

# **MANDENI MUNICIPALIT (KZN 291)**



## **SECTION 52(d) QUARTELY REPORT 2019/20 FINANCIAL YEAR**

**July– March 2020**

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**Council Resolutions****Resolution No:**

*Refer to the recommendations contained in this report.*

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**Executive Summary****LEGAL REQUIREMENTS**

In terms of section 52(d) of the MFMA, *the Mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state affairs of the municipality.*

Quarterly reports are submitted in a prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month.

- Actual revenue, per revenue source;
- Actual expenditure, per vote;
- Actual capital expenditure, per vote;
- The amount of any allocations received and actual expenditure on grant allocations excluding expenditure on the equitable share.
- the actual expenditure on those allocations
- when necessary, an explanation of—
- any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
- any material variances from the service delivery and budget implementation plan; and
- Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

## FINANCIAL PERFORMANCE

## Budget summary

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - Q3 Third Quarter									
Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>Financial Performance</b>									
Total Revenue (excluding capital transfers and contributions)	250 197	301 780	291 630	51 182	252 600	218 723	33 878	15%	291 630
Total Expenditure	265 909	297 943	307 535	18 059	174 120	230 651	(56 531)	-25%	307 535
Surplus/(Deficit)	(15 712)	3 837	(15 904)	33 123	78 480	(11 928)	90 409	-758%	(15 904)
Transfers and subsidies - capital (monetary all	39 577	35 085	42 032	1 519	10 090	31 524	(21 433)	-68%	20 181
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	23 865	38 922	26 127	34 641	88 571	19 596	68 975	352%	4 276
Surplus/ (Deficit) for the year	23 865	38 922	26 127	34 641	88 571	19 596	68 975	352%	4 276
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	112 599	50 642	57 202	2 043	13 891	42 902	(29 011)	-68%	57 202
Capital transfers recognised	81 715	35 099	41 981	1 708	11 340	31 486	(20 145)	-64%	41 981
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	30 884	15 543	15 221	335	2 551	11 416	(8 865)	-78%	15 221
Total sources of capital funds	112 599	50 642	57 202	2 043	13 891	42 902	(29 011)	-68%	57 202
TOTAL		348 584	364 737	20 102	188 011	273 553	- 85 542		364 737

As can be seen from the table above, Actual surplus for the month ended 31<sup>st</sup> March 2020 is significantly more than the Budgeted Surplus. Monthly budget statement summary (Table C1), for 3<sup>rd</sup> quarter of the year, July- March 2020 (year to date actual), shows a surplus of R78.5 million against YTD budget of 20.9 which reflects 40%.

Currently there are no financial problems and major risks facing the municipality based on this report. However, we would like to highlight the following which needed to be managed very closely.

**Revenue by source**

The YTD actual revenue is R252,6 million versus the YTD Budget of R218,7 million, which reflects an over-collection by 15%.

**Operating expenditure by vote & type**

Operating expenditure is at 75% when compared to YTD budget for the ending March 2020.

**Capital expenditure**

The YTD expenditure on capital expenditure amounts to R13.9 million, which is 24% when compared to YTD Budget of R42.9 million. Underspending in capital has been detailed explained below.

**Cash flows**

The Municipality's Cash flow reflects an opening balance of R92,389million for cash and cash equivalent. The YTD cash & cash equivalent at year end amounts to R286,690million. The net increase of cash and cash equivalent for the year is R194,301million. Surplus cash is invested at approved banking institutions in accordance with current cash and investment policy.

**Allocations received (National & Provincial grants)**

All DORA allocations for 2019/20 financial year (operational & capital) have been fully received during 3rd Quarter as per payment schedule, however it should be noted that MIG Grant has been adjusted downwards by R7.7 million to R26.3 million by Treasury due to non-compliance by the municipality.

**Disposal Management**

There were no disposals for the month of March 2020.

**Deviations**

A list of deviations from SCM is attached, annexure, not yet approved by Municipal Manager. (Attached p.29)

## In- year budget statement tables

Table 1

Table C1 below provides a summary of the overall performance of the Municipality

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - Q3 Third Quarter									
Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	40 080	49 509	49 509	3 840	30 255	37 132	(6 877)	-19%	49 509
Service charges	33 279	41 389	41 389	2 737	26 856	31 041	(4 185)	-13%	41 389
Investment revenue	4 893	3 540	5 040	662	5 479	3 780	1 699	45%	5 040
Transfers and subsidies	155 280	188 769	176 519	41 870	173 998	132 389	41 609	31%	176 519
Other own revenue	16 666	18 574	19 174	2 073	16 012	14 380	1 632	11%	19 174
<b>capital transfers and contributions)</b>	<b>250 197</b>	<b>301 780</b>	<b>291 630</b>	<b>51 182</b>	<b>252 600</b>	<b>218 723</b>	<b>33 878</b>	<b>15%</b>	<b>291 630</b>
Employee costs	84 931	96 673	106 958	7 816	70 516	80 219	(9 703)	-12%	106 958
Remuneration of Councillors	13 023	13 762	13 762	1 099	9 574	10 322	(748)	-7%	13 762
Depreciation & asset impairment	27 103	30 804	30 804	2 351	21 038	23 103	(2 065)	-9%	30 804
Finance charges	2 389	307	539	—	—	404	(404)	-100%	539
Materials and bulk purchases	22 907	36 614	36 686	2 270	22 384	27 515	(5 131)	-19%	36 686
Transfers and subsidies	1 340	11 001	1 501	—	—	1 126	(1 126)	-100%	1 501
Other expenditure	114 216	108 783	117 285	4 524	50 609	87 964	(37 355)	-42%	117 285
<b>Total Expenditure</b>	<b>265 909</b>	<b>297 943</b>	<b>307 535</b>	<b>18 059</b>	<b>174 120</b>	<b>230 651</b>	<b>(56 531)</b>	<b>-25%</b>	<b>307 535</b>
<b>Surplus/(Deficit)</b>	<b>(15 712)</b>	<b>3 837</b>	<b>(15 904)</b>	<b>33 123</b>	<b>78 480</b>	<b>(11 928)</b>	<b>90 409</b>	<b>-758%</b>	<b>(15 904)</b>
Transfers and subsidies - capital (n	39 577	35 085	42 032	1 519	10 090	31 524	(21 433)	-68%	20 181
Contributions & Contributed assets	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>23 865</b>	<b>38 922</b>	<b>26 127</b>	<b>34 641</b>	<b>88 571</b>	<b>19 596</b>	<b>68 975</b>	<b>352%</b>	<b>4 276</b>
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
<b>Surplus/ (Deficit) for the year</b>	<b>23 865</b>	<b>38 922</b>	<b>26 127</b>	<b>34 641</b>	<b>88 571</b>	<b>19 596</b>	<b>68 975</b>	<b>352%</b>	<b>4 276</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>112 599</b>	<b>50 642</b>	<b>57 202</b>	<b>2 043</b>	<b>13 891</b>	<b>42 902</b>	<b>(29 011)</b>	<b>-68%</b>	<b>57 202</b>
Capital transfers recognised	81 715	35 099	41 981	1 708	11 340	31 486	(20 145)	-64%	41 981
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	30 884	15 543	15 221	335	2 551	11 416	(8 865)	-78%	15 221
<b>Total sources of capital funds</b>	<b>112 599</b>	<b>50 642</b>	<b>57 202</b>	<b>2 043</b>	<b>13 891</b>	<b>42 902</b>	<b>(29 011)</b>	<b>-68%</b>	<b>57 202</b>
<b>Financial position</b>									
Total current assets	114 596	61 548	123 313		234 565				123 313
Total non current assets	502 174	535 574	528 573		497 094				528 573
Total current liabilities	28 710	25 568	24 811		49 549				24 811
Total non current liabilities	19 654	19 544	19 654		19 539				19 654
Community wealth/Equity	568 405	552 009	607 421		634 112				607 421
<b>Cash flows</b>									
Net cash from (used) operating	69 456	46 422	52 726	44 947	105 880	39 545	(66 335)	-168%	52 726
Net cash from (used) investing	(43 332)	(46 707)	(47 827)	(1 895)	(12 598)	(35 870)	(23 272)	65%	(47 827)
Net cash from (used) financing	(1 393)	(1 311)	(1 238)	(104)	(893)	(928)	(35)	4%	(1 238)
<b>Cash/cash equivalents at the mor</b>	<b>60 607</b>	<b>19 108</b>	<b>64 268</b>	<b>—</b>	<b>286 690</b>	<b>63 353</b>	<b>(223 337)</b>	<b>-353%</b>	<b>197 962</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	8 045	8 114	(1 837)	5 087	4 093	3 948	25 411	168 456	221 318
<b>Creditors Age Analysis</b>									
Total Creditors	46	23	—	—	—	—	—	(0)	69

Table 2

Table C2 provides the statement of financial performance by standard classification.

