

# **MANDENI MUNICIPALITY**

**KZN291**



## **BUDGET & TREASURY DEPARTMENT**

### **MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED JUNE 2024/25 FINANCIAL YEAR**

# **STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2024/25 BUDGET FOR THE PERIOD ENDING 30 JUNE 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 30 JUNE 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 30 JUNE 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

The following table represents an executive summary for fourth quarter of the financial year ended 30<sup>th</sup> June 2025.

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - Q4 Fourth 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								%	
<b>Financial Performance</b>									
<b>Total Revenue (excluding capital)</b>	<b>422 701</b>	<b>447 101</b>	<b>442 150</b>	<b>10 674</b>	<b>426 153</b>	<b>442 150</b>	<b>(15 998)</b>	<b>-4%</b>	<b>447 101</b>
Employee costs	133 709	152 543	152 543	13 001	150 320	152 543	(2 223)	-1%	152 543
Remuneration of Council	14 564	16 388	16 388	1 246	15 205	16 388	(1 182)	-7%	16 388
<b>Total Expenditure</b>	<b>397 367</b>	<b>443 031</b>	<b>461 700</b>	<b>38 450</b>	<b>409 934</b>	<b>461 700</b>	<b>(51 766)</b>	<b>-11%</b>	<b>443 031</b>
<b>Surplus/(Deficit)</b>	<b>25 334</b>	<b>4 070</b>	<b>(19 550)</b>	<b>(27 776)</b>	<b>16 218</b>	<b>(19 550)</b>	<b>35 768</b>	<b>-183%</b>	<b>4 070</b>
Transfers and subsidies - capital	55 093	39 760	47 421	12 187	46 183	47 421	(1 238)	-3%	39 760
<b>Surplus/(Deficit) after capital transfers &amp; capital transfers &amp; Surplus/ (Deficit) for the year</b>	<b>80 427</b>	<b>43 830</b>	<b>27 872</b>	<b>(15 589)</b>	<b>62 401</b>	<b>27 872</b>	<b>34 529</b>	<b>124%</b>	<b>43 830</b>
	<b>80 427</b>	<b>43 830</b>	<b>27 872</b>	<b>(15 589)</b>	<b>62 401</b>	<b>27 872</b>	<b>34 529</b>	<b>124%</b>	<b>43 830</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>139 662</b>	<b>127 600</b>	<b>135 814</b>	<b>17 759</b>	<b>116 185</b>	<b>135 814</b>	<b>(19 629)</b>	<b>-14%</b>	<b>127 600</b>
Capital transfers recognised	51 789	34 702	41 319	6 639	38 308	41 319	(3 011)	-7%	34 702
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	<b>87 873</b>	<b>92 898</b>	<b>94 496</b>	<b>11 120</b>	<b>77 877</b>	<b>94 496</b>	<b>(16 618)</b>	<b>-18%</b>	<b>92 898</b>
<b>Total sources of capital</b>	<b>139 662</b>	<b>127 600</b>	<b>135 814</b>	<b>17 759</b>	<b>116 185</b>	<b>135 814</b>	<b>(19 629)</b>	<b>-14%</b>	<b>127 600</b>
<b>TOTAL BUDGET</b>	<b>537 029</b>	<b>570 631</b>	<b>597 514</b>	<b>56 210</b>	<b>526 120</b>	<b>597 514</b>	<b>(71 395)</b>	<b>(0)</b>	<b>570 631</b>

As can be seen from the table above, Actual surplus for the period ended 30<sup>th</sup> June 2025 is Significantly more than the Budgeted Surplus by- 100%. Monthly budget statement summary (Table C1), for the period ending 30<sup>th</sup> June 2025 (year to date actual), shows a surplus of R62.4million against YTD budget of R14.7million which reflects variance of more than 100%.

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

## 1.1 IN- YEAR BUDGET STATEMENT TABLES

### 1.1.1 Table 1

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

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - Q4 Fourth 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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	58 321	62 237	62 237	(10)	64 001	62 237	1 764	3%	62 237
Service charges	73 544	86 448	86 448	7 474	77 752	86 448	(8 696)	-10%	86 448
Investment revenue	26 748	–	–	–	–	–	–		–
Transfers and subsidies - Capital	26 748	28 000	28 000	1 050	20 011	28 000	(7 989)	-29%	28 000
Other own revenue	237 340	270 416	265 466	2 160	264 390	265 466	(1 077)	-0%	–
<b>Total Revenue (excluding capital transfers and subsidies)</b>	<b>422 701</b>	<b>447 101</b>	<b>442 150</b>	<b>10 674</b>	<b>426 153</b>	<b>442 150</b>	<b>(15 998)</b>	<b>-4%</b>	<b>447 101</b>
Employee costs	133 709	152 543	152 543	13 001	150 320	152 543	(2 223)	-1%	152 543
Remuneration of Councilors	14 564	16 388	16 388	1 246	15 205	16 388	(1 182)	-7%	16 388
Depreciation and amortisation	33 728	37 856	37 856	–	32 390	37 856	(5 466)	-14%	37 856
Interest	137	3 300	3 300	–	0	3 300	(3 300)	-100%	3 300
Inventory consumed and bought	56 309	62 398	63 500	4 662	58 693	63 500	(4 806)	-8%	62 398
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	158 921	170 546	188 114	19 541	153 326	188 114	(34 788)	-18%	170 546
<b>Total Expenditure</b>	<b>397 367</b>	<b>443 031</b>	<b>461 700</b>	<b>38 450</b>	<b>409 934</b>	<b>461 700</b>	<b>(51 766)</b>	<b>-11%</b>	<b>443 031</b>
<b>Surplus/(Deficit)</b>	<b>25 334</b>	<b>4 070</b>	<b>(19 550)</b>	<b>(27 776)</b>	<b>16 218</b>	<b>(19 550)</b>	<b>35 768</b>	<b>-183%</b>	<b>4 070</b>
Transfers and subsidies - capital (monetary)	55 093	39 760	47 421	12 187	46 183	47 421	(1 238)	-3%	39 760
<b>Surplus/(Deficit) after capital transfers &amp; subsidies</b>	<b>80 427</b>	<b>43 830</b>	<b>27 872</b>	<b>(15 589)</b>	<b>62 401</b>	<b>27 872</b>	<b>34 529</b>	<b>124%</b>	<b>43 830</b>
<b>Surplus/ (Deficit) for the year</b>	<b>80 427</b>	<b>43 830</b>	<b>27 872</b>	<b>(15 589)</b>	<b>62 401</b>	<b>27 872</b>	<b>34 529</b>	<b>124%</b>	<b>43 830</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>139 662</b>	<b>127 600</b>	<b>135 814</b>	<b>17 759</b>	<b>116 185</b>	<b>135 814</b>	<b>(19 629)</b>	<b>-14%</b>	<b>127 600</b>
Capital transfers recognised	51 789	34 702	41 319	6 639	38 308	41 319	(3 011)	-7%	34 702
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	87 873	92 898	94 496	11 120	77 877	94 496	(16 618)	-18%	92 898
<b>Total sources of capital funds</b>	<b>139 662</b>	<b>127 600</b>	<b>135 814</b>	<b>17 759</b>	<b>116 185</b>	<b>135 814</b>	<b>(19 629)</b>	<b>-14%</b>	<b>127 600</b>
<b>TOTAL BUDGET</b>	<b>537 029</b>	<b>570 631</b>	<b>597 514</b>	<b>56 210</b>	<b>526 120</b>	<b>597 514</b>	<b>(71 395)</b>	<b>(0)</b>	<b>570 631</b>

## 1.1.2 Table 2

### 1.1.3

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

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q4 Fourth										
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
<b>R thousands</b>	<b>1</b>								<b>%</b>	
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		<b>323 455</b>	<b>340 236</b>	<b>340 968</b>	<b>1 110</b>	<b>334 160</b>	<b>340 968</b>	(6 808)	-2%	<b>340 236</b>
Executive and council		—	8 038	8 038	—	—	8 038	(8 038)	-100%	8 038
Finance and administration		323 455	332 198	332 930	1 110	334 160	332 930	1 230	0%	332 198
Internal audit		—	—	—	—	—	—	—		—
<b>Community and public safety</b>		<b>4 710</b>	<b>5 464</b>	<b>5 764</b>	<b>885</b>	<b>5 562</b>	<b>5 764</b>	(202)	-4%	<b>5 464</b>
Community and social services		4 710	5 073	5 373	884	5 545	5 373	172	3%	5 073
Sport and recreation		—	—	—	—	—	—	—		—
Public safety		—	391	391	1	17	391	(375)	-96%	391
Housing		—	—	—	—	—	—	—		—
Health		—	—	—	—	—	—	—		—
<b>Economic and environmental ser</b>		<b>63 161</b>	<b>45 527</b>	<b>53 388</b>	<b>11 848</b>	<b>51 320</b>	<b>53 388</b>	(2 068)	-4%	<b>45 527</b>
Planning and development		42 536	41 542	47 120	11 109	47 078	47 120	(42)	0%	41 542
Road transport		20 625	3 985	6 268	739	4 242	6 268	(2 026)	-32%	3 985
Environmental protection		—	—	—	—	—	—	—		—
<b>Trading services</b>		<b>86 468</b>	<b>95 634</b>	<b>89 452</b>	<b>9 018</b>	<b>81 294</b>	<b>89 452</b>	(8 158)	-9%	<b>95 634</b>
Energy sources		72 748	80 675	74 024	7 720	66 250	74 024	(7 773)	-11%	80 675
Water management		—	—	—	—	—	—	—		—
Waste water management		—	—	—	—	—	—	—		—
Waste management		13 720	14 958	15 428	1 298	15 044	15 428	(384)	-2%	14 958
<b>Other</b>	<b>4</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>		<b>—</b>
<b>Total Revenue - Function</b>	<b>2</b>	<b>477 794</b>	<b>486 861</b>	<b>489 572</b>	<b>22 861</b>	<b>472 336</b>	<b>489 572</b>	<b>(17 236)</b>	<b>-4%</b>	<b>486 861</b>
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>193 804</b>	<b>217 123</b>	<b>237 648</b>	<b>12 426</b>	<b>188 612</b>	<b>237 648</b>	(49 036)	-21%	<b>217 123</b>
Executive and council		61 619	66 001	72 502	5 331	66 189	72 502	(6 313)	-9%	66 001
Finance and administration		132 185	151 121	165 146	7 095	122 423	165 146	(42 723)	-26%	151 121
Internal audit		—	—	—	—	—	—	—		—
<b>Community and public safety</b>		<b>46 599</b>	<b>42 761</b>	<b>46 183</b>	<b>4 984</b>	<b>55 720</b>	<b>46 183</b>	9 537	21%	<b>42 761</b>
Community and social services		33 291	30 811	30 453	3 195	40 540	30 453	10 088	33%	30 811
Sport and recreation		12 862	10 030	13 714	1 359	13 715	13 714	1	0%	10 030
Public safety		418	1 890	1 747	430	1 374	1 747	(373)	-21%	1 890
Housing		29	30	269	—	91	269	(178)	-66%	30
Health		—	—	—	—	—	—	—		—
<b>Economic and environmental ser</b>		<b>69 233</b>	<b>83 202</b>	<b>83 136</b>	<b>8 491</b>	<b>81 217</b>	<b>83 136</b>	(1 919)	-2%	<b>83 202</b>
Planning and development		18 934	25 716	24 359	1 385	22 606	24 359	(1 753)	-7%	25 716
Road transport		46 605	53 423	54 653	6 628	54 035	54 653	(618)	-1%	53 423
Environmental protection		3 694	4 063	4 124	479	4 577	4 124	452	11%	4 063
<b>Trading services</b>		<b>88 370</b>	<b>99 070</b>	<b>94 057</b>	<b>7 352</b>	<b>78 916</b>	<b>94 057</b>	(15 141)	-16%	<b>99 070</b>
Energy sources		77 057	76 143	69 955	6 031	65 874	69 955	(4 081)	-6%	76 143
Water management		—	—	—	—	—	—	—		—
Waste water management		2 543	2 802	2 802	—	2 650	2 802	(153)	-5%	2 802
Waste management		8 770	20 124	21 299	1 321	10 393	21 299	(10 907)	-51%	20 124
<b>Other</b>		<b>—</b>	<b>876</b>	<b>676</b>	<b>20</b>	<b>292</b>	<b>676</b>	<b>(384)</b>	<b>-57%</b>	<b>876</b>
<b>Total Expenditure - Func</b>	<b>3</b>	<b>398 006</b>	<b>443 031</b>	<b>461 700</b>	<b>33 273</b>	<b>404 757</b>	<b>461 700</b>	<b>(56 943)</b>	<b>-12%</b>	<b>443 031</b>
<b>Surplus/ (Deficit) for the year</b>		<b>79 788</b>	<b>43 830</b>	<b>27 872</b>	<b>(10 412)</b>	<b>67 578</b>	<b>27 872</b>	<b>39 707</b>	<b>142%</b>	<b>43 830</b>

**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) - Q4 Fourth 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									%	
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and council		–	8 038	8 038	–	–	8 038	(8 038)	-100.0%	8 038
Vote 2 - Finance and administration		323 455	332 198	332 930	1 110	334 160	332 930	1 230	0.4%	332 198
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		4 710	5 464	5 764	885	5 562	5 764	(202)	-3.5%	5 464
Vote 5 - Sport and Recreation		–	–	–	–	–	–	–		–
Vote 6 - Public safety		–	–	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Planning and Development		42 536	41 542	47 120	11 109	47 078	47 120	(42)	-0.1%	41 542
Vote 9 - Road transport		20 625	3 985	6 268	739	4 242	6 268	(2 026)	-32.3%	3 985
Vote 10 - Energy sources		72 748	80 675	74 024	7 720	66 250	74 024	(7 773)	-10.5%	80 675
Vote 11 - Waste Management		13 720	14 958	15 428	1 298	15 044	15 428	(384)	-2.5%	14 958
Vote 12 - Environmental Protection		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
<b>Total Revenue by Vote</b>	2	<b>477 794</b>	<b>486 861</b>	<b>489 572</b>	<b>22 861</b>	<b>472 336</b>	<b>489 572</b>	<b>(17 236)</b>	<b>-3.5%</b>	<b>486 861</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - Executive and council		61 619	66 001	72 502	5 331	66 189	72 502	(6 313)	-8.7%	66 001
Vote 2 - Finance and administration		132 185	151 121	165 146	7 095	122 423	165 146	(42 723)	-25.9%	151 121
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		33 291	30 811	30 453	3 195	40 540	30 453	10 088	33.1%	30 811
Vote 5 - Sport and Recreation		12 862	10 030	13 714	1 359	13 715	13 714	1	0.0%	10 030
Vote 6 - Public safety		418	1 890	1 747	430	1 374	1 747	(373)	-21.4%	1 890
Vote 7 - Housing		29	30	269	–	91	269	(178)	-66.1%	30
Vote 8 - Planning and Development		18 934	26 592	25 035	1 404	22 897	25 035	(2 137)	-8.5%	26 592
Vote 9 - Road transport		49 148	56 225	57 456	6 628	56 685	57 456	(771)	-1.3%	56 225
Vote 10 - Energy sources		77 057	76 143	69 955	6 031	65 874	69 955	(4 081)	-5.8%	76 143
Vote 11 - Waste Management		8 770	20 124	21 299	1 321	10 393	21 299	(10 907)	-51.2%	20 124
Vote 12 - Environmental Protection		3 694	4 063	4 124	479	4 577	4 124	452	11.0%	4 063
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
<b>Total Expenditure by Vote</b>	2	<b>398 006</b>	<b>443 031</b>	<b>461 700</b>	<b>33 273</b>	<b>404 757</b>	<b>461 700</b>	<b>(56 943)</b>	<b>-12.3%</b>	<b>443 031</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>79 788</b>	<b>43 830</b>	<b>27 872</b>	<b>(10 412)</b>	<b>67 578</b>	<b>27 872</b>	<b>39 706</b>	<b>142.5%</b>	<b>43 830</b>

**Table 4** provides information on the planned revenue and operational expenditures against the actual results for the period ending 30<sup>th</sup> June 2025.

