |                      | 46 98<br><b>874 0</b> 8 |
| Community wealth/Equity                                   | 834 /31         | 8/4 081           | 882 177         |                | 789 825             |               |                 |                      | 874 08                  |
| Cash flows  |                 |                   |                 |                |                     |               |                 |                      |                         |
| Net cash from (used) operating                            | (83 491)        | 76 666            | 96 942          | (854)          | (232 435)           | 66 401        | 298 835         | 450%                 | 106 46                  |
| Net cash from (used) investing                            | (47 386)        | (63 043)          | (63 473)        | (2 448)        | (2 448)             | (42 028)      | (39 581)        | 94%                  | -                       |
| Net cash from (used) financing                            | -               | -                 | -               | (93)           | (362)               | -             | 362             | #DIV/0!              | -                       |
| Cash/cash equivalents at the month/year end               | (128 710)       | 33 900            | 40 570          | (3 394)        | (228 143)           | 44 649        | 272 793         | 611%                 | 126 74                  |
| Debtors & creditors analysis                              | 0-30 Days       | 31-60 Days        | 61-90 Days      | 91-120 Days    | 121-150 Dys         | 151-180 Dys   | 181 Dys-1<br>Yr | Over 1Yr             | Total                   |
| Debtors Age Analysis                                      |                 |                   |                 |                |                     |               |                 |                      |                         |
| Total By Income Source                                    | 27 962          | 7 350             | 6 643           | 6 505          | 6 451               | 13 472        | 261 191         | 3 647                | 333 22                  |
| Creditors Age Analysis                                    | 21 902          | 7 350             | 0 043           | 0 303          | 0451                | 134/2         | 201 131         | 3 047                | 333 24                  |
| Total Creditors   | 6 337           | 5 665             | 2 842           | 4 546          | 5 325               | 9 004         | 17 500          | 45 706               | 96 92                   |
|   |                 |                   |                 |                |                     |               |                 |                      | 30 3                    |

1.2 Table C2: Monthly Budget Statement – Financial Performance

EC106 Sundays River Valley - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M08 February

| Barrie Control                      | 10.4 | 2023/24            |                    |                    |                |               |                  |                 |                 |                       |
|-------------------------------------|------|--------------------|--------------------|--------------------|----------------|---------------|------------------|-----------------|-----------------|-----------------------|
| Description                         | Ref  | Audited<br>Outcome | Original<br>Budget | Adjusted<br>Budget | Monthly actual | YearTD actual | YearTD<br>budget | YTD<br>variance | YTD<br>variance | Full Year<br>Forecast |
| R thousands                         | 1    | Outcome            | Duugei             | Buugei             | actual         |               | buager           | variance        | wariance<br>%   | rorecasi              |
| Revenue - Functional                |      |                    |                    |                    |                |               |                  |                 |                 |                       |
| Governance and administration       |      | 86 576             | 103 593            | 111 638            | 4 540          | 82 434        | 69 062           | 13 372          | 19%             | 103 59                |
| Executive and council               |      | 8 970              | 12 654             | 12 654             | _              | 9 491         | 8 436            | 1 055           | 12%             | 12 65                 |
| Finance and administration          |      | 77 607             | 90 939             | 98 984             | 4 540          | 72 943        | 60 626           | 12 317          | 20%             | 90 93                 |
| Internal audit                      |      | _                  | -                  | _                  | _              | _             | _                | _               |                 | _                     |
| Community and public safety         |      | 30 354             | 16 524             | 15 255             | 311            | 4 652         | 11 016           | (6 364)         | -58%            | 16 52                 |
| Community and social services       |      | 25 723             | 1 964              | 1 990              | 10             | 1 917         | 1 309            | 608             | 46%             | 1 96                  |
| Sport and recreation                |      | _                  | _                  | _                  | _              | _             | _                | _               |                 |                       |
| Public safety                       |      | 4 631              | 14 561             | 13 265             | 301            | 2 735         | 9 707            | (6 972)         | -72%            | 14 56                 |
| Housing                             |      | _                  | _                  | _                  | _              | _             | _                |                 |                 |                       |
| Health                              |      | _                  | _                  | _                  | _              | _             | _                | _               |                 |                       |
| Economic and environmental services |      | 8 263              | 21 740             | 21 678             | 3 440          | 25 034        | 14 493           | 10 541          | 73%             | 21 74                 |
| Planning and development            |      | 3 760              | 7 884              | 7 822              | 3 440          | 25 034        | 5 256            | 19 779          | 376%            | 7 88                  |
| Road transport                      |      | 4 503              | 13 856             | 13 856             | -              | -             | 9 237            | (9 237)         | -100%           | 13 85                 |
| Environmental protection            |      | _                  | _                  | _                  | _              | _             | _                | _               |                 |                       |
| Trading services                    |      | 174 967            | 189 938            | 191 071            | 8 410          | 124 797       | 124 847          | (50)            | 0%              | 189 9                 |
| Energy sources                      |      | 91 141             | 70 340             | 70 194             | 3 632          | 48 069        | 45 741           | 2 328           | 5%              | 70 34                 |
| Water management                    |      | 50 610             | 69 324             | 69 990             | 3 743          | 44 623        | 45 589           | (966)           | -2%             | 69 3                  |
| Waste water management              |      | 13 316             | 19 093             | 19 317             | 167            | 9 790         | 12 729           | (2 939)         | -23%            | 19 0                  |
| Waste management                    |      | 19 900             | 31 181             | 31 570             | 868            | 22 315        | 20 787           | 1 528           | 7%              | 31 18                 |
| Other                               | 4    | 13                 | _                  | _                  | _              | 342           |                  | 342             | #DIV/0!         |                       |
| Total Revenue - Functional          | 2    | 300 174            | 331 796            | 339 642            | 16 702         | 237 260       | 219 418          | 17 841          | 8%              | 331 79                |
| Expenditure - Functional            |      |                    |                    |                    |                |               |                  |                 |                 |                       |
| Governance and administration       |      | 165 876            | 88 669             | 89 735             | 6 165          | 67 953        | 58 682           | 9 270           | 16%             | 88 66                 |
| Executive and council               |      | 38 692             | 22 874             | 22 978             | 2 384          | 17 826        | 15 039           | 2 786           | 19%             | 22 8                  |
| Finance and administration          |      | 127 184            | 65 795             | 66 757             | 3 782          | 50 127        | 43 643           | 6 484           | 15%             | 65 7                  |
| Internal audit                      |      | 127 104            | -                  | - 00 101           | 0102           | 00 121        |                  | 0 101           | 1070            | 007                   |
| Community and public safety         |      | 46 146             | 37 997             | 38 585             | 3 726          | 30 930        | 24 860           | 6 070           | 24%             | 37 9                  |
| Community and social services       |      | 30 073             | 20 239             | 21 215             | 2 510          | 19 887        | 13 077           | 6 809           | 52%             | 20 2                  |
| Sport and recreation                |      | _                  | _                  |                    | _              | _             | _                | _               | 0270            | 202                   |
| Public safety                       |      | 14 223             | 15 499             | 15 121             | 1 068          | 9 716         | 10 278           | (562)           | -5%             | 15 4                  |
| Housing                             |      | 1 851              | 2 258              | 2 248              | 148            | 1 327         | 1 505            | (177)           | -12%            | 2 2                   |
| Health                              |      | _                  | _                  | _                  | _              |               | _                | _ (,            | 1270            |                       |
| Economic and environmental services |      | 25 822             | 13 713             | 12 467             | 1 348          | 7 500         | 8 947            | (1 447)         | -16%            | 13 7                  |
| Planning and development            |      | 5 080              | 7 757              | 7 177              | 654            | 4 090         | 5 066            | (976)           | -19%            | 7 78                  |
| Road transport                      |      | 20 743             | 5 956              | 5 290              | 693            | 3 409         | 3 880            | (471)           | -12%            | 5 95                  |
| Environmental protection            |      | 1 20.40            | _                  | _                  | _              |               | _                | \               | /               |                       |
| Trading services                    |      | 107 701            | 95 347             | 106 978            | 8 854          | 68 030        | 64 483           | 3 547           | 6%              | 95 3 <sup>-</sup>     |
| Energy sources                      |      | 47 942             | 46 126             | 52 202             | 3 600          | 36 288        | 31 250           | 5 038           | 16%             | 46 12                 |
| Water management                    |      | 32 679             | 22 829             | 28 644             | 3 871          | 21 521        | 15 583           | 5 938           | 38%             | 22 7                  |
| Waste water management              |      | 14 709             | 14 329             | 13 582             | 862            | 5 800         | 9 829            | (4 029)         | -41%            | 14 3                  |
| Waste management                    |      | 12 369             | 12 062             | 12 549             | 520            | 4 420         | 7 821            | (3 401)         | -43%            | 12 0                  |
| Other                               |      | 263                | 182                | 12 040             | 17             | 150           | 112              | 38              | 34%             | 12 01                 |
| Total Expenditure - Functional      | 3    | 345 808            | 235 909            | 247 765            | 20 110         | 174 562       | 157 085          | 17 477          | 11%             | 235 90                |
| Surplus/ (Deficit) for the year     |      | (45 634)           | 95 887             | 91 878             | (3 408)        | 62 697        | 62 334           | ·               | 0,0058356       | 95 88                 |