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q3 Third Quarter										
Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		71 862	249 886	251 926	7 514	186 540	190 513	(3 973)	-2%	251 926
Executive and council		-	7 498	7 498	-	7 498	7 498	-		7 498
Finance and administration		71 862	242 388	244 428	7 514	179 042	183 015	(3 973)	-2%	244 428
Internal audit		-	-	-	-	-	-	-		-
<b>Community and public safety</b>		151 113	4 159	5 370	27 620	36 163	4 028	32 135	798%	5 372
Community and social services		151 076	4 159	5 370	27 620	36 162	4 028	32 134	798%	5 370
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		37	-	-	-	1	-	1	#DIV/0!	2
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
<b>Economic and environmental services</b>		44 348	40 858	43 904	14 301	22 639	31 672	(9 033)	-29%	45 615
Planning and development		37 948	39 183	42 229	14 287	21 114	31 672	(10 557)	-33%	42 229
Road transport		6 400	1 675	1 675	14	1 525	-	1 525	#DIV/0!	3 386
Environmental protection		-	-	-	-	-	-	-		-
<b>Trading services</b>		22 452	41 962	32 462	1 747	17 349	24 346	(6 997)	-29%	32 462
Energy sources		5 008	32 452	22 952	28	2 612	17 214	(14 602)	-85%	22 952
Water management		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		17 443	9 510	9 510	1 720	14 737	7 132	7 605	107%	9 510
<b>Other</b>	4	-	-	-	-	-	-	-		-
<b>Total Revenue - Functional</b>	2	289 774	336 865	333 662	51 182	262 691	250 559	12 132	5%	335 375
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		138 946	154 555	172 820	6 918	71 341	129 615	(58 274)	-45%	172 820
Executive and council		36 465	44 765	44 615	2 334	25 334	33 461	(8 127)	-24%	44 615
Finance and administration		102 291	109 174	127 585	4 584	45 939	95 689	(49 750)	-52%	127 585
Internal audit		189	615	620	-	69	465	(396)	-85%	620
<b>Community and public safety</b>		32 143	29 777	31 958	3 152	27 096	23 969	3 127	13%	31 958
Community and social services		30 536	22 238	24 619	2 788	24 018	18 464	5 554	30%	24 619
Sport and recreation		1 560	7 150	7 150	339	3 016	5 362	(2 346)	-44%	7 150
Public safety		-	250	50	-	-	38	(38)	-100%	50
Housing		47	140	140	26	62	105	(43)	-41%	140
Health		-	-	-	-	-	-	-		-
<b>Economic and environmental services</b>		53 277	58 866	53 346	4 057	41 271	40 009	1 261	3%	53 346
Planning and development		16 270	26 421	20 027	965	12 994	15 020	(2 026)	-13%	20 027
Road transport		29 565	25 963	26 133	2 865	23 006	19 600	3 407	17%	26 133
Environmental protection		7 441	6 482	7 187	227	5 270	5 390	(119)	-2%	7 187
<b>Trading services</b>		41 544	54 746	49 410	3 931	34 412	37 058	(2 646)	-7%	53 157
Energy sources		31 544	42 898	37 083	2 690	26 218	27 812	(1 594)	-6%	37 083
Water management		-	-	-	-	-	-	-		-
Waste water management		2 443	-	-	208	1 873	-	1 873	#DIV/0!	3 747
Waste management		7 557	11 848	12 328	1 033	6 320	9 246	(2 926)	-32%	12 328
<b>Other</b>		-	-	-	-	-	-	-		-
<b>Total Expenditure - Functional</b>	3	265 909	297 943	307 535	18 059	174 120	230 651	(56 531)	-25%	311 281
<b>Surplus/(Deficit) for the year</b>		23 865	38 922	26 127	33 123	88 571	19 907	68 663	345%	24 094

Table 3

## Monthly Budget Statement\_ Financial Performance

KZN291 Mandeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q3 Third Quarter										
Vote Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Revenue by Vote</b>	1									
Vote 1 - Finance & Admin		32 328	242 388	244 428	4 031	151 431	183 321	(31 890)	-17.4%	244 428
Vote 2 - Executive & Council		-	7 498	7 498	-	7 498	7 498	-		7 498
Vote 3 - Community and Social Services		151 076	4 159	5 370	27 620	36 162	4 028	32 134	797.8%	5 370
Vote 4 - Internal Audit		-	-	-	-	-	-	-		-
Vote 5 - Water Management		-	-	-	-	1	-	1	#DIV/0!	2
Vote 6 - Waste Water Management		17 443	9 510	9 510	14 287	21 114	7 132	13 982	196.0%	9 510
Vote 7 - Waste Management		-	-	-	-	-	-	-		-
Vote 8 - Energy Sources		5 008	32 452	22 952	14	1 525	17 214	(15 690)	-91.1%	22 952
Vote 9 - Planning and Development		37 948	39 183	42 229	1 747	17 349	31 672	(14 322)	-45.2%	42 229
Vote 10 - Sports & Recreation		-	-	-	-	-	-	-		-
Vote 11 - Road Transport		4 908	1 675	1 675	3 483	27 611	1 256	26 355	2097.9%	1 675
Vote 12 - Health		-	-	-	-	-	-	-		-
Vote 13 - Housing.		-	-	-	-	-	-	-		-
Vote 14 - Public Safety		-	-	-	-	-	-	-		-
Vote 15 - Finance & Admin 2		41 063	-	-	-	-	-	-		-
<b>Total Revenue by Vote</b>	2	<b>289 774</b>	<b>336 865</b>	<b>333 662</b>	<b>51 182</b>	<b>262 691</b>	<b>252 121</b>	<b>10 570</b>	<b>4.2%</b>	<b>333 664</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - Finance & Admin		102 291	109 174	127 585	6 640	31 426	95 689	(64 263)	-67.2%	127 590
Vote 2 - Executive & Council		36 465	44 765	44 615	1 345	11 424	33 461	(22 037)	-65.9%	44 615
Vote 3 - Community and Social Services		30 536	22 238	24 619	788	24 018	18 464	5 554	30.1%	24 619
Vote 4 - Internal Audit		189	615	620	339	3 016	465	2 551	548.6%	620
Vote 5 - Water Management		-	250	50	26	62	38	24	65.0%	50
Vote 6 - Waste Water Management		7 557	11 848	11 848	151	27 455	8 886	18 569	209.0%	11 848
Vote 7 - Waste Management		1 560	7 150	7 630	2 865	23 006	5 722	17 284	302.0%	7 630
Vote 8 - Energy Sources		31 544	42 898	37 083	2 690	26 218	27 812	(1 594)	-5.7%	-
Vote 9 - Planning and Development		16 270	26 421	20 027	1 553	9 848	15 020	(5 172)	-34.4%	-
Vote 10 - Sports & Recreation		2 443	-	-	979	8 193	-	8 193	#DIV/0!	-
Vote 11 - Road Transport		29 565	25 963	26 133	227	5 270	19 600	(14 329)	-73.1%	-
Vote 12 - Health		-	-	-	-	-	-	-		-
Vote 13 - Housing.		47	140	140	-	36	105	(69)	-65.8%	-
Vote 14 - Public Safety		7 441	6 482	7 187	456	4 147	5 390	(1 243)	-23.1%	-
Vote 15 - Finance & Admin 2		-	-	-	-	-	-	-		-
<b>Total Expenditure by Vote</b>	2	<b>265 909</b>	<b>297 943</b>	<b>307 535</b>	<b>18 059</b>	<b>174 120</b>	<b>230 651</b>	<b>(56 531)</b>	<b>-24.5%</b>	<b>216 971</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>23 865</b>	<b>38 922</b>	<b>26 127</b>	<b>33 123</b>	<b>88 571</b>	<b>21 470</b>	<b>67 101</b>	<b>312.5%</b>	<b>116 693</b>



**Table 4**  
**Municipality Financial Performance**

**C4** provides information on the planned revenue and operational expenditures against the actual results for the period ending 31<sup>st</sup> March 2020

This report analyses each major component under following headings;

