

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 30th 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 30th 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 30th 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 |
| R thousands | | | | | | | | % | |
| Financial Performance | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | 333 931 | 309 163 | 327 992 | 8 880 | 311 990 | 327 992 | (16 002) | -5% | 309 163 |
| Total Expenditure | 301 885 | 323 462 | 339 729 | 26 743 | 298 104 | 339 779 | (41 675) | -12% | 323 462 |
| Surplus/(Deficit) | 32 046 | (14 299) | (11 737) | (17 863) | 13 886 | (11 787) | 25 673 | -218% | (14 299) |
| 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 |
| Surplus/(Deficit) after capital transfers & contributions | 73 511 | 21 071 | 30 409 | (13 356) | 51 698 | 25 359 | 26 339 | 104% | 22 241 |
| Surplus/ (Deficit) for the year | 73 511 | 21 071 | 30 409 | (13 356) | 51 698 | 25 359 | 26 339 | 104% | 22 241 |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 17 990 | 73 920 | 84 280 | 8 202 | 58 792 | 84 311 | (25 519) | -30% | 73 920 |
| 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 |
| Total sources of capital funds | 17 990 | 73 920 | 84 280 | 8 202 | 58 792 | 84 311 | (25 519) | -30% | 73 920 |
| TOTAL BUDGET | 319874270 | 397 383 | 424 009 | 34 946 | 356 896 | 424 090 | (67 195) | (0) | 397 383 |

As can be seen from the table above, Actual surplus for the month ended 30th June 2022 is significantly more than the Budgeted Surplus. Monthly budget statement summary (Table C1), Shows a monthly surplus of R-13.4 million. (with a TYD Actual SURPLUS of R51.7million)

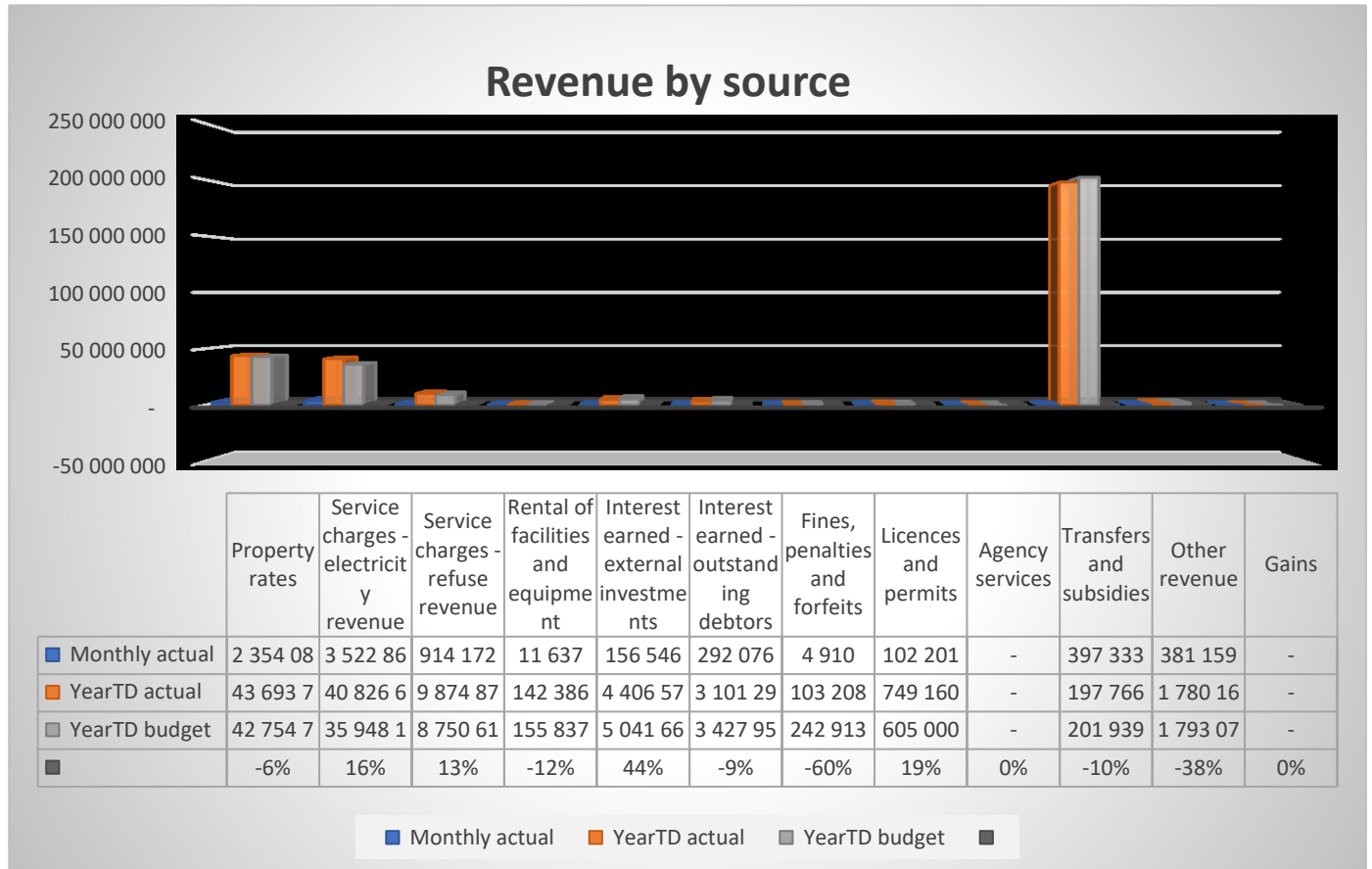
Currently there are no financial problems and major risks facing the municipality. A total amount of R175million is invested by the Municipality to the Approved banking institutions.

