

# **MANDENI MUNICIPALITY**

**KZN291**



## **BUDGET & TREASURY DEPARTMENT**

**MONTHLY BUDGET STATEMENT FOR THE  
PERIOD ENDED JUNE 2021/22 FINANCIAL  
YEAR**

**STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2021/22****BUDGET FOR THE PERIOD ENDING 30<sup>th</sup> JUNE 2022.****1. PURPOSE**

The purpose of the report is to submit to the Mayor the statement of financial performance and implementation of the 2021/22 Budget of the Mandeni Municipality for the period ending 30 June 2022 in line with the statutory requirements of S71 of the Municipal Finance Management Act (2003).

**2. AUTHORITY**

Mayor

**3. LEGAL / STATUTORY REQUIREMENTS**

Municipal Finance Management Act No 56, 2003 Chapter 7, Section 71.

**4. BACKGROUND**

In terms of Section 71(1), (2) and (3) of the MFMA No 56, 2003 Chapter 8, 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 on the financial performance of that municipality.

**5. EXECUTIVE SUMMARY**

The monthly budget statement in terms of section 71 of the Municipal Finance Management Act for the period ended 30<sup>th</sup> June 2022 is detailed below. The monthly budget statement is divided into the following:

- 5.1 Statement of Financial Performance
- 5.2 Capital Expenditure
- 5.3 DORA Receipts
- 5.4 DORA Grants Expenditure
- 5.5 Debtors Age Analysis
- 5.6 Employee Costs and Councilors' Remuneration
- 5.7 Investment Portfolio
- 5.8 Long-term Borrowing
- 5.9 Performance Indicators
- 6. Creditor's Age Analysis
- 6.1 Bank Reconciliation Statement
- 7. SUPPORTING TABLES
- 8. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

**KZN 291 Mandeni Municipality Monthly budget statement ended 30<sup>th</sup> JUNE 2022**

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M12 June									
Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								%	
<b>Financial Performance</b>									
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>333 931</b>	<b>309 163</b>	<b>327 992</b>	<b>8 880</b>	<b>311 990</b>	<b>327 992</b>	<b>(16 002)</b>	<b>-5%</b>	<b>309 163</b>
<b>Total Expenditure</b>	<b>301 885</b>	<b>323 462</b>	<b>339 729</b>	<b>26 743</b>	<b>298 104</b>	<b>339 779</b>	<b>(41 675)</b>	<b>-12%</b>	<b>323 462</b>
<b>Surplus/(Deficit)</b>	<b>32 046</b>	<b>(14 299)</b>	<b>(11 737)</b>	<b>(17 863)</b>	<b>13 886</b>	<b>(11 787)</b>	<b>25 673</b>	<b>-218%</b>	<b>(14 299)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	41 465	35 370	42 145	4 507	37 381	37 145	235	1%	35 370
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	431	-	431	#DIV/0!	1 170
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>73 511</b>	<b>21 071</b>	<b>30 409</b>	<b>(13 356)</b>	<b>51 698</b>	<b>25 359</b>	<b>26 339</b>	<b>104%</b>	<b>22 241</b>
<b>Surplus/ (Deficit) for the year</b>	<b>73 511</b>	<b>21 071</b>	<b>30 409</b>	<b>(13 356)</b>	<b>51 698</b>	<b>25 359</b>	<b>26 339</b>	<b>104%</b>	<b>22 241</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>17 990</b>	<b>73 920</b>	<b>84 280</b>	<b>8 202</b>	<b>58 792</b>	<b>84 311</b>	<b>(25 519)</b>	<b>-30%</b>	<b>73 920</b>
Capital transfers recognised	10 726	33 540	43 415	4 854	31 613	43 415	(11 803)	-27%	33 540
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	7 264	40 380	40 865	3 348	27 179	40 896	(13 717)	-34%	40 380
<b>Total sources of capital funds</b>	<b>17 990</b>	<b>73 920</b>	<b>84 280</b>	<b>8 202</b>	<b>58 792</b>	<b>84 311</b>	<b>(25 519)</b>	<b>-30%</b>	<b>73 920</b>
<b>TOTAL BUDGET</b>	<b>319874270</b>	<b>397 383</b>	<b>424 009</b>	<b>34 946</b>	<b>356 896</b>	<b>424 090</b>	<b>(67 195)</b>	<b>(0)</b>	<b>397 383</b>

As can be seen from the table above, Actual surplus for the month ended 30<sup>th</sup> June 2022 is significantly more than the Budgeted Surplus. Monthly budget statement summary (Table C1), Shows a monthly surplus of R13.9 million. (with a TYD Actual SURPLUS of R51.7million)

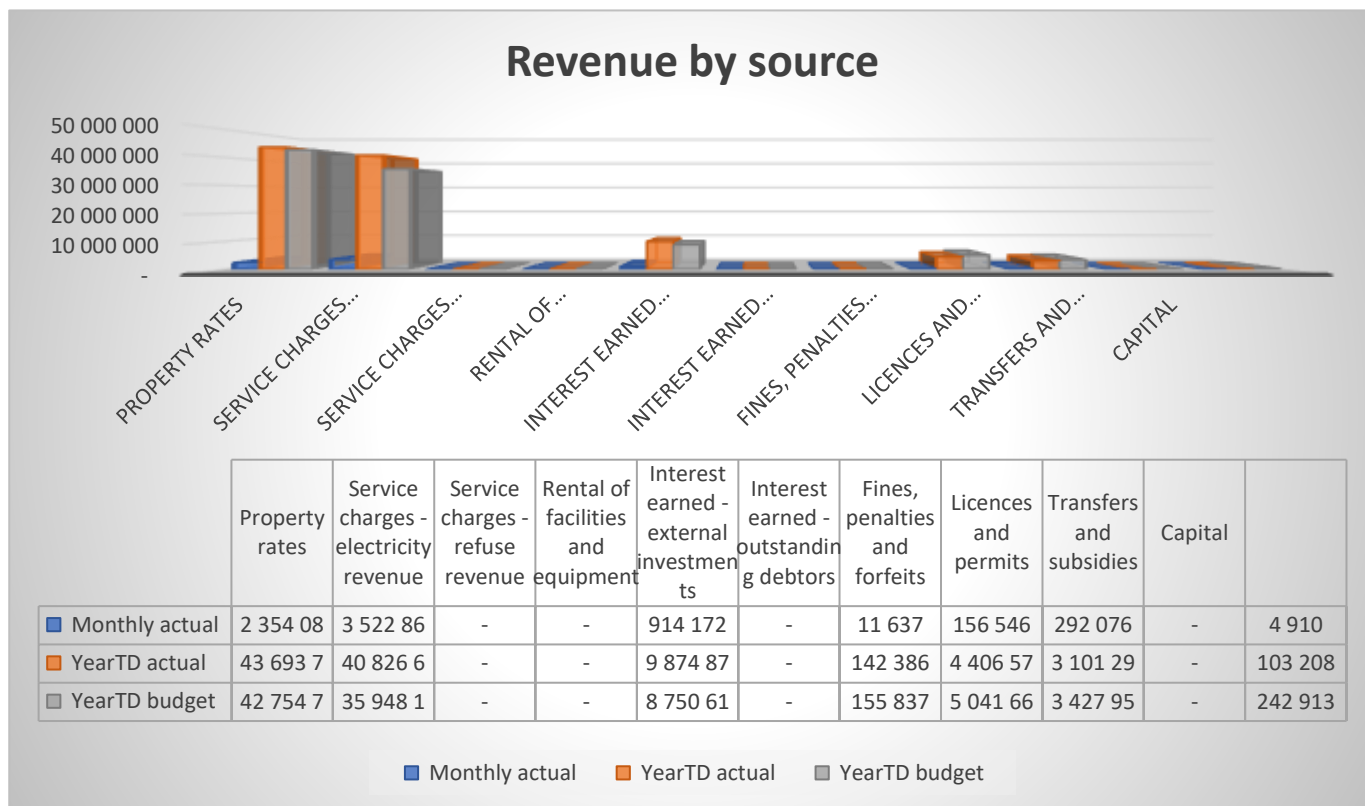
Currently there are no financial problems and major risks facing the municipality. A total amount of R210.5 million is invested by the municipality to the approved banking institutions.

## 5.1 Statement of Financial Performance

KZN291 Mandeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
<b>Revenue By Source</b>										
Property rates		50 870	46 642	46 642	(41)	43 652	46 642	(2 990)	-6%	46 642
Service charges - electricity revenue		34 672	39 216	39 216	4 613	45 440	39 216	6 223	16%	39 216
Service charges - water revenue		-	-	-	-	-	-	-		-
Service charges - sanitation revenue		-	-	-	-	-	-	-		-
Service charges - refuse revenue		9 150	9 546	9 546	946	10 821	9 546	1 275	13%	9 546
		-	-	-	-	-	-	-		-
Rental of facilities and equipment		101	130	170	6	149	170	(21)	-12%	130
Interest earned - external investments		6 454	4 950	5 500	3 459	7 895	5 500	2 395	44%	4 950
Interest earned - outstanding debtors		4 084	6 740	3 740	286	3 387	3 740	(352)	-9%	6 740
Dividends received		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		281	265	265	3	106	265	(159)	-60%	265
Licences and permits		800	695	660	39	789	660	129	19%	695
Agency services		-	-	-	-	-	-	-		-
Transfers and subsidies		210 180	200 340	220 298	138	198 541	220 298	(21 757)	-10%	200 340
Other revenue		1 378	640	1 956	(569)	1 210	1 956	(746)	-38%	640
Gains		15 961	-	-	-	-	-	-		-
<b>Total Revenue (excluding capital)</b>		<b>333 931</b>	<b>309 163</b>	<b>327 992</b>	<b>8 880</b>	<b>311 990</b>	<b>327 992</b>	<b>(16 002)</b>	<b>-5%</b>	<b>309 163</b>
<b>Expenditure By Type</b>										
Employee related costs		109 315	107 819	109 069	9 742	109 801	109 069	732	1%	107 819
Remuneration of councillors		13 528	14 643	14 193	1 417	13 798	14 193	(395)	-3%	14 643
Debt impairment		34 245	30 635	34 635	-	18 972	34 635	(15 663)	-45%	30 635
Depreciation & asset impairment		31 848	32 726	32 726	-	28 174	32 726	(4 552)	-14%	32 726
Finance charges		332	400	3 003	-	57	3 003	(2 946)	-98%	400
Bulk purchases - electricity		28 816	35 143	36 643	3 717	36 575	36 643	(69)	0%	35 143
Inventory consumed		2 139	2 288	2 135	95	1 168	2 121	(953)	-45%	2 288
Contracted services		47 869	56 718	56 960	6 618	48 216	56 896	(8 679)	-15%	56 718
Transfers and subsidies		1 557	-	-	-	-	-	-		-
Other expenditure		30 699	43 089	48 864	5 154	41 266	48 993	(7 727)	-16%	43 089
Losses		1 536	-	1 500	1	78	1 500	(1 422)	-95%	-
<b>Total Expenditure</b>		<b>301 885</b>	<b>323 462</b>	<b>339 729</b>	<b>26 743</b>	<b>298 104</b>	<b>339 779</b>	<b>(41 675)</b>	<b>-12%</b>	<b>323 462</b>
<b>Surplus/(Deficit)</b>		<b>32 046</b>	<b>(14 299)</b>	<b>(11 737)</b>	<b>(17 863)</b>	<b>13 886</b>	<b>(11 787)</b>	<b>25 673</b>	<b>(0)</b>	<b>(14 299)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		41 465	35 370	42 145	4 507	37 381	37 145	235	0	35 370
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	431	-	431	#DIV/0!	1 170
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>73 511</b>	<b>21 071</b>	<b>30 409</b>	<b>(13 356)</b>	<b>51 698</b>	<b>25 359</b>			<b>22 241</b>
Taxation		-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after taxation</b>		<b>73 511</b>	<b>21 071</b>	<b>30 409</b>	<b>(13 356)</b>	<b>51 698</b>	<b>25 359</b>			<b>22 241</b>
Attributable to minorities		-	-	-	-	-	-	-		-
<b>municipality</b>		<b>73 511</b>	<b>21 071</b>	<b>30 409</b>	<b>(13 356)</b>	<b>51 698</b>	<b>25 359</b>			<b>22 241</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>		<b>73 511</b>	<b>21 071</b>	<b>30 409</b>	<b>(13 356)</b>	<b>51 698</b>	<b>25 359</b>			<b>22 241</b>

The above revenue and expenditure sources can be graphically presenting in figure 1 and 2 below:

**Figure 1**



**Property Rates**

The municipality accounts for revenue on an invoice basis in line with GRAP requirements. This means that the revenue is recognized when the bills are performed and the total amount billed to date being R43.7million. our Municipality took a decision to Bill rates for 10 months and the remaining 2 months is for a cooling off period if you are update, or to cover up for the unpaid months

The actual cash collected being R 509 thousand for the month ended June 2022.