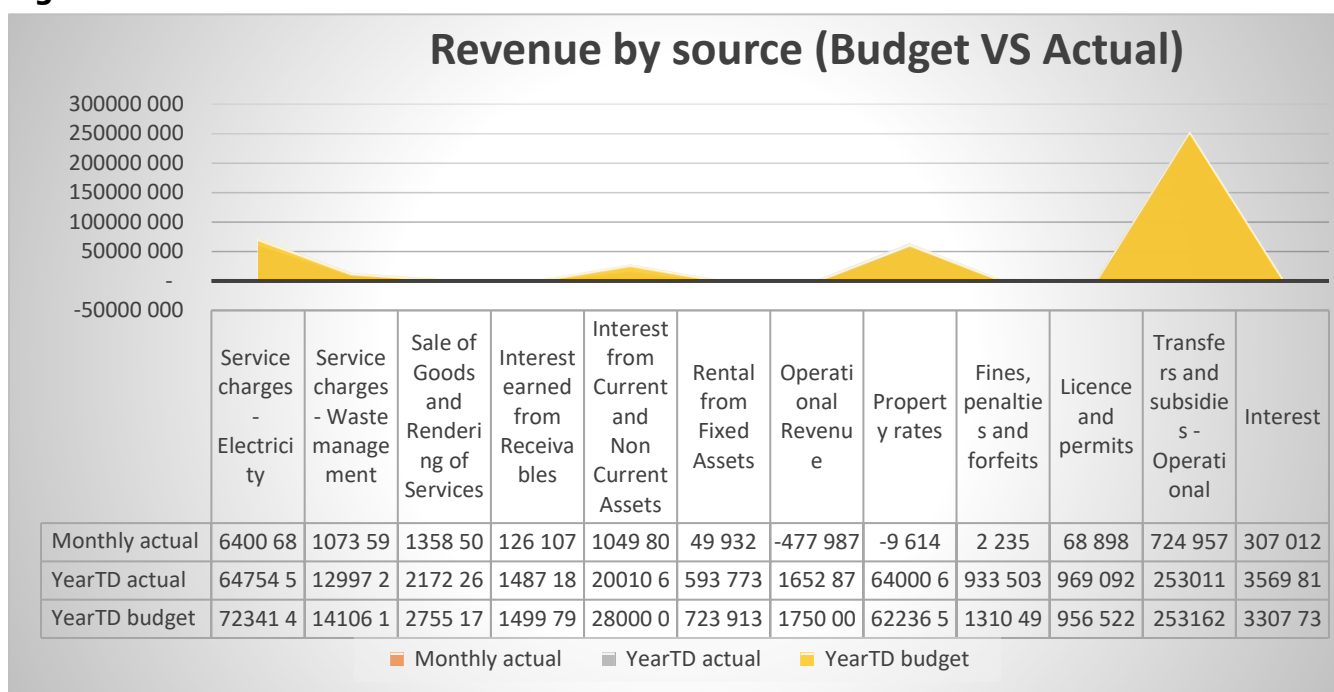
This report analyses each major component under following headings;

- Revenue by Source
- Operational Expenditure by Type, and

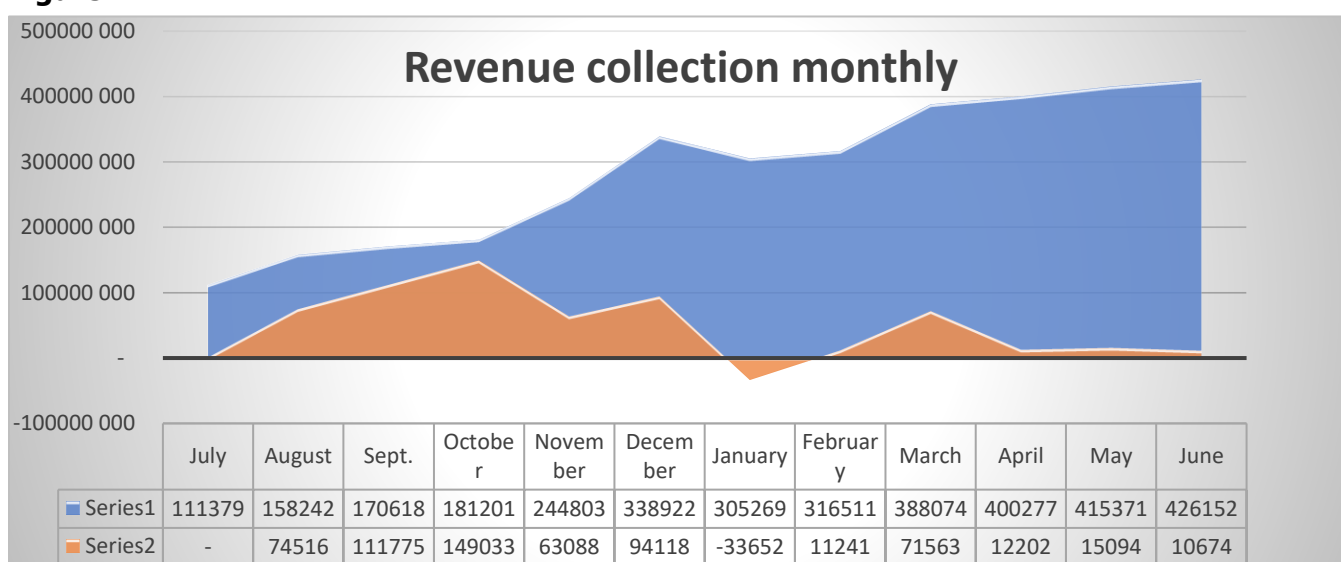
KZN291 Mandeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q4 Fourth Quarter										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>R thousands</b>									%	
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		61 164	72 341	72 341	6 401	64 755	72 341	(7 587)	-10%	72 341
Service charges - Water		—	—	—	—	—	—	—	—	—
Service charges - Waste Wa		—	—	—	—	—	—	—	—	—
Service charges - Waste ma		12 380	14 106	14 106	1 074	12 997	14 106	(1 109)	-8%	14 106
Sale of Goods and Renderin		11 818	9 474	2 755	1 359	2 172	2 755	(583)	-21%	9 474
Agency services		—	—	—	—	—	—	—	—	—
Interest		—	—	—	—	—	—	—	—	—
Interest earned from Receiv		919	963	1 500	126	1 487	1 500	(13)	-1%	963
Interest from Current and No		26 748	28 000	28 000	1 050	20 011	28 000	(7 989)	-29%	28 000
Dividends		—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		294	374	724	50	594	724	(130)	-18%	374
Licence and permits		—	—	—	—	—	—	—	—	—
Operational Revenue		1 507	1 200	1 750	(478)	1 653	1 750	(97)	-6%	1 200
<b>Non-Exchange Revenue</b>										
Property rates		58 321	62 237	62 237	(10)	64 001	62 237	1 764	3%	62 237
Surcharges and Taxes		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		1 584	1 310	1 310	2	934	1 310	(377)	-29%	1 310
Licence and permits		985	957	957	69	969	957	13	1%	957
Transfers and subsidies - O		241 981	253 163	253 163	725	253 011	253 163	(151)	0%	253 163
Interest		3 460	2 976	3 308	307	3 570	3 308	262	—	2 976
Fuel Levy		—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		—	—	—	—	—	—	—	—	—
Other Gains		1 541	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—
<b>Total Revenue</b>		<b>422 701</b>	<b>447 101</b>	<b>442 150</b>	<b>10 674</b>	<b>426 153</b>	<b>442 150</b>	<b>(15 998)</b>	<b>-4%</b>	<b>447 101</b>
<b>Expenditure By Type</b>										
Employee related costs		133 709	152 543	152 543	13 001	150 320	152 543	(2 223)	-1%	152 543
Remuneration of councillors		14 564	16 388	16 388	1 246	15 205	16 388	(1 182)	-7%	16 388
Bulk purchases - electricity		52 475	57 866	57 866	4 214	53 122	57 866	(4 744)	-8%	57 866
Inventory consumed		3 835	4 533	5 634	448	5 571	5 634	(63)	-1%	4 533
Debt impairment		6 048	30 261	30 261	—	—	30 261	(30 261)	-100%	30 261
Depreciation and amortisati		33 728	37 856	37 856	—	32 390	37 856	(5 466)	-14%	37 856
Interest		137	3 300	3 300	—	0	3 300	(3 300)	-100%	3 300
Contracted services		85 801	79 270	84 257	12 657	81 780	84 257	(2 477)	-3%	79 270
Transfers and subsidies		—	—	—	—	—	—	—	—	—
Irrecoverable debts written o		3 750	6 261	6 261	147	147	6 261	(6 114)	-98%	6 261
Operational costs		62 365	54 755	66 735	6 473	71 143	66 735	4 408	7%	54 755
Losses on Disposal of Asse		501	—	600	233	233	600	(367)	-61%	—
Other Losses		456	—	—	30	23	—	23	—	—
<b>Total Expenditure</b>		<b>397 367</b>	<b>443 031</b>	<b>461 700</b>	<b>38 450</b>	<b>409 934</b>	<b>461 700</b>	<b>(51 766)</b>	<b>-11%</b>	<b>443 031</b>
<b>Surplus/(Deficit)</b>		<b>25 334</b>	<b>4 070</b>	<b>(19 550)</b>	<b>(27 776)</b>	<b>16 218</b>	<b>(19 550)</b>	<b>35 768</b>	<b>(0)</b>	<b>4 070</b>
Transfers and subsidies -		55 093	39 760	47 421	12 187	46 183	47 421	(1 238)	(0)	39 760
<b>Surplus/(Deficit) after capital</b>		<b>80 427</b>	<b>43 830</b>	<b>27 872</b>	<b>(15 589)</b>	<b>62 401</b>	<b>27 872</b>			<b>43 830</b>
Income Tax		—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after incom</b>		<b>80 427</b>	<b>43 830</b>	<b>27 872</b>	<b>(15 589)</b>	<b>62 401</b>	<b>27 872</b>			<b>43 830</b>
Share of Surplus/Deficit attr		—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attr		—	—	—	—	—	—	—	—	—
<b>attributable to</b>		<b>80 427</b>	<b>43 830</b>	<b>27 872</b>	<b>(15 589)</b>	<b>62 401</b>	<b>27 872</b>			<b>43 830</b>
Share of Surplus/Deficit attr		—	—	—	—	—	—	—	—	—
Intercompany/Parent subsid		—	—	—	—	—	—	—	—	—
<b>Surplus/ (Deficit) for the ye</b>		<b>80 427</b>	<b>43 830</b>	<b>27 872</b>	<b>(15 589)</b>	<b>62 401</b>	<b>27 872</b>			<b>43 830</b>

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 R426.2million for the period ending 30<sup>th</sup> June 2025 excluding capital conditional grant income. The YTD Budget is R442.2million; therefore, this reflects an under performance against the revenue projected by 4%, this under performance is immaterial.



## **EXCHANGE REVENUE**

### **Service Charges: Electricity**

- Revenue for service charges- electricity is recognized on an invoice basis and the total amount billed is R64,76million over a budget of R72.3 million which is an under-performance by 10% or R 7.6million, The shortfall is primarily due to challenges related to stolen electricity meters.

The actual cash collected is R 4.2million for the month ended June 2025.

### **Service Charges: Refuse**

- The actual revenue from Service Charges Refuse as at 30 June 2025 is R1.1million against the budgeted income of R14,1million which under performance by 8%.
- The actual cash collected is R490thousand for the month of June 2025.

### **Sale of Goods and rendering services**

- Sale of Goods and services amounts to R2.2 million in comparison with the budget of R2.8 million, thus indicating an under performance by R583thousand or -21%, The variance is due to the return of the INEP grant.

### **Interest earned from receivables.**

- Interest earned from receivables amounts to R1.5million in comparison with the budget of R1.5million, the variance of 1% is immaterial.

### **Interest from Current and Non-Current assets**

- Interest earned on external investments amounts to R20.0 million in comparison with the budget of R28 million, thus indicating an under performance by R8million or 29percent, 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 R594 thousand in comparison with the budget amount of R724 thousand thus indicating an under performance of R130 thousand or 18% 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 performance in Operational Revenue amounts to R1.7million which is less than anticipated budget of R1,8million, thus indicating an under performance of R97thousand or 6%, The variance can be attributed to several projects currently being advertised by the Municipality, e.g. Tender documents.

## **NON-EXCHANGE REVENUE**

### **Property Rates**

- The municipality accounts for Property Rates on an invoice basis in line with GRAP requirements. The Actual for rates shows over -collection Budget of R1.8million, which is an over collection by 3%. The variance in this vote is due to realisation of Properties which were not linked in the Municipal Billing.
- The actual cash collected being R2.3million for the month ended 30 June 2025.

### **Fines, Penalties and forfeits**

- Fines for the month of June are underperformed by 29% or R377 thousand, over a budget of R984thousand. 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 1% or R13thousand with an actual amount of R969thousand this variance is immaterial.