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 | | | | | | | | | | |
| Revenue By Source | | | | | | | | | | |
| 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 | – | – | – | – | – | – | | – |
| Total Revenue (excluding capital) | | 333 931 | 309 163 | 327 992 | 8 880 | 311 990 | 327 992 | (16 002) | -5% | 309 163 |
| Expenditure By Type | | | | | | | | | | |
| 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% | – |
| Total Expenditure | | 301 885 | 323 462 | 339 729 | 26 743 | 298 104 | 339 779 | (41 675) | -12% | 323 462 |
| Surplus/(Deficit) | | 32 046 | (14 299) | (11 737) | (17 863) | 13 886 | (11 787) | 25 673 | (0) | (14 299) |
| 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 |
| Surplus/(Deficit) after capital transfers & contributions | | 73 511 | 21 071 | 30 409 | (13 356) | 51 698 | 25 359 | | | 22 241 |
| Taxation | | – | – | – | – | – | – | – | | – |
| Surplus/(Deficit) after taxation | | 73 511 | 21 071 | 30 409 | (13 356) | 51 698 | 25 359 | | | 22 241 |
| Attributable to minorities | | – | – | – | – | – | – | – | | – |
| municipality | | 73 511 | 21 071 | 30 409 | (13 356) | 51 698 | 25 359 | | | 22 241 |
| Share of surplus/ (deficit) of associate | | – | – | – | – | – | – | – | | – |
| Surplus/ (Deficit) for the year | | 73 511 | 21 071 | 30 409 | (13 356) | 51 698 | 25 359 | | | 22 241 |

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 process does not have any negative effect on revenue but it has just been compressed to cater for window period June and July, no income foregone in the process. This is to encourage people to pay, and pause during window period provided they are up to date and catch up if they are in arrears.

The actual cash collected being R 509thousand 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 R5.6million 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 R10.8million (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.

| ACCOUNTS WITH LETTERS OF FINAL DEMAND FOR PAYMENT SENT OUT | | | | | |
|---|-------------|----------------|---------------------|------------------|-------------------|
| ACC. NO. | TOWN | ERF NO. | DEBTORS NAME | DEBT TYPE | AMOUNT R |
| 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 | KKLK 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 |
| TOTAL | | | | | 662 027.54 |

| ARRANGEMENTS | | | | | |
|---------------------|-----------------|-----------------|---------------------|------------------|-------------------|
| ACC. NO. | TOWN | ERF. NO. | DEBTORS NAME | DEBT TYPE | AMOUNT R |
| 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 |
| TOTAL | | | | | 480 053.37 |

| DISCONNECTIONS | | | | | |
|-----------------------|-------------|----------------|---------------------|------------------|-------------------|
| ACCOUNT NO | TOWN | ERF NO. | DEBTORS NAME | DEBT TYPE | AMOUNT R |
| 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-DAL | 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 |
| TOTAL | | | | | 715 311.08 |

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 R5.9million 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.

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 R328million.

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 to date for remuneration of Councilors totals to R13.8 million (current month – R1.4million) which equates to an under-expenditure of -3% when compared to the pro-rata budgeted expenditure on councilors remuneration.

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 R1.148thousand has been recorded from auction. The YTD expenditure totals to R78thousand, against a total YTD Budget of R1.5million.

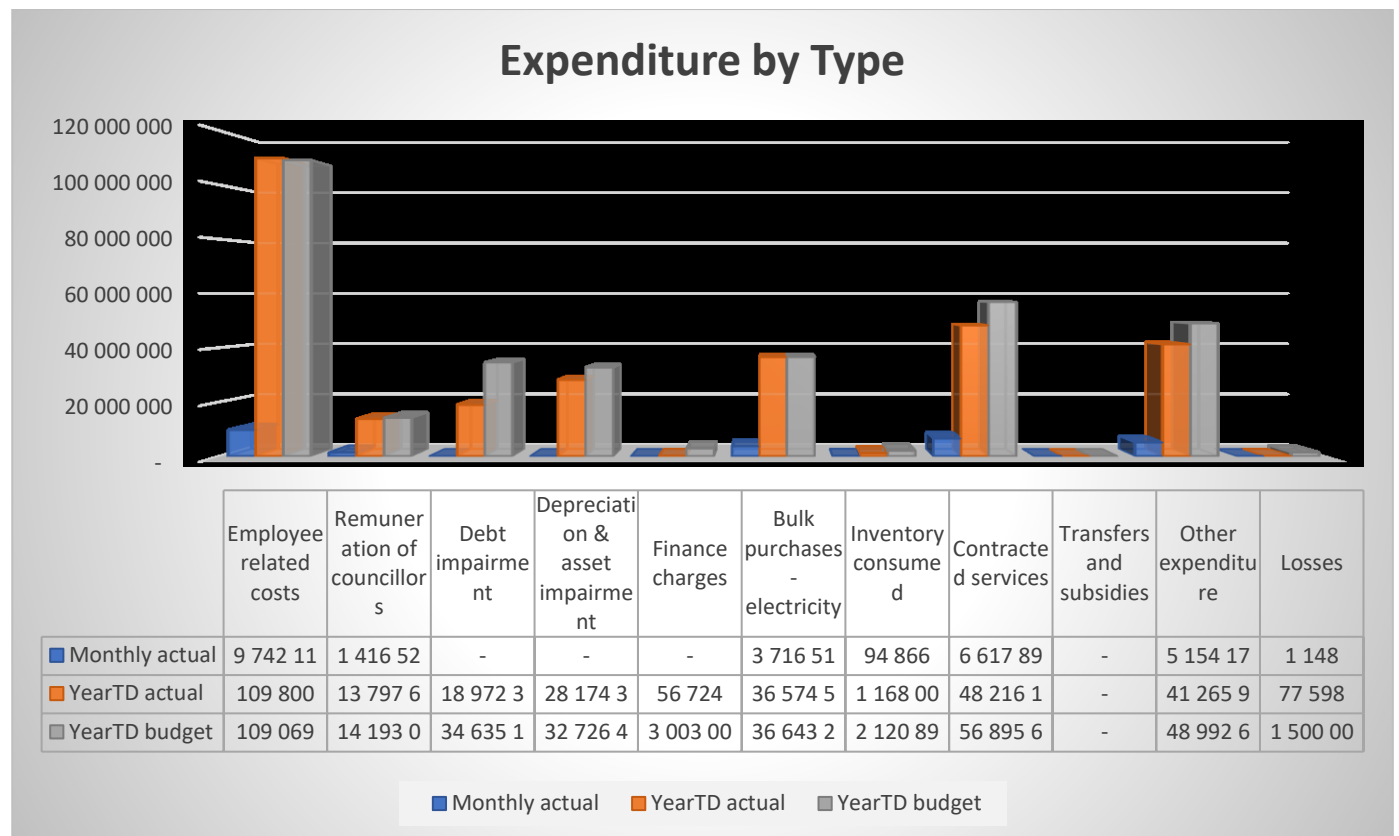
Overall expenditure budget

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 30th 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