1.3 Table C3: Monthly Budget Statement – Financial Performance

EC106 Sundays River Valley - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08

| Vote Description                        |     | 2023/24            |                    |                    |                   | Budget Year 2 | 2024/25          |                 |                 |                       |
|---|-----|--------------------|--------------------|--------------------|-------------------|---------------|------------------|-----------------|-----------------|-----------------------|
|   | Ref | Audited<br>Outcome | Original<br>Budget | Adjusted<br>Budget | Monthly<br>actual | YearTD actual | YearTD<br>budget | YTD<br>variance | YTD<br>variance | Full Year<br>Forecast |
| R thousands                             |     |                    |                    |                    |                   |               |                  |                 | %               |                       |
| Revenue by Vote                         | 1   |                    |                    |                    |                   |               |                  |                 |                 |                       |
| Vote 1 - Executive AND Council (10: IE) |     | 8 970              | 12 654             | 12 654             | -                 | 9 491         | 8 436            | 1 055           | 12,5%           | 12 654                |
| Vote 2 - CORPORATE SERVICES (11: IE)    |     | 7 164              | 9 268              | 9 373              | 12                | 6 921         | 6 179            | 743             | 12,0%           | 9 268                 |
| Vote 3 - FINANCE (12: IE)               |     | 56 792             | 72 678             | 89 611             | 4 528             | 66 022        | 48 452           | 17 570          | 36,3%           | 72 678                |
| Vote 4 - Community Services (13: IE)    |     | 39 640             | 56 698             | 46 824             | 1 179             | 27 309        | 37 799           | (10 490)        | -27,8%          | 56 698                |
| Vote 5 - Technical Services (14: IE)    |     | 187 608            | 180 497            | 181 180            | 10 982            | 127 516       | 118 553          | 8 964           | 7,6%            | 180 497               |
| Total Revenue by Vote                   | 2   | 300 174            | 331 796            | 339 642            | 16 702            | 237 260       | 219 418          | 17 841          | 8,1%            | 331 796               |
| Expenditure by Vote                     | 1   |                    |                    |                    |                   |               |                  |                 |                 |                       |
| Vote 1 - Executive AND Council (10: IE) |     | 39 886             | 24 232             | 24 251             | 2 550             | 18 584        | 15 921           | 2 663           | 16,7%           | 24 232                |
| Vote 2 - CORPORATE SERVICES (11: IE)    |     | 25 777             | 28 247             | 27 170             | 1 561             | 16 709        | 18 510           | (1 801)         | -9,7%           | 28 247                |
| Vote 3 - FINANCE (12: IE)               |     | 101 279            | 37 548             | 39 586             | 2 221             | 33 418        | 25 133           | 8 285           | 33,0%           | 37 548                |
| Vote 4 - Community Services (13: IE)    |     | 57 384             | 47 983             | 48 886             | 4 115             | 34 173        | 31 289           | 2 884           | 9,2%            | 47 983                |
| Vote 5 - Technical Services (14: IE)    |     | 121 483            | 97 899             | 107 871            | 9 663             | 71 678        | 66 232           | 5 446           | 8,2%            | 97 899                |
| Total Expenditure by Vote               | 2   | 345 808            | 235 909            | 247 765            | 20 110            | 174 562       | 157 085          | 17 477          | 11,1%           | 235 909               |
| Surplus/ (Deficit) for the year         | 2   | (45 634)           | 95 887             | 91 878             | (3 408)           | 62 697        | 62 334           | 364             | 0,6%            | 95 887                |

1.4 Table C4: Monthly Budget Statement – Financial Performance

| EC106 Sundays River Valley - Table C4 Monthly Budget Statement  | 1 11 | 2023/24            | Jace (16         | Toniue unu       | -Aponaitui | Budget Ye        |                  |                  |              |                  |
|---|------|--------------------|------------------|------------------|------------|------------------|------------------|------------------|--------------|------------------|
| Description   | Ref  | Audited            | Original         | Adjusted         | Monthly    | 1                | YearTD           | v                | vero :       | Full Year        |
|   |      | Outcome            | Budget           | Budget           | actual     | YearTD actual    | budget           | YTD variance     | YTD variance | Forecast         |
| R thousands   |      |                    |                  |                  |            |                  |                  |                  | %            |                  |
| Revenue   |      |                    |                  |                  |            |                  |                  |                  |              |                  |
| Exchange Revenue  |      |                    |                  |                  |            |                  |                  |                  |              |                  |
| Service charges - Electricity   |      | 33 321             | 34 950           | 34 950           | 2 077      | 21 238           | 22 148           | (910)            |              | 34 950           |
| Service charges - Water   |      | 21 143             | 20 444           | 20 444           | 1 538      | 13 624           | 13 185           | 439              | 3%           | 20 444           |
| Service charges - Waste Water Management  |      | 4 897              | 3 630            | 3 630            | 445        | 3 740            | 2 238            | 1 502            | 67%          | 3 630            |
| Service charges - Waste management  |      | 6 196              | 7 807            | 7 807            | 509        | 4 867            | 5 205            | (338)            |              | 7 807            |
| Sale of Goods and Rendering of Services   |      | 304                | 656              | 274              | 26         | 167              | 437              | (270)            |              | 656              |
| Agency services   |      | 2 955              | 3 647            | 2 812            | 127        | 1 489            | 2 431            | (942)            | -39%         | 3 647            |
| Interest Interest earned from Receivables   |      | 3 506              | 13 713           | 15 062           | 1 150      | 8 718            | 9 142            | -<br>(424)       | -5%          | 13 713           |
| Interest from Current and Non Current Assets  |      | 1 655              | 13 713           | 15 062           | 1 150      | 1 234            | 1 186            | (424)<br>49      | -5%<br>4%    | 13 /13           |
| Dividends   |      | 1 000              | 1779             | 1779             | 124        | 1 234            | 1 100            | -                | 470          | 1778             |
| Rent on Land  |      |                    |                  |                  |            |                  |                  | _                |              |                  |
| Rental from Fixed Assets  |      | 38                 | 72               | 199              | 16         | 146              | 48               | 99               | 206%         | 72               |
| Licence and permits   |      | 989                | 1 020            | 1 766            | 173        | 961              | 680              | 281              | 41%          | 1 020            |
| Operational Revenue   |      | 1 056              | 1 384            | 670              | 14         | 119              | 922              | (803)            |              | 1 384            |
| Non-Exchange Revenue  |      |                    |                  |                  |            |                  |                  | - (230)          |              | . 50             |
| Property rates  |      | 44 517             | 49 058           | 56 663           | 3 514      | 41 059           | 32 705           | 8 354            | 26%          | 49 058           |
| Surcharges and Taxes  |      | 7 602              | -                | -                | 798        | 5 409            | -                | 5 409            | #DIV/0!      | -                |
| Fines, penalties and forfeits   |      | 368                | 1 849            | 435              | 0          | 35               | 1 232            | (1 197)          | -97%         | 1 849            |
| Licence and permits   |      | 13                 | 24               | 262              | 1          | 252              | 16               | 236              | 1457%        | 24               |
| Transfers and subsidies - Operational   |      | 115 209            | 126 565          | 126 565          | -          | 94 383           | 84 376           | 10 007           | 12%          | 126 565          |
| Interest  |      | 7 238              | 7 512            | 8 638            | 868        | 6 120            | 5 008            | 1 112            | 22%          | 7 512            |
| Fuel Levy   |      |                    |                  |                  |            |                  |                  | -                |              |                  |
| Operational Revenue   |      |                    |                  |                  |            |                  |                  | -                |              |                  |
| Gains on disposal of Assets   |      | 167                | -                | -                | -          | -                | -                | -                |              | -                |
| Other Gains   |      | 215                | -                | -                | _          | -                | _                | -                |              | -                |
| Discontinued Operations  Total Revenue (excluding capital transfers and contributions)                | -    | 251 389            | 274 109          | 281 955          | 11 380     | 203 562          | 180 960          | 22 602           | 12%          | 274 109          |
| Expenditure By Type   |      | 201 000            | 214 103          | 201 300          | 11 000     | 200 302          | 100 300          | 22 002           | 12.70        | 214 103          |
| Employee related costs  |      | 100 772            | 104 674          | 104 674          | 9 119      | 77 387           | 69 783           | 7 604            | 11%          | 104 674          |
|   |      |                    |                  |                  |            | 1 1              |                  | •                | i            | 7 763            |
| Remuneration of councillors   |      | 7 282              | 7 763            | 7 763            | 753        | 5 426            | 5 175            | 251              | 5%           |                  |
| Bulk purchases - electricity  |      | 28 363             | 31 950           | 31 950           |            | 21 983           | 19 702           | 2 281            | 12%          | 31 950           |
| Inventory consumed  |      | 11 454             | 8 603            | 6 842            | 1 915      | 7 056            | 5 305            | 1 751            | 33%          | 8 628            |
| Debt impairment   |      | 44 204             | (2 956)          | 13 889           | -          | -                | 2 123            | (2 123)          | -100%        | (2 956           |
| Depreciation and amortisation   |      | 36 599             | 29 848           | 29 848           | -          | -                | 19 899           | (19 899)         | -100%        | 29 848           |
| Interest  |      | 11 189             | 2 660            | 2 660            | 300        | 1 920            | 1 773            | 146              | 8%           | 2 660            |
| Contracted services   |      | 61 595             | 33 765           | 31 475           | 2 488      | 28 503           | 20 987           | 7 5 1 6          | 36%          | 33 755           |
| Transfers and subsidies   |      | 52                 | -                | _                | _          | _                | _                | _                |              | _                |
| Irrecoverable debts written off   |      | _                  | _                | _                | _          | 7                | _                | 7                | #DIV/0!      | _                |
| Operational costs   |      | 32 582             | 19 602           | 18 665           | 5 534      | 32 281           | 12 337           | 19 944           | 162%         | 19 588           |
| i i   |      | 32 302             | 13 002           | 10 000           | 3 334      | 32 201           | 12 001           | 15 544           | 10270        | 13 300           |
| Losses on Disposal of Assets  |      | 364                |                  |                  |            |                  |                  | _                |              |                  |
| Other Losses Total Expanditure  |      | 334 455            | 225 000          | 247.765          | 20 110     | 174 562          | 157 085          | 17 477           | 11%          | 235 909          |
| Total Expenditure   | -    |                    | 235 909          | 247 765          |            | 1                |                  | ·                | i            |                  |
| Surplus/(Deficit) Transfers and subsidies - capital (monetary allocations)                            |      | (83 066)<br>48 435 | 38 200<br>57 688 | 34 190<br>57 688 | (8 730)    | 29 000<br>33 697 | 23 875<br>38 458 | 5 125<br>(4 761) | 0            | 38 200<br>57 688 |
| Transfers and subsidies - capital (monetary allocations)  Transfers and subsidies - capital (in-kind) |      | 48 435<br>350      | 37 008           | 37 000           | 5 321      | 33 09/           | 30 438           | (4 761)          | (0)          | 57 088           |
| Surplus/(Deficit) after capital transfers & contributions   |      | (34 281)           | 95 887           | 91 878           | (3 408)    | 62 697           | 62 334           | 364              | 0            | 95 887           |
| Income Tax  |      | , ,                |                  |                  | (2.120)    | 12.11            | 12.57            |                  |              | 22.20.           |
| Surplus/(Deficit) after income tax  |      | (34 281)           | 95 887           | 91 878           | (3 408)    | 62 697           | 62 334           | 364              | 0            | 95 887           |
|   |      | (34 281)           | 30 001           | 310/0            | (3 408)    | 02 097           | 02 334           | 304              | U .          | 30 00/           |
| Share of Surplus/Deficit attributable to Joint Venture  |      |                    |                  |                  |            |                  |                  | -                |              |                  |
| Share of Surplus/Deficit attributable to Minorities   |      | (24 204)           | 05 007           | 04.070           | (2.400)    | 62 607           | 62 224           |                  |              | 05 007           |
| Surplus/(Deficit) attributable to municipality  |      | (34 281)           | 95 887           | 91 878           | (3 408)    | 62 697           | 62 334           | 364              | 0            | 95 887           |
| Share of Surplus/Deficit attributable to Associate  |      |                    |                  |                  |            |                  |                  | _                | L            |                  |
|   |      |                    |                  |                  |            |                  |                  |                  |              |                  |
| Intercompany/Parent subsidiary transactions   |      |                    |                  |                  |            |                  |                  | -                |              |                  |

