MANDENI MUNICIPALITY

KZN291

BUDGET & TREASURY DEPARTMENT

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

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2023/24

BUDGET FOR THE PERIOD ENDING 29th FEBRUARY 2024.

1. PURPOSE

The purpose of the report is to submit to the Mayor the statement of financial performance and implementation of the 2023/24 Budget of the Mandeni Municipality for the period ending 29 February 2024 in line with the statutory requirements of S71 of the Municipal Finance Management Act (2003).

2. AUTHORITY

Mayor

3. LEGAL / STATUTORY REQUIREMENTS

Municipal Finance Management Act No 56, 2003 Chapter 7, Section 71.

4. BACKGROUND

In terms of Section 71(1), (2) and (3) of the MFMA No 56, 2003 Chapter 8, the Accounting Officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement on the financial performance of that municipality.

5. EXECUTIVE SUMMARY

The monthly budget statement in terms of section 71 of the Municipal Finance Management Act for the period ended 29th February is detailed below. The monthly budget statement is divided into the following:

5.1 Statement of Financial Performance
5.2 Capital Expenditure
5.3 DORA Receipts
5.4 DORA Grants Expenditure
5.5 Debtors Age Analysis
5.6 Employee Costs and Councilors' Remuneration
5.7 Investment Portfolio
5.8 Long-term Borrowing
5.9 Performance Indicators
6. Creditor's Age Analysis
6.1 Bank Reconciliation Statement
7. SUPPORTING TABLES
8. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

1.1 FINANCIAL PERFORMANCE

BUDGET SUMMARY

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M08 February									
	2022/23	Budget Year 2023/24							
Description	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
capital transfers and contributions)	**401,553**	**382,369**	**418,537**	**14,336**	**295,913**	**279,058**	**16,855**	6%	**382,369**
Total Expenditure	**340,534**	**402,121**	**438,894**	**27,820**	**249,407**	**293,040**	**(43,633)**	**-15%**	**402,121**
Surplus/(Deficit)	**61,019**	**(19,752)**	**(20,357)**	**(13,484)**	**46,506**	**(13,982)**	**60,488**	**-433%**	**(19,752)**
Transfers and subsidies -	45,387	48,381	(20,357)	8,911	29,431	40,195	(10,763)	-27%	48,381
Transfers and subsidies -	–	–	60,292	–	–	–	–		–
Surplus/(Deficit) after capital transfers &	**106,406**	**28,629**	**19,577**	**(4,573)**	**75,937**	**26,212**	**49,725**	**190%**	**28,629**
Surplus/ (Deficit) for the year	**106,406**	**28,629**	**19,577**	**(4,573)**	**75,937**	**26,212**	**49,725**	**190%**	**28,629**
Capital expenditure & funds sources									
Capital expenditure	**73,316**	**143,945**	**139,784**	**8,767**	**55,776**	**93,189**	**(37,414)**	**-40%**	**143,945**
Capital transfers recognised	12,628	55,598	52,428	4,996	29,979	34,952	(4,973)	-14%	55,598
Borrowing	0	–	–	–	–	–	–		–
Internally generated funds	**60,688**	**88,347**	**87,356**	**3,771**	**25,797**	**58,237**	**(32,440)**	**-56%**	**88,347**
Total sources of capital fund	**73,316**	**143,945**	**139,784**	**8,767**	**55,776**	**93,189**	**(37,414)**	**-40%**	**143,945**
Financial position									
Total current assets	288,947	177,849	307,941		393,027				177,849
Total non current assets	602,748	740,801	704,758		636,610				740,801
Total current liabilities	78,293	71,097	89,003		68,820				71,097
Total non current liabilities	17,730	22,795	21,693		17,730				22,795
Community wealth/Equity	**795,672**	**824,758**	**902,002**		**943,087**				**824,758**

As can be seen from the table above, Actual surplus for the period ended 29th February 2024 is more than the Budgeted Surplus. Monthly budget statement summary (Table C1), for the period ending 29th February 2024 (year to date actual), shows a surplus of R75.9 million against YTD budget of R 26.2million which reflects variance of more than 100%. The municipality has received the 2nd trench of equitable share of R76.9 million.

Currently there are no financial challenges and major risks facing the municipality. A total amount of R215 million is invested by the municipality to the approved banking institutions and the total investment register closing balance as at February 2024, is R286 million.

1.2 Monthly Budget statement Summary M06- FEBRUARY 2024

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M08 February

Description	2022/23	Budget Year 2023/24							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	50,660	59,329	59,329	3,305	41,536	39,553	1,983	5%	59,329
Service charges	61,434	63,657	72,787	6,772	50,190	48,525	1,665	3%	63,657
Investment revenue	20,010	–	–	–	–	–	–		–
Transfers and subsidies - Operational	20,010	10,500	23,500	3,365	18,673	15,667	3,007	19%	10,500
Other own revenue	249,438	248,882	262,920	893	185,514	175,313	10,200	6%	–
Total Revenue (excluding capital transfers and contributions)	**401,553**	**382,369**	**418,537**	**14,336**	**295,913**	**279,058**	**16,855**	6%	**382,369**
Employee costs	116,754	141,420	141,420	10,794	82,107	94,280	(12,173)	-13%	141,420
Remuneration of Councillors	14,325	15,460	15,460	1,214	9,709	10,307	(598)	-6%	15,460
Depreciation and amortisation	32,437	35,534	35,534	2,628	21,914	23,690	(1,776)	-7%	35,534
Interest	325	100	3,300	2	33	2,200	(2,167)	-98%	100
Inventory consumed and bulk purchases	49,664	51,014	55,837	4,014	33,682	37,531	(3,849)	-10%	51,014
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	127,029	158,592	187,342	9,169	101,962	125,033	(23,071)	-18%	158,592
Total Expenditure	**340,534**	**402,121**	**438,894**	**27,820**	**249,407**	**293,040**	**(43,633)**	**-15%**	**402,121**
Surplus/(Deficit)	**61,019**	**(19,752)**	**(20,357)**	**(13,484)**	**46,506**	**(13,982)**	**60,488**	**-433%**	**(19,752)**
Transfers and subsidies - capital (monetary allocations)	45,387	48,381	(20,357)	8,911	29,431	40,195	###	-27%	48,381
Transfers and subsidies - capital (in-kind)	–	–	60,292	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**106,406**	**28,629**	**19,577**	**(4,573)**	**75,937**	**26,212**	**49,725**	**190%**	**28,629**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**106,406**	**28,629**	**19,577**	**(4,573)**	**75,937**	**26,212**	**49,725**	**190%**	**28,629**
Capital expenditure & funds sources									
Capital expenditure	**73,316**	**143,945**	**139,784**	**8,767**	**55,776**	**93,189**	**(37,414)**	**-40%**	**143,945**
Capital transfers recognised	12,628	55,598	52,428	4,996	29,979	34,952	(4,973)	-14%	55,598
Borrowing	0	–	–	–	–	–	–		–
Internally generated funds	**60,688**	**88,347**	**87,356**	**3,771**	**25,797**	**58,237**	**(32,440)**	**-56%**	**88,347**
Total sources of capital funds	**73,316**	**143,945**	**139,784**	**8,767**	**55,776**	**93,189**	**(37,414)**	**-40%**	**143,945**
Financial position									
Total current assets	288,947	177,849	307,941		393,027				177,849
Total non current assets	602,748	740,801	704,758		636,610				740,801
Total current liabilities	78,293	71,097	89,003		68,820				71,097
Total non current liabilities	17,730	22,795	21,693		17,730				22,795
Community wealth/Equity	**795,672**	**824,758**	**902,002**		**943,087**				**824,758**
Cash flows									
Net cash from (used) operating	237,397	(281,522)	66,869	(7,953)	99,367	71,244	(28,124)	-39%	(281,522)
Net cash from (used) investing	(432,612)	190,367	(160,666)	(10,082)	(64,142)	(123,178)	(59,035)	48%	190,367
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**(112,227)**	**(299,135)**	**160,727**	**–**	**289,750**	**202,591**	**(87,159)**	**-43%**	**–**

Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	72,945	5,596	4,637	3,323	2,722	3,455	11,150	170,096	273,924
Creditors Age Analysis									
Total Creditors	14	–	–	–	–	–	–	–	14

Table 1.3

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

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M08 February										
		2022/23	Budget Year 2023/24							
Description	Ref	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Revenue - Functional										
Governance and administration		**319,605**	**305,464**	**319,314**	**7,026**	**237,114**	**212,876**	24,238	11%	**305,464**
Executive and council		–	7,806	7,806	–	–	5,204	(5,204)	-100%	7,806
Finance and administration		319,605	297,658	311,508	7,026	237,114	207,672	29,442	14%	297,658
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**10,732**	**4,692**	**4,743**	**277**	**2,639**	**3,162**	(523)	-17%	**4,692**
Community and social services		5,497	4,692	4,743	277	2,639	3,162	(523)	-17%	4,692
Sport and recreation		5,234	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental servic		**46,274**	**54,327**	**67,281**	**9,160**	**34,597**	**44,854**	(10,257)	-23%	**54,327**
Planning and development		44,726	49,857	47,398	976	23,626	31,598	(7,972)	-25%	49,857
Road transport		1,548	4,470	19,883	8,184	10,971	13,256	(2,285)	-17%	4,470
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**70,329**	**66,266**	**87,542**	**6,784**	**50,994**	**58,361**	**(7,367)**	-13%	**66,266**
Energy sources		56,878	53,804	75,079	5,706	42,073	50,053	(7,980)	-16%	53,804
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		13,451	12,463	12,463	1,078	8,921	8,308	613	7%	12,463
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Revenue - Functional	2	**446,939**	**430,750**	**478,879**	**23,247**	**325,345**	**319,253**	**6,092**	**2%**	**430,750**
Expenditure - Functional										
Governance and administration		**168,536**	**201,988**	**252,061**	**12,376**	**133,138**	**168,298**	(35,160)	-21%	**201,988**
Executive and council		54,325	62,711	64,501	3,517	39,487	43,120	(3,634)	-8%	62,711
Finance and administration		114,211	139,277	187,560	8,860	93,652	125,178	(31,526)	-25%	139,277
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**34,639**	**42,477**	**31,322**	**3,940**	**28,957**	**28,186**	772	3%	**42,477**
Community and social services		26,279	31,792	31,282	2,968	21,293	20,855	438	2%	31,792
Sport and recreation		8,335	9,442	–	972	7,395	6,530	865	13%	9,442
Public safety		–	1,223	–	–	250	775	(525)	-68%	1,223
Housing		24	20	40	–	20	27	(7)	-25%	20
Health		–	–	–	–	–	–	–		–
Economic and environmental servic		**65,567**	**81,845**	**–**	**5,577**	**41,572**	**57,783**	(16,212)	-28%	**81,845**
Planning and development		19,166	22,164	–	1,346	11,378	15,444	(4,065)	-26%	22,164
Road transport		43,242	55,750	–	3,955	27,832	39,719	(11,888)	-30%	55,750
Environmental protection		3,159	3,931	–	276	2,362	2,621	(259)	-10%	3,931
Trading services		**71,791**	**75,761**	**–**	**5,927**	**45,740**	**65,430**	**(19,690)**	-30%	**75,761**
Energy sources		60,265	55,216	–	4,958	38,849	50,912	(12,064)	-24%	55,216
Water management		–	–	–	–	–	–	–		–
Waste water management		2,487	2,948	–	198	1,666	1,966	(300)	-15%	2,948
Waste management		9,039	17,597	–	772	5,225	12,552	(7,326)	-58%	17,597
Other		**–**	**50**	**–**	**–**	**–**	**–**	**–**		**50**
Total Expenditure - Functional	3	**340,534**	**402,121**	**283,382**	**27,820**	**249,407**	**319,697**	**(70,290)**	**-22%**	**402,121**
Surplus/ (Deficit) for the year		**106,406**	**28,629**	**195,497**	**(4,573)**	**75,937**	**(444)**	**76,382**	**-17197%**	**28,629**

Table 1.4

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

KZN291 Mandeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February

Vote Description	Ref	2022/23	Budget Year 2023/24							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - Executive and council		–	7,806	7,806	–	–	5,204	(5,204)	-100.0%	7,806
Vote 2 - Finance and administration		319,605	297,658	311,508	7,026	237,114	207,672	29,442	14.2%	297,658
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		5,497	4,692	4,743	277	2,639	3,162	(523)	-16.5%	4,692
Vote 5 - Sport and Recreation		5,234	–	–	–	–	–	–		–
Vote 6 - Public safety		–	–	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Planning and Development		44,726	49,857	47,398	976	23,626	31,598	(7,972)	-25.2%	49,857
Vote 9 - Road transport		1,548	4,470	19,883	8,184	10,971	13,256	(2,285)	-17.2%	4,470
Vote 10 - Energy sources		56,878	53,804	75,079	5,706	42,073	50,053	(7,980)	-15.9%	53,804
Vote 11 - Waste Management		13,451	12,463	12,463	1,078	8,921	8,308	613	7.4%	12,463
Vote 12 - Environmental Protection		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**446,939**	**430,750**	**478,879**	**23,247**	**325,345**	**319,253**	**6,092**	**1.9%**	**430,750**
Expenditure by Vote	1									
Vote 1 - Executive and council		54,325	62,711	64,501	3,517	39,487	43,120	(3,634)	-8.4%	62,711
Vote 2 - Finance and administration		114,211	139,277	187,560	8,860	93,652	125,178	(31,526)	-25.2%	139,277
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		26,279	31,792	31,282	2,968	21,293	20,855	438	2.1%	31,792
Vote 5 - Sport and Recreation		8,335	9,442	9,790	972	7,395	6,530	865	13.3%	9,442
Vote 6 - Public safety		–	1,223	1,162	–	250	775	(525)	-67.7%	1,223
Vote 7 - Housing		24	20	40	–	20	27	(7)	-25.2%	20
Vote 8 - Planning and Development		19,166	22,214	23,157	1,346	11,378	15,444	(4,065)	-26.3%	22,214
Vote 9 - Road transport		45,730	58,698	61,745	4,152	29,498	41,685	(12,187)	-29.2%	58,698
Vote 10 - Energy sources		60,265	55,216	76,369	4,958	38,849	50,912	(12,064)	-23.7%	55,216
Vote 11 - Waste Management		9,039	17,597	18,828	772	5,225	12,552	(7,326)	-58.4%	17,597
Vote 12 - Environmental Protection		3,159	3,931	3,931	276	2,362	2,621	(259)	-9.9%	3,931
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**340,534**	**402,121**	**478,364**	**27,820**	**249,407**	**319,697**	**(70,290)**	**-22.0%**	**402,121**
Surplus/ (Deficit) for the year	2	**106,406**	**28,629**	**516**	**(4,573)**	**75,937**	**(444)**	**76,382**	**-17196.9%**	**28,629**

