

MANDENI MUNICIPALITY

KZN291



BUDGET & TREASURY DEPARTMENT

MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED MAY 2023/24 FINANCIAL YEAR

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2023/24 BUDGET FOR THE PERIOD ENDING 31 MAY 2024.

1. PURPOSE

The purpose of the report is to submit to the Mayor the statement of financial performance and implementation of the 2023/24 Budget of the Mandeni Municipality for the period ending 31 May 2024 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 31 May 2024 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 Managers quality certificate

1.1 FINANCIAL PERFORMANCE

BUDGET SUMMARY

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M11 May									
Description	2022/23	Budget Year 2023/24							
	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)	401 553	382 369	418 730	13 739	402 319	383 836	18 483	5%	382 369
Total Expenditure	340 534	402 121	439 037	34 633	360 646	402 451	(41 805)	-10%	402 121
Surplus/(Deficit)	61 019	(19 752)	(20 307)	(20 893)	41 673	(18 615)	60 288	-324%	(19 752)
Transfers and subsidies - capital (monetary allocations)	45 387	48 381	60 292	5 171	42 603	55 268	(12 665)	-23%	48 381
Surplus/(Deficit) after capital transfers & contributions	106 406	28 629	39 985	(15 722)	84 275	36 653	47 623	130%	28 629
Surplus/ (Deficit) for the year	106 406	28 629	39 985	(15 722)	84 275	36 653	47 623	130%	28 629
Capital expenditure & funds sources									
Capital expenditure	73 316	143 945	139 784	17 060	106 039	127 936	(21 897)	-17%	143 945
Capital transfers recognised	12 628	55 598	52 428	4 479	46 072	48 059	(1 987)	-4%	55 598
Borrowing	0	—	—	—	—	—	—	—	—
Internally generated funds	60 688	88 347	87 356	12 581	59 967	79 877	(19 910)	-25%	88 347
Total sources of capital funds	73 316	143 945	139 784	17 060	106 039	127 936	(21 897)	-17%	143 945

As can be seen from the table above, Actual surplus for the period ended 31st May 2024 is more than the Budgeted Surplus. Monthly budget statement summary (Table C1), for the period ending 31st May 2024 (year to date actual), shows a surplus of R84.3 million against YTD budget of R36.7 million which reflects variance of more than 100%.

Currently there are no financial challenges and major risks facing the municipality. A total amount of R215 million is invested by the municipality to the approved banking institutions and the total investment register closing balance as of May 2024, is R 226.7million.

1.2 Monthly Budget statement Summary M11-MAY 2024

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M11 May									
Description	2022/23	Budget Year 2023/24							
	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	50 660	59 329	59 329	3 237	51 204	54 385	(3 181)	-6%	59 329
Service charges	61 434	63 657	72 787	5 892	67 405	66 722	683	1%	63 657
Investment revenue	20 010	—	—	—	—	—	—	—	—
Transfers and subsidies - Operating	20 010	10 500	23 500	2 053	25 311	21 542	3 769	17%	10 500
Other own revenue	249 438	248 882	263 113	2 557	258 400	241 187	17 213	7%	—
Total Revenue (excluding capital transfers and contributions)	401 553	382 369	418 730	13 739	402 319	383 836	18 483	5%	382 369
Employee costs	116 754	141 420	141 563	11 116	115 163	129 766	(14 603)	-11%	141 420
Remuneration of Councillors	14 325	15 460	15 460	1 214	13 350	14 172	(822)	-6%	15 460
Depreciation and amortisation	32 437	35 534	35 534	2 853	30 671	32 573	(1 902)	-6%	35 534
Interest	325	100	3 300	103	137	3 025	(2 888)	-95%	100
Inventory consumed and bulk purchase	49 664	51 014	55 837	7 199	48 686	51 184	(2 498)	-5%	51 014
Transfers and subsidies	—	—	—	—	—	—	—	—	—
Other expenditure	127 029	158 592	187 342	12 147	152 639	171 730	(19 092)	-11%	158 592
Total Expenditure	340 534	402 121	439 037	34 633	360 646	402 451	(41 805)	-10%	402 121
Surplus/(Deficit)	61 019	(19 752)	(20 307)	(20 893)	41 673	(18 615)	60 288	-324%	(19 752)
Transfers and subsidies - capital (monetary allocations)	45 387	48 381	60 292	5 171	42 603	55 268	(12 665)	-23%	48 381
Surplus/(Deficit) after capital transfers & contributions	106 406	28 629	39 985	(15 722)	84 275	36 653	47 623	130%	28 629
Surplus/ (Deficit) for the year	106 406	28 629	39 985	(15 722)	84 275	36 653	47 623	130%	28 629
Capital expenditure & funds sources									
Capital expenditure	73 316	143 945	139 784	17 060	106 039	127 936	(21 897)	-17%	143 945
Capital transfers recognised	12 628	55 598	52 428	4 479	46 072	48 059	(1 987)	-4%	55 598
Borrowing	0	—	—	—	—	—	—	—	—
Internally generated funds	60 688	88 347	87 356	12 581	59 967	79 877	(19 910)	-25%	88 347
Total sources of capital funds	73 316	143 945	139 784	17 060	106 039	127 936	(21 897)	-17%	143 945
Financial position									
Total current assets	288 947	177 849	312 297		355 340				177 849
Total non current assets	602 748	740 801	704 758		678 115				740 801
Total current liabilities	78 293	71 097	(93 875)		59 415				71 097
Total non current liabilities	17 730	22 795	21 693		17 730				22 795
Community wealth/Equity	795 672	824 758	1 089 236		956 310				824 758
Cash flows									
Net cash from (used) operating	285 069	99 211	82 858	(19 793)	99 787	112 695	12 909	11%	(281 522)
Net cash from (used) investing	(432 612)	(190 367)	(160 666)	(19 619)	(121 945)	(169 369)	(47 424)	28%	190 367
Net cash from (used) financing	—	—	—	—	—	—	—	—	—
Cash/cash equivalents at the end of the year	(64 555)	116 824	176 717	—	232 367	197 851	(34 516)	-17%	(91 156)
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	8 995	3 453	4 384	3 814	5 511	5 557	19 689	175 908	227 310
Creditors Age Analysis									
Total Creditors	29	—	—	—	—	—	—	—	29

Table 1.3

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

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M11 May										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
<u>Revenue - Functional</u>										
<i>Governance and administration</i>		319 605	305 464	319 314	6 016	313 550	292 705	20 845	7%	305 464
Executive and council		–	7 806	7 806	–	–	7 156	(7 156)	-100%	7 806
Finance and administration		319 605	297 658	311 508	6 016	313 550	285 549	28 001	10%	297 658
Internal audit		–	–	–	–	–	–	–		–
<i>Community and public safety</i>		10 732	4 692	4 743	406	4 098	4 347	(249)	-6%	4 692
Community and social services		5 497	4 692	4 743	406	4 098	4 347	(249)	-6%	4 692
Sport and recreation		5 234	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
<i>Economic and environmental services</i>		46 274	54 327	67 424	5 436	49 037	61 805	(12 768)	-21%	54 327
Planning and development		44 726	49 857	47 398	3 181	32 020	43 448	(11 428)	-26%	49 857
Road transport		1 548	4 470	20 026	2 255	17 017	18 358	(1 341)	-7%	4 470
Environmental protection		–	–	–	–	–	–	–		–
<i>Trading services</i>		70 329	66 266	87 542	7 053	78 237	80 246	(2 009)	-3%	66 266
Energy sources		56 878	53 804	75 079	5 830	65 755	68 822	(3 067)	-4%	53 804
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		13 451	12 463	12 463	1 223	12 482	11 424	1 058	9%	12 463
<i>Other</i>	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	446 939	430 750	479 022	18 910	444 922	439 104	5 818	1%	430 750
<u>Expenditure - Functional</u>										
<i>Governance and administration</i>		168 536	201 988	252 151	15 103	181 816	231 139	(49 322)	-21%	201 988
Executive and council		54 325	62 711	64 591	5 210	56 164	59 208	(3 044)	-5%	62 711
Finance and administration		114 211	139 277	187 560	9 893	125 652	171 930	(46 278)	-27%	139 277
Internal audit		–	–	–	–	–	–	–		–
<i>Community and public safety</i>		34 639	42 477	42 484	4 541	41 946	38 944	3 003	8%	42 477
Community and social services		26 279	31 792	31 347	3 188	30 294	28 735	1 559	5%	31 792
Sport and recreation		8 335	9 442	9 935	1 344	11 257	9 107	2 149	24%	9 442
Public safety		–	1 223	1 162	–	367	1 065	(699)	-66%	1 223
Housing		24	20	40	9	29	37	(8)	-21%	20
Health		–	–	–	–	–	–	–		–
<i>Economic and environmental services</i>		65 567	81 845	86 280	8 903	62 793	79 090	(16 297)	-21%	81 845
Planning and development		19 166	22 164	23 161	2 221	16 749	21 231	(4 483)	-21%	22 164
Road transport		43 242	55 750	59 187	6 350	42 709	54 255	(11 546)	-21%	55 750
Environmental protection		3 159	3 931	3 931	331	3 336	3 603	(268)	-7%	3 931
<i>Trading services</i>		71 791	75 761	98 107	6 086	74 090	89 932	(15 841)	-18%	75 761
Energy sources		60 265	55 216	76 369	4 944	63 841	70 005	(6 163)	-9%	55 216
Water management		–	–	–	–	–	–	–		–
Waste water management		2 487	2 948	2 948	215	2 330	2 703	(372)	-14%	2 948
Waste management		9 039	17 597	18 790	927	7 919	17 224	(9 305)	-54%	17 597
<i>Other</i>		–	50	–	–	–	–	–		50
Total Expenditure - Functional	3	340 534	402 121	479 022	34 633	360 646	439 104	(78 458)	-18%	402 121
Surplus/ (Deficit) for the year		106 406	28 629	39 985	(15 722)	84 275	36 653	84 276	230%	28 629

Table 1.4**Table C3 Monthly Budget Statement – Financial Performance and expenditure by municipal vote**

KZN291 Mandeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 May										
Vote Description	Ref	2022/23	Budget Year 2023/24							
		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		–	7 806	7 806	–	–	7 156	(7 156)	-100.0%	7 806
Vote 2 - Finance and administration		319 605	297 658	311 508	6 016	313 550	285 549	28 001	9.8%	297 658
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		5 497	4 692	4 743	406	4 098	4 347	(249)	-5.7%	4 692
Vote 5 - Sport and Recreation		5 234	–	–	–	–	–	–		–
Vote 6 - Public safety		–	–	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Planning and Development		44 726	49 857	47 398	3 181	32 020	43 448	(11 428)	-26.3%	49 857
Vote 9 - Road transport		1 548	4 470	20 026	2 255	17 017	18 358	(1 341)	-7.3%	4 470
Vote 10 - Energy sources		56 878	53 804	75 079	5 830	65 755	68 822	(3 067)	-4.5%	53 804
Vote 11 - Waste Management		13 451	12 463	12 463	1 223	12 482	11 424	1 058	9.3%	12 463
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	446 939	430 750	479 022	18 910	444 922	439 104	5 818	1.3%	430 750
Expenditure by Vote	1									
Vote 1 - Executive and council		54 325	62 711	64 591	5 210	56 164	59 208	(3 044)	-5.1%	62 711
Vote 2 - Finance and administration		114 211	139 277	187 560	9 893	125 652	171 930	(46 278)	-26.9%	139 277
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		26 279	31 792	31 347	3 188	30 294	28 735	1 559	5.4%	31 792
Vote 5 - Sport and Recreation		8 335	9 442	9 935	1 344	11 257	9 107	2 149	23.6%	9 442
Vote 6 - Public safety		–	1 223	1 162	–	367	1 065	(699)	-65.6%	1 223
Vote 7 - Housing		24	20	40	9	29	37	(8)	-21.0%	20
Vote 8 - Planning and Development		19 166	22 214	23 161	2 221	16 749	21 231	(4 483)	-21.1%	22 214
Vote 9 - Road transport		45 730	58 698	62 136	6 565	45 039	56 958	(11 919)	-20.9%	58 698
Vote 10 - Energy sources		60 265	55 216	76 369	4 944	63 841	70 005	(6 163)	-8.8%	55 216
Vote 11 - Waste Management		9 039	17 597	18 790	927	7 919	17 224	(9 305)	-54.0%	17 597
Vote 12 - Environmental Protection		3 159	3 931	3 931	331	3 336	3 603	(268)	-7.4%	3 931
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	340 534	402 121	479 022	34 633	360 646	439 104	(78 458)	-17.9%	402 121
Surplus/ (Deficit) for the year	2	106 406	28 629	39 985	(15 722)	84 275	36 653	84 276	229.9%	28 629

Table 1.5 provides information on the planned revenue and operational expenditures against the actual results for the period ending 31st May 2024

This report analyses each major component under following headings;