1.5 Table C5: Monthly Budget Statement – Capital Expenditure

#### EC106 Sundays River Valley - Table C5 Monthly Budget

| Statement - Capital Expenditure (municipal vote, functional   | 1_  |                    |                    |                    |                |               |                  | 1            |              |                       |
|---|-----|--------------------|--------------------|--------------------|----------------|---------------|------------------|--------------|--------------|-----------------------|
| Vote Description  | Ref | 2023/24<br>Audited | Budget Year        | Adiusted           | Monthly        | -             | VeerTD           | -            | ļ            | Full Vac-             |
|   |     | Audited<br>Outcome | Original<br>Budget | Adjusted<br>Budget | Monthly actual | YearTD actual | YearTD<br>budget | YTD variance | YTD variance | Full Year<br>Forecast |
| R thousands   | 1   | Gutoomo            | Dauget             | Daugot             | uotuui         |               | Daugot           |              | %            | . 0.0000              |
| Multi-Year expenditure appropriation  | 2   |                    |                    |                    |                |               |                  |              |              |                       |
| Vote 6 - Technical Services (14: CAPEX)   |     | -                  | -                  | -                  | -              | -             | -                | -            |              | -                     |
| Vote 7 - Executive AND Council (30: CAPEX)  |     | -                  | -                  | -                  | -              | -             | -                | -            |              | -                     |
| Vote 8 - Community Services (36: CAPEX)   |     | -                  | -                  | -                  | -              | -             | _                | -            |              | -                     |
| Vote 9 - Technical Services (38: CAPEX)   |     | -                  | -                  | -                  | -              | -             | _                | -            |              | -                     |
| Vote 10 - Finance (39: CAPEX)   |     | -                  | -                  | -                  | -              | -             | _                | -            |              | -                     |
| Vote 11 - Corporate Services (40: CAPEX)  |     | _                  | -                  | -                  | -              | -             | _                | _            |              | _                     |
| Total Capital Multi-year expenditure  | 4,7 | -                  | -                  | -                  | -              | -             | -                | -            |              | -                     |
| Single Year expenditure appropriation   | 2   |                    |                    |                    |                |               |                  |              |              |                       |
| Vote 6 - Technical Services (14: CAPEX)   |     | _                  | _                  | _                  | -              | _             | _                | _            |              | _                     |
| Vote 7 - Executive AND Council (30: CAPEX)  |     | _                  | 1 300              | 600                | 5              | 9             | 867              | (858)        | -99%         | 1 300                 |
| Vote 8 - Community Services (36: CAPEX)   |     | 11 643             | 5 870              | 5 870              | _              | 4 142         | 3 914            | 229          | 6%           | 5 870                 |
| Vote 9 - Technical Services (38: CAPEX)   |     | 36 719             | 55 872             | 56 703             | 5 321          | 42 383        | 37 248           | 5 135        | 14%          | 55 872                |
| Vote 10 - Finance (39: CAPEX)   |     | _                  | _                  | _                  | _              | _             | _                | _            |              | _                     |
| Vote 11 - Corporate Services (40: CAPEX)  |     | _                  | -                  | 300                | -              | 49            | _                | 49           | #DIV/0!      | _                     |
| Total Capital single-year expenditure   | 4   | 48 362             | 63 043             | 63 473             | 5 326          | 46 584        | 42 028           | 4 556        | 11%          | 63 043                |
| Total Capital Expenditure   |     | 48 362             | 63 043             | 63 473             | 5 326          | 46 584        | 42 028           | 4 556        | 11%          | 63 043                |
| Capital Expenditure - Functional Classification   |     |                    |                    |                    |                |               |                  |              |              |                       |
| Governance and administration   |     | _                  | 1 300              | 900                | 5              | 59            | 867              | (808)        | -93%         | 1 300                 |
| Executive and council   |     | _                  | 1 300              | 600                | 5              | 9             | 867              | (858)        | 1            | 1 300                 |
| Finance and administration  |     | _                  | _                  | 300                | -              | 49            | _                | 49           | #DIV/0!      | _                     |
| Internal audit  |     |                    |                    |                    |                |               |                  | _            |              |                       |
| Community and public safety   |     | 11 643             | 5 870              | 5 870              | -              | 4 142         | 3 914            | 229          | 6%           | 5 870                 |
| Community and social services   |     | 11 643             | 5 870              | 5 870              | -              | 4 142         | 3 914            | 229          | 6%           | 5 870                 |
| Sport and recreation  |     |                    |                    |                    |                |               |                  | -            | İ            |                       |
| Public safety   |     |                    |                    |                    |                |               |                  | -            |              |                       |
| Housing   |     |                    |                    |                    |                |               |                  | -            |              |                       |
| Health  |     |                    |                    |                    |                |               |                  | -            |              |                       |
| Economic and environmental services   |     | 2 341              | 12 410             | 12 395             | 2 218          | 5 672         | 8 273            | (2 602)      | -31%         | 12 410                |
| Planning and development  |     |                    |                    |                    |                |               |                  | -            |              |                       |
| Road transport  |     | 2 341              | 12 410             | 12 395             | 2 218          | 5 672         | 8 273            | (2 602)      | -31%         | 12 410                |
| Environmental protection  |     |                    |                    |                    |                |               |                  | -            |              |                       |
| Trading services  |     | 34 378             | 43 462             | 44 308             | 3 103          | 36 712        | 28 975           | 7 737        | 27%          | 43 462                |
| Energy sources  |     | 2 854              | 4 495              | 4 510              | 1 254          | 2 998         | 2 997            | 2            | 0%           | 4 495                 |
| Water management  |     | 947                | 14 489             | 14 189             | -              | -             | 9 659            | (9 659)      | 1            | 14 489                |
| Waste water management  |     | 30 577             | 24 478             | 25 609             | 1 850          | 33 714        | 16 319           | 17 395       | 107%         | 24 478                |
| Waste management  |     |                    |                    |                    |                |               |                  | -            |              |                       |
| Other   | -   |                    |                    |                    |                |               |                  | -            | <u> </u>     |                       |
| Total Capital Expenditure - Functional Classification   | 3   | 48 362             | 63 043             | 63 473             | 5 326          | 46 584        | 42 028           | 4 556        | 11%          | 63 043                |
| Funded by:  |     |                    |                    |                    |                |               |                  |              |              |                       |
| National Government   |     | 48 339             | 57 389             | 57 389             | 5 321          | 46 490        | 38 259           | 8 230        | 22%          | 57 389                |
| Provincial Government   |     |                    |                    |                    |                |               |                  | -            |              |                       |
| District Municipality   | 1   |                    |                    |                    |                |               |                  | -            |              |                       |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,<br>Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ |     |                    |                    |                    |                |               |                  |              |              |                       |
| Institutions)   |     |                    |                    |                    |                |               |                  | _            |              |                       |
| Transfers recognised - capital  |     | 48 339             | 57 389             | 57 389             | 5 321          | 46 490        | 38 259           | 8 230        | 22%          | 57 389                |
| Borrowing   | 6   |                    |                    |                    |                |               |                  | -            |              |                       |
| Internally generated funds  | 1   | 23                 | 5 654              | 6 084              | 5              | 95            | 3 769            | (3 675)      | -97%         | 5 654                 |
| Total Capital Funding   | T   | 48 362             | 63 043             | 63 473             | 5 326          | 46 584        | 42 028           | 4 556        | 11%          | 63 043                |

1.6 Table C6: Monthly Budget Statement - Financial Position

EC106 Sundays River Valley - Table C6 Monthly Budget Statement - Financial Position - M08 February

|   |   | 2023/24                                 |           |   | ear 2024/25   | - U.                |
|---|---|---|-----------|---|---------------|---------------------|
| Description   | Ref                                     | Audited                                 | Original  | Adjusted                                | YearTD actual | Full Year           |
| R thousands   | 1                                       | Outcome                                 | Budget    | Budget                                  |               | Forecast            |
| ASSETS .  |   |   |           |   |               |                     |
| Current assets  |   |   |           |   |               |                     |
| Cash and cash equivalents                               |   | 7 101                                   | 57 606    | 43 336                                  | 15 701        | 57 606              |
| Trade and other receivables from exchange transactions  |   | 8 855                                   | 18 990    | 22 235                                  | 35 596        | 18 990              |
| Receivables from non-exchange transactions              |   | 7 211                                   | 26 009    | 15 850                                  | 21 700        | 26 009              |
| Current portion of non-current receivables              |   | -                                       | 368       | _                                       | -             | 368                 |
| Inventory   |   | 309                                     | 299       | 309                                     | 337           | 299                 |
| VAT   |   | 24 964                                  | 7 205     | 27 059                                  | 30 830        | 7 205               |
| Other current assets                                    |   | 36                                      | 745       | 36                                      | (523)         | 745                 |
| Total current assets                                    |   | 48 476                                  | 111 221   | 108 825                                 | 103 641       | 111 221             |
| Non current assets                                      |   |   |           |   |               |                     |
| Investments   |   |   |           |   |               |                     |
| Investment property                                     |   | 40 205                                  | 22 609    | 40 205                                  | 40 205        | 22 609              |
| Property, plant and equipment                           |   | 943 328                                 | 868 587   | 953 597                                 | 951 613       | 868 587             |
| Biological assets                                       |   |   |           |   |               |                     |
| Living and non-living resources                         |   |   |           |   |               |                     |
| Heritage assets   |   | 322                                     | 322       | 322                                     | 322           | 322                 |
| Intangible assets                                       |   | -                                       | (286)     | (1 753)                                 | -             | (286                |
| Trade and other receivables from exchange transactions  |   |   |           |   |               |                     |
| Non-current receivables from non-exchange transactions  |   |   |           |   |               |                     |
| Other non-current assets                                |   |   |           |   |               |                     |
| Total non current assets                                |   | 983 855                                 | 891 233   | 992 371                                 | 992 140       | 891 233             |
| TOTAL ASSETS  |   | 1 032 331                               | 1 002 453 | 1 101 196                               | 1 095 781     | 1 002 453           |
| <u>LIABILITIES</u>                                      |   |   |           |   |               |                     |
| Current liabilities                                     |   |   |           |   |               |                     |
| Bank overdraft  |   |   |           |   |               |                     |
| Financial liabilities                                   |   | -                                       | _         | _                                       | (362)         | _                   |
| Consumer deposits                                       |   | 84                                      | 2 637     | 84                                      | 83            | 2 637               |
| Trade and other payables from exchange transactions     |   | 126 956                                 | 63 828    | 126 956                                 | 134 779       | 63 828              |
| Trade and other payables from non-exchange transactions |   | 0                                       | 9 209     | 0                                       | 7 876         | 9 209               |
| Provision   |   | 9 687                                   | 8 746     | 9 687                                   | 9 687         | 8 746               |
| VAT   |   | 24 082                                  | (256)     | 26 178                                  | 35 083        | (256                |
| Other current liabilities                               |   | 902                                     | 754       | 902                                     | 902           | 754                 |
| Total current liabilities                               |   | 161 711                                 | 84 917    | 163 807                                 | 188 048       | 84 917              |
| Non current liabilities                                 | *************************************** | *************************************** |           | *************************************** |               |                     |
| Financial liabilities                                   |   |   |           |   |               |                     |
| Provision   |   | 51 659                                  | 41 877    | 51 659                                  | 51 659        | 41 877              |
| Long term portion of trade payables                     |   |   |           |   |               |                     |
| Other non-current liabilities                           |   | 6 711                                   | 5 112     | 6 711                                   | 6 711         | 5 112               |
| Total non current liabilities                           |   | 58 370                                  | 46 989    | 58 370                                  | 58 370        | 46 989              |
| TOTAL LIABILITIES                                       |   | 220 081                                 | 131 906   | 222 177                                 | 246 418       | 131 906             |
| NET ASSETS  | 2                                       | 812 249                                 | 870 547   | 879 019                                 | 849 363       | 870 547             |
| COMMUNITY WEALTH/EQUITY                                 |   | -                                       |           | -                                       |               | •                   |
| Accumulated surplus/(deficit)                           |   | 854 751                                 | 874 081   | 882 177                                 | 789 825       | 874 081             |
| Reserves and funds                                      |   |   |           |   |               |                     |
| Other   |   |   |           |   |               |                     |
| TOTAL COMMUNITY WEALTH/EQUITY                           | 2                                       | 854 751                                 | 874 081   | 882 177                                 | 789 825       | 874 08 <sup>-</sup> |