- Revenue by Source
- Operational Expenditure by Type

KZN291 Mandeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q3 Third Quarter										
Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		40 080	49 509	49 509	3 840	30 255	37 132	(6 877)	-19%	49 509
Service charges - electricity revenue		24 367	31 879	31 879	2 037	20 471	23 909	(3 438)	-14%	31 879
Service charges - water revenue		—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue		—	—	—	—	—	—	—	—	—
Service charges - refuse revenue		8 911	9 510	9 510	700	6 385	7 132	(747)	-10%	9 510
Rental of facilities and equipment		254	208	268	7	176	201	(24)	-12%	268
Interest earned - external investments		4 893	3 540	5 040	662	5 479	3 780	1 699	45%	5 040
Interest earned - outstanding debtors		13 851	15 975	15 975	1 800	13 542	11 981	1 560	13%	15 975
Dividends received		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		403	405	445	7	96	334	(237)	-71%	445
Licences and permits		1 133	1 320	1 320	11	810	990	(180)	-18%	1 320
Agency services		—	—	—	—	—	—	—	—	—
Transfers and subsidies		155 280	188 769	176 519	41 870	173 998	132 389	41 609	31%	176 519
Other revenue		737	665	1 166	248	1 388	874	514	59%	1 166
Gains on disposal of PPE		288	—	—	—	—	—	—	—	—
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>250 197</b>	<b>301 780</b>	<b>291 630</b>	<b>51 182</b>	<b>252 600</b>	<b>218 723</b>	<b>33 878</b>	<b>15%</b>	<b>291 630</b>
<b>Expenditure By Type</b>										
Employee related costs		84 931	96 673	106 958	7 816	70 516	80 219	(9 703)	-12%	106 958
Remuneration of councillors		13 023	13 762	13 762	1 099	9 574	10 322	(748)	-7%	13 762
Debt impairment		41 621	19 891	30 708	—	3 222	23 031	(19 809)	-86%	30 708
Depreciation & asset impairment		27 103	30 804	30 804	2 351	21 038	23 103	(2 065)	-9%	30 804
Finance charges		2 389	307	539	—	—	404	(404)	-100%	539
Bulk purchases		22 907	25 856	25 856	2 076	19 687	19 392	294	2%	25 856
Other materials		—	10 757	10 830	193	2 697	8 123	(5 425)	-67%	10 830
Contracted services		44 731	40 655	41 058	2 201	23 204	30 794	(7 590)	-25%	41 058
Transfers and subsidies		1 340	11 001	1 501	—	—	1 126	(1 126)	-100%	1 501
Other expenditure		28 508	48 237	45 471	2 323	24 183	34 103	(9 920)	-29%	45 471
Loss on disposal of PPE		(644)	—	47	—	—	35	(35)	-100%	47
<b>Total Expenditure</b>		<b>265 909</b>	<b>297 943</b>	<b>307 535</b>	<b>18 059</b>	<b>174 120</b>	<b>230 651</b>	<b>(56 531)</b>	<b>-25%</b>	<b>307 535</b>
<b>Surplus/(Deficit)</b>		<b>(15 712)</b>	<b>3 837</b>	<b>(15 904)</b>	<b>33 123</b>	<b>78 480</b>	<b>(11 928)</b>	<b>90 409</b>	<b>(0)</b>	<b>(15 904)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		39 577	35 085	42 032	1 519	10 090	31 524	(21 433)	(0)	20 181
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>23 865</b>	<b>38 922</b>	<b>26 127</b>	<b>34 641</b>	<b>88 571</b>	<b>19 596</b>			<b>4 276</b>
Taxation		—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after taxation</b>		<b>23 865</b>	<b>38 922</b>	<b>26 127</b>	<b>34 641</b>	<b>88 571</b>	<b>19 596</b>			<b>4 276</b>
Attributable to minorities		—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) attributable to municipality</b>		<b>23 865</b>	<b>38 922</b>	<b>26 127</b>	<b>34 641</b>	<b>88 571</b>	<b>19 596</b>			<b>4 276</b>
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—
<b>Surplus/ (Deficit) for the year</b>		<b>23 865</b>	<b>38 922</b>	<b>26 127</b>	<b>34 641</b>	<b>88 571</b>	<b>19 596</b>			<b>4 276</b>

## **Revenue Collection**

### **Property rates**

Property rates YTD Actual for R30,255million over an YTD budget of R37,132million shows an under collection of -19%, which is due to other properties (Ithala & Public works) that are annually billed in May as per the agreement.

### **Service charges-electricity**

The actual revenue from Service Charges Electricity as @ 31<sup>st</sup> March 2020 is R20.5 million or 14 percent less than the budgeted income of R23.9 million, variance of 14% is due to the level of demand for electricity consumption increases in winter months as compared to summer months. YTD Actual is R20,471million which is an under-collection by -14% when compared to YTD budget of R23,909million.

### **Service charges-refuse**

The actual revenue from Service Charges Refuse as @ 31<sup>st</sup> March 2020 is R6.4 million or 10 percent less than the budgeted income of R7.1 million, this variance is relatively small and not expected to have a significant impact at the end of the financial year.

### **Rental of facilities**

Revenue from rental of facilities recognised amounts to R176 thousand in comparison with the year to date budget amount of R201 thousand thus indicating an underperformance of R24 thousand or 12 percent. This is mainly due to underutilisation of municipal facilities (staff housing, municipal halls) when comparing to the projections.

### **Interest earned-external investments**

YTD Actual of R5,479million compared to the YTD budget of R3,780million, we notice an over-collection of 45% which is form of cash from previous year cash backed reserves and additional grants received.

### **Interest earned-outstanding debtors**

YTD Actual of R13,542million for interest earned for outstanding debtors shows an over-collection of 13%. The increasing of our Debt book as of to date, it shows an improvement in collection but since our debt book is also increasing immensely.

**Dividends received**

No Dividends received by the Municipality has been recorded as Municipality does not collect dividends, which is why an under-performance of -100% is indicated.

**Fines, penalties and forfeits**

YTD Actual of R96thousands compared to the YTD budget of R334thousand, shows an under-collection of -71%. The variance is mainly due to the culture of non- payment and adverse economic conditions.

**Licensing and permits**

The licensing and permits level of demand has been slightly over projected by an under-performance of -18%.

**Agency services**

No Agency services has been recorded as Municipality does not have agencies, which is why an under-performance of -100% is indicated.

**Transfers and subsidies**

YTD Actual for Transfers and subsidies of R173,998million is an over-collection of 31%, this is mainly due to receiving grants as published in DORA and meeting conditions of the grant.

**Other revenue**

YTD Actual of R1,388million on other revenue, is an under collection when measured versus the YTD Budget of R874thousands. A variance is due to seasonal fluctuations and level of demand for these items.

**Gains on disposal of PPE**

No Gains on disposal of property, plant and equipment has been recorded by assets unit, which is why an under-performance of -100% is indicated.

**Expenditure performance****Employment related costs**

The YTD Actual for employee related costs is R70,516million which is underperformance of -12% when compared to YTD budget of R80,219million. The variance is from the savings that resulted in vacant positions that have not filled and this is due to the fact that the municipality is paying bonuses to its employees on their birthday month.

**Remuneration of Councilor's**

The remuneration of councilor's is under spent by -7% when compares to YTD budget, this is due to Cllrs upper limits which have not been paid out as the municipality has not received approval from Cogta.

**Debt impairment**

The YTD Actual of R3,2million for debt impairment shows an under performance of -86%, a new calculation was made for 2018/19 financial year.

**Depreciation & asset impairment**

Depreciation and Asset impairment YTD Actual is under performed by -9% due to the variance 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.

**Finance charges**

The YTD Actual for Finance charges is nil versus a YTD budget of R404thousand which is under performance of -100%. There was no movement reported, an accrual will be done at year end.

**Bulk purchases**

YTD Actual is R19,687million for Bulk purchases over pro-rata budget of R19,392million, which is an over-performance by 2%.

**Other materials**

An under-performance of -67% is noticeable when comparing the YTD actual vs budget. The variance is due to the implementation of the procurement plan.

**Contracted services**

YTD Actual is R23,204million which is an under-performance by -25% when compared to TYD budget of R30,794million. A variance is due to the implementation of procurement plan.

**Transfers and subsidies**

A performance of nil in the line item is noticeable, an INEP Funding was budgeted in this line item, and was moved in the adjustment budget.

**Other expenditure**

YTD Actual of R24,183million on other expenditure, is an underperformed when measured versus the YTD Budget of R34,103million. A variance is due to activities that took place in the 1<sup>st</sup> half of the FY.

**Loss on disposal of PPE**

No loss on disposal of property, plant and equipment has been recorded by assets unit, which is why an under-performance of -100% is indicated.