**Service Charges: Electricity**

As indicated above, also revenue for service charges- electricity is recognized on an invoice basis and the total amount billed is R45.4 million (current month – R4.6 million) which equates to an over billing of 16% when compared to the total R39.2 million pro-rata electricity revenue budgeted. A number of customers that moved to prepaid system which resulted in lesser billing on electricity and also is due to seasonal fluctuations that electricity consumption increases in winter months as compared to summer months.

The actual cash collected is R5.6 million for the month ended June 2022.

**Service Charges: Refuse**

As indicated above, also revenue for service charges- refuse is recognized on an invoice basis and the total amount billed is R10.8 million (current month – R946 thousand) which equates to an over billing of 13% when compared to the total R9.5 million pro-rata refuse revenue budgeted. this variance is due to additional properties that were billed as identified in the Supplementary Valuation Roll expected to have a significant impact at the end of the financial year. The variance is acceptable, the business refuse always increases during the more economic active months.

The actual cash collected is R284 thousand for the month ended June 2022.

**Planned Interventions to Increase Collections (Property rates and Service Charges)**

- On a weekly basis, a list of top 20 debtors (businesses, government and domestic) is extracted from the debtors list.
- Debtors selected are encouraged to come and make arrangements for payment;
- In the event that they still default on payments, these debtors are written final demand letters and if no positive response is received, a process of effecting service disconnections ensues in line with our credit control policy.

<b>ACCOUNTS WITH LETTERS OF FINAL DEMAND FOR PAYMENT SENT OUT</b>					
<b>ACC. NO.</b>	<b>TOWN</b>	<b>ERF NO.</b>	<b>DEBTORS NAME</b>	<b>DEBT TYPE</b>	<b>AMOUNT R</b>
001001792	SUNDUMBILIA	179	MR MNGOMEZULU	REFUSE	39 981.74
001001862	SUNDUMBILIA	186	MR DLAMINI	REFUSE	41 611.27
001002100	SUNDUMBILIA	21	MS ZULU	REFUSE/RATES	86 442.00
001002242	SUNDUMBILIA	224	MR XULU	REFUSE	39 845.03
001002400	SUNDUMBILIA	24	MR ZULU	RATES/REFUSE	53 237.76
001001742	SUNDUMBILIA	174	MR MTHETHWA	REFUSE	37 608.53
001019000	SUNDUMBILIA	190	MS MKHWANAZI	RATES/REFUSE	39 578.37
001001400	SUNDUMBILIA	14	MR MASONDO	RATES/REFUSE	13 140.45
001001372	SUNDUMBILIA	137	MR NGEMA	REFUSE	30 789.38
001063100	SUNDUMBILIA	631	MR MADELA	RATES/REFUSE	69 129.71
001064500	SUNDUMBILIA	645	MS ZUNGU	RATES/REFUSE	7 897.96
001065000	SUNDUMBILIA	650	MS NTSHANGASE	RATES/REFUSE	54 781.38
0010656	SUNDUMBILIA	656	MR MANQELE	RATES/REFUSE	30 739.77
001069300	SUNDUMBILIA	693	MR WILLIAMSON	RATES/REFUSE	14 974.95
001069900	SUNDUMBILIA	699	MS NGOBESE	RATES/REFUSE	6 037.33
001071300	SUNDUMBILIA	713	MR SANGWENI	RATES/REFUSE	9 971.37
001070800	SUNDUMBILIA	708	MR BELE	RATES/REFUSE	20 208.15
001071200	SUNDUMBILIA	712	KCLK PROPERTY II	RATES/REFUSE	42 481.50
001073500	SUNDUMBILIA	735	MS MBINGLA	RATES/REFUSE	6 896.33
001073600	SUNDUMBILIA	736	MR SIBIYA	RATES/REFUSE	16 674.56
<b>TOTAL</b>					<b>662 027.54</b>

<b>ARRANGEMENTS</b>					
<b>ACC. NO.</b>	<b>TOWN</b>	<b>ERF. NO.</b>	<b>DEBTORS NAME</b>	<b>DEBT TYPE</b>	<b>AMOUNT R</b>
001070700	SUNDUMBILIA	707	MRS GCALEKA	RATES/REFUSE	16 674.56
009801201	MANDINI EXT. 00	278	MR NGCOBO	RATES/REFUSE	21 621.58
004001932	MANDINI EXT. 00	916	MR KANNI	ELEC/REFUSE	20 531.97
001095000	SUNDUMBILIA	950	MR MASONDO	RATES	6 663.73
002700821	MANDINI EXT. 00	994	MR SIBIYA S S	ELECTRICITY	-
009500781	MANDINI EXT. 00	994	MR SIBIYA S S	RATES/ELEC	139 703.57
009701331	MANDII EXT. 005	776	MR THABETHE	RATES/REFUSE	9 317.81
002145600	SUDUMBILI B	1456	MR MTHEMBU	RATES/REFUSE	14 848.11
009900602	MANDINI EXT.090	60	MS BAKER	RATES/REFUSE	16 609.98
002136900	SUNDUMBILI B	1369	MR VILAKAZI	RATES/REFUSE	48 413.79
001022500	SUNDUMBILIA	225	MR MBATHA	RATES/REFUSE	9 261.88
001072500	SUNDUMBILIA	725	MR SHANGE	RATES/REFUSE	20 919.35
002242500	SUNDUMBILI B	2425	MR MDLULI	RATES	51 759.30
001077100	SUNDUMBILIA	771	MR MTHEMBU	RATES/REFUSE	11 589.55
001107800	SUNDUMBILI A	1078	MR SKOSANA	RATES/REFUSE	12 722.05
002160000	SUNDUMBILI B	1600	MR SHANGE	RATES/ REFUSE	18 877.27
002067800	SUNDUMBILI B	678	MS MPUNGOSE	RATES/REFUSE	26 638.31
001073600	SUNDUMBILIA	736	MR SIBIYA	RATES/REFUSE	16 674.56
009903601	MANDINI EXT. 00	360	MR MWANDLA	RATES/REFUSE	17 226.00
<b>TOTAL</b>					<b>480 053.37</b>

<b>DISCONNECTIONS</b>					
<b>ACCOUNT NO</b>	<b>TOWN</b>	<b>ERF NO.</b>	<b>DEBTORS NAME</b>	<b>DEBT TYPE</b>	<b>AMOUNT R</b>
002600432	MANDINI	1426 EXT.	ASSOCIATED SPIN	RATES/ELEC	33 534.97
004001952	MANDINI	744 EXT. 0	BASIC BEST PROP	ELECTRICITY	14 690.69
008400851	MANDINI	835	ELASTICO	RATES/ELEC	123 809.03
009600501	MANDINI	699	MR EUSHEN	RATES/ELEC	62 205.90
008800681	MANDINI	98	MR GETKATE	RATES/ELEC	399.14
002400241	MANDINI	444 EXT. 0	M3 HOLDINGS	RATES/ELEC	127 533.44
003000102	MANDINI	307	MR MBUYISA	RATES/ELEC	44 521.14
002800131	MANDINI	448 EXT. 0	MR MVULA	RATES/ELEC	27 922.88
002800031	MANDINI	746 EXT. 0	MR MCHUNU X S	ELECTRICITY	535.73
009907461	MANDINI	746 EXT. 0	MR MCHUNU X S	RATES/ELEC	588.00
002601032	MANDINI	805 EXT. 0	MR NGUBANE	RATES/ELEC	39 337.23
008801301	MANDINI	77	MR PIETERS	RATES/ELEC	2 719.77
002701212	MANDINI	28	MS NTULI	RATES/ELEC	18 643.86
004004952	MANDINI	469 EXT. 0	MR RADEBE L P	RATES/ELEC	67 275.17
002900232	MANDINI	911 EXT. 0	MR RADEBE	RATES/ELEC	76 618.50
002700941	MANDINI	46 EXT. 09	MR KUBHEKA	RATES/ELEC	24 229.20
004001932	MANDINI	916 EXT. 0	MR KANNI	RATES/ELEC	20 531.97
002701091	MANDINI	405 EXT. 0	MS HORSLEY-DALI	RATES/ELEC	22 190.97
009300771	MANDINI	786/02 FLA	MR FOURIE	RATES/ELEC	2 317.82
002800902	MANDENI	786/10 FLA	MR GOPAL	RATES/ELEC	5 705.67
<b>TOTAL</b>					<b>715 311.08</b>

### **Rentals of Facilities and Equipment**

Rental of facilities to date totals to R149 thousand (current month – R6 thousand) which equates to an under-collection of 12% when compared to the pro-rata budget. Rental is received from municipal properties and community facilities such as Halls and Sports Fields. Variance is due to the fact that we are still in the Winter Months, as much the Covid-19 levels had been lifted yet, people still fear Winter as it was the months were Covid-19 was hitting them the most.

### **Investment Earned – External Investments**

Investment revenue is the amount of interest earned on the amount invested with various financial institutions registered with South African Banking Council. The amount collected to date as interest earned amounts to R7.9 million resulting in a 44 per cent over collection of the pro-rata budget to date. Variance is due to the cash available from previous year cash backed reserves and additional grants received. In line with the investment policy, funds are invested on call accounts with institutions offering the highest possible interest rates. The municipality will remain with the same budget as there are additional funds that have been re invested, budget allocated will be met at year end. A total of R5.9 million had been accumulated through the External investment.

### **Interest earned on arrear debtors**

In line with council adopted credit control policy, the municipality charges interest on arrear debtors.

Interest earned on outstanding debtors amounts to R3.4million in comparison with the year to date budget of R3.7million, thus indicating an under performance by R352 thousand or -9 percent, variance is based on the outstanding debtors for that period. Interest on outstanding debtors has been charged at a rate of 2% as approved by Council.

### **Fines, penalties and forfeits**

Fines underperformed by 60 percent or -159 thousand, with an actual amount of 106 thousand variance against year to date budget projections of R265 thousand. This is mainly due to the culture of non-payment and adverse economic conditions. Revenue reported to date is on cash basis, the municipality will account for fines in terms of iGRAP 1 as we have approached year end.

### **Licensing and permits**

Licences and permits have over collected by 19 percent or R129 thousand with an actual amount of R789 thousand as compared to budget of R660 thousand. Revenue reported for licences and permits is based on the performance of the traffic department through issuing and renewal of licences.

### **Grants Transfers & Subsidies**

Transfers and subsidies recognised operational amounts to R198.5 million (current month – R138thousand) in comparison of annual total of R220.2million pro-rata budgets. variance is mainly attributable to the municipality receiving the 3rd trench of the Equitable Share and realisation of operational grants spent as conditions have been met for EPWP, FMG, Library Grant. Further to that it should be noted that all grants that were publicized have been received by the municipality.

### **Other Revenue**

The majority of the Council own funded sources are budgeted under this category.

The year to date performance in Other Revenue amounts to R1.2million more than anticipated YTD budget of R2million, thus indicating an under- performance of R746thousand or -38 percent, variance is mainly due to seasonal fluctuations and level of demand for these items e.g, tender fees, connection and disconnection fees.

### **Overall revenue budget to date**

The overall Operational revenue to date totals to R312 million (current month – R8.9million) which equates to an under-collection of 5% when compared to pro-rata budget of R328 million.

### **Employee related costs**

The expenditure to date for employee related costs totals to R109.8 million (current month – R9.7 million) this line item is performed as planned, there is no over or under expenditure.

Furthermore, to that it should be noted that employee bonuses are now being paid on their birth month not in November as it was previously done in the prior years.

For the breakdown of the employee related costs please refer to table 5.6.

### **Remuneration of Councilors**

The expenditure on councilor allowances as at 30th June 2022 was under spent by R 395 thousand. The YTD Remuneration of Councilor's budget was R14.1 million whilst the actual expenditure incurred results in under-expenditure of 3% YTD expenditure performance. Variance is due to Cllrs upper limits which was approved by COGTA at 3% below to budgeted projections of 5%. Councilors increase and backpay was paid in the month of June 2022.

### **Debt impairment**

The provision for bad debt is reflecting no performance for this month. Debt impairment calculation has assumed the method below.

The assumption is that you exclude all debtors with credit balances when calculating the provision. Provision for Bad debt is therefore calculated using the collection rate of 65% for debt within 90 days and 20% for any debt older than 90 days for all categories except Electricity. With Electricity the assumption is that 90% of the debt older than 90 days is still collectable. A journal of R18.972million has been processed in December 2021. A year-end Journal to this line has not been processed yet, as we still busy with the year-end processes.



### **Depreciation & asset impairment**

Depreciation and asset impairment are reflecting an under performance by -14 percent or R4.6million against YTD actual of R28.2million against the YTD budget of R32.7 million, variance is due to delays in acquiring capital assets that were planned to be procured and completion of projects that are still under work in progress as assets are depreciated when completed. Further to that it should be noted that the unit is still working on unbundling assets so as to ensure accurate figures for depreciation.