1.7 Table C7: Monthly Budget Statement – Cashflow

EC106 Sundays River Valley - Table C7 Monthly Budget Statement - Cash Flow - M08 February

|  |     | 2023/24            |                    |                    |                | Budget Ye     | ar 2024/25       |              |              |                       |
|--|-----|--------------------|--------------------|--------------------|----------------|---------------|------------------|--------------|--------------|-----------------------|
| Description                                    | Ref | Audited<br>Outcome | Original<br>Budget | Adjusted<br>Budget | Monthly actual | YearTD actual | YearTD<br>budget | YTD variance | YTD variance | Full Year<br>Forecast |
| R thousands                                    | 1   |                    |                    |                    |                |               |                  |              | %            |                       |
| CASH FLOW FROM OPERATING ACTIVITIES            |     |                    |                    |                    |                |               |                  |              |              |                       |
| Receipts                                       |     |                    |                    |                    |                |               |                  |              |              |                       |
| Property rates                                 |     | 33 614             | 37 859             | 54 298             | 4 273          | 1 704         | 25 239           | (23 535)     | -93%         | -                     |
| Service charges                                |     | 10 351             | 69 119             | 63 210             | 80             | (16 515)      | 50 652           | (67 167)     | -133%        | -                     |
| Other revenue                                  |     | 25 692             | 8 651              | 11 909             | 1 879          | (3)           | 5 767            | (5 771)      | -100%        | -                     |
| Transfers and Subsidies - Operational          |     | 141 270            | 113 539            | 121 673            | 14 055         | 31 076        | 74 856           | (43 781)     | -58%         | 316 654               |
| Transfers and Subsidies - Capital              |     | 29 018             | 57 688             | 57 688             | 2 637          | 8 174         | 38 458           | (30 284)     | -79%         | -                     |
| Interest                                       |     | 1 442              | 1 779              | 1 779              | 114            | 1 169         | 1 186            | (17)         | -1%          | 1 779                 |
| Dividends                                      |     |                    |                    |                    |                |               |                  | -            |              |                       |
| Payments                                       |     |                    |                    |                    |                |               |                  |              |              |                       |
| Suppliers and employees                        |     | (324 878)          | (209 308)          | (210 956)          | (23 891)       | (258 038)     | (127 984)        | (130 054)    | 102%         | (209 308)             |
| Interest                                       |     | -                  | (2 660)            | (2 660)            | -              | -             | (1 773)          | 1 773        | -100%        | (2 660)               |
| Transfers and Subsidies                        |     |                    |                    |                    |                |               |                  | -            |              |                       |
| NET CASH FROM/(USED) OPERATING ACTIVITIES      |     | (83 491)           | 76 666             | 96 942             | (854)          | (232 435)     | 66 401           | 298 835      | 450%         | 106 465               |
| CASH FLOWS FROM INVESTING ACTIVITIES           |     |                    |                    |                    |                |               |                  |              |              |                       |
| Receipts                                       |     |                    |                    |                    |                |               |                  |              |              |                       |
| Proceeds on disposal of PPE                    |     |                    |                    |                    |                |               |                  | -            |              |                       |
| Decrease (increase) in non-current receivables |     |                    |                    |                    |                |               |                  | -            |              |                       |
| Decrease (increase) in non-current investments |     |                    |                    |                    |                |               |                  | -            |              |                       |
| Payments                                       |     |                    |                    |                    |                |               |                  |              |              |                       |
| Capital assets                                 |     | (47 386)           | (63 043)           | (63 473)           | (2 448)        | (2 448)       | (42 028)         | 39 581       | -94%         | _                     |
| NET CASH FROM/(USED) INVESTING ACTIVITIES      |     | (47 386)           | (63 043)           | (63 473)           | (2 448)        | (2 448)       | (42 028)         | (39 581)     | 94%          | -                     |
| CASH FLOWS FROM FINANCING ACTIVITIES           |     |                    |                    |                    |                |               |                  |              |              |                       |
| Receipts                                       |     |                    |                    |                    |                |               |                  |              |              |                       |
| Short term loans                               |     |                    |                    |                    |                |               |                  | -            |              |                       |
| Borrowing long term/refinancing                |     |                    |                    |                    |                |               |                  | -            |              |                       |
| Increase (decrease) in consumer deposits       |     |                    |                    |                    |                |               |                  | -            |              |                       |
| Payments                                       |     |                    |                    |                    |                |               |                  |              |              |                       |
| Repayment of borrowing                         |     | _                  | -                  | -                  | (93)           | (362)         | -                | (362)        | #DIV/0!      | -                     |
| NET CASH FROM/(USED) FINANCING ACTIVITIES      |     | _                  | -                  | -                  | (93)           | (362)         | _                | 362          | #DIV/0!      | _                     |
| NET INCREASE/ (DECREASE) IN CASH HELD          |     | (130 877)          | 13 623             | 33 469             | (3 394)        | (235 244)     | 24 373           |              |              | 106 465               |
| Cash/cash equivalents at beginning:            |     | 2 167              | 20 277             | 7 101              | -              | 7 101         | 20 277           | (13 176)     |              | 20 277                |
| Cash/cash equivalents at month/year end:       |     | (128 710)          | 33 900             | 40 570             | (3 394)        | (228 143)     | 44 649           |              |              | 126 741               |