**Table 4.1**

▪ **Total Operating Revenue from (July – March 2020)**

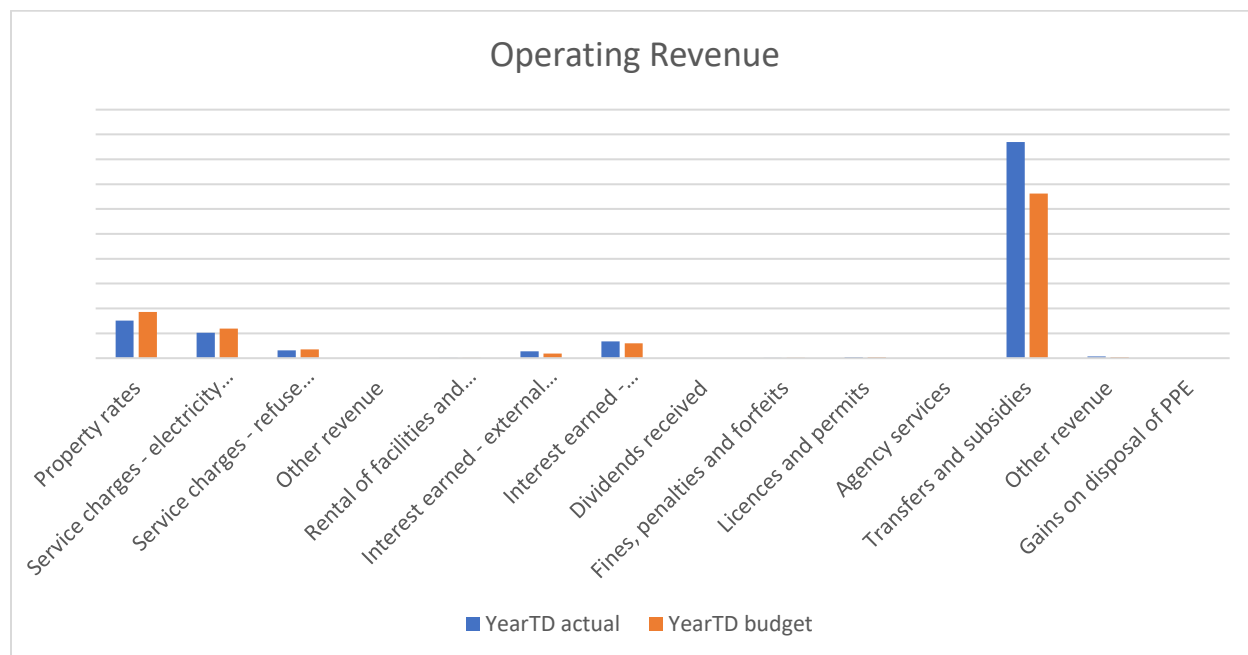
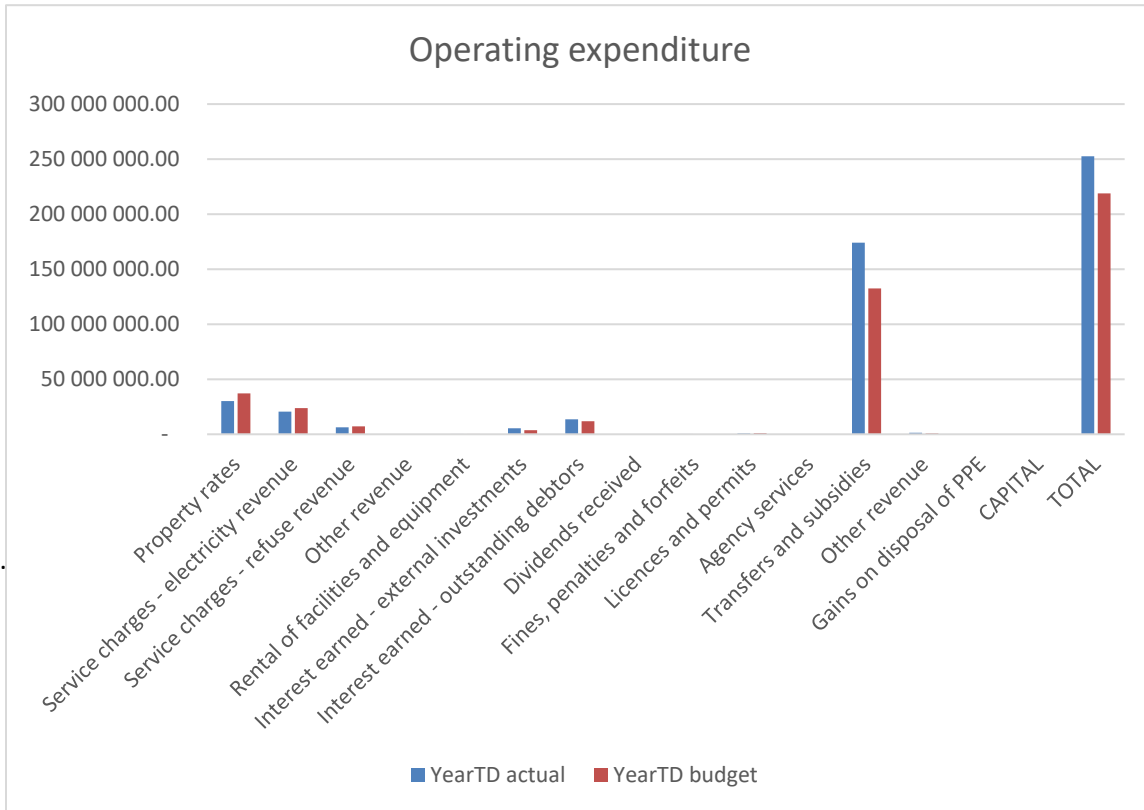


Table 4.2

▪ Total Operating Expenditure from (July-March 2020)



## Monthly Budget Statement\_ Capital Expenditure

### Table 5

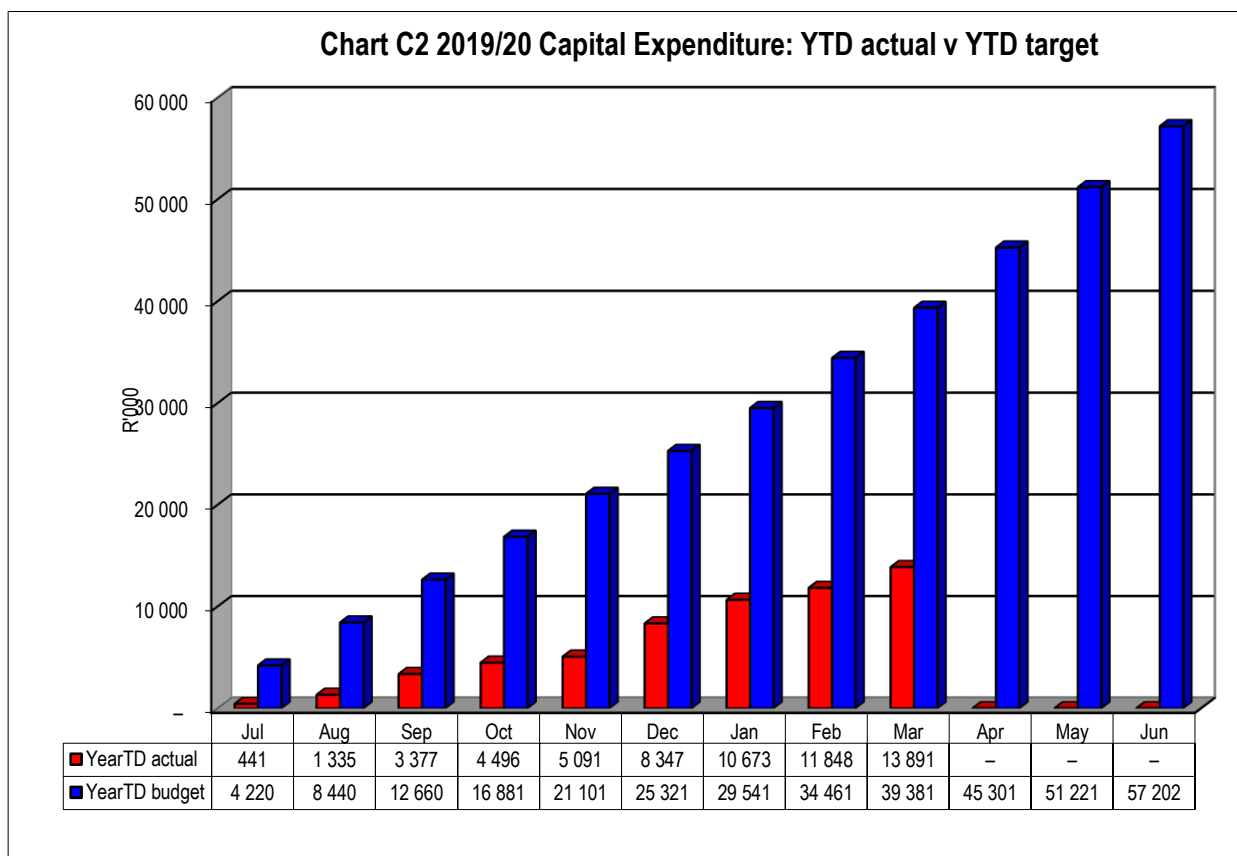
KZN291 Mandeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q3 Third Quarter										
Vote Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Finance & Admin		3 309	1 150	3 150	18	175	2 363	(2 188)	-93%	3 150
Vote 2 - Executive & Council		-	60	140	-	-	105	(105)	-100%	140
Vote 3 - Community and Social Services		11 410	13 638	8 226	329	1 170	6 169	(4 999)	-81%	8 226
Vote 4 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 5 - Water Management		-	-	-	-	-	-	-	-	-
Vote 6 - Waste Water Management		-	495	695	-	-	521	(521)	-100%	695
Vote 7 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 8 - Energy Sources		503	1 146	1 330	465	613	997	(385)	-39%	1 330
Vote 9 - Planning and Development		16 132	6 901	6 671	100	1 120	5 003	(3 884)	-78%	6 671
Vote 10 - Sports & Recreation		280	-	-	-	-	-	-	-	-
Vote 11 - Road Transport		80 965	26 082	35 821	1 131	10 814	26 866	(16 052)	-60%	35 821
Vote 12 - Health		-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-
Vote 14 - Public Safety		-	1 170	1 170	-	-	878	(878)	-100%	1 170
Vote 15 - Finance & Admin 2		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	112 599	50 642	57 202	2 043	13 891	42 902	(29 011)	-68%	57 202
<b>Total Capital Expenditure</b>		112 599	50 642	57 202	2 043	13 891	42 902	(29 011)	-68%	57 202
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		3 309	1 210	3 290	18	175	2 468	(2 293)	-93%	3 290
Executive and council		-	60	140	-	-	105	(105)	-100%	140
Finance and administration		3 309	1 150	3 150	18	175	2 363	(2 188)	-93%	3 150
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		11 690	14 808	9 396	329	1 170	7 047	(5 876)	-83%	9 396
Community and social services		11 410	13 638	8 226	329	1 170	6 169	(4 999)	-81%	8 226
Sport and recreation		280	-	-	-	-	-	-	-	-
Public safety		-	1 170	1 170	-	-	878	(878)	-100%	1 170
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		97 097	32 983	42 492	1 231	11 934	31 869	(19 936)	-63%	42 492
Planning and development		16 132	6 901	6 671	100	1 120	5 003	(3 884)	-78%	6 671
Road transport		80 965	26 082	35 821	1 131	10 814	26 866	(16 052)	-60%	35 821
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		503	1 641	2 025	465	613	1 518	(906)	-60%	2 025
Energy sources		503	1 146	1 330	465	613	997	(385)	-39%	1 330
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	495	695	-	-	521	(521)	-100%	695
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Cla</b>	3	112 599	50 642	57 202	2 043	13 891	42 902	(29 011)	-68%	57 202
<b>Funded by:</b>										
National Government		80 995	33 968	39 764	1 708	10 860	29 823	(18 963)	-64%	39 764
Provincial Government		720	1 131	2 217	-	481	1 663	(1 182)	-71%	2 217
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		81 715	35 099	41 981	1 708	11 340	31 486	(20 145)	-64%	41 981
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		30 884	15 543	15 221	335	2 551	11 416	(8 865)	-78%	15 221
<b>Total Capital Funding</b>		112 599	50 642	57 202	2 043	13 891	42 902	(29 011)	-68%	57 202