- Revenue by Source
- Operational Expenditure by Type, and

KZN291 Mandeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue										
Exchange Revenue										
Service charges - Electricity		49 864	52 613	61 743	4 852	56 080	56 598	(518)	-1%	52 613
Service charges - Water		—	—	—	—	—	—	—	—	—
Service charges - Waste Water Management		—	—	—	—	—	—	—	—	—
Service charges - Waste management		11 570	11 044	11 044	1 039	11 325	10 124	1 201	12%	11 044
Sale of Goods and Rendering of Services		7 854	618	12 862	156	9 698	11 791	(2 093)	-18%	618
Agency services		—	—	—	—	—	—	—	—	—
Interest		—	—	—	—	—	—	—	—	—
Interest earned from Receivables		1 229	918	918	120	798	841	(43)	-5%	918
Interest from Current and Non Current Assets		20 010	10 500	23 500	2 053	25 311	21 542	—	—	10 500
Dividends		—	—	—	—	—	—	—	—	—
Rent on Land		106	—	—	—	—	—	—	—	—
Rental from Fixed Assets		248	192	242	30	275	222	53	24%	192
Licence and permits		22	—	—	(11)	—	—	—	—	—
Operational Revenue		2 548	396	2 012	66	1 935	1 844	91	5%	396
Non-Exchange Revenue		—	—	—	—	—	—	—	—	—
Property rates		50 660	59 329	59 329	3 237	51 204	54 385	(3 181)	-6%	59 329
Surcharges and Taxes		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		1 002	1 210	1 210	8	260	1 109	(850)	-77%	1 210
Licence and permits		525	737	737	112	932	676	256	38%	737
Transfers and subsidies - Operational		223 107	241 975	242 295	1 815	241 305	222 104	19 202	9%	241 975
Interest		2 628	2 837	2 837	261	3 196	2 600	596	23%	2 837
Fuel Levy		—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		—	—	—	—	—	—	—	—	—
Other Gains		30 181	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—
capital transfers and contributions)		401 553	382 369	418 730	13 739	402 319	383 836	18 483	5%	382 369
Expenditure By Type										
Employee related costs		116 754	141 420	141 563	11 116	115 163	129 766	(14 603)	-11%	141 420
Remuneration of councillors		14 325	15 460	15 460	1 214	13 350	14 172	(822)	-6%	15 460
Bulk purchases - electricity		45 293	43 603	51 864	3 896	43 671	47 542	(3 871)	-8%	43 603
Inventory consumed		4 371	7 411	3 974	3 304	5 015	3 642	1 373	38%	7 411
Debt impairment		—	37 303	37 303	—	18 652	34 194	(15 543)	-45%	37 303
Depreciation and amortisation		32 437	35 534	35 534	2 853	30 671	32 573	(1 902)	-6%	35 534
Interest		325	100	3 300	103	137	3 025	(2 888)	-95%	100
Contracted services		62 194	64 092	84 884	7 828	73 241	77 810	(4 569)	-6%	64 092
Transfers and subsidies		—	—	—	—	—	—	—	—	—
Irrecoverable debts written off		15 022	7 500	7 500	—	3 750	6 875	(3 125)	-45%	7 500
Operational costs		43 672	48 198	56 155	5 362	57 857	51 476	6 381	12%	48 198
Losses on Disposal of Assets		6 080	1 500	1 500	(1 043)	(1 043)	1 375	(2 418)	-176%	1 500
Other Losses		61	—	—	—	182	—	182	#DIV/0!	—
Total Expenditure		340 534	402 121	439 037	34 633	360 646	402 451	(41 805)	-10%	402 121
Surplus/(Deficit)		61 019	(19 752)	(20 307)	(20 893)	41 673	(18 615)	60 288	(0)	(19 752)
Transfers and subsidies - capital (monetary allocations)		45 387	48 381	60 292	5 171	42 603	55 268	(12 665)	(0)	48 381
Surplus/(Deficit) after capital transfers & contributions		106 406	28 629	39 985	(15 722)	84 275	36 653			28 629
Income Tax		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		106 406	28 629	39 985	(15 722)	84 275	36 653			28 629
Share of Surplus/Deficit attributable to J		—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to M		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		106 406	28 629	39 985	(15 722)	84 275	36 653			28 629
Share of Surplus/Deficit attributable to A		—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transac		—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year		106 406	28 629	39 985	(15 722)	84 275	36 653			28 629

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

Figure 1

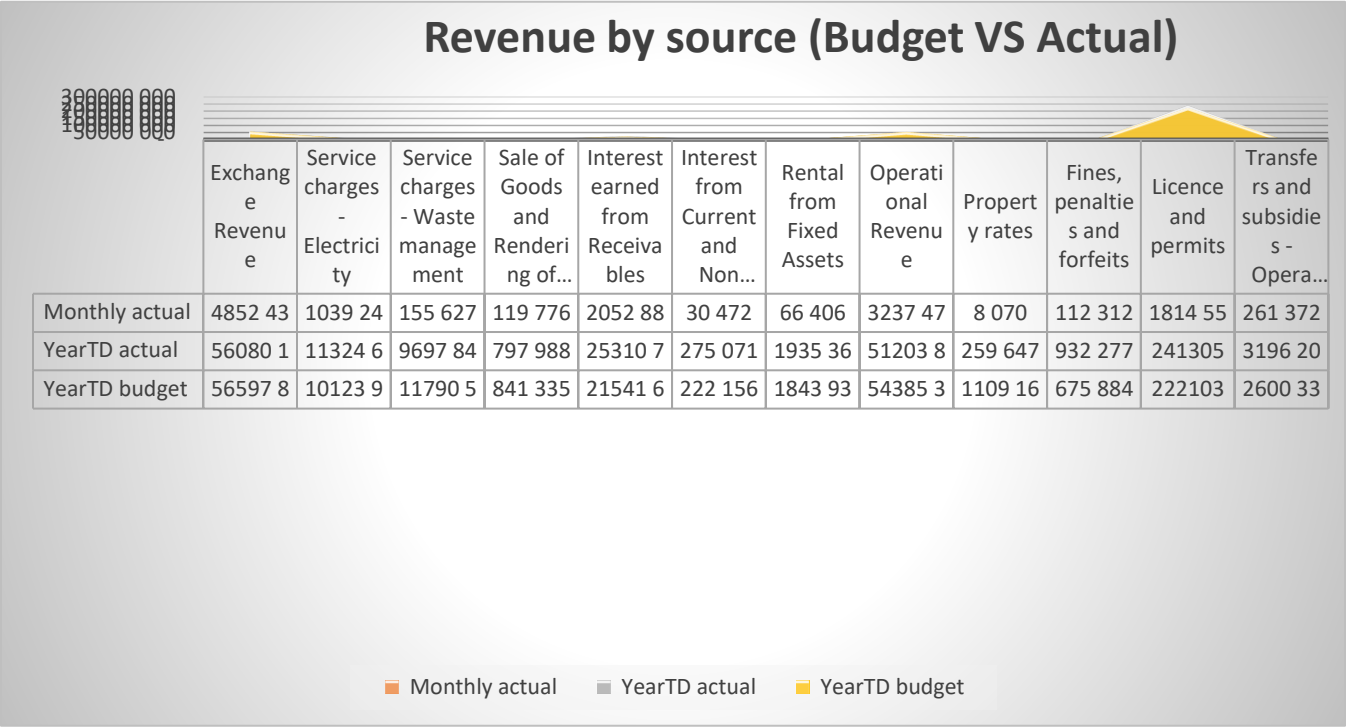
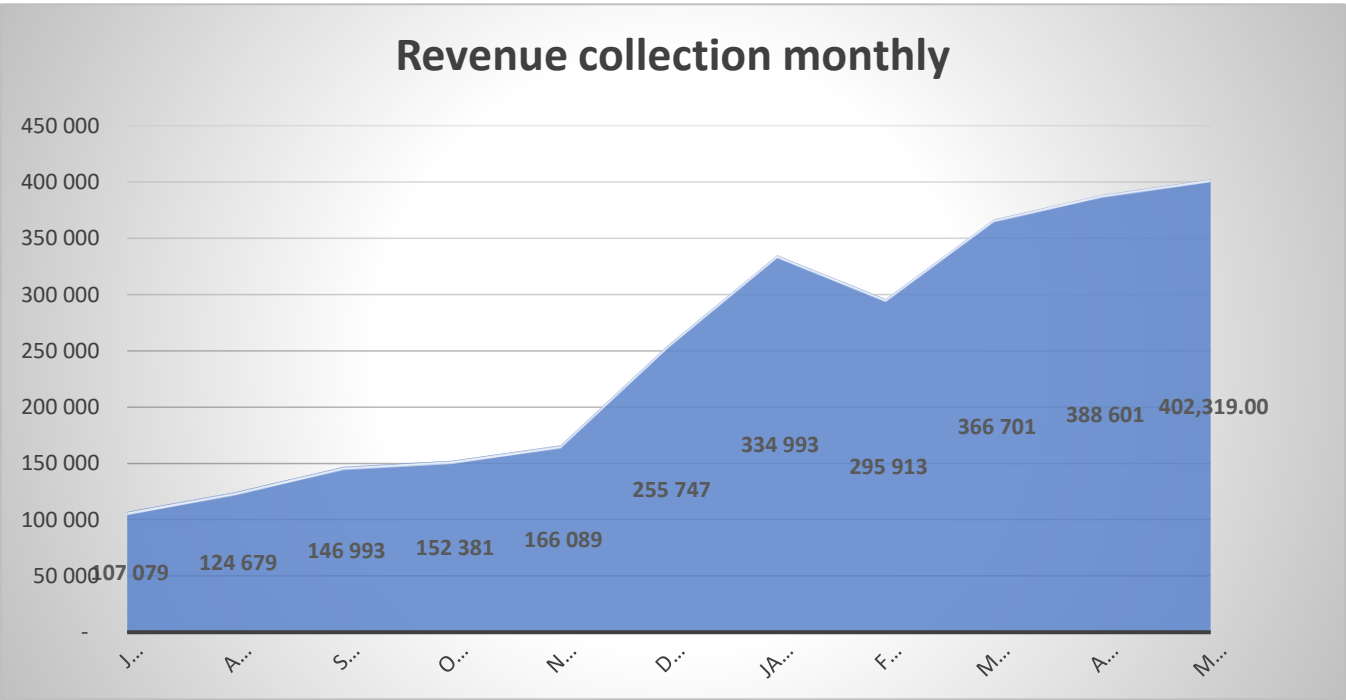


Figure 2



Revenue:

- The Year to Date (YTD) total revenue earned is R402.3 million for the period ending 31st May 2024 excluding capital conditional grant income. The YTD Budget is R383.8million; therefore, this reflects an over performance against the revenue projected by 5%, this is a reflection that the municipality has achieved its revenue performance budget.

EXCHANGE REVENUE**Service Charges: Electricity**

- Revenue for service charges- electricity is recognized on an invoice basis and the total amount billed is R56.1 million (current month – R4.9million) over a budget YTD of R56.6 million the target for this item has been reached, as the variance to this vote is zero.

The actual cash collected is R 4.9 million for the month ended May 2024.

Service Charges: Refuse

- The actual revenue from Service Charges Refuse as @ 31st May 2024 is R11.3 million or 12 percent more than the budgeted income of R10.1 million. Variance is due to business refuse which has increased during this period. As part of Revenue Enhancement Strategy, the Municipality provides an incentive for consumers who wish to settle their annual refuse collection debt within the 1st two months of the financial year. As result we receive a lot of requests for annual refuse billings in this regard. As the months progresses the revenue billed will subsequently match the budgeted figures.
- The actual cash collected is R 281thousand for the month ended May 2024.

Sale of Goods and rendering services

- Sale of Goods and services amounts to R9.7 million in comparison with the year-to-date budget of R11.8 million, thus indicating an under performance by R 2.1million or 18percent, variance is due to INEP revenue which has been recognised under Transfers and subsidies operational. This item will be updated so as to adhere to GRAP 11.

Interest earned from receivables.

- Interest earned from receivables amounts to R798 thousand in comparison with the year-to-date budget of R841 thousand, thus indicating an under performance by R43thousand or 5 percent, variance is based on the outstanding debt billed on refuse and electricity. Interest rate on outstanding debtors is 2% per annum.

Interest from Current and Non-Current assets

- Interest earned on external investments amounts to R25.3 million in comparison with the year-to-date budget of R21.5 million, thus indicating an over performance by R3.8 million or 17 percent, variance is based interest rate on the cash available from previous year cash backed reserves and additional grants received.
- Further to that the municipality has taken decision to redirect the interest generated from these investments towards service delivery which will also be considered during adjustment budget process.

Rental from fixed assets

- Revenue from rental of facilities recognised amounts to R275 thousand in comparison with the year-to-date budget amount of R222 thousand thus indicating an over performance of R53thousand or 24 percent. Variance is due to level of demand in rental of municipal facilities due (Municipal sports fields, municipal halls) when comparing to the projections.

Operational Revenue

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

The year-to-date performance in Operational Revenue amounts to R1,9 million more than anticipated YTD budget of R1,7 million, thus indicating an over performance of R193 thousand or 11 percent, variance is mainly due to the municipality receiving additional revenue which were not budgeted for during budgeted preparation process as there was no source to support this revenue.

NON-EXCHANGE REVENUE

Property Rates

- The municipality accounts for Property Rates on an invoice basis in line with GRAP requirements and the total amount billed is R51.2million which equates to an under billing by 6% when compared to the total R million pro-rata property rates revenue budgeted.
- The actual cash collected being R4.7million for the month ended May 2024.

Fines, Penalties and forfeits

- Fines underperformed by 77 percent or R850 thousand, with an actual amount of R260 thousand variance against year-to-date budget projections of R1.1 million. This is mainly due to the culture of non-payment and adverse economic conditions. Revenue reported to date is on cash basis, as the municipality accounts for fines in terms of iGRAP 1 during year end.

Licences and permits.

- Licences and permits have over performed by 932% or R676 thousand with an actual amount of R820 thousand as compared to budget of R256 thousand, variance is due to the level of demand for issuing of licences and permits. Revenue reported has been received from issuing licences and permits by traffic department and trading licences for business within the municipality.

Transfers & subsidies

- Transfers and subsidies recognised operational amounts to R241.3million YTD Actual in comparison with the YTD budget of R222.1 million, thus indicating an over performance by R19.2 million or 9 percent, variance is mainly attributable to the municipality receiving total allocation of Equitable Share of R230 million and realisation of operational grants spent as conditions have been met for EPWP, FMG and Library Grant.
- Transfers and subsidies capital amounts to R42.6million in comparison with the YTD budget of R55.3 million, thus indicating an under performance by R12.7 million variance is mainly attributable by expenditure in MIG. *(Detailed report on MIG expenditure has been provided below)*

Interest earned from receivables.