1.8 Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February 2025

| Summary of Employee and Councillor remuneration               | Ref | 2023/24<br>Audited<br>Outcome | Original<br>Budget | Adjusted<br>Budget | Monthly<br>actual | Budget Ye<br>YearTD actual | YearTD<br>budget | YTD variance | YTD variance  | Full Year<br>Forecast |
|---|-----|-------------------------------|--------------------|--------------------|-------------------|----------------------------|------------------|--------------|---------------|-----------------------|
| R thousands   |     |                               |                    |                    | actual            |                            | ouayet           | -            | %             |                       |
| Councillors (Political Office Bearers plus Other)             | 1   | A                             | В                  | С                  |                   |                            |                  |              |               | D                     |
| Basic Salaries and Wages                                      |     | 5 948                         | 6 353              | 6 353              | 640               | 4 522                      | 4 235            | 287          | 7%            | 63                    |
| Pension and UIF Contributions  Medical Aid Contributions      |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Motor Vehicle Allowance                                       |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Celiphone Allowance Housing Allowances                        |     | 670<br>300                    | 719<br>312         | 719<br>312         | 58<br>25          | 461<br>200                 | 479<br>208       | (18)<br>(8)  | -4%<br>-4%    | 3                     |
| Other benefits and allowances                                 |     | 363                           | 379                | 379                | 30                | 243                        | 253              | (10)         | -4%           | 3                     |
| Sub Total - Councillors                                       |     | 7 282                         | 7 763<br>6,6%      | 7 763<br>6,6%      | 753               | 5 426                      | 5 175            | 251          | 5%            | 7 7<br>6,6%           |
| % increase  | 4   |                               | 0,076              | 0,0%               |                   |                            |                  |              |               | 0,0%                  |
| Senior Managers of the Municipality  Basic Salaries and Wages | 3   | 4 739                         | 4 898              | 4 898              | 401               | 3 306                      | 3 265            | 41           | 1%            | 4.8                   |
| Pension and UIF Contributions                                 |     | 11                            | 11                 | 11                 | 1                 | 7                          | 8                | (0)          | -6%           | 1                     |
| Medical Aid Contributions                                     |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Overtime Performance Bonus                                    |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Motor Vehicle Allowance                                       |     | 865                           | 913                | 913                | 72                | 575                        | 609              | (34)         | -6%           | 9                     |
| Celiphone Allowance   |     | 120                           | 127                | 127                | 10                | 80                         | 85               | (5)          | -6%           | 1                     |
| Housing Allowances Other benefits and allowances              |     | 192                           | 203                | 203                | 16<br>0           | 128<br>0                   | 136<br>0         | (8)<br>(0)   |               | 2                     |
| Payments in lieu of leave                                     |     | (637)                         | -                  | -                  | -                 | -                          | -                | -            |               |                       |
| Long service awards   |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Post-refirement benefit obligations Entertainment             | 2   | 206                           | -                  | -                  | -                 | -                          | -                | -            |               |                       |
| Scarcity  |     | 223                           | 240                | 240                | 19                | 151                        | 160              | (9)          | -6%           | 2                     |
| Acting and post related allowance                             |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| In kind benefits  |     | £ 740                         | 6.204              | 6.204              | E40               | 4 240                      | 4.262            | - 45         | 00/           |                       |
| Sub Total - Senior Managers of Municipality  % increase       | 4   | 5 719                         | 6 394<br>11,8%     | 6 394<br>11,8%     | 518               | 4 248                      | 4 262            | (15)         | 0%            | 6 3<br>11,8%          |
| Other Municipal Staff   |     |                               |                    |                    |                   |                            |                  |              |               |                       |
| Basic Salaries and Wages                                      |     | 61 222                        | 63 335             | 63 484             | 5 939             | 46 489                     | 42 223           | 4 265        | 10%           | 63 3                  |
| Pension and UIF Contributions  Medical Aid Contributions      |     | 10 798                        | 11 396             | 11 396             | 989               | 8 105                      | 7 597            | 508          | 7%            | 11 3                  |
| Medical Aid Contributions  Overtime                           |     | 4 543<br>4 467                | 4 945<br>4 466     | 4 945<br>4 466     | 427<br>413        | 3 232<br>3 498             | 3 297<br>2 977   | (65)<br>521  | -2%<br>17%    | 49                    |
| Performance Bonus   |     | 4 625                         | 4 578              | 4 429              | -                 | 4 890                      | 3 052            | 1 838        | 60%           | 4.5                   |
| Motor Vehicle Allowance                                       |     | 5 937                         | 6 244              | 6 244              | 504               | 4 180                      | 4 163            | 17           | 0%            | 62                    |
| Celiphone Allowance Housing Allowances                        |     | 768<br>547                    | 923<br>550         | 923<br>550         | 82<br>48          | 609<br>384                 | 615<br>366       | (6)<br>17    | -1%<br>5%     | 9                     |
| Other benefits and allowances                                 |     | 1 183                         | 1 209              | 1 209              | 118               | 1 087                      | 806              | 281          | 35%           | 13                    |
| Payments in lieu of leave                                     |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Long service awards Post-refirement benefit obligations       | 2   | 288<br>276                    | 14<br>531          | 14<br>531          | 55<br>-           | 241<br>277                 | 9<br>354         | 232<br>(77)  | 2570%<br>-22% |                       |
| Entertainment   | -   | 2.0                           |                    | 551                |                   | 2.77                       | 004              | -            | 22.00         | ,                     |
| Scarcity  |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Acting and post related allowance In kind henetis             |     | 1 513                         | 1 231              | 1 231              | 138               | 1 187                      | 820              | 366          | 45%           | 12                    |
| Sub Total - Other Municipal Staff                             |     | 96 167                        | 99 420             | 99 420             | 8 712             | 74 179                     | 66 280           | 7 899        | 12%           | 99 4                  |
| % increase  | 4   |                               | 3,4%               | 3,4%               |                   |                            |                  |              |               | 3,4%                  |
| Total Parent Municipality                                     |     | 109 168                       | 113 576            | 113 576            | 9 984             | 83 853                     | 75 718           | 8 135        | 11%           | 113 5                 |
| Unpaid salary, allowances & benefits in arrears:              |     |                               |                    |                    |                   |                            |                  | -            |               | <del></del>           |
| Board Members of Entities  Basic Salaries and Wages           |     |                               |                    |                    |                   |                            |                  |              |               |                       |
| Pension and UIF Contributions                                 |     |                               |                    |                    |                   |                            |                  | _            |               |                       |
| Medical Aid Contributions                                     |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Overtime  |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Performance Bonus Motor Vehicle Allowance                     |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Cellphone Allowance   |     |                               |                    |                    |                   |                            |                  | _            |               |                       |
| Housing Allowances  |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Other benefits and allowances  Board Fees                     | 5   |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Payments in lieu of leave                                     | 1°  |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Long service awards   |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Post-retirement benefit obligations                           |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Entertainment<br>Scarcity                                     |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Acting and post related allowance                             |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| In kind benefits  |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Sub Total - Executive members Board<br>% increase             | 4   | -                             | -                  | -                  | -                 | -                          | -                | -            |               |                       |
|   | "   |                               |                    |                    |                   |                            |                  |              |               |                       |
| Senior Managers of Entities  Basic Salaries and Wages         |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Pension and UIF Contributions                                 |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Medical Aid Contributions                                     |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Overfime Performance Bonus                                    |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Motor Vehicle Allowance                                       |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Celiphone Allowance   |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Housing Allowances Other benefits and allowances              |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Payments in fieu of leave                                     |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Long service awards   |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Post-refirement benefit obligations<br>Entertainment          | 2   |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Entertainment<br>Scaraty                                      |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Acting and post related allowance                             |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| In kind benefits  |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Sub Total - Senior Managers of Entities % increase            | 4   | -                             | -                  | -                  | -                 | -                          | -                | -            |               |                       |
| Other Staff of Entities                                       | ~   |                               |                    |                    |                   |                            |                  |              |               |                       |
| Basic Salaries and Wages                                      |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Pension and UIF Contributions                                 |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Medical Aid Contributions Overtime                            |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Overtime<br>Performance Bonus                                 |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Motor Vehicle Allowance                                       |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Celiphone Allowance   |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Housing Allowances Other benefits and allowances              |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Payments in fieu of leave                                     |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Long service awards   |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Post-refrement benefit obligations                            |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Entertainment<br>Scarcity                                     |     |                               |                    |                    |                   |                            |                  | _            |               |                       |
| Acting and post related allowance                             |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| In kind benefits  |     |                               |                    |                    |                   |                            |                  | -            |               |                       |
| Sub Total - Other Staff of Entities<br>% increase             | 4   | -                             | -                  | -                  | -                 | -                          | -                | -            |               |                       |
| % Increase<br>Fotal Municipal Entities                        | "   | -                             | -                  | -                  | -                 | _                          | -                | _            |               |                       |
|   |     |                               |                    |                    |                   |                            |                  |              |               | 1 440                 |
| TOTAL SALARY, ALLOWANCES & BENEFITS % increase                | 4   | 109 168                       | 113 576<br>4.0%    | 113 576<br>4.0%    | 9 984             | 83 853                     | 75 718           | 8 135        | 11%           | 113<br>4,0%           |

# PART 3 - REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN POLICY

#### FEBRUARY REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN POLICY

#### **PURPOSE OF THIS REPORT**

The purpose of this report is to inform the Council on the implementation of the Supply Chain Management Policy of the municipality for the above outlined period.

#### **BACKGROUND**

In terms of the Supply Chain Management Policy, the Council must maintain oversight over the implementation of the policy to ensure that the accounting officer implements all supply chain activities in accordance therewith.

#### **LEGISLATIVE FRAMEWORK**

Section 6(3) MFMA Supply Chain Regulations.

#### **PROGRESS AND COMPLIANCE**

The authorized Supply Chain Management (SCM) Policy has been reviewed to ensure that task segregation and controls are being followed in the supply chain operations. Internal controls within SCM Unit has be strengthened and improved significantly by introducing the following measures:

- Checklist to ensure relevant documents are attached to the paperwork.
- Deviation forms are signed by relevant officials prior processing.
- Memo where 3 quotations were not obtained from the service providers.

#### Challenges within Supply Chain Unit

 Decentralization of supply chain causing different interpretation of procurement regulations, leading to non-compliance with legal frameworks like the Municipal Finance Management Act (MFMA). Also causing lack of transparency in procurement processes which may lead to favoritism in awarding contracts.

- Limited capacity of SCM officials which poses challenges to comply with all relevant legislation. This challenge is evident in bid committees where SCM officials may fail to identify irregularities in bid submissions. This can also lead to disputes, appeals, and potential litigation, delaying procurement projects further.
- Non-submission of monthly or progress reports by user departments, this has been a finding previous fiscal year.
- Late sitting of the Adjudication Committee Meetings may may result in noncompliance with procurement regulations. This may lead to irregular or tender to expire having to restart the procurement process, leading to further delays.

#### **Supplier Database**

The municipality complies with the requirements of CSD as stipulated in the MFMA circular number 81. Suppliers which are utilised are being verified their registration with CSD. The municipal database is also updated on adhoc bases.

#### **Functioning of SCM Unit**

Declaration of Interest for 2024/25 financial year is signed by SCM personnel. None of SCM personnel have declared any interest.

#### **Bid Committees**

Bid Committees are still formulated in accordance with the standard for infrastructure procurement delivery (SIPDM) and are operating efficiently. The municipal bid committees comprise the following:

- Bid Specification Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

The committees are entrusted with the responsibility to ensure that the municipal procurement system is done in accordance with the s217 of the South African Constitution and s112 of the MFMA.

#### Performance of committees in general

Appointment contracts are being delayed as a result of bid committee meeting postponements. In order to prevent bids from expiring before the appointment, SCM had to extend the validity.

#### **Procurement Plans**

Procurement is done according to the approved Procurement Plan for the 2024/25 financial year.

#### **Supplier Performance**

All service providers for the month of February performed as per signed contracts.

#### **REPORT ON STATUS OF TENDERS**

#### **REQUEST FOR QUOTATIONS**

| DESCRIPTION   | ADVERTISED DATE | CLOSING DATE | STATUS           |
|---|-----------------|--------------|------------------|
| SUPPLY AND DELIVERY OF ROAD REHABILITATION MATERIAL FOR JOHN STREET | 19-Feb-25       | 27-Feb-25    | Evaluation Stage |
| MAINTENANCE AND UPKEEP OF VALENCIA SEWER PUMPSTATION FACILITIES AN  | 20-Feb-25       | 28-Feb-25    | Evaluation Stage |
| SUPPLY AND DELIVERY OF ROADS REPAIR MATERIAL FOR POTHOLE PATCHING   | 27-Feb-25       | 7-Mar-25     |                  |
| SUPPLY AND DELIVERY OF CIVIL STRUCTURES MATERIAL TO FIX DAMAGE      | 27-Feb-25       | 7-Mar-25     |                  |
| INFRASTRUCTURE  |                 |              |                  |

#### **COMPETITIVE BIDS**

| DESCRIPTION   | ADVERTISED DATE | CLOSING DATE | STATUS    |
|---|-----------------|--------------|-----------|
| APPOINTMENT OF SERVICE PROVIDERS FOR THE OPERATIONS AND |                 |              |           |
| MAINTENANCE AT MSENGENI LANDFILL SITE AND PATERSON      |                 |              |           |
| LANDFILL SITE   | 24-Feb-25       | 14-Mar-25    |           |
| COMPILATION OF GENERALL VALUATION ROLL                  | 5-Aug-24        | 16-Sep-24    | Cancelled |