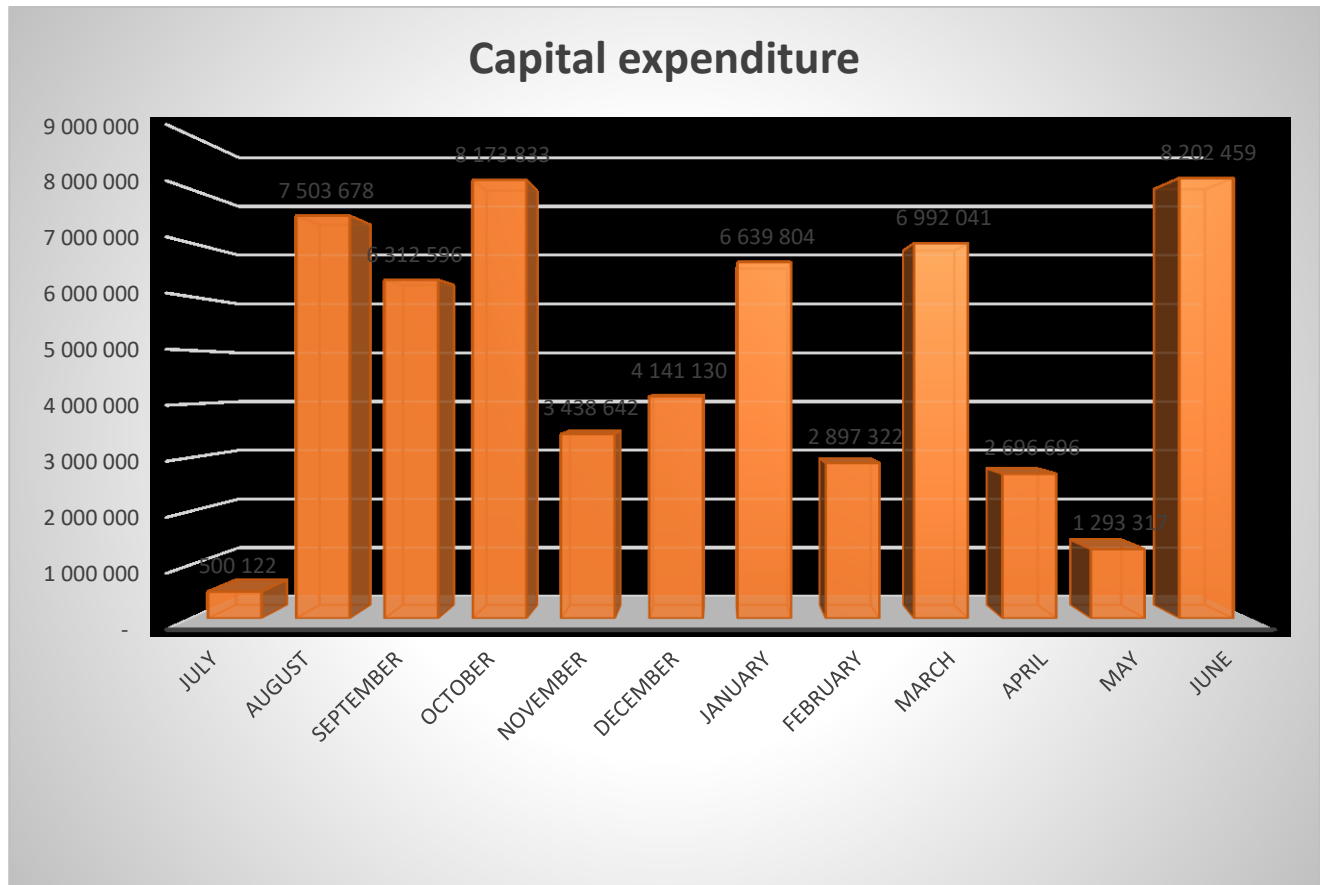
5. 2 Capital Expenditure

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 |
| R thousands | 1 | | | | | | | | | |
| Single Year expenditure appropriation | 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] | | – | – | – | – | – | – | – | | – |
| Total Capital single-year expenditure | 4 | 17 990 | 73 920 | 84 280 | 8 202 | 58 792 | 84 311 | (25 519) | -30% | 73 920 |
| Total Capital Expenditure | | 17 990 | 73 920 | 84 280 | 8 202 | 58 792 | 84 311 | (25 519) | -30% | 73 920 |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| Governance and administration | | 9 560 | 5 170 | 6 669 | 839 | 2 606 | 6 669 | (4 063) | -61% | 5 170 |
| 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 | | – | – | – | – | – | – | – | | – |
| Community and public safety | | 3 772 | 17 713 | 15 003 | 3 618 | 9 346 | 15 034 | (5 688) | -38% | 17 713 |
| 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 | | – | – | – | – | – | – | – | | – |
| Economic and environmental services | | 4 575 | 38 838 | 47 770 | 3 275 | 39 446 | 47 770 | (8 324) | -17% | 38 838 |
| 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 | | – | – | – | – | – | – | – | | – |
| Trading services | | 83 | 12 200 | 14 837 | 470 | 7 393 | 14 837 | (7 443) | -50% | 12 200 |
| 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 |
| Other | | – | – | – | – | – | – | – | | – |
| Total Capital Expenditure - Functional Classification | 3 | 17 990 | 73 920 | 84 280 | 8 202 | 58 792 | 84 311 | (25 519) | -30% | 73 920 |
| Funded by: | | | | | | | | | | |
| 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 | | – | – | – | – | – | – | – | | – |
| Transfers recognised - capital | | 10 726 | 33 540 | 43 415 | 4 854 | 31 613 | 43 415 | (11 803) | -27% | 33 540 |
| Borrowing | 6 | – | – | – | – | – | – | – | | – |
| Internally generated funds | | 7 264 | 40 380 | 40 865 | 3 348 | 27 179 | 40 896 | (13 717) | -34% | 40 380 |
| Total Capital Funding | | 17 990 | 73 920 | 84 280 | 8 202 | 58 792 | 84 311 | (25 519) | -30% | 73 920 |

