

MANDENI MUNICIPALITY

KZN291



BUDGET & TREASURY DEPARTMENT

MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED MARCH 2024/25 FINANCIAL YEAR

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2024/25 BUDGET FOR THE PERIOD ENDING 31 MARCH 2025.

1. PURPOSE

The purpose of the report is to submit to the Mayor the statement of financial performance and implementation of the 2024/25 Budget of the Mandeni Municipality for the period ending 31 March 2025 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 ending 31 March 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 - Q3 Third Quarter									
Description	2023/24	Budget Year 2024/25							
	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)	422 701	447 101	448 870	71 563	388 074	336 652	51 422	15%	447 101
Total Expenditure	397 367	443 031	468 419	35 405	317 312	361 171	(43 859)	-12%	443 031
Surplus/(Deficit)	25 334	4 070	(19 550)	36 158	70 763	(24 519)	95 282	-389%	4 070
Transfers and subsidies - capital	55 093	39 760	45 138	7 119	26 292	33 853	(7 562)	-22%	39 760
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—		—
Surplus/(Deficit) after capital transfers & contributions	80 427	43 830	25 588	43 278	97 054	9 334	87 720	940%	43 830
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—		—
Surplus/ (Deficit) for the year	80 427	43 830	25 588	43 278	97 054	9 334	87 720	940%	43 830
Capital expenditure & funds sources									
Capital expenditure	139 662	127 600	133 829	9 575	82 757	100 372	(17 615)	-18%	127 600
Capital transfers recognised	51 789	34 702	39 334	6 030	24 031	29 500	(5 469)	-19%	34 702
Borrowing	—	—	—	—	—	—	—		—
Internally generated funds	87 873	92 898	94 495	3 545	58 726	70 872	(12 146)	-17%	92 898
Total sources of capital funds	139 662	127 600	133 829	9 575	82 757	100 372	(17 615)	-18%	127 600
TOTAL BUDGET	537 029	570 631	602 248	44 980	400 069	461 543	(61 474)	(0)	570 631

As can be seen from the table above, Actual surplus for the period ended 31st March 2025 is Significantly more than the Budgeted Surplus by- 100%. Monthly budget statement summary (Table C1), for the period ending 31st March 2025 (year to date actual), shows a surplus of R97,1million against YTD budget of R9,3million which reflects variance of more than 100%.

Currently there are no financial challenges and major risks facing the municipality.

Table 1

Table C1 below provides a summary of the overall performance of the municipality.

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - Q3 Third Quarter									
Description	2023/24	Budget Year 2024/25							
	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	58 321	62 237	62 237	3 275	57 229	46 677	10 551	23%	62 237
Service charges	73 544	86 448	86 448	5 832	58 304	64 836	(6 532)	-10%	86 448
Investment revenue	26 748	—	—	—	—	—	—	—	—
Transfers and subsidies - Operations	26 748	28 000	28 000	462	14 015	21 000	(6 985)	-33%	28 000
Other own revenue	237 340	270 416	272 185	61 994	258 527	204 139	54 388	27%	—
Total Revenue (excluding capital transfers and contributions)	422 701	447 101	448 870	71 563	388 074	336 652	51 422	15%	447 101
Employee costs	133 709	152 543	152 543	14 818	110 262	114 407	(4 145)	-4%	152 543
Remuneration of Councillors	14 564	16 388	16 388	1 189	11 481	12 291	(809)	-7%	16 388
Depreciation and amortisation	33 728	37 856	37 856	3 055	26 374	28 392	(2 018)	-7%	37 856
Interest	137	3 300	3 300	—	0	2 475	(2 475)	-100%	3 300
Inventory consumed and bulk purchase	56 309	62 398	63 500	4 990	44 009	48 090	(4 081)	-8%	62 398
Transfers and subsidies	—	—	—	—	—	—	—	—	—
Other expenditure	158 921	170 546	194 833	11 354	125 185	155 516	(30 331)	-20%	170 546
Total Expenditure	397 367	443 031	468 419	35 405	317 312	361 171	(43 859)	-12%	443 031
Surplus/(Deficit)	25 334	4 070	(19 550)	36 158	70 763	(24 519)	95 282	-389%	4 070
Transfers and subsidies - capital	55 093	39 760	45 138	7 119	26 292	33 853	(7 562)	-22%	39 760
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	80 427	43 830	25 588	43 278	97 054	9 334	87 720	940%	43 830
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	80 427	43 830	25 588	43 278	97 054	9 334	87 720	940%	43 830
Capital expenditure & funds sources									
Capital expenditure	139 662	127 600	133 829	9 575	82 757	100 372	(17 615)	-18%	127 600
Capital transfers recognised	51 789	34 702	39 334	6 030	24 031	29 500	(5 469)	-19%	34 702
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	87 873	92 898	94 495	3 545	58 726	70 872	(12 146)	-17%	92 898
Total sources of capital funds	139 662	127 600	133 829	9 575	82 757	100 372	(17 615)	-18%	127 600
Financial position									
Total current assets	329 657	240 614	267 652		363 775				240 614
Total non current assets	713 576	692 232	808 949		769 959				692 232
Total current liabilities	81 153	55 157	(84 132)		74 599				55 157
Total non current liabilities	21 070	22 993	25 770		21 070				22 993
Community wealth/Equity	941 010	854 696	941 111		1 038 064				854 696
Cash flows									
Net cash from (used) operating	(4 305)	46 034	37 474	44 213	121 954	67 124	(54 830)	-82%	46 034
Net cash from (used) investing	535 861	(146 740)	(153 901)	(11 011)	(95 171)	(115 428)	(20 257)	18%	(146 740)
Net cash from (used) financing	—	—	—	—	—	—	—	—	—
Cash/cash equivalents at the m	399 543	(284 129)	(325 236)	—	235 591	(257 111)	(492 702)	192%	—
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	5 555	6 668	2 967	(37)	2 687	2 862	47 429	#####	261 637
Creditors Age Analysis									
Total Creditors	157	—	—	—	—	—	—	—	157
TOTAL BUDGET	537 029	570 631	602 248	44 980	400 069	461 543	(61 474)	(0)	570 631

1.1.1 Table 2

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

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q3 Third Quarter										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Revenue - Functional										
Governance and administration		323 455	340 236	340 968	66 198	320 310	255 726	64 584	25%	340 236
Executive and council		—	8 038	8 038	—	—	6 028	(6 028)	-100%	8 038
Finance and administration		323 455	332 198	332 930	66 198	320 310	249 697	70 613	28%	332 198
Internal audit		—	—	—	—	—	—	—		—
Community and public safety		4 710	5 464	5 764	669	3 746	4 323	(577)	-13%	5 464
Community and social services		4 710	5 073	5 373	665	3 735	4 030	(295)	-7%	5 073
Sport and recreation		—	—	—	—	—	—	—		—
Public safety		—	391	391	4	11	293	(282)	-96%	391
Housing		—	—	—	—	—	—	—		—
Health		—	—	—	—	—	—	—		—
Economic and environmental services		63 161	45 527	51 104	7 247	30 475	38 328	(7 854)	-20%	45 527
Planning and development		42 536	41 542	47 120	7 073	27 946	35 340	(7 394)	-21%	41 542
Road transport		20 625	3 985	3 985	173	2 529	2 988	(460)	-15%	3 985
Environmental protection		—	—	—	—	—	—	—		—
Trading services		86 468	95 634	96 171	4 569	59 835	72 128	(12 293)	-17%	95 634
Energy sources		72 748	80 675	80 743	3 247	48 664	60 557	(11 893)	-20%	80 675
Water management		—	—	—	—	—	—	—		—
Waste water management		—	—	—	—	—	—	—		—
Waste management		13 720	14 958	15 428	1 322	11 172	11 571	(399)	-3%	14 958
Other	4	—	—	—	—	—	—	—		—
Total Revenue - Functional	2	477 794	486 861	494 007	78 683	414 366	370 506	43 861	12%	486 861
Expenditure - Functional										
Governance and administration		193 804	217 123	237 648	15 159	143 281	178 476	(35 195)	-20%	217 123
Executive and council		61 619	66 001	72 502	5 645	50 082	54 617	(4 535)	-8%	66 001
Finance and administration		132 185	151 121	165 146	9 515	93 199	123 859	(30 660)	-25%	151 121
Internal audit		—	—	—	—	—	—	—		—
Community and public safety		46 599	42 761	46 183	5 587	40 795	34 637	6 158	18%	42 761
Community and social services		33 291	30 811	30 453	3 781	30 250	22 840	7 410	32%	30 811
Sport and recreation		12 862	10 030	13 714	1 798	9 685	10 286	(601)	-6%	10 030
Public safety		418	1 890	1 747	—	823	1 310	(487)	-37%	1 890
Housing		29	30	269	8	37	202	(165)	-82%	30
Health		—	—	—	—	—	—	—		—
Economic and environmental services		69 233	83 202	83 136	8 468	60 572	62 352	(1 781)	-3%	83 202
Planning and development		18 934	25 716	24 359	2 339	16 846	18 269	(1 423)	-8%	25 716
Road transport		46 605	53 423	54 653	5 750	40 494	40 990	(496)	-1%	53 423
Environmental protection		3 694	4 063	4 124	379	3 231	3 093	138	4%	4 063
Trading services		88 370	99 070	100 776	6 191	72 621	85 198	(12 577)	-15%	99 070
Energy sources		77 057	76 143	76 674	5 002	48 562	60 992	(12 430)	-20%	76 143
Water management		—	—	—	—	—	—	—		—
Waste water management		2 543	2 802	2 802	245	2 167	2 102	65	3%	2 802
Waste management		8 770	20 124	21 299	944	21 892	22 105	(213)	-1%	20 124
Other		—	876	676	—	43	507	(464)	-92%	876
Total Expenditure - Functional	3	398 006	443 031	468 419	35 405	317 312	361 171	(43 859)	-12%	443 031
Surplus/ (Deficit) for the year		79 788	43 830	25 588	43 278	97 054	9 334	87 720	940%	43 830

Table 3

Table C3 provides the statement of financial performance by standard classification.

KZN291 Mandeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q3 Third Quarter										
Vote Description	Ref	2023/24	Budget Year 2024/25							
		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		–	8 038	8 038	–	–	6 028	(6 028)	-100.0%	8 038
Vote 2 - Finance and administrati		323 455	332 198	332 930	66 198	320 310	249 697	70 613	28.3%	332 198
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social se		4 710	5 464	5 764	669	3 746	4 323	(577)	-13.4%	5 464
Vote 5 - Sport and Recreation		–	–	–	–	–	–	–		–
Vote 6 - Public safety		–	–	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Planning and Developme		42 536	41 542	47 120	7 073	27 946	35 340	(7 394)	-20.9%	41 542
Vote 9 - Road transport		20 625	3 985	3 985	173	2 529	2 988	(460)	-15.4%	3 985
Vote 10 - Energy sources		72 748	80 675	80 743	3 247	48 664	60 557	(11 893)	-19.6%	80 675
Vote 11 - Waste Management		13 720	14 958	15 428	1 322	11 172	11 571	(399)	-3.5%	14 958
Vote 12 - Environmental Protectio		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	477 794	486 861	494 007	78 683	414 366	370 506	43 861	11.8%	486 861
Expenditure by Vote	1									
Vote 1 - Executive and council		61 619	66 001	72 502	5 645	50 082	54 617	(4 535)	-8.3%	66 001
Vote 2 - Finance and administrati		132 185	151 121	165 146	9 515	93 199	123 859	(30 660)	-24.8%	151 121
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social se		33 291	30 811	30 453	3 781	30 250	22 840	7 410	32.4%	30 811
Vote 5 - Sport and Recreation		12 862	10 030	13 714	1 798	9 685	10 286	(601)	-5.8%	10 030
Vote 6 - Public safety		418	1 890	1 747	–	823	1 310	(487)	-37.2%	1 890
Vote 7 - Housing		29	30	269	8	37	202	(165)	-81.6%	30
Vote 8 - Planning and Developme		18 934	26 592	25 035	2 339	16 889	18 776	(1 887)	-10.1%	26 592
Vote 9 - Road transport		49 148	56 225	57 456	5 995	42 662	43 092	(430)	-1.0%	56 225
Vote 10 - Energy sources		77 057	76 143	76 674	5 002	48 562	60 992	(12 430)	-20.4%	76 143
Vote 11 - Waste Management		8 770	20 124	21 299	944	21 892	22 105	(213)	-1.0%	20 124
Vote 12 - Environmental Protectio		3 694	4 063	4 124	379	3 231	3 093	138	4.5%	4 063
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	398 006	443 031	468 419	35 405	317 312	361 171	(43 859)	-12.1%	443 031
Surplus/ (Deficit) for the y	2	79 788	43 830	25 588	43 278	97 054	9 334	87 720	939.7%	43 830

Table 4 provides information on the planned revenue and operational expenditures against the actual results for the period ending 31st March 2025.

