

MANDENI MUNICIPALITY (KZN 291)



FIRST QUARTER REPORT SECTION 52(D) (mSCOA) 2025/26 FINANCIAL YEAR

JULY– SEPTEMBER 2025

Table of Contents

ANNEXURE	A
PART 1 – FIRST QUARTER REPORT	
1.1 MAYOR’S REPORT	2
1.2 COUNCIL RESOLUTIONS	2
1.3 EXECUTIVE SUMMARY.....	2
1.4 IN-YEAR BUDGET STATEMENT TABLES.....	5
PART 2 – SUPPORTING DOCUMENTATION	37
2.1 DEBTOR’S ANALYSIS	38
2.2 CREDITOR’S ANALYSIS.....	44
2.3 INVESTMENT PORTFOLIO ANALYSIS	45
2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE.....	46
2.5 COUNCILORS AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFIT	51
3. EXPENDITURE MANAGEMENT.....	56
3.1 COST CONTAINMENT MEASURES	56
4. ASSET MANAGEMENT REPORT	57
5. REVENUE MANAGEMENT	52
6 REPORTING (FINANCIAL STATEMENTS)	59
7. MUNICIPAL MANAGER’S QUALITY CERTIFICATE	61

List of Tables

Table 1 MBRR Table C1 -Monthly Budget Statement Summary.....	5
Table 2 MBRR Table C2 _ Monthly Financial Performance (standard Classification	6
Table 3 MBRR Table C3 -Financial Performance (revenue and expenditure by municipal vote) .	7
Table 4 MBRR Table C4 -Financial Performance (revenue and expenditure).....	8
Table 5 MBRR Table C5 -Capital expenditure (municipal vote and funding)	17
Table 6 MBRR Table C6 -Financial Position	22
Table 7 MBRR Table C7 - Cash Flow	35
Table 8 Debtor’s Analysis	38
Table 9 Creditor’s Analysis.....	44
Table 10 Investment Portfolio Analysis.....	45
Table 11 Allocation and grant receipts and expenditure	46
Table 12 Transfer and grant expenditure	47
Table 13 Councilors and board member allowance and employee benefit.....	51

1.1 MAYORS' FOREWORD

Attached

1.2 COUNCIL RESOLUTION

Resolution No: C

Refer to the recommendations contained in this report.

1.3 EXECUTIVE SUMMARY**LEGAL REQUIREMENTS**

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

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

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

1.3.2 FINANCIAL PERFORMANCE

BUDGET SUMMARY

The following table represents an executive summary for First quarter of the financial year ended 30th September 2025.

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - Q1 First Quarter								
Description	2024/25	Budget Year 2025/26						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
Financial Performance								
Total Revenue (excluding capital	430 705	454 622	15 915	156 491	113 655	42 836	38%	454 622
Total Expenditure	473 964	487 944	46 893	106 690	125 504	(18 815)	-15%	487 944
Surplus/(Deficit)	(43 258)	(33 322)	(30 977)	49 801	(11 849)	61 650	-520%	(33 322)
Transfers and subsidies	47 668	46 017	3 812	25 683	11 504	14 179	123%	46 017
capital transfers &	4 409	12 694	(27 165)	75 484	(345)	75 829	-21996%	12 694
the year	4 409	12 694	(27 165)	75 484	(345)	75 829	-21996%	12 694
Capital expenditure & funds sources								
Capital expenditure	126 073	130 596	7 509	17 420	35 846	(18 425)	-51%	130 596
Capital transfers recogni	42 242	40 058	3 315	10 427	13 211	(2 784)	-21%	40 058
Borrowing	—	—	—	—	—	—		—
Internally generated fund	83 831	90 538	4 194	6 993	22 634	(15 641)	-69%	90 538
Total sources of capital	126 073	130 596	7 509	17 420	35 846	(18 425)	-51%	130 596
TOTAL BUDGET	600 037	618 540	54 401	124 110	161 350	(37 240)	(0)	618 540

As can be seen from the table above, Actual surplus for the period ended 30th September 2025 is more than the Budgeted Surplus. Monthly budget statement summary (Table C1), for the period ending 30th September 2025 (year to date actual), shows a surplus of R75.5million against YTD budget of -R345thousand which reflects an over performance of more than 100%.