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

| No | Project Name | Ward | Brief Description | Consultant/ Contractor | Approved MIG Funding | Status/ Progress | Anticipated Date | Challenges / Comments |
|-----------|--|---------------|---|--|---------------------------------|-----------------------------|-----------------------------|---|
| 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 | Consultant: MNA Contractor: 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. | Consultant Lelethu Engineers Contractor 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. |

KZN 291 Mandeni Municipality Monthly budget statement ended 30th JUNE 2022

| | | | | | | | | |
|----|--|--------------|--|---|--------------|------------------|--------------|---|
| 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>Consultant Lelethu Engineers</p> <p>Contractor 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. |
|----|--|--------------|--|---|--------------|------------------|--------------|---|

2020/2021 FINANCIAL YEAR ROLL OVER CAPITAL PROJECTS

| | | | | | | | | |
|----|---|-------|---|---|---------------|---|----------------|--|
| 04 | Construction of the swimming pool | 15 | Construction of a public swimming pool | <p>Consultant Young and Satharia</p> <p>Contractor 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>Consultant Leletu Consulting Engineers</p> <p>Contractor Thatha 5 cc</p> | R6 762 817.44 | Contacto 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 |

KZN 291 Mandeni Municipality Monthly budget statement ended 30th JUNE 2022

| | | | | | | | | |
|----|---|---|---|---|---------------|---|--------------|---|
| | 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 | <p>Consultant Sivest Consulting Engineers</p> <p>Contractor Sholo Trading</p> | 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, | <p>Consultant SKYV Consulting</p> <p>Contractor Zisayini Trading</p> | 5,483,859.59 | Project Complete | 19 June 2021 | The project reached Completion in June 2021 and is currently under the defect liability period. |

KZN 291 Mandeni Municipality Monthly budget statement ended 30th JUNE 2022

| | | | | | | | | |
|----|--|----|--|---|--------------|------------------|--------------|---|
| | | | 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%. | Consultant SKYV Consulting Contractor 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 | Consultant SKYV Consulting | 4,392,341.82 | Project Complete | 19 June 2021 | The project reached Completion in June |

KZN 291 Mandeni Municipality Monthly budget statement ended 30th JUNE 2022

| | | | | | | | | |
|---|---|----|--|--|---------------|---|-----------|--|
| | 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. | Contractor Msebe Trading | | | | 2021 and is currently under the defect liability period. |
| <u>2021/2022 FINANCIAL YEAR CAPITAL PROJECTS</u> | | | | | | | | |
| 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 | Consultant: Hi Tech Consulting Contractor: 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 |

KZN 291 Mandeni Municipality Monthly budget statement ended 30th JUNE 2022

| | | | | | | | | |
|----|--------------------------|----|---|--------------------------------------|----------------|---|-----------|---|
| | | | <ul style="list-style-type: none"> - Construction of a 20m2 guard house with cashier space - Construction of life guard house and provision of life guard stand - Construction of external works - Construction of block paved parking area (25 bays) - Construction of approximately 1500m2 block paved walkways and waiting area - Children play area with specialized equipment - Beach volley ball sand area 400m2 - Landscaping (trees, outdoors seating, etc.) - Provision of gates - Construction power electrification wiring and piping - Provision of outside lighting - Construction of a 50mm HDPE pipeline water supply, and - Construction of sewer pipeline, 110mm uPVC approximately 150m long | | | <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 | Consultant: 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 30th 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 | Contractor: 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 | Consultant: BVI Consulting Contractor: 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 30th 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. | Consultant: BVI Consulting Contractor: 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. | Consultant: SMA Consulting Contractor: 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 30th JUNE 2022

| | | | | | | | | |
|----|--|---|---|---|----------------|--|------------|---|
| | | | | | | Surface bed 100%, Brickwork Wall plate 100%, Plaster 85% and the Ring Beam 80% | | |
| 06 | Ward 3 Access Roads Rehabilitation | 3 | <p>The scope of works will entail the following:</p> <ul style="list-style-type: none"> - Rehabilitation of 2.867 kms of road (Plover Road, Inyala Road, Impunzi Road, Impala Road, Trogon Road and Sandpiper Road) - Construction of curbs - Surfacing using 30mm asphalt - Construction of storm water drainage - Road marking - Installation of road signs | <p>Consultant: Morula Consulting</p> <p>Contractor: Bheka Phezulu Investments</p> | R13,057,500.00 | <p>Surfacing, stormwater drainage and road marking is complete</p> <p>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 | Rehabilitation 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"> - Site Establishment - Setting out of works - Rehabilitation of 1.430 km Access Roads (Stratton Circle, Richard Circle and Whimbrel and Mathews Road) - Storm water management. - Sealing using 30mm Asphalt. | <p>Consultant: Morula Consulting</p> <p>Contractor: 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 30th JUNE 2022