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) - Q3 Third Quarter										
Description	Ref	2023/24	Budget Year 2024/25							
		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		61 164	72 341	72 341	4 739	48 501	54 256	(5 755)	-11%	72 341
Service charges - Water		—	—	—	—	—	—	—		—
Service charges - Waste Water		—	—	—	—	—	—	—		—
Service charges - Waste manag		12 380	14 106	14 106	1 093	9 803	10 580	(777)	-7%	14 106
Sale of Goods and Rendering of		11 818	9 474	9 474	(1 390)	662	7 106	(6 444)	-91%	9 474
Agency services		—	—	—	—	—	—	—		—
Interest		—	—	—	—	—	—	—		—
Interest earned from Receivable		919	963	1 500	128	1 101	1 125	(24)	-2%	963
Interest from Current and Non C		26 748	28 000	28 000	462	14 015	21 000	(6 985)	-33%	28 000
Dividends		—	—	—	—	—	—	—		—
Rent on Land		—	—	—	—	—	—	—		—
Rental from Fixed Assets		294	374	724	46	461	543	(82)	-15%	374
Licence and permits		—	—	—	—	—	—	—		—
Operational Revenue		1 507	1 200	1 750	1 233	1 750	1 312	438	33%	1 200
Non-Exchange Revenue										
Property rates		58 321	62 237	62 237	3 275	57 229	46 677	10 551	23%	62 237
Surcharges and Taxes		—	—	—	—	—	—	—		—
Fines, penalties and forfeits		1 584	1 310	1 310	7	67	983	(916)	-93%	1 310
Licence and permits		985	957	957	52	755	717	38	5%	957
Transfers and subsidies - Opera		241 981	253 163	253 163	61 607	251 087	189 872	61 215	32%	253 163
Interest		3 460	2 976	3 308	312	2 643	2 481	163		2 976
Fuel Levy		—	—	—	—	—	—	—		—
Operational Revenue		—	—	—	—	—	—	—		—
Gains on disposal of Assets		—	—	—	—	—	—	—		—
Other Gains		1 541	—	—	—	—	—	—		—
Discontinued Operations		—	—	—	—	—	—	—		—
Total Revenue (excluding capital		422 701	447 101	448 870	71 563	388 074	336 652	51 422	15%	447 101
Expenditure By Type										
Employee related costs		133 709	152 543	152 543	14 818	110 262	114 407	(4 145)	-4%	152 543
Remuneration of councillors		14 564	16 388	16 388	1 189	11 481	12 291	(809)	-7%	16 388
Bulk purchases - electricity		52 475	57 866	57 866	4 319	40 281	43 399	(3 118)	-7%	57 866
Inventory consumed		3 835	4 533	5 634	670	3 728	4 691	(963)	-21%	4 533
Debt impairment		6 048	30 261	30 261	—	15 130	32 087	(16 957)	-53%	30 261
Depreciation and amortisation		33 728	37 856	37 856	3 055	26 374	28 392	(2 018)	-7%	37 856
Interest		137	3 300	3 300	—	0	2 475	(2 475)	-100%	3 300
Contracted services		85 801	79 270	90 976	5 989	54 514	68 232	(13 719)	-20%	79 270
Transfers and subsidies		—	—	—	—	—	—	—		—
Irrecoverable debts written off		3 750	6 261	6 261	—	3 130	4 696	(1 565)	-33%	6 261
Operational costs		62 365	54 755	66 735	5 318	52 410	50 051	2 359	5%	54 755
Losses on Disposal of Assets		501	—	600	—	—	450	(450)	-100%	—
Other Losses		456	—	—	47	—	—	—		—
Total Expenditure		397 367	443 031	468 419	35 405	317 312	361 171	(43 859)	-12%	443 031
Surplus/(Deficit)		25 334	4 070	(19 550)	36 158	70 763	(24 519)	95 282	(0)	4 070
Transfers and subsidies - capital / monetary		55 093	39 760	45 138	7 119	26 292	33 853	(7 562)	(0)	39 760
Transfers and subsidies -		—	—	—	—	—	—	—		—
Surplus/(Deficit) after		80 427	43 830	25 588	43 278	97 054	9 334			43 830
Income Tax		—	—	—	—	—	—	—		—
Surplus/(Deficit) after income t		80 427	43 830	25 588	43 278	97 054	9 334			43 830
Share of Surplus/Deficit attributa		—	—	—	—	—	—	—		—
Share of Surplus/Deficit attributa		—	—	—	—	—	—	—		—
Surplus/(Deficit) attributable to		80 427	43 830	25 588	43 278	97 054	9 334			43 830
Share of Surplus/Deficit attributa		—	—	—	—	—	—	—		—
Intercompany/Parent subsidiary		—	—	—	—	—	—	—		—
Surplus/ (Deficit) for the year		80 427	43 830	25 588	43 278	97 054	9 334			43 830

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

Figure 1

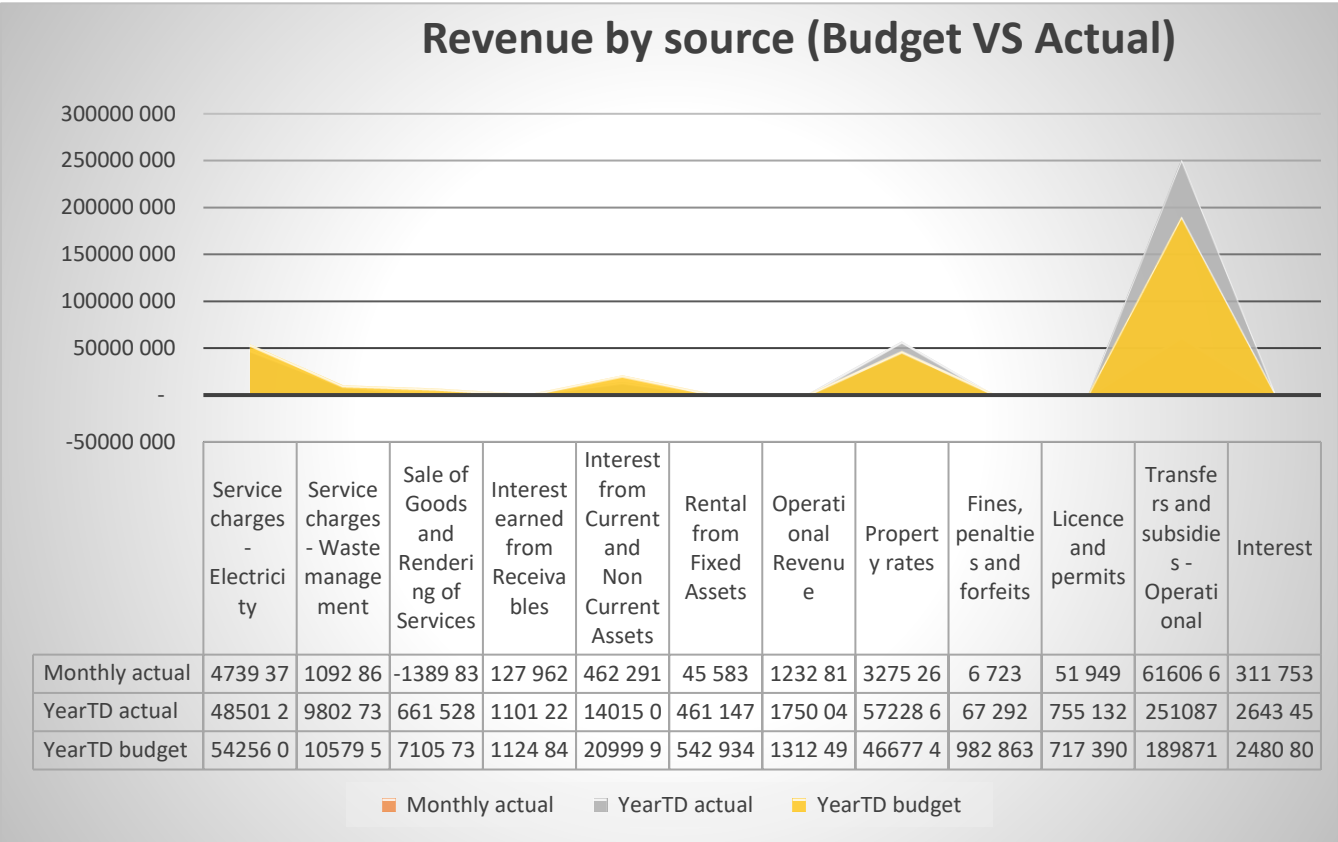
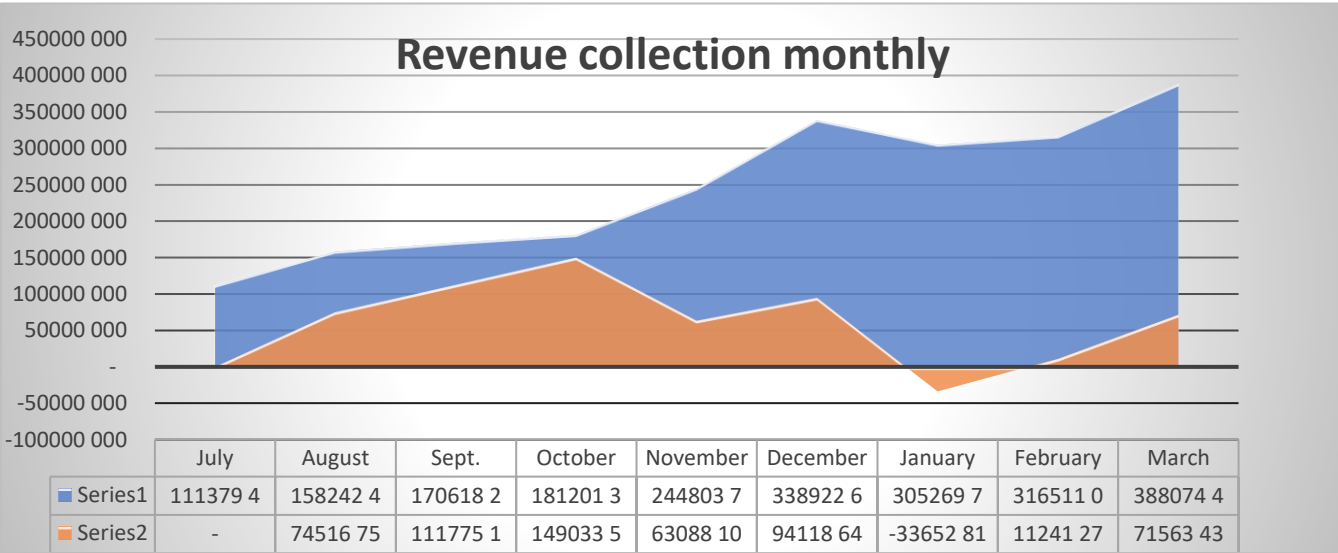


Figure 2



Revenue:

- The Year to Date (YTD) total revenue earned is R388,1million for the period ending 31st March 2025 excluding capital conditional grant income. The YTD Budget is R336,7million; therefore, this reflects an over performance against the revenue projected by 15%, this is a reflection that the municipality has achieved more of 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 R48,5million over a budget YTD of R54,3 million which is an under-performance by 11%. This is due to certain meters, such as those at schools, not being read as the institutions were on break.

The actual cash collected is R 4,2million for the month ended March 2025.

Service Charges: Refuse

- The actual revenue from Service Charges Refuse as at 31 March 2025 is R9,8 million against the budgeted income of R10,6million which under performance by 7%. Certain commercial properties were closed, contributing to the variance, which is considered immaterial.
- The actual cash collected is R358thousand for the month of March 2025.

Sale of Goods and rendering services

- Sale of Goods and services amounts to R662 thousand in comparison with the year-to-date budget of R7,1 million, thus indicating an under performance by R6,4million or -91%, The variance is due to the return of the INEP grant. National Treasury has withheld R7.7 million from our 2024/25 INEP allocation of R9.2 million. This adjustment was approved during a Special Adjustment Council sitting

Interest earned from receivables.

- Interest earned from receivables amounts to R1,1million in comparison with the year-to-date budget of R1,1million. Full payments have been received from Ithala Development and SAPPI, and during the data cleansing process, several customers entered into payment arrangements.

Interest from Current and Non-Current assets

- Interest earned on external investments amounts to R14,0 million in comparison with the year-to-date budget of R21 million, thus indicating an under performance by R7million or 33 percent, The variance arises from the majority of the investment maturing at the end of the financial year.

Rental from fixed assets

- Revenue from rental of facilities recognised amounts to R461 thousand in comparison with the year-to-date budget amount of R543 thousand thus indicating an under performance of R82thousand or 15% The decline, when compared to previous months, is attributed to several staff houses remaining vacant since February.

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 R1,8million which is less than anticipated YTD budget of R1,3million, thus indicating an over performance of R438thousand or 33%, The variance can be attributed to several projects currently being advertised by the Municipality, eg. Tender documents.

NON-EXCHANGE REVENUE

Property Rates

- The municipality accounts for Property Rates on an invoice basis in line with GRAP requirements. The YTD Actual for rates shows over -collection Budget of R46,7million, which is an over collection by 123% or R10,6million. The variance in this vote is due to realisation of Properties which were not linked in the Municipal Billing.
- The actual cash collected being R4,8million for the month ended 31st March 2025.

Fines, Penalties and forfeits

- Fines for the month of March are underperformed by 93% or R916 thousand, over a pro-rata budget of R983 thousand. 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.
- The traffic fines register is yet to be obtained from all law enforcement officers. The same will need to be receipted using the accrual basis of accounting in order to recognise the income accordingly.

Licences and permits.

- Licences and permits have under-performed by 5% or R38 thousand with an actual amount of R755thousand as compared to pro-rata budget of R717 thousand, variance is immaterial.

Transfers & subsidies

- Transfers and subsidies recognised operational amounts to R61,2 million YTD Actual in comparison with the YTD budget of R189,9 million, thus indicating an over performance by R61,2million or

32 percent, The variance is mainly attributable to the Municipality receiving the third tranche of the Equitable Share amounting to R60.9 million, which brings the total received in line with the planned Equitable Share allocation.

- Transfers and subsidies capital amounts to R26,3million in comparison with the YTD budget of R33,9 million, thus indicating an under performance by R7,6 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 R2,6million in comparison with the year-to-date budget of R2,5 million, thus indicating an over performance by R163 thousand or 7percent. The variance arises from customers failing to adhere to their agreed-upon payment arrangements

Operating Expenditure from March 2025

The table below reflects trend of expenditure for the period ended 31st March 2025