### **Finance Charges**

Finance charges is the amount of interest that the municipality pays to various financial institutions for short and long-term loans and to date the expenditure is sitting at R57 thousand, variance is due to the fact that most of the loans are paid bi-annually.

Finance Charges as per the audited AFS of 2020/21 financial year incurred R3 million, due to reclassification of retirement benefit obligation interest costs in accordance with GRAP 25.

### **Bulk Purchases- Electricity**

Bulk purchases relate to electricity purchases that the municipality buys from Eskom that is utilized by the community within Ward 3 where the municipality has the license authority. To date the expenditure on bulk purchases totals to R36.6million (current month – R3.7 million) when compared to the projected budget of R36.6million, variance is 0(Zero) there is no variance to this line item as expenditure is in line with budget.

### **Inventory Consumed**

This is expenditure for the materials kept on stores and to date it totals to R1.2 thousand (current month R95 thousand) equating to an under-expenditure of -45% when compared to the pro-rata budget. Acquisition of materials towards repairs & maintenance and consumables is only performed based on the need that exists during a particular period.

The municipality has reviewed its repairs and maintenance plan so as to ensure that the infrastructure of the municipality is regularly monitored for its aging.

### **Contracted Services**

Contracted services for the period ended 30th June 2022 totals to R48.2 million (current month – R6.6 million) which equates to an under-expenditure of -15% when compared to the pro-rata budget, variance is due to the implementation of procurement plan.

Expenditure items considered as per mSCOA classification is outsourcing of services such as security, fire services and services for repairs & maintenance and other municipal activities that the municipality cannot perform which contribute towards service delivery.

### **Other Expenditure**

Other expenditure includes items such as day to day running expenses, subsistence and travelling, professional fees, legal fees, bank charges, Budget road shows and all other expenditure forms part on the abovementioned categories of expenses. To date R41.3million has been incurred on other expenditure (current month – R5.2million) resulting in under-expenditure of -16% when compared to the pro-rata budget of R49million. Variance is due to activities that took place for this month and the decision the municipality took on implementation of cost cutting measures so as to improve the municipal cash flows.

Other expenditure - The majority of items are not a straight-line expenditure some are paid where it is needed e.g. printing and stationery, mayoral projects, external services etc. Certain expenditure items are based on a seasonal commitment.

**Loss on disposal of PPE**

A loss of R1.148 thousand has been recorded from auction. The YTD expenditure totals to R78 thousand, against a total YTD Budget of R1.5 million.

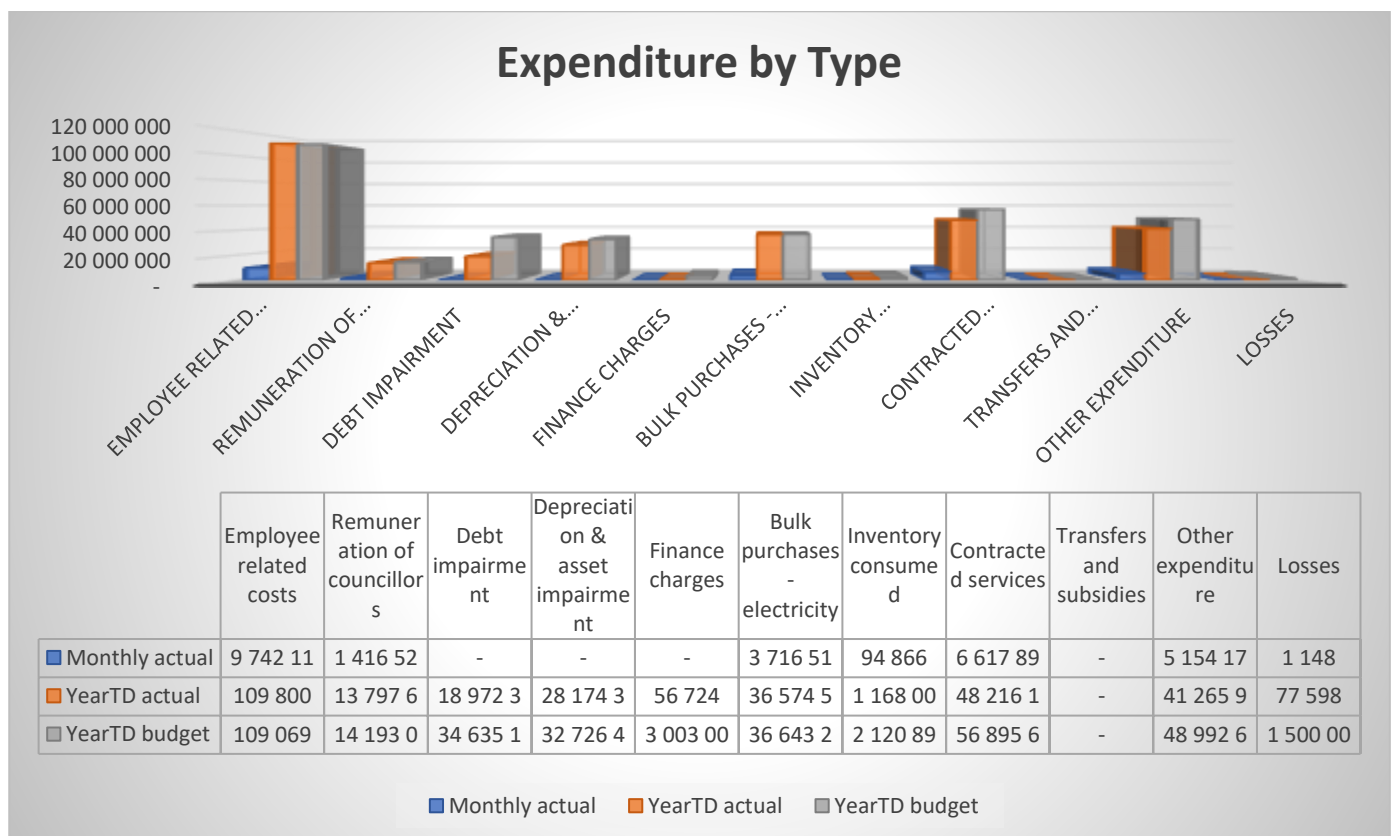
**Overall expenditure budget**

The overall expenditure to date totals to R298.1 million (current month – R26.7 million) which equates to a -12% under-expenditure when compared to the pro-rata annual budget of R339.8 million.

**Surplus/(Deficit)**

The statement of financial performance indicates that to date there is a surplus of R51.7 million for the period ended 30<sup>th</sup> June 2022 (i.e. Revenue collected is more than expenditure). It must be noted that non-cash items such as depreciation and asset impairment, debt impairment and provisions etc. have been included in the above surplus.

**Figure 2**



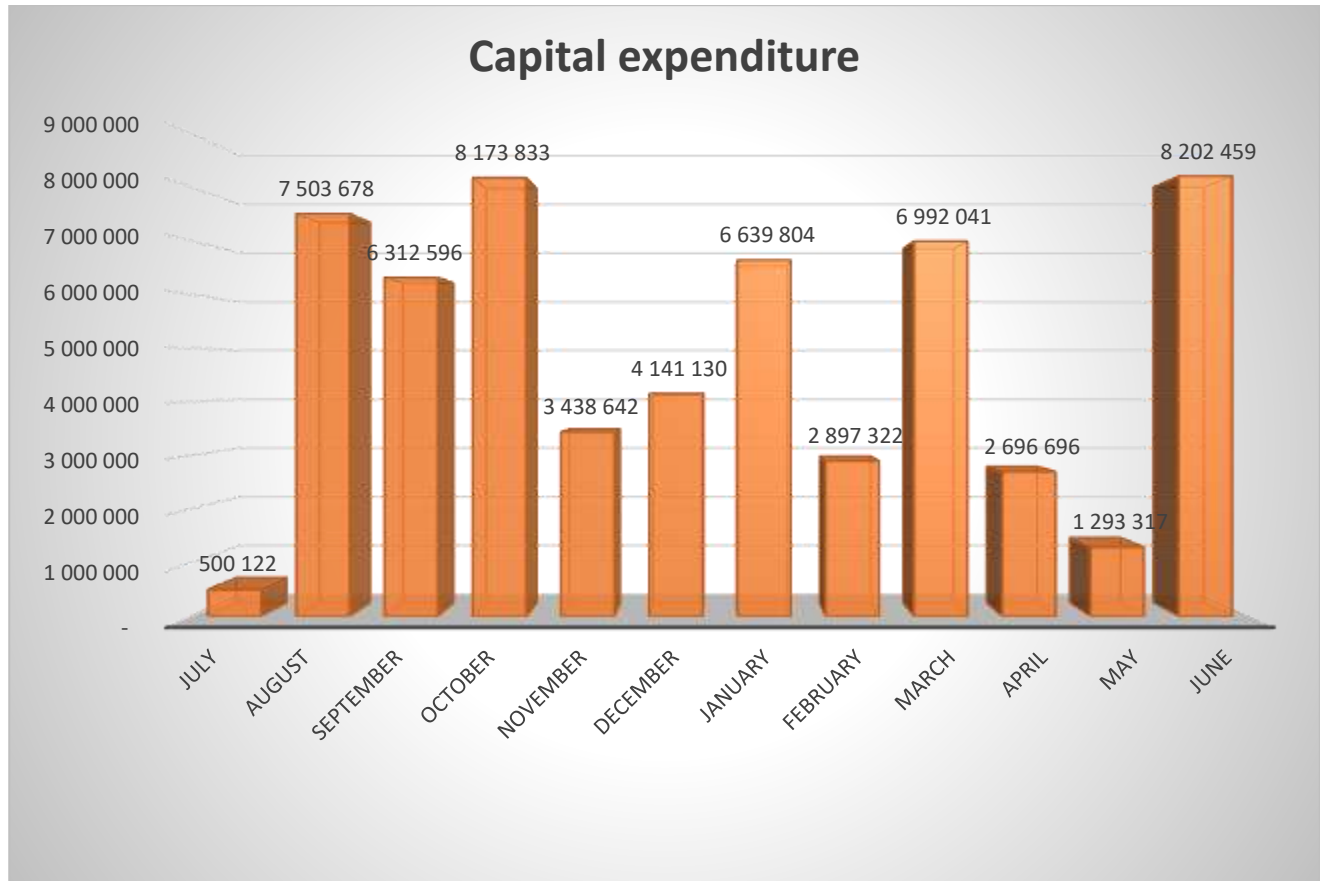
## 5. 2 Capital Expenditure

KZN291 Mandeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive and council		(698)	20	50	–	42	50	(8)	-16%	20
Vote 2 - Finance and administration		10 259	5 150	6 619	839	2 564	6 619	(4 055)	-61%	5 150
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		(467)	11 958	7 097	1 904	3 985	7 096	(3 111)	-44%	11 958
Vote 5 - Sport and Recreation		4 238	5 754	7 907	1 714	5 361	7 938	(2 577)	-32%	5 754
Vote 6 - Public safety		–	–	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Planning and Development		3 899	8 135	8 308	76	3 767	8 308	(4 540)	-55%	8 135
Vote 9 - Road transport		676	30 703	39 463	3 200	35 679	39 463	(3 784)	-10%	30 703
Vote 10 - Energy sources		83	8 200	10 437	470	7 393	10 437	(3 043)	-29%	8 200
Vote 11 - Waste Management		–	4 000	4 400	–	–	4 400	(4 400)	-100%	4 000
Vote 12 - Environmental Protection		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
<b>Total Capital single-year expenditure</b>	4	17 990	73 920	84 280	8 202	58 792	84 311	(25 519)	-30%	73 920
<b>Total Capital Expenditure</b>		<b>17 990</b>	<b>73 920</b>	<b>84 280</b>	<b>8 202</b>	<b>58 792</b>	<b>84 311</b>	<b>(25 519)</b>	<b>-30%</b>	<b>73 920</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>9 560</b>	<b>5 170</b>	<b>6 669</b>	<b>839</b>	<b>2 606</b>	<b>6 669</b>	<b>(4 063)</b>	<b>-61%</b>	<b>5 170</b>
Executive and council		(698)	20	50	–	42	50	(8)	-16%	20
Finance and administration		10 259	5 150	6 619	839	2 564	6 619	(4 055)	-61%	5 150
Internal audit		–	–	–	–	–	–	–		–
<b>Community and public safety</b>		<b>3 772</b>	<b>17 713</b>	<b>15 003</b>	<b>3 618</b>	<b>9 346</b>	<b>15 034</b>	<b>(5 688)</b>	<b>-38%</b>	<b>17 713</b>
Community and social services		(467)	11 958	7 097	1 904	3 985	7 096	(3 111)	-44%	11 958
Sport and recreation		4 238	5 754	7 907	1 714	5 361	7 938	(2 577)	-32%	5 754
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
<b>Economic and environmental services</b>		<b>4 575</b>	<b>38 838</b>	<b>47 770</b>	<b>3 275</b>	<b>39 446</b>	<b>47 770</b>	<b>(8 324)</b>	<b>-17%</b>	<b>38 838</b>
Planning and development		3 899	8 135	8 308	76	3 767	8 308	(4 540)	-55%	8 135
Road transport		676	30 703	39 463	3 200	35 679	39 463	(3 784)	-10%	30 703
Environmental protection		–	–	–	–	–	–	–		–
<b>Trading services</b>		<b>83</b>	<b>12 200</b>	<b>14 837</b>	<b>470</b>	<b>7 393</b>	<b>14 837</b>	<b>(7 443)</b>	<b>-50%</b>	<b>12 200</b>
Energy sources		83	8 200	10 437	470	7 393	10 437	(3 043)	-29%	8 200
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		–	4 000	4 400	–	–	4 400	(4 400)	-100%	4 000
<b>Other</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>–</b>
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>17 990</b>	<b>73 920</b>	<b>84 280</b>	<b>8 202</b>	<b>58 792</b>	<b>84 311</b>	<b>(25 519)</b>	<b>-30%</b>	<b>73 920</b>
<b>Funded by:</b>										
National Government		10 957	32 370	42 088	4 833	31 089	42 088	(10 998)	-26%	32 370
Provincial Government		(231)	1 170	1 328	21	523	1 328	(805)	-61%	1 170
District Municipality		–	–	–	–	–	–	–		–
<b>Transfers recognised - capital</b>		<b>10 726</b>	<b>33 540</b>	<b>43 415</b>	<b>4 854</b>	<b>31 613</b>	<b>43 415</b>	<b>(11 803)</b>	<b>-27%</b>	<b>33 540</b>
<b>Borrowing</b>	6	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>–</b>
<b>Internally generated funds</b>		<b>7 264</b>	<b>40 380</b>	<b>40 865</b>	<b>3 348</b>	<b>27 179</b>	<b>40 896</b>	<b>(13 717)</b>	<b>-34%</b>	<b>40 380</b>
<b>Total Capital Funding</b>		<b>17 990</b>	<b>73 920</b>	<b>84 280</b>	<b>8 202</b>	<b>58 792</b>	<b>84 311</b>	<b>(25 519)</b>	<b>-30%</b>	<b>73 920</b>