### **Transfers & subsidies**

- Transfers and subsidies recognised operational amounts to R253.0million verses the R253.2million, which is R151thousand difference, this variance is immaterial.
- Transfers and subsidies capital amounts to R46.2million in comparison with the budget of R47.4 million, thus indicating an under performance by R1.2 million or 2.6% variance is mainly attributable by expenditure in MIG. *(Detailed report on MIG expenditure has been provided below)*

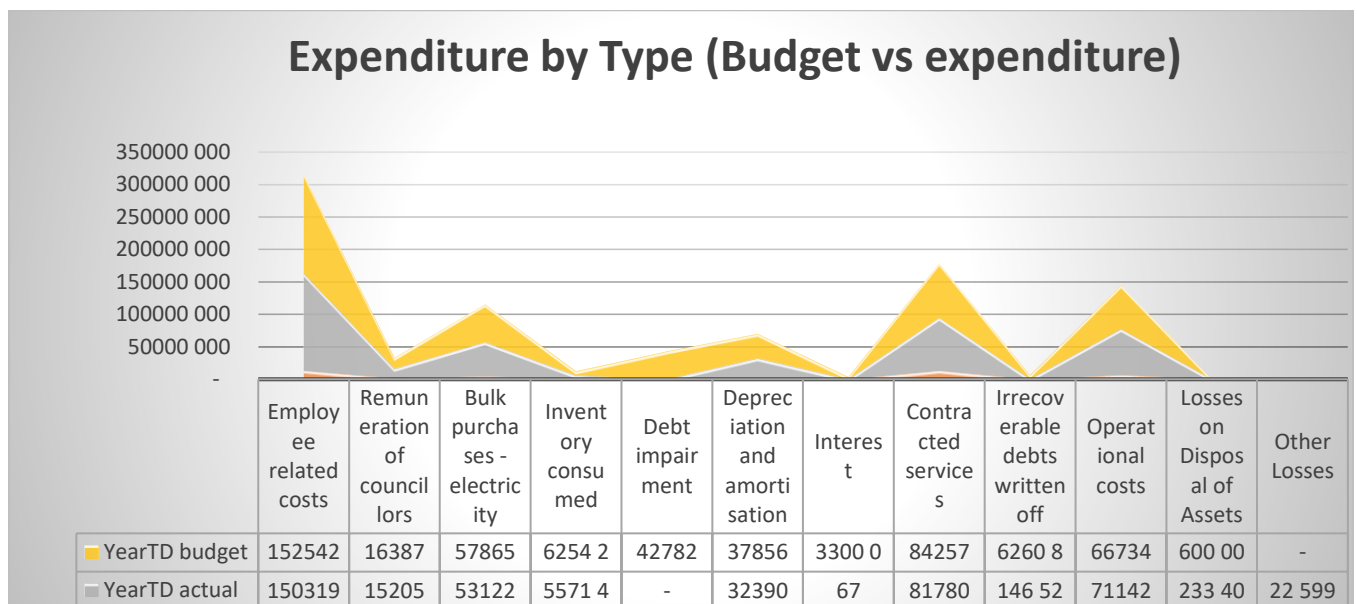
### **Interest earned from receivables.**

- In line with council adopted credit control policy, the municipality charges interest on arrear debtors.
- Interest earned from receivables amounts to R3.6million in comparison with the budget of R3.3 million, thus indicating an over performance by R262 thousand or 8percent. The variance arises from customers failing to adhere to their agreed-upon payment arrangements

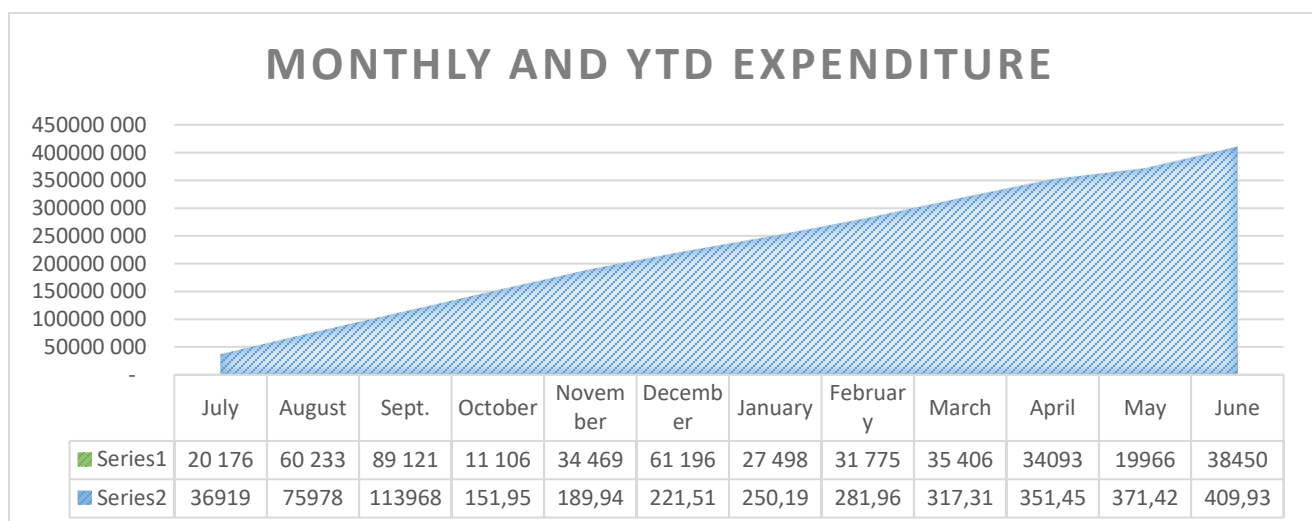
### Operating Expenditure from June 2025

The table below reflects trend of expenditure for the period ended 30<sup>th</sup> June 2025

**Figure 3**



**Figure 4**



## **Operating Expenditure:**

- The total operational expenditure YTD Actual for the period ending 30 June 2025 amounted to R 109.9million against the planned target of R 474.8million. As at the end of June the operational expenditure budget has been under spent by -14% or -R65million. *Detailed expenditure analysis is below:*

## **Employee Related Costs**

- Employee related costs YTD expenditure for the period ending 30<sup>th</sup> June 2025, amounted to R150.3million while the YTD budget was R153.5million with an underspending of R2.2million or -1%. The variance is immaterial.
- 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 30<sup>th</sup> June 2025 was under spent by R1.2million or 7%, 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 R53.1million which is an under performance when compared to YTD budget of R57.9million. The variance of R4.7million or -8% under projected budget is caused by the period variances in Eskom invoices.

## **Inventory Consumed**

- Inventory Consumed are reflecting an underperformance by 11% or R683thousand, when compared to budget of R6.3million against the YTD Actual amount of R5.6million 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 100%. The debt impairment Journal will be processed after the Council approval on the 29<sup>th</sup> June 2025
- 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 year-to-date expenditure on Depreciation and Asset Impairment reflects an underperformance of 14%, equivalent to R5.5million, against the total budget of R37.9 million. The variance is mainly due to some capital expenditure items still under construction.

## **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 3percent or R2.5million, from a total budget of R84.3million against the YTD actual of R81.8million, This item included all the contracted and outsourced services by the municipality. the variance is immaterial.

## **Irrecoverable debts written off**

- Irrecoverable debts written off has underperformed by 98% when compared to YTD actual amount of R147thousand against YTD budget total amount of R6.3million. 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 7% or R4.4million when compared to budget of R66.7million, the variance is considered immaterial.

## **Loss on disposal of assets**

- The Losses on Disposal vote reflects an under-expenditure of R367 thousand, or 61%, against the budgeted amount of R600 thousand, with actual expenditure recorded at R233 thousand. This loss relates to assets disposed of during the auction held on 12 July 2025.

## **1.5 Capital Expenditure**

### **Table C5 Monthly Budget Statement – Capital Expenditure**

**KZN291 Mandeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q4 Fourth 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
<b>R thousands</b>	1								%	
<b>Single Year expense</b>	2									
Vote 1 - Executive and council		1 932	5 870	11 431	2 430	12 470	11 431	1 038	9%	5 870
Vote 2 - Finance and administration		14 562	8 557	13 616	576	10 635	13 616	(2 981)	-22%	8 557
Vote 3 - Internal audit		—	—	—	—	—	—	—	—	—
Vote 4 - Community and social services		772	4 457	4 107	1 140	3 202	4 107	(905)	-22%	4 457
Vote 5 - Sport and Recreation		5 512	10 127	13 426	1 456	6 998	13 426	(6 428)	-48%	10 127
Vote 6 - Public safety		—	939	852	849	893	852	41	5%	939
Vote 7 - Housing		—	—	—	—	—	—	—	—	—
Vote 8 - Planning and Development		19 023	12 191	11 215	2 822	7 273	11 215	(3 942)	-35%	12 191
Vote 9 - Road transport		89 974	79 535	76 856	8 223	72 030	76 856	(4 826)	-6%	79 535
Vote 10 - Energy sources		2 154	3 752	2 178	263	1 126	2 178	(1 052)	-48%	3 752
Vote 11 - Waste Management		5 734	2 174	2 134	—	1 560	2 134	(574)	-27%	2 174
Vote 12 - Environmental Protection		—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE]		—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE]		—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE]		—	—	—	—	—	—	—	—	—
<b>Total Capital single</b>	4	139 662	127 600	135 814	17 759	116 185	135 814	(19 629)	-14%	127 600
<b>Total Capital Expenditure</b>		<b>139 662</b>	<b>127 600</b>	<b>135 814</b>	<b>17 759</b>	<b>116 185</b>	<b>135 814</b>	<b>(19 629)</b>	<b>-14%</b>	<b>127 600</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>16 494</b>	<b>14 426</b>	<b>25 047</b>	<b>3 006</b>	<b>23 104</b>	<b>25 047</b>	<b>(1 943)</b>	<b>-8%</b>	<b>14 426</b>
Executive and council		1 932	5 870	11 431	2 430	12 470	11 431	1 038	9%	5 870
Finance and administration		14 562	8 557	13 616	576	10 635	13 616	(2 981)	-22%	8 557
Internal audit		—	—	—	—	—	—	—	—	—
<b>Community and public services</b>		<b>6 284</b>	<b>15 522</b>	<b>18 385</b>	<b>3 445</b>	<b>11 093</b>	<b>18 385</b>	<b>(7 292)</b>	<b>-40%</b>	<b>15 522</b>
Community and social services		772	4 457	4 107	1 140	3 202	4 107	(905)	-22%	4 457
Sport and recreation		5 512	10 127	13 426	1 456	6 998	13 426	(6 428)	-48%	10 127
Public safety		—	939	852	849	893	852	41	5%	939
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<b>Economic and environmental</b>		<b>108 996</b>	<b>91 726</b>	<b>88 071</b>	<b>11 046</b>	<b>79 302</b>	<b>88 071</b>	<b>(8 768)</b>	<b>-10%</b>	<b>91 726</b>
Planning and development		19 023	12 191	11 215	2 822	7 273	11 215	(3 942)	-35%	12 191
Road transport		89 974	79 535	76 856	8 223	72 030	76 856	(4 826)	-6%	79 535
Environmental protection		—	—	—	—	—	—	—	—	—
<b>Trading services</b>		<b>7 888</b>	<b>5 926</b>	<b>4 312</b>	<b>263</b>	<b>2 686</b>	<b>4 312</b>	<b>(1 626)</b>	<b>-38%</b>	<b>5 926</b>
Energy sources		2 154	3 752	2 178	263	1 126	2 178	(1 052)	-48%	3 752
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		5 734	2 174	2 134	—	1 560	2 134	(574)	-27%	2 174
<b>Other</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Capital Expenditure</b>	3	<b>139 662</b>	<b>127 600</b>	<b>135 814</b>	<b>17 759</b>	<b>116 185</b>	<b>135 814</b>	<b>(19 629)</b>	<b>-14%</b>	<b>127 600</b>
<b>Funded by:</b>										
National Government		51 072	33 963	40 614	6 473	37 718	40 614	(2 896)	-7%	33 963
Provincial Government		717	739	705	166	590	705	(115)	-16%	739
District Municipality		—	—	—	—	—	—	—	—	—
Transfers and		—	—	—	—	—	—	—	—	—
<b>Transfers recognised - capital</b>		<b>51 789</b>	<b>34 702</b>	<b>41 319</b>	<b>6 639</b>	<b>38 308</b>	<b>41 319</b>	<b>(3 011)</b>	<b>-7%</b>	<b>34 702</b>
<b>Borrowing</b>	6	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Internally generated funds</b>		<b>87 873</b>	<b>92 898</b>	<b>94 496</b>	<b>11 120</b>	<b>77 877</b>	<b>94 496</b>	<b>(16 618)</b>	<b>-18%</b>	<b>92 898</b>
<b>Total Capital Funding</b>		<b>139 662</b>	<b>127 600</b>	<b>135 814</b>	<b>17 759</b>	<b>116 185</b>	<b>135 814</b>	<b>(19 629)</b>	<b>-14%</b>	<b>127 600</b>

**Capital Expenditure of June 2025:**

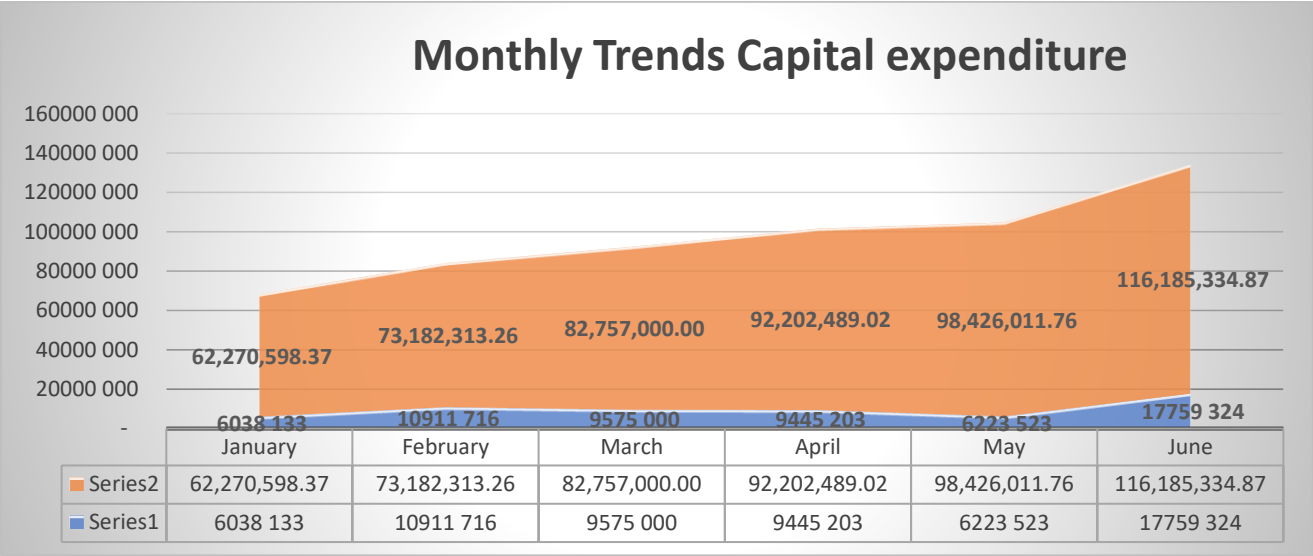
The YTD capital expenditure budget is R116.2million against YTD actual Capital expenditure amounted to R135.8million resulting in an under performance of (14%) on capital expenditure. Variance in capital

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 June 2025

Figure 5



- Capital grants funded by National Government actual of R37.7million versus YTD Budget of R40.6million, expenditure reported has underspent by (7%). However, the municipality will ensure that grant is fully spent by year end.
- Capital grants funded by Provincial Government YTD actual is R590thousand over YTD budget of R705thousand, which gives an under-performance by 16%.
- Capital grants funded Internally actual is R77.9million versus YTD Budget of R94.5 million variance of 18% reflects and under expenditure on this item.