- In line with council adopted credit control policy, the municipality charges interest on arrear debtors.
- Interest earned from receivables amounts to R3.2million in comparison with the year-to-date budget of R2.6million, thus indicating an over performance by R596 thousand or 23 percent.

Operating Expenditure from May 2024

The table below reflects trend of expenditure for the period ended 31st May 2024

Figure 6

▪ Total Operating Expenditure

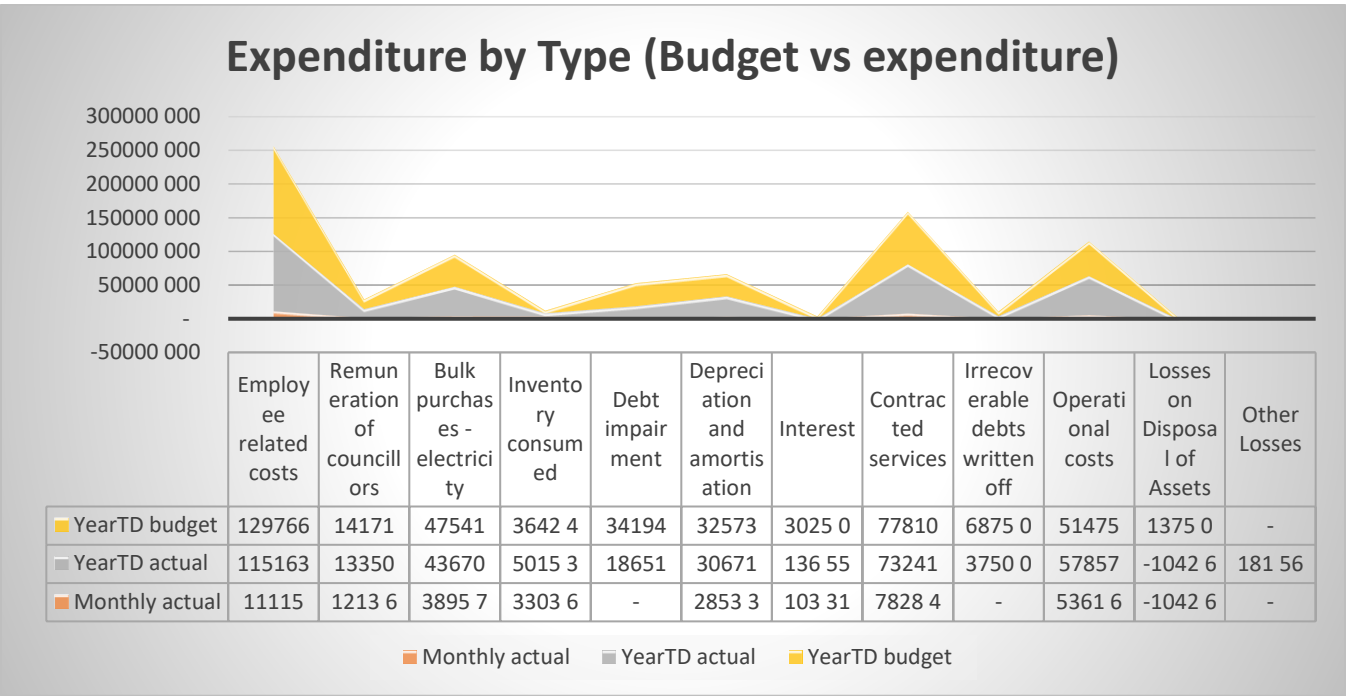
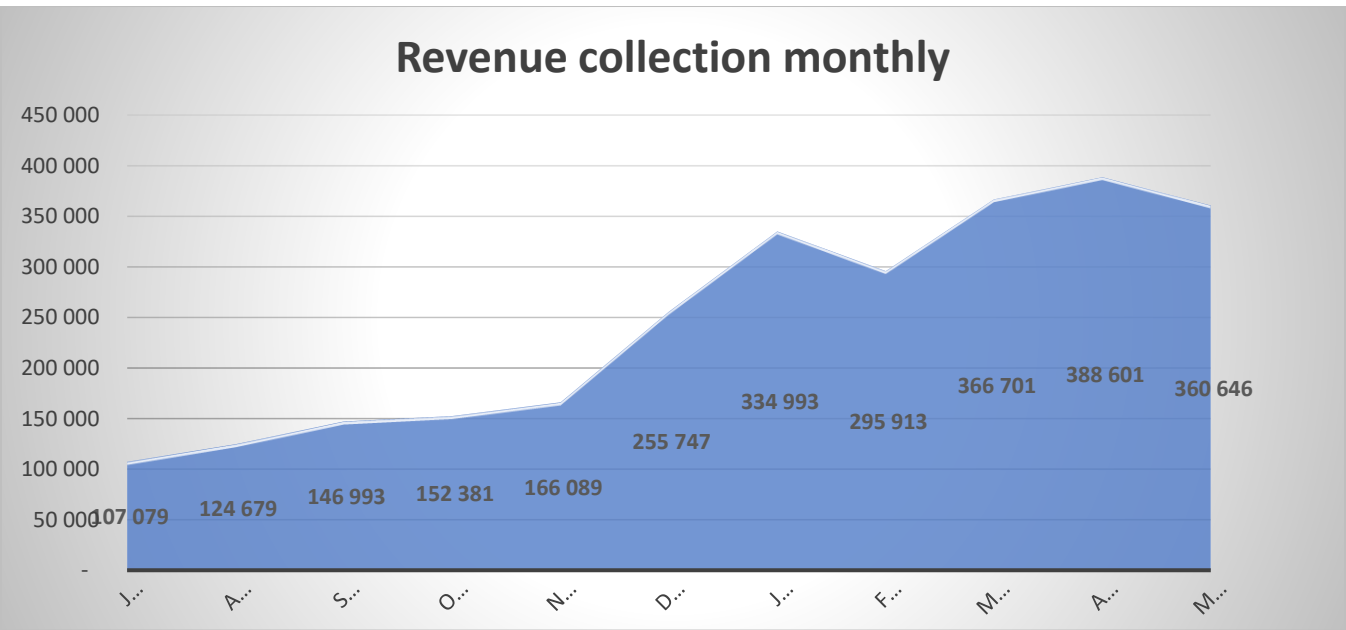


Figure 7



Operating Expenditure:

- The total operational expenditure YTD Actual for the period ending 31st May 2024 amounted to R 360.6million against the planned target of YTD budget is R 402.5million. As at the end of May the operational expenditure budget has been under spent by -10% or -R41.8 million. *Detailed expenditure analysis is below:*

Employee Related Costs

- Employee related costs YTD expenditure for the period ending 31st May 2024 amounted to R115.2 million while the YTD budget was R129.8million with an underspending of R14.6million at -11per cent. Variance is due to positions that were prioritised in the budget which have not been filled. However, recruitment processes are underway to filling of these positions.
- Furthermore, to that it should be noted that employee bonuses are now being paid on their birth month.
- Another contributing factor to this variance is due to calculation of provision for leave and long service awards which are processed at year end upon receiving the actuarial calculation for Actuaries.

Remuneration of Councilors

- The expenditure on councilor allowances as at 31st May 2024 was under spent by R822 thousand. The YTD Remuneration of Councilor's budget was R14.2 million whilst the actual expenditure incurred results in slightly under-spending of 6% YTD expenditure performance.
- Performance reported under Remuneration of Cllrs has considered the approval from COGTA in relation Cllrs Upper limits as per Gazette Notice No. 3807 dated 18 August 2023. Further to that backpack was considered when implementing this gazette.

Bulk Purchases

- The bulk purchases for Umngeni Water Board and Eskom Purchases reflects an underspending of 8 percent or R3.9 thousand from the year-to-date budget projections amounting to R47.5 million, variance is due to electricity bulk consumption by umngeni water and increased rate that was approved by NERSA.
- Performance reported in this line item has considered the expansion of Umngeni Water Plant. The plant increased its water generating capacity to circumvent the Hezelmere Dam shortfalls which came because of the KZN April 2022 floods which resulted in a serious destruction of the Bulk Water Infrastructure particularly in Ethekewini and the Southern part of KwaDukuza. As expected, the increase in the demand for the generation and subsequent transmission resulted in a rapid increase of electricity consumption.

Inventory Consumed

- Inventory Consumed are reflecting an underperformance by 38 percent or R1.4 million from YTD budget of R3.6 million against the YTD Actual of R5.0 million, variance is due to the implementation of procurement plan, however it should be noted that there will be improvement during the 4th quarter of this financial year as bulk of these projects will be implemented.
- Budget allocated for this item relates to materials procured by the municipality towards repairs and maintenance which are kept at stores for rendering of services, such as pothole patching materials, workshop stock etc.
- The municipality regularly reviews its repairs and maintenance plan so as to ensure that the infrastructure of the municipality is regularly monitored for its aging.

Debt Impairment

- The provision for bad debt is reflecting an under performance by 45percent or R15.5 million from YTD budget of R34.2 million against the YTD actual of R18.7 million. Based on the complexity of analysis which brings about the said calculation, it was management's view that such calculation should take place biannually (Midyear and Year end). We believe that the said Midyear calculation will increase the expenditure value to be in line with the year-to-date budgeted amount.
- When provision for debt impairment is calculated, the following assumptions must take into consideration.
 - Each debtor's account per age analysis must be analyzed.
 - The frequency of payment must be analyses on each debtor.
 - Indigent debtors, debtors with take on balances which cannot be explained, insolvent and debtors under administration of estate should be impaired 100%.
 - The Municipality is guided by a write off policy when the assumptions are determined.
 - Different services must be impaired separately.
 - Different customer must be impaired separately.

Depreciation and Asset Impairment

- Depreciation and asset impairment are reflecting an under performance by -6 percent or R1.9 million against YTD actual of R30.7 million against the YTD budget of R32.6 million, variance is low but it 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.

Interest

- Finance charges reflect an under performance by 95 percent or R2.9 million against YTD actual of R137 thousand. Expenditure incurred is due to interest paid to as per Eskom Invoices for late payment which results in fruitless and wasteful expenditure. However, the municipality has been engaging Eskom in relation to this interest being charged whereas payments are always done timeously.

- Another contributing factor to finance charges is the reclassification of retirement benefit obligation interest costs in accordance with GRAP 25, this calculation will be done during year end after assessment by Actuarial Report has been completed for the year.

Contracted Services

- Contracted services expenditure is reflecting an underspending of – 6 percent or R4.6 million from YTD budget of R77.8 million against the YTD actual of R73.2 million, variance is due to planned activities within this quarter, however we anticipate that this expenditure will improve during the last quarter of this year.

Irrecoverable debts written off

- Irrecoverable debts written off is within the projected budget of R6.9 million, this is due to result of Indigents and untraceable debtors which have been written off within the third quarter of this financial year. The municipality has been in the process of data cleansing, and we have discovered deceased accounts, liquidated companies etc.

Operational Cost

- Other expenditure has overspent by 12 percent or R6.4 million from YTD budget of R51.5 million against the YTD actual of R57.9 million, variance is due to activities that that took place in the third quarter of the financial year and the decision the municipality took on implementation of cost cutting measures so as to improve the municipal cash flows. Most of other expenditure items will take place during the third quarter of the year.

Losses on Disposal of assets

Losses on disposal of assets reflects R1.0million which is has been misallocated, a journal to correct it will be done, as it should be posted in the Gains rather than losses as this is monies received from Auction.

Other Losses

- Losses of R182 thousand reported as at mid-year is due to write off of Inventory items.