The capital expenditure year to date can be graphically presented as follows:

**Figure 3**



**Capital Expenditure**

The total capital expenditure to date totals to R58.8 million (current month – R8.2 million) which represents an under-expenditure of -30 per cent when compared to the pro-rata expenditure. The monthly expenditure is presented graphically on figure 3 above

**PROJECTS STATUS QUO / PROGRESS REPORT AS AT 30 JUNE 2022 – MIG FUNDED PROJECTS**

**2019/2020 FINANCIAL YEAR ROLL OVER CAPITAL PROJECTS**

<b>No</b>	<b>Project Name</b>	<b>Ward</b>	<b>Brief Description</b>	<b>Consultant/ Contractor</b>	<b>Approved MIG Funding</b>	<b>Status/ Progress</b>	<b>Anticipated Date</b>	<b>Challenges / Comments</b>
01	Upgrade and Improvement of Enembe Road	7, 13, 14, 15	Upgrade and improvement of approximately 2.5km of Enembe Road in Sundumbili, install streetlights, ancillary road works, reconstruct sidewalks, bus bays and associated drainage	<b>Consultant:</b> MNA  <b>Contractor:</b> Jamjo Civils	R 18 824 267.43	Project Complete	December 2020	The project reached Completion June 2021 and is currently under the defect liability period.
02	Upgrade of Link Road between Shayamoya Road (Ward 07) and Amajuba Road (Ward 15)	7, 15	This project entails the construction of a new access link road between Shayamoya Road and Amajuba Road. The scope of works includes 0.32 km of upgrading existing gravel road to a cape seal surfaced road, 1.0 wide surfaced sidewalks, associated Stormwater drainage system as well as street furniture such as road signs and line painting.	<b>Consultant</b> Lelethu Engineers  <b>Contractor</b> Onombutho Trading CC	3,019,695.84	Project Complete	January 2021	The project reached Completion on June 2021 and is currently under the defect liability period.

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03	Upgrade of Link Road between Amajuba Road (Ward 15) and Road 116 (Ward 14)	15, 14, 5, 7	This project entails the construction of a new access link road between Amajuba and Road 116. The scope of works includes 0.35 km of upgrading existing gravel road to a cape seal surfaced road, 1.0 wide surfaced sidewalks, associated Stormwater drainage system as well as street furniture such as road signs and line painting.	<p><b>Consultant</b> Lelethu Engineers</p> <p><b>Contractor</b> Zithunzuzo Trading CC</p>	3,440,757.69	Project Complete	January 2021	The project reached Completion on June 2021 and is currently under the defect liability period.
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**2020/2021 FINANCIAL YEAR ROLL OVER CAPITAL PROJECTS**

04	Construction of the swimming pool	15	Construction of a public swimming pool	<p><b>Consultant</b> Young and Satharia</p> <p><b>Contractor</b> Flaxen Lake</p>	R5 178 546.50	Project Complete	June 2021	The project reached Completion in September 2021 and is currently under the defect liability period.
05	Upgrade of Link Road between Masomonce Bus Route (Ward 10) and Enembe/Isithebe Link	10/12	This project entails the construction of a new access link road between Masomonce Bus Route and Ward 12. The scope of works includes the following activities: 0.8km of upgrading existing gravel road to a cape seal surfaced road, 1.0 wide surfaced sidewalks and associated	<p><b>Consultant</b> Leletu Consulting Engineers</p> <p><b>Contractor</b> Thatha 5 cc</p>	R6 762 817.44	Contacting fixing damaged areas on the road and will be surfacing the sidewalks with asphalt.	09 August 2021	The Contractor experienced challenges with cashflow and is being assisted through a cession agreement. There is an anticipated increase to the scope of the works which will need variation order as

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	Road (Ward 12)		Stormwater drainage system as well as street furniture such as road signs and line painting.					well as an increase in the duration of the project.
07	Construction of a Sports field in Enembe, Ward 5	5	Project Scope: The scope of works is as follows: Construction of a soccer field, Installation of clear view Fencing, Construction of Change rooms and ablution facility as well as the septic tank and Construction of grand stands	<b>Consultant</b> Sivest Consulting Engineers  <b>Contractor</b> Sholo Trading	R7 962 614.60	Contractor has neglected the site, most of the work that has been listed on the snag list has not been attended to.	15 July 2021	Contractor is experiencing cashflow challenges and as a result progress is very slow.
08	Rural Roads Phase 3 (a) - Upgrade of Rural Road in Ward 2	2	The scope of works includes the following activities: Remove topsoil & Excavation to a nominal depth of 300mm over the roadway widths, shoulders and side drains, Dump Rock infilling at soft spots, Rip and compact to 98% mod. AASHTO maximum density to depth of 150mm – Roadbed, Construct 150mm Gravel Subbase: G7 to 95% Mod AASHTO with material from borrow-pits & commercial sources, Construct 150mm Gravel Base: G6 to 95% Mod AASHTO with material from borrow-pits & commercial sources, Construction of Grass Lined V-Drains,	<b>Consultant</b> SKYV Consulting  <b>Contractor</b> Zisayini Trading	5,483,859.59	Project Complete	19 June 2021	The project reached Completion in June 2021 and is currently under the defect liability period.

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			Construction of Stormwater Causeways utilising 600mm Pipes.					
09	Rural Roads Phase 3 (b) – Upgrade of Rural Road in ward 12	12	The scope of works includes the following activities: Remove topsoil & Excavation to a nominal depth of 300mm over the roadway widths, shoulders and side drains, Dump Rock infilling at soft spots, Rip and compact to 98% mod. AASHTO maximum density to depth of 150mm – Roadbed, Construct 150mm Gravel Subbase: G7 to 95% Mod AASHTO with material from borrow-pits & commercial sources, Construct 150mm Gravel Base: G6 to 95% Mod AASHTO with material from borrow-pits & commercial sources, Construction of Grass Lined V-Drains, Construction of Stormwater Causeways utilising 600mm Pipes, Construct 150mm Thick Reinforced Concrete Roadway for Grades of 14%.	<b>Consultant</b> SKYV Consulting  <b>Contractor</b> Sukoluhle Trading Enterprise	5,483,859.59	Project Complete	19 June 2021	The project reached Completion in June 2021 and is currently under the defect liability period.
10	Rural Roads Phase 3 (c) -	3	The scope of works includes the following activities: Remove topsoil	<b>Consultant</b> SKYV Consulting	4,392,341.82	Project Complete	19 June 2021	The project reached Completion in June



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	Upgrade of Rural Road in Ward 3		& Excavation to a nominal depth of 300mm over the roadway widths, shoulders and side drains, Dump Rock infilling at soft spots, Rip and compact to 98% mod. AASHTO maximum density to depth of 150mm – Roadbed, Construct 150mm Gravel Subbase: G7 to 95% Mod AASHTO with material from borrow-pits & commercial sources, Construct 150mm Gravel Base: G6 to 95% Mod AASHTO with material from borrow-pits & commercial sources, Construction of Grass Lined V-Drains, Construction of Stormwater Causeways utilising 600mm Pipes.	<b>Contractor</b> Msebe Trading				2021 and is currently under the defect liability period.
<b><u>2021/2022 FINANCIAL YEAR CAPITAL PROJECTS</u></b>								
01	Swimming Pool Area Additions in Ward 15	15	The project scope entails the following activities: - Construction of a 76m2 change room, with 4 female and 2 male toilets and 2 urinals (male) - Construction of extra 33m2 ablutions block for usage during peak seasons with 6 toilets	<b>Consultant:</b> Hi Tech Consulting  <b>Contractor:</b> Umhlathuze Builders Emporium	R3,685,154.52	Site Establishment 100%, Construction of Change Room 85%, Ablution Block 85%, Guard House 85%, Construction of Life Guard House 85% and	July 2022	None at present

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			<ul style="list-style-type: none"> <li>- Construction of a 20m2 guard house with cashier space</li> <li>- Construction of life guard house and provision of life guard stand</li> <li>- Construction of external works</li> <li>- Construction of block paved parking area (25 bays)</li> <li>- Construction of approximately 1500m2 block paved walkways and waiting area</li> <li>- Children play area with specialized equipment</li> <li>- Beach volley ball sand area 400m2</li> <li>- Landscaping (trees, outdoors seating, etc.)</li> <li>- Provision of gates</li> <li>- Construction power electrification wiring and piping</li> <li>- Provision of outside lighting</li> <li>- Construction of a 50mm HDPE pipeline water supply, and</li> <li>- Construction of sewer pipeline, 110mm uPVC approximately 150m long</li> </ul>			<p>Construction of grandstands 90%. Parked Paving 0%, Landscaping 0% and Children’s Play Area 0%.</p>		
02	Rural Roads Phase 4(a) -	11	The scope of works includes the following activities: mass	<b>Consultant:</b> BVI Consulting	R 4,867,775.44	Site establishment 100%, Setting out	June 2022	EIA approval that was delaying the start of the

**KZN 291 Mandeni Municipality Monthly budget statement ended 30<sup>th</sup> JUNE 2022**

	Upgrade of Gravel Roads in Ward 11		earthworks, construction of pavement layers (G4 material compacted to 97% of MDD, G7 material compacted to 93 & of MDD, 160mm unreinforced 35MPA concrete), construction of stormwater drainage and installation of road signs	<b>Contractor:</b> Onombuthu (PTY) LTD		of works by surveyor 100%, Site Clearance 100%, Pipe laying 100%, G7 Layer 100%, G4 Layer 100%, Stormwater Manholes 100%. Outstanding works are ancillary works such as driveways, channel and housekeeping.		project got finalised end of January.
03	Rural Roads Phase 4(b) - Upgrade of a Gravel Road in Ward 6	6	The scope of works includes the following activities: mass earthworks, construction of pavement layers (G4 material compacted to 97% of MDD, G7 material compacted to 93 & of MDD, 160mm unreinforced 35MPA concrete), construction of stormwater drainage and installation of road signs	<b>Consultant:</b> BVI Consulting  <b>Contractor:</b> Zisayini Trading Enterprise	R3,517,436.07	Site establishment 100%, Setting out of works by surveyor 100%, Site Clearance 100%, Pipe laying 70%, Bulk earthworks 100%. Layerworks G4 100%, G7 75% and unreinforced 35mpa concrete 15% and Earth drains 10%. Installation of	June 2022	EIA approval that was delaying the start of the project got finalised end of January.