**Capital Expenditure:**

The YTD capital expenditure budget is R 42,902 million against YTD actual Capital expenditure incurred amounted to R 13,8 million resulting in underperformance of (68%) of the capital budget. The projects were expected to be completed by year end but since the start of this pandemic Virus, and the commencement of Lockdown our target seem to be unreachable.

Capital grants funded by National grants this is due to technical challenges that were experienced with implementation of these capital projects, therefore an increasing trend on capex budget will be seen during the 4<sup>th</sup> quarter of the financial year. Furthermore, to that the municipality has revised it MIG support plan and redirected funds to other projects which will result in the municipality fully spending the grants

**Table 4.3**





**FINANCIAL POSITION****Table 6****Table C6 displays the financial position of the municipality as at 31<sup>st</sup> March 2020**

<b>KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - Q3 Third Quarter</b>						
<b>Description</b>	<b>Ref</b>	<b>2018/19</b>	<b>Budget Year 2019/20</b>			
		<b>Audited Outcome</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>YearTD actual</b>	<b>Full Year Forecast</b>
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		5 801	19 108	5 801	2 004	5 801
Call investment deposits		54 806	–	54 806	160 283	54 806
Consumer debtors		16 367	38 940	54 581	24 435	54 581
Other debtors		32 903	3 000	3 406	46 520	3 406
Current portion of long-term receivables		4 211		4 211	–	4 211
Inventory		508	500	508	1 323	508
<b>Total current assets</b>		<b>114 596</b>	<b>61 548</b>	<b>123 313</b>	<b>234 565</b>	<b>123 313</b>
<b>Non current assets</b>						
Long-term receivables				–	–	–
Investments				–	–	–
Investment property		57 877	58 199	57 877	57 877	57 877
Investments in Associate				–	–	–
Property, plant and equipment		443 462	476 175	469 860	438 472	469 860
Biological				–	–	–
Intangible		836	1 200	836	746	836
Other non-current assets				–	–	–
<b>Total non current assets</b>		<b>502 174</b>	<b>535 574</b>	<b>528 573</b>	<b>497 094</b>	<b>528 573</b>
<b>TOTAL ASSETS</b>		<b>616 770</b>	<b>597 122</b>	<b>651 886</b>	<b>731 660</b>	<b>651 886</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft				–	–	–
Borrowing		813	971	851	2 704	851
Consumer deposits		442	450	422	178	422
Trade and other payables		17 543	24 147	23 537	21 294	23 537
Provisions		9 911		–	25 373	–
<b>Total current liabilities</b>		<b>28 710</b>	<b>25 568</b>	<b>24 811</b>	<b>49 549</b>	<b>24 811</b>
<b>Non current liabilities</b>						
Borrowing		1 890	1 974	1 890	1 775	1 890
Provisions		17 764	17 570	17 764	17 764	17 764
<b>Total non current liabilities</b>		<b>19 654</b>	<b>19 544</b>	<b>19 654</b>	<b>19 539</b>	<b>19 654</b>
<b>TOTAL LIABILITIES</b>		<b>48 364</b>	<b>45 112</b>	<b>44 465</b>	<b>69 088</b>	<b>44 465</b>
<b>NET ASSETS</b>	<b>2</b>	<b>568 407</b>	<b>552 009</b>	<b>607 421</b>	<b>662 571</b>	<b>607 421</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		566 709	550 658	605 725	632 369	605 725
Reserves		1 696	1 352	1 696	1 743	1 696
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>568 405</b>	<b>552 009</b>	<b>607 421</b>	<b>634 112</b>	<b>607 421</b>

## PERFORMANCE INDICATOR

Table 7

C7 below display the Cash Flow Statement for the month ending 31<sup>st</sup> March 2020.

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - Q3 Third Quarter										
Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		55 466	33 468	33 468	1 274	22 348	25 101	(2 753)	-11%	33 468
Service charges		33 279	35 515	35 515	4 659	18 797	26 636	(7 840)	-29%	35 515
Other revenue		387	2 214	2 776	273	9 766	2 082	7 684	369%	2 776
Government - operating		155 280	188 769	186 019	41 870	196 211	139 514	56 697	41%	186 019
Government - capital		39 577	35 085	35 085	14 269	27 400	26 314	1 086	4%	35 085
Interest		4 893	4 339	5 839	662	5 479	4 379	1 100	25%	5 839
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(217 037)	(241 660)	(243 936)	(18 059)	(174 120)	(182 952)	(8 832)	5%	(243 936)
Finance charges		(2 389)	(307)	(539)	-	-	(404)	(404)	100%	(539)
Transfers and Grants		-	(11 001)	(1 501)	-	-	(1 126)	(1 126)	100%	(1 501)
<b>NET CASH FROM/(USED) OPERATING ACT</b>		<b>69 456</b>	<b>46 422</b>	<b>52 726</b>	<b>44 947</b>	<b>105 880</b>	<b>39 545</b>	<b>(66 335)</b>	<b>-168%</b>	<b>52 726</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		440	-	47	47	47	35	12	33%	47
Decrease (Increase) in non-current debtors		-	3 935	3 935	101	1 246	2 951	(1 705)	-58%	3 935
Decrease (increase) other non-current receivables		-	-	5 393	-	-	4 045	(4 045)	-100%	5 393
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		(43 771)	(50 642)	(57 202)	(2 043)	(13 891)	(42 902)	(29 011)	68%	(57 202)
<b>NET CASH FROM/(USED) INVESTING ACT</b>		<b>(43 332)</b>	<b>(46 707)</b>	<b>(47 827)</b>	<b>(1 895)</b>	<b>(12 598)</b>	<b>(35 870)</b>	<b>(23 272)</b>	<b>65%</b>	<b>(47 827)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		(336)	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	(495)	(422)	-	(276)	(317)	40	-13%	(422)
<b>Payments</b>										
Repayment of borrowing		(1 057)	(816)	(816)	(104)	(617)	(612)	5	-1%	(816)
<b>NET CASH FROM/(USED) FINANCING ACT</b>		<b>(1 393)</b>	<b>(1 311)</b>	<b>(1 238)</b>	<b>(104)</b>	<b>(893)</b>	<b>(928)</b>	<b>(35)</b>	<b>4%</b>	<b>(1 238)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>24 731</b>	<b>(1 596)</b>	<b>3 661</b>	<b>42 949</b>	<b>92 389</b>	<b>2 746</b>			<b>3 661</b>
Cash/cash equivalents at beginning:		35 876	20 704	60 607		194 301	60 607			194 301
Cash/cash equivalents at month/year end:		60 607	19 108	64 268		286 690	63 353			197 962