| | | | | | | | | |
|----|-----------------------------------|----|---|--|----------------|---|-----------|--|
| | | | <ul style="list-style-type: none"> - Construction of kerbs. - Road marking. - To install the road signs. - To finish the road after completion of the works. | | | | | |
| 08 | Upgrade of Manono Road in Ward 15 | 15 | <p>The scope of works is as follows:</p> <ul style="list-style-type: none"> - Box Cut 900m Long x 480mm Depth x 5m wide (to upgrade this road to a 2 Lane) - 900m x 150mm G7 (Sub Grade) - 900m x 150mm C4 (G5 Cement Stabilized Sub Base) - 900m x 150mm G2 (Base) - 900m x 5m Prime - 900m x 5m Tack and 30mm Asphalt - 900m Concrete V Drains on one side (Left or Right Pending Crossfall) - 900m Kerbing on one side (Left or Right Pending Crossfall) - Stormwater Pipe Concrete 100m x 600mm Diameter with Manholes and Outlets - Road Marking & Signs | <p>Consultant: SKYV</p> <p>Contractor:</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 |
| R thousands | | | | | | | | | % | |
| RECEIPTS: | 1,2 | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | | |
| National Government: | | 231 203 | 202 168 | 202 168 | - | 202 168 | 185 320 | (18 086) | -9.8% | - |
| 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% | - |
| | - | - | - | - | - | - | - | | | - |
| | - | - | - | - | - | - | - | | | - |
| Municipal Drought Relief | - | 393 | 3 044 | 2 944 | - | 15 847 | 2 699 | 13 012 | 482.2% | - |
| 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! | - |
| District Municipality: | | - | - | - | - | - | - | - | | - |
| Other grant providers: | | - | - | - | - | - | - | - | | - |
| Total Operating Transfers and Gr | 5 | 231 596 | 205 212 | 205 112 | - | 218 014 | 188 019 | (5 074) | -2.7% | - |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | 40 296 | 35 370 | 37 145 | - | 42 232 | 34 050 | 8 182 | 24.0% | - |
| Municipal Infrastructure Grant (MIG) | | 40 296 | 35 370 | 37 145 | - | 42 232 | 34 050 | 8 182 | 24.0% | - |
| Municipal Drought Relief | | - | - | - | - | - | - | - | | - |
| District Municipality: | | 3 604 | 1 170 | 1 270 | - | 1 270 | 1 164 | 106 | 9.1% | - |
| [insert description] | | 3 604 | 1 170 | 1 270 | - | 1 270 | 1 164 | 106 | 9.1% | - |
| | | | | | | | | | | |
| Other grant providers: | | - | - | - | - | - | - | - | | - |
| Total Capital Transfers and Grant | 5 | 43 899 | 36 540 | 38 415 | - | 43 502 | 35 214 | 8 288 | 23.5% | - |
| TOTAL RECEIPTS OF TRANSFER | 5 | 275 496 | 241 752 | 243 527 | - | 261 516 | 223 233 | 3 214 | 1.4% | - |

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 |
| R thousands | | | | | | | | | | |
| EXPENDITURE | | | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 231 203 | 202 168 | 202 168 | 951 | 26 044 | 202 168 | (176 123) | -87.1% | - |
| 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% | |
| Municipal Drought Relief | | 2 615 | 3 044 | 3 044 | 240 | 3 064 | 3 044 | 20 | 0.7% | - |
| 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] | | | | | | | | - | | |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| [insert description] | | | | | | | | - | | |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| 0 | | | | | | | | - | | |
| Total operating expenditure of Transfers and | | 233 818 | 205 212 | 205 212 | 1 191 | 29 108 | 205 212 | (176 103) | -85.8% | - |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 40 296 | 35 370 | 37 145 | 9 064 | 42 263 | 37 145 | 5 118 | 13.8% | - |
| 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] | | | | | | | | - | | |
| Municipal Drought Relief | | - | - | - | - | - | - | - | - | - |
| 0 | | | | | | | | - | | |
| District Municipality: | | 3 604 | 1 170 | 1 270 | 346 | 1 150 | 1 270 | (120) | -9.5% | - |
| 0 | | 3 604 | 1 170 | 1 270 | 346 | 1 150 | 1 270 | (120) | -9.5% | |
| 0 | | | | | | | | - | | |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| 0 | | | | | | | | - | | |
| Total capital expenditure of Transfers and | | 43 899 | 36 540 | 38 415 | 9 409 | 43 413 | 38 415 | 4 998 | 13.0% | - |
| TOTAL EXPENDITURE OF TRANSFERS AND | | 277 718 | 241 752 | 243 627 | 10 600 | 72 522 | 243 627 | (171 105) | -70.2% | - |

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.to 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 | | |
| R thousands | | | | | | | | | | | | | |
| Debtors Age Analysis By Income Source | | | | | | | | | | | | | |
| 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 | - | - |
| Total By Income Source | 2000 | 8 102 | (586) | 2 498 | 3 930 | 4 651 | 62 | 20 292 | 142 559 | 181 509 | 171 495 | - | - |
| 2020/21 - totals only | | | | | | | | | | | | | |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | | |
| 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 | - | - |
| Total By Customer Group | 2600 | 8 102 | (586) | 2 498 | 3 930 | 4 651 | 62 | 20 292 | 142 559 | 181 509 | 171 495 | - | - |

The total Consumer debtors outstanding as 30TH 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