Table 1.5 provides information on the planned revenue and operational expenditures against the actual results for the period ending 29th February 2024

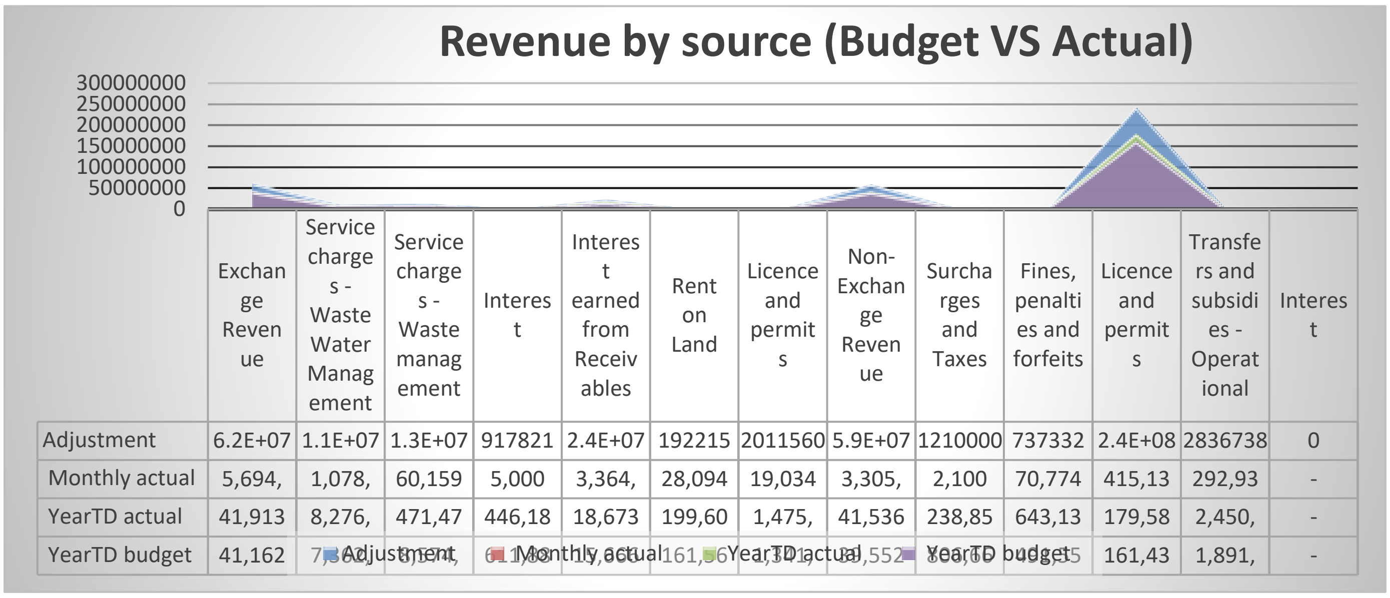
This report analyses each major component under following headings;

- Revenue by Source
- Operational Expenditure by Type, and

KZN291 Mandeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February										
		2022/23	Budget Year 2023/24							
Description	Ref	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue										
Exchange Revenue										
Service charges - Electricity		49,864	52,613	61,743	5,694	41,914	41,162	752	2%	52,613
Service charges - Water		–	–	–	–	–	–	–		–
Service charges - Waste Water Managemer		–	–	–	–	–	–	–		–
Service charges - Waste management		11,570	11,044	11,044	1,078	8,276	7,363	913	12%	11,044
Sale of Goods and Rendering of Services		7,854	618	12,862	60	471	8,575	(8,103)	-95%	618
Agency services		–	–	–	–	–	–	–		–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		1,229	918	918	–	441	612	(171)	-28%	918
Interest from Current and Non Current Asse		20,010	10,500	23,500	3,365	18,673	15,667			10,500
Dividends		–	–	–	–	–	–	–		–
Rent on Land		106	–	–	–	–	–	–		–
Rental from Fixed Assets		248	192	192	28	200	162	38	24%	192
Licence and permits		22	–	–	5	5	–	5	#DIV/0!	–
Operational Revenue		2,548	396	2,012	19	1,475	1,341	134	10%	396
Non-Exchange Revenue		–	–	–	–	–	–	–		–
Property rates		50,660	59,329	59,329	3,305	41,536	39,553	1,983	5%	59,329
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		1,002	1,210	1,210	2	239	807	(568)	-70%	1,210
Licence and permits		525	737	737	71	643	492	152	31%	737
Transfers and subsidies - Operational		223,107	241,975	242,152	415	179,590	161,435	18,155	11%	241,975
Interest		2,628	2,837	2,837	293	2,450	1,891	559	30%	2,837
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		–	–	–	–	–	–	–		–
Other Gains		30,181	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**401,553**	**382,369**	**418,537**	**14,336**	**295,913**	**279,058**	**16,855**	**6%**	**382,369**
Expenditure By Type										
Employee related costs		116,754	141,420	141,420	10,794	82,107	94,280	(12,173)	-13%	141,420
Remuneration of councillors		14,325	15,460	15,460	1,214	9,709	10,307	(598)	-6%	15,460
Bulk purchases - electricity		45,293	43,603	51,864	3,840	32,056	34,576	(2,520)	-7%	43,603
Inventory consumed		4,371	7,411	3,974	173	1,626	2,955	(1,329)	-45%	7,411
Debt impairment		–	37,303	37,303	–	18,652	24,868	(6,217)	-25%	37,303
Depreciation and amortisation		32,437	35,534	35,534	2,628	21,914	23,690	(1,776)	-7%	35,534
Interest		325	100	3,300	2	33	2,200	(2,167)	-98%	100
Contracted services		62,194	64,092	84,773	5,224	39,605	56,593	(16,988)	-30%	64,092
Transfers and subsidies		–	–	–	–	–	–	–		–
Irrecoverable debts written off		15,022	7,500	7,500	–	3,750	5,000	(1,250)	-25%	7,500
Operational costs		43,672	48,198	56,266	3,945	39,782	37,571	2,211	6%	48,198
Losses on Disposal of Assets		6,080	1,500	1,500	–	–	1,000	(1,000)	-100%	1,500
Other Losses		61	–	–	–	173	–	173	#DIV/0!	–
Total Expenditure		**340,534**	**402,121**	**438,894**	**27,820**	**249,407**	**293,040**	**(43,633)**	**-15%**	**402,121**
Surplus/(Deficit)		**61,019**	**(19,752)**		**(13,484)**	**46,506**	**(13,982)**	**60,488**	**(0)**	**(19,752)**
Transfers and subsidies - capital (monetary allocations)		45,387	48,381	(20,357)	8,911	29,431	40,195	(10,763)	**(0)**	48,381
Transfers and subsidies - capital (in-kind)		–	–	60,292	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**106,406**	**28,629**	**39,935**	**(4,573)**	**75,937**	**26,212**			**28,629**
Income Tax		–	–	–	–	–	–			–
Surplus/(Deficit) after income tax		**106,406**	**28,629**	**39,935**	**(4,573)**	**75,937**	**26,212**			**28,629**
Share of Surplus/Deficit attributable to Joint		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Mino		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**106,406**	**28,629**	**39,935**	**(4,573)**	**75,937**	**26,212**			**28,629**
Share of Surplus/Deficit attributable to Asso		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**106,406**	**28,629**	**39,935**	**(4,573)**	**75,937**	**26,212**			**28,629**

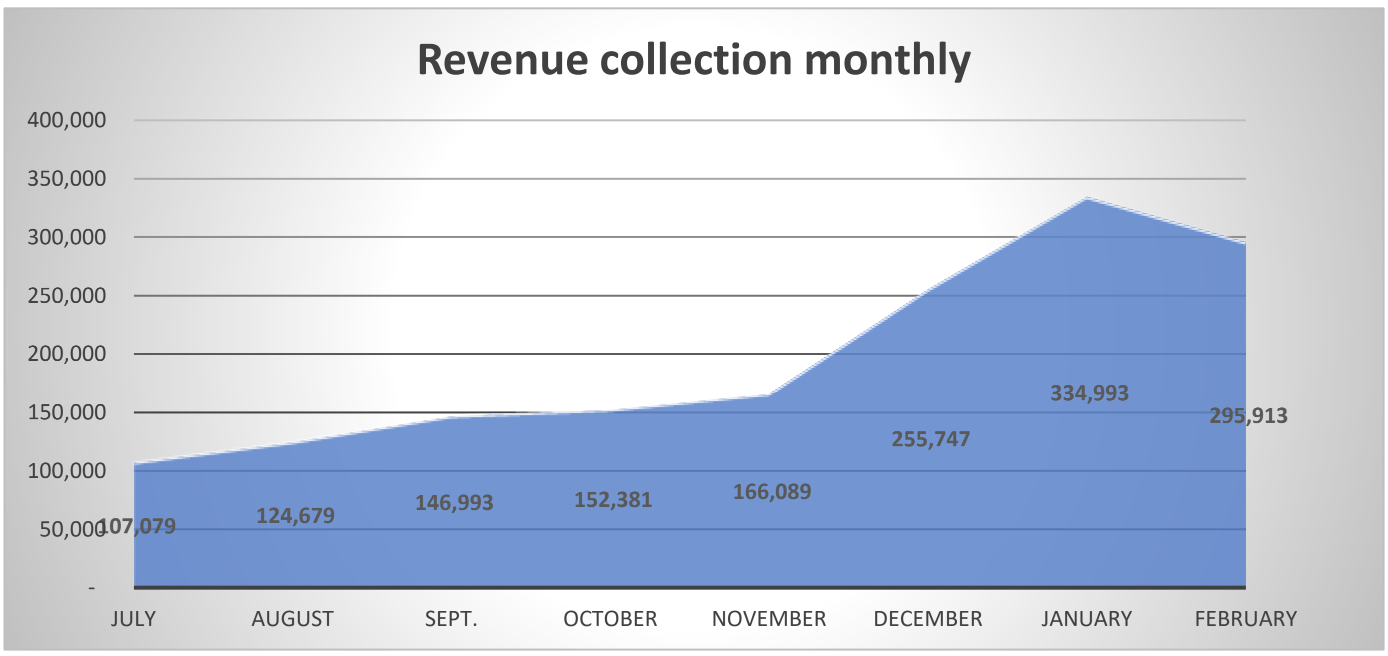
The above revenue and expenditure sources can be graphically presenting in figure 1 and 2 below:

Figure 1



	Exchange Revenue	Service charges - Waste Water Management	Service charges - Waste management	Interest	Interest earned from Receivables	Rent on Land	Licence and permits	Non-Exchange Revenue	Surcharges and Taxes	Fines, penalties and forfeits	Licence and permits	Transfers and subsidies - Operational	Interest
Adjustment	6.2E+07	1.1E+07	1.3E+07	917821	2.4E+07	192215	2011560	5.9E+07	1210000	737332	2.4E+08	2836738	0
Monthly actual	5,694,	1,078,	60,159	5,000	3,364,	28,094	19,034	3,305,	2,100	70,774	415,13	292,93	-
YearTD actual	41,913	8,276,	471,47	446,18	18,673	199,60	1,475,	41,536	238,85	643,13	179,58	2,450,	-
YearTD budget	41,162	[illegible]	[illegible]	[illegible]	[illegible]	161,56	[illegible]	[illegible]	[illegible]	[illegible]	161,43	1,891,	-

Figure 2



Revenue:

- The Year to Date (YTD) total revenue earned is R25.9 million for the period ending 29TH FEBRUARY 2024 excluding capital conditional grant income of R179.6 million. The YTD Budget is R 161.4million; which means expected collection has been achieved.

- As can been seen from the table above that transfers recognized-operational are high is due to the municipality receiving both trenches of equitable share for R172.5 million has been received by the municipality which has set off an INEP rollover application of R624 thousand which was not approved by National Treasury. Therefore, the municipality is awaiting the last trench of R49.9 million as publicized on DORA. Also increase is due to operational grants which conditions have been met as they have been realized as revenue for FMG, EPWP and INEP.

EXCHANGE REVENUE

Service Charges: Electricity

- Revenue for service charges- electricity is recognized on an invoice basis and the total amount billed is R41,9 million (current month – R4 million) which equates to an over billing by 2% when compared to the total budgeted of R41.2million.
- Variance is due to electricity demand by Umngeni Water as a result of plant that increased its water generating capacity to circumvent the Hezelmere Dam shortfalls which came as a result of the KZN

April 2022 floods which resulted in a serious destruction of the Bulk Water Infrastructure particularly in Ethekwini and the Southern part of KwaDukuza.

- Management to consider the increase of the budget during the budget adjustment.

The actual cash collected is R4 million for the month ended FEBRUARY 2023.

Service Charges: Refuse

- Revenue for service charges- refuse is recognized on an invoice basis and the total amount billed is R8.3million (current month – R272 thousand) which equates to an over billing by 12% when compared to the total R7.4million refuse revenue budgeted.
- The variance is caused by the New Identified properties by the Supplementary Valuation roll.

- The actual cash collected is R 272thousand for the quarter ended FEBRUARY 2024.

Sale of Goods and rendering services

- Sale of Goods and services amounts to R471 thousand in comparison with the year-to-date budget of R8.6 million, thus indicating an over performance by R8.1 thousand or 95 percent, variance is due to the level of demand in the sale of goods and rendering services.