**Table 8**

## Table SC2 Performance Indicators

KZN291 Mandeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q3 Third Quarter

Description of financial indicator	Basis of calculation	Ref	2018/19	Budget Year 2019/20			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b><u>Borrowing Management</u></b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.5%	10.4%	10.2%	0.0%	4.7%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		3.6%	4.9%	4.3%	4.1%	4.3%
Gearing	Long Term Borrowing/ Funds & Reserves		111.4%	146.0%	111.4%	101.8%	111.4%
<b><u>Liquidity</u></b>							
Current Ratio	Current assets/current liabilities	1	399.2%	240.7%	497.0%	473.4%	497.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		211.1%	74.7%	244.3%	327.5%	244.3%
<b><u>Revenue Management</u></b>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		21.4%	13.9%	21.3%	28.1%	21.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<b><u>Funding of Provisions</u></b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b><u>Other Indicators</u></b>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/ Total Revenue - capital revenue		33.9%	32.0%	36.7%	27.9%	36.7%
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		11.8%	10.3%	10.7%	0.0%	4.9%
<b><u>IDP regulation financial viability indicators</u></b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

The above ratios indicate that the municipality is financially stable and adequately funded to continue with its operations. The year-to-date ratio of employee costs as compared to the total revenue – capital revenue for the year to date is 36.7%.

The municipality still depends on grant funding of over 60.53% to fund its operations. All municipal provisions and the capital replacement reserve are cash backed and the cash and cash equivalents are sufficient to cover the Municipality till the next withdrawals.

## **PART 2 – SUPPORTING DOCUMENTATION**

**DEBTOR'S AGE ANALYSIS**

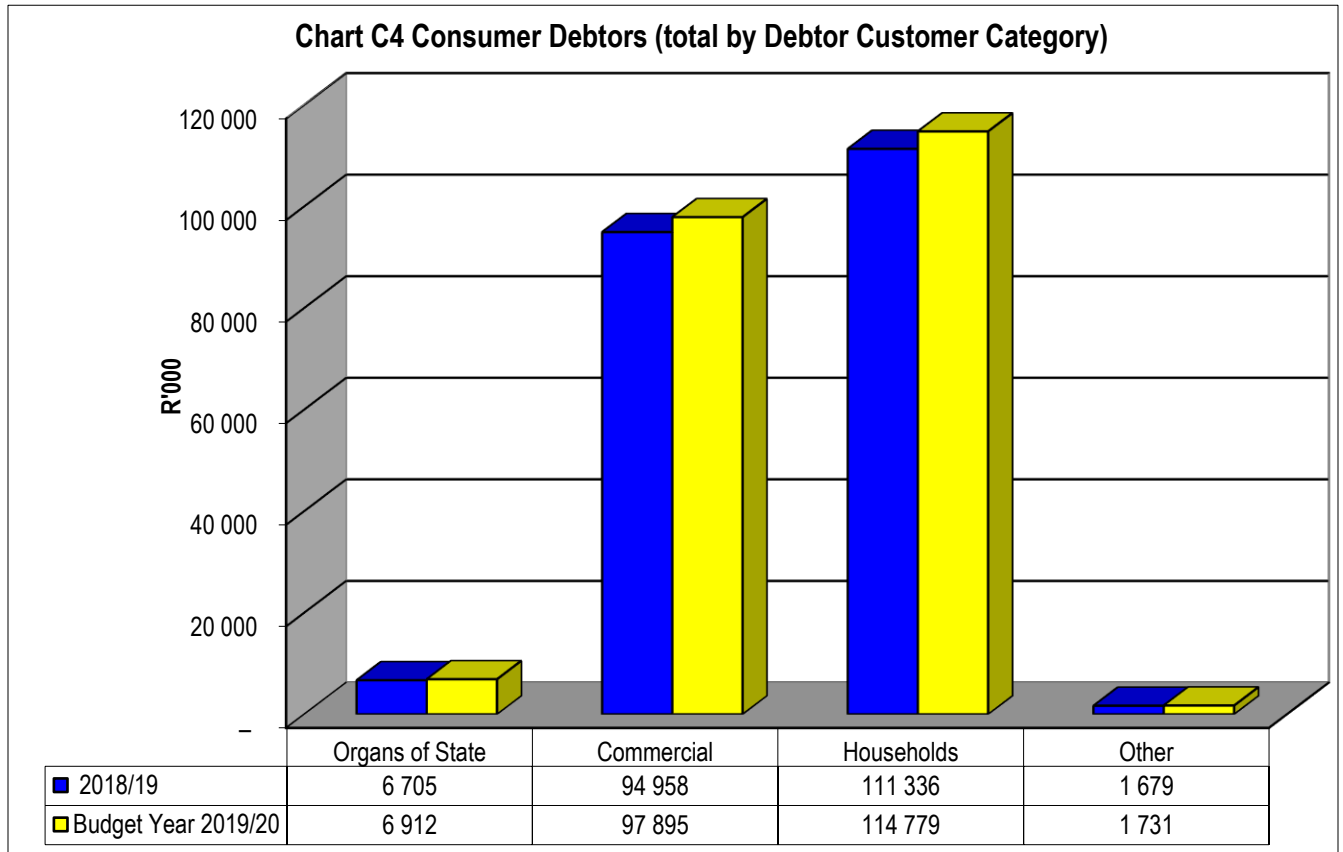
**Table 9**

The total Consumer debtors outstanding as 31<sup>st</sup> March 2020 is **R221,318million** (attached)

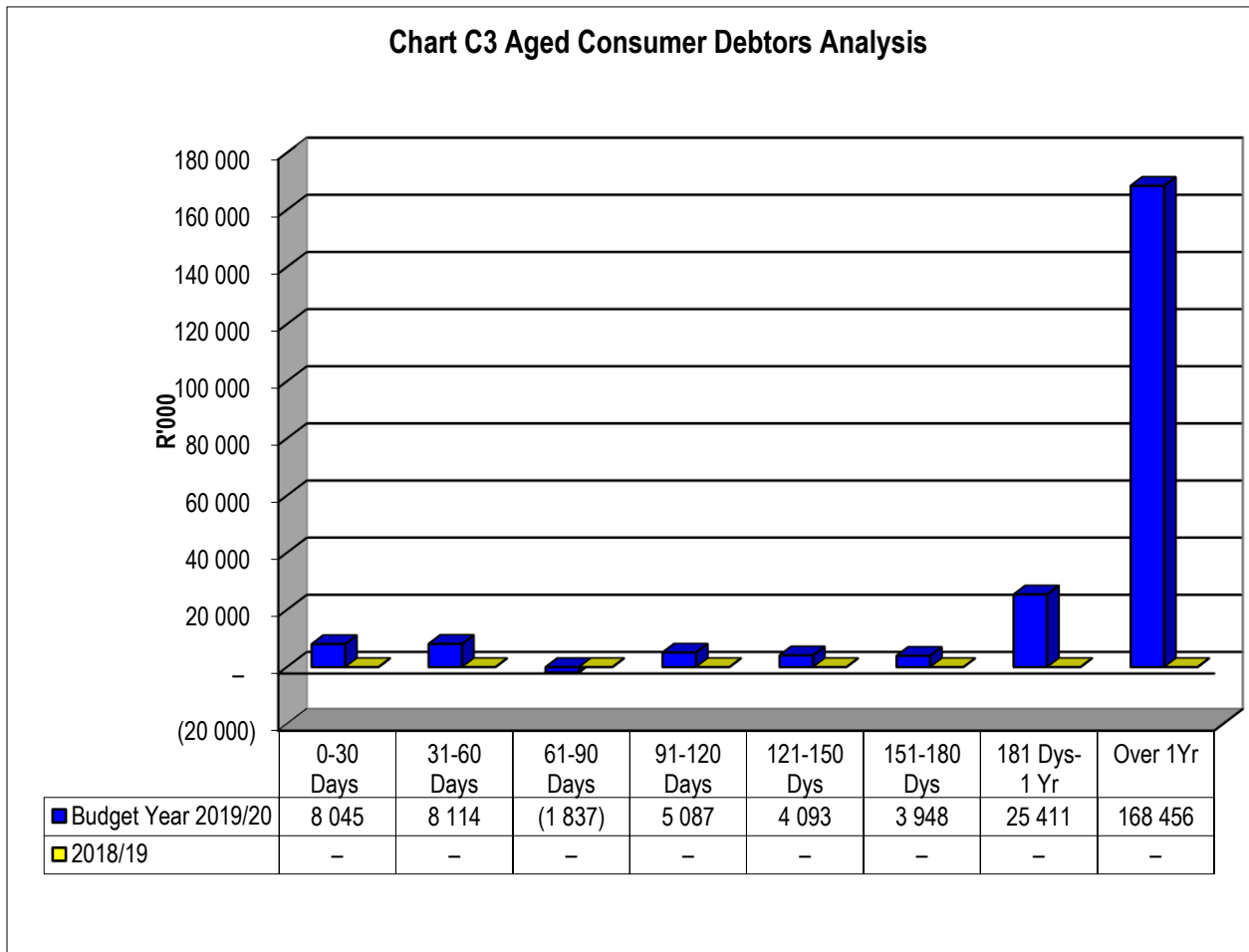
KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q3 Third Quarter													
Description	NT Code	Budget Year 2019/20								Total	Total over 90 days	Actual Bad Debts Written Off against	Impairment - Bad Debts i.o Council
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr				
R thousands													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Excha	1200	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Excha	1300	2 323	1 218	3	146	142	82	330	2 018	6 261	2 717		
Receivables from Non-exchange Transac	1400	3 076	2 385	(1 847)	2 472	2 065	2 095	14 344	97 856	122 448	118 833		
Receivables from Exchange Transactions	1500	-	-	-	-	-	-	-	-	-	-		
Receivables from Exchange Transactions	1600	751	1 024	(2)	605	575	571	3 098	33 970	40 591	38 818		
Receivables from Exchange Transactions	1700	32	24	-	8	8	7	71	-	151	95		
Interest on Arrear Debtor Accounts	1810	1 800	3 425	8	1 857	1 304	1 193	7 568	34 607	51 761	46 528		
Recoverable unauthorised, irregular, fruit	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	63	39	0	-	-	-	-	5	106	5		
<b>Total By Income Source</b>	<b>2000</b>	<b>8 045</b>	<b>8 114</b>	<b>(1 837)</b>	<b>5 087</b>	<b>4 093</b>	<b>3 948</b>	<b>25 411</b>	<b>168 456</b>	<b>221 318</b>	<b>206 996</b>	<b>-</b>	<b>-</b>
<b>2018/19 - totals only</b>													
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	(383)	(811)	(272)	118	113	107	3 115	4 924	6 912	8 377		
Commercial	2300	5 034	5 145	(13)	2 622	1 814	1 691	10 744	70 858	97 895	87 729		
Households	2400	3 020	4 814	10	2 043	1 877	1 860	9 864	91 292	114 779	106 935		
Other	2500	374	(1 034)	(1 563)	304	290	290	1 689	1 382	1 731	3 955		
<b>Total By Customer Group</b>	<b>2600</b>	<b>8 045</b>	<b>8 114</b>	<b>(1 837)</b>	<b>5 087</b>	<b>4 093</b>	<b>3 948</b>	<b>25 411</b>	<b>168 456</b>	<b>221 318</b>	<b>206 996</b>	<b>-</b>	<b>-</b>