## 1.6 Monthly Budget Statement – expenditure on Repairs and Maintenance

KZN291 Mandeni - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - Q4 Fourth 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
<b>R thousands</b>	1								%	
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>10 904</b>	<b>15 113</b>	<b>14 678</b>	<b>4 843</b>	<b>14 257</b>	<b>14 678</b>	422	<b>2.9%</b>	<b>15 113</b>
Roads Infrastructure		6 397	8 548	8 548	3 408	8 119	8 548	429	<b>5.0%</b>	8 548
Roads		6 397	7 939	7 939	3 286	7 813	7 939	126	<b>1.6%</b>	7 939
Road Structures		—	435	435	123	269	435	166	<b>38.2%</b>	435
Road Furniture		—	174	174	—	37	174	136	<b>78.5%</b>	174
Capital Spares		—	—	—	—	—	—	—		—
Storm water Infrastructure		1 017	2 870	2 870	324	2 267	2 870	602	<b>21.0%</b>	2 870
Drainage Collection		1 017	2 870	2 870	324	2 267	2 870	602	<b>21.0%</b>	2 870
Storm water Conveyance		—	—	—	—	—	—	—		—
Attenuation		—	—	—	—	—	—	—		—
Electrical Infrastructure		2 518	3 000	2 565	936	2 662	2 565	(97)	<b>-3.8%</b>	3 000
Power Plants		—	43	43	—	40	43	4	<b>9.2%</b>	43
HV Substations		—	—	—	—	—	—	—		—
HV Switching Station		—	—	—	—	—	—	—		—
HV Transmission Conductors		521	739	739	200	200	739	539	<b>72.9%</b>	739
MV Substations		77	43	43	—	25	43	18	<b>42.1%</b>	43
MV Switching Stations		—	—	—	—	—	—	—		—
MV Networks		47	130	130	—	131	130	(1)	<b>-0.4%</b>	130
LV Networks		784	739	739	73	949	739	(210)	<b>-28.4%</b>	739
Capital Spares		1 089	1 304	870	662	1 317	870	(448)	<b>-51.5%</b>	1 304
Water Supply Infrastructure		—	—	—	—	—	—	—		—
Information and Communication Inf		972	696	696	175	1 208	696	(513)	<b>-73.7%</b>	696
Data Centres		—	—	—	—	—	—	—		—
Core Layers		972	696	696	175	1 208	696	(513)	<b>-73.7%</b>	696
Distribution Layers		—	—	—	—	—	—	—		—
Capital Spares		—	—	—	—	—	—	—		—
<b>Community Assets</b>		<b>1 843</b>	<b>2 148</b>	<b>2 197</b>	<b>351</b>	<b>2 157</b>	<b>2 197</b>	<b>40</b>	<b>1.8%</b>	<b>2 148</b>
Community Facilities		207	174	43	20	66	43	(23)	<b>-52.6%</b>	174
Halls		107	—	—	—	—	—	—		—
Centres		—	—	—	—	—	—	—		—
Crèches		—	—	—	—	—	—	—		—
Clinics/Care Centres		—	—	—	—	—	—	—		—
Fire/Ambulance Stations		—	—	—	—	—	—	—		—
Testing Stations		—	—	—	—	—	—	—		—
Museums		—	—	—	—	—	—	—		—
Galleries		—	—	—	—	—	—	—		—
Theatres		—	—	—	—	—	—	—		—
Libraries		—	—	—	—	46	—	(46)	#DIV/0!	—
Cemeteries/Crematoria		—	—	—	—	—	—	—		—
Police		—	—	—	—	—	—	—		—
Parks		101	174	43	20	20	43	23	53.2%	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	332	2 091	2 154	63	<b>2.9%</b>	1 974
Indoor Facilities		—	—	—	—	—	—	—		—
Outdoor Facilities		1 635	1 974	2 154	332	2 091	2 154	63	2.9%	1 974
Capital Spares		—	—	—	—	—	—	—		—
<b>Other assets</b>		<b>30</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>		<b>—</b>
Operational Buildings		30	—	—	—	—	—	—		—
Municipal Offices		30	—	—	—	—	—	—		—
Pay/Enquiry Points		—	—	—	—	—	—	—		—
<b>Machinery and Equipment</b>		<b>5 289</b>	<b>6 348</b>	<b>7 432</b>	<b>96</b>	<b>8 046</b>	<b>7 432</b>	<b>(614)</b>	<b>-8.3%</b>	<b>6 348</b>
Machinery and Equipment		5 289	6 348	7 432	96	8 046	7 432	(614)	-8.3%	6 348
<b>Zoological plants and animals</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>		<b>—</b>
<b>Total Repairs and Maintenance</b>	1	<b>18 065</b>	<b>23 609</b>	<b>24 307</b>	<b>5 289</b>	<b>24 460</b>	<b>24 307</b>	<b>(153)</b>	<b>-0.6%</b>	<b>23 609</b>

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

#### **4.1 Projects under The Municipal Infrastructure Grant (MIG) Funding:**

2024/25 Financial Year MIG Allocation	<b>R46 473 000</b>
<b>Less:</b> Total Expenditure (incl. Retention)	<b>R46 473 000</b>
Balance	R0
Expenditure of as a %	<b>100%</b>

##### 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
- Construction of Community Hall in Ward 8

##### 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 registered with MIG

- Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 14, Chappies Section: Tender stage

## 4.2. Projects under Municipal Internal Funding

### Projects under Construction

- Repair and Renovation of Civic Centre Roof in Mandeni: completed
- New Protection Services Centre DLTC: Completed, under defects
- Extension of Mechanical Workshop and Construction of New Offices
- P415-459 Ward 3 Streetlights: completed
- Extension of Portion of Kingfisher Road in Ward 3, Mandeni
- Rehabilitation of Isibuko Road (Masilela) and Stormwater Modification in Mandeni Ward 14

### Projects under planning

- Establishment of new office building at the Municipality's Main Office :Tender stage, BAC
- Extension of Mechanical / Technical Services Building Phase 2 and Fencing of Technical Services Depot: Tender stage, BAC
- Construction of a Community Hall in Ward 6: Completed
- Construction of a Community Hall in Ward 12: Completed
- Construction of community hall in Ward 16: Incomplete
- Construction of community hall in Ward 11: Completed
- Construction of community hall in Ward 9: Completed
- Construction of community hall in Ward 10: Incomplete
- Establishment of new emergency centre: Ongoing

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

2023/24 and 2024/25 Financial Year Allocation	<b>R 8 884 000.00</b>
<b>Less:</b> Total Expenditure (Incl. VAT)	R 8 884 000.00
Balance	R 0.00
Expenditure as a %	<b>100%</b>

### Projects under Planning Stage

- Mandeni Sub-station – Bulk

#### 4.4 Municipal Disaster Response Grant

2024/25 Financial Year MIG Allocation	<b>R5 180 500</b>
<b>Less:</b> Total Expenditure (incl. Retention)	R704 887.88
Balance	R 4 435 612.12
Expenditure of as a %	<b>13.6%</b>

#### Projects under Construction

- Re-gravelling of Road from Thengela to Nazareth church in Ward 8.
- Re-gravelling of Road Thulas to Ematsheketseni road in Ward 12

### 5. PROGRESS ON PROJECTS AND EXPENDITURE

#### 5.1 Municipal Infrastructure Grant

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
<b>Professional Fees</b>	R 1 067 105.27	R 1 022 364.28
<b>Construction Cost (incl. Retention) (V.O : R 367 004.50)</b>	R 5 413 316.30	R 5 283 165.92
<b>TOTALS (Incl. Vat)</b>	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. Quotations for the supply points from Eskom have been received and paid for by the municipality. Eskom to commence with the installation of supply points.

**Challenges:** The energization of the high masts is dependent on Eskom to provide the supply points available. The installation of the supply points is estimated to commence within three months from the date of submission of the proof of payment to Eskom.

**b) Construction of a Hlomendlini Sportfield - Ward 4**

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 333 210.46	R 1 333 210.46
Construction Cost (incl. Retention)	R 7 951 934.33	R 4 598 092.71
Internal Funding (Professional and construction Fees)	R1 547 441.12	R1 118 795.88
TOTALS (Incl Vat)	R 10 832 585.91	R 7 050 099.05

**Project Details**

**Name of Consultant:**

Siyazenzela Consulting

**Name of Contractor:** Sihawusethu Trading (Pty) Ltd  
**Project Commencement Date:** January 2025  
**Contractual Completion Date:** 5 May 2025  
**Revised Completion date:** 13 June 2025

### **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 35% (Overall Progress 80%):** Site Handover, Site Establishment 100%, Setting Out 100%, Site Clearance 90%, Subsoil 90%, Bulk Earthworks (Combo Court, Ablution & Guardhouse) 85%, Layerworks to Sportsfield 65%, Layerworks to Combo Court 40%, Access Road & Parking 30%, Grandstand 15%. Extension of Time Claim submitted and approved by the Municipality ending on the 13<sup>th</sup> of June Penalties imposed on the project for poor performance.

**Challenges:** Poor performance of the Contractor due to poor workmanship caused by lack of supervision on site was noted in the previous months, with some signs of minimal improvements in this regard. Poor quality of works and non-compliance towards their contractual obligations still remains an area where improvements are required.

This has resulted in issuing further notices of default as the Contractor has failed to comply contractually and perform adequately on-site as per their requirements of the Contract.

**c) 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).**

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

**Project Details**

<b>Name of Consultant:</b>	Singh Govender & Associates cc
<b>Name of Contractor:</b>	MVI-SSSS Trading Enterprise cc
<b>Project Commencement Date:</b>	August 2023
<b>Contractual Completion Date:</b>	April 2024
<b>Revised Practical Completion date:</b>	September 2024
<b>Final Termination of Contract:</b>	February 2025

**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 **12<sup>th</sup> 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, 21<sup>st</sup> February 2025**. Bid document for completion of outstanding works has been issued to SCM for procurement of new contractor.

**d) 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 12 148 430.66
Internal Funds (Professional/construction Fees)	R 667 565.79	R 635 042.07
<b>TOTALS (Incl. Vat)</b>	<b>R 14 348 595.28</b>	<b>R 14 315 434.05</b>

### **Project Details**

<b>Name of Consultant:</b>	DLV Project Managers and Engineers
<b>Termination Previous Contractor</b>	22 August 2024
<b>Name of Contractor:</b>	BIG O Trading 298 CC
<b>Project Commencement Date:</b>	October 2024
<b>Contractual Completion Date:</b>	<b>13 March 2025</b>
<b>Revised Completion date:</b>	30 June 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 93%:** Site establishment - 100%, Setting Out - 100%, Mass Earthworks - 100%, Roadbed Preparation - 100%, C4 stabilized layer - 99%, Stormwater - 84%, Subsoil drainage - 100%, Priming 100%, Asphalt Surfacing - 100%, Kerbs - 96%, Kerb & Channel - 100%, Finishing the road reserve 80%, Setting up the pipe route by surveyor - 100%. Contractor achieved a Practical Completion of **Friday, 27<sup>th</sup> June 2025** and is currently busy with executing works that have been regarded as snags of the project.

**Challenges:** Remedial works due to inadequate quality of works from Subcontractor's and Main Contractor. Unsatisfaction of community with some of the reinstatement works that have been carried out by the previous contractor's scope of works.

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 243 837.65	R 2 243 764.93
Construction Cost (incl. Retention)	R 10 679 964.34	R 10 679 964.34
Internal Funds(Professional/construction fees)	R 4 629 230.16	R 1 562 012.76
<b>TOTALS (Incl. Vat)</b>	<b>R 17 553 032.15</b>	<b>R 14 485 742.03</b>

**Project Details**

**Name of Consultant:** Kukhanya Projects (Pty) Ltd

**Name of Contractor:** Iqhawe Elihle Trading

**Project Commencement Date:** May 2024

**Contractual Completion Date:** 10 February 2025

**Revised Completion date:** 25 July 2025

**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 71%:** Contractual Submissions 100%, Site Establishment 100%, Accommodation of Traffic 70% Road Construction Works 67%, Stormwater 92%, Kerb & Channel Works 57%, Sidewalk Construction 34% 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 along with water pipe bursts infrastructure due to the damages this causes to the road layer works because of leakages. Contractor has been issued with a Notice of slow progress because of the rate of construction works, poor planning and inadequate resource allocation on their end. Discovery of existing water and sewer main pipeline which intersect / running parallel with the proposed stormwater has delayed works around the affected area on Bumbanani Road section. Inadequate resources and workmanship of appointed local Subcontractors has also contributed to the slow progress of works. The Transnet Gas Pipeline intersecting with the proposed stormwater along with an existing sewerline remains to be challenge because of not having cover as per requirements of the Wayleave Application from Transnet.

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
<b>Professional Fees (MIG)</b>	R 2 743 191.52	R 2 696 436.49
<b>Construction Cost (MIG)</b>	R 17 536 070.12	R 6 202 059.46
<b>Internal Funds Professional/construct ion fees)</b>	R 3 932 538.28	R 0.00
<b>TOTALS (Incl. Vat)</b>	R 24 211 799.92	R 8 898 495.95

<b>Name of Consultant:</b>	Urbanru (Pty) LTD
<b>Name of Contractor:</b>	Silo Construction
<b>Project Commencement Date:</b>	September 2024
<b>Contractual Completion Date:</b>	26 June 2025
<b>Revised Completion date:</b>	4 July 2025

### **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 45%:** 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 100%. Demolishing of existing concrete culverts at Ch 3+050 and Ch 3+500 100%. Culvert at 3+050 earthworks 100%. . Some road sections require removal of unsuitable material, that activity is ongoing. Construction of dump rock layer is being done as and when there is a need. Importing of fill material to formation 60%. Concrete culverts at Ch 3+050, setting out, dump rock construction, levelling and blinding construction are complete, contractor is busy with steel fixing. Concrete culvert at Ch 3+500 setting out, levelling is complete, and they have commenced with the installation of concrete pipe culverts.