Interest earned from receivables.

- Interest earned from receivables amounts to R446 thousand in comparison with the year-to-date budget of R612 thousand, thus indicating an under performance by R166 thousand or 27 percent, variance is based on the outstanding debt billed on refuse and electricity. Interest rate on outstanding debtors is 2% per annum.

- Challenges with the Billing department still persist and it causes delays to the reporting unit as credible information is of important for the assessment of the performance.

Interest from Current and Non-Current assets

- Interest earned on external investments amounts to R18.7 million in comparison with the year-to-date budget of R15.7 million, thus indicating an over performance by R3 million or 19 percent, variance is based interest rate on the cash available from previous year cash backed reserves and additional grants received. Based on performance reported at mid-year, the municipality will increase budget during an adjustment budget to ensure realistic estimates and also to accommodate additional funds to be re invested so as to increase revenue sources of the municipality.

- Further to that the municipality has taken decision to redirect the interest generated from these investments towards service delivery which will also be considered during adjustment budget process.

Rental from fixed assets

- Revenue from rental of fixed assets recognised amounts to R200 thousand in comparison with the year-to-date budget amount of R162 thousand thus indicating an over performance of R38thousand or 24 percent. Variance is due to level of demand in the usage of municipal facilities (Municipal sports fields, municipal halls) when comparing to the projections.

Operational Revenue

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

The year-to-date performance in Other Revenue amounts to R1.5 million more than anticipated YTD budget of R1.3 million, thus indicating an over- performance of R134 thousand or more that 10 percent, variance is mainly due to seasonal fluctuations and level of demand for these items e.g, tender fees, connection and disconnection fees.

Another contributing factor to this variance is due to revenue received from sale of land of R155 thousand and LG SETA Funding of R618 thousand. These line items were not budgeted for it will have to be considered during adjustment budget.

NON-EXHANGE REVENUE

Property Rates

- The municipality accounts for Property Rates on an invoice basis in line with GRAP requirements and the total amount billed is R41.5 million (current month – R1.8 million) which equates to an over billing by 5% when compared to the total R39.6 million pro-rata property rates revenue budgeted.

- The Annual Billing has been processed, which effect reflect an over Billing of 5%.

The actual cash collected being R 1.8 million for the month ended FEBRUARY 2024.

Fines, Penalties and forfeits

- Fines have underperformed by -70 percent or R568 thousand, with an actual amount of R239 thousand variance against year-to-date budget projections of R 807thousand. 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 nee

- Furthermore, to that based on the audited AFS the budget allocated appears to be understated and it will be adjusted during an adjustment budget to ensure realistic budget estimatesd to be receipted using the accrual basis of accounting in order to recognise the income accordingly.

Licences and permits.

- Licences and permits have over performed by 31 percent or R 492thousand with an actual amount of R643 thousand as compared to budget of R492thousand, Revenue reported has been received from issuing licences and permits by traffic department and trading licences for business within the municipality.

Transfers & subsidies

- Transfers and subsides recognised operational amounts to R 179.6million YTD Actual in comparison with the YTD budget of R161.4 million, thus indicating an over performance by R18.2 million or 11 percent, variance is mainly attributable to the municipality receiving the 2nd trench of the Equitable Share of R173 million and realisation of operational grants spent as conditions have been met for EPWP, FMG and Library Grant.

- INEP Rollover application of R624 thousand was not approved by National Treasury, this balance has been set off from the second trench of Equitable Share. Total amount transferred to date for Equitable Share is R172.5 million, However the INEP funds that were set off have been transferred from INEP Call account to replace the amount set off, which has resulted in total transfers of R173,1 million for Equitable Share with a remaining balance of R57.7 million.

- Transfers and subsides capital amounts to R29.4 million in comparison with the YTD budget of R40.2 million, thus indicating an under performance by R10.8 million variance is mainly attributable by expenditure in MIG. *(Detailed report on MIG expenditure has been provided below)*

- INEP and Massification grant have been transacting in accordance with GRAP 109, however during preparation of Annual Financial Statement for 2022/23 an accounting guideline was issued by Treasury as how should a municipality budget and transact in relation to these grants. During adjustment budgeted these grants will be adjusted and budgeted in accordance with GRAP11 to comply with the new treatment.

Interest earned from receivables.

- In line with council adopted credit control policy, the municipality charges interest on arrear debtors.

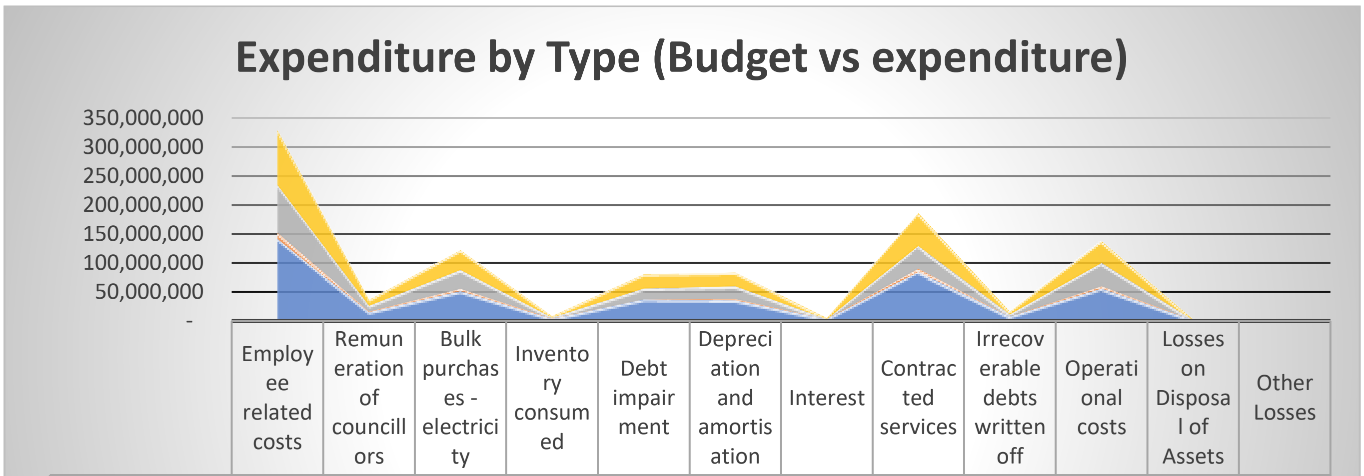
- Interest earned from receivables amounts to R2.5million in comparison with the year-to-date budget of R1.9million, thus indicating an over performance by 559 thousand or 30 percent.

Operating Expenditure from February 2024

The table below reflects trend of expenditure for the period ended 29th February 2024

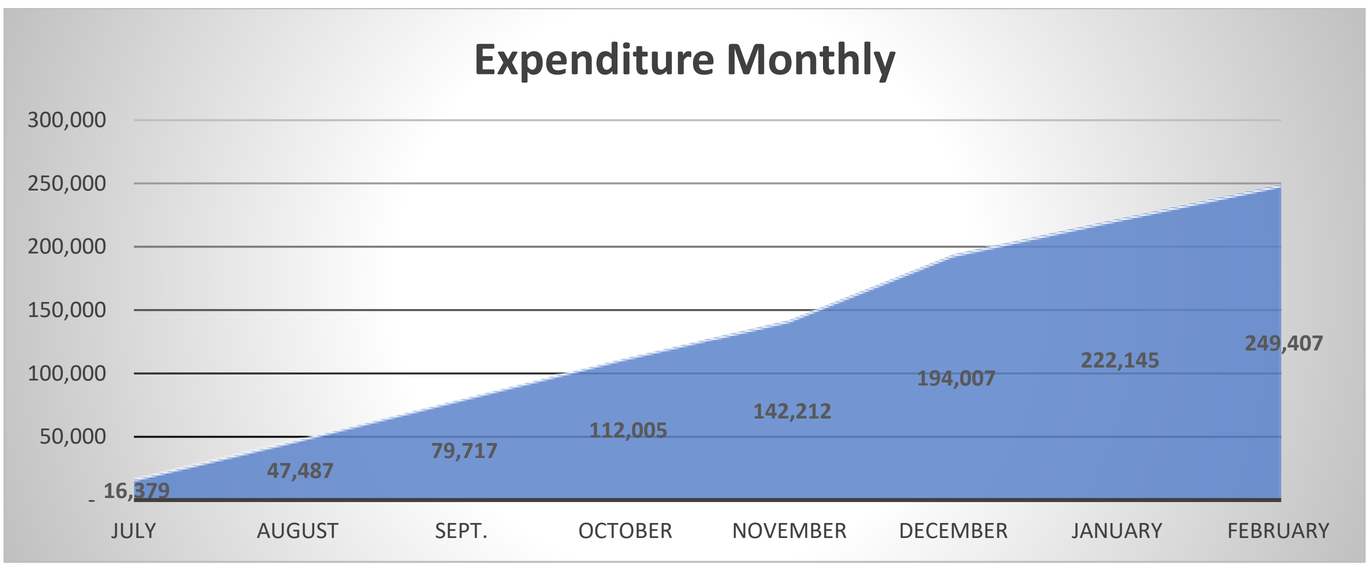
Figure 6

- **Total Operating Expenditure**



	Employee related costs	Remuneration of councillors	Bulk purchases - electricity	Inventory consumed	Debt impairment	Depreciation and amortisation	Interest	Contracted services	Irrecoverable debts written off	Operational costs	Losses on Disposal of Assets	Other Losses
YearTD budget	94,280	10,306	34,575	2,955,	24,868	23,689	2,200,	56,593	5,000,	37,571	1,000,	-
YearTD actual	82,107	9,709,	32,056	1,625,	18,651	21,913	33,234	39,605	3,750,	39,781	-	173,08
Monthly actual	10,794	1,213,	3,840,	173,32	-	2,628,	1,605	5,224,	-	3,944,	-	-
Adjustment	141,42	15,460	51,863	3,973,	37,302	35,534	3,300,	84,773	7,499,	56,266	1,500,	-

Figure 7



Operating Expenditure:

- The total operational expenditure YTD Actual for the period ending 29th February 2024 amounted to R 249.4 million against the planned target of YTD budget is R 293.0 million. As at the end of FEBRUARY the operational expenditure budget has been under spent by -15% or -R43.6 million. *Detailed expenditure analysis is below:*

Employee Related Costs

- Employee related costs YTD expenditure for the period ending 29TH FEBRUARY 2024 amounted to R82.1 million while the YTD budget was R94.3 million with an underspending of R12.2million at -13per cent. Variance is due to positions that were prioritised in the budget which have not been filled. However, recruitment processes are underway to filling of these positions.
- Furthermore, to that it should be noted that employee bonuses are now being paid on their birth month.
- Another contributing factor to this variance is due to calculation of provision for leave and long service awards which are processed at year end upon receiving the actuarial calculation for Actuaries.

Remuneration of Councilors

- The expenditure on councilor allowances as of 29th FEBRUARY 2024 has a variance different of R598thousand compared to the budget amount. The target in this vote has been reached.

- Performance reported under Remuneration of Cllrs has considered the approval from COGTA in relation Cllrs Upper limits as per Gazette Notice No. 3807 dated 18 August 2023. Further to that backpack was considered when implementing this gazette

Bulk Purchases

- Bulk purchases relate to electricity purchases that the municipality purchases from Eskom for revenue generation stream, as the municipality has the license authority within ward 3. To date the expenditure on bulk purchases totals R32.1 million (current month – R3.8 million) when compared to the projected budget of R34.6million, variance is R2.5 million with an over expenditure of 7 percent. Variance is due to the level of demand for electricity purchases.

Inventory Consumed

- Inventory Consumed reflects an underperformance by 45 percent or R1.3 million from YTD budget of R3 million against the YTD Actual of R1.6 thousand, variance is due to the implementation of procurement plan. The municipality has reviewed 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 25percent orR6.2 million from YTD budget of R24.9 million against the YTD actual of R18.9 million. Based on the complexity of analysis which brings about the said calculation, it was management's view that such calculation should take place biannually (Midyear and Year end). We believe that the said Midyear calculation will increase the expenditure value to be in line with the year-to-date budgeted amount.

- The assumption is that you exclude all debtors with credit balances when calculating the provision. Provision for Bad debt is therefore calculated using the collection rate of 65% for debt within 90 days and 20% for any debt older than 90 days for all categories except electricity. With Electricity the assumption is that 90% of the debt older than 90 days is still collectable.

Depreciation and Asset Impairment

- Depreciation and asset impairment are reflecting an under performance by -7percent or R1.8million against YTD actual of R21.9 million against the YTD budget of R23.7 million, variance is immaterial, and it will be addressed during the year end as planned assets would be procured.

Interest

- Finance charges reflect an under performance by 98 percent or R2.2 thousand against YTD actual of R33 thousand. Expenditure incurred is due to interest paid to as per Eskom Invoices for late payment which results in fruitless and wasteful expenditure. However, the municipality has been engaging eskom in relation to this interest being charged whereas payments are always done timeously.

- Another contributing factor to finance charges is the reclassification of retirement benefit obligation interest costs in accordance with GRAP 25, this calculation will be done during year end after assessment by Actuarial Report has been completed for the year. Based on performance for 2023/24 for finance charges of R2.6 million this item appears to be under stated and it will be adjusted during an adjustment budget to avoid Unauthorized Expenditure

Contracted Services

- Contracted services expenditure is reflecting an under expenditure by 30 percent or R17million from YTD budget of R56.5 million against the YTD actual of R39.6 million, variance is due to the implementation of procurement plan. This item included all the contracted and outsourced services by the municipality.

Irrecoverable debts written off

- Irrecoverable debt written off have underspent by 25 percent or R1.3 thousand from YTD budget of R5million against the YTD actual of R4million, variance is due to the fact that the municipality have not had any debt write offs in the current financial year, write offs are normal authorized by Council during the third and fourth quarter, we are however convinced that once the authorization is received from Council the said write offs will increase the expenditure value to be in line with the budgeted amount.