Figure 6

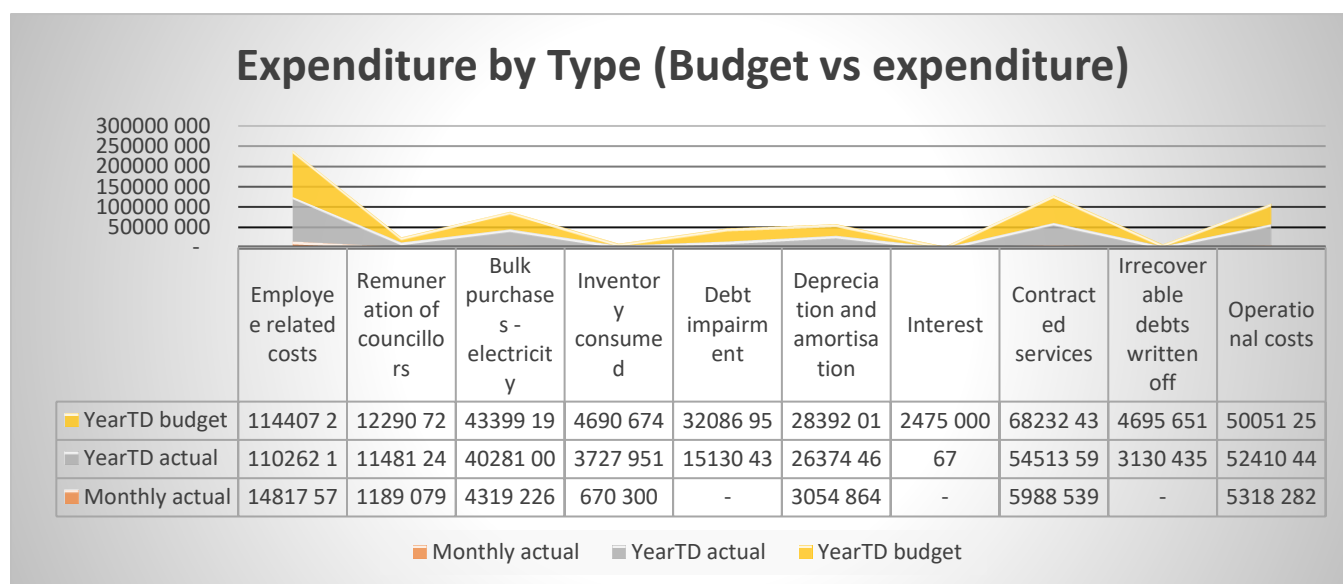
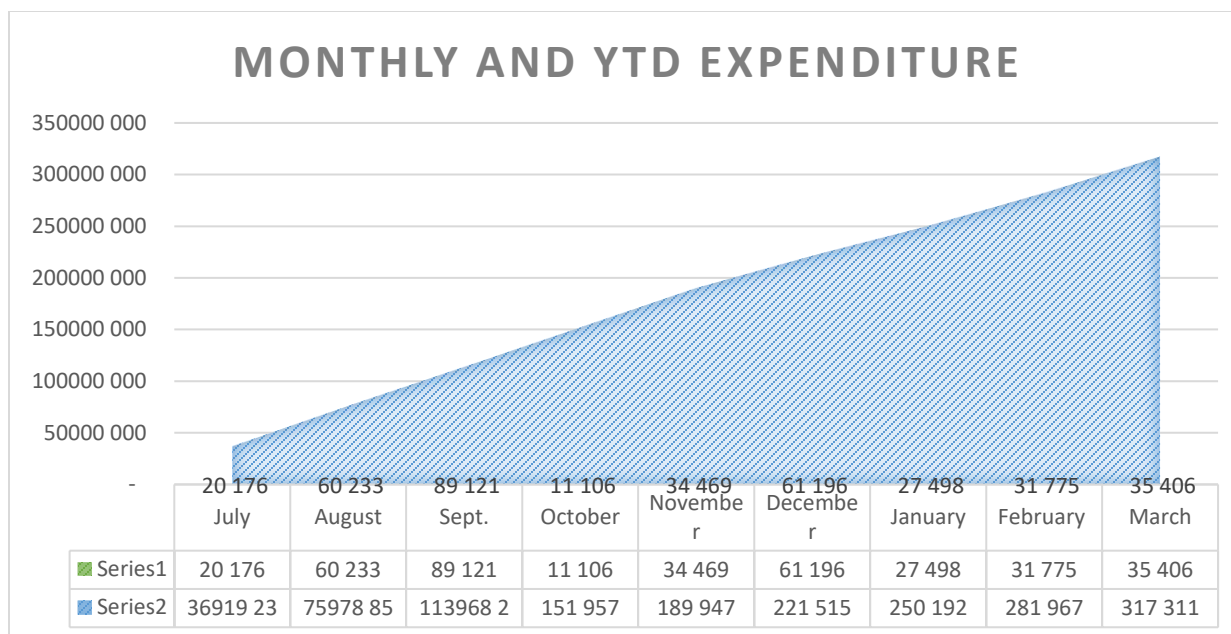


Figure 7



Operating Expenditure:

- The total operational expenditure YTD Actual for the period ending 31st March 2025 amounted to R 317,3million against the planned target of R 361,2million. As at the end of March the operational expenditure budget has been under spent by -12% or -R43,9million. *Detailed expenditure analysis is below:*

Employee Related Costs

- Employee related costs YTD expenditure for the period ending 31st March amounted to R110,3million while the YTD budget was R114,4million with an underspending of R4,2million or -4%. All previously vacant positions have now been filled, with a notable focus on the Finance Department.
- Furthermore, to that it should be noted that employee bonuses are now being paid on their birth month.

Remuneration of Councilors

- Councilors' allowances pro-rata budget as at 31st March 2025 was under spent by R809thousand. The YTD Remuneration of Councilor's budget was R11,5million whilst the actual expenditure incurred results in under-spending of -7% YTD expenditure performance.
- Variance is due to Cllrs upper limits which have been approved by COGTA in relation to prior financial year. Back pay will be processed once upper limits have been approved.

Bulk Purchases

- The YTD on Bulk purchases amounts to R40,3million which is an under performance when compared to YTD pro-rata budget of R43,4million. The variance of R3,1million or -7% under projected budget is caused by the period variances in Eskom invoices.

Inventory Consumed

- Inventory Consumed are reflecting an underperformance by 21% or R963thousand, when compared to YTD budget of R4,7million against the YTD Actual amount of R3,7million. The variance is due to the implementation of procurement plan,
- 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 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 53percent, when compared to YTD Actual amount of R15,1million against a YTD budget of R32,1million. The debt impairment transaction for January was processed as part of the Mid-Term Assessment. The June journal will be processed accordingly, as it is prepared on a bi-annual basis.
- When the provision for debt impairment is calculated, the following assumptions must be taken into consideration.
 - Each debtor's account per age analysis must be analyzed.
 - The frequency of payment must be analysed 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

- The YTD for Depreciation and Asset impairment is reflecting an under performance by 7percent or R2,0million, when compared to pro-rata budget of R28,4million. The variance of R2,0million is because some of the capex items are still under progress.

Interest

- Finance charges reflect an underperformance by -100percent, the first invoice has not received and for allocation.

- 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 reflects an underspending of 20percent or R13,7million, from YTD budget of R68,2million against the YTD actual of R54,5million, as IDP public consultations will begin in the month of November. This item included all the contracted and outsourced services by the municipality.

Irrecoverable debts written off

- Irrecoverable debts written off has underperformed by 33% when compared to YTD actual amount of R3,1million against YTD budget total amount of R4,7million. 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 is overspent in this month by 5% or R2,3million when compared to YTD budget of R52,4million. The variance is due to activities that occurred in the first quarter of the financial year. Most of the remaining expenditure items are expected to take place during the third or fourth quarter. However, the variance is considered immaterial.

Loss on disposal of assets

- The vote shows a 100% under-expenditure, primarily because disposal transactions are typically recorded at the end of the financial year.

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) - Q3 Third Quarter

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Single Year expenditure appropriation	2									
Capital Expenditure - Functional Classification										
Governance and administration		16 494	14 426	25 047	1 714	15 700	18 785	(3 085)	-16%	14 426
Executive and council		1 932	5 870	11 431	83	7 748	8 573	(826)	-10%	5 870
Finance and administration		14 562	8 557	13 616	1 631	7 953	10 212	(2 259)	-22%	8 557
Internal audit		—	—	—	—	—	—	—		—
Community and public safety		6 284	15 522	18 385	852	4 268	13 789	(9 520)	-69%	15 522
Community and social services		772	4 457	4 107	291	1 313	3 080	(1 767)	-57%	4 457
Sport and recreation		5 512	10 127	13 426	517	2 910	10 069	(7 159)	-71%	10 127
Public safety		—	939	852	44	44	639	(595)	-93%	939
Housing		—	—	—	—	—	—	—		—
Health		—	—	—	—	—	—	—		—
Economic and environmental services		108 996	91 726	86 085	7 009	60 486	64 564	(4 078)	-6%	91 726
Planning and development		19 023	12 191	11 215	73	3 380	8 411	(5 031)	-60%	12 191
Road transport		89 974	79 535	74 871	6 936	57 107	56 153	953	2%	79 535
Environmental protection		—	—	—	—	—	—	—		—
Trading services		7 888	5 926	4 312	—	2 302	3 234	(932)	-29%	5 926
Energy sources		2 154	3 752	2 178	—	742	1 633	(891)	-55%	3 752
Water management		—	—	—	—	—	—	—		—
Waste water management		—	—	—	—	—	—	—		—
Waste management		5 734	2 174	2 134	—	1 560	1 600	(40)	-3%	2 174
Other		—	—	—	—	—	—	—		—
Total Capital Expenditure - Functional	3	139 662	127 600	133 829	9 575	82 757	100 372	(17 615)	-18%	127 600
Funded by:										
National Government		51 072	33 963	38 629	5 962	23 729	28 972	(5 243)	-18%	33 963
Provincial Government		717	739	705	69	302	528	(226)	-43%	739
District Municipality		—	—	—	—	—	—	—		—
Transfers recognised - capital		51 789	34 702	39 334	6 030	24 031	29 500	(5 469)	-19%	34 702
Borrowing	6	—	—	—	—	—	—	—		—
Internally generated funds		87 873	92 898	94 495	3 545	58 726	70 872	(12 146)	-17%	92 898
Total Capital Funding		139 662	127 600	133 829	9 575	82 757	100 372	(17 615)	-18%	127 600

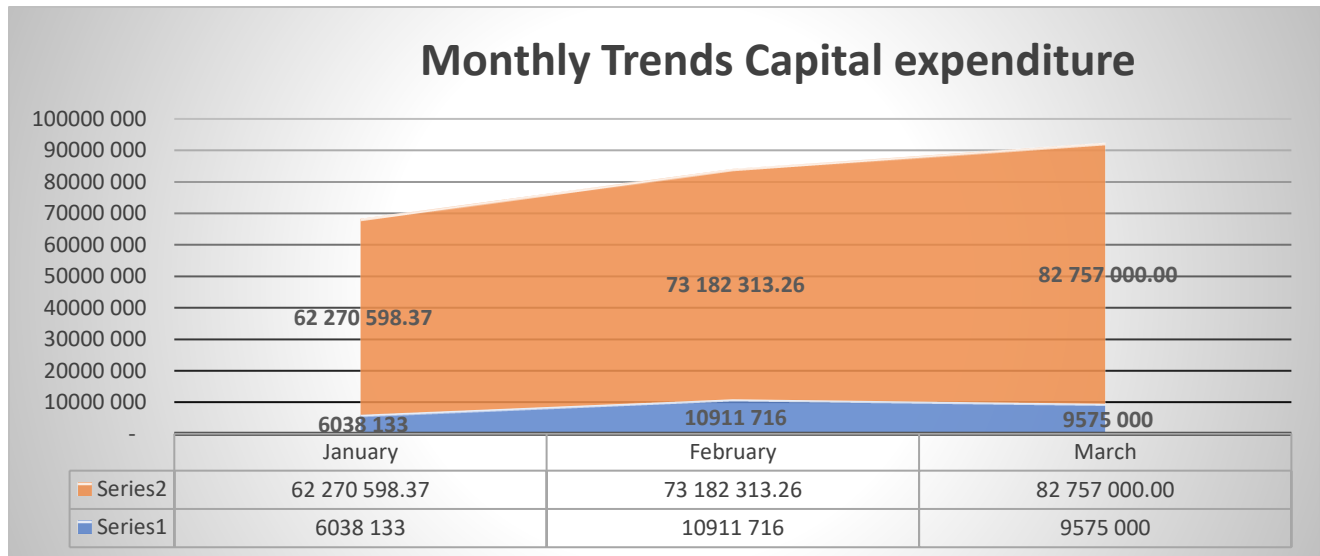
Capital Expenditure of March 2025:

The YTD capital expenditure budget is R9,6million against YTD actual Capital expenditure amounted to R82,8million resulting in an under performance of (18%) 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 March 2025



- Capital grants funded by National Government actual of R23,7million versus YTD Budget of R29million, expenditure reported has been underspent by (18%). However, the municipality will ensure that grant is fully spent by year end.
- Capital grants funded by Provincial Government YTD actual is R302thousand over YTD budget of R528thousand, which gives an under-performance by 43%.
- Capital grants funded Internally actual is R58,7 million versus YTD Budget of R70,9 million variance of 17% reflects and under expenditure on this item.

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 - Q3 Third Quarter

Description	Ref	2023/24	Budget Year 2024/25							
		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		10 904	15 113	14 678	1 832	9 637	11 009	1 372	12.5%	15 113
Roads Infrastructure		6 397	8 548	8 548	1 695	5 151	6 411	1 259	19.6%	8 548
Roads		6 397	7 939	7 939	1 695	4 957	5 954	998	16.8%	7 939
Road Structures		—	435	435	—	112	326	215	65.8%	435
Road Furniture		—	174	174	—	83	130	47	36.2%	174
Capital Spares		—	—	—	—	—	—	—		—
Storm water Infrastructure		1 017	2 870	2 870	4	2 371	2 152	(219)	-10.2%	2 870
Drainage Collection		1 017	2 870	2 870	4	2 371	2 152	(219)	-10.2%	2 870
Storm water Conveyance		—	—	—	—	—	—	—		—
Attenuation		—	—	—	—	—	—	—		—
Electrical Infrastructure		2 518	3 000	2 565	73	1 364	1 924	560	29.1%	3 000
Power Plants		—	43	43	—	40	33	(7)	-21.1%	43
HV Substations		—	—	—	—	—	—	—		—
HV Switching Station		—	—	—	—	—	—	—		—
HV Transmission Conductors		521	739	739	—	—	554	554	100.0%	739
MV Substations		77	43	43	—	25	33	8	23.3%	43
MV Switching Stations		—	—	—	—	—	—	—		—
LV Networks		47	130	130	—	48	98	50	51.2%	130
LV Networks		784	739	739	3	826	554	(271)	-48.9%	739
Capital Spares		1 089	1 304	870	70	426	652	226	34.7%	1 304
Information and Communication In		972	696	696	60	751	522	(229)	-43.9%	696
Data Centres		—	—	—	—	—	—	—		—
Core Layers		972	696	696	60	751	522	(229)	-43.9%	696
Distribution Layers		—	—	—	—	—	—	—		—
Capital Spares		—	—	—	—	—	—	—		—
Community Assets		1 843	2 148	2 197	650	1 444	1 648	204	12.4%	2 148
Community Facilities		207	174	43	7	7	33	25	77.9%	174
Halls		107	—	—	—	—	—	—		—
Centres		—	—	—	—	—	—	—		—
Crèches		—	—	—	—	—	—	—		—
Clinics/Care Centres		—	—	—	—	—	—	—		—
Fire/Ambulance Stations		—	—	—	—	—	—	—		—
Testing Stations		—	—	—	—	—	—	—		—
Museums		—	—	—	—	—	—	—		—
Galleries		—	—	—	—	—	—	—		—
Theatres		—	—	—	—	—	—	—		—
Libraries		—	—	—	7	7	—	(7)	#DIV/0!	—
Cemeteries/Crematoria		—	—	—	—	—	—	—		—
Police		—	—	—	—	—	—	—		—
Parks		101	174	43	—	—	33	33	100.0%	174
Public Open Space		—	—	—	—	—	—	—		—
Nature Reserves		—	—	—	—	—	—	—		—
Public Ablution Facilities		—	—	—	—	—	—	—		—
Markets		—	—	—	—	—	—	—		—
Stalls		—	—	—	—	—	—	—		—
Abattoirs		—	—	—	—	—	—	—		—
Airports		—	—	—	—	—	—	—		—
Taxi Ranks/Bus Terminals		—	—	—	—	—	—	—		—
Capital Spares		—	—	—	—	—	—	—		—
Sport and Recreation Facilities		1 635	1 974	2 154	643	1 436	1 615	179	11.1%	1 974
Indoor Facilities		—	—	—	—	—	—	—		—
Outdoor Facilities		1 635	1 974	2 154	643	1 436	1 615	179	11.1%	1 974
Capital Spares		—	—	—	—	—	—	—		—
Other assets		30	—	—	—	—	—	—		—
Operational Buildings		30	—	—	—	—	—	—		—
Municipal Offices		30	—	—	—	—	—	—		—
Pay/Enquiry Points		—	—	—	—	—	—	—		—
Building Plan Offices		—	—	—	—	—	—	—		—
Furniture and Office Equipment		—	—	—	—	—	—	—		—
Furniture and Office Equipment		—	—	—	—	—	—	—		—
Machinery and Equipment		5 289	6 348	7 432	591	6 102	5 574	(528)	-9.5%	6 348
Machinery and Equipment		5 289	6 348	7 432	591	6 102	5 574	(528)	-9.5%	6 348
Transport Assets		—	—	—	—	—	—	—		—
Transport Assets		—	—	—	—	—	—	—		—
Land		—	—	—	—	—	—	—		—
Land		—	—	—	—	—	—	—		—
Zoo's, Marine and Non-biological		—	—	—	—	—	—	—		—
Zoo's, Marine and Non-biological A		—	—	—	—	—	—	—		—
Living resources		—	—	—	—	—	—	—		—
Mature		—	—	—	—	—	—	—		—
Policing and Protection		—	—	—	—	—	—	—		—
Zoological plants and animals		—	—	—	—	—	—	—		—
Immature		—	—	—	—	—	—	—		—
Policing and Protection		—	—	—	—	—	—	—		—
Zoological plants and animals		—	—	—	—	—	—	—		—
Total Repairs and Maint	1	18 065	23 609	24 307	3 073	17 182	18 231	1 048	5.8%	23 609

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.