**KZN 291 Mandeni Municipality Monthly budget statement ended 30<sup>th</sup> JUNE 2022**

						subsoil drains 90% and Construction of headwalls 0% and manholes 0%. Road signs 0%.		
04	Khenana and Hlomendlini High Mast Lights	4, 10	7 x new high mast lighting including the following: - 40A single phase supply kiosk per mast. - Electrical cable reticulation including all trenches, sleeves, joints, and terminations as detailed in the electrical bill of quantities. - 25m high-mast pole including concrete base as detailed in the electrical bill of quantities. - 8 x 400w LED luminaires per mast using an 8-way spigot.	<b>Consultant:</b> BVI Consulting  <b>Contractor:</b> Yakhalungisa Engineering Services	R5,924,861.03	The project is practical Complete.	December 2022	None at present
05	Construction of a Community Hall in Ward 13	13	The scope of works includes the following activities: mass earthworks, platforms, reinforced foundations, brick work superstructure, plumbing, roof construction and covering, plaster and painting, electrical wiring, fencing and parking area.	<b>Consultant:</b> SMA Consulting  <b>Contractor:</b> Sanoqwabe Consultants	R10,417,173.70	Site establishment 100%, Site Clearance 100%, Bulk Earthworks, Hall 100%, G7 layer 50%, Superstructure (Building), Foundation100%,	February 2022	The progress has slowed down dramatically, contractor is experiencing cash flow problems.

**KZN 291 Mandeni Municipality Monthly budget statement ended 30<sup>th</sup> JUNE 2022**

						Surface bed 100%, Brickwork Wall plate 100%, Plaster 85% and the Ring Beam 80%		
06	Ward 3 Access Roads Rehabilitatio n	3	<p>The scope of works will entail the following:</p> <ul style="list-style-type: none"> <li>- Rehabilitation of 2.867 kms of road (Plover Road, Inyala Road, Impunzi Road, Impala Road, Trogon Road and Sandpiper Road)</li> <li>- Construction of curbs</li> <li>- Surfacing using 30mm asphalt</li> <li>- Construction of storm water drainage</li> <li>- Road marking</li> <li>- Installation of road signs</li> </ul>	<p><b>Consultant:</b> Morula Consulting</p> <p><b>Contractor:</b> Bheka Phezulu Investments</p>	R13,057,500.00	<p>Surfacing, stormwater drainage and road marking is complete The contractor outstanding works are road signs and remedial works.</p>	March 2022	Progressing as per the construction programme with no challenges currently being experienced.
07	Rehabilitatio n of Internal Roads and Stormwater Drainage in Ward 3	3	<p>The scope of works entails the following activities:</p> <ul style="list-style-type: none"> <li>- Site Establishment</li> <li>- Setting out of works</li> <li>- Rehabilitation of 1.430 km Access Roads (Stratton Circle, Richard Circle and Whimbrel and Mathews Road)</li> <li>- Storm water management.</li> <li>- Sealing using 30mm Asphalt.</li> </ul>	<p><b>Consultant:</b> Morula Consulting</p> <p><b>Contractor:</b> MVI-SSSS Trading</p>	R7,996,258.68	<p>The contractor has completed the works and achieved practical completion. The Contractor has started doing work on Stratton Circle which was not part of the scope.</p>	June 2022	Progressing as per the construction programme with no challenges currently being experienced.

**KZN 291 Mandeni Municipality Monthly budget statement ended 30<sup>th</sup> JUNE 2022**

			<ul style="list-style-type: none"> <li>- Construction of kerbs.</li> <li>- Road marking.</li> <li>- To install the road signs.</li> <li>- To finish the road after completion of the works.</li> </ul>					
08	Upgrade of Manono Road in Ward 15	15	<p>The scope of works is as follows:</p> <ul style="list-style-type: none"> <li>- Box Cut 900m Long x 480mm Depth x 5m wide (to upgrade this road to a 2 Lane)</li> <li>- 900m x 150mm G7 (Sub Grade)</li> <li>- 900m x 150mm C4 (G5 Cement Stabilized Sub Base)</li> <li>- 900m x 150mm G2 (Base)</li> <li>- 900m x 5m Prime</li> <li>- 900m x 5m Tack and 30mm Asphalt</li> <li>- 900m Concrete V Drains on one side (Left or Right Pending Crossfall)</li> <li>- 900m Kerbing on one side (Left or Right Pending Crossfall)</li> <li>- Stormwater Pipe Concrete 100m x 600mm Diameter with Manholes and Outlets</li> <li>- Road Marking &amp; Signs</li> </ul>	<p><b>Consultant:</b> SKYV</p> <p><b>Contractor:</b></p>	R 6,804,889.83	Award Letter has been issued. Start of construction works on site is pending contractor fulfilling contractual obligations.	June 2022	Detailed design complete, project ready to go out to tender, once consultant receives approval to go ahead, from the municipality.

**5.3 Division of Revenue Act on Grants Receipts**

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										%
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		<b>231 203</b>	<b>202 168</b>	<b>202 168</b>	<b>-</b>	<b>202 168</b>	<b>185 320</b>	<b>(18 086)</b>	<b>-9.8%</b>	<b>-</b>
Equitable Share	-	218 402	191 149	191 149	-	191 149	175 220	(17 373)	-9.9%	-
FMG	-	2 346	1 850	1 850	-	1 850	1 696			-
Expanded Public Works Program	-	2 387	2 435	2 435	-	2 435	2 232			-
INEP	-	6 506	4 872	4 872	-	4 872	4 466			-
Municipal Disaster Relief Grant	-	393	-	-	-	-	-			-
	-	-	-	-	-	-	-			-
MIG -PMU	-	1 169	1 862	1 862	-	1 862	1 706	(713)	-41.8%	-
	-	-	-	-	-	-	-			-
	-	-	-	-	-	-	-			-
<b>Municipal Drought Relief</b>	-	<b>393</b>	<b>3 044</b>	<b>2 944</b>	<b>-</b>	<b>15 847</b>	<b>2 699</b>	<b>13 012</b>	<b>482.2%</b>	<b>-</b>
KwaZulu-Natal_Capacity Building	-	2 615	1 315	1 315	-	1 315	1 205	110	9.1%	-
KwaZulu-Natal_Capacity Building and Other_Spec	-	-	1 729	1 629	-	1 629	1 493			-
	-	-	-	-	-	-	-			-
	-	-	-	-	-	-	-			-
Other transfers and grants [insert description]	-	-	-	-	-	12 903	-	12 903	#DIV/0!	-
<b>District Municipality:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other grant providers:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Operating Transfers and Gr</b>	<b>5</b>	<b>231 596</b>	<b>205 212</b>	<b>205 112</b>	<b>-</b>	<b>218 014</b>	<b>188 019</b>	<b>(5 074)</b>	<b>-2.7%</b>	<b>-</b>
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		<b>40 296</b>	<b>35 370</b>	<b>37 145</b>	<b>-</b>	<b>42 232</b>	<b>34 050</b>	<b>8 182</b>	<b>24.0%</b>	<b>-</b>
Municipal Infrastructure Grant (MIG)		40 296	35 370	37 145	-	42 232	34 050	8 182	24.0%	-
<b>Municipal Drought Relief</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>District Municipality:</b>		<b>3 604</b>	<b>1 170</b>	<b>1 270</b>	<b>-</b>	<b>1 270</b>	<b>1 164</b>	<b>106</b>	<b>9.1%</b>	<b>-</b>
[insert description]		3 604	1 170	1 270	-	1 270	1 164	106	9.1%	-
		-	-	-	-	-	-			-
<b>Other grant providers:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Transfers and Grant</b>	<b>5</b>	<b>43 899</b>	<b>36 540</b>	<b>38 415</b>	<b>-</b>	<b>43 502</b>	<b>35 214</b>	<b>8 288</b>	<b>23.5%</b>	<b>-</b>
<b>TOTAL RECEIPTS OF TRANSFER</b>	<b>5</b>	<b>275 496</b>	<b>241 752</b>	<b>243 527</b>	<b>-</b>	<b>261 516</b>	<b>223 233</b>	<b>3 214</b>	<b>1.4%</b>	<b>-</b>

**5.4 Division of Revenue Act on Grants Expenditure**

KZN291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>231 203</b>	<b>202 168</b>	<b>202 168</b>	<b>951</b>	<b>26 044</b>	<b>202 168</b>	<b>(176 123)</b>	<b>-87.1%</b>	<b>-</b>
Equitable Share		218 402	191 149	191 149		18 076	191 149	(173 073)	-90.5%	
FMG		2 346	1 850	1 850	353	1 850	1 850	0	0.0%	
Expanded Public Works Programme Integr		2 387	2 435	2 435		2 435	2 435	-		
INEP		6 506	4 872	4 872	458	1 998	4 872	(2 874)	-59.0%	
Municipal Disaster Relief Grant		393	-	-		-	-	-		
0										
0		1 169	1 862	1 862	141	1 686	1 862	(176)	-9.4%	
<b>Municipal Drought Relief</b>		<b>2 615</b>	<b>3 044</b>	<b>3 044</b>	<b>240</b>	<b>3 064</b>	<b>3 044</b>	<b>20</b>	<b>0.7%</b>	<b>-</b>
KwaZulu-Natal_Capacity Building and Othe		2 615	1 315	1 315	240	3 064	1 315	1 749	133.0%	
0			1 729	1 729			1 729	(1 729)	-100.0%	
0										
0										
Other transfers and grants [insert description]										
<b>District Municipality:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
[insert description]										
<b>Other grant providers:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
0										
<b>Total operating expenditure of Transfers and</b>		<b>233 818</b>	<b>205 212</b>	<b>205 212</b>	<b>1 191</b>	<b>29 108</b>	<b>205 212</b>	<b>(176 103)</b>	<b>-85.8%</b>	<b>-</b>
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>40 296</b>	<b>35 370</b>	<b>37 145</b>	<b>9 064</b>	<b>42 263</b>	<b>37 145</b>	<b>5 118</b>	<b>13.8%</b>	<b>-</b>
Municipal Infrastructure Grant (MIG)		40 296	35 370	37 145	9 064	42 263	37 145	5 118	13.8%	
0										
0										
0										
0										
Other capital transfers [insert description]										
<b>Municipal Drought Relief</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
0										
<b>District Municipality:</b>		<b>3 604</b>	<b>1 170</b>	<b>1 270</b>	<b>346</b>	<b>1 150</b>	<b>1 270</b>	<b>(120)</b>	<b>-9.5%</b>	<b>-</b>
0		3 604	1 170	1 270	346	1 150	1 270	(120)	-9.5%	
0										
<b>Other grant providers:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
0										
<b>Total capital expenditure of Transfers and</b>		<b>43 899</b>	<b>36 540</b>	<b>38 415</b>	<b>9 409</b>	<b>43 413</b>	<b>38 415</b>	<b>4 998</b>	<b>13.0%</b>	<b>-</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND</b>		<b>277 718</b>	<b>241 752</b>	<b>243 627</b>	<b>10 600</b>	<b>72 522</b>	<b>243 627</b>	<b>(171 105)</b>	<b>-70.2%</b>	<b>-</b>



## 5.5 Debtors age analysis

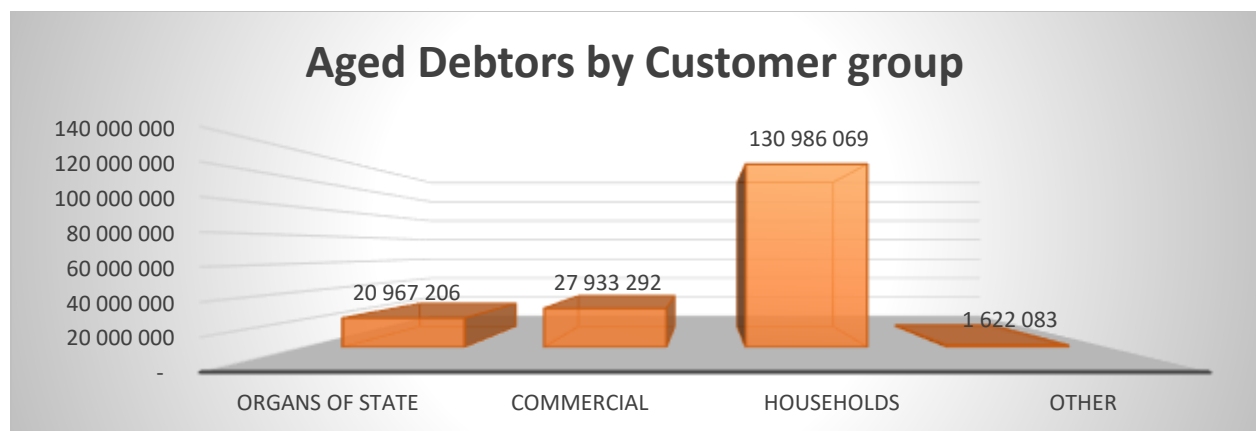
KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June													
Description	NT Code	Budget Year 2021/22										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Excha	1200	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Excha	1300	4 484	1	208	1 719	472	5	591	2 306	9 785	5 092	-	-
Receivables from Non-exchange Transac	1400	1 071	(568)	1 181	1 117	2 033	61	12 889	65 132	82 917	81 233	-	-
Receivables from Exchange Transactions	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions	1600	1 841	(19)	809	799	1 564	(4)	4 885	42 820	52 696	50 064	-	-
Receivables from Exchange Transactions	1700	23	-	11	8	15	-	68	160	284	250	-	-
Interest on Arrear Debtor Accounts	1810	577	-	289	287	567	-	1 860	24 967	28 547	27 681	-	-
Recoverable unauthorised, irregular, fruitl	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	106	-	-	-	-	-	-	7 174	7 280	7 174	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>8 102</b>	<b>(586)</b>	<b>2 498</b>	<b>3 930</b>	<b>4 651</b>	<b>62</b>	<b>20 292</b>	<b>142 559</b>	<b>181 509</b>	<b>171 495</b>	<b>-</b>	<b>-</b>
<b>2020/21 - totals only</b>										-	-		
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	22	(568)	173	267	548	-	5 377	15 149	20 967	21 341	-	-
Commercial	2300	4 406	(2)	624	1 964	527	59	4 589	15 765	27 933	22 905	-	-
Households	2400	3 328	(17)	1 549	1 564	3 164	3	9 750	111 644	130 986	126 125	-	-
Other	2500	346	-	153	135	413	-	576	-	1 622	1 124	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>8 102</b>	<b>(586)</b>	<b>2 498</b>	<b>3 930</b>	<b>4 651</b>	<b>62</b>	<b>20 292</b>	<b>142 559</b>	<b>181 509</b>	<b>171 495</b>	<b>-</b>	<b>-</b>