**Challenges:** The contractor had experienced the issues with the key personnel; they have appointed the new construction manager. The contractor is behind the programme by 30 days and is experiencing rain

and breakdown of plant delays. Unsuitable in-situ material discovered and could not be used as subgrade material as planned. Delays experienced due to severe plant breakdowns supplied by local subcontractors.

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

<b>CATEGORY</b>	<b>APPROVED BUDGET</b>	<b>EXPENDITURE</b>
<b>Professional Fees</b>	R 1 441 758.19	R 1 072 692.41
<b>Construction Cost (incl. Retention &amp; Surety)</b>	R 10 600 230.99	R 4 167 333.89
<b>TOTALS (Incl. Vat)</b>	R 12 041 989.18	R 5 240 026.3

**Project Details**

**Name of Consultant:** Impumelelo Consulting Engineers  
**Name of Contractor:** Nikeresia Construction  
**Project Commencement Date:** January 2025  
**Contractual Completion Date:** March 2026  
**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 41%:** Site Handover / Technical Meeting - 100%, Contractual Submissions 100%, Site Establishment - 100%, Clearing & Grubbing - 100%, Setting Out - 60%, Bulk Earthworks - 50%, Civil Works - 12%, Fencing 70%.

**Challenges:** Contractor's performance with regards to planning of works and quality of works has been noted as inadequate.

**h) Construction of a Community Hall in the Wangu Area, Ward 8.**

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 344 770.77	R 954 872.93
Construction Cost (incl. Retention & Surety)	R 7 180 245.34	R 349 583.47
<b>TOTALS (Incl. Vat)</b>	<b>R 8 525 016.11</b>	<b>R 1 304 456.40</b>

**Project Details**

**Name of Consultant:** GIBB (Pty) LTD  
**Name of Contractor:** Siyaroro Trading  
**Project Commencement Date:** June 2025  
**Contractual Completion Date:** March 2026  
**Revised Completion date:** N/A

**Project Scope**

- Establishment on site
- Site clearance
- Concrete work
- Brickwork
- Plaster
- Painting
- Installation of ironmongery
- Ceiling installation
- Installation of sanitary fittings
- Installation of doors and windows

- Tiling
- Plumbing and drainage.
- Electrical installations
- HVAC installations
- Timber roof trusses and roof sheeting.
- Roadworks
- Asphalt surfacing for parking area
- Installation of kerbs
- Landscaping
- Fencing
- Specialist signage
- General cleaning

**Current Status Overall Construction progress 0%:**

**Challenges: N/A**

## **5.2. Municipal Internal Funding:**

### Projects under Construction Stage

#### **a) Repair and Renovation of Civic Centre Roof in Mandeni**

<b>CATEGORY</b>	<b>APPROVED BUDGET</b>	<b>EXPENDITURE</b>
<b>Professional Fees</b>	R 1 829 510.70	R 1 829 510.71
<b>Construction Cost (Excluding Retention)</b>	R10 993 497.45	R 10 993 497.47
<b>TOTALS (Incl. Vat)</b>	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:** n/a

### **b) New Protection Services Centre DLTC**

<b>CATEGORY</b>	<b>APPROVED BUDGET</b>	<b>EXPENDITURE</b>
<b>Professional Fees</b>	R 2 114 723.00	R 1 615 369.85
<b>Construction Cost (including variation order)</b>	R 15 525 192.27	R 14 600 179.49
<b>TOTALS (Incl. Vat)</b>	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%

**Challenges:** N/a

**c) Extension of Mechanical Workshop and Construction of New Offices**

<b>CATEGORY</b>	<b>APPROVED BUDGET</b>	<b>EXPENDITURE</b>
<b>Professional Fees</b>	R 1 910 105.97	R 1 774 651.88
<b>Construction Cost (Incl Ret.)</b>	R 16 996 962.19	R 15 103 608.53
<b>TOTALS (Incl. Vat)</b>	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:** 24 February 2025  
**Contractor's Termination Date:** 17 April 2025

**Project Scope**

- Site establishment
- Site clearance, demolition of existing pavement
- Demolition of an existing building
- Earthworks
- Construction of the new 146m<sup>2</sup> Mechanical workshop
- Demolition & Modification of the existing workshop storage
- Modification, Repairing and plumbing of the Existing Toilets & Change room
- Construction of the new 100.70m<sup>2</sup> Office Block
- Construction of the new canteen
- Extension of the existing storage rooms by 114m<sup>2</sup>
- 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 146m<sup>2</sup> 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 24<sup>th</sup> of 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.

On the 17<sup>th</sup> of April 2025, the Contractor was issued with a Letter of Termination of the project as a result of Non-compliance towards their contract and failure to bring the project to a final completion.

#### 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
<b>TOTALS (Incl. Vat)</b>	<b>R 3 350 071.12</b>	<b>R 3 169 394.62</b>

### **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. The project has been completed and closed off.

**Challenges:** N/A.

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

<b>CATEGORY</b>	<b>APPROVED BUDGET</b>	<b>EXPENDITURE</b>
<b>Professional Fees</b>	R 310 913.91	R 299 433.95
<b>Construction Cost Incl. (Retention)</b>	R 1 962 640.62	R 1 879 452.60
<b>TOTALS (Incl. Vat)</b>	R 2 273 54.53	R 2 178 886.55

### **Project Details**

<b>Name of Consultant:</b>	Brimstohn Consulting JV
<b>Name of Contractor:</b>	Khumbusi Projects
<b>Project Commencement Date:</b>	January 2025
<b>Contractual Completion Date:</b>	30 April 2025
<b>Revised Completion date:</b>	24 June 2025

### **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 100%:** Site Establishment 100%. Setting out 100%. Clearing and grubbing 100%. Earthworks 100%. Stormwater Pipes 100% and manholes 100%. Road formation 100%. G7 layer 100%. G5 layer 100%. G2 layer 100%, Asphalt 100%, Kerbing and channel 100%, Finishing off road reserve 100%

The contractor has been issued with the instruction to do the additional work, which is to clear, level and import G7 gravel material for the DLTC public parking. EOT was up to 24 June 2025.

**Challenges:** The project experienced lots of rain and subsequent rain days which caused delays in the progress.

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 585 113.19	R 582 493.53
Construction Cost Incl. (Retention)	R 3 798 772.18	R 3 777 077.20
<b>TOTALS (Incl. Vat)</b>	<b>R 4 383 885.37</b>	<b>R 4 359 570.73</b>

**Project Details**

**Name of Consultant:** Ngeja Consulting Engineers  
**Name of Contractor:** Humble Frank Multi Service  
**Project Commencement Date:** January 2025  
**Contractual Completion Date:** 5 April 2025  
**Revised Completion date:** 18 June 2025

**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 100%:** Site Establishment 100%. Traffic accommodation (ongoing). Clearing and grubbing 100%. Milling and ripping of asphalt pavement layerworks 100%. Removal and reinstatement of electrical poles 100%. Boxing of road 100%. Installation of stormwater pipe culverts 100%. Roadbed preparation 100%, G5 layer 100%. G2 layer 100%, Kerbing and channelling 100%, sidewalk base stabilization 100%.

The contractor has submitted extension of time claim for rain delays and additional works identified up to 18 June 2025.

Additional scope:

- Backfilling behind kerbs and slope – 100%
- Gabions and mattress installation – 100%
- Guardrails installation – 100%

**Challenges:** Adverse weather conditions and subsequent rain days which caused delays in the progress. The contractor has submitted extension of time claim for rain delays and additional works identified up to 18 June 2025.

**g) Establishment Of New Cemeteries, Phase 1 In Hlomendlini**

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	n/a	n/a
Construction Cost Incl. (Retention)	R2 199 829.68	R0
TOTALS (Incl. Vat)	R2 199 829.68	R 0

**Project Details**

**Name of Consultant:** N/A  
**Name of Contractor:** Mdlangeni Trading cc  
**Project Commencement Date:** 15 April 2025  
**Contractual Completion Date:** 30 June 2025  
**Revised Completion date:** n/a

**Project Scope:**

- Site Establishment
- Supply and installation of a 1 500 m concrete palisade fencing including gates to the Hlomendlini Cemetery as specified in the Bill of quantities.
- Construction of a guardhouse.

**Current Status Overall Construction progress 0%:** Contractor has been granted access to site.

**Challenge:** Project has been brought to halt by community. contractor is off site until matter is resolved through public engagement with ward councillor.

Projects under Planning Stage

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
<b>Professional Fees</b>	R 10 000 000(R5 000 000-adjustment budget)	R 13 409 689.08
<b>Construction Cost Incl. (Retention)</b>	TBC	TBC
<b>TOTALS (Incl. Vat)</b>	R 10 000 000	R 13 409 689.08

**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:** Project advertised on the 29<sup>th</sup> of April 2025 with Tenders being closed on **Monday, 2<sup>nd</sup> June 2025**. Tender stage to appoint suitable service provider.

**Challenges: N/A**

**i) 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
<b>TOTALS (Incl. Vat)</b>	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. Tender stage. Awaiting award for suitable service provider.

**Challenges:** Due to budget limitations, other items have been removed from this phase of the project and are to be implemented in the outer years.

### **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
<b>TOTAL (excl. vat)</b>	<b>R 3 941 297.11</b>	<b>R 3 941 297.11</b>

**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:** Project is complete. All outages done. Project to be handed over to Eskom.

**Challenges:** None.

**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
<b>TOTAL (Excl. Vat)</b>	<b>R1 363 717.39</b>	<b>R 814 698.63</b>

**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%.

**Challenges:** Project detailed design has been approved by Eskom, the commissioning will commence on the 14<sup>th</sup> of July 2025. This date was decided at a preplanning meeting held on the 1<sup>st</sup> of July 2025.

**c) Mandeni Substation Project**

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 11,826,735.62	R 8 884 000.00
Construction Cost	R0	R0
<b>TOTAL</b>	R 8 884 000.00	R 8 884 000.00

**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 is currently at the design stage. Draft design has been submitted for consideration however the final design to be concluded with the approval of Eskom design team.

**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.

## 5.4 Municipal Disaster Response Grant

### (a) Re-gravelling Road from Thengela to Nazareth Church in Ward 8

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 398 803.57	R 94 090.91
Construction Cost (Including retention)	R 1 981 696.43	R 223 709.50
TOTAL	R 2 380 500.00	R 317 800.41

#### Project Details

**Name of Consultant:** Libeko (Pty) Ltd  
**Name of Contractor:** Musa and Sons Trading Enterprise (Pty) Ltd  
**Project Commencement Date:** June 2025  
**Anticipated Completion Date:** October 2025  
**Revised Completion Date:** Nil

#### **Project Scope:**

- Site establishment
- Clearing and grabbing.
- Mass Earthworks (Cut to borrow to fill, cut to spoil)
- Layer works consisting of (G9, G7 & G5 Gravel materials)
- Concrete V-Drains and Subsoils
- Prefabricated Culverts
- Road signs
- Landscaping works, topsoiling and grassing

**Current Status Overall Construction progress 2%:** Site Establishment 100%, Setting out - 100 %, Clearing and grabbing - 0%, Installation of sub soil - 0%, Overhaul - 0%, concrete pipe installation and construction of Structure (Stormwater), Bulk earthworks (cut to fill & cut to spoil) - 0%, Preparation of the roadbed – 0%, Gravel subbase layer (G7) - 0%, Gravel wearing course (G5), - 0%, Installation of gabions and mattresses - 0%, Installation of signages - 0%, Clearing of road reserve

Challenges: N/A

**(b) Re-gravelling of Thulas to Ematsheketshehi road in Ward 12**

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 349 144.02	R 262 887.47
Construction Cost	R 2 493 885.89	R 124 200.00
<b>TOTAL</b>	<b>R 2 800 000.0</b>	<b>R 387 087.47</b>

**Project Details**

**Name of Consultant:** FDKL Engineering Consultants

**Name of Contractor:** Amathokozamahle (Pty) LTD

**Project Commencement Date:** June 2025

**Completion Date:** October 2025

**Revised Completion Date:** Nil

- Site Establishment
- Temporary works including services relocation / protection, and traffic accommodation
- Clear and grubbing for roadworks
- Mass Earthworks (Cut to borrow to fill, cut to spoil)
- Layer works consisting of (G9, G7 & G5 Gravel materials)
- Concrete V-Drains and Subsoils
- Prefabricated Culverts
- Concrete Surfacing (25 MPa) of Steep areas
- Landscaping works, topsoiling and grassing
- **Current Status Overall Construction progress: Construction 6%:** Site Establishment 70%, Clear and grubbing for roadworks 0%, Mass Earthworks (Cut to borrow to fill 0%, cut to spoil 0%) Layer works consisting of (G9 - 0%, G7- 0% & G5 - 0% Gravel materials), Concrete V-Drains 0% and Subsoils 0%, Prefabricated Culverts 0%, Concrete Surfacing (25 MPa) of Steep areas 0%, Landscaping works, topsoiling and grassing 0%.