Operational Cost

- Operational Cost has overspent by 6 percent or R2.2 million from YTD budget of R37.6 million against the YTD actual of R39.8 million, variance is due to activities that took place in the first quarter of the financial year and the implementation of cost cutting measures.
- Other expenditure - The majority of items are not a straight-line expenditure some are paid where it is needed e.g. printing and stationery, mayoral projects, external services etc. Certain expenditure items are based on a seasonal commitment.

Losses on Disposal of assets

- Losses of 100% against the pro-rata budget of R 1million, this reflect that there are no losses in the month of reporting recognized.

Other Losses

- Losses of R173 thousand reported as at mid-year is due to write off of Inventory items. This item was not budgeted for initially this will then be adjusted during an adjustment budget and consider actual reported in prior year audited AFS 2022/23.

2. Capital Expenditure

Table C5 Monthly Budget Statement – Capital Expenditure

KZN291 Mandeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M08 February

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Single Year expenditure appropri	2									
Vote 1 - Executive and council		–	1,843	1,878	–	22	1,252	(1,230)	-98%	1,843
Vote 2 - Finance and administration		34,353	21,225	17,330	1,478	7,476	11,553	(4,077)	-35%	21,225
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		21,438	2,304	1,765	–	594	1,177	(583)	-50%	2,304
Vote 5 - Sport and Recreation		(4,264)	15,205	14,084	–	1,774	9,390	(7,616)	-81%	15,205
Vote 6 - Public safety		–	–	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Planning and Development		11,028	16,435	18,565	1,447	8,146	12,377	(4,231)	-34%	16,435
Vote 9 - Road transport		4,857	79,374	78,546	5,842	32,620	52,364	(19,744)	-38%	79,374
Vote 10 - Energy sources		5,903	2,957	3,710	–	280	2,473	(2,193)	-89%	2,957
Vote 11 - Waste Management		–	4,602	3,906	–	4,864	2,604	2,260	87%	4,602
Vote 12 - Environmental Protection		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Capital single-year expendit	4	73,316	143,945	139,784	8,767	55,776	93,189	**(37,414)**	**-40%**	143,945
Total Capital Expenditure		**73,316**	**143,945**	**139,784**	**8,767**	**55,776**	**93,189**	**(37,414)**	**-40%**	**143,945**
Capital Expenditure - Functional Classification										
Governance and administration		**34,353**	**23,069**	**19,208**	**1,478**	**7,498**	**12,805**	(5,308)	-41%	**23,069**
Executive and council		–	1,843	1,878	–	22	1,252	(1,230)	-98%	1,843
Finance and administration		34,353	21,225	17,330	1,478	7,476	11,553	(4,077)	-35%	21,225
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**17,174**	**17,509**	**15,850**	**–**	**2,368**	**10,566**	(8,198)	-78%	**17,509**
Community and social services		21,438	2,304	1,765	–	594	1,177	(583)	-50%	2,304
Sport and recreation		(4,264)	15,205	14,084	–	1,774	9,390	(7,616)	-81%	15,205
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental service		**15,885**	**95,809**	**97,111**	**7,289**	**40,766**	**64,741**	(23,975)	-37%	**95,809**
Planning and development		11,028	16,435	18,565	1,447	8,146	12,377	(4,231)	-34%	16,435
Road transport		4,857	79,374	78,546	5,842	32,620	52,364	(19,744)	-38%	79,374
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**5,903**	**7,558**	**7,615**	**–**	**5,144**	**5,077**	67	1%	**7,558**
Energy sources		5,903	2,957	3,710	–	280	2,473	(2,193)	-89%	2,957
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		–	4,602	3,906	–	4,864	2,604	2,260	87%	4,602
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functi	3	**73,316**	**143,945**	**139,784**	**8,767**	**55,776**	**93,189**	**(37,414)**	**-40%**	**143,945**
Funded by:										
National Government		12,628	55,119	51,837	4,996	29,819	34,558	(4,739)	-14%	55,119
Provincial Government		–	478	591	–	160	394	(235)	-60%	478
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**12,628**	**55,598**	**52,428**	**4,996**	**29,979**	**34,952**	**(4,973)**	**-14%**	**55,598**
Borrowing	6	0	–	–	–	–	–	–		–
Internally generated funds		60,688	88,347	87,356	3,771	25,797	58,237	(32,440)	-56%	88,347
Total Capital Funding		**73,316**	**143,945**	**139,784**	**8,767**	**55,776**	**93,189**	**(37,414)**	**-40%**	**143,945**

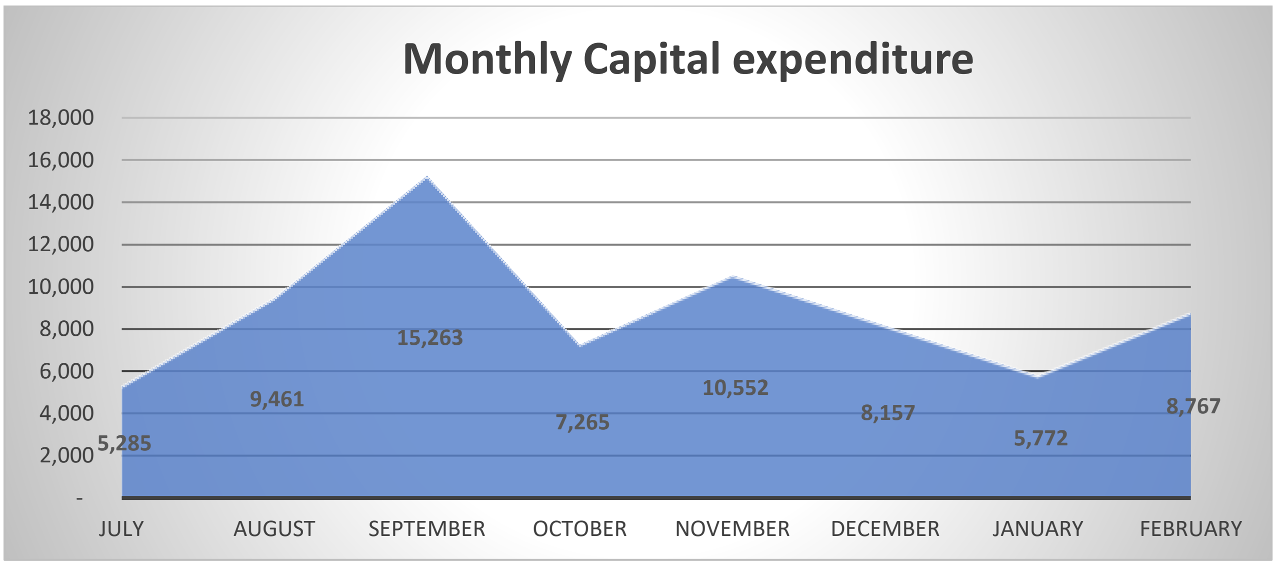
Capital Expenditure from FEBRUARY 2023:

The capital expenditure budget is R55.8 million against actual Capital expenditure amounted of R93.2million resulting in an under performance of (40%) 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 municipality has developed a strategy to monitor capital projects, if there are any gaps the strategy is regularly reviewed so as to ensure that planned projects are completed". Further to that below we have attached progress report on implementation of capital projects and highlighted challenges that the municipality has come across in relation to other projects.

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

Capital Expenditure reported as at February 2024



- Capital grants funded by the National Government for MIG actual is R29.8 million versus YTD Budget of R34.6 million as at FEBRUARY 2024. Variance of -R4.7 million or -14 per cent is due to expenditure incurred from MIG, and R8.1million incurred form the Disaster relief Grant. This grant expenditure performance is under the expected percentage as end of this term, a rollover application for it should be expected.

- Capital grants funded by Provincial Government actual is R160 thousand versus YTD Budget of R394 thousand as at FEBRUARY 2024 variance of 60% reflects an underspending of R235thousand in this grant. There are more goods planned to be procured.

- Capital grants funded Internally generated funds actual is R26 million versus YTD Budget of R58.2 million as at FEBRUARY 2024. Variance of -R32.4 million or -56 per cent is due to expenditure incurred further to that it should be noted that there are projects that are still in progress in relation to this funding.

2.2 Monthly Budget Statement – expenditure on Repairs and Maintenance

KZN291 Mandeni - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M08 February										
		2022/23	**Budget Year 2023/24**							
Description	**Ref**	**Audited Outcome**	**Original Budget**	**Adjusted Budget**	**Monthly actual**	**YearTD actual**	**YearTD budget**	**YTD variance**	**YTD variance**	**Full Year Forecast**
R thousands	1								**%**	
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**10,468**	**9,996**	**13,517**	**1,398**	**5,236**	**9,012**	3,776	**41.9%**	**9,996**
Roads Infrastructure		7,600	5,522	6,261	855	2,706	4,174	1,468	**35.2%**	5,522
Roads		7,470	5,130	5,870	855	2,706	3,913	1,207	**30.9%**	5,130
Road Structures		59	261	261	–	–	174	174	**100.0%**	261
Road Furniture		70	130	130	–	–	87	87	**100.0%**	130
Capital Spares		–	–	–	–	–	–	–		–
Storm water Infrastructure		627	1,087	3,435	–	582	2,290	1,708	**74.6%**	1,087
Drainage Collection		627	1,087	3,435	–	582	2,290	1,708	**74.6%**	1,087
Storm water Conveyance		–	–	–	–	–	–	–		–
Attenuation		–	–	–	–	–	–	–		–
Electrical Infrastructure		1,196	2,778	3,083	414	1,304	2,055	751	**36.6%**	2,778
Power Plants		93	61	61	–	–	41	41	**100.0%**	61
HV Substations		–	–	–	–	–	–	–		–
HV Switching Station		–	–	–	–	–	–	–		–
HV Transmission Conductors		–	1,304	1,304	138	138	870	732	**84.2%**	1,304
MV Substations		9	65	65	–	–	43	43	**100.0%**	65
MV Switching Stations		–	–	–	–	–	–	–		–
MV Networks		58	87	87	28	47	58	11	**19.7%**	87
LV Networks		332	609	696	12	354	464	110	**23.8%**	609
Capital Spares		704	652	870	236	766	580	(186)	**-32.1%**	652
Water Supply Infrastructure		–	–	–	–	–	–	–		–
Information and Communication Infrastructure		1,046	609	739	128	644	493	(151)	**-30.7%**	609
Data Centres		–	–	–	–	–	–	–		–
Core Layers		1,046	609	739	128	644	493	(151)	**-30.7%**	609
Distribution Layers		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Community Assets		**1,089**	**1,485**	**2,572**	**95**	**721**	**1,425**	**704**	**49.4%**	**1,485**
Community Facilities		52	294	294	–	18	196	178	**90.9%**	294
Halls		–	120	120	–	–	80	80	100.0%	120
Centres		–	–	–	–	–	–	–		–
Theatres		–	–	–	–	–	–	–		–
Libraries		3	–	–	–	–	–	–		–
Cemeteries/Crematoria		–	–	–	–	–	–	–		–
Police		–	–	–	–	–	–	–		–
Purls		49	174	174	–	18	116	98	84.6%	174
Public Open Space		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Sport and Recreation Facilities		1,036	1,191	2,278	95	703	1,229	526	**42.8%**	1,191
Indoor Facilities		–	–	–	–	–	–	–		–
Outdoor Facilities		1,036	1,191	2,278	95	703	1,229	526	42.8%	1,191
Capital Spares		–	–	–	–	–	–	–		–
Unimproved Property		–	–	–	–	–	–	–		–
Other assets		**91**	**70**	**40**	**–**	**–**	**27**	**27**	**100.0%**	**70**
Operational Buildings		91	70		–	–	27	27	**100.0%**	70
Municipal Offices		91	70	40	–	–	27	27	100.0%	70
Pay/Enquiry Points		–	–	–	–	–	–	–		–
				–						
Machinery and Equipment		**3,970**	**4,826**	**4,609**	**18**	**2,937**	**3,072**	**136**	4.4%	**4,826**
Machinery and Equipment		3,970	4,826	4,609	18	2,937	3,072	136	4.4%	4,826
				–						
Total Repairs and Maintenance Expenditure	1	**15,618**	**16,377**	**20,738**	**1,510**	**8,893**	**13,536**	**4,643**	**34.3%**	**16,377**

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

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

2020/2021 FINANCIAL YEAR ROLL OVER CAPITAL PROJECTS (MIG) PROJECTS STATUS QUO / PROGRESS REPORT AS AT 29 FEBRUARY 2024 –FUNDED PROJECTS

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

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

No	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
			- Electrical cable reticulation including all trenches, sleeves, joints, and terminations as detailed in the electrical bill of quantities. - 25m high-mast pole including concrete base as detailed in the electrical bill of quantities. - 8 x 400w LED luminaires per mast using an 8-way spigot.	Yakhalungisa Engineering Services				
11	Construction of Hlomendlini Sportfield, Ward 4	4	Site Establishment. Setting out of works. Bulk earthworks to the various elements of infrastructure on side. Construction of a soccer field (110m x 75m). Construction of a combi court (38m x 19.5m). Construction of an ablution facility (10 toilet units), with change rooms (4 toilet units), public toilets (6 toilet units) and office/first aid room including water, sewage, and electrical supply. Construction of a grandstand with a minimum of 5 rows of seats (length of 25m). Installation of fencing including	**Consultant:** SRK Consulting **Contractor:** Zithinzuzo Trading Enterprise cc	R8,041,369.71	Project is 49% complete	March 2024	Contractor has since formally advised the Municipality on the 13th February 2024 the challenges that they have experienced on site and due to such issue they are no longer in a financial position to be able to continue the project.