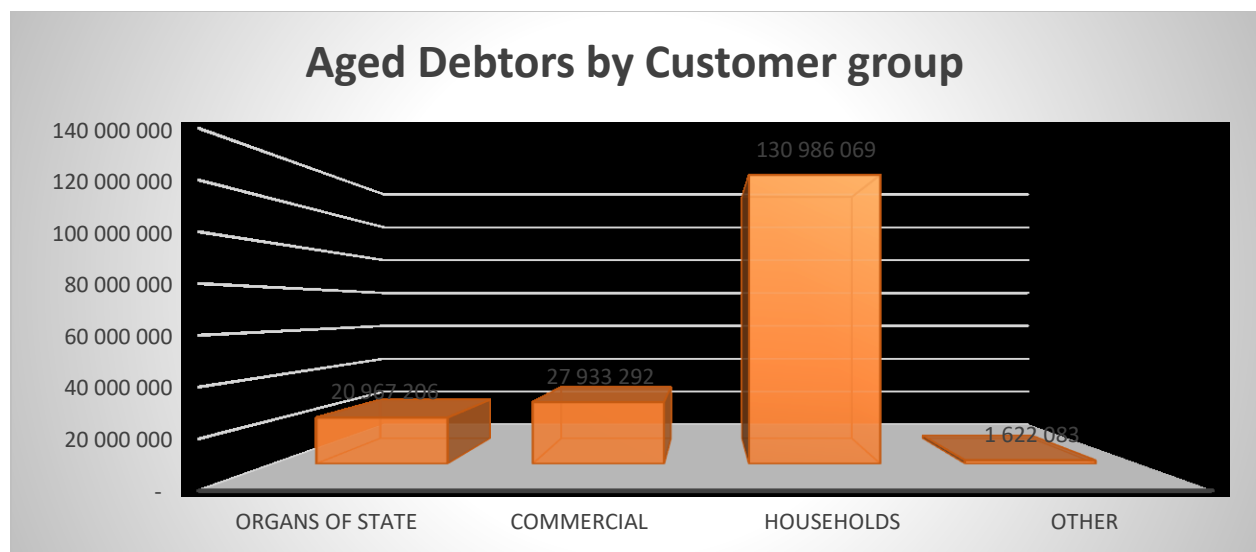
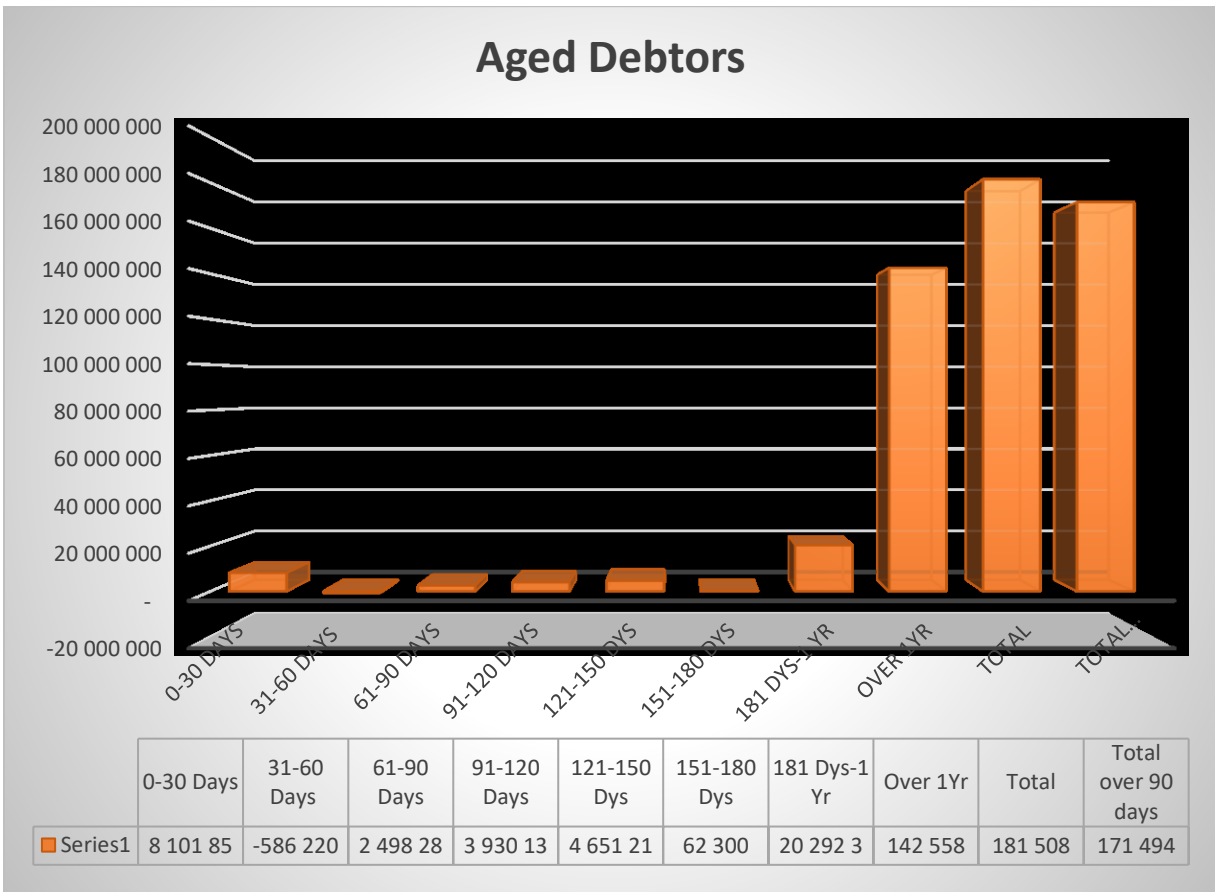


Figure 4



KZN 291 Mandeni Municipality Monthly budget statement ended 30th JUNE 2022

5.6 Employee costs and councilors 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 |
| Councillors (Political Office Bearers plus Other) | | | | | | | | | | |
| 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 | | – | – | – | – | – | – | – | – | – |
| Sub Total - Councillors | | 13 528 | 14 643 | 14 193 | 1 417 | 13 798 | 14 193 | (395) | -3% | 14 643 |
| % increase | 4 | | 8.2% | 4.9% | | | | | | 8.2% |
| Senior Managers of the Municipality | | | | | | | | | | |
| 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 | – | – | – | – | – | – | – | – |
| Sub Total - Senior Managers of Municipality | | 10 575 | 7 430 | 7 430 | 1 093 | 7 434 | 7 430 | 4 | 0% | 7 430 |
| % increase | 4 | | -29.7% | -29.7% | | | | | | -29.7% |
| Other Municipal Staff | | | | | | | | | | |
| 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) | – | – | – | – | – | – | – | – |
| Sub Total - Other Municipal Staff | | 98 740 | 100 389 | 101 639 | 8 649 | 102 367 | 101 639 | 728 | 1% | 100 389 |
| % increase | 4 | | 1.7% | 2.9% | | | | | | 1.7% |
| Total Parent Municipality | | 122 843 | 122 462 | 123 262 | 11 159 | 123 598 | 123 262 | 336 | 0% | 122 462 |
| | | | -0.3% | 0.3% | | | | | | -0.3% |
| Unpaid salary, allowances & benefits in arrears: | | | | | | | | | | |
| TOTAL SALARY, ALLOWANCES & BENEFITS | | 122 843 | 122 462 | 123 262 | 11 159 | 123 598 | 123 262 | 336 | 0% | 122 462 |
| % increase | 4 | | -0.3% | 0.3% | | | | | | -0.3% |
| TOTAL MANAGERS AND STAFF | | 109 315 | 107 819 | 109 069 | 9 742 | 109 801 | 109 069 | 732 | 1% | 107 819 |

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 30th 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 ³ | Opening balance | Interest to be realised | Partial / Premature Withdrawal (4) | Investment Top Up | Closing Balance |
| R thousands | | Yrs/Months | | | | | | | | |
| Municipality | | | | | | | | | | |
| 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) | | - |
| Municipality sub-total | | | | | | 228 588 | 147 | (93 226) | 68 633 | 204 143 |
| Entities sub-total | | | | | | - | | - | - | - |
| TOTAL INVESTMENTS AND INTEREST | 2 | | | | | 228 588 | 147 | (93 226) | 68 633 | 204 143 |