2. Capital Expenditure

Table C5 Monthly Budget Statement – Capital Expenditure

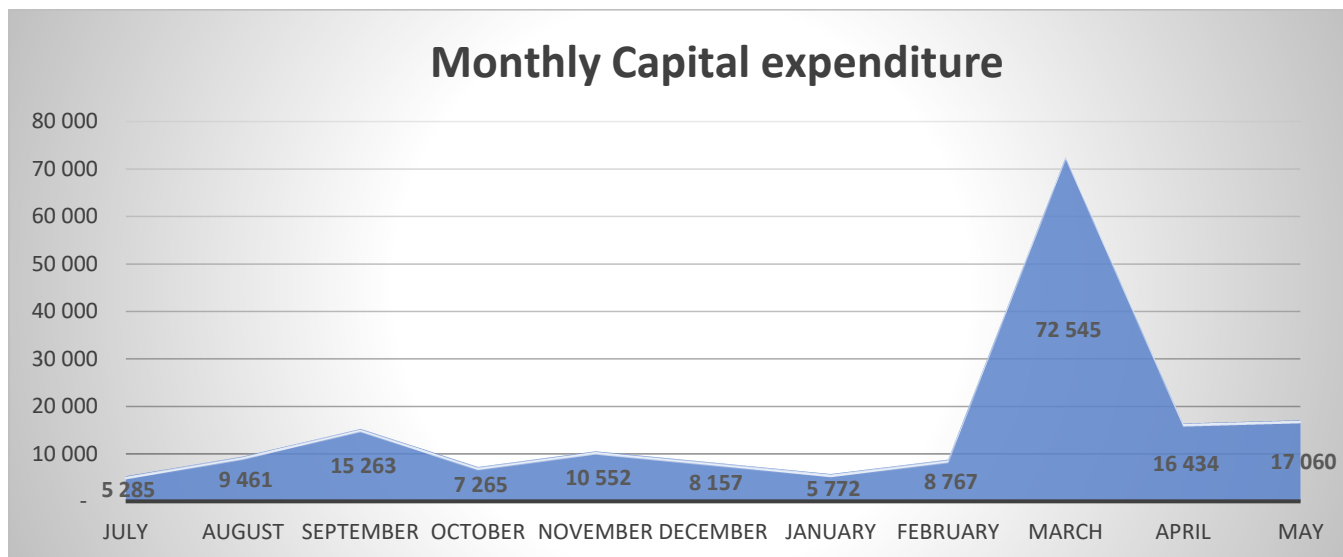
KZN291 Mandeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M11 May										
Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Single Year expenditure appropriate	2									
Vote 1 - Executive and council		–	1 843	1 878	1 723	1 932	1 722	210	12%	1 843
Vote 2 - Finance and administration		34 353	21 225	17 330	1 467	14 034	15 886	(1 851)	-12%	21 225
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		21 438	2 304	1 765	173	1 490	1 618	(128)	-8%	2 304
Vote 5 - Sport and Recreation		(4 264)	15 205	14 084	536	4 663	12 911	(8 247)	-64%	15 205
Vote 6 - Public safety		–	–	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Planning and Development		11 028	16 435	18 565	877	12 445	17 018	(4 573)	-27%	16 435
Vote 9 - Road transport		4 857	79 374	78 546	12 121	64 613	71 801	(7 188)	-10%	79 374
Vote 10 - Energy sources		5 903	2 957	3 710	163	1 907	3 400	(1 493)	-44%	2 957
Vote 11 - Waste Management		–	4 602	3 906	–	4 954	3 580	1 374	38%	4 602
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	73 316	143 945	139 784	17 060	106 039	127 936	(21 897)	-17%	143 945
Total Capital Expenditure		73 316	143 945	139 784	17 060	106 039	127 936	(21 897)	-17%	143 945
Capital Expenditure - Functional Classification										
Governance and administration		34 353	23 069	19 208	3 190	15 966	17 607	(1 641)	-9%	23 069
Executive and council		–	1 843	1 878	1 723	1 932	1 722	210	12%	1 843
Finance and administration		34 353	21 225	17 330	1 467	14 034	15 886	(1 851)	-12%	21 225
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		17 174	17 509	15 850	710	6 153	14 529	(8 375)	-58%	17 509
Community and social services		21 438	2 304	1 765	173	1 490	1 618	(128)	-8%	2 304
Sport and recreation		(4 264)	15 205	14 084	536	4 663	12 911	(8 247)	-64%	15 205
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		15 885	95 809	97 111	12 997	77 058	88 819	(11 761)	-13%	95 809
Planning and development		11 028	16 435	18 565	877	12 445	17 018	(4 573)	-27%	16 435
Road transport		4 857	79 374	78 546	12 121	64 613	71 801	(7 188)	-10%	79 374
Environmental protection		–	–	–	–	–	–	–		–
Trading services		5 903	7 558	7 615	163	6 861	6 981	(120)	-2%	7 558
Energy sources		5 903	2 957	3 710	163	1 907	3 400	(1 493)	-44%	2 957
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		–	4 602	3 906	–	4 954	3 580	1 374	38%	4 602
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	73 316	143 945	139 784	17 060	106 039	127 936	(21 897)	-17%	143 945
Funded by:										
National Government		12 628	55 119	51 837	4 479	45 451	47 517	(2 066)	-4%	55 119
Provincial Government		–	478	591	–	620	542	78	14%	478
District Municipality		–	–	–	–	–	–	–		–
Transfers recognised - capital		12 628	55 598	52 428	4 479	46 072	48 059	(1 987)	-4%	55 598
Borrowing	6	0	–	–	–	–	–	–		–
Internally generated funds		60 688	88 347	87 356	12 581	59 967	79 877	(19 910)	-25%	88 347
Total Capital Funding		73 316	143 945	139 784	17 060	106 039	127 936	(21 897)	-17%	143 945

Capital Expenditure from May 2024:

The YTD capital expenditure budget is R106.0 million against YTD actual Capital expenditure amounted to R 127.9 million resulting in an under performance of (17%) on capital expenditure. Variance in capital expenditure were due to different reason (detail report on the progress on all capital projects has been provided below).

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

Capital Expenditure reported as at May 2024



- Capital grants funded by National Government actual is R45.5 million versus YTD Budget of R47.5million, expenditure reported has been underspent by (4%). However, the municipality will ensure that grant is fully spent by year end.
- Capital grants funded by Provincial Government actual is R620 thousand versus YTD Budget of R 642thousand variance of (14%) reflects and OVER expenditure on this grant by R78thousand.
- Capital grants funded Internally actual is R60 million versus YTD Budget of R79.9 million variance of 25% reflects and under expenditure on this item. However, it should be noted that there are ongoing projects which are in progress in relation to this funding such as the DLTC Establishment, Upgrading of municipal offices roofing and rehabilitation of roads which will ensure that there is improvement in expenditure reported at year end. Further to that bulk of projects that were prioritized are rehabilitation of roads in all wards within Mandeni. Panel of Contractors has been finalized we are undertaking the appointment of services providers from the panel.

2.2 Monthly Budget Statement – expenditure on Repairs and Maintenance

KZN291 Mandeni - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M11 May										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		10 468	9 996	13 517	1 223	9 338	12 391	3 053	24.6%	9 996
Roads Infrastructure		7 600	5 522	6 261	1 030	5 611	5 739	128	2.2%	5 522
Roads		7 470	5 130	5 870	1 030	5 611	5 380	(230)	-4.3%	5 130
Road Structures		59	261	261	—	—	239	239	100.0%	261
Road Furniture		70	130	130	—	—	120	120	100.0%	130
Capital Spares		—	—	—	—	—	—	—		—
Storm water Infrastructure		627	1 087	3 435	2	748	3 149	2 400	76.2%	1 087
Drainage Collection		627	1 087	3 435	2	748	3 149	2 400	76.2%	1 087
Storm water Conveyance		—	—	—	—	—	—	—		—
Attenuation		—	—	—	—	—	—	—		—
Electrical Infrastructure		1 196	2 778	3 083	146	2 052	2 826	774	27.4%	2 778
Power Plants		93	61	61	—	—	56	56	100.0%	61
HV Substations		—	—	—	—	—	—	—		—
HV Switching Station		—	—	—	—	—	—	—		—
HV Transmission Conductors		—	1 304	1 304	140	406	1 196	790	66.1%	1 304
MV Substations		9	65	65	—	77	60	(17)	-28.8%	65
MV Switching Stations		—	—	—	—	—	—	—		—
MV Networks		58	87	87	—	47	80	33	41.6%	87
LV Networks		332	609	696	6	444	638	193	30.3%	609
Capital Spares		704	652	870	—	1 078	797	(281)	-35.3%	652
Capital Spares		—	—	—	—	—	—	—		—
Information and Communication Infrastruct		1 046	609	739	45	927	678	(249)	-36.8%	609
Data Centres		—	—	—	—	—	—	—		—
Core Layers		1 046	609	739	45	927	678	(249)	-36.8%	609
Distribution Layers		—	—	—	—	—	—	—		—
Capital Spares		—	—	—	—	—	—	—		—
Community Assets		1 089	1 485	2 137	337	1 672	1 959	287	14.6%	1 485
Community Facilities		52	294	294	—	179	269	91	33.6%	294
Halls		—	120	120	—	100	110	10	9.1%	120
Centres		—	—	—	—	—	—	—		—
Theatres		—	—	—	—	—	—	—		—
Libraries		3	—	—	—	—	—	—		—
Cemeteries/Crematoria		—	—	—	—	—	—	—		—
Police		—	—	—	—	—	—	—		—
PurIs		49	174	174	—	79	159	81	50.6%	174
Public Open Space		—	—	—	—	—	—	—		—
Capital Spares		—	—	—	—	—	—	—		—
Sport and Recreation Facilities		1 036	1 191	1 843	337	1 494	1 690	196	11.6%	1 191
Indoor Facilities		—	—	—	—	—	—	—		—
Outdoor Facilities		1 036	1 191	1 843	337	1 494	1 690	196	11.6%	1 191
Capital Spares		—	—	—	—	—	—	—		—
Non-revenue Generating		—	—	—	—	—	—	—		—
Improved Property		—	—	—	—	—	—	—		—
Unimproved Property		—	—	—	—	—	—	—		—
Other assets		91	70	40	—	30	37	7	19.5%	70
Operational Buildings		91	70	40	—	30	37	7	19.5%	70
Municipal Offices		91	70	40	—	30	37	7	19.5%	70
Pay/Enquiry Points		—	—	—	—	—	—	—		—
Machinery and Equipment		3 970	4 826	4 609	134	4 670	4 225	(445)	-10.5%	4 826
Machinery and Equipment		3 970	4 826	4 609	134	4 670	4 225	(445)	-10.5%	4 826
Total Repairs and Maintenance	1	15 618	16 377	20 303	1 694	15 710	18 612	2 902	15.6%	16 377

The ratio for Repairs and Maintenance measures the level of repairs to ensure adequate maintenance and to prevent breakdowns and interruptions to service delivery. Repairs and maintenance of municipal assets is required to ensure the continued provision of service.

PROGRESS REPORT AS AT 31 MAY 2024 –FUNDED PROJECTS

PROJECTS STATUS QUO / PROGRESS REPORT AS AT 31 MAY 2024 –FUNDED PROJECTS

2020/2021 FINANCIAL YEAR ROLL OVER CAPITAL PROJECTS (MIG)

No	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
01	Upgrade of Link Road between Masomonce Bus Route (Ward 10) and Enembe/Isith ebe Link Road (Ward 12)	10/12	This project entails the construction of the new scope of work to prioritize the Storm-water, retaining wall, sidewalk and fixing the damage sections of the road.	Consultant Iqhina Consulting Engineers Contractor TBA	R2 000 000.00	Planning stage	TBA	The new Consultant Iqhina consulting Engineers has been appointed to deal with the finishing of the project since the previous Consultant Leletu Consulting Engineers pulled out of the project.
<u>2022/2023 FINANCIAL YEAR CAPITAL PROJECTS (MIG)</u>								
02	Khenana and Hlomendlini High Mast Lights	4, 10, 16, 17 and 18	7 x new high mast lighting including the following: - 40A single phase supply kiosk per mast. - Electrical cable reticulation including all trenches, sleeves,	Consultant: BVI Consulting Contractor: Yakhalungisa Engineering Services	R5,924,861.03	The project is complete.	July 2023	All seven high mast lights have been energized.

No	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
			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.					
11	Construction of Hlomendlini Sportfield, Ward 4	4	Site Establishment. Setting out of works. Bulk earthworks to the various elements of infrastructure on side. Construction of a soccer field (110m x 75m). Construction of a combi court (38m x 19.5m). Construction of an ablution facility (10 toilet units), with change rooms (4 toilet units), public toilets (6 toilet units) and office/first aid room including water, sewage, and electrical supply. Construction of a grandstand with a minimum of 5 rows of seats (length of 25m). Installation of fencing including gate house (pedestrian and vehicle gates). Construction of an unpaved parking area.	Consultant: SRK Consulting Contractor: Zithinzuzo Trading Enterprise cc	R8,041,369.71	Project is 49% complete	March 2024	Contractor has since formally advised the Municipality on the 13 th February 2024 the challenges that they have experienced on site and due to such issue they are no longer in a financial position to be able to continue the project. The contractor and consultant have since been terminated, they are no longer continuing with the project.

No	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
								<p>The new consultant has since been appointed who is going to take over.</p> <p>New contractor still need to be appointed.</p>
12	Installation of High Mast Lights in Mandeni, Phase 2	3,5,9, 11 and 12	Supply and Install of 6 x 30m high mast lighting. Installation and Commissioning of street and high mast lighting. Certifying all the installations for compliance. Submitting project report, designs/drawings and quality stacks on project handover.	<p>Consultant: Africoast JBFE Project Manager</p> <p>Contractor: R Busisiwe (Pty) LTD</p>	R5,046,311.80	Project is 98% complete.	January 2024	<p>Awaiting approval of metering point application from Eskom. Previously approved metering point has expired due to delays that was experienced on the light fitting specification.</p>
13	Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili,	13	Site establishment. Site clearance. Mass Earthworks. Road Bed Preparation. Clearing Existing Stormwater Infrastructure. New Stormwater Infrastructure. New Pavement Layerworks. Road Surfacing. Kerbs and Channels. Road Restraint Systems. Road	<p>Consultant: DLV Project Managers & Engineers (Pty) Ltd</p> <p>Contractor: Bheka Phezulu Investments and Sales</p>	R12,748,334.78	Project is 39 % complete.		<p>There has been a slow progress on site since the contractor was without the plant to continue with the construction. As it stands the contractor has not adhered to the acceleration plan that</p>

No	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
	Ward 13 Phase 1		Signs. Road Marking. Finishing of road reserve.					they submitted in order to finish the project by the original completion date.
14	Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 2 and Ward 14 White City Section		Milling of existing asphalt. Removal of existing layerworks and box cut to 340mm. 300mm undercut to spoil and replace with G7 backfill at unsuitable founding conditions. Rip and compact Roadbed. Construct 150mm Gravel Subgrade: with in-situ material. Construct 150mm Subbase: G5 with material from commercial sources. Construct 150mm Base G2 with material from commercial sources. Construct 40mm Asphalt (Mix D). Construction of Concrete V-Drains & Kerbing. Construction of Stormwater pipelines utilising 600mmØ and 450mmØ Concrete Pipes.	Consultant: Singh Govender Associates Contractor: MVI-SSSS Trading Enterprise	R16,257,859.82	Project is 52% complete.	April 2024	The project is progressing very slow. The project have experienced very unsuitable in-situ material as a result of high moisture level including seepage due to fluctuation in subsurface ground water levels.
15	Rehabilitation of Internal		Establishment on site. Clearing & grubbing. Traffic accommodation	Consultant: Libeko (Pty) Ltd	R10,555,885.48	Project is 100% complete.	February 2024	