No	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
			gate house (pedestrian and vehicle gates). Construction of an unpaved parking area.					
12	Installation of High Mast Lights in Mandeni, Phase 2	3,5,9, 11 and 12	Supply and Install of 6 x 30m high mast lighting. Installation and Commissioning of street and high mast lighting. Certifying all the installations for compliance. Submitting project report, designs/drawings and quality stacks on project handover.	**Consultant:** Africoast JBFE Project Manager **Contractor:** R Busisiwe (Pty) LTD	R5,046,311.80	Project is 98% complete.	January 2024	Awaiting approval of metering point application from Eskom. Previously approved metering point has expired due to delays that was experienced on the light fitting specification.
13	Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1	13	Site establishment. Site clearance. Mass Earthworks. Road Bed Preparation. Clearing Existing Stormwater Infrastructure. New Stormwater Infrastructure. New Pavement Layerworks. Road Surfacing. Kerbs and Channels. Road Restraint Systems. Road Signs. Road Marking. Finishing of road reserve.	**Consultant:** DLV Project Managers & Engineers (Pty) Ltd **Contractor:** Bheka Phezulu Investments and Sales	R12,748,334.78	Project is 35 % complete.		Delay in the commencement of works due to community dissatisfaction about labour and CLO recruitment. An Award Adjustment Application has been submitted to COGTA for approval as the project was

No	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
								appointed for an amount of R 667 565.79 incl. vat more than the amount approved by COGTA. i.e. Notification of Registration Amount (NOR). Recent inclement weather conditions caused further delays in the contractor's progress. Contractor does not have enough resources on site which to do the work, the progress is slow. In the month of February, the contractor lost one week of work due to labour wanting to work every day and not rotate as it was initially agreed.

No	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
14	Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 2 and Ward 14 White City Section		Milling of existing asphalt. Removal of existing layerworks and box cut to 340mm. 300mm undercut to spoil and replace with G7 backfill at unsuitable founding conditions. Rip and compact Roadbed. Construct 150mm Gravel Subgrade: with in-situ material. Construct 150mm Subbase: G5 with material from commercial sources. Construct 150mm Base G2 with material from commercial sources. Construct 40mm Asphalt (Mix D). Construction of Concrete V-Drains & Kerbing. Construction of Stormwater pipelines utilising 600mmØ and 450mmØ Concrete Pipes.	**Consultant:** Singh Govender Associates **Contractor:** MVI-SSSS Trading Enterprise	R16,257,859.82	Project is 43% complete.	April 2024	Delay in the commencement of works due to Contractor meeting Contractual Obligations. An Award Adjustment Application has been submitted to COGTA for approval as the project was appointed for an of R 5 479 308.70 incl vat more than the amount approved by COGTA i.e. Notification of Registration Amount (NOR). Furthermore, we have experienced very unsuitable in-situ material as a result of high moisture level including seepage due to fluctuation in subsurface ground water levels. Recent inclement weather

No	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
								conditions. Furthermore, we have experienced very unsuitable in-situ material as a result of high moisture level including seepage due to fluctuation in subsurface ground water levels. Contractor has since shown some level of improvement with regards to production levels although they have experienced some delays due to plant breakdown and some inclement weather.
15	Rehabilitation of Internal Roads and Upgrade of		Establishment on site. Clearing & grubbing. Traffic accommodation facilities. Milling and stockpiling of existing surface on strategic	**Consultant:** Libeko (Pty) Ltd **Contractor:**	R10,555,885.48	Project is 90% complete.	February 2024	Recent inclement weather conditions have caused delays and sub-contracting issues.

No	Project Name	Ward	Brief Description	Consultant/ Contractor	Approved MIG Funding	Status/ Progress	Anticipated Date	Challenges / Comments
	Associated Stormwater in Sundumbili, Ward 15		sections with minimal degree of surface failure. Insitu recycling (BSM2) on strategic sections with severe degree of surface failures. Patching. Heavy Rehabilitation. Construction of stormwater infrastructure. Replace with 40mm thick medium mix asphalt for the entire length of the road. Erection of Kerbing and Channel along either side of the road. Clearing of road reserve.	Nangu-u-Mzamo Retailers				Main Contractor has experienced some delays around minor quality of works issues from the subcontractors along with the production levels which has resulted in some delays of works in completing the project. Contractor has anticipated a practical completion of works date of Monday, 11 March 2024.

2023/2024 FINANCIAL YEAR CAPITAL PROJECTS (MIG)

02	Endlondlweni Sportfield in Ward 10	4, 10, 16, 17 and 18	Clearing and removal of vegetation, i.e. trees and grass and topsoil removal. Earthworks to create the required platform for the development of sports facilities. Construction of 110m x70m soccer field (Soccer field to	**Consultant:** Ukwakha Consulting Engineers **Contractor:** Maboka Contractors (Pty) Ltd	R 13,321,772.49	Awarded	October 2024	Project awarded on the 15th of February 2024. Project launch is scheduled for the 1st of March 2024.

			average DSR and SAFA standards complete with goalposts). Construction of a 100m x55m Practice/Training Field. Athletic Track. Construction of Combi Court. Construction of change rooms, ablution facility, and Guardhouse. Construction of parking bays. Construction of a grandstand within the soccer field vicinity. Provision of water, sewer, and irrigation services. Stormwater Diversion. Provision of electricity. Clear view Fencing with vehicle and Pedestrian gate. Clearing and removal of vegetation, i.e. trees and grass and topsoil removal. Earthworks to create the required platform for the development of sports facilities. Construction of 110m x70m soccer field (Soccer field to average DSR and SAFA standards complete with goalposts). Construction of a 100m x55m Practice/Training Field. Athletic Track. Construction of Combi Court. Construction of					

			change rooms, ablution facility, and Guardhouse. Construction of parking bays. Construction of a grandstand within the soccer field vicinity. Provision of water, sewer, and irrigation services. Stormwater Diversion. Provision of electricity. Clear view Fencing with vehicle and Pedestrian gate.					

2022/2023 FINANCIAL YEAR CAPITAL ROLL OVER PROJECTS (INEP)

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved INEP Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
16	Completion of Okhovothi Electrification Project	12	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to electricity to 105 households' connections	**Consultant:** BVI Engineers **Contractor:** Onombuthu Pty LTD	R1,152,933.57	The project is 99% complete.	January 2024	Contractor has commenced with house labels installation, anticipated to complete on the 4th of March 2024. Incompetency in executing tasks from the contractor resulting to delays.

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved INEP Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
17	Dendethu / Wetane Electrification Project	5 & 15	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to electricity to 170 households' connections	**Consultant:** Veritas Engineers **Contractor:** Afrilectrical Consulting Engineers	R2,034,054.94	The project is 100% complete.	February 2023	Contractor not cooperating with the clients/consultant, contractor not on site to remove the illegal connections. This project is experiencing delays due to the inefficiency and unwillingness to comply and perform duties effectively by the contractor i.e. installation of house labels, installation of orange locks and the removal of illegal connections. Superintendent to escalate the matter to the municipal manager. This project is experiencing delays due to the inefficiency and

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved INEP Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
								unwillingness to comply and perform duties effectively by the contractor i.e. Meetings was held on the 22 of February with the contractor. Contractor to has committed to complying and completing outstanding scope.
18	Emhlangeni Electrification	5	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to electricity to 100 households' connections	**Consultant:** PSMT Consulting Engineers **Contractor:** R Busisiwe (Pty) LTD	R2,908,456.61	Project is 95% complete.	January 2023	The project has a dependency as per Eskom's Network Planning Report, which is a line upgrade from MV Oak line to MV Chickadee line. This upgrade calls for break-and-build in the same servitude because of space constraints. The break-and-build requires the

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved INEP Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
								line to be dead, this then necessitates the booking of outages from the commencement of the project to do the upgrade as there are no connections to be added in the network before the line has been upgraded. Municipality to meet with DMRE head office on the 7th of March to discuss the project and the way forward.

2022/2023 FINANCIAL YEAR INTERNALLY FUNDED CAPITAL PROJECTS								
No.	Project Name	Ward	Brief Description	Consultant & Consultant	Approved Internal Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
19	Construction of DLTC and DMC Administration	3	Construction of a Drivers Licence Testing centre	**Consultant:** Nzamakhuze Holdings	R14,017,239.00	Project is 96% Complete.	July 2023	The project is behind the schedule and the contractor has failed to

	Offices - Phase 1		administration offices and Testing Ground	**Contractor:** Mlombomvu Projects CC			EOT – 15 December 2023	complete the project despite being granted the extension of time. This has been caused by poor management skills. The project is behind the schedule and the contractor has failed to complete the project despite being granted the extension of time that ended on 15 December 2023. No extension of time application has been sent, therefore the contractor is working outside of the contract period.
20	Repair and Renovation of Civic Centre and Roof Replacement	3	Replacement of Existing roof. Replacing existing ceiling. Treatment of Rising damp by Specialists. Installation of Energy saving Components	**Consultant:** LZM Africa Holdings **Contractor:** Uhlanga Trading Enterprise	R10,993,497.45	Project is 87% complete	February 2024	Anticipated delay with regards to the commencement of Phase 2 due to the Relocation of the Mandeni Library service. Further delays have been encountered as a result of a re-design

			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.					of the Electrical Works along with the IT Services portion. We anticipate the commencement of relocation of phase 2 at the end of October 2023 which will then give us a projected completion date of February 2024. The contractor has experienced further delays around items that are outsourced to be done by specialized services such as the smoke and fire system, inclement weather during the roof installation, the contractor has anticipated achieving practical completion by end of March 2024.
21	Construction of Mechanical Workshop	3	Demolition of existing pavement and structures, earthworks, construction of a	**Consultant:** Ukwakha Consulting Engineers	R16,996,962.19	Project is 70% complete	March 2024	The contractor is behind the programme and they have submitted the application for extension of time ending May 2024.

			Mechanical workshop, construction of a new office block, paving front of the workshop, construction of a drainage channel, installation of water and sewer, installation of electrical, mechanical and associated works. The site comprises an abundant building that will be demolished and an area to be used for the construction of the new office block.	**Contractor:** Bheka Phezulu Investments and Sales				

2022/2023 FINANCIAL YEAR CAPITAL PROJECTS (MASSIFICATION)

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
22	Khenana Electrification Phase 5	10	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to electricity to 100 households' connections	**Consultant:** Veritas Engineers **Contractor:** Godide Engineering Services (Pty)	R1,783,633.26	Project is 99% complete.	January 2024	Contractor not cooperating with the clients/consultant, contractor not on site to remove the illegal connections. This project is experiencing delays due to the inefficiency and unwillingness to comply and perform duties effectively by the contractor i.e. Meetings was held on the 22 of February with the contractor. Contractor to has committed to complying and completing outstanding scope. Sealing pliers have not been installed due to late booking from Eskom by the consultant

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
23	Mantshangula/ Mhlubulweni Electrification	2 and 9	Supply, delivery, installation and commissioning of a new MV and LV infrastructure to electricity to 105 households' connections	**Consultant:** PSMT Consulting Engineers **Contractor:** R Busisiwe (PTY) LTD	R 3,906,727.96	Project is 81% complete	March 2024	The project was stopped f 17 November 2023 by Macambini Traditional Council, project resumed on the 8th of December 2023.

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

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
24	Gravelling of Novas Farm 2 (Ward 04)	4	(a) Establishment on site. (b) Clearing & grubbing. (c) Site clearance: removal of topsoil, cutting of trees and	**Consultant:** **Libeko (Pty) Ltd** **Contractor:** Msebe Contracting and Trading cc	R3,665,502.91	Project is 89% complete	March 2024	The project is behind the planned contract period due to slow progress and not having enough resources on site.

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

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			prefabricated culverts with associated catch pits and headwalls (k) Installation of subsoil (l) Installation of signages (m) Cleaning of road reserve					
25	The Rehabilitation of D2022 Road (Ward 14)	14	(a) Establishment on site. (b) Clearing & grubbing. (c) Site clearance: removal of topsoil, cutting of trees and bushes, where required. (d) Overhaul: Hauling of gravel selected layer material from commercial source.	**Consultant:** Libeko (Pty) Ltd **Contractor:** Musa and Sons Trading Enterprise Pty Ltd	R2,657,657.41	Project is 97% complete	March 2024	The contractor had delays with establishing the site camp due to cash flow. The contractor lost two (2) working days in January due to Ilembe District Municipality who were busy fixing the water line across the road where the project is taking place.

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			(e) Purchase of G5 Material: from the Commercial Source. (f) Bulk Earthworks: Cut to fill, cut to spoil, etc. (g) Preparation of Roadbed and removal of unsuitable material. (h) Gravel selected layer: Preparation and process G7 material. (i) Chemical stabilization: Preparation and process (j) Installation of kerbing and channelling (k) Crushed Stone Base: Preparation and process G2 material					

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			(l) Prime Coat: preparation and application. (m) 40mm Asphalt Wearing coarse (n) Prefabricated Culverts: Laying of prefabricated culverts with associated catch pits and headwalls (o) Installation of subsoil (p) Road Marking (q) Installation of signages (r) Cleaning of road reserve					
26	Gravelling of Efalethu Road (Ward 3)	3	(a) Establishment on site. (b) Clearing & grubbing. (c) Site clearance: removal of topsoil, cutting of trees and	**Consultant:** Libeko (Pty) Ltd **Contractor:** Humble Frank Multi Service	R3,905,945.04	Project is 77% complete	March 2024	The contractor experienced shortage of gravel material due to supplier having issues with crushing plant.