The Technical Services Department is currently implementing the following projects as per the **1 Projects under The Municipal Infrastructure Grant (MIG) Funding:**

2024/25 Financial Year MIG Allocation	R41 101 000
Less: Total Expenditure (incl. Retention)	R 19 420338.60
Balance	R 16 029 661.40
Expenditure of as a %	41,7%

Projects under Construction Stage

- Construction of a Sportsfield in Hlomendlini
- Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili Ward 13 Phase 2 and Ward 14 White City Section (Phumla, Indumiso and Malandela).
- Nyoni Taxi Route Phase 4
- Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Mthombothi, Mbabala, Umgakla and Sondeza)
- The Rehabilitation of Bumbanani Road in Sundumbili: Ward 13, 14 & 15 - Phase1
- Upgrade of Machibini Link Road to Isithebe in Ward 10 and 12 Phase 2
- Construction of a Soccer Field and Combo Court in Khenana Township, Ward 10
- Establishment of new cemeteries, phase 1 (Tender stage)
- Extension of Portion of Kingfisher Road in Ward 3, Mandeni
- Rehabilitation of Isibuko Road (Masilela) and Stormwater Modification in Mandeni Ward 14

Projects that are in the planning stage with MIG

- Rehabilitation of Quartz Road and Portion of Platinum Road in Ward 4
- Construction of a Sportsfield in Ward 2, Mandeni
- Construction of a Sportsfield in Ward 1, Mandeni

Projects that are in planning stage and are to be registered with MIG

The below listed projects are to be presented in the next MBPAC for approval.

- Construction of Community Hall in Ward 8 (the project was presented at the MBPAC on 12th of February 2025 and was approved. The draft tender document and design drawings are being prepared)
- Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 14, Chappies Section. (The draft tender document is being prepared for submission to SCM to prepare for tender briefing.)

4.2. Projects under Municipal Internal Funding

Projects under Construction

- Repair and Renovation of Civic Centre Roof in Mandeni
- New Protection Services Centre DLTC (Completed, under defects)
- Extension of Mechanical Workshop and Construction of New Offices
- P415-459 Ward 3 Streetlights

Projects under planning

- Establishment of new office building at the Municipality's Main Office (The Design Development Stage - 90% and Procurement Stage - 25%)
- Extension of Mechanical / Technical Services Building Phase 2 and Fencing of Technical Services Depot (The draft tender document is being prepared for submission to SCM to prepare for tender briefing. The consultant has been asked to reduce the scope due to budget constraints.)
- Construction of a Community Hall in Ward 6- Site identified, awaiting PTO approval
- Construction of a Community Hall in Ward 12 - (PTO was obtained. The Inception Report has been received from the consultant and is being reviewed.)
- Construction of community hall in Ward 16 - (identified site unsuitable for development. New site to be identified.)
- Construction of community hall in Ward 11 - (PTO was obtained. The Inception Report has been received from the consultant and is being reviewed.)
- Construction of community hall in Ward 9 - (PTO was obtained. Consultant is busy with the Inception Report.)
- Establishment of new emergency centre - (Site identified. Meeting was held with the appointed consultant and other stakeholders to discuss the planned project. Consultant was asked to prepare the Inception Report.)

4.3. Projects under the Integrated National Electrification Programme (INEP)

2024/25 Financial Year Allocation	R 9 227 000
Less: Total Expenditure	R 0
Balance	R 9 227 000
Expenditure as a %	0%

Projects under Planning Stage

- Mandeni Sub-station - Bulk

5. PROGRESS ON PROJECTS AND EXPENDITURE

5.1 Municipal Infrastructure Grant

Projects under Construction Stage

a) Installation of High Mast Lights in Mandeni, Phase 2 (Ward 3, 5, 9, 11 and 12x2)

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 067 105.27	R 1 022 364.28
Construction Cost (incl. Retention) (V.O : R 367 004.50)	R 5 413 316.30	R 5 283 165.92
TOTALS (Incl. Vat)	R 6 480 421.57	R 6 3055 530.20

Project Details

Name of Consultant: Africoast JBFE Project Manager

Name of Contractor: R Busisiwe (Pty) Ltd

Project Commencement Date: January 2023

Contractual Completion Date: July 2023

Revised Completion date: 20 May 2024

Project Scope

- 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.

Current Status Overall Construction progress 98%: All overhead support infrastructure and underground infrastructure has been installed. All 6 High masts have been erected, and light fittings have been installed. The project awaits the approval of the supply and metering points by Eskom, which will subsequently allow for the energization and commissioning of the high masts.

Challenges: The reference number pertaining to this project was unavailable, this means metering points could not be provided by Eskom. A new application process has been initiated, and a new reference number has been issued by Eskom. This subsequently allows Eskom to register the project and provide metering points. Awaiting Eskom to assign personnel to attend to site and do feasibility study on the provision of metering points for the project as required.

b) Construction of a Hlomendlini Sportfield - Ward 4

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 846 700.02	R 1 317 689.58
Construction Cost (incl. Retention)	R 8 041 369.71	R 3 493 216.27
Sub-Total (MIG Funds)	R 8 888 069.73	R 4 810 905.85
Sub-total (Internal Funds) Approved (26.07.2023)	R 1 547 441.12	R 823 933.60
TOTALS (Incl Vat)	R 10 435 510.85	R 5 634 839.45

Project Details

Name of Consultant: Siyazenzela Consulting
Name of Contractor: Sihawusethu Trading (Pty) Ltd
Project Commencement Date: January 2025
Contractual Completion Date: May 2025
Revised Completion date: N/A

Project Scope

- Site Establishment and Setting out of works.
- Bulk earthworks to the various elements of infrastructure on site.
- 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 (3 toilet units), public toilets (2 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.

Current Status of Construction Progress 15% (Overall Progress 65%): Site Handover, Site Establishment 100%, Setting Out 100%, Site Clearance 50%, Subsoil 20%.

Challenges: N/A

Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili Ward 13 Phase 2 and Ward 14 White City Section (Phumla, Indumiso and Mandela).

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 352 795.17	R 2 256 723.50
Construction Cost (incl. Retention)	R 16 257 859.82	R 16 126 099.66
Internal Funding (Professional Fees)	R 400 352.92	R 400 352.92
TOTALS (Incl Vat)	R 19 011 007.91	R 18 783 176.08

Project Details

Name of Consultant:	Singh Govender & Associates cc
Name of Contractor:	MVI-SSSS Trading Enterprise cc
Project Commencement Date:	August 2023
Contractual Completion Date:	April 2024
Revised Practical Completion date:	September 2024

Project Scope

- Site Establishment: Establishment of offices, tools, plant, etc.
- General requirements for construction activities: Employment of Local Labour and CLO.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- The implementation of Traffic Accommodation facilities.
- Milling of the existing road asphalt to spoil.
- Excavation of the existing road layerworks to stockpile and spoil.
- Subgrade treatment: 300mm undercut to spoil and replace with G7 backfill at unsuitable founding conditions.
- Rip and recompact Roadbed (Subgrade) in preparation for layerworks.
- Installation of cable ducts - and protection to existing services where necessary.
- Import G5 and G2 material from commercial sources for layerworks.
- Construction of a 150mm Subbase layer with G5 material obtained from commercial sources.
- Construction of a 150mm Base layer with G2 material obtained from commercial sources.
- Pre-pulverising cement stabilising of the existing Base layer for areas with minimal degree of surface failures.
- Construction of concrete V-Drains and Kerbing and Channelling.
- Construction of a 40mm Asphalt layer- Mix D, obtained from commercial sources.
- Construction of speed humps.
- Construction of Stormwater pipelines utilising 600mmØ and 450mmØ concrete pipes. The installation of Sub-soil drains for subsurface drainage.
- Construction of Side Inlet Manholes along the roadways. Installation of Guardrails.
- Installation of Gabions.
- Installation of Retaining walls.
- Installation of Road Signs and painting of Road Markings.
- Clearing of the road reserve

Current Status Overall Construction progress 99%: Site establishment 90%, Setting Out of works is 100%, Traffic Accommodation 100%, Site Clearance 100% and Roadbed Preparation 100%, Stormwater Installation 100%, Manhole Construction 97%, Subsoil installation 95%, service crossing ducts 92%, Subsoil Drainage G5 material layer 100% for our subbase layer, G2 Base layer 100%, Asphalt Surfacing 100%, Road Signs & Marking

85%, Speed Humps 100%, Guardrails 100%, Kerbing and Channel 97.5%, Gabion Retaining Wall 60%.

Practical Completion was achieved on the **12th of September 2024** with Final Completion still outstanding as a result of the Contractor's Poor Performance in completing the identified snag list. Subsequent to the Contractor's failure to complete the project and an Intention to Terminate the Contract a Final Termination to the Contractor has since been served dated **Friday, 21st February 2025**.

c) Completion of the "Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Mthombothi, Mbabala, Umgakla and Sondeza)"

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 532 598.83	R 1 531 961.32
Construction Cost (incl. Retention)	R 12 148 430.66	R 10 364 988.22
Internal Funds	R 667 565.79	R 0.00
TOTALS (Incl. Vat)	R 14 348 595.28	R 11 896 949.54

Project Details

Name of Consultant:	DLV Project Managers and Engineers
Termination Previous Contractor	22 August 2024
Name of Contractor:	BIG O Trading 298 CC
Project Commencement Date:	October 2024
Contractual Completion Date:	March 2025
Revised Completion date:	April 2025

Project Scope

- Site establishment
- Site clearance
- Completion of Mass Earthworks
- Roadbed Preparation
- Clearing Existing Stormwater Infrastructure
- Completion of New Stormwater Infrastructure
- New Pavement Layerworks
- Road Surfacing
- Kerbs and Channels
- Road Restraint Systems
- Road Signs
- Road Marking
- Finishing

Current Status Overall Construction progress 79%: Site establishment - 100%, Mass Earthworks - 98%, Roadbed Preparation - 99%, C4 stabilized layer - 98%, Stormwater - 94%, Subsoil drainage - 80%, Asphalt Surfacing - 15%, Kerbs - 68%, Kerb & Channel - 78%, Setting up the pipe route by surveyor - 95%, Setting up the road by the surveyor - 100%, Site Clearance - 100%, Pipe laying - 94%, Manholes complete - 60%, Headwalls - 60%.

Challenges: Previous Contractor was terminated as a result of Non-Compliance to the contract. Recent inclement weather conditions causing delays to the scope of works. Contractor's slow progress has also been noted and a correspondence has been issued to the Contractor.

d) Rehabilitation of Bumbanani Road in Sundumbili - Ward 13, 14 & 15 Phase 1

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 243 837.65	R 2 181 610.01
Construction Cost (incl. Retention)	R 10 679 964.34	R 10 679 964.34
Internal Funds	R 4 629 230.16	R 699 777.47
TOTALS (Incl. Vat)	R 17 553 032.14	R 9 678 575.37

Project Details

Name of Consultant: Kukhanya Projects (Pty) Ltd
Name of Contractor: Iqhawe Elihle Trading
Project Commencement Date: May 2024
Contractual Completion Date: February 2025
Revised Completion date: N/A

Project Scope

- Site establishment
- Site clearance
- Finishing Construction of 1km long, 7m width asphalt surface road.
- Construction of Kerb and channel where required.
- Construction of Kerb inlet, headwall and manholes where required.
- Construction of 967m stormwater pipes ranging from 450mm-900mm diameter.
- Construction of 874m long, 2m width asphalt finished sidewalk.
- Construction and preparation of bell mouth to tie in the existing internal access road in the vicinity of the proposed road.
- Milling of existing asphalt (to be stockpiled and re-used by the client) Construction of subsoil drain where required.

Current Status Overall Construction progress 50%: Contractual Submissions 100%, Site Establishment 100%, Accommodation of Traffic 50% Road Construction Works 41%, Stormwater 41%, Kerb & Channel Works 6%, Sidewalk Construction 0% and Asphalt Laying 0%.

Challenges: Heaving section (Road Failure) has been identified on subgrade layer between chainage 20 -120, Bumbanani Road. Theft of Survey Pegs being a continuous issue on site and water pipe bursts. Recent inclement weather conditions. Contractor has been issued with a Notice of slow progress as a result of the rate of construction works, poor planning and inadequate resource allocation.

e) Upgrade of Machibini Link Road to Isithebe in Ward 10 and 12 - Phase 2

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees (MIG)	R 2 743 191.52	R 2 232 054.79
Construction Cost (MIG)	R 17 536 070.12	R 4 011 839.26
Internal Funds	R 3 932 538.28	R 0.00
TOTALS (Incl. Vat)	R 24 211 799.92	R 6 243 894.05

Name of Consultant: Urbanru (Pty) LTD

Name of Contractor: Silo Construction

Project Commencement Date: September 2024

Contractual Completion Date: June 2025

Revised Completion date: N/A

Project Scope

- Establishment on site.
- Clearing & grubbing.
- Traffic accommodation facilities.
- Removal of layers and stockpiling for later use. (Earthworks)
- Demolish existing culverts.
- Construction of stormwater infrastructure.
- Construction of sidewalks.
- Construction of layer works
- Erection of Kerbing and Channel.
- Clearing of road reserve.
- Road marking, including road signs.
- Traffic calming measures.
- Finishing off, removal of site establishment and 12 months' maintenance of the works as stipulated per the defect liability period clause.