## 2.4.1 Division of Revenue Act on Grants Receipts

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q4 Fourth 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									%	
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		261 703	258 594	250 894	–	250 894	250 894	(0)	0.0%	250 894
EPWP Incentive	–	4 807	1 815	1 815	–	1 815	1 815	–		1 815
Finance Management	–	1 850	1 800	1 800	–	1 800	1 800	–		1 800
Integrated National Electrification Pr	–	7 200	9 200	1 500	–	1 500	1 500	–		1 500
Local Government Equitable Share	–	230 823	243 588	243 588	–	243 588	243 588	–		243 588
Municipal Infrastructure Grant	–	17 023	2 191	2 191	–	2 191	2 191	(0)	0.0%	2 191
	3							–		
Other transfers and grants [insert description]								–		
<b>Provincial Government:</b>		4 573	3 769	3 919	–	3 919	3 919	–		3 919
KwaZulu-Natal_Infrastructure_Infras	–	–	–	–	–	–	–	–		–
EDTEA		150		150		150	150	38	33.3%	150
LIBRARY	4	4 423	3 769	3 769	–	3 769	3 769	2 513	200.0%	3 769
								–		
Other transfers and grants [insert description]								–		
								–		
<b>Total Operating Transfers and Grants</b>	5	266 276	262 363	254 813	–	254 813	254 813	(0)	0.0%	254 813
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		46 392	38 910	49 469	–	44 092	49 469	5 694	11.5%	49 469
Municipal Infrastructure Grant (MIG)	–	46 392	38 910	44 288	–	38 910	44 288	5 694	17.1%	44 288
Municipal Disaster Recovery Grant	–			5 182		5 182	5 182	–	0.0%	5 182
Other capital transfers [insert description]								–		
<b>Provincial Government:</b>		–	850	850	–	850	1 540	(690)	-44.8%	850
KwaZulu-Natal_Capacity Building a	–	–	850	850	–	850	1 540	(690)	-44.8%	850
<b>Total Capital Transfers and Grants</b>	5	46 392	39 760	50 319	–	44 942	51 009	5 004	9.8%	50 319
<b>TOTAL RECEIPTS OF TRANSFERS</b>	5	312 668	302 123	305 132	–	299 755	305 822	5 004	1.6%	305 132

## **Grant Receipts Analysis**

**The total operational YTD grant receipts** as at 30<sup>th</sup> June 2025 is R 254.8million, which has been allocated as follows:

- Equitable Share of R243.6million has been fully received.
- FMG of R1.9 million has been fully received as publicized on DORA.
- EPWP of R1.8million has been received.
- Library Grant of R4,6 million has been received in total.
- INEP of R1,5 million has been received .

**The total capital YTD grant receipts** as at 30<sup>th</sup> June 2025 is R44.1 million which has been allocated as follows:

- MIG receipt of R 41,1million has been received.
- Disaster grant with a balance of R5.2million receipts.



## 2.4.2 Division of Revenue Act on Grants Expenditure

KZN291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q4  
Fourth 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:		253 835	258 594	250 894	23 872	250 758	250 894	(135)	-0.1%	250 894
Expanded Public Works	—	4 807	1 815	1 815	—	1 815	1 815	—		1 815
FMG	—	6 576	1 800	1 800	325	1 800	1 800	—		1 800
INEP	—	1 850	9 200	1 500	1 463	1 500	1 500	—		1 500
EQUITABLE SHARE	—	230 823	243 588	243 588	22 053	243 588	243 588	0	0.0%	243 588
Municipal Infrastructure	—	9 780	2 191	2 191	30	2 055	2 191	(136)	-6.2%	2 191
0								—		
Other transfers and grants	[insert description]							—		
Provincial Government:		4 573	3 769	3 919	370	3 602	3 919	(317)	-8.1%	3 919
KwaZulu-Natal_Infrastructure_Infrastructure_RECEIPTS					—	—	—	—		
KwaZulu-Natal	—	150		150		(150)	150	(300)	-200.0%	150
LIBRARY	—	4 423	3 769	3 769	370	3 752	3 769	(17)	-0.5%	3 769
0								—		
Other transfers and grants	[insert description]							—		
District Municipality:		—	—	—	—	—	—	—		—
[insert description]								—		
Other grant providers:		—	—	—	—	—	—	—		—
Other Transfers Public Works	—	—						—		
[insert description]								—		
Total operating expenditure		258 408	262 363	254 813	24 241	254 360	254 813	(453)	-0.2%	254 813
Capital expenditure of Transfers and Grants										
National Government:		78 743	38 910	49 469	11 735	45 094	49 469	(4 376)	-8.8%	49 469
Municipal Disaster Relief	—	—	—	5 182	670	670	5 182	(4 511)	-87.1%	5 182
Municipal Infrastructure	—	78 743	38 910	44 288	11 065	44 424	44 288	136	0.3%	44 288
0	—							—		
0								—		
Other capital transfers	[insert description]							—		
Provincial Government:		—	850	850	452	867	850	17	2.0%	850
			850	850	452	867	850	17	2.0%	850
0								—		
0								—		
Total capital expenditure of		78 743	39 760	50 319	12 187	45 961	50 319	(4 359)	-8.7%	50 319
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS										
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		337 152	302 123	305 132	36 428	300 321	305 132	(4 811)	-1.6%	305 132

## **Grant Expenditure Analysis**

**The total operational YTD grant receipts** as at 30<sup>th</sup> June 2025 is R 254.4million, which has been allocated as follows

- FMG Grant: Fully spent at 100%.
- Provincial Libraries Grant: Fully spent at 100%.
- MIG Grant: Fully spent at 103% with an approval rollover of R5.4 million.
- INEP Grant: Fully spent at 100%.
- Sport Grant: remains with unspent balance of R58000.
- Title Deeds Restoration Grant: 72% expenditure, with a remaining balance of R957,000. The underspending is attributed to delays in transfers related to the Hlomendlini Project applications.
- EDTEA Grant: The remaining balance of R150,000 was returned, as the funding scope had been fully covered.
- EPWP Grant: fully spent at 100%
- Disaster grant with a balance of R670thousand spent which is 87.7% underspent.

## 2.1. Debtors Age Analysis

**Table SC3 Monthly Budget Statement\_ Debtors Age Analysis**

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q4 Fourth Quarter																
Description			Budget Year 2024/25													
	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy			
R thousands																
Debtors Age Analysis By Income Source																
Trade and Other Receivables	1200	—	—	—	—	—	—	—	—	—	—	—	—			
Trade and Other Receivables	1300	1 114	28	168	107	149	60	659	2 669	4 953	3 643	—	—			
Receivables from Non-exchange	1400	1 502	46	1 523	1 477	1 399	1 176	32 416	94 999	134 539	131 468	—	—			
Receivables from Exchange	1500	—	—	—	—	—	—	—	—	—	—	—	—			
Receivables from Exchange	1600	1 849	1	931	907	1 777	(15)	5 775	58 323	69 549	66 767	—	—			
Receivables from Exchange	1700	(35)	(12)	(57)	(38)	7	—	21	122	9	113	—	—			
Interest on Arrear Debtors	1810	621	0	419	419	827	—	2 623	33 149	38 059	37 018	—	—			
Recoverable unauthorised	1820	—	—	—	—	—	—	—	—	—	—	—	—			
Other	1900	4 540	(4)	(3)	0	0	—	—	5 464	9 997	5 464	—	—			
Total By Income Source	2000	9 591	61	2 980	2 873	4 159	1 221	41 494	194 726	257 106	244 474	—	—			
2023/24 - totals only										—	—					
Debtors Age Analysis By Customer Group																
Organs of State	2200	476	4	262	282	430	102	18 169	29 184	48 908	48 166	—	—			
Commercial	2300	5 898	(6)	673	600	722	344	11 314	23 247	42 791	36 227	—	—			
Households	2400	2 907	62	1 912	1 858	2 747	774	10 494	137 012	157 766	152 884	—	—			
Other	2500	311	—	133	133	260	2	1 517	5 284	7 641	7 197	—	—			
Total By Customer Group	2600	9 591	61	2 980	2 873	4 159	1 221	41 494	194 726	257 106	244 474	—	—			

The total Consumer debtors outstanding as 30<sup>th</sup> June 2025 is **R 257.1 million**

- Debt book indicates 4% increase from to 1<sup>st</sup> July 2024 to June 2025, within a month the debt book has accumulated a 4% increase.
- Debtors collection rate at June 2025 is 76%
- We are however maintaining and ensuring the collection of the current debt but our biggest challenge is the historic debt. We have since appointed three Debt Collectors to follow up on outstanding debtors, Debt collectors are operating Debt pack while telephoning Debtors, printing section 29 and Final demands, we will soon be moving to legal in order to further our collection measured on consumers that are resistant to pay nor respond to our Debt collectors.
- Our Debt collectors have embarked on an exercise where different households are being visited in order to assess the state affordability of each household, this exercise is aimed at assisting the Municipality to classify its debt book in terms of collectability or non-collectability of the debt, the program is ongoing.
- There is a challenge of high level of debt that calls for reassessments of the debtors, impairments.
- It is quite a challenge to collect satisfactory revenue from Sundumbili since we do not have any leverage to restrict in order to encourage regular payments from consumers thereon. I.e. Eskom is licensed to supply electricity.
- The high debt is mainly due to non-payment by Household in Sundumbili.
- Interventions have been made which are expected that they will change the current status, as the municipality is placing every effort in ensuring that we collect and recover the outstanding debt.
- We are currently undergoing the process of categorizing our book per various customers so that we know which ones to chase once our debt management system is up and running.

- We have also initiated a meter audit exercise, through Conlog, in order to ensure that we receive all the funds due for electricity supplied without any household tampering with our meter and steal electricity, the program is currently o
- Debt collection measures have been improved after the policy review by issuing summons with the intention to attach movable property. This initiative is however a slow process because of sheriff's involvement. They cannot cope with the number of summons to be served, upon attachment of movable properties for sale in execution, the sheriff returns with "nulla bona" which defeats the entire process. Property owners are not regular domiciles of properties indebted to council and have since left with no possible trace, legal proceedings cannot be extended further since courts are reluctant in granting intended judgement (section 66 declaring properties especially executable) as the said properties are primary residents to the latte's relatives or dependents.

### **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 it credibility and this will subsequently affect it 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 latter
- 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
003961361	LOT 159 HIGHVIEW	159	MASEELA	RATES/REFUSE	R10 078.71
003961371	LOT 163 HIGHVIEW	163	KHUZWAYO	RATES/REFUSE	R21 760.15
003961381	LOT 164 HIGHVIEW	164	NDIMANDE	RATES/REFUSE	R10 743.34
003961391	LOT 165 HIGHVIEW	165	YENKATHIAH	RATES/REFUSE	R66 544.44
003961401	LOT 166 HIGHVIEW	166	GOUNDEN	REFUSE/RATES	R14 794.90
003961441	LOT 173 HIGHVIEW	173	PILLAY	RATES/REFUSE	R32 399.69
003961451	LOT 176 HIGHVIEW	176	GOVENDER	RATES/REFUSE	R23 117.43
003961471	LOT 178 HIGHVIEW	178	NGWANE	RATES/REFUSE	R7 967.14
006601821	LOT 182 HIGHVIEW	182	GUMEDE	RATES/REFUSE	R13 217.86
003961631	LOT 186 HIGHVIEW	186	BASANTHAL	RATES/REFUSE	R8 284.23
006601881	LOT 188 HIGHVIEW	188	NAIDOO	RATES/REFUSE	R23 595.87
003961661	LOT 190 HIGHVIEW	190	MDLETSHI	RATES/REFUSE	R7 256.94
003961671	LOT 191 HIGHVIEW	191	NDLOVU	RATES/REFUSE	R14 404.22
003961681	LOT 192 HIGHVIEW	192	MTHETHWA	RATES/REFUSE	R87 277.85
003961691	LOT 193 HIGHVIEW	193	NDHLAZI	RATES/REFUSE	R68 495.64
003961701	LOT 194 HIGHVIEW	194	SHANDU	RATES/REFUSE	R52 012.05
003961711	LOT 195 HIGHVIEW	195	SHANDU	RATES/REFUSE	R55 187.31
006601971	LOT 197 HIGHVIEW	197	PILLAY	RATES/REFUSE	R60 245.05
003961731	LOT 199 HIGHVIEW	199	MAZIBUKO	RATES/REFUSE	R63 096.72
006602001	LOT 200 HIGHVIEW	200	ANMOL	RATES/REFUSE	R4 953.43
<b>TOTAL</b>					<b>R645 432.97</b>

DISCONNECTIONS JUNE 2025						
NO.	ACCOUNT NO.	TOWN	ADRESS	NAME	DEBT TYPE	AMOUNT R
1	009401621	MANDENI	8 RICHARDS CIRCLE	DLAMINI	RATES/ELECTRICITY	R23 271.42
2	008006136	MANDENI	6 KARAMI FLATS	PONNUSAMY	RATES/ELECTRICITY	R13 684.86
3	007900391	MANDENI	5 KUDU ROAD	MLABA	RATES/ELECTRICITY	R17 449.47
4	009601221	MANDENI	48 KUDU ROAD	MTHETHWA	RATES/ELECTRICITY	R36 348.70
5	009700161	MANDENI	31 PATRYS ROAD	KUBHEKA	RATES/ELECTRICITY	R19 051.92
6	009501721	MANDENI	3 ORIBI ROAD	MTHEMBU	RATES/ELECTRICITY	R11 828.43
10	009901371	MANDENI	27 FARROW ROAD	YEKANI	RATES/ELECTRICITY	R11 216.16
14	009901251	MANDENI	18 FARROW ROAD	GASA	RATES/ELECTRICITY	R32 837.82
16	009800882	MANDENI	17 INYALA ROAD	HARDING	RATES/ELECTRICITY	R20 678.57
18	009904261	MANDENI	14 TEKWANE CRESCENT	ZONDI	RATES/ELECTRICITY	R13 481.97
19	009903151	MANDENI	14 JOHNSTON ROAD	NTULI	RATES/ELECTRICITY	R25 962.02
21	009905201	MANDENI	12 SANDPIPER ROAD	NHLUMAYO	RATES/ELECTRICITY	R14 751.55
22	008100711	MANDENI	12 IMPUNZI ROAD	SWART	RATES/ELECTRICITY	R9 548.10
25	009980881	MANDENI	11 ORIBI ROAD	PADAYACHEE	RATES/ELECTRICITY	R7 964.70
29	009601081	MANDENI	20 IMPUNZI RD	KHUMALO	RATES/ELECTRICITY	R7 498.82
30	009702171	MANDENI	21 PLOVER CRESCENT	MHLONGO	RATES/ELECTRICITY	R21 454.02
31	009903711	MANDENI	21 TROGON RD	MTHEMBU	RATES/ELECTRICITY	R45 871.54
32	009001702	MANDENI	22 IMPALA	FRUIN	RATES/ELECTRICITY	R6 344.59
33	009701331	MANDENI	22 KUDU	THABETHE	RATES/ELECTRICITY	R23 580.01
34	008400631	MANDENI	22 TEKWANE	XULU	RATES/ELECTRICITY	R9 134.13
35	009701121	MANDENI	23 INYALA	LIAO	RATES/ELECTRICITY	R84 801.86
36	008800871	MANDENI	23 OHARA	XULU	RATES/ELECTRICITY	R13 967.86
37	009800801	MANDENI	25 INYALA	MATHONSI	RATES/ELECTRICITY	R23 248.40
38	009301131	MANDENI	26 IMPUNZI	PILLAY	RATES/ELECTRICITY	R16 409.99
40	009300042	MANDENI	27 PATRYS	VAN DER WALT	RATES/ELECTRICITY	R9 266.06
41	008902381	MANDENI	28 IMPUNZI	ZONDI	RATES/ELECTRICITY	R28 032.35
43	009981921	MANDENI	29 KUDU	RAMCHURAN	RATES/ELECTRICITY	R5 302.30
44	009908801	MANDENI	3 INYATHI	TRANSNET PROPERTY	RATES/ELECTRICITY	R4 904.72
45	009501721	MANDENI	3 ORIBI	MTHEMBU	RATES/ELECTRICITY	R11 828.43
47	009903661	MANDENI	31 TROGON	MANNAGARATIVE	RATES/ELECTRICITY	R9 501.77
48	009907711	MANDENI	32 KUDU	MANQELE	RATES/ELECTRICITY	R8 685.24
49	008400751	MANDENI	35 PATRYS	MSWELI	RATES/ELECTRICITY	R4 673.99
51	009907442	MANDENI	4 IMPUNZI	HIRAMAN	RATES/ELECTRICITY	R75 085.02
52	009908101	MANDENI	4 SPRINGBOK	CALEB	RATES/ELECTRICITY	R5 705.06
53	009900911	MANDENI	42 ANDERSON	MCHUNU	RATES/ELECTRICITY	R16 475.13
55	009601221	MANDENI	48 KUDU ROAD	MTHETHWA	RATES/ELECTRICITY	R36 348.70
57	002500882	MANDENI	5 PHILLIP RD	OLDHAM PROPERTIES	RATES/ELECTRICITY	R15 904.11
58	009800701	MANDENI	6 INYATHI	BIYELA	RATES/ELECTRICITY	R5 094.54
59	008006136	MANDENI	6 KARAMI FLATS	PONNUSAMY	RATES/ELECTRICITY	R13 684.86
60	009900821	MANDENI	60 ANDERSON RD	THABETHE	RATES/ELECTRICITY	R35 786.01
61	009908251	MANDENI	7 SPRINGBOK	MTHEMBU	RATES/ELECTRICITY	R7 781.93
62	009908211	MANDENI	82 PATRYS	GUMEDE	RATES/ELECTRICITY	R67 842.48
63	009900911	MANDENI	42 ANDERSON	MCHUNU	RATES/ELECTRICITY	R16 475.13
64	009901251	MANDENI	18 FARROW ROAD	GASA	RATES/ELECTRICITY	R32 837.82
65	008802121	MANDENI	11 JOHNSTON	DUBE	RATES/ELECTRICITY	R43 703.77
66	002401262	MANDENI	64 ANDERSON	KHUMALO	RATES/ELECTRICITY	R12 444.58
67	009500781	MANDENI	20 UMSINSI PLACE	SIBIYA	RATES/ELECTRICITY	R160 861.71
68	009911761	MANDENI	10 CYCAD PLACE	MZIMELA	RATES/ELECTRICITY	R46 356.00
						<b>R1 184 968.62</b>