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

No.	Project Name	Ward	Brief Description	Consultant & Contractor	Approved Massification Funding	Status/Progress	Anticipated Completion Date	Challenges / Comments
			(k) Excavation and preparation of side drains (l) Installation of subsoil (m) Prefabricated Culverts: Laying of prefabricated culverts with associated catch pits and headwalls (0) Installation of signages (p) Cleaning of road reserve					
27	Gravelling of D1293 Road (Ward 12)	12	(a) Establishment on site. (b) Clearing & grubbing. (c) Site clearance: removal of topsoil, cutting of trees and bushes, where required.	**Consultant:** Libeko (Pty) Ltd **Contractor:** Sukoluhle Trading Enterprise	R4,653,370.55	Project is 97% complete	March 2024	

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

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

5.3 Division of Revenue Act on Grants Receipts

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M08 February

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		**223,519**	**244,496**	**244,803**	**–**	**184,939**	**142,623**	**192,690**	**135.1%**	**241,943**
EPWP Incentive	_	2,435	2,553	2,410	–	2,410	1,489	512	40.1%	–
Finance Management	_	1,850	1,850	1,850	–	1,850	1,079	101,280	9385.0%	1,850
Integrated National Electrificatior	_	6,416	7,384	7,384	–	6,300	4,307	51,942	1205.9%	7,384
Local Government Equitable Sha	_	212,818	230,823	230,823	–	172,493	134,647	25,971	19.3%	230,823
Municipal Infrastructure Grant	_	–	1,886	2,336	–	1,886	1,100	12,986	1180.4%	1,886
	3							–		
Other transfers and grants [insert description]				–				–		
Provincial Government:		**53,711**	**19,429**	**9,624**	**–**	**9,624**	**2,259**	**2,604**	**115.2%**	**–**
MASSIFICATION GRANT	_	50,633	–	4,761	–	4,761	3,174	7,778	100.0%	–
EDTEA				990		990	660	2,604	115.2%	
				–				–		
	4			–				–		
LIBRARY		3,078	3,873	3,873		3,873	2,259	1,937	100.0%	
Other transfers and grants [insert description]								–		
District Municipality:		**–**	**–**		**–**	**–**	**–**	–		**–**
[insert description]				**–**				–		
								–		
Total Operating Transfers and Gr	5	**277,231**	**263,925**	**254,427**	**–**	**191,941**	**144,882**	**3,115**	**2.2%**	**241,943**
Capital Transfers and Grants				–						
National Government:		42,232	47,831	59,612	–	39,114	27,902	5,198	**18.6%**	50,384
Municipal Infrastructure Grant (M	_	42,232	47,831	44,056	–	39,114	27,902	5,198	21.7%	47,831
Integrated National Electrificatior	_	–	–	15,556	–	15,556	10,371			2,553
Municipal Disaster Recovery Gra	_			–						
Provincial Government:		**–**	**550**	**550**	**–**	**550**	**275**	275	100.0%	**5,413**
KwaZulu-Natal_Capacity Buildir	_	**–**	**550**	**550**	**–**	**550**	**321**	275	100.0%	**5,413**
								–		
Total Capital Transfers and Gran	5	**42,232**	**48,381**	**60,162**	**–**	**39,664**	**28,177**	**5,473**	**19.4%**	**55,797**
TOTAL RECEIPTS OF TRANSFEF	5	319,463	312,306	314,589	–	231,605	173,058	8,589	5.0%	297,740

5.4 Division of Revenue Act on Grants Expenditure

KZN291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M08 February

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		**223,519**	**244,496**	**244,803**	**87,485**	**364,010**	**163,202**	**200,808**	**123.0%**	**166,609**
EPWP Incentive	_	2,435	2,553	2,410	249	2,263	1,607	657	40.9%	1,607
Finance Management	_	1,850	1,850	1,850	55	1,381	4,923	(3,542)	-71.9%	7,384
Integrated National Electrific	_	6,416	7,384	7,384	–	4,290	1,233	3,056	247.8%	1,850
Local Government Equitable	_	212,818	230,823	230,823	87,015	354,641	153,882	200,759	130.5%	153,882
Municipal Infrastructure Grar	_	–	1,886	2,336	166	1,434	1,557	(123)	-7.9%	1,886
0								–		
Other transfers and grants [insert description]								–		
Provincial Government:		**47,939**	**–**	**9,624**	**249**	**6,580**	**6,416**	**164**	**2.6%**	**–**
MASSIFICATION GRANT				4,761		4,242	3,174	1,068	33.6%	
KwaZulu-Natal	_	44,861	–	990	–	–	660	(660)	-100.0%	–
0				–				–		
LIBRARY				–				–		
Other transfers and grants [insert desc		3,078		3,873	249	2,338	2,582	(244)	-9.4%	
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
								–		
[insert description]								–		
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Other Transfers Public Corp	_	**–**						–		
[insert description]								–		
Total operating expenditure of Transfe		**271,458**	**244,496**	**254,427**	**87,735**	**370,590**	**169,618**	**200,972**	**118.5%**	**166,609**
Capital expenditure of Transfers and Grants										
National Government:		40,583	47,831	62,165	5,572	31,324	41,444	(10,119)	**-24.4%**	50,384
Integrated National Electrific	_	–	–	2,553	–	2,014	1,702	312	18.3%	2,553
Municipal Disaster Recovery	_	–	–	15,556	4,766	8,106	10,371	(2,265)	-21.8%	–
Municipal Infrastructure Grar	_	40,583	47,831	44,056	805	21,204	29,371	(8,167)	-27.8%	47,831
0								–		
0								–		
Other capital transfers [insert description]								–		
Provincial Government:		**–**	**550**	**550**	**104**	**550**	**–**	550	#DIV/0!	**–**
LIBRARY			**550**	**550**	**104**	**550**		550	#DIV/0!	
0								–		
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
								–		
0								–		
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
								–		
0								–		
Total capital expenditure of Transfers		**40,583**	**48,381**	**62,715**	**5,676**	**31,874**	**41,444**	**(9,569)**	**-23.1%**	**50,384**
TOTAL EXPENDITURE OF TRANSFERS		**312,041**	**292,877**	**317,142**	**93,411**	**402,464**	**211,061**	**191,403**	**90.7%**	**216,993**

3. Debtors Age Analysis

Table SC3 Monthly Budget Statement_ Debtors Age Analysis

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February													
Description		Budget Year 2023/24											
R thousands	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
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchan	1200	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchan	1300	4,427	182	164	181	152	96	454	2,465	8,121	3,348	–	–
Receivables from Non-exchange Transacti	1400	67,445	4,438	3,155	1,944	1,410	1,688	3,783	71,536	155,397	80,360	–	–
Receivables from Exchange Transactions -	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions -	1600	1,051	972	918	878	848	841	4,919	60,287	70,714	67,773	–	–
Receivables from Exchange Transactions -	1700	8	4	4	4	6	10	53	250	339	323	–	–
Interest on Arrear Debtor Accounts	1810	–	–	397	315	305	821	1,941	25,867	29,647	29,250	–	–
Recoverable unauthorised, irregular, fruitle	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	15	–	–	–	–	–	–	9,691	9,706	9,691	–	–
Total By Income Source	**2000**	**72,945**	**5,596**	**4,637**	**3,323**	**2,722**	**3,455**	**11,150**	**170,096**	**273,924**	**190,745**	**-**	**-**
2022/23 - totals only										–	**-**		
Debtors Age Analysis By Customer Group													
Organs of State	2200	1,044	270	244	247	(87)	278	510	20,719	23,224	21,667	–	–
Commercial	2300	64,648	3,027	1,865	803	697	699	2,193	17,528	91,458	21,919	–	–
Households	2400	2,799	2,174	2,400	2,145	2,035	2,348	7,364	129,619	150,884	143,511	–	–
Other	2500	4,456	125	128	128	77	130	1,083	2,230	8,357	3,648	–	–
Total By Customer Group	**2600**	**72,945**	**5,596**	**4,637**	**3,323**	**2,722**	**3,455**	**11,150**	**170,096**	**273,924**	**190,745**	**-**	**-**

The total Consumer debtors outstanding as 29 February 2024 is **R 273.9 million**

- Debt book indicates 13% increase from to 1st July 2022 to 29TH FEBRUARY 2024, the debt book is very high.
- Debtors collection rate at February 2024 is 77.76%
- 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 temering 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.	TOWN	ERF NO.	DEBTORS NAME	DEBT TYPE	AMOUNT R
001001792	SUNDUMBILI A	179	MR MNGOMEZULU	REFUSE	45706.39
001001862	SUNDUMBILI A	186	MR DLAMINI	REFUSE	47395.66
'001002100	SUNDUMBILI A	21	MS ZULU	REFUSE/RATES	97317.66
001002242	SUNDUMBILI A	224	MR XULU	REFUSE	45564.72
;R59884.9659	SUNDUMBILI A	24	MR ZULU	RATES/REFUSE	59884.96
001001742	SUNDUMBILI A	174	MR MTHETHWA	REFUSE	43289.35
001019000	SUNDUMBILI A	190	MS MKHWANAZI	RATES/REFUSE	44822.68
001001400	SUNDUMBILI A	14	MR MASONDO	RATES/REFUSE	18937.02
R36177.70	SUNDUMBILI A	137	MR NGEMA	REFUSE	R36177.70
001063100	SUNDUMBILI A	631	MR MADELA	RATES/REFUSE	R76251.05
001064500	SUNDUMBILI A	645	MS ZUNGU	RATES/REFUSE	12160.49
001065000	SUNDUMBILI A	650	MS NTSHANGASE	RATES/REFUSE	60485.27
0010656	SUNDUMBILI A	656	MR MANQELE	RATES/REFUSE	35703.34
001069300	SUNDUMBILI A	693	MR WILLIAMSON	RATES/REFUSE	19149.77
001069900	SUNDUMBILI A	699	MS NGOBESE	RATES/REFUSE	6965.04
001071300	SUNDUMBILI A	713	MR SANGWENI	RATES/REFUSE	14299.12
001070800	SUNDUMBILI A	708	MR BELE	RATES/REFUSE	29444.65
001071200	SUNDUMBILI A	712	KKLK PROPERTY INV. TRU	RATES/REFUSE	58192.60
001073500	SUNDUMBILI A	735	MS MBINGLA	RATES/REFUSE	11403.15
001073600	SUNDUMBILI A	736	MR SIBIYA	RATES/REFUSE	20866.74
TOTAL					**773117.36**

DISCONNECTIONS

ACCOUNT I	TOWN	ERF NO.	DEBTORS NAME	DEBT TYPE	AMOUNT R
002701011	MANDINI	10	MZIMELA GUEST HOUSE	RATES/ELEC	193208.15
009600501	MANDINI	699	MR EUSHEN	RATES/ELEC	114702.48
009901081	MANDINI	75	XULU	RATES/ELEC	10666.82
002900232	MANDINI	911 EXT. 00	MR RADEBE	RATES/ELEC	70583.00
004001932	MANDINI	916 EXT. 00	MR KANNI	RATES/ELEC	10453.33
002701091	MANDINI	405 EXT. 00	MS HORSLEY-DALIL	RATES/ELEC	25484.83
008908221	MANDINI	2	DLAMINI	RATES/ELEC	35723.88
009903581	MANDINI	358	DLUDLA	RATES/ELEC	44246.68
009700731	MANDINI	37	DLAMINI	RATES/ELEC	22870.43
009600111	MANDINI	10	KANNING	RATES/ELEC	121290.64
009900691	MANDINI	1	MPHILI	RATES/ELEC	23160.83
008802121	MANDINI	11	DD DUBE	RATES/ELEC	25610.59
009600111	MANDINI	10	B.P DUNN	RATES/ELEC	119003.21
009801702	MANDINI	34	ZULU	RATES/ELEC	20940.18
008800021	MANDINI	11	PANDARUM	RATES/ELEC	9726.07
009907442	MANDINI	4	HIRAMAN	RATES/ELEC	85691.28
009501772	MANDINI	4	MTHEMBU	RATES/ELEC	57601.78
008600081	MANDINI	83	GINGINDLOVU LODGE	RATES/ELEC	117508.01
009700421	MANDINI	29	LUKOMBO	RATES/ELEC	17974.58
009903001	MANDINI	17	DUBE	RATES/ELEC	17203.53
009910281	MANDINI	2	MADUNA	RATES/ELEC	17857.59
002701091	MANDINI	30	HORSLEY-DALIL	RATES/ELEC	25484.83
TOTAL					**1212603.55**

NO.	DATE	ACCOUNT HOLDER	REF NUMBER	ADDRESS	ACCOUNT NUMBER	AMOUNT OWING	AMOUNT AGREED	COMMENTS
1	2/2/2024	MHLANZI	157	LOT 157 PADIANAGER	003961221	R70716.87	R1000	PER MONTH
2	2/2/2024	NTULI	04	04 PHILIP RD	009600971	R38754.40	R2000	PER MONTH
3	2/5/2024	NTENGA	1202	A1202 SUNDUMBILI A	001120800	6496.06	R2306	PER MONTH
4	2/6/2024	MAPHUMULO	12	12 MATHEW RD	003000371	R12533.87	R1000	PER MONTH
5	2/6/2024	DUBE	03	03 UMSINSI RD	009909831	R12085.07	R1000	PER MONTH
6	2/6/2024	VAN RENSBURG	21	21 PARTYS RD	008600061	R9925.23	R500	PER MONTH
7	2/7/2024	FOURIE	02	02 SUNDANCE	009300771	R3263.92	R500	PER MONTH
8	2/7/2024	GUMEDE	964	964 SUNDUMBILI B	002096400	R6833.68	R1000	PER MONTH
9	2/7/2024	MNCWANGO	39	39 TROGON RD	009701382	21788.22	R1000	PER MONTH
10	2/7/2024	MBONAMBI	55	55 PARTYS RD	009801331	R12793.30	R2000	PER MONTH
11	2/8/2024	MSWELI	20	20 ANDERSON RD	008800041	R4147.69	R5000	PER MONTH
12	2/9/2024	LUKOMBO	29	29 INYALA RD	009700421	R56526.80	R5000	PER MONTH
13	2/9/2024	GWALA	24	24 GREIG RD	009902881	R10901.47	R2000	PER MONTH
14	2/9/2024	MSWELI	02	02 KARAMI FLATS	002600182	R7174.32	R1000	PER MONTH
15	2/12/2024	KHUMALO	12	12 INYATHI RD	008902032	R22388.16	R1000	PER MONTH
16	2/12/2024	DLUDLA	13	13 WHIMBREL RD	009903581	R42564.50	R1500	PER MONTH
17	2/12/2024	MZIMELA	58	58 KUDU RD	009002182	R87500.58	R1000	PER MONTH
18	2/19/2024	MHLONGO	63	63 GREIG RD	008701011	R18982.12	R1000	PER MONTH
19	2/19/2024	MDLALOSE	23	23 ANDERSON RD	009301371	R6095.87	R800	PER MONTH
20	2/19/2024	MASONDO	1940	B 1940 SUNDUMBILI B	002194000	R19253.21	R5776	PER MONTH
21	2/20/2024	PERUMAL	15	15 INYALA RD	008002371	R22174.77	R1000	PER MONTH
22	2/21/2024	REDDY	302	LOT 302 PADIANAGER	006661301	R33620.81	R1700	PER MONTH
23	2/26/2024	HLABISA	12	12 KARAMI FLATS	008061312	R7840.83	R2000	PER MONTH
24	2/26/2024	GUMEDE	1164	1164 SUNDUMBILI A	001116400	R64962.94	R5000	PER MONTH
25	2/27/2024	MZIMELA	672	672 SUNDUMBILI B	002067200	R19666.15	R500	PER MONTH
26	2/28/2024	SIBIYA	1554	1554 SUNDUMBILI B	002154400	R6147.64	R500	PER MONTH
27	29/025/2024	VILAKAZI	1912	1912 SUNDUMBILI B	002192500	R94713.60	R1500	PER MONTH
28	2/29/2024	MPHILI	01	01 RICHARDS CIRCLE	009900691	R24536.95	R3000	PER MONTH
	TOTAL					**R744,389.03**	**R44,506**	