Current Status Overall Construction progress 18%: Contractor has established on site 100%. Contractor has planned alternate routes for traffic accommodation 100%. Clear and grub 100%. Removal of existing asphalt 100%. Earthworks 70%. Demolishing of existing concrete culverts at Ch 3+050 and Ch 3+500 100%. Culvert at 3+050 earthworks 100%. Construction of dump rock layer is being done as and when there is a need.

Challenges: The contractor is behind the programme by 20 days and is experiencing rain and breakdown of plant delays.

g) Construction of a Sportsfield and Combo Court in Khenana : Ward 10 - Phases 1 & 2

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 441 758.19	R 846 060.67
Construction Cost (incl. Retention & Surety)	R 10 600 230.99	R 717 554.00
TOTALS (Incl. Vat)	R 12 041 989.18	R 1 563 614.67

Project Details

Name of Consultant: Impumelelo Consulting Engineers
Name of Contractor: Nikeresia Construction
Project Commencement Date: January 2024
Contractual Completion Date: February 2025
Revised Completion date: N/A

Project Scope

- Site establishment
- Site clearance
- Bulk earthworks / civils works
- Install Clear View Fencing Complete including gates
- Construction of a Guardhouse and Ablution Facility
- Construction of a Soccer Field
- Construction of a Open Brickwork and Concrete Grandstands
- Construction of a Outdoor Gym inclusive of gym equipment
- Construction of a Combo Court
- Stormwater Control Measures
- Installation of Highmast

Current Status Overall Construction progress 15%: Site Handover / Technical Meeting - 100%, Site Establishment - 100%, Clearing & Grubbing - 100%, Setting Out - 60%, Bulk Earthworks - 5%, Civil Works - 5%.

Challenges: Inclement Weather Condition causing delays.

5.2. Municipal Internal Funding:

Projects under Construction Stage

a) Repair and Renovation of Civic Centre Roof in Mandeni

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 829 510.70	R 1 829 510.71
Construction Cost (Excluding Retention)	R10 993 497.45	R 10 993 497.47
TOTALS (Incl. Vat)	R 12 823 008.15	R 12 823 008.18

Project Details

Name of Consultant:	LZM Africa Holdings
Name of Contractor:	Uhlanga Trading Enterprise
Project Commencement Date:	October 2022
Contractual Completion Date:	July 2023
Revised Practical Completion date:	30 June 2024
Actual Completion Date:	February 2025

Project Scope

The scope of works includes the following activities.

- 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.
- Damaged Walls with visible rising damp has to restored and re-painted.

Current Status Overall Construction progress 100%: Project is completed.

Challenges: Subsequent to the Intention to Terminate the Contractor has since been able to bring the project to a completion.

b) New Protection Services Centre DLTC

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 114 723.00	R 1 615 369.85
Construction Cost (including variation order)	R 15 525 192.27	R 14 600 179.49
TOTALS (Incl. Vat)	R 17 639 915.27	R 16 215 549.34

Project Details

Name of Consultant: Nzamakhuze Holdings
Name of Contractor: Mlombomvu Projects
Project Commencement Date: January 2023
Contractual Completion Date: July 2023
Revised Completion date: 31 August 2024

Project Scope

- Site establishment
- Site clearance
- Fencing (450m Approximately) and installation of Vehicular Gates
- Excavation for foundation
- Construction of brickworks for super structure
- Installation of roof sheeting including finishing off remaining works
- Plaster and Paint works for internal walls
- Electrical connections and Plumbing works
- Building Electrical and Mechanical Works (Fire and HVAC)
- Portable water pipeline supply will be connected on the district Municipality main water pipeline.
- Parking and related pavement earthworks and layer works

- Stormwater Drainage Works and Installation of Jojo Tanks (specification changed to steel tank)
- Yard marking
- Installation of Sewer Reticulation
- Finishes
- Landscaping
- Cleaning, removal of building rubble and reinstatement of lawns

Additional Scope:

- Installation of a steel tank
- Installation of burglar guards
- Construction of a steep hill

Current Status Overall Construction progress 100%: Site Establishment 100%, Excavation for foundation 100%, Construction of brickworks for super structure 100%, Installation of roof sheeting including finishing off remaining works (suspended ceiling) 100%, Installation of Sewer Reticulation 100%, Parking and related pavement earthworks 100%, layer works 100%, Concrete Drains 100%, Plaster 100% and Paint works for internal walls 100%, Plumbing works 100%, Building Electrical and Mechanical Works (Fire and HVAC) 100%, Stormwater Drainage Works 100%, Portable water pipeline supply will be connected on the district Municipality main water pipeline 100%, Yard Marking 100%, Fencing 100% and installation of Vehicular Gates 100%, Finishes 100%. Landscaping 100%, Cleaning, removal of building rubble and reinstatement of lawns 100%.

Additional Scope:

- Installation of a steel tank - 100%
- Installation of burglar guards - 100%
- Construction of a steep hill - 100%

Project is completed

Challenges: None.

c) Extension of Mechanical Workshop and Construction of New Offices

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 910 105.97	R 1 774 651.88

Construction Cost (Incl Ret.)	R 16 996 962.19	R 15 103 608.53
TOTALS (Incl. Vat)	R 18 907 069.16	R 16 878 260.41

Project Details

Name of Consultant: Ukwakha Consulting Engineers
Name of Contractor: Bheka Phezulu Investment and Sales
Project Commencement Date: July 2023
Contractual Completion Date: March 2024
Revised Completion date: February 2025

Project Scope

- Site establishment
- Site clearance, demolition of existing pavement
- Demolition of an existing building
- Earthworks
- Construction of the new 146m² Mechanical workshop
- Demolition & Modification of the existing workshop storage
- Modification, Repairing and plumbing of the Existing Toilets & Change room
- Construction of the new 100.70m² Office Block
- Construction of the new canteen
- Extension of the existing storage rooms by 114m²
- Fiberglass Roof Sheet IBR 3.6m Clear - Covered Walkway
- Construction of new pavement around the site
- Stormwater drainage installation
- Installation of electrical, mechanical, and associated works
- Renovation of the Male and Female Ablution and change rooms
- Construction of New Slabs

Current Status Overall Construction progress 92%: Site Establishment 100%, Site Clearance 95%, Demolition of existing pavement 95%, Demolition of an existing building 100% and Construction of the new Office Block 96%, Earthworks 50%, Construction of the new 146m² Mechanical workshop 75%, Construction of the new canteen 95%, Extension of the existing storage rooms 65%, Fiberglass Roof Sheet IBR 3.6m Clear - Covered Walkway 45%, Construction of new pavement around the site 30%, Stormwater drainage installation 70%, Installation of electrical, mechanical and associated works 40%, Renovation of the

Male and Female Ablution and change rooms 96%, Construction of New Slab for the vehicle wash bay 90%

Challenges: The Contractor submitted a revised Extension of Time No.4 application which has been approved for a Revised Practical Completion date being noted for February 2025, penalties to be imposed should the Contractor not achieve the Revised Completion Date. The Contractor has shown some sense of improvements with regards to the rate of construction works but the recovery of the project to meet the revised completion date has been failed to be achieved as a result of poor planning, inadequate resource allocations and production levels along with inclement weather conditions.

d) P415 - 459 Ward 3 Streetlights

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 293 059.33	R 277 406.82
Construction Cost Incl. (Retention)	R 3 056 951.76	R 2 478 588.5
TOTALS (Incl. Vat)	R 3 350 071.12	R 3 169 394.62

Project Details

Name of Consultant: AM Consulting Engineers
Name of Contractor: R Busisiwe (Pty) Ltd
Project Commencement Date: May 2024
Contractual Completion Date: 30 September 2024
Revised Completion date: N/A

Project Scope:

- Provision and installation of 52 stepped poles measuring 11 meters each.
- Provision and installation of 3 equipped electrical streetlighting kiosks.
- Installation and activation of streetlighting and kiosks.
- Submission of shop drawings for poles and kiosks before procurement.
- Certification of all installations for compliance.
- Submission of project reports, as-built drawings, and quality stacks upon project handover.

Current Status Overall Construction progress 100%: All 52 lights have been energized. Consultant has been terminated due to non-compliance. The project is at the closeout stage.

Challenges: N/A.

e) Portion of extension of Kingfisher Road in Ward 3 of Mandeni Municipality

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 310 913.91	R 152 069.50
Construction Cost Incl. (Retention)	R 1 962 640.62	R 977 299.05
TOTALS (Incl. Vat)	R 2 273 54.53	R 1 129 368.55

Project Details

Name of Consultant: Brimstohn Consulting JV
Name of Contractor: Khumbusi Projects
Project Commencement Date: January 2025
Contractual Completion Date: March 2025
Revised Completion date: N/A

Project Scope:

- Establishment on site.
- Clearing & grubbing.
- Traffic accommodation facilities.
- Removal of layers and stockpiling for later use. (Earthworks)
- Construction of stormwater infrastructure.
- Construction of sidewalks
- Construction of layer works
- Erection of Kerbing and Channel.
- Clearing of road reserve.
- Road marking, including road signs.
- Traffic calming measures and streetlights
- Finishing off, removal of site establishment and 12 months' maintenance of the works as stipulated per the defect liability period clause.

Current Status Overall Construction progress 77%: Site Establishment 95%. Setting out 100%. Clearing and grubbing 100%. Earthworks 85%. Stormwater Pipes 100% and manholes 70%. Road formation 85%. G7 layer 85%. G5 layer 85%. G2 layer 85%.

Challenges: Contractor does not have the Construction Manager on site which is the breach of contract.

f) Rehabilitation of Isibuko Road (Masilela) and Stormwater Modification in Mandeni Ward 14

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 585 113.19	R 541 421.85
Construction Cost Incl. (Retention)	R 3 798 772.18	R 1 772 345.73
TOTALS (Incl. Vat)	R 4 383 885.37	R 2 313 767.58

Project Details

Name of Consultant: Ngeja Consulting Engineers
Name of Contractor: Humble Frank Multi Service
Project Commencement Date: January 2025
Contractual Completion Date: April 2025
Revised Completion date: N/A

Project Scope:

- Establishment on site.
- Clearing & grubbing.
- Traffic accommodation facilities.
- Milling and ripping of asphalt pavement layer works.
- Construction of 0.426 km of pavement layer.
- Installation of 600,750 & 900mm dia. concrete pipe
- Construction of manhole structures
- Surface seal 0.426 km of road with a 30mm Continuously graded Asphalt seal.
- Construct kerbs and channels.
- Clean out, repair existing and improve stormwater drainage structures/systems.

- Gabions and Pitching.
- Construct interlock sidewalk 1,5m wide over 0.3 km length.
- Removal and reinstatement of electrical poles.
- Ancillary works (traffic calming, guardrails, and road signage).
- Finishing off, removal of site establishment and 12 months' maintenance of the works as stipulated per the defect liability period clause.

Current Status Overall Construction progress 70%: Site Establishment 95%. Traffic accommodation (ongoing). Clearing and grubbing 100%. Milling and ripping of asphalt pavement layerworks 100%. Boxing of road 100%. Installation of stormwater pipe culverts 100%. Roadbed preparation 100%, Removal and reinstatement of electrical poles 100%. G5 layer 80%. Kerbing 2%.

Challenges: The project experienced lots of rain and subsequent rain days which caused delays in the progress. The contractor as submitted extension of time claim.

Projects under planning

a) Main Offices Master Plan and Building of the New Office Block

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 5 000 000	R 5 000 000
Construction Cost Incl. (Retention)	TBC	TBC
TOTALS (Incl. Vat)	R 5 000 000	R 5 000 000

Project Details

Name of Consultant: DLV engineers and project managers
Name of Contractor: TBC
Project Commencement Date: TBC
Contractual Completion Date: TBC
Revised Completion date: N/A

Project Scope:

- Assessment of the current conditions of the proposed site;
- Determine the accommodation schedule requirements from Mandeni Local Municipality.
- Architectural design proposals for approval from Mandeni Local Municipality;
- Engineering survey of the site;
- A geotechnical investigation to establish the current roads centreline materials investigations;
- Detailed architectural design;
- Detailed bulk earthworks, civil infrastructure, electrical, parking areas, stormwater and roads designs;
- Cost analysis, schedule of quantities and quantity surveying activities;
- Compilation of Tender Documents;
- Tender process and evaluation;
- Construction implementation and supervision;
- Project Completion.

Current Status Overall Construction progress: Inception - 100%, Concept and Viability - 100%, Design Development - 90% and Procurement Stage - 25%.

Challenges: N/A

b) Extension of Mechanical/ Technical Services Building Phase 2 and Fencing of Technical Services Depot

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 375 853.79	R 378 334.76
Construction Cost Incl. (Retention)	TBC	TBC
TOTALS (Incl. Vat)	R 1 375 853.79	R 378 334.76

Project Details

Name of Consultant: Mabalengwe Engineers
Name of Contractor: TBC
Project Commencement Date: TBC

Contractual Completion Date: TBC

Revised Completion date: N/A

Project Scope:

- Bulk Earthworks (Platforms)
- 5,5m Wide Croton Place Road
- 7m Wide Cul-de-sac
- Yellow Plant Parking Lots
- Walkways
- Road Kerbs
- Retaining Walls
- Balustrading
- Ramps
- Storm water reticulation
- Water reticulation Item
- 2,5m High Brickwall Fencing
- 3m High Clear-vu Fencing
- Landscaping

Current Status Overall Construction progress: Inception 100%, Concept and Viability 100% and Project on planning stage. Preparation of draft tender document is ongoing. Consultant submitted the cost estimate of the scope, but they were asked to reduce the scope due budget constraints. Client met with the consultant to discuss the items that should be part of the scope that should also meet the budgeted amount, the draft document is being finalized.

Challenges: Due to budget limitations, other items were removed from the scope of work even though they were important.