No	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
	Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 15		facilities. Milling and stockpiling of existing surface on strategic sections with minimal degree of surface failure. Insitu recycling (BSM2) on strategic sections with severe degree of surface failures. Patching. Heavy Rehabilitation. Construction of stormwater infrastructure. Replace with 40mm thick medium mix asphalt for the entire length of the road. Erection of Kerbing and Channel along either side of the road. Clearing of road reserve.	Contractor: Nangu-u-Mzamo Retailers				

2023/2024 FINANCIAL YEAR CAPITAL PROJECTS (MIG)

02	Endlondlweni Sportfield in Ward 10	4, 10, 16, 17 and 18	Clearing and removal of vegetation, i.e. trees and grass and topsoil removal. Earthworks to create the required platform for the development of sports facilities. Construction of 110m x70m soccer field (Soccer field to average DSR and SAFA standards complete with goalposts).	Consultant: Ukwakha Consulting Engineers Contractor: Maboka Contractors (Pty) Ltd	R 13,321,772.49	Project is 5% complete.	October 2024	Project launch took place on the 1 st of March 2024. Upon the project launch, it came to the Mandeni Municipality attention that the land that was earmarked for the construction of the
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			Construction of a 100m x55m Practice/Training Field. Athletic Track. Construction of Combi Court. Construction of change rooms, ablution facility, and Guardhouse. Construction of parking bays. Construction of a grandstand within the soccer field vicinity. Provision of water, sewer, and irrigation services. Stormwater Diversion. Provision of electricity. Clear view Fencing with vehicle and Pedestrian gate. Clearing and removal of vegetation, i.e. trees and grass and topsoil removal. Earthworks to create the required platform for the development of sports facilities. Construction of 110m x70m soccer field (Soccer field to average DSR and SAFA standards complete with goalposts). Construction of a 100m x55m Practice/Training Field. Athletic Track. Construction of Combi Court. Construction of change rooms, ablution facility, and Guardhouse. Construction of parking bays. Construction of a					sportfield has the graveyard. The family that has graves went out to site to identify the graves. The location of the site has been shifted to avoid touching the area where there are graves. Furthermore there is an issue of land ownership where the project is taking place, which has resulted in the project not progressing. There are ongoing discussions with the alleged owners.
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			grandstand within the soccer field vicinity. Provision of water, sewer, and irrigation services. Stormwater Diversion. Provision of electricity. Clear view Fencing with vehicle and Pedestrian gate.					
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2022/2023 FINANCIAL YEAR CAPITAL ROLL OVER PROJECTS (INEP)

No .	Project Name	Ward	Brief Description	Consultant & Contractor	Approved INEP Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
16	Completion of Okhovothe Electrification Project	12	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to electricity to 105 households' connections	Consultant: BVI Engineers Contractor: Onombuthu Pty LTD	R1,152,933.57	The project is 100% complete.	January 2024	Currently negotiating with Eskom for outage to energize the 105 dry connections.

No .	Project Name	Ward	Brief Description	Consultant & Contractor	Approved INEP Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
17	Dendethu / Wetane Electrification Project	5 & 15	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to electricity to 170 households' connections	Consultant: Veritas Engineers Contractor: Afrilectrical Consulting Engineers	R2,034,054.94	The project is 100% complete.	February 2023	
18	Emhlangeni Electrification	5	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to electricity to 100 households' connections	Consultant: PSMT Consulting Engineers Contractor: R Busisiwe (Pty) LTD	R2,908,456.61	Project is 95% complete.	January 2023	The project has a dependency as per Eskom's Network Planning Report, which is a line upgrade from MV Oak line to MV Chickadee line. This upgrade calls for break-and-build in the same servitude because of space constraints. The break-and-build requires the line to be dead, this then necessitates the booking of outages from the commencement of the

No .	Project Name	Ward	Brief Description	Consultant & Contractor	Approved INEP Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
								<p>project to do the upgrade as there are no connections to be added in the network before the line has been upgraded. Municipality to meet with DMRE head office on the 7th of March to discuss the project and the way forward.</p> <p>The meeting with DMRE was held and they advised that the municipality does the change control. The change control documents have been submitted to DMRE and municipality is waiting for their response.</p> <p>Outage booking with Eskom underway for energizing the 100 dry connections.</p>

No .	Project Name	Ward	Brief Description	Consultant & Contractor	Approved INEP Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments

2022/2023 FINANCIAL YEAR INTERNALLY FUNDED CAPITAL PROJECTS								
No.	Project Name	Ward	Brief Description	Consultant & Consultant	Approved Internal Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
19	Construction of DLTC and DMC Administration Offices - Phase 1	3	Construction of a Drivers Licence Testing centre administration offices and Testing Ground	Consultant: Nzamakhuze Holdings Contractor: Mlombomvu Projects CC	R14,017,239.00	Project is 97% Complete.	July 2023 EOT – 15 February 2024	The project is behind the schedule and the contractor has failed to complete the project despite being granted the extension of time. This has been caused by poor management skills. The project is behind the schedule and the contractor has failed to complete the project despite being granted the extension of time that ended on 15 February

								2024. No extension of time application has been sent, therefore the contractor is working outside of the contract period.
20	Repair and Renovation of Civic Centre and Roof Replacement	3	Replacement of Existing roof. Replacing existing ceiling. Treatment of Rising damp by Specialists. Installation of Energy saving Components and the replacement of all existing Electrical Components and Wiring. Upon Replacement of Existing Roofs, The networking and Security cabling will be exposed to damages therefore re-routing and the installation of cable trays is recommendable.	Consultant: LZM Africa Holdings Contractor: Uhlanga Trading Enterprise	R10,993,497.45	Project is 95% complete	February 2024	Anticipated delay with regards to the commencement of Phase 2 due to the Relocation of the Mandeni Library service. Further delays have been encountered as a result of a re-design of the Electrical Works along with the IT Services portion. The contractor has experienced further delays around items that are outsourced to be done by specialized services such as the smoke and fire system, inclement weather during the roof installation, delays regarding the carpentry works. The contractor has

			Damaged Walls with visible rising damp has to restored and re-painted.					anticipated achieving practical completion by end of April 2024. The contractor did not achieve practical completion as planned due to unforeseen delays.
21	Construction of Mechanical Workshop	3	Demolition of existing pavement and structures, earthworks, construction of a Mechanical workshop, construction of a new office block, paving front of the workshop, construction of a drainage channel, installation of water and sewer, installation of electrical, mechanical and associated works. The site comprises an abundant building that will be	Consultant: Ukwakha Consulting Engineers Contractor: Bheka Phezulu Investments and Sales	R16,996,962.19	Project is 73% complete	March 2024	The contractor is behind the programme. The contractor has submitted the extension of time application ending 31 May 2024

			demolished and an area to be used for the construction of the new office block.					
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2022/ 2023 FINANCIAL YEAR CAPITAL PROJECTS (MASSIFICATION

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date
22	Khenana Electrification Phase 5	10	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to electricity to 100 households’ connections	Consultant: Veritas Engineers Contractor: Godide Engineering Services (Pty)	R1,783,633.26	Project is 100% complete.	January 2024
23	Mantshangula/ Mhlubulweni Electrification	2 and 9	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to electricity to 105 households’ connections	Consultant: PSMT Consulting Engineers Contractor: R Busisiwe (PTY) LTD	R 3,906,727.96	Project is 90.1% complete	March 2024

2023/2024 FINANCIAL YEAR CAPITAL PROJECTS (DISASTER RECOVERY GRANT)

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
24	Gravelling of Novas Farm 2 (Ward 04)	4	(a) Establishment on site. (b) Clearing & grubbing. (c) Site clearance: removal of topsoil, cutting of trees and bushes, where required. (d) Overhaul: Hauling of gravel selected layer material from commercial source. (e) Purchase of G5 Material: from the Commercial Source. (f) Bulk Earthworks: Cut to fill, cut to spoil, etc. (g) Preparation of Roadbed and removal of unsuitable material. (h) Gravel selected layer: Preparation and process G7 material.	Consultant: Libeko (Pty) Ltd Contractor: Msebe Contracting and Trading cc	R3,665,502.91	Project is 100% complete	March 2024	

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			(i) Gravel wearing coarse: Preparation and process G5 material (j) Prefabricated Culverts: Laying of prefabricated culverts with associated catch pits and headwalls (k) Installation of subsoil (l) Installation of signages (m) Cleaning of road reserve					
25	The Rehabilitation of D2022 Road (Ward 14)	14	(a) Establishment on site. (b) Clearing & grubbing. (c) Site clearance: removal of topsoil, cutting of trees and bushes, where required.	Consultant: Libeko (Pty) Ltd Contractor: Musa and Sons Trading Enterprise Pty Ltd	R2,657,657.41	Project is 100% complete	March 2024	

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			(d) Overhaul: Hauling of gravel selected layer material from commercial source. (e) Purchase of G5 Material: from the Commercial Source. (f) Bulk Earthworks: Cut to fill, cut to spoil, etc. (g) Preparation of Roadbed and removal of unsuitable material. (h) Gravel selected layer: Preparation and process G7 material. (i) Chemical stabilization: Preparation and process (j) Installation of kerbing and channelling					

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			(k) Crushed Stone Base: Preparation and process G2 material (l) Prime Coat: preparation and application. (m) 40mm Asphalt Wearing coarse (n) Prefabricated Culverts: Laying of prefabricated culverts with associated catch pits and headwalls (o) Installation of subsoil (p) Road Marking (q) Installation of signages (r) Cleaning of road reserve					
26	Gravelling of Efaletu Road (Ward 3)	3	(a) Establishment on site. (b) Clearing & grubbing.	Consultant: Libeko (Pty) Ltd Contractor:	R3,905,945.04	Project is 97% complete	March 2024	The contractor reached practical completion on the 30 th of March 2024. They are attending to the snag items.

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			(c) Site clearance: removal of topsoil, cutting of trees and bushes, where required. (d) Overhaul: Hauling of gravel selected layer material from commercial source. (e) Purchase of G5 Material: from the Commercial Source. (f) Bulk Earthworks: Cut to fill, cut to spoil, etc. (g) Preparation of Roadbed and removal of unsuitable material. (h) Gravel selected layer: Preparation and process G7 material. (i) Gravel Wearing coarse: Preparation and process G5 material	Humble Frank Multi Service				

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			(j) Installation of Gabions (k) Excavation and preparation of side drains (l) Installation of subsoil (m) Prefabricated Culverts: Laying of prefabricated culverts with associated catch pits and headwalls (O) Installation of signages (p) Cleaning of road reserve					
27	Gravelling of D1293 Road (Ward 12)	12	(a) Establishment on site. (b) Clearing & grubbing. (c) Site clearance: removal of topsoil, cutting of trees and	Consultant: Libeko (Pty) Ltd Contractor: Sukoluhle Trading Enterprise	R4,653,370.55	Project is 100% complete	March 2024	

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			bushes, where required. (d) Overhaul: Hauling of gravel selected layer material from commercial source. (e) Purchase of G5 Material: from the Commercial Source. (f) Bulk Earthworks: Cut to fill, cut to spoil, etc. (g) Preparation of Roadbed and removal of unsuitable material. (h) Gravel Wearing coarse: Preparation and process G5 material. (i) Gravel Subbase coarse: Preparation and process G7 material (j) Side Drainage: Excavation and					

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			preparation of side drains. (k) Construction of stone pitching. (l) Installation of gabion wall and mattresses on stormwater inlet/outlet infrastructure (m) Cross drains: Laying of prefabricated culverts with associated catch pits and headwalls (n) Installation of subsoil (o) Installation of signages (p) Cleaning of road reserve					

5.3 Division of Revenue Act on Grants Receipts

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M11 May

Description	Ref	2022/23	Budget Year 2023/24							
		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:		223 519	244 496	244 803	-	244 946	183 602	61 344	33.4%	241 943
EPWP Incentive	-	2 435	2 553	2 410	-	2 553	1 808	746	41.2%	-
Finance Management	-	1 850	1 850	1 850	-	1 850	1 388	463	33.3%	1 850
Integrated National Electrification P	-	6 416	7 384	7 384	-	7 384	5 538	1 846	33.3%	7 384
Local Government Equitable Share	-	212 818	230 823	230 823	-	230 823	173 117	57 706	33.3%	230 823
Municipal Infrastructure Grant	-	-	1 886	2 336	-	2 336	1 752	584	33.3%	1 886
	3							-		
Other transfers and grants [insert description]								-		
Provincial Government:		53 711	3 873	14 414	-	14 414	7 218	7 196	99.7%	7 218
MASSIFICATION GRANT	-	50 633	-	4 761	-	4 761	3 571	1 190	33.3%	3 571
EDTEA				990		990	743	248	33.3%	743
				-				-		-
TITLE DEED	4			4 790		4 790		-		-
LIBRARY		3 078	3 873	3 873		3 873	2 905	968	33.3%	2 905
Other transfers and grants [insert description]								-		
Total Operating Transfers and Grants	5	277 231	248 369	259 217	-	259 360	190 820	68 540	35.9%	249 161
Capital Transfers and Grants										
National Government:		42 232	47 831	59 612	-	59 612	46 006	11 014	23.9%	50 384
Municipal Infrastructure Grant (MK)	-	42 232	47 831	44 056	-	44 056	33 042	11 014	33.3%	47 831
Integrated National Electrification P	-	-	-	-	-	-	-			2 553
Municipal Disaster Recovery Grant	-	-	-	15 556	-	15 556	12 963			-
Provincial Government:		4 972	550	550	-	550	413	138	33.3%	5 413
KwaZulu-Natal_Capacity Building	-	4 972	550	550	-	550	413	138	33.3%	5 413
TOTAL RECEIPTS OF TRANSFERS	5	324 435	296 750	319 379	-	319 522	237 238	79 691	33.6%	304 958