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

1.4 IN- YEAR BUDGET STATEMENT TABLES

Table 1

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

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - Q1 First Quarter								
Description	2024/25	Budget Year 2025/26						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
Financial Performance								
Property rates	63 942	64 913	2 597	20 053	16 228	3 825	24%	64 913
Service charges	77 826	97 399	10 649	25 909	24 350	1 559	6%	97 399
Investment revenue	19 863	25 000	1 185	3 774	6 250	(2 476)	-40%	25 000
Transfers and subsidies	253 010	254 956	1 205	104 911	63 739	41 172	65%	254 956
Other own revenue	16 064	12 353	280	1 844	3 088	(1 244)	-40%	12 353
Total Revenue (excluding capital)	430 705	454 622	15 915	156 491	113 655	42 836	38%	454 622
Employee costs	160 030	167 901	13 309	40 257	41 975	(1 719)	-4%	167 901
Remuneration of Council	15 151	17 043	1 306	3 799	4 261	(462)	-11%	17 043
Depreciation and amortisation	42 700	36 240	3 256	9 965	9 060	905	10%	36 240
Interest	0	3 050	—	—	763	(763)	-100%	3 050
Inventory consumed and	64 650	72 025	13 807	20 230	18 206	2 023	-88%	72 025
Transfers and subsidies	—	—	—	—	—	—	—	—
Other expenditure	191 433	191 685	15 214	32 440	51 239	(18 800)	-37%	191 685
Total Expenditure	473 964	487 944	46 893	106 690	125 504	(18 815)	-15%	487 944
Surplus/(Deficit)	(43 258)	(33 322)	(30 977)	49 801	(11 849)	61 650	-520%	(33 322)
Transfers and subsidies	47 668	46 017	3 812	25 683	11 504	14 179	123%	46 017
capital transfers & the year	4 409	12 694	(27 165)	75 484	(345)	75 829	-21996%	12 694
	4 409	12 694	(27 165)	75 484	(345)	75 829	-21996%	12 694
Capital expenditure & funds sources								
Capital expenditure	126 073	130 596	7 509	17 420	35 846	(18 425)	-51%	130 596
Capital transfers recognised	42 242	40 058	3 315	10 427	13 211	(2 784)	-21%	40 058
Borrowing	—	—	—	—	—	—	—	—
Internally generated funds	83 831	90 538	4 194	6 993	22 634	(15 641)	-69%	90 538
Total sources of capital	126 073	130 596	7 509	17 420	35 846	(18 425)	-51%	130 596
Financial position								
Total current assets	252 271	178 561		306 331				178 561
Total non current assets	797 396	805 344		804 851				805 344
Total current liabilities	82 253	88 340		68 283				88 340
Total non current liabilities	22 198	25 770		22 198				25 770
Community wealth/Equity	945 216	869 795		1 020 701				869 795
Cash flows								
Net cash from (used) operations	(122 622)	62 299	(54 725)	81 691	24 096	(57 595)	-239%	62 299
Net cash from (used) investments	126 073	(144 685)	(8 635)	(23 038)	(36 171)	(13 133)	36%	(144 685)
Net cash from (used) financing	—	—	—	—	—	—	—	—
Cash/cash equivalents at end of period	233 639	9 822	68 567	190 580	80 133	(110 447)	-138%	—
Debtors & creditors analysis	0-30 Days	31-60 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis								
Total By Income Source	31 838	(1 686)	1 495	2 811	2 644	17 073	208 089	263 926
Creditors Age Analysis								
Total Creditors	10 385	—	—	—	—	—	—	10 385