5.3. Department of Energy: Integrated National Electrification Programme (INEP) Projects

Projects under Construction

a) Emhlangeni Electrification Project - 110 HH

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 657 761.40	R 657 761.40
Construction Cost Incl. (Retention)	R 3 283 535.71	R 3 283 535.71
TOTAL (excl. vat)	R 3 941 297.11	R 3 941 297.11

Project Details

Name of Consultant: PSMT Consulting Engineers
Name of Contractor: R Busisiwe (Pty) Ltd
Project Commencement Date: May 2023
Completion Date: July 2023
Revised Completion Date: 30 April 2024

Current Status: Original scope on the project is complete with all 100 customers energized. Awaiting outage approval by Eskom for energization of 10 customers which were identified later on the project as an extra scope of works. The proposed outage dates for these 10 additional connections is the 9th of April 2025 and the alternative date is the 11th of April 2025.

Challenges: N/A

b) Okhovothe Electrification Project

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R210 983.83	R128 424.94
Construction Cost Incl. (Retention)	R 899 998.72	R 582 773.82
Performance Guarantee Incl. (Vat)		R 103 499.87
TOTAL (Excl. Vat)	R1 363 717.39	R 814 698.63

Project Details

Name of Consultant: BVI Engineers

Name of Contractor: Onombuthu (Pty) Ltd

Project Commencement Date: May 2023

Completion Date: August 2023

Revised Completion Date: June 2024

Current Status: Overall Construction progress is at 100%. Currently negotiating with Eskom for outage to energize the 105 dry connections.

Challenges: Project energization is currently on hold due unavailability of a design approval letter. Eskom clerk of works is conducting site inspection for the design of the project to be approved.

c) **Mandeni Substation Project**

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 11,826,735.62	R 7 380 000.00
Construction Cost	R0	R0
TOTAL	R 7 384 000.00	R 7 384 000.00

Project Details

Name of Consultant: ZLM Engineers

Name of Contractor: N/A

Project Commencement Date: 12 May 2023

Completion Date: TBC

Revised Completion Date: Nil

Current Status: Project detailed design completed. Currently awaiting tender documentation and procurement to be submitted by consultant.

Challenges: Application for a self-build to Eskom has been made. Eskom has provided the municipality with a cost estimate fee for carrying out a feasibility study and provide Network information from where the High Voltage line feeding the substation will be tied in. The municipality has made the payment for the cost estimate fee. This subsequently allows Eskom to commence with their feasibility study and provide necessary network

capacity information. Currently awaiting Eskom to present the final design of the feeder line to the substation.

5.3 Division of Revenue Act on Grants Receipts

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q3 Third Quarter

Description	Ref	2023/24	Budget Year 2024/25							
		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:		244 680	258 621	250 894	60 897	250 894	188 170	62 724	33.3%	249 394
EPWP Incentive	—	4 807	1 815	1 815	—	1 815	1 361	454	33.3%	1 815
Finance Management	—	1 850	1 800	1 800	—	1 800	1 350	450	33.3%	1 800
Integrated National Electrification Programme	—	7 200	9 227	1 500	—	1 500	1 125	375	33.3%	—
Local Government Equitable Share	—	230 823	243 588	243 588	60 897	243 588	182 691	60 897	33.3%	243 588
Municipal Infrastructure Grant	—	—	2 191	2 191	—	2 191	1 643	548	33.4%	2 191
	3							—		
Other transfers and grants [insert description]								—		
Provincial Government:		4 573	3 769	3 769	—	3 769	1 256	2 513	200.0%	—
KwaZulu-Natal_Infrastructure_Infrastructure_R	—	—	—	—	—	—	—	—		—
EDTEA	—	150		150		150	113	113	100.0%	
LIBRARY GRANT	4	4 423	3 769	3 769	—	3 769	1 256	2 513	200.0%	
								—		
Other transfers and grants [insert description]								—		
Total Operating Transfers and Grants	5	317 599	262 390	253 163	60 897	193 766	173 670	65 236	37.6%	249 394
Capital Transfers and Grants										
National Government:		46 392	38 910	44 288	11 023	27 887	29 525	5 694	19.3%	38 910
Municipal Infrastructure Grant (MIG)	—	46 392	38 910	44 288	11 023	38 910	33 216	5 694	17.1%	38 910
Integrated National Electrification Programme	—									—
Municipal Disaster Recovery Grant	—									—
Other capital transfers [insert description]								—		
Provincial Government:		—	850	850	—	850	1 540	(690)	-44.8%	4 619
KwaZulu-Natal_Capacity Building and Other_	—	—	850	850	—	850	1 540	(690)	-44.8%	4 619
Total Capital Transfers and Grants	5	46 392	39 760	45 138	11 023	28 737	31 065	5 004	16.1%	43 529
TOTAL RECEIPTS OF TRANSFERS & GRANT	5	363 991	302 150	298 301	71 920	222 503	204 735	70 241	34.3%	292 923

Grant Receipts Analysis

The total operational YTD grant receipts as at 31st March 2025 is R 107,4million, which has been allocated as follows:

- Equitable Share of R60,9 million has been received as 3rd payment. The payment has been received in total.
- FMG of R1.9 million has been fully received as publicized on DORA.
- EPWP of R544 thousand received in this quarter, which brings us to total of R1,8million.
- Library Grant of R4,6 million has been received in total.
- INEP of R1,5 million has been received as a 1st payment. The balance of R7,7million has been taken back by the National Treasury decision and an adjustment has been approved.

The total capital YTD grant receipts as at 31st March 2025 is R 39,8million which has been allocated as follows:

- MIG receipt of R 41,1million has been received over 4trenches , which includes R2,1million for PMU administration cost.

5.4 Division of Revenue Act on Grants Expenditure

KZN291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q3 Third Quarter

R2N291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q3 Third Quarter										
Description	Ref	2023/24	Budget Year 2024/25							
		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:		244 680	258 621	250 894	24 206	227 381	188 395	38 986	20.7%	5 806
EPWP Incentive	—	4 807	1 815	1 815	120	1 815	1 361	454	33.3%	1 815
Finance Management	—	1 850	1 800	1 800	144	1 286	1 350	(64)	-4.7%	—
Integrated National Electrification	—	7 200	9 227	1 500	—	37	1 350	(1 313)	-97.3%	1 800
Local Government Equitable Share	—	230 823	243 588	243 588	23 773	222 556	182 691	39 865	21.8%	—
Municipal Infrastructure Grant	—	—	2 191	2 191	168	1 687	1 643	44	2.7%	2 191
0								—		
Other transfers and grants [insert description]								—		
Provincial Government:		4 573	3 769	3 919	277	2 532	2 939	(407)	-13.8%	—
KwaZulu-Natal_Infrastructure_Infrastruc	—	—	—	—	—	—	—	—		—
EDTEA	—	150		150		(150)	113	(263)	-233.3%	
LIBRARY GRANT	—	4 423	3 769	3 769	277	2 682	2 827	(145)	-5.1%	
								—		
District Municipality:		—	—	—	—	—	—	—		—
[insert description]								—		
Other grant providers:		—	—	—	—	—	—	—		—
Other Transfers Public Corporat	—	—						—		
[insert description]								—		
Total operating expenditure of Transfe		249 253	262 390	254 813	24 483	229 913	191 334	38 579	20.2%	5 806
Capital expenditure of Transfers and Grants										
National Government:		46 392	38 910	44 288	6 121	25 779	33 216	(7 437)	-22.4%	38 910
Integrated National Electrification	—	46 392	38 910	44 288	6 121	25 779	33 216	(7 437)	-22.4%	—
Municipal Disaster Recovery Grant	—	—	—	—	—	—	—	—		—
Municipal Infrastructure Grant	—		—	—	—	—	—	—		38 910
0								—		
0								—		
Other capital transfers [insert description]								—		
Provincial Government:		—	850	850	168	291	638	(347)	-54.4%	—
Library			850	850	168	291	638	(347)	-54.4%	
0								—		
District Municipality:		—	—	—	—	—	—	—		—
0								—		
Other grant providers:		—	—	—	—	—	—	—		—
0								—		
Total capital expenditure of Transfers		46 392	39 760	45 138	6 289	26 070	33 853	(7 784)	-23.0%	38 910
TOTAL EXPENDITURE OF TRANSFERS										
		295 645	302 150	299 951	30 772	255 983	225 188	30 795	13.7%	44 716
References										

3. Debtors Age Analysis

Table SC3 Monthly Budget Statement_ Debtors Age Analysis

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q3 Third Quarter													
Description	NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys- 1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivable	1200	—	—	—	—	—	—	—	—	—	—	—	—
Trade and Other Receivable	1300	792	602	147	—	178	145	620	2 582	5 066	3 525	—	—
Receivables from Non-exch	1400	3 166	3 174	1 410	(29)	1 109	1 306	38 130	90 985	139 252	131 501	—	—
Receivables from Exchange	1500	—	—	—	—	—	—	—	—	—	—	—	—
Receivables from Exchange	1600	1 181	2 005	974	(8)	969	959	6 162	60 291	72 532	68 373	—	—
Receivables from Exchange	1700	(41)	11	5	—	5	25	4	121	130	155	—	—
Interest on Arrear Debtor Ac	1810	440	875	431	—	426	427	2 514	33 878	38 991	37 245	—	—
Recoverable unauthorised,	1820	—	—	—	—	—	—	—	—	—	—	—	—
Other	1900	16	2	—	—	—	—	—	5 648	5 665	5 648	—	—
Total By Income Source	2000	5 555	6 668	2 967	(37)	2 687	2 862	47 429	193 505	261 637	246 447	—	—
2023/24 - totals only										—	—		
Debtors Age Analysis By Customer Group													
Organs of State	2200	610	632	326	(3)	48	310	22 416	25 156	49 496	47 927	—	—
Commercial	2300	1 781	1 309	506	6	529	506	11 237	22 570	38 445	34 849	—	—
Households	2400	3 014	4 461	2 006	(40)	1 983	1 908	11 935	141 119	166 386	156 905	—	—
Other	2500	149	265	130	—	127	139	1 841	4 660	7 310	6 766	—	—
Total By Customer Group	2600	5 555	6 668	2 967	(37)	2 687	2 862	47 429	193 505	261 637	246 447	—	—

The total Consumer debtors outstanding as 31st March 2025 is **R 261,6 million**

- Debt book indicates 4% increase from to 1st July 2024 to March 2025, within a month the debt book has accumulated a 4% increase.
- Debtors collection rate at March 2025 is 73%
- 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 lattee'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

- 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.	address	ERF NO.	DEBTORS NAME	DEBT TYPE	AMOUNT R
002015400	SUNDUMBILI	154	NSELE	RATES/REFUSE	R82 618.33
002016000	SUNDUMBILI	160	BUTHELEZI	RATES/REFUSE	R32 981.93
002016100	SUNDUMBILI	161	DLAMINI	REFUSE/RATES	R275 920.74
001016700	SUNDUMBILI	167	RADEBE	RATES/REFUSE	R96 144.55
001016500	SUNDUMBILI	165	SHANDU	RATES/REFUSE	R72 421.62
002016400	SUNDUMBILI	164	KHUMALO	RATES/REFUSE	R42 930.25
001076400	SUNDUMBILI	764	KUNENE	RATES/REFUSE	R95 363.48
002076200	SUNDUMBILI	762	SIBIYA	RATES/REFUSE	R83 536.04
002077300	SUNDUMBILI	773	NYAWO	RATES/REFUSE	R98 660.90
001076100	SUNDUMBILI	761	MTHETHWA	RATES/REFUSE	R39 747.36
002075900	SUNDUMBILI	759	NDABA	RATES/REFUSE	R81 164.61
001075900	SUNDUMBILI	759	MAVIBELA	RATES/REFUSE	R41 758.52
002075700	SUNDUMBILI	757	SHABANE	RATES/REFUSE	R79 773.50
001075700	SUNDUMBILI	757	ZULU	RATES/REFUSE	R61 337.89
001074300	SUNDUMBILI	743	MNOMIYA	RATES/REFUSE	R46 686.35
001073900	SUNDUMBILI	739	NKUKU	RATES/REFUSE	R117 609.36
001073800	SUNDUMBILI	738	MATHONSI	RATES/REFUSE	R709 070.89
002073700	SUNDUMBILI	737	BENGU	RATES/REFUSE	R95 114.28
002256400	SUNDUMBILI	2564	NYAWO	RATES/REFUSE	R106 284.85
002256200	SUNDUMBILI	2562	MPANZA	RATES/REFUSE	R80 259.40
TOTAL					R2 339 384.85