#### **AWARDED TENDERS FOR FEBRUARY**

| BID NAME           | BIDDER           | Tender No     | TENDER<br>AMOUNT | PERIOD    | APPOINTMENT<br>DATE |
|--------------------|------------------|---------------|------------------|-----------|---------------------|
| PROVISION OF       | REALM TRACK CC   | SRVM-002/2025 | R210 634,00      | 36 MONTHS | 2025/02/26          |
| TRACKER SERVICES   |                  |               |                  |           |                     |
| FOR MUNICIPAL      |                  |               |                  |           |                     |
| VEHICLES PERIOD OF |                  |               |                  |           |                     |
| 36 MONTHS          |                  |               |                  |           |                     |
| DESIGN AND         | MJM CONSULTING   | RFQ-005 OF    | R952 200,00      | 4 MONTHS  | 2025/02/27          |
| INSTALLATION OF    | ENGINEERS (PTY)  | SRVM 04/2024  |                  |           |                     |
| AN                 | LTD              |               |                  |           |                     |
| OLYMPIC-STANDARD   |                  |               |                  |           |                     |
| 8-LANE             |                  |               |                  |           |                     |
| SYNTHETIC          |                  |               |                  |           |                     |
| RUNNING TRACK      |                  |               |                  |           |                     |
| FOR SUNDAYS RIVER  |                  |               |                  |           |                     |
| VALLEY             |                  |               |                  |           |                     |
| MUNICIPALITY       |                  |               |                  |           |                     |
| SUPPLY AND         | VERTEX SUPPLIERS | SRVM          | R194 465,00      | 1 MONTH   | 2025/02/27          |
| DELIVERY OF        | (PTY) LTD        | RFQ-19/2025   |                  |           |                     |
| LAPTOPS FOR SRVM   |                  |               |                  |           |                     |
| EMPLOYEES          |                  |               |                  |           |                     |

Total = R1 357 299.00

#### **Deviations**

All procurement processes are currently met for the thresholds and deviations are approved where necessary in terms of the following:

- According to the Municipal Supply Chain Management Regulation paragraph 36, municipalities must disclose all deviations to Council. The categories for deviations to supply chain management process are:
- In an emergency
- If such goods or services are produced or available from a single provider only;
- For the acquisition of special works of art or historic objects where specifications are difficult to compile
- Acquisitions of animals for zoos;
- In any other exceptional case where it is impractical or impossible to follow the official procurement process

It should be noted that, SCM advises Councillors and officials to bear in mind that SCM processes need to be always followed therefore they need to develop a way of reporting issues within their area.

Approved deviations for February 2025 amount **R1 327 832,39** 

| No | Payment Date            | Supplier Name                               | Details   | Deviation Type   | R             | Comments  |
|----|-------------------------|---|---|------------------|---------------|---|
| 2  | 27-Fe <mark>b-25</mark> | CFAO Mobility William Hunt PE               | Repair Payment HXL 754 EC   | Exceptional Case |               | CFAO trading as Williams Hunt is the sole service provider of all Chevrolet vehicles, they have better knowledge of their parts which also include Technical capabilities. The vehicle had a problem of not going to gears and it was towed to the dealer. Gearbox was opened and upon that it was discovered that the clutch was damaged. It would be didfficult to follow 3 quotes as the vehicle is opened and cannot move. This can lead to a wasteful on our side. The engine is also damaged the crank shaft of the engine, and it needs to be assessed as well, that would be another cost as it is different from the gearbox. The amount of damage is very much Catastrophical it would need the engine repairs or engine replacement. |
| 3  | 27-Feb-25               | Workshop Electronics (Pty) Ltd              | Calibration of VTS Equipment (Testing Station)  | Sole Supplier    |               | Workshop Electronics is the Sole Provider to calibrate their testing equipment, according to SAWS 1021608 SABS.   |
| 4  | 26-Feb-25               | Arena Holdings (Pty) Ltd                    | Advert for position PMU manager & DIR. Infrastructure, Planning & Development to be published on The Herald Newspaper on 27/01/2025 | Sole Supplier    | ·             | Arena Holdings is the sole publisher of The Herald newspaper. Therefore, when the municipality wants to advertise locally, it uses The Herald newspaper as it covers all areas in Sundays River Valley  |
| 5  | 26-Feb-25               | Epitec Agri Solutions                       | Tree Felling  | Emergency        |               | Trees growing to a height in excess of the horizontal distance of the tree from the nearest conduct pose a risk to the electricity infrastructure and also a risk to operation of the powerlines or any electrical equipment. We request a suitable service provider for the bush clearing under low voltage overhead power lines at the raw water pumps station next to golf club/main lines supplying Kirkwood Water Treatment Works Pumps Station in Bergsig)  |
| 6  | 24-Feb-25               | Sholine Projects                            | Repairs to Valencia Sewer Pump 2 ind-SRV<br>045<br>Repairs to Valencia Sewer Pump 2 ind-SRV<br>043                                  | Emergency        | R423.740,96   | In the early hours of the morning, an urgent issue was reported by the Process Controller at the Valencia Sewer Pump Station. The sole operational pump servicing the area as experienced critical damage, leading to the snapping of belts due to a damaged shaft. This has resulted in significant sewage flooding in the Greenfield area of Valencia, with an immediate risk of contamination affecting surrounding areas, including a nearby school where children are currently writing exams.   |
| 7  | 20-Feb-25               | CFAO Mobility T/A Algoa<br>Toyota Uitenhage | Service and Repairs HWW 890 EC  | Exceptional Case | R77.261,61    | Toyota is provider that deals with all Toyota made vehicles with their parts. They have built their vehicle according to their expertise that would fit their vehicles. It would be wasteful expenditure to as any other dealer that does not have knowledge of Toyota parts. Toyota is the sole provider of Toyota cars with their parts and knowledge they are way better to service Toyota cars.   |
| 8  | 20-Feb-25               | Abilia Trading 75                           | Payment Abilia INV101350 GGG 002 EC   | Exceptional Case |               | Abilia is the only tyre repairs in Sundays River Valley locally that repairs tyres and small repairs. It is impossible to follow oficial procurement of 3 Quotes for this procurement.  |
| 9  | 20-Feb-25               | Abilia Trading 75                           | Payment Abilia INV101374 Water Pump   | Exceptional Case |               | Abilia is the only tyre repairs in Sundays River Valley locally that repairs tyres and small  |
| 10 | 13-Feb-25               | Transport- Drivers License<br>Card          | R751 New card Order For October 2024  | Sole Supplier    | R24.174,00    | repairs. It is impossible to follow oficial procurement of 3 Quotes for this procurement.  Drivers License Card Account is the sole supplier to print Drivers License cards for the province. Please see the attached Government Gazette that relates to the payment of the card production facility for production of Drivers License Cards that is issued. It is a function we perform on behalf of Dept of Transport   |
| 10 | 11-Feb-25               | Metsi Water Solutions                       | Supply and delivery Of water chemicals for the shutdown period  | Emergency        | R613.429,00   | The Municipality has both the WSPA and WSP status. This therefore implies that it must always provide portable water to its people. According to the Water Act water must be purified before it can be distributed to communities. The Municipality has gone out on a tender to invite bidders for the Supply of Water and Wastewater chemicals. The tender will be closing on the 10 December 2024.  |
| 11 | 6-Feb-25                | Kelston Motors                              | Payment VW for service JHX 941 EC   | Exceptional Case |               | VW is the sole service provider for all VW cars with their expertise in parts.  |
| 12 | 13-Feb-25               | Transport- Drivers License<br>Card          | R751 New card Order For Dec 2024  | Sole Supplier    |               | Drivers License Card Account is the sole supplier to print Drivers License cards for the province. Please see the attached Government Gazette that relates to the payment of the card production facility for production of Drivers License Cards that is issued. It is a function we perform on behalf of Dept of Transport  |
| 13 | 24-Feb-25               | Vacuum Industrial Systems                   | Repairs of Sewer Truck  | Sole Supplier    | R2.367,56     | Vaccum industrial system trading as Visser is the sole supplier that install and repair industrial pump and pressure system. They are well equipped with vaccum pumps, and they have installed our truck when it eas purchased in 2022.   |
|    |                         |   |   |                  | R1.327.832,39 |   |





#### **IRREGULAR EXPENDITURE**

In compliance with Section 32 of the MFMA, Irregular, fruitless and wasteful expenditure amounts to R1 135 177,95 for the month of February 2025. The expenditure is broken down into the following categories:

- Total of Irregular Expenditure for Capital Projects amounts to R 0
- Total of Irregular Expenditure for Operational Expenditure amounts to R834 742.28
- Total of Fruitless and Wasteful Expenditure amounts to R 300 435,67

Reasons for irregular expenditure include utilizing a service provider with an expired contract, failure of the user department to return a hired vehicle, and the direct appointment of a service provider without adhering to proper SCM processes.

Detailed Irregular, Fruitless and Wasteful Expenditure schedules are stated in the pages which follow



Sundays River Valley **Municipality** 

042 230 7700

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23 Middle Street, Kirkwood, 6120 💽 P.O. Box 47. Kirkwood, 6120