The total Consumer debtors outstanding as 30<sup>TH</sup> June 2022 is **R 181 509 million**

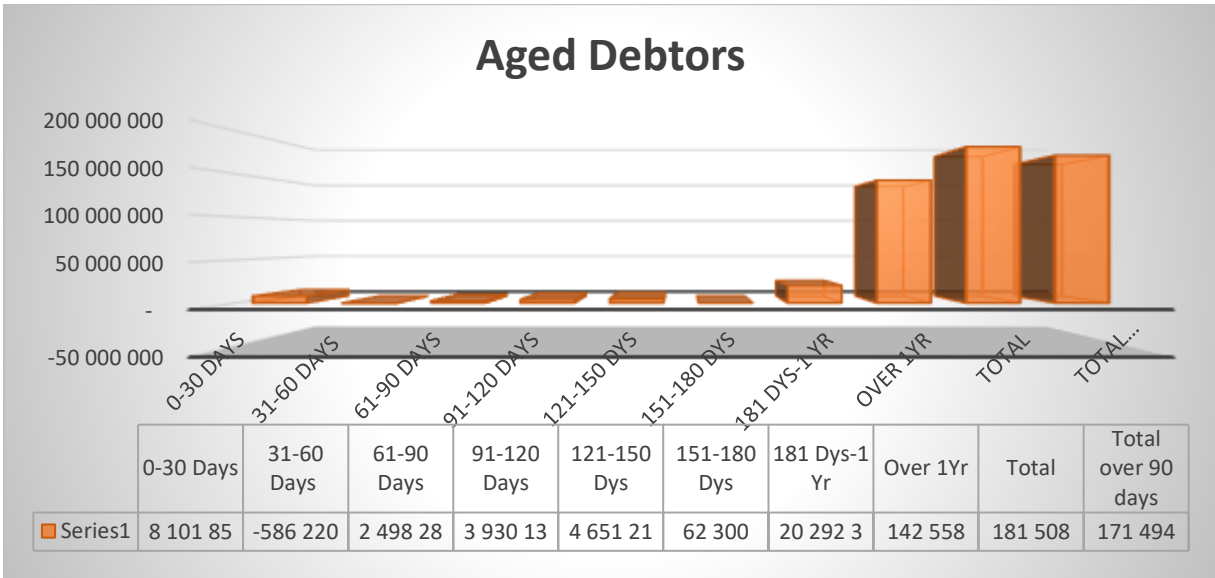
- Debt book indicates 13% increase from to 30 June 2021 to 30 June 2022, the debt book is very high.
- Debtors collection rate at June 2022 is %
- We are however maintaining and ensuring the collection of the current debt but our biggest challenge is the historic debt. We have since advertised to employ Debt collectors to use Debt Pack enterprise system, to follow up on outstanding debtors on daily basis. We will soon be conducting interviews, employ and train debtors' collectors.
- There is a challenge of high level of debt that calls for reassessments of the debtors, impairments.
- It is quite a challenge to collect satisfactory revenue from Sundumbili since we do not have any leverage to restrict in order to encourage regular payments from consumers thereon. I.e. Eskom is licensed to supply electricity.
- The high debt is mainly due to non-payment by Household in Sundumbili.

- Interventions have been made which are expected that they will change the current status, as the municipality is placing every effort in ensuring that we collect and recover the outstanding debt.
- We are currently undergoing the process of categorizing our book per various customers so that we know which ones to chase once our debt management system is up and running.
- We have also initiated a meter audit exercise, through Conlog, in order to ensure that we receive all the funds due for electricity supplied without any household tampering with our meter and steal electricity, the program is currently o
- Debt collection measures have been improved after the policy review by issuing summons with the intention to attach movable property. This initiative is however a slow process because of sheriff's involvement. They cannot cope with the number of summons to be served, upon attachment of movable properties for sale in execution, the sheriff returns with "nulla bona" which defeats the entire process. Property owners are not regular domiciles of properties indebted to council and have since left with no possible trace, legal proceedings cannot be extended further since courts are reluctant in granting intended judgement (section 66 declaring properties especially executable) as the said properties are primary residents to the latte's relatives or dependents.

**Figure 3**



**Figure 4**



**5.6 Employee costs and councillors benefits (Section 66 MFMA)**

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June										
Summary of Employee and Councillor remuneration	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		10 186	11 225	10 775	1 242	11 311	10 775	537	5%	11 225
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1 255	1 279	1 279	40	714	1 279	(565)	-44%	1 279
Cellphone Allowance		1 427	1 455	1 455	119	1 432	1 455	(23)	-2%	1 455
Housing Allowances		660	684	684	15	340	684	(344)	-50%	684
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>13 528</b>	<b>14 643</b>	<b>14 193</b>	<b>1 417</b>	<b>13 798</b>	<b>14 193</b>	<b>(395)</b>	<b>-3%</b>	<b>14 643</b>
<b>% increase</b>	4		<b>8.2%</b>	<b>4.9%</b>						<b>8.2%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages	3	5 197	5 823	5 823	433	5 197	5 823	(626)	-11%	5 823
Pension and UIF Contributions		0	11	11	-	0	11	(10)	-98%	11
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		561	408	408	561	1 048	408	640	157%	408
Motor Vehicle Allowance		737	737	737	61	737	737	0	0%	737
Cellphone Allowance		186	186	186	16	186	186	-	-	186
Housing Allowances		264	264	264	22	264	264	0	0%	264
Other benefits and allowances		1	1	1	0	1	1	0	1%	1
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	3 628	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>10 575</b>	<b>7 430</b>	<b>7 430</b>	<b>1 093</b>	<b>7 434</b>	<b>7 430</b>	<b>4</b>	<b>0%</b>	<b>7 430</b>
<b>% increase</b>	4		<b>-29.7%</b>	<b>-29.7%</b>						<b>-29.7%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		66 668	70 949	72 199	5 871	71 479	72 199	(720)	-1%	70 949
Pension and UIF Contributions		10 682	10 755	10 755	910	11 191	10 755	435	4%	10 755
Medical Aid Contributions		5 722	3 949	3 949	449	5 273	3 949	1 324	34%	3 949
Overtime		1 437	920	920	214	1 826	920	906	98%	920
Performance Bonus		5 320	5 174	5 174	391	5 051	5 174	(122)	-2%	5 174
Motor Vehicle Allowance		3 978	4 364	4 364	343	4 063	4 364	(301)	-7%	4 364
Cellphone Allowance		469	465	465	38	452	465	(14)	-3%	465
Housing Allowances		288	258	258	25	289	258	32	12%	258
Other benefits and allowances		1 035	56	56	60	1 041	56	985	1764%	56
Payments in lieu of leave		2 927	3 500	3 500	152	871	3 500	(2 629)	-75%	3 500
Long service awards		378	-	-	196	832	-	832	#DIV/0!	-
Post-retirement benefit obligations	2	(163)	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>98 740</b>	<b>100 389</b>	<b>101 639</b>	<b>8 649</b>	<b>102 367</b>	<b>101 639</b>	<b>728</b>	<b>1%</b>	<b>100 389</b>
<b>% increase</b>	4		<b>1.7%</b>	<b>2.9%</b>						<b>1.7%</b>
<b>Total Parent Municipality</b>		<b>122 843</b>	<b>122 462</b>	<b>123 262</b>	<b>11 159</b>	<b>123 598</b>	<b>123 262</b>	<b>336</b>	<b>0%</b>	<b>122 462</b>
			<b>-0.3%</b>	<b>0.3%</b>						<b>-0.3%</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>122 843</b>	<b>122 462</b>	<b>123 262</b>	<b>11 159</b>	<b>123 598</b>	<b>123 262</b>	<b>336</b>	<b>0%</b>	<b>122 462</b>
<b>% increase</b>	4		<b>-0.3%</b>	<b>0.3%</b>						<b>-0.3%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>109 315</b>	<b>107 819</b>	<b>109 069</b>	<b>9 742</b>	<b>109 801</b>	<b>109 069</b>	<b>732</b>	<b>1%</b>	<b>107 819</b>

The above table indicates the breakdown of the salaries expenditure for period ended 30 June 2022.

**5.7 Investment portfolio**

**KZN 291 Mandeni Municipality Monthly budget statement ended 30<sup>th</sup> JUNE 2022**

KZN291 Mandeni - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June										
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Variable or Fixed interest rate	Interest Rate <sup>3</sup>	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months								
<b>Municipality</b>										
Call account 1-GRANTS		12m	Call Account	Fixed	0.0245	28 711		(18 076)	3 374	14 009
Call account 2 -HOUSING		12m	Call Account	Fixed	0.0245	1 872		-	-	1 872
Call account 3-MIG		12m	Call Account	Fixed	0.0245	9 487	76	(9 487)	-	76
Call account 5-TMT		12m	Call Account	Fixed	0.0245	276	6	(4)	8	286
Call account 6-INEP		12m	Call Account	Fixed	0.0245	3 161	24	(547)	251	2 889
Call account 7-AR		12m	Call Account	Fixed	0.0245	3 816	1	(112)	-	3 705
Call account 8- Title Deed		12m	Call Account	Fixed	0.0245	6 266	9	-	-	6 276
NEDBANK		12m	Investment	Fixed	0.0531	30 000	12	-	-	30 012
NEDBANK		12m	Investment	Fixed	0.0482	30 000	19	-	-	30 019
NEDBANK		12m	Investment	Fixed	0.0598	50 000	-	-	-	50 000
STANDARD BANK		12m	Investment	Fixed	0.0534		-		65 000	65 000
						65 000	-	(65 000)		-
<b>Municipality sub-total</b>						<b>228 588</b>	<b>147</b>	<b>(93 226)</b>	<b>68 633</b>	<b>204 143</b>
<b>Entities sub-total</b>						<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>	2					<b>228 588</b>	<b>147</b>	<b>(93 226)</b>	<b>68 633</b>	<b>204 143</b>

**5.8 External Loan  
NONE**

**5.9 Performance Indicators**

KZN291 Mandeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M12 June							
Description of financial indicator	Basis of calculation	Ref	2020/21	Budget Year 2021/22			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>Borrowing Management</b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.1%	10.2%	10.5%	0.0%	4.7%
Borrowed funding of 'own n' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		15.4%	2.5%	-52.1%	9.3%	2.3%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	37.8%	0.0%	0.0%	-37.8%
<b>Liquidity</b>							
Current Ratio	Current assets/current liabilities	1	310.5%	702.5%	55.5%	536.2%	702.5%
Liquidity Ratio	Monetary Assets/Current Liabilities		263.6%	391.5%	47.9%	508.4%	391.5%
<b>Revenue Management</b>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		9.4%	16.6%	7.8%	0.4%	16.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Creditors Management</b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<b>Funding of Provisions</b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b>Other Indicators</b>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		32.7%	34.9%	33.3%	35.2%	34.9%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		9.6%	10.7%	10.9%	0.0%	4.9%
<b>IDP regulation financial viability indicators</b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

The above ratios indicate that the municipality is financially stable and adequately funded to continue with its operations. The year-to-date ratio of employee costs as compared to the total revenue – capital revenue for the year to date is 35.2%.