Disconnection list 2025						
NO	ACCOUNT NO.	TOWN	ADRESS	NAME	DEBT TYPE	AMOUNT R
1	006609661	Mandeni	11 MIMOSA PLACE	ZULU	RATES/ELECTRICITY	13 502.43
2	009902161	Mandeni	19 FRYE ROAD	SHANGE	RATES/ELECTRICITY	37 379.05
3	009101511	Mandeni	1 IMPUNZI ROAD	NSELE	RATES/ELECTRICITY	5 625.00
4	009903711	Mandeni	21 TROGON ROAD	MTHEMBU	RATES/ELECTRICITY	44 139.05
5	002901591	Mandeni	38 PLOVER CRESCENT	KISATASAMY	RATES/ELECTRICITY	11 501.00
6	009801162	Mandeni	14 IMPUNZI ROAD	MBONAMBI	RATES/ELECTRICITY	38 356.62
7	008400651	Mandeni	15 ORIBI ROAD	MOONSAMY	RATES/ELECTRICITY	10 974.56
8	009909512	Mandeni	20 UMDONI PLACE	BUSANE	RATES/ELECTRICITY	29 188.82
9	009401722	Mandeni	11 PLOVER CRESCENT	VAN DER WALT	RATES/ELECTRICITY	6 257.52
10	009908471	Mandeni	38 INYATHI ROAD	SUKLAL	RATES/ELECTRICITY	16 467.25
11	009908931	Mandeni	25 DUBE ROAD	NDLOVU	RATES/ELECTRICITY	24 675.39
12	009909461	Mandeni	15 UMDONI PLACE	CELE	RATES/ELECTRICITY	8 945.67
13	009700161	Mandeni	31 PATRYS ROAD	KUBHEKA	RATES/ELECTRICITY	17 188.82
15	009910591	Mandeni	1 BEGONIA ROAD	MANZINI	RATES/ELECTRICITY	10 230.82
16	009401981	Mandeni	32 INYATHI ROAD	MTHEMBU	RATES/ELECTRICITY	4 003.24
17	009601221	Mandeni	48 KUDU ROAD	MTHETHWA	RATES/ELECTRICITY	34 532.75
20	009101511	Mandeni	1 IMPUNZI ROAD	NSELE	RATES/ELECTRICITY	5 652.00
21	009903521	Mandeni	37 TROGON ROAD	MATHONSI	RATES/ELECTRICITY	27 469.52
22	008001101	Mandeni	36 O'HARA ROAD	NTULI	RATES/ELECTRICITY	10 728.54
23	008004271	Mandeni	36 KUDU ROAD	MCDONALD	RATES/ELECTRICITY	7 453.61
25	009900691	Mandeni	1 RICHARDS CIRCLE	MPHILI	RATES/ELECTRICITY	23 152.70
28	007900391	Mandeni	5 KUDU ROAD	MLABA	RATES/ELECTRICITY	15 556.37
29	009900851	Mandeni	54 ANDERSON ROAD	NDLOVU	RATES/ELECTRICITY	10 518.71
30	009400951	Mandeni	6 DUIKER ROAD	PATEL	RATES/ELECTRICITY	14 198.06
31	008300671	Mandeni	6 IMPALA	SOKHULU	RATES/ELECTRICITY	46 743.01
32	008701011	Mandeni	63 GREIG ROAD	MHLONGO	RATES/ELECTRICITY	23 014.94
33	009907801	Mandeni	14 KUDU ROAD	SITHOLE	RATES/ELECTRICITY	25 023.11
34	008007869	Mandeni	9 SUNDANCE	RAMNARES	RATES/ELECTRICITY	3 220.72
36	009910391	Mandeni	5 ALOE ROAD	MNGADI	RATES/ELECTRICITY	5 582.63
37	009300531	Mandeni	57 PATRYS ROAD	MINNIE	RATES/ELECTRICITY	6 583.89
38	009903001	Mandeni	17 TALBOT ROAD	DUBE	RATES/ELECTRICITY	21 830.73
39	009910241	Mandeni	3 ERICA PLACE	QHOSHA	RATES/ELECTRICITY	27 881.12
40	002401202	Mandeni	30 READ ROAD	GOVENDER	RATES/ELECTRICITY	49 744.89
41	009910421	Mandeni	3 ARUM PLACE	SIBIYA	RATES/ELECTRICITY	55 106.15
42	008001121	Mandeni	28 OHARA ROAD	MZIMELA	RATES/ELECTRICITY	23 244.76
43	009900411	Mandeni	27 OHARA ROAD	NDLOVU	RATES/ELECTRICITY	26 314.38
44	009301131	Mandeni	26 IMPUNZI ROAD	PILLAY	RATES/ELECTRICITY	14 736.60
45	008908221	Mandeni	2 TEKWANE CRESCENT	DLAMINI	RATES/ELECTRICITY	45 677.86
46	009903601	Mandeni	17 SANDPIPER ROAD	MWANDLA	RATES/ELECTRICITY	34 289.36
47	009800882	Mandeni	17 INYALA	HARDING	RATES/ELECTRICITY	18 509.87
48	009909831	Mandeni	3 UMSINSI PLACE	DUBE	RATES/ELECTRICITY	18 545.08
49	009800801	Mandeni	25 INYALA ROAD	MATHONSI	RATES/ELECTRICITY	20 790.19
50	009904701	Mandeni	32 PLOVER CRESCENT	CELE	RATES/ELECTRICITY	40 279.27
51	009501772	Mandeni	4 INYATHI	MTHEMBU	RATES/ELECTRICITY	69 817.07
52	009702121	Mandeni	42 IMPUNZI ROAD	NZIMANDE	RATES/ELECTRICITY	22 323.33
					TOTAL	1 026 956.46

Figure 9

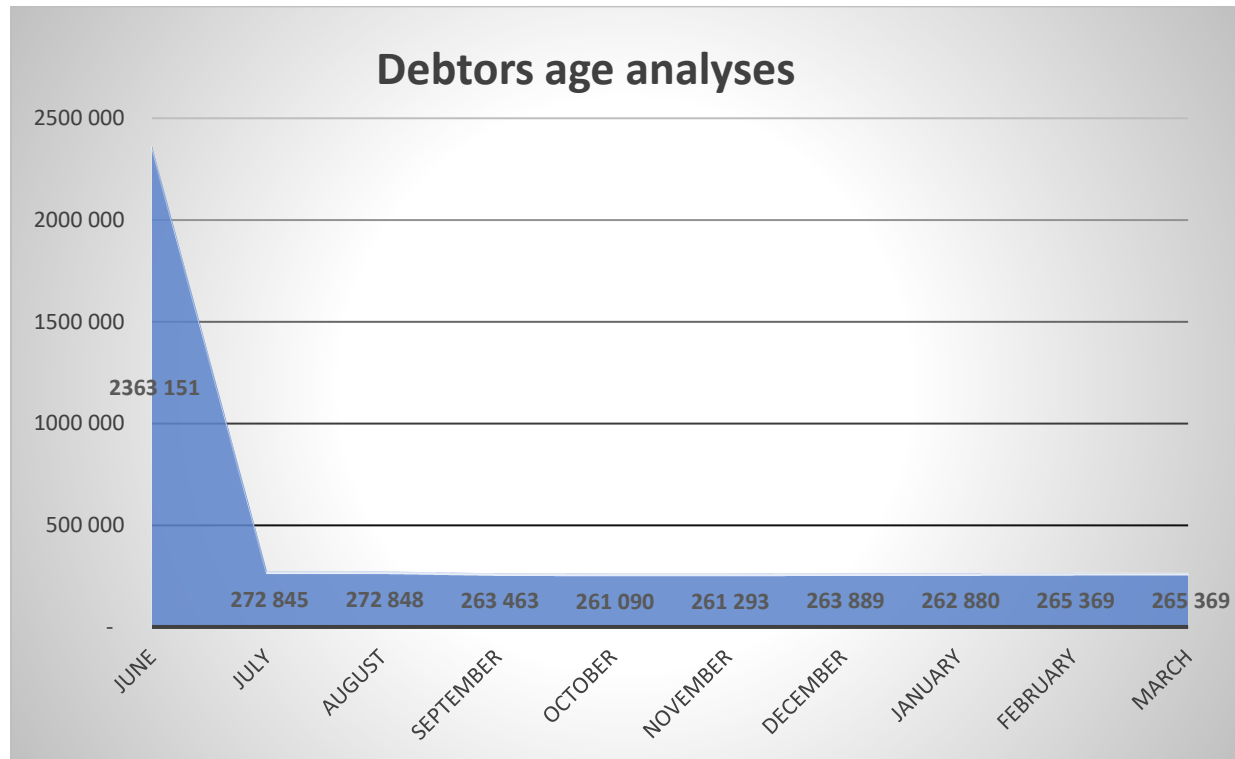
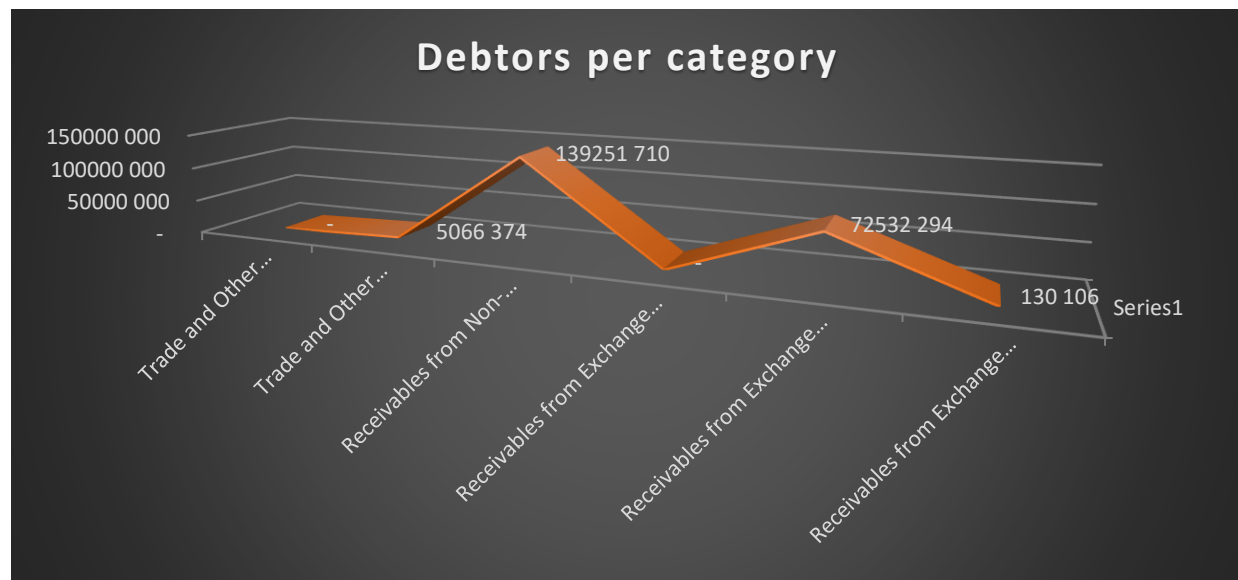
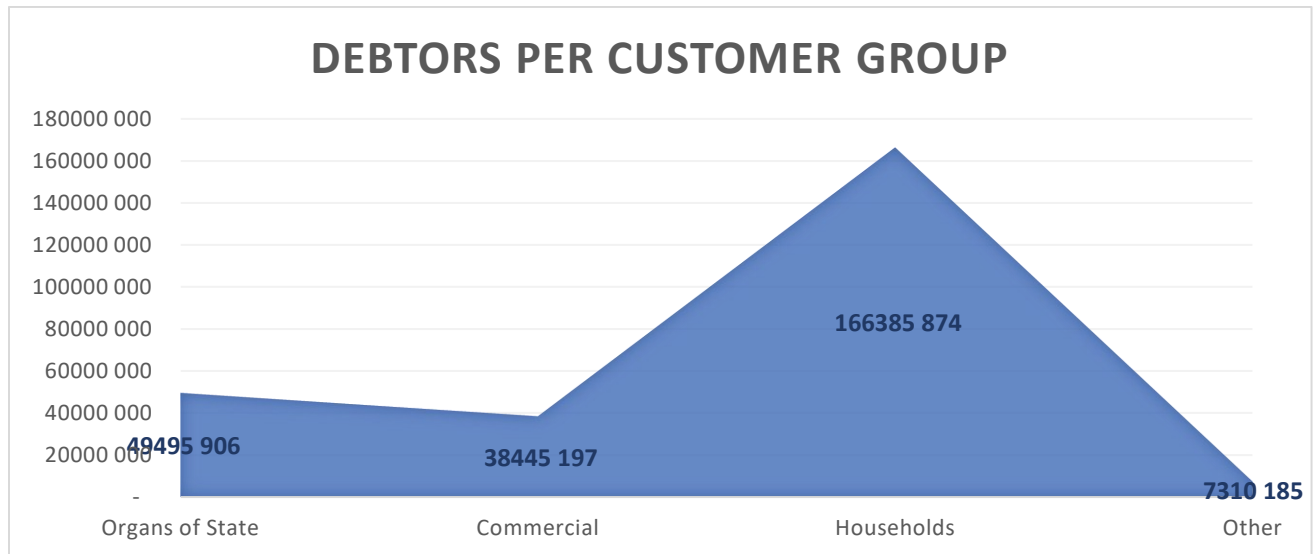


Figure 10



The municipal debtors have reduced from R263,5 million to R261,6 million that is from July 2024 until 31st March 2025. This increase is between Household debtors of 65% and it is followed by Organs of State by 17 % and Business Commercial is 16% and lastly the other debtors with a percentage of 2%.

- **Total Outstanding Debtors from March 2025**



Councilors and Employees in Arrear

- Debt outstanding on Councilors as at March is R237,689.86
- Staff Accounts in arrears as at March is R 64,112.64

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 - Q3 Third Quarter											
Description	NT Code	Budget Year 2024/25									Prior year totals for
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120	121 - 150	151 - 180	181 Days -	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	—	—	—	—	—	—	—	—	—	—
Bulk Water	0200	—	—	—	—	—	—	—	—	—	—
PAYE deductions	0300	—	—	—	—	—	—	—	—	—	—
VAT (output less input)	0400	—	—	—	—	—	—	—	—	—	—
Pensions / Retirement deduction	0500	—	—	—	—	—	—	—	—	—	—
Loan repayments	0600	—	—	—	—	—	—	—	—	—	—
Trade Creditors	0700	155	—	—	—	—	—	—	—	155	155
Auditor General	0800	—	—	—	—	—	—	—	—	—	—
Other	0900	2	—	—	—	—	—	—	—	2	2
Total By Customer Type	1000	157	—	—	—	—	—	—	—	157	157

- Creditors aging is R157thousand as of 31st March 2025. (Age analysis listing attached)
- 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 (MARCH 2025)

Name	Amount
ESKOM HOLDING	R 5 167 289.83
EMALANGENI	R 679 933.61
ADVISORY IT	R 772 800.00
BAMBHANANI ENTERPRISE	R 68 977.10
MALUTHULI TRADING	R 219 200.00
EZAMALUNQA	R 1 485 682.00
NJOMISA BOEDERY	R 44 903.91
CITY OF CHOICE	R 902 132.63
ILEMBE MUNICIPALITY	R 105 091.47
CCG SYSTEMS	R 171 855.20

5. MONTHLY BUDGET STATEMENT - FINANCIAL POSITION

Table C6 displays the financial position of the municipality as at 31st March 2025

KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - Q3 Third Quarter						
Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		208 837	78 954	92 208	235 591	78 954
Trade and other receivables from exchange transactions		57 057	33 169	32 945	45 590	33 169
Receivables from non-exchange transactions		13 127	36 042	58 081	35 240	36 042
Current portion of non-current receivables		–	–	–	–	–
Inventory		42 734	38 984	41 490	42 934	38 984
VAT		7 677	53 465	42 927	4 195	53 465
Other current assets		225	–	–	225	–
Total current assets		329 657	240 614	267 652	363 775	240 614
Non current assets						
Investments		–	–	–	–	–
Investment property		41 913	60 544	41 913	41 913	60 544
Property, plant and equipment		669 291	631 390	765 028	725 736	631 390
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		2 372	298	2 008	2 310	298
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		713 576	692 232	808 949	769 959	692 232
TOTAL ASSETS		1 043 233	932 846	1 076 601	1 133 734	932 846
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		6 043	–	–	5 673	–
Consumer deposits		170	216	(162)	180	216
Trade and other payables from exchange transactions		54 641	23 220	(48 056)	25 586	23 220
Trade and other payables from non-exchange transactions		9 028	8 284	(5 436)	30 587	8 284
Provision		4 572	8 677	(8 908)	4 572	8 677
VAT		6 698	14 759	(21 570)	8 002	14 759
Other current liabilities		–	–	–	–	–
Total current liabilities		81 153	55 157	(84 132)	74 599	55 157
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		–	–	–	–	–
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		21 070	22 993	25 770	21 070	22 993
Total non current liabilities		21 070	22 993	25 770	21 070	22 993
TOTAL LIABILITIES		102 223	78 150	(58 362)	95 670	78 150
NET ASSETS	2	941 010	854 696	1 134 963	1 038 064	854 696
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		738 338	852 610	938 978	835 392	852 610
Reserves and funds		202 672	2 086	2 133	202 672	2 086
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	941 010	854 696	941 111	1 038 064	854 696

RATIOS FOR THE MONTH

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

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 5.95 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, R4.88c

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 73%.