5.4 Division of Revenue Act on Grants Expenditure

KZN291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M11 May

Description	Ref	2022/23	Budget Year 2023/24							
		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:		223 519	244 496	244 946	364	214 442	85 726	128 112	149.4%	11 120
Expanded Public Works Program	—	2 435	2 553	2 553	—	2 553	107	2 446	2280.4%	—
Integrated National Electrification	—	1 850	1 850	1 850	203	1 787	5 538	(4 010)	-72.4%	7 384
Local Government Financial Management	—	6 416	7 384	7 384	—	4 290	1 388	2 902	209.2%	1 850
Municipal Disaster Relief Grant	—	212 818	230 823	230 823	—	203 872	76 941	126 931	165.0%	—
Municipal Infrastructure Grant	—	—	1 886	2 336	161	1 941	1 752	(157)	-8.9%	1 886
0								—		
Other transfers and grants [insert description]								—		
Provincial Government:		53 711	3 873	14 414	923	13 777	11 609	83	0.7%	—
MASSIFICATION GRANT		50 633	—	4 761	98	4 760	3 571	1 091	30.6%	—
KwaZulu-Natal	—			990	—	966	743	(743)	-100.0%	—
TITLE DEED				4 790	522	4 790	4 391	—		
0				—				—		
LIBRARY		3 078	3 873	3 873	304	3 262	2 905	(266)	-9.2%	
District Municipality:		—	—	—	—	—	—	—		—
[insert description]								—		
Other grant providers:		—	—	—	—	—	—	—		—
Other Transfers Public Corporation	—	—						—		
[insert description]								—		
Total operating expenditure of Transfers and Grants		277 231	248 369	259 360	1 287	228 219	97 334	128 195	131.7%	11 120
Capital expenditure of Transfers and Grants										
National Government:		40 583	47 831	59 612	6 956	47 120	44 709	(7 860)	-17.6%	50 384
Integrated National Electrification	—	—	—	—	—	—	—	—		2 553
Municipal Disaster Recovery Grant	—	—	—	15 556	3 399	15 909	11 667	(505)	-4.3%	—
Municipal Infrastructure Grant	—	40 583	47 831	44 056	3 558	31 211	33 042	(7 356)	-22.3%	47 831
0								—		
0								—		
Other capital transfers [insert description]								—		
Provincial Government:		3 064	550	550	—	565	4 060	(3 494)	-86.1%	5 413
KwaZulu-Natal	—	3 064	550	550	—	565	4 060	(3 955)	-97.4%	5 413
0								—		
District Municipality:		—	—	—	—	—	—	—		—
0								—		
Other grant providers:		—	—	—	—	—	—	—		—
0								—		
Total capital expenditure of Transfers and Grants		43 647	48 381	60 162	6 956	47 685	48 769	(11 354)	-23.3%	55 797
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		320 878	296 750	319 522	8 244	275 905	146 103	116 841	80.0%	66 917

3. Debtors Age Analysis

Table SC3 Monthly Budget Statement_ Debtors Age Analysis

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May													
Description	Budget Year 2023/24												
	NT Code	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	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables	1200	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables	1300	4 563	214	106	95	100	80	419	2 453	8 028	3 146	–	–
Receivables from Non-exchange	1400	2 885	1 883	2 951	2 542	4 250	4 070	11 751	78 955	109 288	101 569	–	–
Receivables from Exchange	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange	1600	1 141	974	952	928	899	908	4 942	57 144	67 887	64 820	–	–
Receivables from Exchange	1700	8	4	4	4	4	4	32	279	338	322	–	–
Interest on Arrear Debtors	1810	384	378	371	244	257	495	2 546	31 330	36 006	34 873	–	–
Recoverable unauthorised	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	15	–	–	–	–	–	–	5 747	5 763	5 747	–	–
Total By Income Source	2000	8 995	3 453	4 384	3 814	5 511	5 557	19 689	175 908	227 310	210 478	–	–
2022/23 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	502	232	304	276	599	279	562	23 718	26 474	25 434	–	–
Commercial	2300	5 065	958	1 016	731	786	2 514	7 438	19 355	37 863	30 824	–	–
Households	2400	3 291	2 141	2 940	2 688	2 532	2 639	10 997	129 902	157 129	148 757	–	–
Other	2500	137	121	124	119	1 594	125	692	2 932	5 844	5 462	–	–
Total By Customer Group	2600	8 995	3 453	4 384	3 814	5 511	5 557	19 689	175 908	227 310	210 478	–	–

The total Consumer debtors outstanding as 31st May 2024 is **R 227,3 million**

- Debt book indicates 13% increase from to 1st July 2022 to 31st May 2024, the debt book is very high.
- Debtors collection rate at May 2024 is 76%
- We are however maintaining and ensuring the collection of the current debt but our biggest challenge is the historic debt. We have since appointed three Debt Collectors to follow up on outstanding debtors, Debt collectors are operating Debt pack while telephoning Debtors, printing section 29 and Final demands, we will soon be moving to legal in order to further our collection measured on consumers that are resistant to pay nor respond to our Debt collectors.
- Our Debt collectors have embarked on an exercise where different households are being visited in order to assess the state affordability of each household, this exercise is aimed at assisting the Municipality to classify its debt book in terms of collectability or non-collectability of the debt, the program is ongoing.
- 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 on
- 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 debtor's relatives or dependents.

Auditor General's matter of emphasis

- It should be noted that the issue of Material impairments to debtors is one of the factors that affected our audit opinion
- It was also noted that we are having a challenge in identifying and eliminating indigent cheaters
- The audit Further identified the billing discrepancies relating to interest charged for outstanding debt and property rates
- It should be noted if things were to carry on this way this institution is going to lose its credibility and this will subsequently affect its going concern and we will soon be regarded as a grant dependent Municipality
- We should also put an emphasis that this issue is not entirely dependent on the Revenue team but requires a collective effort of each and every member of the Mandeni family to play a meaningful role so as to ensure that we redeem ourselves from these challenges.
- We have formulated a plan of collection going forward and our plan has been highlighted in the AG's management letter
- The plan provided is more operational but we have highlighted that strategic interventions need to be put in place so as to uplift the standard of living of our communities, attract and retain investment.
- Open opportunities for more job creation so as to ensure that we are serving the community that can afford to pay for our services.
- We need to ensure that we deal with the low hanging fruits in as far as basic service delivery is concerned. Fix potholes, streetlights, maintain roads clean our town and collect our waste on time.
- It is the above few things that encourage our people to come forward and assist their Municipality when they can see that their Municipality is working for them.

2022/23 Debt Collection

KZN 291 Mandeni Municipality Monthly Budget Statement ended 31st May 2024

- For this financial year, despite the challenges we anticipate to reach our target and collect nothing less than **R40 ml**
- We are determined and resolute that such shall happen judging from the recent collection trends and our projections.

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
002192900	SUNDUMBILI	1929	MWELI	RATES/REFUSE	R28728.14
009910401	SUNDUMBILI	1040	SHONGWE	RATES/REFUSE	R50256.24
002119300	SUNDUMBILI	1193	HADEBE	REFUSE/RATES	R19540.83
001076000	SUNDUMBILI	760	MKHWANAZI	RATES/REFUSE	R23104.96
003961901	SUNDUMBILI	222	LUTCHMANEN	RATES/REFUSE	R26577.53
002257600	SUNDUMBILI	2576	ZIBANE	RATES/REFUSE	104678.07
002103700	SUNDUMBILI	1037	MBONAMBI	RATES/REFUSE	R19589.86
002256900	SUNDUMBILI	2569	ZONDO	RATES/REFUSE	R39599.03
003960751	SUNDUMBILI	43	GAZU	RATES/REFUSE	R112230.50
001000100	SUNDUMBILI	1	NZUZA	RATES/REFUSE	R81498.82
002060400	SUNDUMBILI	604	PHOSWA	RATES/REFUSE	R87231.27
002045700	SUNDUMBILI	457	NGUBANE	RATES/REFUSE	R35659.08
001021600	SUNDUMBILI	216	KHANYILE	RATES/REFUSE	R23704.43
004004802	SUNDUMBILI	5	SHABANE	RATES/REFUSE	R97502.61
002139900	SUNDUMBILI	1399	MAPHUMULO	RATES/REFUSE	R92626.09
002142300	SUNDUMBILI	1423	MLAMBO	RATES/REFUSE	R9718.50
002048500	SUNDUMBILI	485	MABIKA	RATES/REFUSE	R31469.40
008801671	SUNDUMBILI	376	PITOUT	RATES/REFUSE	R20596.35
002253700	SUNDUMBILI	2537	NDABA	RATES/REFUSE	R24020.08
002143400	SUNDUMBILI	1434	NENE	RATES/REFUSE	R35380.90
TOTAL					R963712.69

DISCONNECTIONS					
ACCOUNT	TOWN	ERF NO.	DEBTORS NAME	DEBT TYPE	AMOUNT R
009801812	MANDINI	9	BODENSTEIN	RATES/ELEC	R12013.75
008006139	MANDINI	9	NENE	RATES/ELEC	R10231.58
009904501	MANDINI	9	DUBE	RATES/ELEC	R11883.16
009900611	MANDINI	9	NAIDOO	RATES/ELEC	R11195.05
009903771	MANDINI	9	MANYEPHISA	RATES/ELEC	R14254.05
009301431	MANDINI	15	GOVENDOR	RATES/ELEC	R31737.37
009910141	MANDINI	8	SPYROPOULOS	RATES/ELEC	R13787.08
009903711	MANDINI	21	MTHEMBU	RATES/ELEC	R36753.53
009903751	MANDINI	13	DLAMINI	RATES/ELEC	R12048.85
008803721	MANDINI	11	MKHIZE	RATES/ELEC	R18213.28
009600111	MANDINI	10	KANNIGAN	RATES/ELEC	R122797.59
009903601	MANDINI	17	MWANDLA	RATES/ELEC	R28179.07
009901241	MANDINI	16	MBUYISA	RATES/ELEC	R14896.09
009911751	MANDINI	6	MANZINI	RATES/ELEC	R38178.56
009909272	MANDINI	53	NKWANYANA	RATES/ELEC	R15236.07
009801201	MANDINI	44	NGCOBO	RATES/ELEC	R29005.79
009501791	MANDINI	40	BUTHELEZI	RATES/ELEC	R11289.80
009601431	MANDINI	4	PONEN	RATES/ELEC	R71737.67
009901181	MANDINI	4	NZUZA	RATES/ELEC	R10150.66
002901591	MANDINI	38	KISATASAMY	RATES/ELEC	R10127.26
009701301	MANDINI	37	KUBHEKA	RATES/ELEC	R66006.06
009904701	MANDINI	32	CELE	RATES/ELEC	R30718.88
002401202	MANDINI	30	GOVENDOR	RATES/ELEC	R44314.84
009400311	MANDINI	11	PITHUMBAR	RATES/ELEC	R6230.73
009905171	MANDINI	47	THE NA BUTHELEZI TRUST	RATES/ELEC	R8797.09
009902761	MANDINI	48	MTSHALI	RATES/ELEC	R13543.24
009906321	MANDINI	39	SHEMBE	RATES/ELEC	R11677.38
009200811	MANDINI	37	SIBIYA	RATES/ELEC	R66731.00
009801201	MANDINI	44	NGCOBO	RATES/ELEC	R29005.79
008907682	MANDINI	47	BIYELA	RATES/ELEC	R45216.45
008803051	MANDINI	6	NDLOVU	RATES/ELEC	R31873.30
008007866	MANDINI	6	MOODLEY	RATES/ELEC	R6343.19
008802121	MANDINI	11	DUBE	RATES/ELEC	R2693.11
002600711	MANDINI	9	NGCOBO	RATES/ELEC	R15930.93
TOTAL					R902798.25

KZN 291 Mandeni Municipality
Monthly Budget Statement ended 31st May 2024
ARRANGEMENT - MAY 2024 REPORT

NO.	DATE	ACCOUNT HOLDER	REF NUMBE	ADDRESS	ACCOUNT NUMBER	AMOUNT OWING	AMOUNT AGREED	COMMENTS
1	2024/05/02	LUKOMBO	28	29 INYALA	009700421	R13023.91	R3907.17	PER MONTH
2	2024/05/02	VAN DER WALT	3	03 DUIKER	008500351	R9408.37	R2822.51	PER MONTH
3	2024/05/06	YEKANI	27	27 FARROW RD	009901371	R8712.40	R1000.00	PER MONTH
4	2024/05/03	GWAMANDA	1227	B 1227 CHAPPIES	002122700	R18300.83	R5490.24	PER MONTH
5	2024/05/03	SITHOLE	14	14 KUDU RD	009907801	R19873.40	R2000.00	PER MONTH
6	2024/05/07	NAIDOO	2	02 READ RD	009902261	R10458.57	R2900.00	PER MONTH
7	2024/05/13	KHANYILE	1537	B 1537 CHAPPIES	002153700	R67607.43	R1000.00	PER MONTH
8	2024/05/15	MTHIYANE	13	13 FARROW RD	009901441	R3745.37	R500.00	PER MONTH
9	2024/05/15	ZANGWA	131	131 ANDERSON	008700781	R88259.79	R1500.00	PER MONTH
10	2024/05/16	MBUTHU	30	30 PARTYS RD	008802821	R34887.51	R1100.00	PER MONTH
11	2024/05/16	NDWANDWE	28	28 FARROW RD	009901301	R12712.55	R1000.00	PER MONTH
12	2024/05/17	PIETERS	70	70 ANDERSON RD	008801301	R5971.27	R2986.00	PER MONTH
13	2024/05/09	NAIDOO	2	02 READ RD	009902261	R10458.56	R2900.00	PER MONTH
14	2024/05/20	NTSHANGASE	17	17 MIMOSA RD	009909691	R26786.97	R2000.00	PER MONTH
15	2024/05/21	RADEBE	5	05 DUBE RD	008907042	R133784.01	R5000.00	PER MONTH
16	2024/05/07	BHOSHOFF	17	17 UMDONI	008802851	R5207.51	R2500.00	PER MONTH
17	2024/05/27	THUSI	134	LOT 134 PADIANAGER	006661341	R8337.63	R1200.00	PER MONTH
18	2024/05/08	KHUZWAYO	169	A 169 BHIDLA	001016900	R5760.28	R2000.00	UPON SCM
19	2024/05/14	DUBE	361	A 361 BHIDLA	001036100	R7534.64	R2300.00	UPON SCM
20	2024/05/17	NDLELA	1	01 STRATTEN RD	009900131	R7857.95	R500.00	UPON SCM
21	2024/05/17	MTHEMBU	1456	B 1456 CHAPPIES	002145600	R18749.44	R750.00	UPON SCM
22	2024/05/17	MKHWANAZI	1393	B 1393 CHAPPIES	002139300	R44489.05	R2500.00	UPON SCM
23	2024/05/21	HLABISA	1656	B 1556 CHAPPIES	002165600	R11062.74	R2500.00	UPON SCM
24	2024/05/22	VILAKAZI	1369	B 1369 CHAPPIES	002136900	R59493.16	R5000.00	UPON SCM
25	2024/05/23	CELE	1631	B 1631 CHAPPIES	002163100	R31336.97	R2000.00	PER MONTH
26	2024/05/27	SIBIYA	736	A736 THOKOZA	001073600	R22540.28	R1000.00	PER MONTH
TOTAL						R699384.50	R58355.92	