Table 2

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

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q1 First Quarter									
Description	Ref	2024/25	Budget Year 2025/26						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1							%	
Revenue - Functional									
Governance and administration		339 132	342 170	3 974	126 945	85 542	41 403	48%	342 170
Executive and council		—	8 365	—	—	2 091	(2 091)	-100%	8 365
Finance and administration		339 132	333 805	3 974	126 945	83 451	43 494	52%	333 805
Internal audit		—	—	—	—	—	—	—	—
Community and public safety		6 994	6 128	513	1 316	1 532	(216)	-14%	6 128
Community and social services		5 270	5 719	512	1 312	1 430	(117)	-8%	5 719
Sport and recreation		1 707	—	—	—	—	—	—	—
Public safety		17	408	1	4	102	(98)	-96%	408
Housing		—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—
Economic and environmental services		51 516	52 717	4 364	27 251	13 179	14 072	107%	52 717
Planning and development		47 129	48 740	3 672	23 452	12 185	11 267	92%	48 740
Road transport		4 387	3 977	692	3 799	994	2 805	282%	3 977
Environmental protection		—	—	—	—	—	—	—	—
Trading services		80 731	99 623	10 877	26 662	24 906	1 756	7%	99 623
Energy sources		66 249	83 081	9 494	22 568	20 770	1 798	9%	83 081
Water management		—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—
Waste management		14 482	16 543	1 383	4 094	4 136	(42)	-1%	16 543
Other	4	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	478 373	500 638	19 727	182 174	125 160	57 015	46%	500 638
Expenditure - Functional									
Governance and administration		244 105	240 817	18 022	47 072	60 204	(13 132)	-22%	240 817
Executive and council		66 751	79 879	8 733	16 027	19 970	(3 943)	-20%	79 879
Finance and administration		177 354	160 937	9 290	31 045	40 234	(9 190)	-23%	160 937
Internal audit		—	—	—	—	—	—	—	—
Community and public safety		57 060	51 805	5 605	14 371	13 151	1 220	9%	51 805
Community and social services		41 974	36 398	3 909	11 374	9 300	2 075	22%	36 398
Sport and recreation		13 472	13 045	1 345	2 639	3 261	(622)	-19%	13 045
Public safety		1 462	2 148	327	327	537	(210)	-39%	2 148
Housing		152	214	24	30	53	(24)	-44%	214
Health		—	—	—	—	—	—	—	—
Economic and environmental services		83 723	92 410	7 728	19 520	23 102	(3 583)	-16%	92 410
Planning and development		23 312	26 477	1 663	4 571	6 619	(2 048)	-31%	26 477
Road transport		55 834	60 311	5 521	13 574	15 078	(1 504)	-10%	60 311
Environmental protection		4 577	5 622	543	1 374	1 405	(31)	-2%	5 622
Trading services		88 785	102 391	15 444	25 634	28 916	(3 282)	-11%	102 391
Energy sources		72 643	75 903	14 499	22 581	20 128	2 453	12%	75 903
Water management		—	—	—	—	—	—	—	—
Waste water management		3 063	3 048	249	761	762	(1)	0%	3 048
Waste management		13 078	23 440	696	2 291	8 026	(5 735)	-71%	23 440
Other		292	522	94	94	130	(37)	-28%	522
Total Expenditure - Functional	3	473 964	487 944	46 893	106 690	125 504	(18 815)	-15%	487 944
Surplus/ (Deficit) for the year		4 409	12 694	(27 165)	75 484	(345)	75 829	#####	12 694

Table 3

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

KZN291 Mandeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q1 First Quarter