| Bidder Name           | Tender                |                                   |           |                |             |  | Person liable          |                        |
|-----------------------|-----------------------|-----------------------------------|-----------|----------------|-------------|--|------------------------|------------------------|
|                       | Name/Description      |                                   | Date of   |                |             |  | (Official or Political | Type of Prohibited     |
|                       |                       | Date Reported                     | payment   | Payment Number | Amount      | Description of Incident  | Office)                | Expenditure            |
| Lech Consulting Civil | Security services     | N/a- MFMA section 71, 52          | 19-Feb-25 | OB 000063809   | R293.884,80 | The service provider was directly  | Chief Financial        | Irregular              |
| and Structural        | from 01 December      | (d) and 72 Reports are            |           |                |             | appointed without following proper SCM   | Officer                |                        |
| Engineers (Pty) Ltd   | 2024 - 31 January     | tabled to council during          |           |                |             | Processes in that there was no   |                        |                        |
|                       | 2025                  | the appplicable reporting         |           |                |             | specification, evaluation and adjudication                                     |                        |                        |
|                       |                       | periods.                          |           |                |             | of the contract for these services.  |                        |                        |
| R-Data                | Hosted solution,      | N/a- MFMA section 71, 52          | 19-Feb-25 | OB 000063808   | R272.202,28 | Contract with the municipality ended in  | Chief Financial        |                        |
|                       | Rdata BA Section      | (d) and 72 Reports are            |           |                |             | June and no extension was done.  | Officer                |                        |
|                       | customer stament      | tabled to council during          |           |                |             |  |                        |                        |
|                       | distribution          | the appplicable reporting         |           |                |             |  |                        |                        |
|                       |                       | periods.                          |           |                |             |  |                        | Irregular              |
| R-Data                | Statement             | N/a- MFMA section 71, 52          | 19-Feb-25 | OB 000063808   | R13.327,90  | Contract with the municipality ended in  | Chief Financial        |                        |
|                       | Distribution Service- | (d) and 72 Reports are            |           |                |             | June and no extension was done.  | Officer                |                        |
|                       | Period 202412         | tabled to council during          |           |                |             |  |                        |                        |
|                       |                       | the appplicable reporting         |           |                |             |  |                        |                        |
| Clar Matra Farriamant | Dontal of T Cross     | periods. N/a- MFMA section 71, 52 | 24 506 25 | OB 000063839   | R32.880,80  | The complete provider was directly   | Chief Financial        | Irregular              |
| Sky Metro Equipment   | Rental of 1 Cross     | (d) and 72 Reports are            | 24-Feb-25 | OB 000063839   | R32.880,80  | The service provider was directly appointed without following proper SCM       | Officer                |                        |
|                       |                       | tabled to council during          |           |                |             | Processes in that there was no   | Officer                |                        |
|                       |                       | the appplicable reporting         |           |                |             | specification, evaluation and adjudication                                     |                        |                        |
|                       |                       | periods.                          |           |                |             | of the contract for these services.  |                        |                        |
|                       |                       | perious.                          |           |                |             | of the contract for these services.  |                        |                        |
|                       |                       |                                   |           |                |             |  |                        | Irregular              |
| Sky Metro             | Rental of 2x          | N/a- MFMA section 71, 52          | 24-Feb-25 | OB 000063839   | R62.316,20  | The service provider was directly  | Chief Financial        |                        |
| Equipment             | Toyota Hilux LDv      | (d) and 72 Reports are            |           |                |             | appointed without following proper SCM   | Officer                |                        |
|                       | KBP559EC &            | tabled to council during          |           |                |             | Processes in that there was no   |                        |                        |
|                       | KHV211EC              | the appplicable reporting         |           |                |             | specification, evaluation and adjudication                                     |                        |                        |
|                       |                       | periods.                          |           |                |             | of the contract for these services.  |                        | Irregular              |
| Sky Metro             | Rental of T Cross 15  | N/a- MFMA section 71, 52          | 24-Feb-25 |                | R32.880,80  | The service provider was directly  | Chief Financial        |                        |
| Equipment             | Nov 2024 until 15 Jan | l, ,                              |           |                |             | appointed without following proper SCM   | Officer                |                        |
|                       | 2025                  | tabled to council during          |           |                |             | Processes in that there was no   |                        |                        |
|                       |                       | the appplicable reporting         |           |                |             | specification, evaluation and adjudication of the contract for these services. |                        | luna avilan            |
| Sunriver Citrus       | Maintenance of        | periods. N/a- MFMA section 71, 52 | 4 Eob 25  |                | R21.494,65  | The service provider was directily   | Director               | Irregular<br>Irregular |
| Sunriver Citrus       |                       | (d) and 72 Reports are            | 4-1-60-23 |                | R21.494,03  | appointed without sourcing three   | Community              | Integulai              |
|                       | Sunland landfill      | tabled to council during          |           |                |             | quotations yet the transaction exceeded  | Services               |                        |
|                       | site                  | the appplicable reporting         |           |                |             | the threshold value of R 2000.   | Services               |                        |
|                       |                       | periods.                          |           | OB 000063694   |             | the threshold value of 1/2000.   |                        |                        |
| Advocate P N          | Legal services-       | N/a- MFMA section 71, 52          | 21-Feb-25 | OB 000063822   | R10.925,00  | The service provider was directily   | MM's Office            | Irregular              |
| Kroon SC              | Dispute               | (d) and 72 Reports are            |           |                | ,           | appointed without sourcing three   |                        |                        |
| KI OUII JC            |                       | tabled to council during          |           |                |             | quotations yet the transaction exceeded  |                        |                        |
|                       | concerning the        | the appplicable reporting         |           |                |             | the threshold value of R 2000.   |                        |                        |
|                       | payment of            | periods.                          |           | ant Park       |             |  |                        |                        |
|                       | transport             |                                   |           | allePark       |             |  |                        |                        |
|                       | allowances            |                                   |           |                |             |  |                        |                        |

| Travelstart   | Return flight for     | N/a- MFMA section 71, 52  | 17-Feb-25 |              | R4.965,13   | The service provider was directily         | Director           | Irregular |
|---------------|-----------------------|---------------------------|-----------|--------------|-------------|--|--------------------|-----------|
|               | Director Mbongwe      | (d) and 72 Reports are    |           |              |             | appointed without sourcing three           | Community          |           |
|               | in Durban             | tabled to council during  |           |              |             | quotations yet the transaction exceeded    | Services           |           |
|               | III Durban            | the appplicable reporting |           |              |             | the threshold value of R 2000.             |                    |           |
|               |                       | periods.                  |           | OB 000063776 |             |  |                    |           |
| BE Legal Inc. | Legal services for Mr | N/a- MFMA section 71, 52  | 11-Feb-25 |              | R83.564,72  | The service provider was directly          | Director Corporate |           |
|               | Mumbire               | (d) and 72 Reports are    |           |              |             | appointed without following proper SCM     | Services           |           |
|               |                       | tabled to council during  |           |              |             | Processes in that there was no             |                    |           |
|               |                       | the appplicable reporting |           |              |             | specification, evaluation and adjudication |                    |           |
|               |                       | periods.                  |           |              |             | of the contract for these services.        |                    | Irregular |
| Gamtoos River | An hour river cruise& | N/a- MFMA section 71, 52  |           |              |             | The service provider was directily         | Director           |           |
| Adventure     | braai combo           | (d) and 73 Reports are    |           |              |             | appointed without sourcing three           | Community          |           |
|               |                       | tabled to council during  |           |              |             | quotations yet the transaction exceeded    | Services           |           |
|               |                       | the appplicable reporting |           |              |             | the threshold value of R 2000.             |                    |           |
|               |                       | periods.                  | 25-Feb-25 |              | R6.300,00   |  |                    | Irregular |
|               |                       |                           |           |              | R834.742,28 |  |                    |           |

#### Annexure B

#### FRUITLESS AND WASTEFUL EXPENDITURE FOR FEBRUARY 2025

Home of the Addo Elephant Park

| Bidder Name           | Tender                |                           |                 |                |         |                         | Person liable          |                      |
|-----------------------|-----------------------|---------------------------|-----------------|----------------|---------|-------------------------|------------------------|----------------------|
|                       | Name/Description      |                           |                 |                |         |                         | (Official or Political | Type of Prohibited   |
|                       |                       | Date Reported             | Date of payment | Payment Number | Amount  | Description of Incident | Office                 | Expenditure          |
|                       |                       | N/a- MFMA section 71, 52  |                 | ,              |         | ·                       | Chief Financial        | ·                    |
|                       |                       | (d) and 72 Reports are    |                 |                |         |                         | Officer                |                      |
|                       |                       | tabled to council during  |                 |                |         |                         |                        |                      |
|                       |                       | the appplicable reporting |                 |                |         |                         |                        | Fruitless & Wasteful |
| Eskom Holdings        | ACC#307 interest      |                           | 12/2/2025       | 1434           | R127,09 | Overdue Accounts        |                        | Expenditure          |
|                       |                       | N/a- MFMA section 71, 52  |                 |                |         |                         | Chief Financial        | ,                    |
|                       |                       | (d) and 72 Reports are    |                 |                |         |                         | Officer                |                      |
|                       |                       | tabled to council during  |                 |                |         |                         |                        |                      |
|                       |                       | the appplicable reporting |                 |                |         |                         |                        | Fruitless & Wasteful |
| Eskom Holdings        | ACC#307 Interest      | periods.                  | 26/02/2025      | 1453           | R160,43 | Overdue Accounts        |                        | Expenditure          |
|                       |                       | N/a- MFMA section 71, 52  |                 |                |         |                         | Chief Financial        |                      |
|                       |                       | (d) and 72 Reports are    |                 |                |         |                         | Officer                |                      |
|                       |                       | tabled to council during  |                 |                |         |                         |                        |                      |
|                       |                       | the appplicable reporting |                 |                |         |                         |                        | Fruitless & Wasteful |
| Lower Sundays River V | ACC#568 Interest- Jan | periods.                  | 26/02/2025      | 1453           | R650,44 | Overdue Accounts        |                        | Expenditure          |
|                       |                       | N/a- MFMA section 71, 52  |                 |                |         |                         | Chief Financial        |                      |
|                       |                       | (d) and 72 Reports are    |                 |                |         |                         | Officer                |                      |
|                       |                       | tabled to council during  |                 |                |         |                         |                        |                      |
|                       |                       | the appplicable reporting |                 |                |         |                         |                        | Fruitless & Wasteful |
| Eskom Holdings        | ACC#307 interest      | periods.                  | 5/3/2025        | 1475           | R52,36  | Overdue Accounts        |                        | Expenditure          |
|                       |                       | N/a- MFMA section 71, 52  |                 |                |         |                         | Chief Financial        |                      |
|                       |                       | (d) and 72 Reports are    |                 |                |         |                         | Officer                |                      |
|                       |                       | tabled to council during  |                 |                |         |                         |                        |                      |
|                       |                       | the appplicable reporting |                 |                |         |                         |                        | Fruitless & Wasteful |
| Eskom Holdings        | ACC#307 INTEREST      |                           | 5/3/2025        | 1475           | R23,00  | Overdue Accounts        |                        | Expenditure          |
|                       |                       | N/a- MFMA section 71, 52  |                 |                |         |                         | Chief Financial        |                      |
|                       |                       | (d) and 72 Reports are    |                 |                |         |                         | Officer                |                      |
|                       |                       | tabled to council during  |                 |                |         |                         |                        |                      |
|                       |                       | the appplicable reporting |                 |                |         |                         |                        | Fruitless & Wasteful |
| Eskom Holdings        | ACC#307 interest      | periods.                  | 5/3/2025        | 1475           | R218,76 | Overdue Accounts        |                        | Expenditure          |
|                       |                       | N/a- MFMA section 71, 52  |                 |                |         |                         | Chief Financial        |                      |
|                       |                       | (d) and 72 Reports are    |                 |                |         |                         | Officer                |                      |
|                       |                       | tabled to council during  |                 |                |         |                         |                        |                      |
|                       |                       | the appplicable reporting |                 |                |         |                         |                        | Fruitless & Wasteful |
| Eskom Holdings        | ACC#307 interest      | periods.                  | 5/3/2025        | 1475           | R3,97   | Overdue Accounts        |                        | Expenditure          |
|                       |                       | N/a- MFMA section 71, 52  |                 |                |         |                         | Chief Financial        |                      |
|                       |                       | (d) and 72 Reports are    |                 |                |         |                         | Officer                |                      |
|                       |                       | tabled to council during  |                 |                |         |                         |                        |                      |
|                       |                       | the appplicable reporting |                 |                |         |                         |                        | Fruitless & Wasteful |
| Eskom Holdings        | ACC#307 interest      | periods.                  | 5/3/2025        | 1475           | R19,44  | Overdue Accounts        |                        | Expenditure          |