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 |
| Borrowing Management | | | | | | | |
| 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% |
| Safety of Capital | | | | | | | |
| 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% |
| Liquidity | | | | | | | |
| 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% |
| Revenue Management | | | | | | | |
| 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% |
| Creditors Management | | | | | | | |
| Creditors System Efficiency | % of Creditors Paid Within Terms (within MFMA s 65(e)) | | | | | | |
| Funding of Provisions | | | | | | | |
| Percentage Of Provisions Not Funded | Unfunded Provisions/Total Provisions | | | | | | |
| Other Indicators | | | | | | | |
| 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% |
| IDP regulation financial viability indicators | | | | | | | |
| 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 30th 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 - M12 June | | | | | | | | | | | |
|--|-------------|---------------------|--------------|--------------|---------------|----------------|----------------|-------------------|-------------|--------------|-----------------------------|
| Description | NT Code | Budget Year 2021/22 | | | | | | | | | Prior year totals for chart |
| | | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121 - 150 Days | 151 - 180 Days | 181 Days - 1 Year | Over 1 Year | Total | |
| R thousands | | | | | | | | | | | |
| Creditors Age Analysis By Customer Type | | | | | | | | | | | |
| Bulk Electricity | 0100 | - | - | - | - | - | - | - | - | - | - |
| Bulk Water | 0200 | - | - | - | - | - | - | - | - | - | - |
| PAYE deductions | 0300 | - | - | - | - | - | - | - | - | - | - |
| VAT (output less input) | 0400 | - | - | - | - | - | - | - | - | - | - |
| Pensions / Retirement deductions | 0500 | - | - | - | - | - | - | - | - | - | - |
| Loan repayments | 0600 | - | - | - | - | - | - | - | - | - | - |
| Trade Creditors | 0700 | 1 034 | - | - | - | - | - | - | - | 1 034 | 1 034 |
| Auditor General | 0800 | - | - | - | - | - | - | - | - | - | - |
| Other | 0900 | 3 118 | - | - | (1) | - | - | - | 2 | 3 120 | 3 120 |
| Total By Customer Type | 1000 | 4 152 | - | - | (1) | - | - | - | 2 | 4 154 | 4 154 |

- Creditors as at 30 June 2022 amounts to **R4 154million**
- 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

7. SUPPORTING DOCUMENTS

KZN 291 Mandeni Municipality Monthly budget statement ended 30th 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 |
| R thousands | | | | | | | | % | |
| Financial Performance | | | | | | | | | |
| 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 |
| Total Revenue (excluding capital transfers and contributions) | 333 931 | 309 163 | 327 992 | 8 880 | 311 990 | 327 992 | (16 002) | -5% | 309 163 |
| 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 purchases | 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 |
| Total Expenditure | 301 885 | 323 462 | 339 729 | 26 743 | 298 104 | 339 779 | (41 675) | -12% | 323 462 |
| Surplus/(Deficit) | 32 046 | (14 299) | (11 737) | (17 863) | 13 886 | (11 787) | 25 673 | -218% | (14 299) |
| 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 |
| Surplus/(Deficit) after capital transfers & contributions | 73 511 | 21 071 | 30 409 | (13 356) | 51 698 | 25 359 | 26 339 | 104% | 22 241 |
| Surplus/ (Deficit) for the year | 73 511 | 21 071 | 30 409 | (13 356) | 51 698 | 25 359 | 26 339 | 104% | 22 241 |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 17 990 | 73 920 | 84 280 | 8 202 | 58 792 | 84 311 | (25 519) | -30% | 73 920 |
| 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 |
| Total sources of capital funds | 17 990 | 73 920 | 84 280 | 8 202 | 58 792 | 84 311 | (25 519) | -30% | 73 920 |
| Financial position | | | | | | | | | |
| Total current assets | 214 426 | 118 289 | 194 121 | | 25 860 | | | | 118 289 |
| Total non current assets | 540 732 | 620 443 | 592 160 | | 30 617 | | | | 620 443 |
| Total current liabilities | 69 061 | 16 838 | 350 013 | | 4 823 | | | | 16 838 |
| Total non current liabilities | 18 697 | 20 924 | (24 327) | | - | | | | 19 473 |
| Community wealth/Equity | 429 589 | 699 801 | (672 582) | | 51 698 | | | | 700 971 |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | 336 709 | 98 749 | 166 694 | 65 376 | 371 663 | 166 694 | (204 969) | -123% | 98 749 |
| Net cash from (used) investing | 272 457 | (73 920) | 84 280 | 8 202 | 58 792 | 84 311 | 25 519 | 30% | 73 920 |
| Net cash from (used) financing | - | - | - | - | - | - | - | | - |
| Cash/cash equivalents at the month end | 609 166 | 24 829 | 250 974 | - | 430 454 | 251 005 | (179 450) | -71% | 172 669 |
| Debtors & creditors analysis | 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 |
| Debtors Age Analysis | | | | | | | | | |
| Total By Income Source | 8 102 | (586) | 2 498 | 3 930 | 4 651 | 62 | 20 292 | 142 559 | 181 509 |
| Creditors Age Analysis | | | | | | | | | |
| Total Creditors | 4 152 | - | - | (1) | - | - | - | 2 | 4 154 |