Vote Description	Ref	2024/25	Budget Year 2025/26						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Revenue by Vote	1								
Vote 1 - Executive and council		–	8 365	–	–	2 091	(2 091)	-100.0%	8 365
Vote 2 - Finance and administration		339 132	333 805	3 974	126 945	83 451	43 494	52.1%	333 805
Vote 3 - Internal audit		–	–	–	–	–	–		–
Vote 4 - Community and social services		5 287	6 128	513	1 316	1 532	(216)	-14.1%	6 128
Vote 5 - Sport and Recreation		1 707	–	–	–	–	–		–
Vote 6 - Public safety		–	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–		–
Vote 8 - Planning and Development		47 129	48 740	3 672	23 452	12 185	11 267	92.5%	48 740
Vote 9 - Road transport		4 387	3 977	692	3 799	994	2 805	282.1%	3 977
Vote 10 - Energy sources		66 249	83 081	9 494	22 568	20 770	1 798	8.7%	83 081
Vote 11 - Waste Management		14 482	16 543	1 383	4 094	4 136	(42)	-1.0%	16 543
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	478 373	500 638	19 727	182 174	125 160	57 015	45.6%	500 638
Expenditure by Vote	1								
Vote 1 - Executive and council		66 751	79 879	8 733	16 027	19 970	(3 943)	-19.7%	79 879
Vote 2 - Finance and administration		177 354	160 624	9 290	31 045	40 156	(9 111)	-22.7%	160 624
Vote 3 - Internal audit		–	313	–	–	78	(78)	-100.0%	313
Vote 4 - Community and social services		41 974	36 398	3 909	11 374	9 300	2 075	22.3%	36 398
Vote 5 - Sport and Recreation		13 472	13 045	1 345	2 639	3 261	(622)	-19.1%	13 045
Vote 6 - Public safety		1 462	2 148	327	327	537	(210)	-39.1%	2 148
Vote 7 - Housing		152	214	24	30	53	(24)	-44.3%	214
Vote 8 - Planning and Development		23 604	26 998	1 757	4 665	6 750	(2 084)	-30.9%	26 998
Vote 9 - Road transport		58 897	63 359	5 770	14 335	15 840	(1 505)	-9.5%	63 359
Vote 10 - Energy sources		72 643	75 903	14 499	22 581	20 128	2 453	12.2%	75 903
Vote 11 - Waste Management		13 078	23 440	696	2 291	8 026	(5 735)	-71.5%	23 440
Vote 12 - Environmental Protection		4 577	5 622	543	1 374	1 405	(31)	-2.2%	5 622
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–		–
Total Expenditure by Vote	2	473 964	487 944	46 893	106 690	125 504	(18 815)	-15.0%	487 944
Surplus/ (Deficit) for the year	2	4 409	12 694	(27 165)	75 484	(345)	75 829	-21996.5%	12 694

Table 4 provides information on the planned revenue and operational expenditures against the actual results for the period ending 30th September 2025.

This report analyses each major component under following headings;

- Revenue by Source
- Operational Expenditure by Type,

KZN291 Mandeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter									
Description	Ref	2024/25	Budget Year 2025/26						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Revenue									
Exchange Revenue									
Service charges - Electricity		64 753	82 686	9 467	22 443	20 672	1 771	9%	82 686
Service charges - Waste management		13 073	14 713	1 182	3 466	3 678	(212)	-6%	14 713
Sale of Goods and Rendering of Services		2 282	1 513	7	264	378	(114)	-30%	1 513
Interest earned from Receivables		1 487	2 016	127	378	504	(126)	-25%	2 016
Interest from Current and Non Current		19 863	25 000	1 185	3 774	6 250	(2 476)	-40%	25 000
Rental from Fixed Assets		593	755	57	153	189	(36)	-19%	755
Operational Revenue		1 355	1 252	65	304	313	(9)	-3%	1 252
Non-Exchange Revenue		—	—	—	—	—	—	—	—
Property rates		63 942	64 913	2 597	20 053	16 228	3 825	24%	64 913
Surcharges and Taxes		—	—	—	—	—	—	—	—
Fines, penalties and forfeits		3 569	1 367	7	23	342	(319)	-93%	1 367
Licence and permits		969	998	83	204	249	(45)	-18%	998
Transfers and subsidies - Operational		253 010	254 956	1 205	104 911	63 739	41 172	65%	254 956
Interest		3 570	4 453	(65)	519	1 113	(595)	-53%	4 453
Other Gains		2 239	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and grants)		430 705	454 622	15 915	156 491	113 655	42 836	38%	454 622
Expenditure By Type									
Employee related costs		160 030	167 901	13 309	40 257	41 975	(1 719)	-4%	167 901
Remuneration of councillors		15 151	17 043	1 306	3 799	4 261	(462)	-11%	17 043
Bulk purchases - electricity		58 515	66 107	13 654	20 022	16 527	3 495	21%	66 107
Inventory consumed		6 135	5 918	153	208	1 679	(1 472)	-88%	5 918
Debt impairment		27 504	32 077	—	—	11 337	(11 337)	-100%	32 077
Depreciation and amortisation		42 700	36 240	3 256	9 965	9 060	905	10%	36 240
Interest		0	3 050	—	—	763	(763)	-100%	3 050
Contracted services		82 382	89 650	8 309	16 625	22 413	(5 788)	-26%	89 650
Transfers and subsidies		—	—	—	—	—	—	—	—
Irrecoverable debts written off		10 696	6 637	—	—	1 659	(1 659)	-100%	6 637
Operational costs		71 150	62 722	6 905	15 815	15 680	134	1%	62 722
Losses on Disposal of Assets		965	600	—	—	150	(150)	-100%	600
Other Losses		(1 264)	—	—	—	—	—	—	—
Total Expenditure		473 964	487 944	46 893	106 690	125 504	(18 815)	-15%	487 944
Surplus/(Deficit)		(43 258)	—	49 801	(11 849)	61 650	61 650	(0)	(33 322)
Transfers and subsidies -		47 668	—	25 683	11 504	14 179	14 179	0	46 017
Surplus/(Deficit) after		4 409	—	75 484	(345)				12 694
Income Tax		—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		4 409	—	75 484	(345)				12 694
Share of Surplus/Deficit attributable to		—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to		—	—	—	—	—	—	—	—
Surplus/(Deficit)		4 409	—	75 484	(345)				12 694
Share of Surplus/Deficit attributable to		—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary trans		—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year		4 409	—	75 484	(345)			12 694	12 694