Figure 9

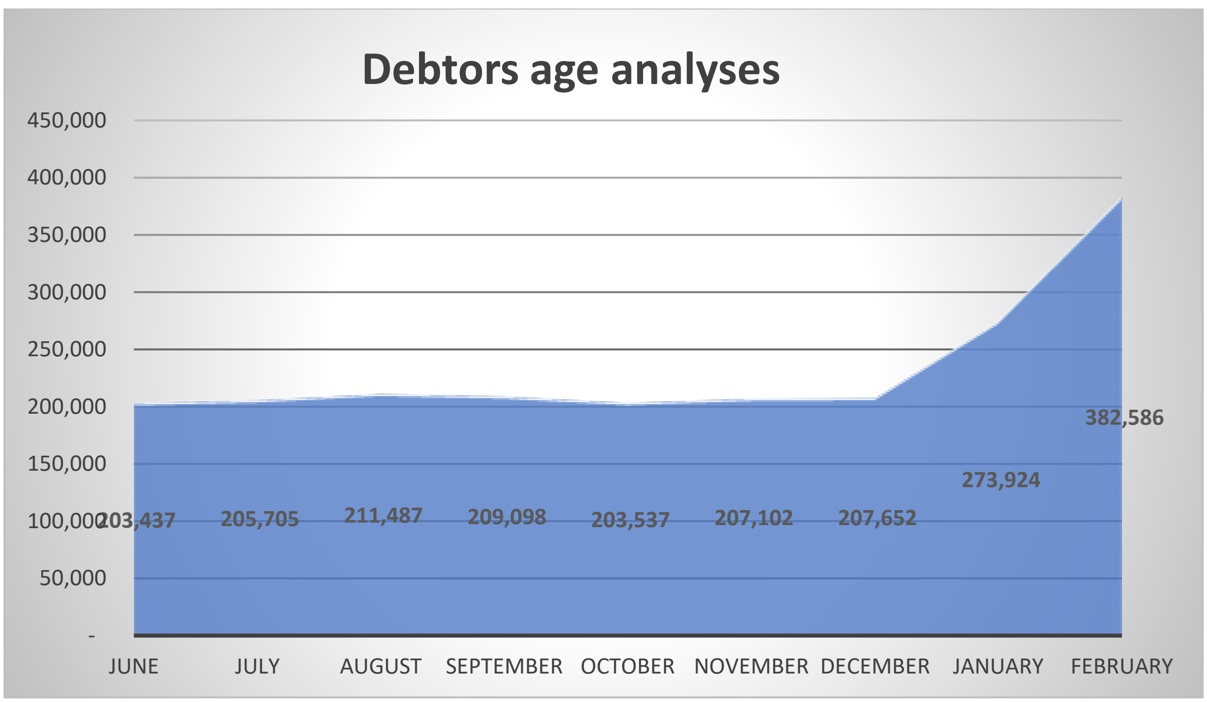
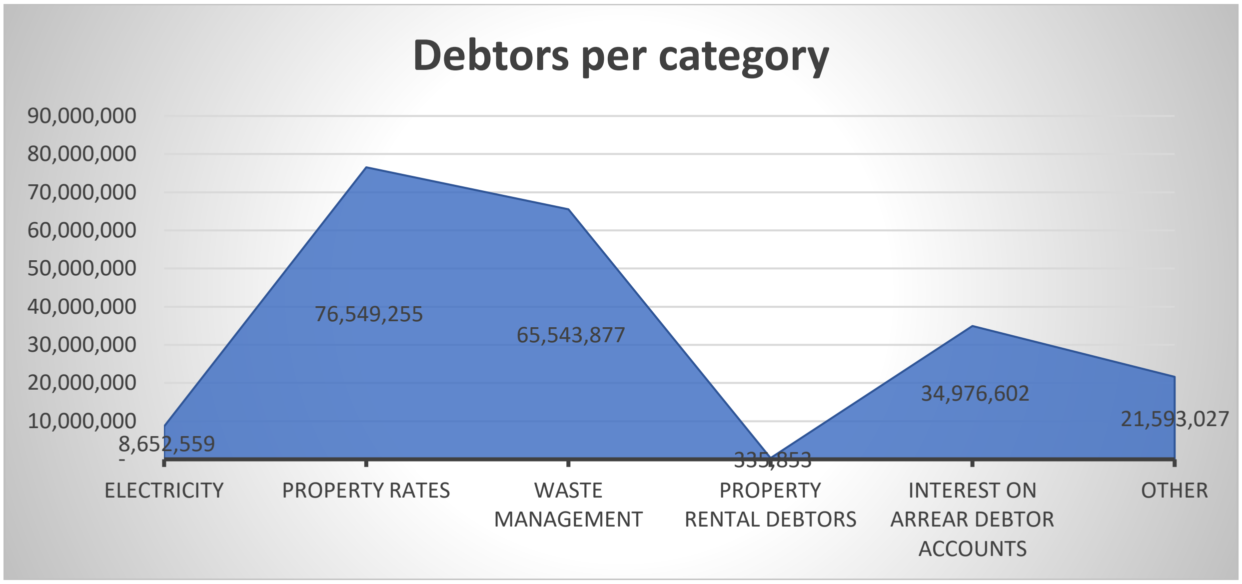
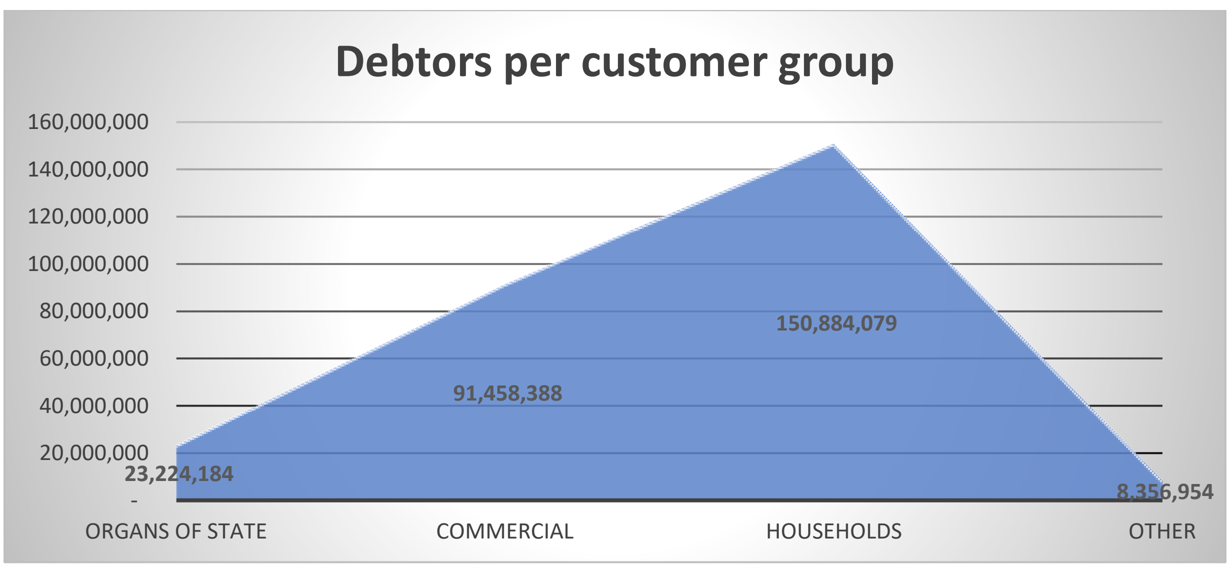


Figure 10



The municipal debtors have increased from R205.7 million to R 273.9 million that is from July until 29th February 2024.This increase is between Household debtors of 70% and it is followed by business Commercial of 17% and Organ of state is 12% compared to another debtors' type.

- **Total Outstanding Debtors from July – February 2024**



Councilors and Employees in Arrear

- Debt outstanding on Councilors as at February 2024 is R 277,416.03
- Staff Accounts in arrears as at February 2024 is R 58,041.73

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

4. CREDITOR'S AGE ANALYSIS

Table SC4 Monthly Budget Statement_ Creditors Age Analysis

KZN291 Mandeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February											
Description	NT Code	Budget Year 2023/24									Prior year totals for
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120	121 - 150	151 - 180	181 Days -	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	–	–	–	–	–	–	–	–	–	–
Bulk Water	0200	–	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	14	–	–	–	–	–	–	–	14	14
Auditor General	0800	–	–	–	–	–	–	–	–	–	–
Other	0900	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	**1000**	**14**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**14**	14

- Creditors as of 29th FEBRUARY 2024 amounts to **R14 thousand**
- 95% of the creditors are on current as per our age analysis, we ensure that creditors are paid within 30 days as stipulated by the MFMA.

Top 10 Creditors:

Name	Amount
ESKOM HOLDING	R 4 744 360.02
EMALANGENI	R 595 895.83
RURAL METRO	R 401 018.60
BAMBHANANI ENTERPRISE	R 51 727.71
MALUTHULI TRADING	R 88 000.00
EZAMALUNQA	R 1 344 000.24
CCG TECHNOLOGY	R 198 009.55
CONLOG	R 348 000.59

5. MONTHLY BUDGET STATEMENT - FINANCIAL POSITION

Table C6 displays the financial position of the municipality as at 29th FEBRUARY 2024

KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - M08 February							
Description	Ref	2022/23	Budget Year 2023/24				
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		254,613	116,789	143,413	289,750	116,789
Trade and other receivables from exchange transactions		53,837	8,376	40,554	54,502	8,376
Receivables from non-exchange transactions		(67,991)	21,324	43,984	2,631	21,324
Current portion of non-current receivables		–	–	–	–	–
Inventory		42,752	739	42,752	43,049	739
VAT		5,511	30,621	37,238	2,870	30,621
Other current assets		225	–	–	225	–
Total current assets		**288,947**	**177,849**	**307,941**	**393,027**	**177,849**
Non current assets						
Investments		–	–	–	–	–
Investment property		60,544	88,164	60,544	60,544	88,164
Property, plant and equipment		541,873	652,214	644,060	575,770	652,214
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		331	423	154	296	423
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**602,748**	**740,801**	**704,758**	**636,610**	**740,801**
TOTAL ASSETS		**891,695**	**918,651**	**1,012,698**	**1,029,636**	**918,651**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		4,762	–	–	3,954	–
Consumer deposits		216	245	216	200	245
Trade and other payables from exchange transactions		41,741	35,888	48,045	19,677	35,888
Trade and other payables from non-exchange transactio		25,789	20,275	25,789	38,818	20,275
Provision		3,815	4,872	3,547	3,815	4,872
VAT		1,969	9,818	11,406	2,355	9,818
Other current liabilities		–	–	–	–	–
Total current liabilities		**78,293**	**71,097**	**89,003**	**68,820**	**71,097**
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		–	–	–	–	–
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		17,730	22,795	21,693	17,730	22,795
Total non current liabilities		**17,730**	**22,795**	**21,693**	**17,730**	**22,795**
TOTAL LIABILITIES		**96,023**	**93,892**	**110,696**	**86,550**	**93,892**
NET ASSETS	2	**795,672**	**824,758**	**902,002**	**943,087**	**824,758**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		593,000	822,568	836,407	740,414	822,568
Reserves and funds		202,672	2,191	65,595	202,672	2,191
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	**795,672**	**824,758**	**902,002**	**943,087**	**824,758**

Current ratio: The municipality's current assets are 5 (five) times that of current liabilities. **5.47:0.18**

The ratio measures the short-term liquidity, that is, the extent to which the current liabilities can be paid from current assets. The higher the ratio, the healthier is the situation. The ratio of 5.47 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 four the current liabilities.

Creditors' system efficiency: 95 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 91 percent.

Collection days: 983 days it takes the municipality to collect outstanding debt.

Cost coverage: on average the municipality has sustained its existence for the period of 9month without any grant funding.