**Table**

▪ **Debtors outstanding per Service**



▪ Total outstanding Debtors from July -March 2020

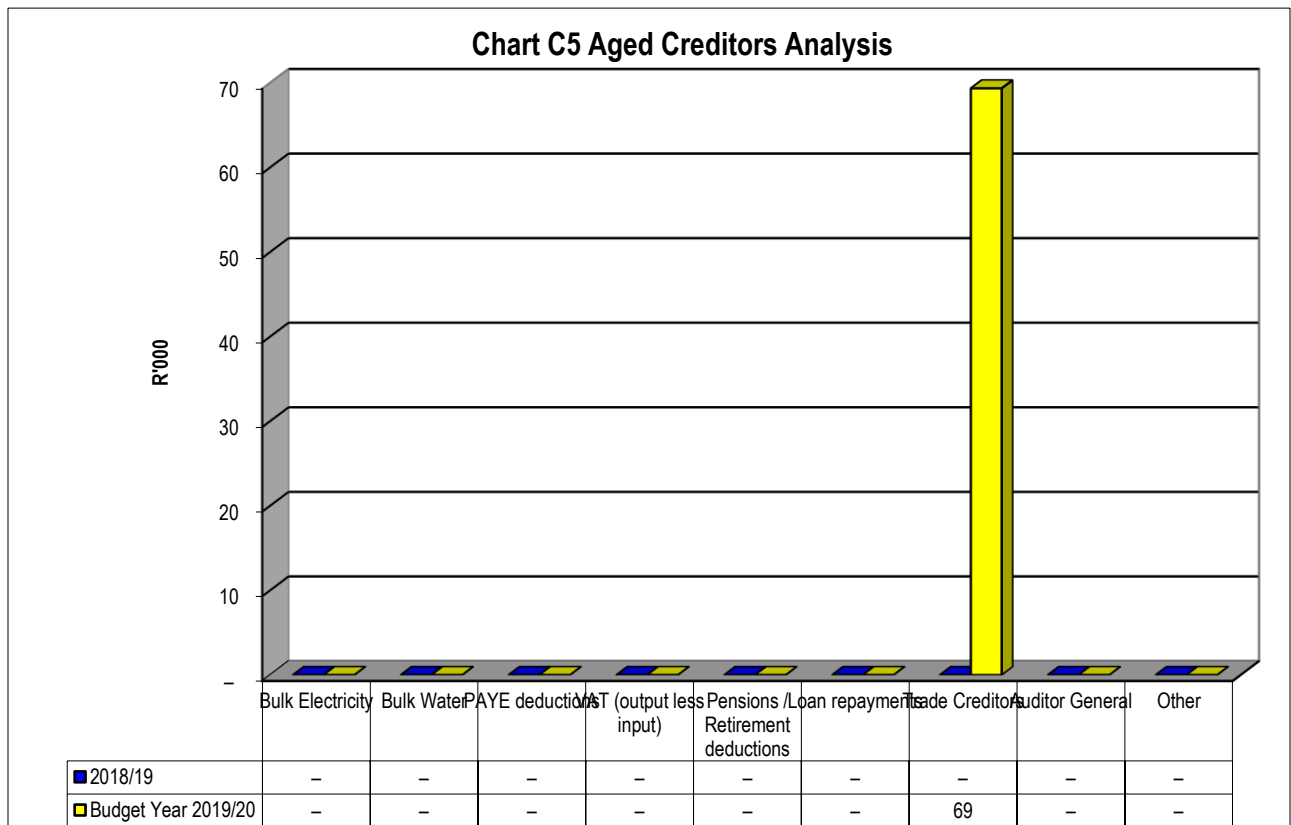


**CREDITORS ANALYSIS**

**Table 10**

KZN291 Mandeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q3 Third Quarter											
Description	NT Code	Budget Year 2019/20									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	46	23	-	-	-	-	-	(0)	69	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>46</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>69</b>	<b>-</b>

- Creditors as at 31<sup>st</sup> March 2020 amounts to **R69 363.54**
- 100% of the creditors are on current as per our age analysis, as we ensure that creditors are paid within 30 days





**INVESTMENT PORTFOLIO ANALYSIS****Table 11**

The following information presents the short-term investments balances broken down per investment type as at 31<sup>st</sup> March 2020

KZN291 Mandeni - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q3 Third Quarter										
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Commis sion Recipie nt	Expiry date of investment	Opening balance	Interest to be realised	Partial / Prematur e Withdra wal (4)	Investme nt Top Up	Closing Balance
R thousands		Yrs/Months								
<b>Municipality</b>										
Call account 1-GRANTS		12 months	Call account		30/06/2020	27 279	156	(44 156)	46 306	29 586
Call account 2 -HOUSING		12 months	Call account		30/06/2020	1 759	7			1 766
Call account 3-MIG		12 months	Call account		30/06/2020	8 284	33	(423)		7 894
Call account 4-NDPG		12 months	Call account		30/06/2020	1 996	8			2 004
Call account 5-TMT		12 months	Call account		30/06/2020	193	1		2	196
Call account 6-INEP		12 months	Call account		30/06/2020	8 675	31			8 706
Call account 7-ASSET REVALUAT		12 months	Call account		30/06/2020	103	0			103
Call account 8-Housing Title Deed		12 months	Call account		30/06/2020	1 250	5			1 255
STANDARD BANK		12 months	Investment Account		30/06/2020	4	0			4
STANDARD		12 months	Investment Account		30/06/2020	0				0
STANDARD		12 months	Investment Account		30/06/2020	1 637	8			1 645
NEDBANK		12 months	Investment Account		30/06/2020	1 807	9			1 815
NEDBANK		3 months	Day Market Investment Account		31/03/2020	30 262	178			30 441
NEDBANK		6 months	Day Market Investment Account		30/06/2020	30 277	188			30 466
NEDBANK		7 days	Day Market Investment Account		7/04/2020		31	(30 589)	30 558	-
NEDBANK		1 month	Day Market Investment Account		31/04/2020			30 589		30 589
STANDARD BANK		6 months	Day Market Investment Account		31/08/2020				30 000	30 000
										-
										-
<b>Municipality sub-total</b>						<b>113 527</b>		<b>(44 578)</b>	<b>106 867</b>	<b>176 471</b>
<b>Entities sub-total</b>						-		-	-	-
<b>TOTAL INVESTMENTS AN</b>	<b>2</b>					<b>113 527</b>		<b>(44 578)</b>	<b>106 867</b>	<b>176 471</b>