**KZN 291 Mandeni Municipality Monthly budget statement ended 30<sup>th</sup> JUNE 2022**

Calculations					
Borrowing			725		
Total Assets	755 158	738 733	786 281	56 477	738 733
Employee related costs	109 315	107 819	109 069	109 801	107 819
Repairs & Maintenance					
Interest (finance charges)	332	400	3 003	57	400
Principal paid					
Depreciation	31 848	32 726	32 726		14 643
Operating expenditure	301 885	323 462	339 729	298 104	323 462
Total Capital Expenditure	17 990	73 920	84 280	58 792	73 920
Borrowed funding for capital					
Debt	66 102	17 332	350 196	4 819	15 881
Equity	429 589	699 801	(672 582)	51 698	700 971
Reserves	202 672	1 921	(1 921)		1 921
Borrowing			725		(725)
Current assets	214 426	118 289	194 121	25 860	118 289
Current liabilities	69 061	16 838	350 013	4 823	16 838
Monetary assets	182 020	65 925	167 599	24 520	65 925
Total Revenue (excluding capital transfers and contributions)	333 931	309 163	327 992	311 990	309 163
Transfers and subsidies	210 180	200 340	220 298	198 541	200 340
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	41 465	35 370	42 145	37 381	35 370
Debt service payments	798	5 085	5 650		(400)
Outstanding debtors (receivables)	31 543	51 340	25 491	1 307	51 340
Annual services revenue	43 822	48 762	48 762	56 261	
Cash + investments Including LT investments	182 020	65 925	167 599	24 520	65 925
Fixed operational expend. (monthly)					
Longstanding debtors outstanding					
Longstanding debtors recovered					
Attorney collections					

**6. CREDITOR'S AGE ANALYSIS**

KZN291 Mandeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q4 Fourth Quarter											
Description	NT Code	Budget Year 2021/22									Prior year totals for
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120	121 - 150	151 - 180	181 Days -	Over 1 Year	Total	
<b>R thousands</b>											
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement dedu	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	2 353	-	-	-	-	-	-	-	2 353	2 353
Auditor General	0800	1	-	-	-	-	-	-	-	1	1
Other	0900	3 764	-	-	(1)	-	-	-	2	3 766	3 766
<b>Total By Customer Type</b>	<b>1000</b>	<b>6 117</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>6 119</b>	<b>6 119</b>

- Creditors as at 30 June 2022 amounts to **R6 119million**
- 99% of the creditors are on current as per our age analysis, we ensure that creditors are paid within 30 days as stipulated by the MFMA

**6.1. BANK RECONCILIATION STATEMENT AS AT JUNE 2022**

**KZN 291 Mandeni Municipality Monthly budget statement ended 30<sup>th</sup> JUNE 2022**

**7. SUPPORTING DOCUMENTS**

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - Q4 Fourth Quarter									
Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	50 870	46 642	46 642	(41)	43 652	46 642	(2 990)	-6%	46 642
Service charges	43 822	48 762	48 762	5 560	56 261	48 762	7 499	15%	48 762
Investment revenue	6 454	4 950	5 500	3 459	7 895	5 500	2 395	44%	4 950
Transfers and subsidies	210 180	200 340	220 298	138	198 541	220 298	(21 757)	-10%	200 340
Other own revenue	22 605	8 470	6 791	(235)	5 642	6 791	(1 149)	-17%	8 470
<b>Total Revenue (excluding capital transfers and</b>	<b>333 931</b>	<b>309 163</b>	<b>327 992</b>	<b>8 880</b>	<b>311 990</b>	<b>327 992</b>	<b>(16 002)</b>	<b>-5%</b>	<b>309 163</b>
Employee costs	109 315	107 819	109 069	9 742	109 801	109 069	732	1%	107 819
Remuneration of Councillors	13 528	14 643	14 193	1 417	13 798	14 193	(395)	-3%	14 643
Depreciation & asset impairment	31 848	32 726	32 726	-	28 174	32 726	(4 552)	-14%	32 726
Finance charges	332	400	3 003	-	57	3 003	(2 946)	-98%	400
Inventory consumed and bulk purch	30 955	37 432	38 779	3 811	37 743	38 764	(1 022)	-3%	37 432
Transfers and subsidies	1 557	-	-	-	-	-	-	-	-
Other expenditure	114 350	130 442	141 959	11 773	108 532	142 023	(33 491)	-24%	130 442
<b>Total Expenditure</b>	<b>301 885</b>	<b>323 462</b>	<b>339 729</b>	<b>26 743</b>	<b>298 104</b>	<b>339 779</b>	<b>(41 675)</b>	<b>-12%</b>	<b>323 462</b>
<b>Surplus/(Deficit)</b>	<b>32 046</b>	<b>(14 299)</b>	<b>(11 737)</b>	<b>(17 863)</b>	<b>13 886</b>	<b>(11 787)</b>	<b>25 673</b>	<b>-218%</b>	<b>(14 299)</b>
Transfers and subsidies - capital (monetary allocations) (National /	41 465	35 370	42 145	4 507	37 381	42 145	(4 765)	-11%	35 370
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations	-	-	-	-	431	-	431	#DIV/0!	1 170
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>73 511</b>	<b>21 071</b>	<b>30 409</b>	<b>(13 356)</b>	<b>51 698</b>	<b>30 359</b>	<b>21 339</b>	<b>70%</b>	<b>22 241</b>
Share of surplus/ (deficit) of	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>73 511</b>	<b>21 071</b>	<b>30 409</b>	<b>(13 356)</b>	<b>51 698</b>	<b>30 359</b>	<b>21 339</b>	<b>70%</b>	<b>22 241</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>17 990</b>	<b>73 920</b>	<b>84 280</b>	<b>8 202</b>	<b>58 792</b>	<b>84 311</b>	<b>(25 519)</b>	<b>-30%</b>	<b>73 920</b>
Capital transfers recognised	10 726	33 540	43 415	4 854	31 613	43 415	(11 803)	-27%	33 540
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	7 264	40 380	40 865	3 348	27 179	40 896	(13 717)	-34%	40 380
<b>Total sources of capital funds</b>	<b>17 990</b>	<b>73 920</b>	<b>84 280</b>	<b>8 202</b>	<b>58 792</b>	<b>84 311</b>	<b>(25 519)</b>	<b>-30%</b>	<b>73 920</b>
<b>Financial position</b>									
Total current assets	214 426	118 289	194 121	-	243 899	-	-	-	118 289
Total non current assets	540 732	620 443	592 160	-	573 149	-	-	-	620 443
Total current liabilities	69 061	16 838	350 013	-	63 694	-	-	-	16 838
Total non current liabilities	18 697	20 924	(24 327)	-	18 697	-	-	-	19 473
Community wealth/Equity	429 589	699 801	(672 582)	-	734 657	-	-	-	702 422
<b>Cash flows</b>									
Net cash from (used) operating	336 709	98 749	166 694	(26 737)	86 796	166 694	79 898	48%	98 749
Net cash from (used) investing	272 457	(73 920)	(84 280)	(8 202)	(58 460)	(84 311)	(25 851)	31%	73 920
Net cash from (used) financing	-	-	-	6	158	-	(158)	#DIV/0!	-
<b>Cash/cash equivalents at the mo</b>	<b>609 166</b>	<b>24 829</b>	<b>82 414</b>	<b>-</b>	<b>210 474</b>	<b>82 383</b>	<b>(128 091)</b>	<b>-155%</b>	<b>354 649</b>
<b>Debtors &amp; creditors analysis</b>									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dvs	151-180 Dvs	181 Dys-1 Yr	Over 1Yr	Total
<b>Debtors Age Analysis</b>									
Total By Income Source	8 102	(586)	2 498	3 930	4 651	62	20 292	142 559	181 509
<b>Creditors Age Analysis</b>									
Total Creditors	6 117	-	-	(1)	-	-	-	2	6 119



**KZN 291 Mandeni Municipality Monthly budget statement ended 30<sup>th</sup> JUNE 2022**

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		<b>303 200</b>	<b>247 561</b>	<b>305 993</b>	<b>6 406</b>	<b>283 603</b>	<b>305 993</b>	(22 390)	-7%	<b>247 561</b>
Executive and council		45 336	7 806	7 806	-	-	7 806	(7 806)	-100%	7 806
Finance and administration		257 864	239 755	298 187	6 406	283 603	298 187	(14 584)	-5%	239 755
Internal audit		-	-	-	-	-	-	-		-
<b>Community and public safety</b>		<b>6 741</b>	<b>4 364</b>	<b>4 482</b>	<b>24</b>	<b>3 846</b>	<b>4 482</b>	(635)	-14%	<b>4 364</b>
Community and social services		6 740	4 364	4 424	24	3 846	4 424	(578)	-13%	4 364
Sport and recreation		-	-	58	-	-	58	(58)	-100%	-
Public safety		1	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
<b>Economic and environmental services</b>		<b>45 983</b>	<b>40 782</b>	<b>47 586</b>	<b>4 580</b>	<b>41 203</b>	<b>42 586</b>	(1 383)	-3%	<b>40 782</b>
Planning and development		44 903	39 832	46 671	4 537	40 309	41 671	(1 363)	-3%	39 832
Road transport		1 080	950	915	42	895	915	(20)	-2%	950
Environmental protection		-	-	-	-	-	-	-		-
<b>Trading services</b>		<b>19 471</b>	<b>52 997</b>	<b>13 347</b>	<b>2 377</b>	<b>21 149</b>	<b>13 347</b>	7 802	58%	<b>52 997</b>
Energy sources		7 995	39 454	2 954	1 297	8 648	2 954	5 694	193%	39 454
Water management		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		11 476	13 543	10 393	1 080	12 501	10 393	2 108	20%	13 543
<b>Other</b>	4	-	-	-	-	-	-	-		-
<b>Total Revenue - Functional</b>	2	<b>375 395</b>	<b>345 704</b>	<b>371 408</b>	<b>13 387</b>	<b>349 802</b>	<b>366 408</b>	<b>(16 606)</b>	<b>-5%</b>	<b>345 704</b>
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>160 165</b>	<b>160 960</b>	<b>176 485</b>	<b>13 912</b>	<b>145 600</b>	<b>176 775</b>	(31 176)	-18%	<b>160 960</b>
Executive and council		40 036	46 428	48 437	5 148	43 704	48 437	(4 733)	-10%	46 428
Finance and administration		120 129	114 532	128 048	8 764	101 896	128 338	(26 442)	-21%	114 532
Internal audit		-	-	-	-	-	-	-		-
<b>Community and public safety</b>		<b>30 188</b>	<b>36 610</b>	<b>35 210</b>	<b>3 253</b>	<b>34 443</b>	<b>34 010</b>	433	1%	<b>36 610</b>
Community and social services		19 554	23 118	22 608	2 291	22 699	22 508	191	1%	23 118
Sport and recreation		10 596	12 592	11 842	962	11 328	10 742	586	5%	12 592
Public safety		38	880	740	-	399	740	(341)	-46%	880
Housing		-	20	20	-	16	20	(4)	-18%	20
Health		-	-	-	-	-	-	-		-
<b>Economic and environmental services</b>		<b>64 018</b>	<b>68 538</b>	<b>68 720</b>	<b>4 092</b>	<b>62 676</b>	<b>69 770</b>	(7 093)	-10%	<b>68 538</b>
Planning and development		16 252	21 226	21 232	1 817	15 620	21 032	(5 412)	-26%	21 226
Road transport		44 542	44 643	44 869	2 036	43 893	46 119	(2 227)	-5%	44 643
Environmental protection		3 225	2 669	2 619	239	3 164	2 619	545	21%	2 669
<b>Trading services</b>		<b>47 513</b>	<b>57 354</b>	<b>59 314</b>	<b>5 486</b>	<b>55 385</b>	<b>59 224</b>	(3 839)	-6%	<b>57 354</b>
Energy sources		36 875	46 420	48 220	4 811	45 458	48 130	(2 672)	-6%	46 420
Water management		-	-	-	-	-	-	-		-
Waste water management		853	2 809	2 809	-	-	2 809	(2 809)	-100%	2 809
Waste management		9 785	8 125	8 285	675	9 927	8 285	1 641	20%	8 125
<b>Other</b>		-	-	-	-	-	-	-		-
<b>Total Expenditure - Functional</b>	3	<b>301 885</b>	<b>323 462</b>	<b>339 729</b>	<b>26 743</b>	<b>298 104</b>	<b>339 779</b>	<b>(41 675)</b>	<b>-12%</b>	<b>323 462</b>
<b>Surplus/ (Deficit) for the year</b>		<b>73 511</b>	<b>22 241</b>	<b>31 679</b>	<b>(13 356)</b>	<b>51 698</b>	<b>26 629</b>	<b>25 069</b>	<b>94%</b>	<b>22 241</b>