Debtors collection rate: as at first quarter is 77.76 **%**

	0 days
Trade Creditors	14,485.00
Contracted Services	39,605,431.00
Repairs and Maintenance	8,893,115
General expenses	39,781,815.00
Bulk Purchases	32,056,395.00
Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)*	55,844,084

	0%
Irregular, Fruitless and Wasteful and Unauthorised Expenditure	
Total Operating Expenditure	249,407,342
Taxation Expense	

	37%
Employee/personnel related cost	82,107,043
Councillors Remuneration	9,709,170
Total Operating Expenditure	249,407,342
Taxation Expense	-

	4%
Contracted Services	8,893,115
Total Operating Expenditure	249,407,342
Taxation Expense	

	7 Month
Cash and cash equivalents	12,173,713
Unspent Conditional Grants	33,284,482
Overdraft	-
Short Term Investments	285,965,204
Total Annual Operational Expenditure	438,894,291

	5.71
Current Assets	393,026,717
Current Liabilities	68,819,914

	77.76
Gross Debtors closing balance	220,977,897.95
Gross Debtors opeining balance	203,310,844.63
Bad debts written Off	1,392,595.11
Billed Revenue	85,718,811.99
	66,659,163.56

	0.04
Consumer Debtors Bad debts written off	1,392,595.11
Consumer Debtors Current bad debt Provision	36,349,668.10

	786.17
Gross debtors	220,977,897.95
Bad debts Provision	36,349,668.10
Billed Revenue	85,718,811.99

6. MONTHLY BUDGET STATEMENT -CASH FLOW

Table C7 below display the Cash Flow Statement for the period ending 29TH FEBRUARY 2024

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - M08 February

Description	Ref	2022/23	Budget Year 2023/24							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(42,578)	26,698	26,698	1,908	30,965	17,799	13,166	74%	26,698
Service charges		(46,533)	62,465	71,633	4,347	28,618	47,755	(19,137)	-40%	62,465
Other revenue		12,199	18,972	20,931	185	20,704	13,954	6,750	48%	18,972
Transfers and Subsidies - Operational		411,102	249,359	249,536	2,622	182,626	166,357	16,269	10%	249,359
Transfers and Subsidies - Capital		(98,617)	48,381	60,292	–	41,550	40,195	1,355	3%	48,381
Interest		23,867	10,500	23,500	3,658	21,565	15,667	5,898	38%	10,500
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(22,044)	(697,798)	(382,421)	(20,673)	(226,660)	(474,638)	(247,978)	52%	(697,798)
Finance charges		–	(100)	(3,300)	–	–	(2,200)	(2,200)	100%	(100)
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**237,397**	**(281,522)**	**66,869**	**(7,953)**	**99,367**	**(175,111)**	**(274,479)**	**157%**	**(281,522)**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		(432,612)	190,367	(160,666)	(10,082)	(64,142)	123,178	187,320	152%	190,367
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(432,612)**	**190,367**	**(160,666)**	**(10,082)**	**(64,142)**	**123,178**	**187,320**	**152%**	**190,367**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**(195,215)**	**(91,156)**	**(93,798)**	**(18,035)**	**35,225**	**(51,934)**			**–**
Cash/cash equivalents at beginning:		82,988	(207,979)	254,525	–	254,525	254,525			254,525
Cash/cash equivalents at month/year end:		(112,227)	(299,135)	160,727		289,750	202,591			–

References

Cash and cash equivalent at the beginning of 2022/23 financial year was R254.5 million as per pre-audited AFS and cash and cash equivalent at the end of 29th February 2024 is R289.8 million. Table C7 shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Revenue -Receipts

- Property rates collection rate to date is 105% or R41.5 million of the billed revenue as at February 2024. The municipality is implementing strategies as per credit control and debt collection policy which has ensured that there is improved collection.

- Service Charges: Electricity and Refuse is 103.4% or R48.5 million of billed revenue as at February 2024, over collection of 12% is from the refuse vote, where a supplementary valuation has been implemented with new refuse collection sites, and electricity collection is at expected rate.

- Other Revenue collected to date is R3.0million, which is due to collection of rentals of properties, licenses and permits and other sources of revenue. Further to that the additional revenue from VAT refunds received as at February for R17.7 million.

- Government Operating received to date as at February 2024 is R182.6 million of grants received as published in DORA

- Government Capital: received to date is R41.6 million for MIG Grant, as the 3 trench of R10million has been received by the municipality.

- Interest earned on external investments amounts to R18.7 million in comparison with the year-to-date budget of R15.7 million. Variance is due to interest generated from invested funds.

Payments

- Suppliers and employees for cash outflows of R226.7 million does not corresponds with table A4 as it has also considered payments for prior year creditors of R17.3 million as per the 2022/23 pre-audited AFS which were paid in this current financial year. Further to that suppliers and employees cash flow have included INEP payments of R4.3 million as we adhere to GRAP 109 as the municipality serves as an agent.

- Finance charges reflect an under performance by 98 percent or R2.2million against YTD actual of R32 thousand, this line item was adjusted to R3.3million, as the Municipality has included for post-retirement cost.

- Capital Assets of R10.1 million for the month of February 2024 whilst a YTD budget of R123.2 million gives an under-performance by R59million or 48% against YTD actual of R64.1million.

6.1. BANK RECONCILIATION STATEMENT AS AT FEBRUARY 2024

Mandeni Municipality

BANK RECONCILIATION STATEMENT FOR FEBRUARY 2024		
Main Account :52940480587		
Opening FNB Bank Balance as on 1 FEBRUARY 2024	**3,341,865.90**	**3,341,865.90**
PLUS: Deposits Banked	7,037,672.98	
PLUS: Interest received	24,760.19	
PLUS: Transfers In	92,224,692.54	
PLUS:Interest received From Call 1	515,348.26	
PLUS:Unpaid	3,150.00	
PLUS: MATURED INVESTMENTS	-	
PLUS: SARS REFUND	1,749,900.91	
PLUS: GRANTS RECEIVED	2,622,000.00	
Total Deposits	**104,177,524.88**	**104,177,524.88**
Less:Total payments	**- 95,345,677.38**	**- 95,345,677.38**
LESS: EFT Payments	- 27,425,301.99	
LESS: Bank Charges	- 21,081.12	
LESS: Cheques Paid Out	-	
LESS: Transfers Out	- 2,000,000.00	
LESS: NEW INVESTMENTS	- 65,000,000.00	
LESS: Debit Orders	- 899,294.27	
Closing FNB Bank Balance as on 29 FEBRUARY 2024		**12,173,713.40**
Cashbook Reconciliation for 29 FEBRUARY 2024		
Cashbook Balance as on 1 FEBRUARY 2024-D0001/IA09567/F0001/X049/R0099/001/FIN	1,708,666,638.42	
Cashbook Balance as on 1 FEBRUARY 2024-D0001/IA02105/F0041/X049/R0099/001/CONTRA	96,176,000.00	
Less:Cashbook Balance as on 1 FEBRUARY 2024-D0001/IA09850/F0001/X049/R0099/001/FIN	- 1,800,757,816.60	
Corrections to be made (JNL DR)	-	
PLUS: Deposits Banked for FEBRUARY 2024	7,040,822.98	
LESS: EFT Payments for FEBRUARY 2024	- 36,040,086.38	
Plus :January 2024 outstanding (reconciled)	20,459.10	
Less: Bank Charges to date	- 1,292,788.32	
PLUS: Grant received	2,622,000.00	
Less : New investment	- 65,000,000.00	
Less: Payments not yet paid during FEBRUARY 2024	-	
PLUS: Interest received to date	533,111.46	
PLUS:Interest received From Call 1-FEBRUARY 2024	515,348.26	
PLUS MATURED INVESTMENT	-	
PLUS :SARS REFUND	1,749,900.91	
PLUS :TRANSFER IN	92,224,692.54	
LESS:TRANSFER OUT	- 2,000,000.00	
LESS: Debit Orders for FEBRUARY 2024	- 899,294.27	
Closing Cashbook Balance as on 29 FEBRUARY 2024	**3,558,988.10**	**3,558,988.10**
		8,614,773.39
Reconciling Items	**Amount**	
ADD: Journal Debits - on Cashbook not on Bank Statement	8,614,773.39	
ADJUSTED MONTH END CASHBOOK BALANCE- 29 FEBRUARY 2024		**12,173,761.49**
MONTH END BALANCE PER BANK STATEMENT- 29 FEBRUARY 2024		**12,173,713.40**
DIFFERENCE		**48.09**

6.2. MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO

The following information presents the short-term investments balances broken down per investment type as at 29th February 2024

KZN291 Mandeni - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M08 February									
Investments by maturity Name of institution & investment ID	**Ref**	**Period of Investment**	**Type of Investment**	**Interest Rate [3]**	**Opening balance**	**Interest to be realised**	**Partial / Premature Withdrawal (4)**	**Investment Top Up**	**Closing Balance**
R thousands		**Yrs/Months**							
Municipality									
call 1-internal grant		12months	CALL ACCOUNT	7.2	118,104	2,927	(87,015)		**31,604**
Call account 2 -HOUSING		12months	CALL ACCOUNT	7.2	2,071	98			**2,083**
Call account 3-MIG		12months	CALL ACCOUNT	7.2	19,947	799	(958)		**19,100**
Call account 5-TMT		12months	CALL ACCOUNT	7.2	475	21	–	1	**479**
Call account 6-INEP		12months	CALL ACCOUNT	7.2	584	70	–	2,000	**2,589**
Call account 7-AR		12months	CALL ACCOUNT	7.2	1,027	107	–		**1,033**
Call account 8- Title Deed		12months	CALL ACCOUNT	7.2	5,793	273	–		**5,826**
Call account 9-Disaster Recover		12months	CALL ACCOUNT	7.2	12,950	727	(4,766)		**8,252**
NEDBANK		549 DAYS	INVESTMENT	10.27	100,000	6,697	–		**100,000**
NEDBANK		336 DAYS	INVESTMENT	9.8	50,000	2,859			**50,000**
NEDBANK			INVESTMENT	9.15	–	147	–	65,000	**65,000**
NEDBANK			INVESTMENT	5.5	–	305	–		**–**
NEDBANK			INVESTMENT	8.8	65,000	2,837	(65,000)		**–**
FNB				9	73,620	581	(73,620)		**–**
						226	(226)		
									–
Municipality sub-total					**449,570**	**18,673**	**(231,586)**	**67,001**	**285,965**
TOTAL INVESTMENTS AI	2				**449,570**	**18,673**	**(231,586)**	**67,001**	**285,965**

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

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February										
		2022/23	Budget Year 2023/24							
Summary of Employee and Councillor remuneration	Ref	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		12,098	12,989	12,989	1,032	8,335	8,659	(324)	-4%	12,989
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		543	636	636	43	357	424	(67)	-16%	636
Cellphone Allowance		1,502	1,591	1,591	126	904	1,061	(157)	-15%	1,591
Housing Allowances		182	244	244	13	114	162	(49)	-30%	244
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		**14,325**	**15,460**	**15,460**	**1,214**	**9,709**	**10,307**	**(598)**	**-6%**	**15,460**
% increase	4		**7.9%**	**7.9%**						**7.9%**
Senior Managers of the Mu	3									
Basic Salaries and Wages		4,204	5,602	5,602	316	2,446	3,735	(1,288)	-34%	5,602
Pension and UIF Contributions		1	11	11	–	0	7	(7)	-95%	11
Medical Aid Contributions		–	–	45	–	15	30	(15)	-50%	–
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		583	476	476	–	–	317	(317)	-100%	476
Motor Vehicle Allowance		645	773	833	60	433	555	(123)	-22%	773
Cellphone Allowance		182	186	186	24	166	124	42	34%	186
Housing Allowances		256	265	265	9	64	177	(113)	-64%	265
Other benefits and allowances		1	1	321	34	171	214	(43)	-20%	1
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obli	2	1,443	–	–	–	–	983	(983)	-100%	–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Mun		**7,316**	**7,314**	**7,739**	**443**	**3,295**	**6,142**	**(2,848)**	**-46%**	**7,314**
% increase	4		**0.0%**	**5.8%**						**0.0%**
Other Municipal Staff										
Basic Salaries and Wages		74,961	89,913	90,448	7,034	54,567	60,299	(5,732)	-10%	89,913
Pension and UIF Contributions		12,303	14,704	15,193	1,149	8,875	10,129	(1,254)	-12%	14,704
Medical Aid Contributions		5,426	5,886	5,886	575	4,135	3,924	211	5%	5,886
Overtime		2,388	1,716	2,356	420	1,963	1,571	393	25%	1,716
Performance Bonus		6,078	6,209	6,209	515	3,839	4,139	(301)	-7%	6,209
Motor Vehicle Allowance		4,672	5,239	5,239	402	3,189	3,492	(303)	-9%	5,239
Cellphone Allowance		530	526	576	52	414	384	30	8%	526
Housing Allowances		306	345	345	27	216	230	(14)	-6%	345
Other benefits and allowances		828	765	845	84	653	563	89	16%	765
Payments in lieu of leave		2,636	2,591	2,591	–	684	1,727	(1,043)	-60%	2,591
Long service awards		962	1,341	1,341	93	278	894	(616)	-69%	1,341
Post-retirement benefit obli	2	(1,651)	4,872	2,652	–	–	785	(785)	-100%	4,872
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		**109,438**	**134,106**	**133,681**	**10,351**	**78,812**	**88,138**	**(9,326)**	**-11%**	**134,106**
% increase	4		**22.5%**	**22.2%**						**22.5%**
Total Parent Municipality		**131,079**	**156,880**	**156,880**	**12,008**	**91,816**	**104,587**	**(12,771)**	**-12%**	**156,880**
			19.7%	**19.7%**						**19.7%**
TOTAL SALARY, ALLOWANCES &		**131,079**	**156,880**	**156,880**	**12,008**	**91,816**	**104,587**	**(12,771)**	**-12%**	**156,880**
% increase	4		**19.7%**	**19.7%**						**19.7%**
TOTAL MANAGERS AND STAFF		**116,754**	**141,420**	**141,420**	**10,794**	**82,107**	**94,280**	**(12,173)**	**-13%**	**141,420**

8. External Loan

NONE

9. Performance Indicators

KZN291 Mandeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M08 February

Description of financial indicator	Basis of calculation	Ref	2022/23 Audited Outcome	Budget Year 2023/24 Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.1%	8.9%	8.8%	0.0%	3.9%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		11.3%	9.6%	10.6%	8.5%	9.6%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	369.1%	250.2%	346.0%	571.1%	250.2%
Liquidity Ratio	Monetary Assets/Current Liabilities		325.2%	164.3%	161.1%	421.0%	164.3%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		-3.5%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		29.1%	37.0%	33.8%	27.7%	37.0%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		3.9%	4.3%	5.0%	3.0%	4.3%
Interest & Depreciation	I&D/Total Revenue - capital revenue		8.2%	9.3%	9.3%	0.0%	4.1%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

References

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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 **February 2024** has been prepared in accordance with the Municipal Finance Management Act and regulations under that Act.

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

Municipal manager of Mandeni Municipality (KZN 291)

Signature________________________________

Date **15 March 2024**