## Home of the Addo Elephant Park

|                |                  | N/a- MFMA section 71, 52  |          |      |             |                  | Chief Financial |                      |
|----------------|------------------|---------------------------|----------|------|-------------|------------------|-----------------|----------------------|
|                |                  | (d) and 72 Reports are    |          |      |             |                  | Officer         |                      |
|                |                  | tabled to council during  |          |      |             |                  |                 |                      |
|                |                  | the appplicable reporting |          |      |             |                  |                 | Fruitless & Wasteful |
| Eskom Holdings | ACC#307 Interest |                           | 5/3/2025 | 1476 | R3.913,66   | Overdue Accounts |                 | Expenditure          |
|                |                  | N/a- MFMA section 71, 52  |          |      | ,           |                  | Chief Financial |                      |
|                |                  | (d) and 72 Reports are    |          |      |             |                  | Officer         |                      |
|                |                  | tabled to council during  |          |      |             |                  |                 |                      |
|                |                  | the appplicable reporting |          |      |             |                  |                 | Fruitless & Wasteful |
| Eskom Holdings | ACC#307 Interest |                           | 5/3/2025 | 1474 | R25,76      | Overdue Accounts |                 | Expenditure          |
|                |                  | N/a- MFMA section 71, 52  |          |      |             |                  | Chief Financial | ·                    |
|                |                  | (d) and 72 Reports are    |          |      |             |                  | Officer         |                      |
|                |                  | tabled to council during  |          |      |             |                  |                 |                      |
|                |                  | the appplicable reporting |          |      |             |                  |                 | Fruitless & Wasteful |
| Eskom Bulk     | ACC#306 Interest | periods.                  | 5/3/2025 | 1474 | R290.256,18 | Overdue Accounts |                 | Expenditure          |
|                |                  | N/a- MFMA section 71, 52  |          |      |             |                  | Chief Financial |                      |
|                |                  | (d) and 72 Reports are    |          |      |             |                  | Officer         |                      |
|                |                  | tabled to council during  |          |      |             |                  |                 |                      |
|                |                  | the appplicable reporting |          |      |             |                  |                 | Fruitless & Wasteful |
| Eskom Holdings | ACC#307 Interest | periods.                  | 5/3/2025 | 1474 | R133,11     | Overdue Accounts |                 | Expenditure          |
|                |                  | N/a- MFMA section 71, 52  |          |      |             |                  | Chief Financial |                      |
|                |                  | (d) and 72 Reports are    |          |      |             |                  | Officer         |                      |
|                |                  | tabled to council during  |          |      |             |                  |                 |                      |
|                |                  | the appplicable reporting |          |      |             |                  |                 | Fruitless & Wasteful |
| Eskom Holdings | ACC#307 Interest | periods.                  | 5/3/2025 | 1474 | R2,59       | Overdue Accounts |                 | Expenditure          |
|                |                  | N/a- MFMA section 71, 52  |          |      |             |                  | Chief Financial |                      |
|                |                  | (d) and 72 Reports are    |          |      |             |                  | Officer         |                      |
|                |                  | tabled to council during  |          |      |             |                  |                 |                      |
|                |                  | the appplicable reporting |          |      |             |                  |                 | Fruitless & Wasteful |
| Eskom Holdings | ACC#307 Interest | periods.                  | 5/3/2025 | 1474 | R54,26      | Overdue Accounts |                 | Expenditure          |
|                |                  | N/a- MFMA section 71, 52  |          |      |             |                  | Chief Financial |                      |
|                |                  | (d) and 72 Reports are    |          |      |             |                  | Officer         |                      |
|                |                  | tabled to council during  |          |      |             |                  |                 |                      |
|                |                  | the appplicable reporting |          |      |             |                  |                 | Fruitless & Wasteful |
| Eskom Holdings | ACC#307 Interest |                           | 5/3/2025 | 1474 | R21,98      | Overdue Accounts |                 | Expenditure          |
|                |                  | N/a- MFMA section 71, 52  |          |      |             |                  | Chief Financial |                      |
|                |                  | (d) and 72 Reports are    |          |      |             |                  | Officer         |                      |
|                |                  | tabled to council during  |          |      |             |                  |                 |                      |
|                |                  | the appplicable reporting |          |      |             |                  |                 | Fruitless & Wasteful |
| Eskom Holdings | ACC#307 Interest | periods.                  | 5/3/2025 | 1474 | R3.966,49   | Overdue Accounts |                 | Expenditure          |
|                |                  | N/a- MFMA section 71, 52  |          |      |             |                  | Chief Financial |                      |
|                |                  | (d) and 72 Reports are    |          |      |             |                  | Officer         |                      |
|                |                  | tabled to council during  |          |      |             |                  |                 |                      |
|                |                  | the appplicable reporting |          |      |             |                  |                 | Fruitless & Wasteful |
| Eskom Holdings | ACC#307 Interest | periods.                  | 5/3/2025 | 1474 | R0,52       | Overdue Accounts | [               | Expenditure          |

## Home of the Addo Elephant Park

| Eskom Holdings   | ACC#307 interest    | periods.                          | 5/3/2025    | 1474    | R2,80   | Overdue Accounts  |                 | Expenditure         |
|------------------|---------------------|-----------------------------------|-------------|---------|---------|-------------------|-----------------|---------------------|
|                  |                     | the appplicable reporting         | -           |         | D2 00   |                   |                 | Fruitless & Wastefu |
|                  | Home                | tabled to council during          | lo Elephant | Park    |         |                   |                 |                     |
|                  |                     | (d) and 72 Reports are            |             |         |         |                   | Officer         |                     |
| Eskom Holdings   | ACC#30/ IIILETEST   | periods. N/a- MFMA section 71, 52 | 3/3/2023    | 1474    | 112,77  | Overdue Accounts  | Chief Financial | Expenditure         |
| Taliana Haldinaa | ACC#307 interest    | the appplicable reporting         | 5/3/2025    | 1/7/    | R2,77   | Overden Assessed  |                 | Fruitless & Wastefu |
|                  |                     | tabled to council during          |             |         |         |                   |                 | Emiliar C. V.       |
|                  |                     | (d) and 72 Reports are            |             |         |         |                   | Officer         |                     |
|                  |                     | N/a- MFMA section 71, 52          |             |         |         |                   | Chief Financial |                     |
| skom Holdings    | ACC#307 interest    |                                   | 5/3/2025    | 1474    | R41,05  | Overdue Accounts  |                 | Expenditure         |
|                  | ACC#303 : :         | the appplicable reporting         | F /2 /2025  | 4.7.    | D 41 OF |                   |                 | Fruitless & Wastefu |
|                  |                     | tabled to council during          |             |         |         |                   |                 |                     |
|                  |                     | (d) and 72 Reports are            |             |         |         |                   | Officer         |                     |
|                  |                     | N/a- MFMA section 71, 52          |             |         |         |                   | Chief Financial |                     |
| Eskom Holdings   | ACC#307 interest    | periods.                          | 5/3/2025    | 1474    | R466,04 | Overdue Accounts  |                 | Expenditure         |
|                  |                     | the appplicable reporting         |             |         |         |                   |                 | Fruitless & Wastefu |
|                  |                     | tabled to council during          |             |         |         |                   |                 |                     |
|                  |                     | (d) and 72 Reports are            |             |         |         |                   | Officer         |                     |
|                  |                     | N/a- MFMA section 71, 52          |             |         |         |                   | Chief Financial |                     |
| Eskom Holdings   | ACC#307 interest    | periods.                          | 5/3/2025    | 1474    | R37,54  | Overdue Accounts  |                 | Expenditure         |
|                  |                     | the appplicable reporting         |             |         |         |                   |                 | Fruitless & Wastefu |
|                  |                     | tabled to council during          |             |         |         |                   |                 |                     |
|                  |                     | (d) and 72 Reports are            |             |         |         |                   | Officer         |                     |
|                  |                     | N/a- MFMA section 71, 52          |             |         |         |                   | Chief Financial | i i                 |
| Eskom Holdings   | ACC#307 interest    |                                   | 5/3/2025    | 1474    | R2,90   | Overdue Accounts  |                 | Expenditure         |
|                  |                     | the appplicable reporting         |             |         |         |                   |                 | Fruitless & Wastefu |
|                  |                     | tabled to council during          |             |         |         |                   |                 |                     |
|                  |                     | (d) and 72 Reports are            |             |         |         |                   | Officer         |                     |
|                  | 1                   | N/a- MFMA section 71, 52          |             |         |         |                   | Chief Financial | P                   |
| Eskom Holdings   | ACC#307 Interest    | periods.                          | 5/3/2025    | 1474    | R11,58  | Overdue Accounts  |                 | Expenditure         |
|                  |                     | the appplicable reporting         |             |         |         |                   |                 | Fruitless & Wastefu |
|                  |                     | tabled to council during          |             |         |         |                   | Officer         |                     |
|                  |                     | (d) and 72 Reports are            |             |         |         |                   | Officer         |                     |
| Eskom Holdings   | / ICC#30/ IIIICIESI | periods. N/a- MFMA section 71, 52 | 3/3/2023    | 14/4    | 1110,03 | Overdue Accounts  | Chief Financial | Expenditure         |
| Eckom Holdings   | ACC#307 Interest    | the appplicable reporting         | 5/3/2025    | 1/17/   | R16,03  | Overdue Assessats |                 |                     |
|                  |                     | tabled to council during          |             |         |         |                   |                 | Fruitless & Wastefu |
|                  |                     | (d) and 72 Reports are            |             |         |         |                   | Officer         |                     |
|                  |                     | N/a- MFMA section 71, 52          |             |         |         |                   | Chief Financial |                     |
| Eskom Holdings   | ACC#307 Interest    | periods.                          | 5/3/2025    | 14/4    | R202,38 | Overdue Accounts  | 01: 65:         | Expenditure         |
|                  | ACC#207 Late as at  | the appplicable reporting         | E /2 /202E  | 1.474   | D202.20 |                   |                 | Fruitless & Wastefu |
|                  |                     | tabled to council during          |             |         |         |                   |                 |                     |
|                  |                     | (d) and 72 Reports are            |             |         |         |                   | Officer         |                     |
|                  |                     | N/a- MFMA section 71, 52          |             |         |         |                   | Chief Financial |                     |
| Eskom Holdings   | ACC#307 IIIterest   | periods.                          | 5/5/2025    | 14/4    | NZZ,54  | Overdue Accounts  | 01: 65:         | Expenditure         |
| ACC#20.          | ACC#307 Interest    | the appplicable reporting         | 5/3/2025    | 1 / 7 / | R22,54  | Overally Ass.     |                 | Fruitless & Wastefu |
|                  |                     | tabled to council during          |             |         |         |                   |                 |                     |
|                  |                     | (d) and 72 Reports are            |             |         |         |                   | Officer         |                     |
|                  |                     | N/a- MFMA section 71, 52          |             |         |         |                   | Chief Financial |                     |





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