**KZN 291 Mandeni Municipality Monthly budget statement ended 30<sup>th</sup> JUNE 2022**

**KZN291 Mandeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12**

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and council		45 336	7 806	7 806	-	-	7 806	(7 806)	-100.0%	7 806
Vote 2 - Finance and administration		257 864	239 755	298 187	6 406	283 603	298 187	(14 584)	-4.9%	239 755
Vote 3 - Internal audit		-	-	-	-	-	-	-		-
Vote 4 - Community and social services		6 740	4 364	4 424	24	3 846	4 424	(578)	-13.1%	4 364
Vote 5 - Sport and Recreation		-	-	58	-	-	58	(58)	-100.0%	-
Vote 6 - Public safety		1	-	-	-	-	-	-		-
Vote 7 - Housing		-	-	-	-	-	-	-		-
Vote 8 - Planning and Development		44 903	39 832	46 671	4 537	40 309	41 671	(1 363)	-3.3%	39 832
Vote 9 - Road transport		1 080	950	915	42	895	915	(20)	-2.2%	950
Vote 10 - Energy sources		7 995	39 454	2 954	1 297	8 648	2 954	5 694	192.8%	39 454
Vote 11 - Waste Management		11 476	13 543	10 393	1 080	12 501	10 393	2 108	20.3%	13 543
Vote 12 - Environmental Protection		-	-	-	-	-	-	-		-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-		-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-		-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
<b>Total Revenue by Vote</b>	2	<b>375 395</b>	<b>345 704</b>	<b>371 408</b>	<b>13 387</b>	<b>349 802</b>	<b>366 408</b>	<b>(16 606)</b>	<b>-4.5%</b>	<b>345 704</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - Executive and council		40 036	46 428	48 437	5 148	43 704	48 437	(4 733)	-9.8%	46 428
Vote 2 - Finance and administration		120 129	114 532	128 048	8 764	101 896	128 338	(26 442)	-20.6%	114 532
Vote 3 - Internal audit		-	-	-	-	-	-	-		-
Vote 4 - Community and social services		19 554	23 118	22 608	2 291	22 699	22 508	191	0.8%	23 118
Vote 5 - Sport and Recreation		10 596	12 592	11 842	962	11 328	10 742	586	5.5%	12 592
Vote 6 - Public safety		38	880	740	-	399	740	(341)	-46.1%	880
Vote 7 - Housing		-	20	20	-	16	20	(4)	-17.5%	20
Vote 8 - Planning and Development		16 252	21 226	21 232	1 817	15 620	21 032	(5 412)	-25.7%	21 226
Vote 9 - Road transport		45 395	47 451	47 678	2 036	43 893	48 928	(5 035)	-10.3%	47 451
Vote 10 - Energy sources		36 875	46 420	48 220	4 811	45 458	48 130	(2 672)	-5.6%	46 420
Vote 11 - Waste Management		9 785	8 125	8 285	675	9 927	8 285	1 641	19.8%	8 125
Vote 12 - Environmental Protection		3 225	2 669	2 619	239	3 164	2 619	545	20.8%	2 669
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-		-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-		-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
<b>Total Expenditure by Vote</b>	2	<b>301 885</b>	<b>323 462</b>	<b>339 729</b>	<b>26 743</b>	<b>298 104</b>	<b>339 779</b>	<b>(41 675)</b>	<b>-12.3%</b>	<b>323 462</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>73 511</b>	<b>22 241</b>	<b>31 679</b>	<b>(13 356)</b>	<b>51 698</b>	<b>26 629</b>	<b>25 069</b>	<b>94.1%</b>	<b>22 241</b>

**KZN 291 Mandeni Municipality Monthly budget statement ended 30<sup>th</sup> JUNE 2022**

**KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - M12 June**

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		120 192	6 448	167 599	1 701	6 448
Call investment deposits		61 828	59 477	–	224 454	59 477
Consumer debtors		47 358	44 093	22 143	29 154	44 093
Other debtors		(15 815)	7 247	3 348	2 089	7 247
Current portion of long-term receivables		–	–	–	–	–
Inventory		864	1 025	1 031	857	1 025
<b>Total current assets</b>		<b>214 426</b>	<b>118 289</b>	<b>194 121</b>	<b>258 255</b>	<b>118 289</b>
<b>Non current assets</b>						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		84 587	70 116	84 587	84 587	70 116
Investments in Associate		–	–	–	–	–
Property, plant and equipment		455 471	549 237	507 024	405 412	549 237
Biological		–	–	–	–	–
Intangible		674	1 091	549	586	1 091
Other non-current assets		–	–	–	–	–
<b>Total non current assets</b>		<b>540 732</b>	<b>620 443</b>	<b>592 160</b>	<b>490 585</b>	<b>620 443</b>
<b>TOTAL ASSETS</b>		<b>755 158</b>	<b>738 733</b>	<b>786 281</b>	<b>748 840</b>	<b>738 733</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		4 717	780	766	6 295	780
Consumer deposits		299	283	183	299	283
Trade and other payables		61 385	15 826	350 962	69 221	15 826
Provisions		2 660	(51)	–	–	(51)
<b>Total current liabilities</b>		<b>69 061</b>	<b>16 838</b>	<b>351 911</b>	<b>75 814</b>	<b>16 838</b>
<b>Non current liabilities</b>						
Borrowing		–	725	–	–	(725)
Provisions		18 697	20 198	24 327	18 697	20 198
<b>Total non current liabilities</b>		<b>18 697</b>	<b>20 924</b>	<b>24 327</b>	<b>18 697</b>	<b>19 473</b>
<b>TOTAL LIABILITIES</b>		<b>87 758</b>	<b>37 762</b>	<b>376 238</b>	<b>94 511</b>	<b>36 311</b>
<b>NET ASSETS</b>	2	<b>667 400</b>	<b>700 971</b>	<b>410 043</b>	<b>654 329</b>	<b>702 422</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		226 916	699 050	(670 660)	451 657	700 500
Reserves		202 672	1 921	(1 921)	202 672	1 921
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>429 589</b>	<b>700 971</b>	<b>(672 582)</b>	<b>654 329</b>	<b>702 422</b>

**FINANCIAL RATIOS AND NORMS**

**Current ratio:** The municipality’s current assets are 4 (FOUR) times that of current liabilities.  
**4:0.26**

The ratio measures the short-term liquidity, that is, the extent to which the current liabilities can be paid from current assets. The higher the ratio, the healthier is the situation. The ratio of 3,83:0.26 is favorable as it is above the norm of 1:1 normally set for municipalities. This indicates that there is sufficient cash to meet creditor obligations.

**Liquidity ratio:** The cash and cash equivalents are 4 time of the current liabilities.

**Creditors’ system efficiency:** 99 percent of the creditors outstanding are less than 30 days.

**Creditor’s payment:** it takes the municipality 0 days to pay its creditors

**Outstanding debtors:** billing far exceeds the collection on outstanding debt at the rate of 80 percent.

**Collection days:**578 days it takes the municipality to collect outstanding debt.

**Cost coverage:** on average the municipality has sustained its existence for the period 8 month without any grant funding.

**Debtors collection rate: as** at June 2022 is 80%

	18 days
Trade Creditors	6 119 287
Contracted Services	48 216 143
Repairs and Maintenance	
General expenses	41 265 991
Bulk Purchases	36 574 524

	3.83
Current Assets	243 898 956
Current Liabilities	63 693 711

	8 Month
Cash and cash equivalents	3 908 508
Unspent Conditional Grants	8 704 638
Overdraft	
Short Term Investments	204 142 534
Total Annual Operational Expenditure	298 104 003

**KZN 291 Mandeni Municipality Monthly budget statement ended 30<sup>th</sup> JUNE 2022**

	<b>80%</b>
Gross Debtors closing balance	181 540 406
Gross Debtors opening balance	165 690 607
Bad debts written Off	3 312 952
Billed Revenue	97 388 968

	<b>12%</b>
Consumer Debtors Bad debts written off	3 312 952
Consumer Debtors Current bad debt Provision	27 417 045

	<b>578 days</b>
Gross debtors	181 540 406
Bad debts Provision	27 417 045
Billed Revenue	97 388 968

**KZN 291 Mandeni Municipality Monthly budget statement ended 30<sup>th</sup> JUNE 2022**

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - M12 June										
Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		1 828	56 586	50 989	–	21 445	50 989	(29 544)	-58%	–
Service charges		1 666	42 028	41 074	–	13 702	41 074	(27 372)	-67%	–
Other revenue		4 221	51 478	67 147	–	105	67 147	(67 043)	-100%	–
Transfers and Subsidies - Operational		280 097	204 520	244 181	–	255 497	244 181	11 316	5%	–
Transfers and Subsidies - Capital		50 556	37 232	43 415	–	45 341	43 415	1 926	4%	–
Interest		798	5 085	5 650	7	1 721	5 650	(3 929)	-70%	–
Dividends		–	–	–	–	–	–	–	–	–
<b>Payments</b>										
Suppliers and employees		(2 457)	(295 897)	(282 759)	(26 743)	(250 957)	(282 759)	(31 801)	11%	–
Finance charges		–	(400)	(3 003)	–	(57)	(3 003)	(2 946)	98%	–
Transfers and Grants		(0)	(1 883)	–	–	–	–	–	–	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>336 709</b>	<b>98 749</b>	<b>166 694</b>	<b>(26 737)</b>	<b>86 796</b>	<b>166 694</b>	<b>79 898</b>	<b>48%</b>	<b>–</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	332	–	332	#DIV/0!	–
<b>Payments</b>										
Capital assets		–	–	(84 280)	(8 202)	(58 792)	(84 311)	(25 519)	30%	–
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>–</b>	<b>–</b>	<b>(84 280)</b>	<b>(8 202)</b>	<b>(58 460)</b>	<b>(84 311)</b>	<b>(25 851)</b>	<b>31%</b>	<b>–</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	6	158	–	158	#DIV/0!	–
<b>Payments</b>										
Repayment of borrowing		–	–	–	–	–	–	–	–	–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>6</b>	<b>158</b>	<b>–</b>	<b>(158)</b>	<b>#DIV/0!</b>	<b>–</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>336 709</b>	<b>98 749</b>	<b>82 414</b>	<b>(34 933)</b>	<b>28 495</b>	<b>82 383</b>			<b>–</b>
Cash/cash equivalents at beginning:		–	–	–	–	181 980	–	–	–	181 980
Cash/cash equivalents at month/year end:		336 709	98 749	82 414	–	210 474	82 383	–	–	181 980

The net increase/decrease of cash and cash equivalent for the year is R28.5million. The cash and cash equivalent at the beginning is R182million, and with a balance of R210.5million as cash and cash equivalent at year end. Surplus cash is invested at approved banking institutions in accordance with current cash and investment policy. As of the 30 June 2022, the Municipality has Invested R175million.

**REVENUE**

- Property rates collection rate to date is 94% or Rmillion of the billed revenue, this is due to the municipality implementing strategies as per credit control and debt collection policy which has ensured that there is improved collection.
- Service Charges: electricity and refuse are 115% or R48.762million of billed revenue, further reconciliation will have to be undertaken for prepaid electricity as the municipality has vendors collecting on their behalf.

- Other Revenue collected to date is 74% or R3.1million, which is due to collection of rentals of properties, licenses and permits and other sources of revenue.
- Government Operating received to date as at 30<sup>th</sup> June 2022 is R218 million which has been split between grants received as publicized in DORA which amount to R202,1 million; R2.9 relates to Libraries, the amount of R12.9 million relate to Department of Human Settlement and R4.9 million for INEP Grant funding. It must be noted that the municipality serves as an agent in relation to Human settlement and INEP grants in accordance with GRAP 109 for the Accounting treatment.
- Government Capital: received to date is R43 million from MIG of R42.2 million and Library Grant (capex) R4.2 million, this is in accordance with the approved business plan.
- Interest on investment has collected to date 143% or R7.9million which is due to cash backed reserves of previous years and grants received.
  
- Decrease (Increase) in non-current receivables received to date is R18.3 million from SARS refund as at 30<sup>th</sup> June 2022.

## **PAYMENTS**

- Suppliers and employees for cash outflows of R251 million as at 30 June 2022.
- Capital Assets of R47million corresponds with table A5.
- Increase (decrease) in consumer debtors has paid R6thousand with (YTD R158thousand) through repayment of deposits of customers converting from meter reading to prepaid system as the municipality implemented the system previous year.
- Repayment of borrowing to date is R910 thousand which is due to finance lease from Wesbank and lease of printers.

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## **QUALITY CERTIFICATE**

**Regulation 27 prescribes that the Municipal Manager must sign a quality certificate in the format prescribed below;**

I, Sizwe G. Khuzwayo the Municipal Manager of Mandeni Municipality KZN291, hereby certify that: -

- **Monthly budget statements**

for the month of **June 2022** has been prepared in accordance with the Municipal Finance Management Act and regulations under that Act.

Print Name    **Mr. Sizwe.G. Khuzwayo**

Municipal manager of Mandeni Municipality (KZN 291)

Signature \_\_\_\_\_

Date            **14 June 2022**