KZN 291 Mandeni Municipality Monthly budget statement ended 30th 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 | | | | | | | | % | |
| Revenue - Functional | | | | | | | | | | |
| Governance and administration | | 303 200 | 247 561 | 305 993 | 6 406 | 283 603 | 305 993 | (22 390) | -7% | 247 561 |
| 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 | | - | - | - | - | - | - | - | | - |
| Community and public safety | | 6 741 | 4 364 | 4 482 | 24 | 3 846 | 4 482 | (635) | -14% | 4 364 |
| 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 | | - | - | - | - | - | - | - | | - |
| Economic and environmental services | | 45 983 | 40 782 | 47 586 | 4 580 | 41 203 | 42 586 | (1 383) | -3% | 40 782 |
| 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 | | - | - | - | - | - | - | - | | - |
| Trading services | | 19 471 | 52 997 | 13 347 | 2 377 | 21 149 | 13 347 | 7 802 | 58% | 52 997 |
| 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 |
| Other | 4 | - | - | - | - | - | - | - | | - |
| Total Revenue - Functional | 2 | 375 395 | 345 704 | 371 408 | 13 387 | 349 802 | 366 408 | (16 606) | -5% | 345 704 |
| Expenditure - Functional | | | | | | | | | | |
| Governance and administration | | 160 165 | 160 960 | 176 485 | 13 912 | 145 600 | 176 775 | (31 176) | -18% | 160 960 |
| 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 | | - | - | - | - | - | - | - | | - |
| Community and public safety | | 30 188 | 36 610 | 35 210 | 3 253 | 34 443 | 34 010 | 433 | 1% | 36 610 |
| 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 | | - | - | - | - | - | - | - | | - |
| Economic and environmental services | | 64 018 | 68 538 | 68 720 | 4 092 | 62 676 | 69 770 | (7 093) | -10% | 68 538 |
| 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 |
| Trading services | | 47 513 | 57 354 | 59 314 | 5 486 | 55 385 | 59 224 | (3 839) | -6% | 57 354 |
| 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 |
| Other | | - | - | - | - | - | - | - | | - |
| Total Expenditure - Functional | 3 | 301 885 | 323 462 | 339 729 | 26 743 | 298 104 | 339 779 | (41 675) | -12% | 323 462 |
| Surplus/ (Deficit) for the year | | 73 511 | 22 241 | 31 679 | (13 356) | 51 698 | 26 629 | 25 069 | 94% | 22 241 |

KZN 291 Mandeni Municipality Monthly budget statement ended 30th 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 |
| R thousands | | | | | | | | | | |
| Revenue by Vote | 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] | | - | - | - | - | - | - | - | | - |
| Total Revenue by Vote | 2 | 375 395 | 345 704 | 371 408 | 13 387 | 349 802 | 366 408 | (16 606) | -4.5% | 345 704 |
| Expenditure by Vote | 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] | | - | - | - | - | - | - | - | | - |
| Total Expenditure by Vote | 2 | 301 885 | 323 462 | 339 729 | 26 743 | 298 104 | 339 779 | (41 675) | -12.3% | 323 462 |
| Surplus/ (Deficit) for the year | 2 | 73 511 | 22 241 | 31 679 | (13 356) | 51 698 | 26 629 | 25 069 | 94.1% | 22 241 |

KZN 291 Mandeni Municipality Monthly budget statement ended 30th 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 |
| R thousands | 1 | | | | | |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| 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 |
| Total current assets | | 214 426 | 118 289 | 194 121 | 258 255 | 118 289 |
| Non current assets | | | | | | |
| 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 | | – | – | – | – | – |
| Total non current assets | | 540 732 | 620 443 | 592 160 | 490 585 | 620 443 |
| TOTAL ASSETS | | 755 158 | 738 733 | 786 281 | 748 840 | 738 733 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| 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) |
| Total current liabilities | | 69 061 | 16 838 | 351 911 | 75 814 | 16 838 |
| Non current liabilities | | | | | | |
| Borrowing | | – | 725 | – | – | (725) |
| Provisions | | 18 697 | 20 198 | 24 327 | 18 697 | 20 198 |
| Total non current liabilities | | 18 697 | 20 924 | 24 327 | 18 697 | 19 473 |
| TOTAL LIABILITIES | | 87 758 | 37 762 | 376 238 | 94 511 | 36 311 |
| NET ASSETS | 2 | 667 400 | 700 971 | 410 043 | 654 329 | 702 422 |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated Surplus/(Deficit) | | 226 916 | 699 050 | (670 660) | 451 657 | 700 500 |
| Reserves | | 202 672 | 1 921 | (1 921) | 202 672 | 1 921 |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 429 589 | 700 971 | (672 582) | 654 329 | 702 422 |

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 month without any grant funding.

Debtors collection rate: as at June 2022 is 80%

| | 12 days |
|-------------------------|------------|
| Trade Creditors | 4 153 908 |
| 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 | |

KZN 291 Mandeni Municipality Monthly budget statement ended 30th JUNE 2022

| | |
|--------------------------------------|----------------|
| Short Term Investments | 204 142 534 |
| Total Annual Operational Expenditure | 298 104 003 |

| | |
|-------------------------------|----------------|
| | 80% |
| 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 |

| | |
|---|------------|
| | 12% |
| Consumer Debtors Bad debts written off | 3 312 952 |
| Consumer Debtors Current bad debt Provision | 27 417 045 |

| | |
|---------------------|----------------|
| | 578 days |
| Gross debtors | 181 540 406 |
| Bad debts Provision | 27 417 045 |
| Billed Revenue | 97 388 968 |

KZN 291 Mandeni Municipality Monthly budget statement ended 30th 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 | | | | | | | | % | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| 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 | | – | – | – | – | – | – | – | – | – |
| Payments | | | | | | | | | | |
| 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) | – | – | – | – | – | – | – |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 336 709 | 98 749 | 166 694 | (26 737) | 86 796 | 166 694 | 79 898 | 48% | – |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds on disposal of PPE | | – | – | – | – | – | – | – | – | – |
| Decrease (increase) in non-current receivables | | – | – | – | – | – | – | – | – | – |
| Decrease (increase) in non-current investments | | – | – | – | – | 332 | – | 332 | #DIV/0! | – |
| Payments | | | | | | | | | | |
| Capital assets | | – | – | (84 280) | (8 202) | (58 792) | (84 311) | (25 519) | 30% | – |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | – | – | (84 280) | (8 202) | (58 460) | (84 311) | (25 851) | 31% | – |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | | – | – | – | – | – | – | – | – | – |
| Borrowing long term/refinancing | | – | – | – | – | – | – | – | – | – |
| Increase (decrease) in consumer deposits | | – | – | – | 6 | 158 | – | 158 | #DIV/0! | – |
| Payments | | | | | | | | | | |
| Repayment of borrowing | | – | – | – | – | – | – | – | – | – |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | – | – | – | 6 | 158 | – | (158) | #DIV/0! | – |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 336 709 | 98 749 | 82 414 | (34 933) | 28 495 | 82 383 | | | – |
| 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 30th 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 30th 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.

Tel 032 456 8200
Fax 032 456 2504 / 086 568 9741
Email ceo@mandeni.gov.za

2 Kingfisher Road, Mandeni, KwaZulu Natal, 4490, South Africa
PO Box 144, Mandeni, 4490

www.mandeni.gov.za

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**