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

Figure 1

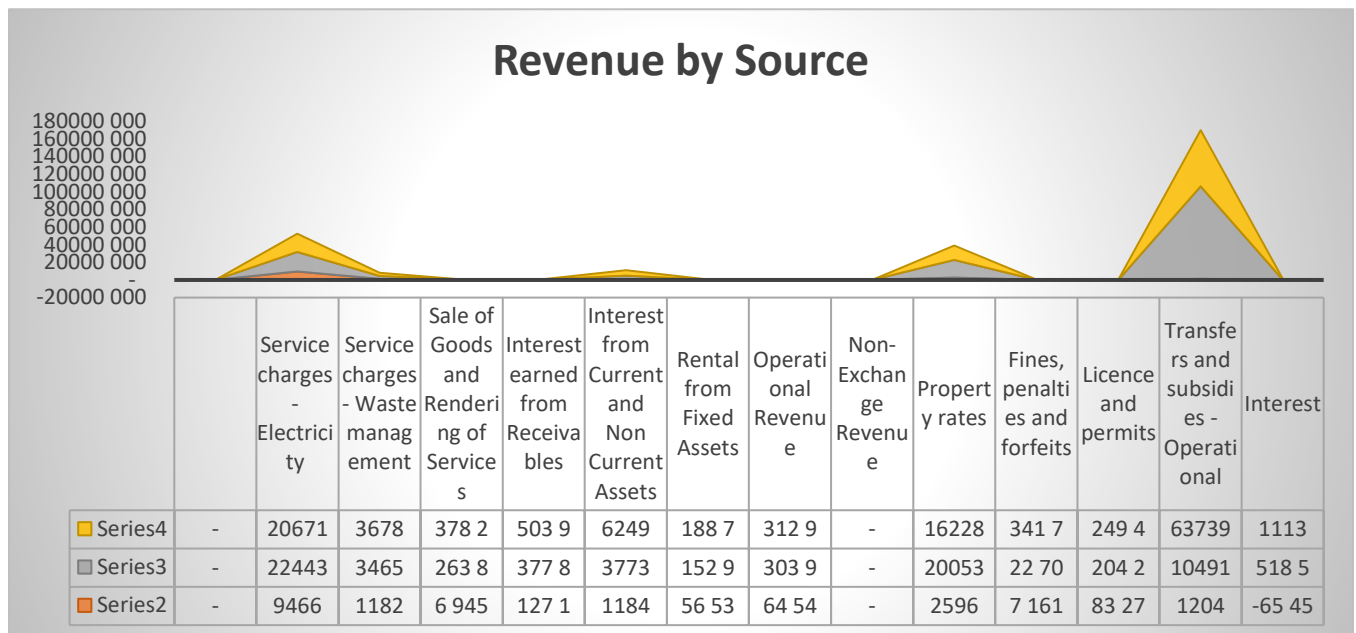
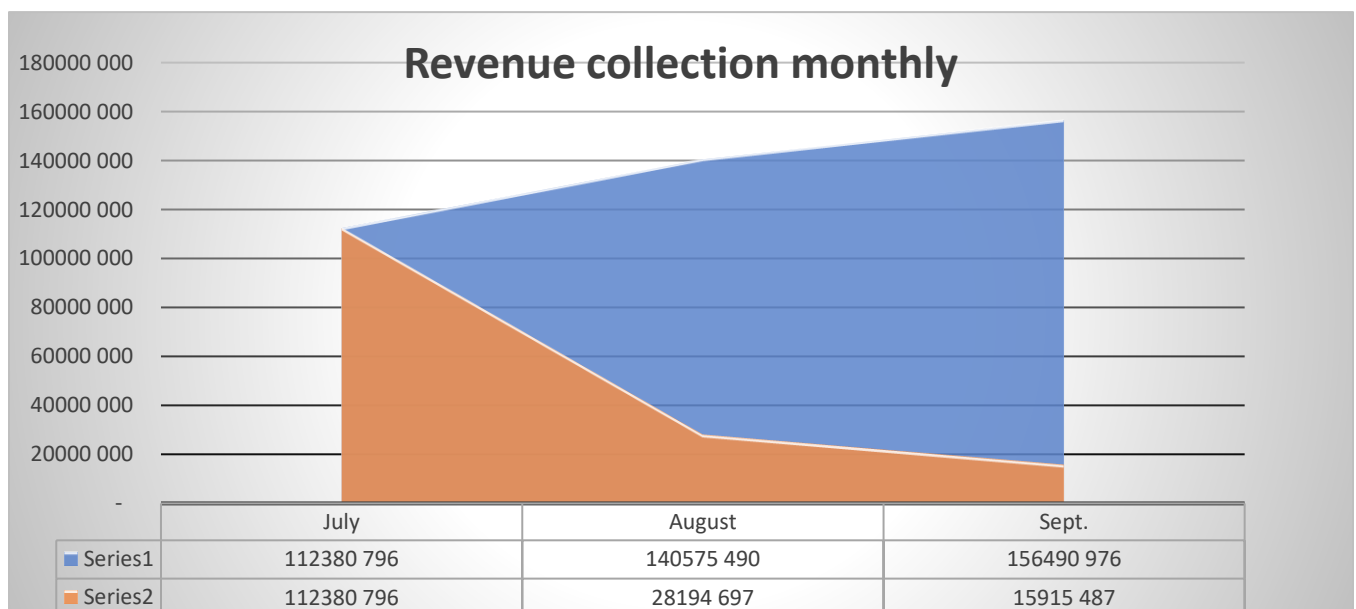