Figure 6

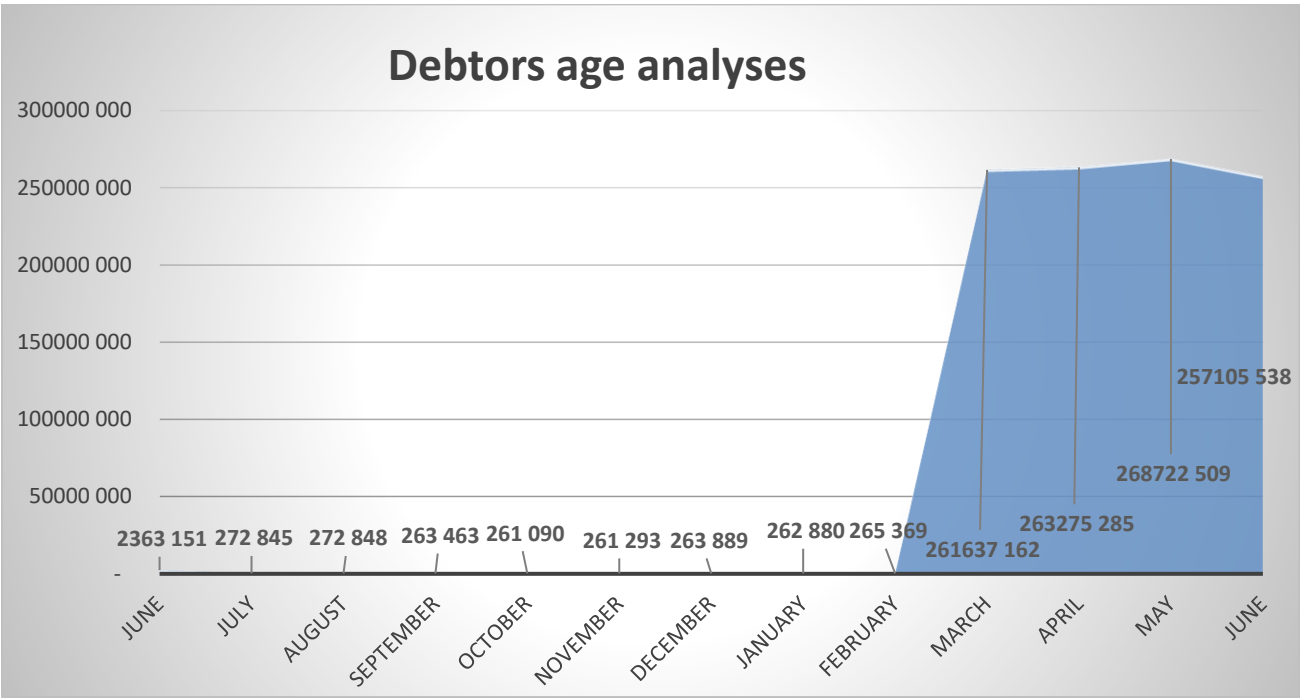
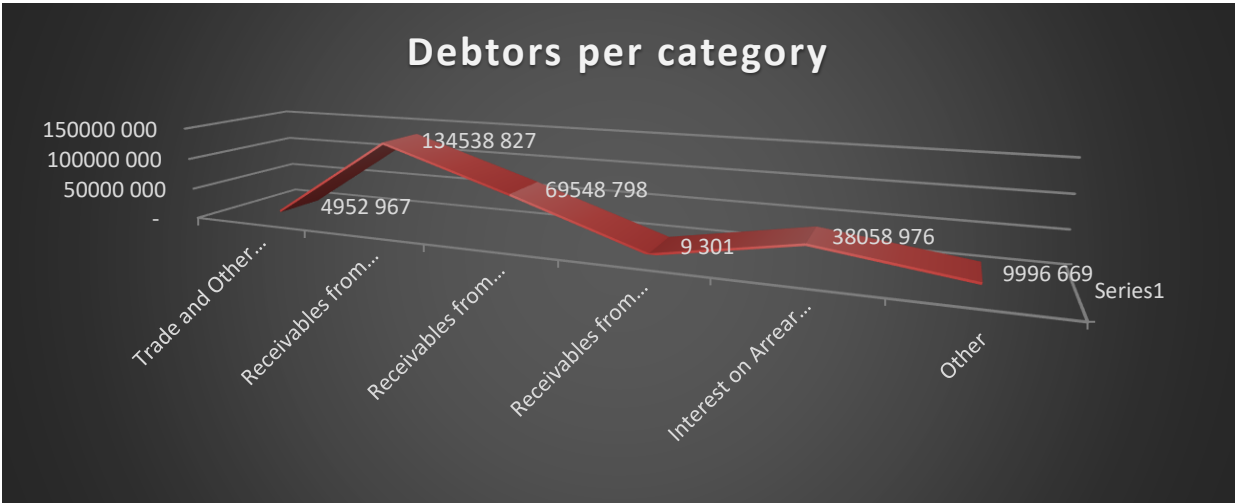
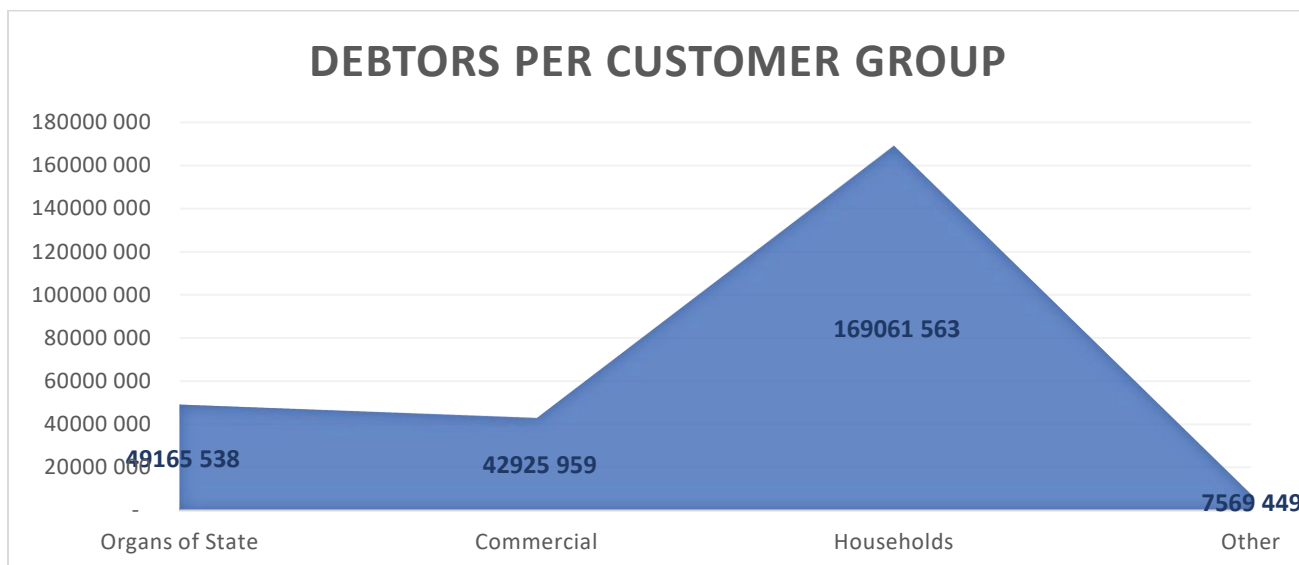


Figure 7



The municipal debtors have reduced from R263,5 million to R257.1 million that is from July 2024 until 30<sup>th</sup> June 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 June 2025**



**Councilors and Employees in Arrear**

- Debt outstanding on Councilors as at June is R214,012.94
- Staff Accounts in arrears as at June is R 11,620.07

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

**2.2 CREDITOR'S AGE ANALYSIS**

**Table SC4 Monthly Budget Statement\_ Creditors Age Analysis**

KZN291 Mandeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q4 Fourth Quarter											Prior year totals for chart
Description R thousands	NT Code	Budget Year 2024/25									
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	—	91	—	—	—	—	—	—	91	91
Bulk Water	0200	—	—	—	—	—	—	—	—	—	—
PAYE deductions	0300	—	—	—	—	—	—	—	—	—	—
VAT (output less input)	0400	—	—	—	—	—	—	—	—	—	—
Pensions / Retirement	0500	—	—	—	—	—	—	—	—	—	—
Loan repayments	0600	—	—	—	—	—	—	—	—	—	—
Trade Creditors	0700	9 417	—	—	—	—	—	—	—	9 417	9 417
Auditor General	0800	—	—	—	—	—	—	—	—	—	—
Other	0900	6 707	—	—	—	—	—	—	—	6 707	6 707
Total By Customer Type	1000	16 124	91	—	—	—	—	—	—	16 215	16 215

- The creditors' ageing balance stood at R16.2 million as at 30 June 2025. This amount includes accruals, which have since been settled in July 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.

### 3. MONTHLY BUDGET STATEMENT - FINANCIAL POSITION

Table C6 displays the financial position of the municipality as at 30<sup>th</sup> June 2025

KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - Q4 Fourth Quarter						
Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		208 837	78 954	95 107	131 353	78 954
Trade and other receivables from exchange transactions		57 057	33 169	32 945	63 201	33 169
Receivables from non-exchange transactions		13 127	36 042	58 081	52 015	36 042
Current portion of non-current receivables		—	—	—	—	—
Inventory		42 734	38 984	41 490	42 992	38 984
VAT		7 677	53 465	42 217	6 076	53 465
Other current assets		225	—	—	225	—
<b>Total current assets</b>		<b>329 657</b>	<b>240 614</b>	<b>269 840</b>	<b>295 862</b>	<b>240 614</b>
<b>Non current assets</b>						
Investments		—	—	—	—	—
Investment property		41 913	60 544	41 913	41 913	60 544
Property, plant and equipment		669 291	631 390	767 014	752 123	631 390
Biological assets		—	—	—	—	—
Living and non-living resources		—	—	—	—	—
Heritage assets		—	—	—	—	—
Intangible assets		2 372	298	2 008	2 296	298
Trade and other receivables from exchange transactions		—	—	—	—	—
Non-current receivables from non-exchange transactions		—	—	—	—	—
Other non-current assets		—	—	—	—	—
<b>Total non current assets</b>		<b>713 576</b>	<b>692 232</b>	<b>810 934</b>	<b>796 332</b>	<b>692 232</b>
<b>TOTAL ASSETS</b>		<b>1 043 233</b>	<b>932 846</b>	<b>1 080 774</b>	<b>1 092 194</b>	<b>932 846</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		—	—	—	—	—
Financial liabilities		6 043	—	—	5 673	—
Consumer deposits		170	216	(162)	174	216
Trade and other payables from exchange transactions		54 641	23 220	(48 056)	38 607	23 220
Trade and other payables from non-exchange transactions		9 028	8 284	(8 334)	5 370	8 284
Provision		4 572	8 677	(8 908)	4 572	8 677
VAT		6 698	14 759	(20 562)	8 140	14 759
Other current liabilities		—	—	—	—	—
<b>Total current liabilities</b>		<b>81 153</b>	<b>55 157</b>	<b>(86 022)</b>	<b>62 536</b>	<b>55 157</b>
<b>Non current liabilities</b>						
Financial liabilities		—	—	—	—	—
Provision		—	—	—	—	—
Long term portion of trade payables		—	—	—	—	—
Other non-current liabilities		21 070	22 993	25 770	21 070	22 993
<b>Total non current liabilities</b>		<b>21 070</b>	<b>22 993</b>	<b>25 770</b>	<b>21 070</b>	<b>22 993</b>
<b>TOTAL LIABILITIES</b>		<b>102 223</b>	<b>78 150</b>	<b>(60 252)</b>	<b>83 606</b>	<b>78 150</b>
<b>NET ASSETS</b>	<b>2</b>	<b>941 010</b>	<b>854 696</b>	<b>1 141 026</b>	<b>1 008 588</b>	<b>854 696</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		738 338	852 610	938 978	805 916	852 610
Reserves and funds		202 672	2 086	2 133	202 672	2 086
Other		—	—	—	—	—
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>941 010</b>	<b>854 696</b>	<b>941 111</b>	<b>1 008 588</b>	<b>854 696</b>

## 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 4.66 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, R4.66c

**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 76%.

**Collection days:** 698 days it takes the municipality to collect outstanding debt.

**Cost coverage:** on average the municipality has sustained its existence for the period of 4 month without any grant funding.