Collection days: 885 days it takes the municipality to collect outstanding debt.

Cost coverage: on average the municipality has sustained its existence for the period of 5 months without any grant funding.

Debtors collection rate: as at 9th month is 73%

	5 Month
Cash and cash equivalents	8 999 551
Unspent Conditional Grants	30 594 443
Overdraft	-
Short Term Investments	226 667 369
Total Annual Operational Expenditure	468 419 145

	4.88
Current Assets	363 775 181
Current Liabilities	74 599 326

	101%
Cash and cash Equivalents	8 999 576
Bank Overdraft	-
Short Term Investment	226 667 369
Long Term Investment	-
Unspent Grants	30 594 443
Net Assets	1 038 064 294
Share Premium	
Share Capital	
Revaluation Reserve	
Fair Value Adjustment Reserve	
Accumulated Surplus	835 391 971

	73%
Gross Debtors closing balance	264 448 549

Gross Debtors opening balance	236 985 481
Bad debts written Off	
Billed Revenue	102 779 200

	0%
Consumer Debtors Bad debts written off	
Consumer Debtors Current bad debt Provision	15 130 435

	885 days
Gross debtors	264 448 549
Bad debts Provision	15 130 435
Billed Revenue	102 779 200

	38%
Employee/personnel related cost	110 262 171
Councillors Remuneration	11 481 243
Total Operating Expenditure	317 311 801
Taxation Expense	-

	17%
Contracted Services	54 513 590
Total Operating Expenditure	317 311 801
Taxation Expense	

6. MONTHLY BUDGET STATEMENT -CASH FLOW

Table C7 below display the Cash Flow Statement for the period ending 31st March 2025

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - Q3 Third Quarter										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(40 543)	31 118	31 118	1 430	37 022	23 339	13 684	59%	31 118
Service charges		(61 602)	75 777	75 777	8 158	55 907	56 833	(927)	-2%	75 777
Other revenue		16 188	4 674	24 811	(53)	3 695	19 204	(15 509)	-81%	4 674
Transfers and Subsidies - Operational		395 269	262 390	262 390	62 397	250 203	210 633	39 570	19%	262 390
Transfers and Subsidies - Capital		119 004	39 760	45 138	16 205	50 902	33 853	17 048	50%	39 760
Interest		31 127	28 000	28 000	902	17 760	21 000	(3 240)	-15%	28 000
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(463 749)	(392 386)	(426 461)	(44 825)	(293 534)	(295 263)	(1 729)	1%	(392 386)
Finance charges		-	(3 300)	(3 300)	-	-	(2 475)	(2 475)	100%	(3 300)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(4 305)	46 034	37 474	44 213	121 954	67 124	(54 830)	-82%	46 034
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		535 861	(146 740)	(153 901)	(11 011)	(95 171)	(115 428)	(20 257)	18%	(146 740)
NET CASH FROM/(USED) INVESTING ACTIVITIES		535 861	(146 740)	(153 901)	(11 011)	(95 171)	(115 428)	(20 257)	18%	(146 740)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		531 556	(100 705)	(116 428)	33 202	26 783	(48 304)			-
Cash/cash equivalents at beginning:		(132 013)	(183 424)	(208 808)	(390 850)	208 808	(208 808)			208 808
Cash/cash equivalents at month/year end:		399 543	(284 129)	(325 236)		235 591	(257 111)			-

Cash and cash equivalent at the beginning of 2023/24 financial year was R208.8 million as per pre-audited AFS and cash and cash equivalent as at 31st March 2025 is R235,6million. The net increase of R26,8million is observed, as the Municipality has a positive trend for the past months which means the municipality has available cash to cover all operating expenses, pay debts if any and reinvest in growth.

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 collection rate to date is 123% or R10,6million of the billed revenue as at March 2025. More sites have been discovered and subsequently linked to the supplementary valuation roll to ensure accurate property assessments.
- Service Charges: Electricity and Refuse is 89% or R5,8million of billed revenue as at March 2025.
- Other Revenue collected to date is R4million over a Budget of R10,1million which gives a collection of 40% in these votes. A combination of votes from rentals of properties, licenses and permits and other sources of revenue are included. Further to that the additional revenue from VAT refunds received as at March totals R22,2million.
- Government grants received in the 3rd Quarter includes MIG grant of R11,0million, and Equitable share of R11,0million.
- Interest earned on external investments amounts to R14,0 million in comparison with the year-to-date budget of R21million which is an under performance of 33%.

Payments

- Suppliers and employees for cash outflows of R293,5 million. The total payment for suppliers and employees is noted the same as there are payments from the INEP and Title deed.
- Finance charges reflect under performance by 100 percent or R2,5million against YTD actual of R0. Usually, this votes interest is allocated in January and at year end.
- Capital Assets of R 9,6million for the month of March 2025 shows an under-performance of 18% as at March 2025.

6.1. BANK RECONCILIATION STATEMENT AS AT MARCH 2025

 Mandeni Municipality			
BANK RECONCILIATION STATEMENT FOR MARCH 2025			
Main Account :52940480587			
Opening FNB Bank Balance as on MARCH 2025	8 959 854.26	8 959 854.26	
PLUS: Deposits Banked	12 427 049.84		
PLUS: Interest received	30 321.73		
PLUS: Transfers In	29 816 990.05		
PLUS:Interest received From Call 1	273 141.99		
PLUS:Unpaid	38 692.20		
PLUS: MATURED INVESTMENTS	-		
PLUS: SARS REFUND	2 469 340.65		
PLUS: GRANTS RECEIVED	77 101 500.00		
Total Deposits	122 157 036.46	122 157 036.46	
Less:Total payments	- 122 117 339.44	- 122 117 339.44	
LESS: EFT Payments	- 44 230 084.94		
LESS: Bank Charges	- 23 229.66		
LESS: Transfers Out	- 77 101 500.00		
LESS: NEW INVESTMENTS	-		
LESS: Debit Orders	- 762 524.84		
Closing FNB Bank Balance as on 31 MARCH 2025		8 999 551.28	
Cashbook Reconciliation for 31 MARCH 2025			
OPENING BALANCE 1/07/2024	2 026 213 166.77		
OPENING BALANCE 1/07/2024	96 176 000.00		
OPENING BALANCE 1/07/2024	- 2 112 242 032.86		
OPENING BALANCE 1/07/2024-INTEREST	593 200.30		
OPENING BALANCE-1/7/2024 -BANK CHARGES	- 1 380 300.52		
Cashbook Balance as on 1 MARCH 2025-D0001/IA09567/F0001/X049/R0099/001/FIN	591 576 942.23		
Less:Cashbook Balance as on 1 MARCH 2025-D0001/IA09850/F0001/X049/R0099/001/FIN	(592 127 511.08)		
Corrections to be made (JNL DR/CR)	19 850.00		
PLUS: Deposits Banked for MARCH 2025	12 465 742.04		
LESS: EFT Payments for MARCH 2025	- 44 242 503.88		
Plus FEBRUARY 2025 outstanding (reconciled)	4 500.00		
Less: Bank Charges to date	- 211 652.23		
PLUS: Grant received	77 101 500.00		
Less : New investment	-		
Less: Payments not yet paid during MARCH 2025	- 800.00		
PLUS: Interest received to date	353 947.03		
PLUS:Interest received From Call 1-MARCH 2025	273 141.99		
PLUS MATURED INVESTMENT	-		
PLUS :SARS REFUND	2 469 340.65		
PLUS :TRANSFER IN	29 816 990.05		
LESS:TRANSFER OUT	- 77 101 500.00		
LESS: Debit Orders for -MARCH 2025	- 762 524.84		
Closing Cashbook Balance as on 31 MARCH 2025	8 995 495.66	8 995 495.66	
		4 080.00	
Reconciling Items	Amount		
ADD: Journal Debits - on Cashbook not on Bank Statement	4 080.00		
MONTH END BALANCE PER BANK STATEMENT- 31 MARCH 2025			
		8 999 551.28	
ADJUSTED MONTH END CASHBOOK BALANCE- 31 MARCH 2025			
		8 999 575.66	
DIFFERENCE		24.38	

6.2. MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO

The following information presents the short-term investments balances broken down per investment type as of 31st March 2025

INVESTMENT REGISTER FOR MARCH 2025								
Name of grant	INTEREST RATES	Opening Balance as at	Re-Investments	Expenditure	interest	bank charges	Closing Balance as at	TOTAL INTEREST EARNED TO DATE
		2025/03/01					2025/03/31	
	%	R	R	R	R	R	R	R
call 1-internal grant	7.20	20 230 458.99	60 897 000.00	23 773 141.99	273 141.99	-	57 627 458.99	2 122 134.70
Call account 2 - HOUSING	7.20	2 182 713.25	-	-	10 799.94	-	2 193 513.19	99 764.10
Call account 3-MIG	7.20	15 548 303.08	11 023 000.00	6 288 990.05	80 182.93		20 362 495.96	693 387.98
Call account 5-TMT	7.20	521 835.70	2 820.00	-	2 582.60	87.30	527 151.00	22 768.16
Call account 6-INEP	7.20	1 495 985.47		-	7 402.05	-	1 503 387.52	58 385.62
Call account 7-AR	7.20	4 935 571.89		-	27 037.46	-	4 962 609.35	240 605.74
Call account 8-Title Deed	7.20	4 294 620.56		28 000.00	23 432.28	-	4 290 052.84	214 430.64
Call account 9-Disaster Recovery	7.20	11 810.44	5 181 500.00		7 389.77	-	5 200 700.21	7 860.52
ABSA BANK	9.78	100 000 000.00			509 095.89		100 000 000.00	7 073 753.42
ABSA BANK	8.52	30 000 000.00		(30 000 000.00)	125 869.32		-	763 298.63
ABSA BANK	8.09	-	30 000 000.00				30 000 000.00	
FNB-MAIN BANK					16 309.78			323 625.30
TOTAL		179 221 299.38	107 104 320.00	(90 132.04)	1 083 244.01	(87.30)	226 667 369.06	15 588 451.02

The municipality has sourced quotations from four financial institutions and ABSA BANK offered better interest rate as compared to other institutions.

An amount of R200 million has been invested with ABSA BANK at the beginning of the financial year during the month of July 2024, to generate better interest.

The invested amount has been split into three different investment terms. R100 Millions for a period of 12 month or until year end at 9.78%, R50 million over 6 Months at 9.70%, and R50 million over 3 months at 9.30%.

In line with the municipal cash and investment policy funds are to be utilised for service delivery purposes, however due to monitoring of cashflows it was clear that cash available will be able to meet financial obligations of the municipality.

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

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q3 Third Quarter										
Summary of Employee and Councillor remuneration	Ref	2023/24	Budget Year 2024/25							
		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		12 378	13 768	13 768	1 022	9 932	10 326	(394)	-4%	13 768
Pension and UIF Contributions		—	—	—	—	—	—	—	—	—
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance		528	675	675	37	337	506	(169)	-33%	675
Cellphone Allowance		1 491	1 687	1 687	119	1 117	1 265	(148)	-12%	1 687
Housing Allowances		167	258	258	11	95	194	(99)	-51%	258
Other benefits and allowances		—	—	—	—	—	—	—	—	—
Sub Total - Councillors		14 564	16 388	16 388	1 189	11 481	12 291	(809)	-7%	16 388
% increase	4		12.5%	12.5%						12.5%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		3 865	5 876	5 555	388	3 490	4 166	(676)	-16%	5 876
Pension and UIF Contributions		1	11	10	—	—	8	(8)	-100%	11
Medical Aid Contributions		163	42	145	25	198	109	89	82%	42
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		380	499	380	—	—	285	(285)	-100%	499
Motor Vehicle Allowance		716	871	866	60	537	649	(112)	-17%	871
Cellphone Allowance		272	195	268	29	257	201	56	28%	195
Housing Allowances		114	278	278	14	128	208	(81)	-39%	278
Other benefits and allowances		347	286	440	40	361	330	32	10%	286
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	2	5 131	3 736	3 736	—	—	2 802	(2 802)	-100%	3 736
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality		10 989	11 794	11 677	555	4 970	8 758	(3 788)	-43%	11 794
% increase	4		7.3%	6.3%						7.3%
Other Municipal Staff										
Basic Salaries and Wages		83 417	94 130	93 544	10 602	73 526	70 158	3 368	5%	94 130
Pension and UIF Contributions		13 566	15 938	16 131	1 350	11 666	12 098	(432)	-4%	15 938
Medical Aid Contributions		6 332	6 180	6 801	688	5 679	5 101	578	11%	6 180
Overtime		3 361	2 469	2 996	316	2 756	2 247	509	23%	2 469
Performance Bonus		6 601	6 513	5 362	568	5 112	4 022	1 090	27%	6 513
Motor Vehicle Allowance		4 751	5 495	5 798	428	3 726	4 349	(623)	-14%	5 495
Cellphone Allowance		617	604	784	66	561	588	(28)	-5%	604
Housing Allowances		315	362	380	28	256	285	(29)	-10%	362
Other benefits and allowances		983	887	988	205	1 497	741	757	102%	887
Payments in lieu of leave		3 462	2 718	2 627	—	187	1 970	(1 783)	-91%	2 718
Long service awards		355	1 407	1 407	12	327	1 055	(728)	-69%	1 407
Post-retirement benefit obligations	2	(1 041)	4 047	4 047	—	—	3 035	(3 035)	-100%	4 047
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff		122 720	140 748	140 866	14 263	105 292	105 649	(357)	0%	140 748
% increase	4		14.7%	14.8%						14.7%
Total Parent Municipality		148 273	168 930	168 930	16 007	121 743	126 698	(4 955)	-4%	168 930

8. External Loan NONE

9. Performance Indicators

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

Description of financial indicator	Basis of calculation	Ref	2023/24	Budget Year 2024/25			
			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		0.0%	9.3%	8.8%	0.0%	4.4%
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		9.6%	6.4%	-2.9%	8.0%	6.4%
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	406.2%	436.2%	-318.1%	487.6%	436.2%
Liquidity Ratio	Monetary Assets/Current Liabilities		257.3%	143.1%	-109.6%	315.8%	143.1%
<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		16.7%	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		31.6%	34.1%	34.0%	28.4%	34.1%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		4.3%	5.3%	5.4%	4.4%	5.3%
Interest & Depreciation	I&D/Total Revenue - capital revenue		8.0%	9.2%	9.2%	0.0%	4.4%
<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						

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 **March 2025** 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 **19 MARCH 2025**