## COUNCILLOR AND BOARD MEMBERS ALLOWANCES AND EMPLOYEE BENEFITS

### Table 12

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q3 Third Quarter										
Category of Employee and Councillor remuneration	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C					%	D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		9 422	10 027	10 027	814	7 009	7 520	(511)	-7%	10 027
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	0	-	0	#DIV/0!	-
Motor Vehicle Allowance		1 413	1 414	1 414	109	982	1 061	(79)	-7%	1 414
Cellphone Allowance		1 423	1 502	1 502	119	1 071	1 127	(56)	-5%	1 502
Housing Allowances		765	819	819	57	512	614	(102)	-17%	819
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>13 023</b>	<b>13 762</b>	<b>13 762</b>	<b>1 099</b>	<b>9 574</b>	<b>10 322</b>	<b>(748)</b>	<b>-7%</b>	<b>13 762</b>
<b>% increase</b>	4		<b>5.7%</b>	<b>5.7%</b>						<b>5.7%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		3 581	4 580	4 580	386	3 201	3 435	(234)	-7%	4 580
Pension and UIF Contributions		94	63	63	1	12	47	(35)	-75%	63
Medical Aid Contributions		8	-	-	-	1	-	1	#DIV/0!	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	304	304	-	-	228	(228)	-100%	304
Motor Vehicle Allowance		839	994	994	62	522	746	(224)	-30%	994
Cellphone Allowance		141	186	186	16	127	140	(13)	-9%	186
Housing Allowances		116	96	96	9	72	72	-	-	96
Other benefits and allowances		-	-	-	0	1	-	1	#DIV/0!	-
Payments in lieu of leave		-	-	260	-	-	195	(195)	-100%	260
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>4 779</b>	<b>6 223</b>	<b>6 483</b>	<b>474</b>	<b>3 935</b>	<b>4 862</b>	<b>(926)</b>	<b>-19%</b>	<b>6 483</b>
<b>% increase</b>	4		<b>30.2%</b>	<b>35.6%</b>						<b>35.6%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		59 977	72 347	73 147	5 121	50 154	54 861	(4 707)	-9%	73 147
Pension and UIF Contributions		8 375	8 375	8 375	785	7 122	6 281	840	13%	8 375
Medical Aid Contributions		3 952	4 045	4 045	401	3 383	3 034	349	12%	4 045
Overtime		1 386	905	905	149	994	679	315	46%	905
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		3 779	4 190	4 190	322	2 834	3 143	(309)	-10%	4 190
Cellphone Allowance		473	488	488	38	141	366	(224)	-61%	488
Housing Allowances		379	439	439	23	209	329	(120)	-36%	439
Other benefits and allowances		515	418	418	428	1 488	314	1 174	374%	418
Payments in lieu of leave		303	-	7 447	55	99	5 585	(5 486)	-98%	7 447
Long service awards		1 013	-	-	19	156	-	156	#DIV/0!	-
Post-retirement benefit obligations	2	-	-	1 778	-	-	1 334	(1 334)	-100%	1 778
<b>Sub Total - Other Municipal Staff</b>		<b>80 152</b>	<b>91 207</b>	<b>101 233</b>	<b>7 342</b>	<b>66 580</b>	<b>75 924</b>	<b>(9 344)</b>	<b>-12%</b>	<b>101 233</b>
<b>% increase</b>	4		<b>13.8%</b>	<b>26.3%</b>						<b>26.3%</b>
<b>Total Parent Municipality</b>		<b>97 954</b>	<b>111 192</b>	<b>121 477</b>	<b>8 914</b>	<b>80 089</b>	<b>91 108</b>	<b>(11 019)</b>	<b>-12%</b>	<b>121 477</b>
			<b>13.5%</b>	<b>24.0%</b>						<b>24.0%</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>										
		<b>97 954</b>	<b>111 192</b>	<b>121 477</b>	<b>8 914</b>	<b>80 089</b>	<b>91 108</b>	<b>(11 019)</b>	<b>-12%</b>	<b>121 477</b>
<b>% increase</b>	4		<b>13.5%</b>	<b>24.0%</b>						<b>24.0%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>84 932</b>	<b>97 430</b>	<b>107 715</b>	<b>7 816</b>	<b>70 516</b>	<b>80 786</b>	<b>(10 271)</b>	<b>-13%</b>	<b>107 715</b>

## ALLOCATION OF GRANT RECEIPTS AND EXPENDITURE

### Table 13

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q3 Third Quarter										
Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>RECEIPTS:</b>										
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		150 976	182 532	183 148	41 870	181 117	181 733	-		181 733
Local Government Equitable Share		146 821	167 483	167 483	41 870	167 483	167 483	-		167 483
Finance Management		1 900	1 900	1 900		1 900	1 900			1 900
EPWP Incentive		2 255	2 234	2 234		2 234	2 234			2 234
Integrated National Electrification Programme			9 500	10 116		9 500	10 116			10 116
Other transfers and grants [MIG PMU]	3		1 415	1 415				-		
<b>Provincial Government:</b>		4 304	6 238	3 488	-	3 488	3 488	-		3 488
Provincialisation of Libraries		3 581	1 228	1 228		1 228	1 228	-		1 228
Community Library Services Grant			1 510	1 510		1 510	1 510			1 510
Nodal plans			2 500					-		
Spatial Development Framework Support	4	196	1 000	750		750	750	-		750
GIS Pertinent Grant		500						-		
Sports & Recreation Grant		28						-		
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
<b>Total Operating Transfers and Grants</b>	5	155 280	188 769	186 635	41 870	184 605	185 221	-		185 221
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		39 577	33 954	39 750	14 269	26 269	39 750	(7 685)	-19.3%	32 065
Municipal Infrastructure Grant (MIG)		34 706	33 954	33 954	14 269	26 269	33 954	(7 685)	-22.6%	26 269
Neighbourhood Development Partnership		4 871		5 796			5 796			5 796
<b>Provincial Government:</b>		-	1 131	2 281	-	1 131	2 281	(1 151)	-50.4%	2 281
[Provincialisation of Libraries]			1 131	2 281		1 131	2 281	(1 151)	-50.4%	2 281
<b>Total Capital Transfers and Grants</b>	5	39 577	35 085	42 032	14 269	27 400	42 032	(8 836)	-21.0%	34 346
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRA</b>	5	194 857	223 854	228 667	56 139	212 004	227 252	(8 836)	-3.9%	219 567

The total operational YTD grant receipts as at 31<sup>st</sup> March 2020 is R184.6 million which has been fully received as budgeted and it has been split as follows: Equitable share of R167.5; FMG of R 1.9 million; R2.2 million for (EPWP) and R3.6 million for the Library.

The total YTD Operational expenditure as at 31<sup>st</sup> March 2020 is R121.7 million with a remaining unspent grant of R64.9 million at 65.2%. Remaining grants will be spent at year end.

The total capital YTD grant receipts as at 31<sup>st</sup> March 2020 is R27.4 million which has been fully received as budgeted and it has been split as follows: MIG of 26.3 million, however it should be noted that Treasury has revised this allocation and reduced by R7,7 due to the municipality not complying with the conditions of the grant.

The total YTD capital expenditure as at 31<sup>st</sup> March 2020 is R10.7 million with a remaining unspent grant of R31.5 million at 25%. Underspending is due to delays in implementing MIG projects. However, a turnaround strategy has been developed by redirecting funds to other projects.

**SCM IMPLEMENTATION**

The success of the SCM Unit is dependent on the role played by the user departments. To control the unit the procurement plans were instituted and implemented. However these plans are not perfectly followed.

Improvement is monitored through working together with other departments. Bid Committees have worked tremendously to support the functioning of the unit.

Due to poor planning in some units there is an increase in deviations. This situation is being addressed.

Contract management is earmarked for improvement as this is an area that the report of the auditor general has pointed out some weaknesses, including the maintenance of documents, monitoring of service providers, transfer of skills etc.

**COST CUTTING MEASURES**

We have identified quite a number of areas that require urgent attention if we are to remain financially stable;

- S & T and Accommodation
- Catering services
- Study programmes
- Excessive staff and Interns
- SALGA Games
- Excessive use of consultants
- Unbudgeted requests from community & government agencies
- Unfunded mandates

**Municipal manager's quality certificate**

I **S.G. Khuzwayo**, acting municipal manager of Mandeni Municipality, hereby certify that the:

- **Section 52(d) 3<sup>rd</sup> Quarter Report (July\_ March)**

Has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act,

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

Municipal manager of Mandeni Municipality (KZN 291)

Signature\_\_\_\_\_

Date **31<sup>st</sup> March 2020**