**Debtors collection rate:** as at 12 month is 76%

	4 Month
Cash and cash equivalents	16 298 905
Unspent Conditional Grants	5 526 817
Overdraft	-
Short Term Investments	115 593 845
Total Annual Operational Expenditure	410 645 842

	4.66
Current Assets	294 311 919
Current Liabilities	63 166 298

	76%
Gross Debtors closing balance	257 133 994
Gross Debtors opening balance	236 985 481
Bad debts written Off	10 695 564
Billed Revenue	126 536 473

	0%
--	----

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

	698 days
Gross debtors	257 133 994
Bad debts Provision	15 130 435
Billed Revenue	126 536 473

	3%
Total Repairs and Maintenance Expenditure	24 460 001
PPE at carrying value	752 123 410
Investment Property at Carrying value	41 913 000

	102%
Cash and cash Equivalents	131 316 902
Bank Overdraft	-
Short Term Investment	160 175 662
Long Term Investment	-
Unspent Grants	5 526 817
Net Assets	1 085 117 329
Share Premium	
Share Capital	
Revaluation Reserve	
Fair Value Adjustment Reserve	
Accumulated Surplus	803 735 137

#### 4. MONTHLY BUDGET STATEMENT -CASH FLOW

Table C7 below display the Cash Flow Statement for the period ending 30th June 2025

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - Q4 Fourth 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									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		(40 985)	31 118	31 118	6 012	52 182	31 118	21 063	68%	31 118
Service charges		(61 160)	75 777	75 777	1 214	63 673	75 777	(12 105)	-16%	75 777
Other revenue		16 188	4 674	24 811	1 002	6 322	25 606	(19 284)	-75%	4 674
Transfers and Subsidies - Operational		457 666	262 390	254 663	–	254 813	257 663	(2 850)	-1%	262 390
Transfers and Subsidies - Capital		102 800	39 760	50 319	–	44 942	50 319	(5 378)	-11%	39 760
Interest		31 127	28 000	28 000	1 483	25 068	28 000	(2 932)	-10%	28 000
Dividends		–	–	–	–	–	–	–		–
<b>Payments</b>										
Suppliers and employees		(463 749)	(392 386)	(418 734)	(24 310)	(390 841)	(362 532)	28 309	-8%	(392 386)
Finance charges		–	(3 300)	(3 300)	–	–	(3 300)	(3 300)	100%	(3 300)
Transfers and Subsidies		–	–	–	–	–	–	–		–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>41 887</b>	<b>46 034</b>	<b>42 655</b>	<b>(14 600)</b>	<b>56 157</b>	<b>102 652</b>	<b>46 494</b>	<b>45%</b>	<b>46 034</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
<b>Payments</b>										
Capital assets		535 861	(146 740)	(156 184)	(20 423)	(133 613)	(179 612)	(45 999)	26%	(146 740)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>535 861</b>	<b>(146 740)</b>	<b>(156 184)</b>	<b>(20 423)</b>	<b>(133 613)</b>	<b>(179 612)</b>	<b>(45 999)</b>	<b>26%</b>	<b>(146 740)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
<b>Payments</b>										
Repayment of borrowing		–	–	–	–	–	–	–		–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>–</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>577 749</b>	<b>(100 705)</b>	<b>(113 529)</b>	<b>(35 023)</b>	<b>(77 455)</b>	<b>(76 960)</b>			<b>–</b>
Cash/cash equivalents at beginning:		(132 013)	(183 424)	(208 808)	–	208 808	(208 808)			208 808
Cash/cash equivalents at month/year end:		445 736	(284 129)	(322 337)		131 353	(285 768)			–

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 30<sup>th</sup> June 2025 is R131.4million. The net decrease of R77.5million is observed. The net decrease is primarily attributed to total Receipts of R447 million, which were less than total payments of R524.5 million for the same period.

## **Revenue -Receipts**

- The property collection rate as at June 2024 is 103%, amounting to R1.8 million of the billed revenue. This reflects a 3% over-collection compared to the budget, which is considered an immaterial variance.
- Service Charges: Electricity and Refuse is 82% or R8.7million billed revenue as at June 2025.
- Other Revenue collected to date is R5.4million over a Budget of R6.2million which gives a collection of 87.1% 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 at 30 June totals R28.6million.
- Interest earned on external investments amounts to R20.0million in comparison with the year-to-date budget of R28million which is an under performance of 29%.

## **Payments**

- Suppliers and employees for cash outflows of R390.8 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. Usually, this votes interest is allocated in January and at year end.
- Capital Assets of R 116.2million for the month of June 2024 shows an under-performance of 14% as at 30th June 2025.

## Mandeni Municipality

### BANK RECONCILIATION STATEMENT FOR JUNE 2025

Main Account :52940480587

#### Opening FNB Bank Balance as on JUNE 2025

	8 498 156.39	8 498 156.39
PLUS: Deposits Banked	10 315 413.24	
PLUS: Interest received	19 693.15	
PLUS: Transfers In	28 555 988.59	
PLUS:Interest received From Call 1	872.72	
PLUS:Unpaid	25 000.00	
PLUS: MATURED INVESTMENTS	30 605 087.67	
PLUS: SARS REFUND	2 259 099.04	
PLUS: GRANTS RECEIVED	-	

**Total Deposits** 71 781 154.41 71 781 154.41

#### Less:Total payments

-	63 980 405.67	- 63 980 405.67
LESS: EFT Payments	49 231 850.36	
LESS: Bank Charges	22 934.18	
LESS: Transfers Out	13 859 340.34	
LESS: NEW INVESTMENTS	-	
LESS: Debit Orders	866 280.79	

#### Closing FNB Bank Balance as on 30 JUNE 2025

16 298 905.13

#### Cashbook Reconciliation for 30 JUNE 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	- 2 112 252 018.86	
OPENING BALANCE 1/07/2024-INTEREST	593 200.30	
OPENING BALANCE-1/7/2024 -BANK CHARGES	- 1 380 300.52	
TOTAL OPENING BALANCE 1/07/2024	9 350 047.69	

Cashbook Balance as on 1 JUNE 2025-D0001/IA09567/F0001/X049/R0099/001/FIN 725 477 352.15

Less:Cashbook Balance as on 1 JUNE 2025-D0001/IA09850/F0001/X049/R0099/001/FIN - 726 900 905.22

Corrections to be made (JNL CR) -

Corrections to be made (JNL DR) 1 424.06

PLUS: Deposits Banked for JUNE 2025 10 340 419.14

LESS: EFT Payments for JUNE 2025 - 49 231 850.36

Plus MAY 2025 outstanding (reconciled ) 433 500.00

Less: Bank Charges to date - 280 477.77

PLUS: Grant received -

Less : New investment -

Less: Payments not yet paid during JUNE 2025 -

PLUS: Interest received to date 413 968.44

PLUS:Interest received From Call 1-JUNE 2025 872.72

PLUS MATURED INVESTMENT 30 605 087.67

PLUS :SARS REFUND 2 259 099.04

PLUS :TRANSFER IN 28 555 988.59

LESS:TRANSFER OUT - 13 859 340.34

LESS: Debit Orders for -JUNE 2025 - 866 280.79

**Closing Cashbook Balance as on 30 JUNE 2025** 16 298 905.02 16 298 905.02

#### Reconciling Items

Amount

ADD: Journal Debits - on Cashbook not on Bank Statement 0.00

ADJUSTED MONTH END CASHBOOK BALANCE- 30 JUNE 2025

16 298 905.02

MONTH END BALANCE PER BANK STATEMENT- 30 JUNE 2025

16 298 905.13

DIFFERENCE - 0.11

## 5.2 MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO

The following information presents the short-term investments balances broken down per investment type as of 30<sup>TH</sup> JUNE 2025

INVESTMENT REGISTER FOR JUNE 2025									
Name of grant	Bank account number	INTEREST RATES	Opening Balance as at	Re-Investments	Expenditure	interest	bank charges	Closing Balance as at	TOTAL INTEREST EARNED TO DATE
			2025/06/01					2025/06/30	
		%	R	R	R	R	R	R	R
ABSA BANK	208168-2978	9.78	100 000 000.00			723 452.06		100 000 000.00	9 512 054.79
ABSA BANK	208168-3128	9.70	-		-	-		-	2 431 643.84
ABSA BANK	208168-3152	9.30	-	-	-	-		-	1 172 054.79
ABSA BANK	208168-3152	8.13	-	-	-	-		-	364 737.58
ABSA BANK	20-8187-5210	8.52	-		-	-		-	763 298.63
ABSA BANK	20-8187-5210	8.09	30 000 000.00		30 000 000.00	172 882.20		-	605 087.67
FNB-MAIN BANK	52940480587					19 693.15			413 968.44
TOTAL			160 175 662.13	18 202 235.48	(62 897 486.45)	1 029 543.21	(81.80)	115 593 845.16	20 010 688.51

No investment activity was recorded in April and May 2025.

Investment Number 20-8187-5210 matured on 30 June 2025, generating interest income of R605,087.67 during the month of June 2025.

The total interest accumulated for the financial year (July 2024 – June 2025) amounts to R15.3 million from external investments. The total interest across all Municipal accounts, including these investments, amounts to R20.0million.

All investments and the accumulated interest have been successfully paid into the Municipal Bank Account.

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

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q4 Fourth Quarter										
Summary of Employee and Councillor remuneration	Ref	2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2024/25 YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		12 378	13 768	13 768	1 070	13 134	13 768	(634)	-5%	13 768
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		528	675	675	39	452	675	(223)	-33%	675
Cellphone Allowance		1 491	1 687	1 687	126	1 493	1 687	(193)	-11%	1 687
Housing Allowances		167	258	258	11	126	258	(132)	-51%	258
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>14 564</b>	<b>16 388</b>	<b>16 388</b>	<b>1 246</b>	<b>15 205</b>	<b>16 388</b>	<b>(1 182)</b>	<b>-7%</b>	<b>16 388</b>
<b>% increase</b>	4		<b>12.5%</b>	<b>12.5%</b>						<b>12.5%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		3 865	5 876	5 555	2 929	7 359	5 555	1 804	32%	5 876
Pension and UIF Contributions		1	11	10	-	-	10	(10)	-100%	11
Medical Aid Contributions		163	42	145	23	268	145	123	84%	42
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		380	499	380	-	570	380	190	50%	499
Motor Vehicle Allowance		716	871	866	60	716	866	(150)	-17%	871
Cellphone Allowance		272	195	268	29	342	268	74	28%	195
Housing Allowances		114	278	278	14	170	278	(108)	-39%	278
Other benefits and allowances		347	286	440	40	482	440	42	10%	286
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	5 131	3 736	3 736	-	-	3 736	(3 736)	-100%	3 736
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and postrelated allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>10 989</b>	<b>11 794</b>	<b>11 677</b>	<b>3 094</b>	<b>9 907</b>	<b>11 677</b>	<b>(1 770)</b>	<b>-15%</b>	<b>11 794</b>
<b>% increase</b>	4		<b>7.3%</b>	<b>6.3%</b>						<b>7.3%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		83 417	94 130	93 544	5 952	96 503	93 544	2 959	3%	94 130
Pension and UIF Contributions		13 566	15 938	16 131	1 369	15 827	16 131	(304)	-2%	15 938
Medical Aid Contributions		6 332	6 180	6 801	689	7 748	6 801	947	14%	6 180
Overtime		3 361	2 469	2 996	455	4 129	2 996	1 133	38%	2 469
Performance Bonus		6 601	6 513	5 362	645	7 209	5 362	1 847	34%	6 513
Motor Vehicle Allowance		4 751	5 495	5 798	417	4 999	5 798	(799)	-14%	5 495
Cellphone Allowance		617	604	784	65	758	784	(26)	-3%	604
Housing Allowances		315	362	380	27	340	380	(40)	-11%	362
Other benefits and allowances		983	887	988	229	2 185	988	1 198	121%	887
Payments in lieu of leave		3 462	2 718	2 627	54	275	2 627	(2 352)	-90%	2 718
Long service awards		355	1 407	1 407	3	439	1 407	(968)	-69%	1 407
Post-retirement benefit obligations	2	(1 041)	4 047	4 047	-	-	4 047	(4 047)	-100%	4 047
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and postrelated allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>122 720</b>	<b>140 748</b>	<b>140 866</b>	<b>9 907</b>	<b>140 413</b>	<b>140 866</b>	<b>(453)</b>	<b>0%</b>	<b>140 748</b>
<b>% increase</b>	4		<b>14.7%</b>	<b>14.8%</b>						<b>14.7%</b>
<b>Total Parent Municipality</b>		<b>148 273</b>	<b>168 930</b>	<b>168 930</b>	<b>14 247</b>	<b>165 525</b>	<b>168 930</b>	<b>(3 405)</b>	<b>-2%</b>	<b>168 930</b>
Unpaid salary, allowances & benefits in arrears:										



## 7. External Loan

NONE

## 8. Performance Indicators

KZN291 Mandeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q4 Fourth Quarter						
Description of financial indicator	Basis of calculation	Ref	2023/24	Budget Year 2024/25		
			Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b><u>Borrowing Management</u></b>						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	9.3%	8.9%	4.4%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		9.6%	6.4%	-3.3%	6.4%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>						
Current Ratio	Current assets/current liabilities	1	406.2%	436.2%	-313.7%	473.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		257.3%	143.1%	-110.6%	143.1%
<b><u>Revenue Management</u></b>						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing					
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		16.7%	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%
<b><u>Creditors Management</u></b>						
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))					
<b><u>Funding of Provisions</u></b>						
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions					
<b><u>Other Indicators</u></b>						
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2				
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2				
Employee costs	Employee costs/Total Revenue - capital revenue		31.6%	34.1%	34.5%	35.3%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		4.3%	5.3%	5.5%	5.7%
Interest & Depreciation	I&D/Total Revenue - capital revenue		8.0%	9.2%	9.3%	0.0%
<b><u>IDP regulation financial viability indicators</u></b>						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)					
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services					
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure					

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### **QUALITY CERTIFICATE**

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

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

▪ **Monthly Budget Statements**

for the month of **JUNE 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 **14 July 2025**