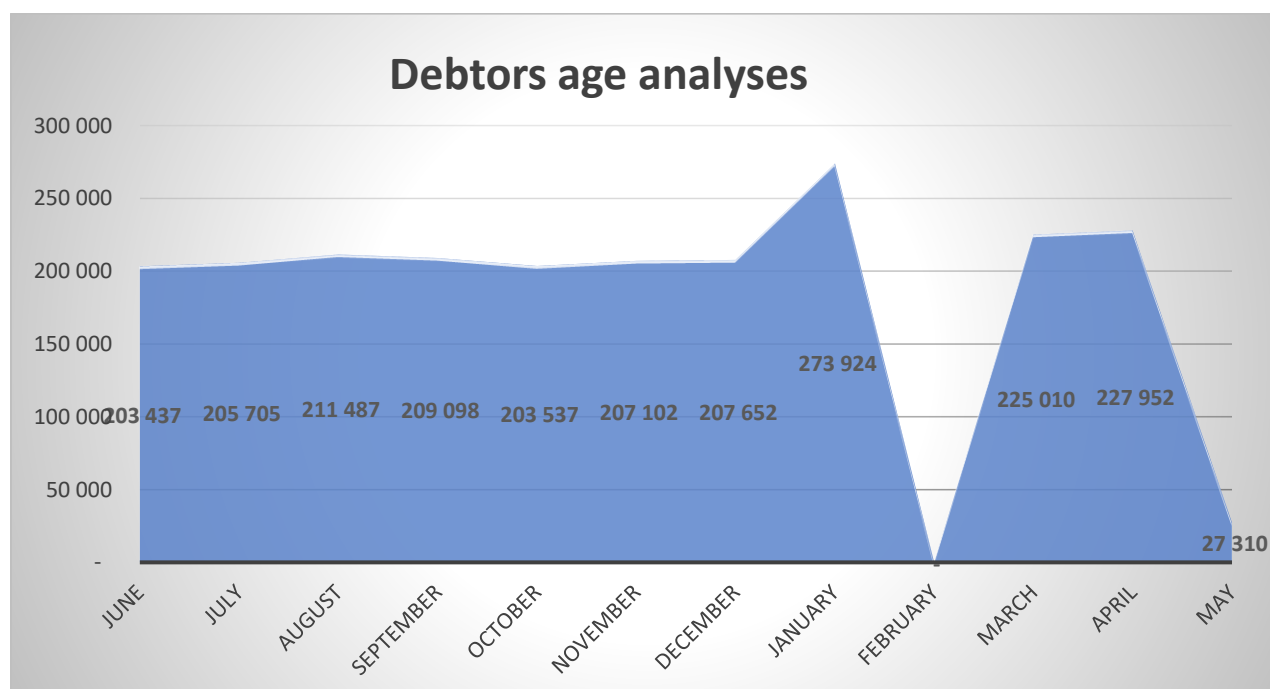
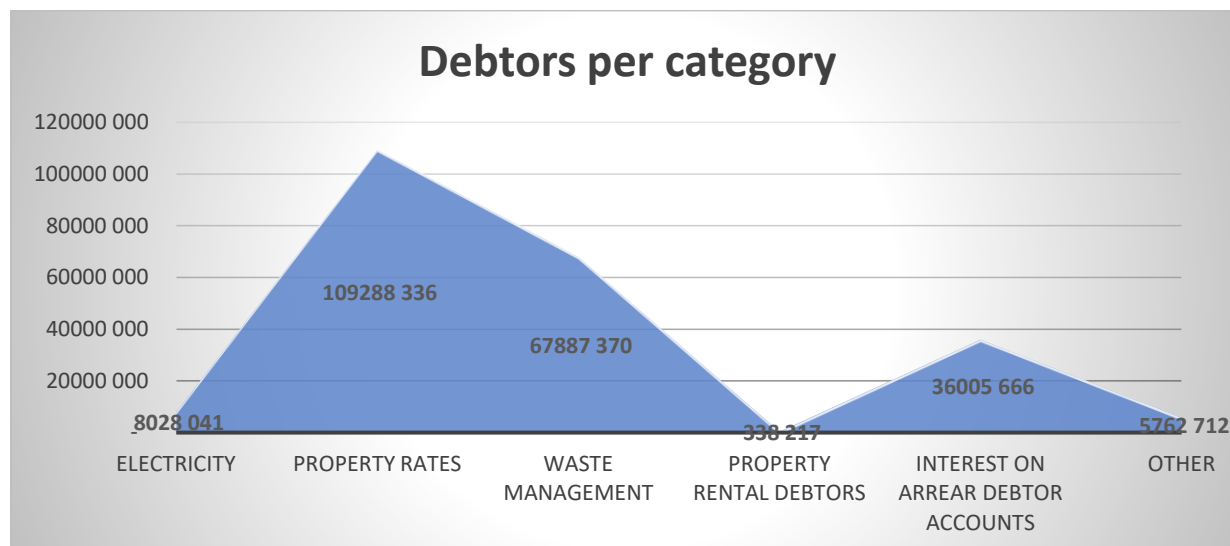
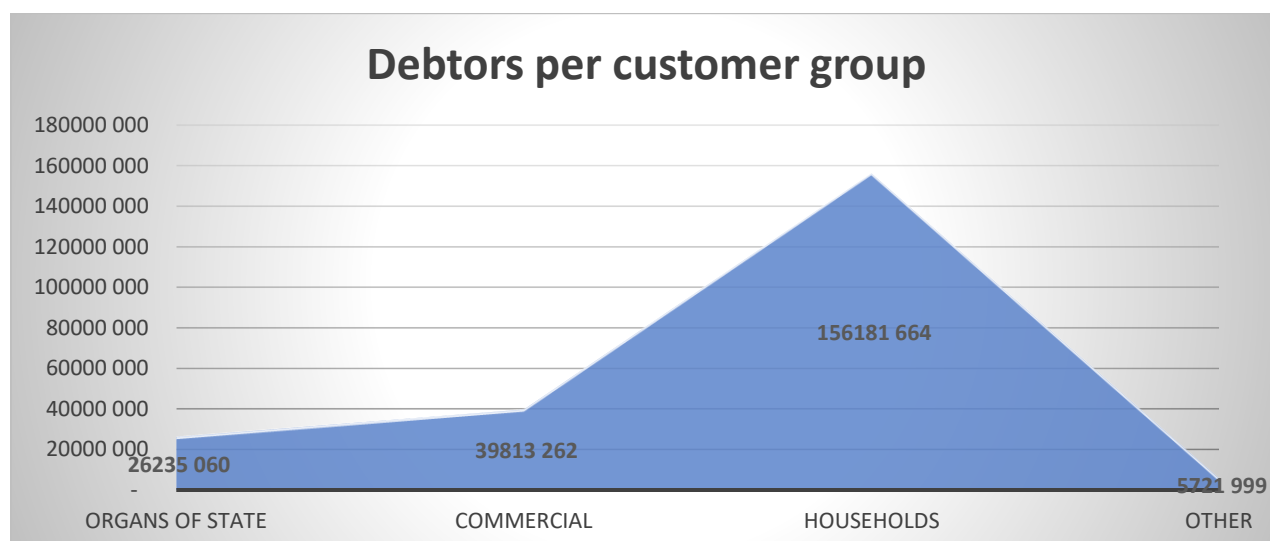
Figure 9


Figure 10

The municipal debtors have increased from R205.7 million to R227.3 million that is from July until 31st May 2024. This increase is between Household debtors of 70% and it is followed by business Commercial of 17% and Organ of state is 12% compared to another debtors' type.

▪ **Total Outstanding Debtors from July – May 2024**



Councilors and Employees in Arrear

- Debt outstanding on Councilors as at May 2024 is R 247,662.33
- Staff Accounts in arrears as at May 2024 is R 67,902.47

KZN 291 Mandeni Municipality Monthly Budget Statement ended 31st May 2024

However, it should be noted that both Councilors and Staff have made arrangement with the municipality to settle this outstanding debt.

4. CREDITOR'S AGE ANALYSIS**Table SC4 Monthly Budget Statement_ Creditors Age Analysis**

KZN291 Mandeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May											
Description	NT Code	Budget Year 2023/24									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	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	29	-	-	-	-	-	-	-	29	29
Total By Customer	1000	29	-	-	-	-	-	-	-	29	29

- Creditors aging is R53thousand as of 31st May 2024.
- 95% 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.

Top 10 Creditors:

Top 10 Creditors (MAY 2024)

Name	Amount
ESKOM HOLDING	R 4 738 577.97
EMALANGENI	R 634 816.34
RURAL METRO	R 401 018.60
BAMBHANANI ENTERPRISE	R 51 727.71
MALUTHULI TRADING	R 258 816.70
EZAMALUNQA	R 1 491 126.73
NJOMISA BOEDERY	R 58 290.62
CITY OF CHOICE	R 297 505.05
MAXIMUM PROFIT REC	R 1 030 356.13
CONLOG	R 252 794.68

5. MONTHLY BUDGET STATEMENT - FINANCIAL POSITIONTable C6 displays the financial position of the municipality as at 31st May 2024

KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - M11 May

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		254 613	116 789	159 488	232 367	116 789
Trade and other receivables from exchange		53 837	8 376	40 554	66 401	8 376
Receivables from non-exchange transaction		(67 991)	21 324	32 780	6 492	21 324
Current portion of non-current receivables		—	—	—	—	—
Inventory		42 752	739	43 267	43 104	739
VAT		5 511	30 621	36 207	6 751	30 621
Other current assets		225	—	—	225	—
Total current assets		288 947	177 849	312 297	355 340	177 849
Non current assets						
Investments		—	—	—	—	—
Investment property		60 544	88 164	60 544	60 544	88 164
Property, plant and equipment		541 873	652 214	644 060	617 288	652 214
Biological assets		—	—	—	—	—
Living and non-living resources		—	—	—	—	—
Heritage assets		—	—	—	—	—
Intangible assets		331	423	154	283	423
Trade and other receivables from exchange		—	—	—	—	—
Non-current receivables from non-exchange		—	—	—	—	—
Other non-current assets		—	—	—	—	—
Total non current assets		602 748	740 801	704 758	678 115	740 801
TOTAL ASSETS		891 695	918 651	1 017 054	1 033 455	918 651
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Financial liabilities		4 762	—	—	3 661	—
Consumer deposits		216	245	(216)	181	245
Trade and other payables from exchange tr		41 741	35 888	(52 916)	20 845	35 888
Trade and other payables from non-exchan		25 789	20 275	(25 789)	25 779	20 275
Provision		3 815	4 872	(3 547)	3 815	4 872
VAT		1 969	9 818	(11 406)	5 135	9 818
Other current liabilities		—	—	—	—	—
Total current liabilities		78 293	71 097	(93 875)	59 415	71 097
Non current liabilities						
Financial liabilities		—	—	—	—	—
Provision		—	—	—	—	—
Long term portion of trade payables		—	—	—	—	—
Other non-current liabilities		17 730	22 795	21 693	17 730	22 795
Total non current liabilities		17 730	22 795	21 693	17 730	22 795
TOTAL LIABILITIES		96 023	93 892	(72 182)	77 145	93 892
NET ASSETS	2	795 672	824 758	1 089 236	956 310	824 758
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		593 000	822 568	1 024 156	753 637	822 568
Reserves and funds		202 672	2 191	65 080	202 672	2 191
Other		—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUI	2	795 672	824 758	1 089 236	956 310	824 758

RATIOS FOR THE MONTH

Current ratio: The municipality's current assets are 5 (five) times that of current liabilities.
5.98:0.17

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 5.98 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 the current liabilities. 5.98

Creditors' system efficiency: 100 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 76percent.

Collection days: 524 days it takes the municipality to collect outstanding debt.

Cost coverage: on average the municipality has sustained its existence for the period of 6month without any grant funding.

Debtors collection rate: as at first quarter is 76 %

	6 Month
Cash and cash equivalents	5 891 413
Unspent Conditional Grants	17 896 657
Overdraft	-
Short Term Investments	226 666 260
Total Annual Operational Expenditure	402 319 000

	5.98
Current Assets	355 340 000
Current Liabilities	59 415 000

	106%
Cash and cash Equivalents	5 891 413
Bank Overdraft	-
Short Term Investment	226 666 260
Long Term Investment	-
Unspent Grants	17 896 657
Net Assets	956 310 000
Share Premium	
Share Capital	
Revaluation Reserve	
Fair Value Adjustment Reserve	
Accumulated Surplus	753 637 000

	75.71
Gross Debtors closing balance	227 310 343.00
Gross Debtors opening balance	203 310 844.63
Bad debts written Off	5 142 595.11
Billed Revenue	120 000 214.67

90 858 121.19

	0.09
Consumer Debtors Bad debts written off	5 142 595.11
Consumer Debtors Current bad debt Provision	55 001 168.10

	524.11
Gross debtors	227 310 343.00
Bad debts Provision	55 001 168.10
Billed Revenue	120 000 214.67

	20%
Contracted Services	73 241 456
Total Operating Expenditure	360 646 363
Taxation Expense	

6. MONTHLY BUDGET STATEMENT -CASH FLOW

Table C7 below display the Cash Flow Statement for the period ending 31st May 2024

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - M11 May

Description	Ref	2022/23	Budget Year 2023/24							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	
R thousands	1								%	
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(39 540)	26 698	37 902	4 729	43 901	34 743	9 158	26%	26 698
Service charges		(53 311)	62 465	71 633	5 367	64 050	65 663	(1 613)	-2%	62 465
Other revenue		12 199	18 972	20 931	362	13 100	19 186	(6 086)	-32%	18 972
Transfers and Subsidies - Operat		467 908	249 359	249 679	–	236 809	228 872	7 937	3%	249 359
Transfers and Subsidies - Capital		(104 009)	48 381	60 292	–	46 942	55 268	(8 326)	-15%	48 381
Interest		23 867	10 500	23 500	2 434	29 305	21 542	7 763	36%	10 500
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(22 044)	(317 064)	(377 778)	(32 685)	(334 321)	(309 555)	24 767	-8%	(697 798)
Finance charges		–	(100)	(3 300)	–	–	(3 025)	(3 025)	100%	(100)
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPER		285 069	99 211	82 858	(19 793)	99 787	112 695	12 909	11%	(281 522)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-curre		–	–	–	–	–	–	–		–
Decrease (increase) in non-curre		–	–	–	–	–	–	–		–
Payments										
Capital assets		(432 612)	(190 367)	(160 666)	(19 619)	(121 945)	(169 369)	(47 424)	28%	190 367
NET CASH FROM/(USED) INVE		(432 612)	(190 367)	(160 666)	(19 619)	(121 945)	(169 369)	(47 424)	28%	190 367
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINAN		–	–	–	–	–	–	–		–
NET INCREASE/ (DECREASE) IN		(147 542)	(91 156)	(77 808)	(39 411)	(22 158)	(56 674)			(91 156)
Cash/cash equivalents at beginn		82 988	207 979	254 525	–	254 525	254 525			254 525
Cash/cash equivalents at month		(64 555)	116 824	176 717		232 367	197 851			163 369

Cash and cash equivalent at the beginning of 2022/23 financial year was R254.5 million as per pre-audited AFS and cash and cash equivalent at the end of 31st May 2024 is R232.4million.

Table C7 shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.


Revenue -Receipts

- The property rates collection rate to date is 94% or R56.1million of the billed revenue as at May 2024. The municipality is implementing strategies as per credit control and debt collection policy which has ensured that there is improved collection.
- Service Charges: Electricity and Refuse is 111% or R67.4million of billed revenue as at May 2024, over collection of 11% is from the refuse vote, where a supplementary valuation has been implemented with new refuse collection sites, and electricity collection is at expected rate.
- Other Revenue collected to date is R12.8million, which is due to collection of rentals of properties, licenses and permits and other sources of revenue. Further to that the additional revenue from VAT refunds received as at May for R25.7million.
- Government Operating received to date as at May 2024 is R283.8million of grants received as published in DORA
- Government Capital: Total received to date is R52 million for and MIG of R46,4million, and R15,6million for the rolled over grant for Disaster grant and R550thousand for Library capex.
- Interest earned on external investments amounts to R25.3 million in comparison with the year-to-date budget of R21.5 million. Variance is due to interest generated from invested funds.

Payments

- Suppliers and employees for cash outflows of R-297,5 million does not corresponds with table A4 as it has also considered payments for prior year creditors of R17.3 million as per the 2022/23 pre-audited AFS which were paid in this current financial year. Further to that suppliers and employees cash flow have included INEP payments of R4.3 million as we adhere to GRAP 109 as the municipality serves as an agent.
- Finance charges reflect an under performance by 100 percent or R3.0million against YTD actual of R0 thousand, this line item was adjusted to R3.3million, as the Municipality has included for post-retirement cost.
- Capital Assets of R121.9 million for the month of May 2024 whilst a YTD budget of R169.3 million gives an under-performance by R47.4million or 28%.

6.1. BANK RECONCILIATION STATEMENT AS AT MAY 2024

	Mandeni Municipality		
BANK RECONCILIATION STATEMENT FOR MAY 2024			
Main Account :52940480587			
Opening FNB Bank Balance as on 1 MAY 2024	2 326 369.02	2 326 369.02	
PLUS: Deposits Banked	12 849 104.27		
PLUS: Interest received	10 653.93		
PLUS: Transfers In	46 912 828.19		
PLUS:Interest received From Call 1	70 742.33		
PLUS:Unpaid	29 604.60		
PLUS: MATURED INVESTMENTS	-		
PLUS: SARS REFUND	2 164 276.15		
PLUS: GRANTS RECEIVED	-		
Total Deposits	62 037 209.47	62 037 209.47	
Less:Total payments	- 58 472 165.49	- 58 472 165.49	
LESS: EFT Payments	- 57 729 337.73		
LESS: Bank Charges	- 21 264.99		
LESS: Cheques Paid Out	-		
LESS: Transfers Out	-		
LESS: NEW INVESTMENTS	-		
LESS: Debit Orders	- 721 562.77		
Closing FNB Bank Balance as on 31 MAY 2024		5 891 413.00	
Cashbook Reconciliation for 31 MAY 2024			
Cashbook Balance as on 1 MAY 2024-D0001/IA09567/F0001/X049/R0099/001/FIN	1 911 087 855.20		
Cashbook Balance as on 1 MAY 2024-D0001/IA02105/F0041/X049/R0099/001/CONTRA	96 176 000.00		
Less:Cashbook Balance as on 1 MAY 2024-D0001/IA09850/F0001/X049/R0099/001/FIN	- 2 004 222 374.78		
Corrections to be made (JNL DR)	-		
PLUS: Deposits Banked for MAY 2024	12 849 104.27		
LESS: EFT Payments for MAY 2024	- 57 871 051.16		
Plus :APRIL 2024 outstanding (reconciled)	55 035.20		
Less: Bank Charges to date	- 1 358 471.92		
PLUS: Grant received	-		
Less : New investment	-		
Less: Payments not yet paid during MAY 2024	-		
PLUS: Interest received to date	577 763.06		
PLUS:Interest received From Call 1-MAY 2024	70 742.33		
PLUS MATURED INVESTMENT	-		
PLUS :SARS REFUND	2 164 276.15		
PLUS :TRANSFER IN	46 912 828.19		
LESS:TRANSFER OUT	-		
LESS: Debit Orders for MAY 2024	- 721 562.77		
Closing Cashbook Balance as on 31 MAY 2024	5 720 143.77	5 720 143.77	
		171 318.02	
Reconciling Items	Amount		
ADD: Journal Debits - on Cashbook not on Bank Statement	171 318.02		
ADJUSTED MONTH END CASHBOOK BALANCE- 31 MAY 2024		5 891 461.79	
MONTH END BALANCE PER BANK STATEMENT- 31 MAY 2024		5 891 413.00	
DIFFERENCE		48.79	

6.2. MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO

The following information presents the short-term investments balances broken down per investment type as of 31st May 2024

KZN291 Mandeni - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May								
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months						
Municipality								
call 1-internal grant		12months	CALL ACCOUNT	24 810	3 259	(23 571)	71	1 310
Call account 2 -HOUSING		12months	CALL ACCOUNT	2 108	110		12	2 120
Call account 3-MIG		12months	CALL ACCOUNT	18 343	907	(16 765)	97	1 675
Call account 5-TMT		12months	CALL ACCOUNT	491	24		3	495
Call account 6-INEP		12months	CALL ACCOUNT	2 631	82	(2 631)	14	14
Call account 7-AR		12months	CALL ACCOUNT	706	112	(256)	4	454
Call account 8- Title Deed		12months	CALL ACCOUNT	5 368	309	(2 000)	32	3 400
Call account 9-Disaster Recovery		12months	CALL ACCOUNT	3 941	772	(1 758)	15	2 198
NEDBANK		549 DAYS	INVESTMENT	100 000	7 569		872	100 000
NEDBANK		336 DAYS	INVESTMENT	50 000	3 276		416	50 000
NEDBANK		332 DAYS	INVESTMENT		652		505	65 000
NEDBANK					305			-
NEDBANK				65 000	2 837	-	65 000	-
NEDBANK				73 620	581	-		-
					-			-
Municipality sub-total				347 017	20 793	(46 981)	67 042	226 666
TOTAL INVESTMENTS AND INT	2			347 017		(46 981)	67 042	226 666

7. MONTHLY BUDGET STATEMENT - Employee costs and councilors benefits (Section 66 MFMA)

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

Employee and Councillor	Ref	2022/23	Budget Year 2023/24							
		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		12 098	12 989	12 989	1 032	11 430	11 906	(476)	-4%	12 989
Pension and UIF Contributions		—	—	—	—	—	—	—	—	—
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance		543	636	636	43	485	583	(98)	-17%	636
Cellphone Allowance		1 502	1 591	1 591	126	1 282	1 459	(177)	-12%	1 591
Housing Allowances		182	244	244	13	153	223	(70)	-31%	244
Other benefits and allowances		—	—	—	—	—	—	—	—	—
Sub Total - Councillors		14 325	15 460	15 460	1 214	13 350	14 172	(822)	-6%	15 460
% increase	4		7.9%	7.9%						7.9%
Senior Managers of the										
Basic Salaries and Wages	3	4 204	5 602	5 602	316	3 493	5 135	(1 642)	-32%	5 602
Pension and UIF Contributions		1	11	11	—	1	10	(9)	-95%	11
Medical Aid Contributions		—	—	45	17	143	41	102	246%	—
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		583	476	476	—	380	436	(56)	-13%	476
Motor Vehicle Allowance		645	773	833	60	656	763	(107)	-14%	773
Cellphone Allowance		182	186	186	24	243	171	73	43%	186
Housing Allowances		256	265	265	9	100	243	(143)	-59%	265
Other benefits and allowances		1	1	321	34	307	295	13	4%	1
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit o	2	1 443	—	1 474	—	—	1 352	(1 352)	-100%	—
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of M		7 316	7 314	9 213	460	5 323	8 446	(3 123)	-37%	7 314
% increase	4		0.0%	25.9%						0.0%
Other Municipal Staff										
Basic Salaries and Wages		74 961	89 913	90 591	7 226	75 944	83 042	(7 098)	-9%	89 913
Pension and UIF Contributions		12 303	14 704	15 193	1 184	12 381	13 927	(1 546)	-11%	14 704
Medical Aid Contributions		5 426	5 886	5 886	569	5 761	5 396	365	7%	5 886
Overtime		2 388	1 716	2 356	399	3 040	2 160	881	41%	1 716
Performance Bonus		6 078	6 209	6 209	709	5 591	5 691	(100)	-2%	6 209
Motor Vehicle Allowance		4 672	5 239	5 239	402	4 351	4 802	(452)	-9%	5 239
Cellphone Allowance		530	526	576	53	566	528	38	7%	526
Housing Allowances		306	345	345	27	288	316	(28)	-9%	345
Other benefits and allowances		828	765	845	87	897	775	122	16%	765
Payments in lieu of leave		2 636	2 591	2 591	—	684	2 375	(1 691)	-71%	2 591
Long service awards		962	1 341	1 341	—	338	1 229	(892)	-73%	1 341
Post-retirement benefit o	2	(1 651)	4 872	1 178	—	—	1 080	(1 080)	-100%	4 872
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff		109 438	134 106	132 350	10 656	109 840	121 321	(11 480)	-9%	134 106
% increase	4		22.5%	20.9%						22.5%
Total Parent Municipality		131 079	156 880	157 023	12 329	128 513	143 938	(15 425)	-11%	156 880
			19.7%	19.8%						19.7%
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		131 079	156 880	157 023	12 329	128 513	143 938	(15 425)	-11%	156 880
% increase	4		19.7%	19.8%						19.7%
TOTAL MANAGERS AND STAFF		116 754	141 420	141 563	11 116	115 163	129 766	(14 603)	-11%	141 420

8. External Loan

NONE

9. Performance Indicators

KZN 291 Mandeni Municipality Monthly Budget Statement ended 31st May 2024

KZN291 Mandeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M11 May

Description of financial indicator	Basis of calculation	Ref	2022/23	Budget Year 2023/24			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.1%	8.9%	8.8%	0.0%	3.9%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		11.3%	9.6%	-5.2%	7.1%	9.6%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	369.1%	250.2%	-332.7%	598.1%	250.2%
Liquidity Ratio	Monetary Assets/Current Liabilities		325.2%	164.3%	-169.9%	391.1%	164.3%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		-3.5%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
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		29.1%	37.0%	33.8%	28.6%	37.0%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		3.9%	4.3%	4.8%	3.9%	4.3%
Interest & Depreciation	I&D/Total Revenue - capital revenue		8.2%	9.3%	9.3%	0.0%	4.1%
<u>IDP regulation financial viability indicators</u>							
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						

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QUALITY CERTIFICATE

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

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

▪ **Monthly Budget Statements**

for the month of **May 2024** 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 **15 June 2024**