Figure 2



Revenue:

- The Year-to-Date (YTD) total revenue amounted to R156.9 million for the period ending 30 September 2025, excluding capital conditional grant income. The YTD budget of R113.7 million reflects an over-performance of 38percent. This variance is primarily due to the Equitable Share allocation, where R101.7 million of the total R244.2 million was received as the first of three tranches. Since the budget is apportioned evenly over 12 months, the timing of this receipt has resulted in the current over-performance. The municipality expects this variance to normalize by the end of the Second quarter.

EXCHANGE REVENUE**Service Charges: Electricity**

- Revenue for electricity service charges is recognized on an invoice basis, with a total amount of R22.4 million billed against a pro-rata budget of R20.7 million, resulting in an over-performance of 9percent. This variance is mainly due to the installation of new meters, which has improved billing levels.
- The actual cash collected amounted R7.3million for the month ended 30th September 2025.

Service Charges: Refuse

- The actual revenue from Service Charges Refuse as of 30th September 2025 is R3.5million against the budgeted income of R3.7million which is under performance by 6percent. This variance is due to a decrease in the actual collection of Skips and Bins.
- The actual cash collected amounted R362thousand for the month of 30th September 2025.

Sale of Goods and rendering services

- Sale of Goods and Services amounted to R378 thousand, compared to the year-to-date budget of R264 thousand, resulting in an under-performance of R114 thousand or 30%. The variance is influenced by the nature of the revenue items under this vote, which are difficult to project and measure in advance. These include income from tender document sales, town planning fees, clearance certificates, library fines for overdue books, and building plan fees. Performance in this category is largely dependent on walk-in customers.

Interest earned from receivables.

- Interest earned from receivables amounts to R378thousand in comparison with the year-to-date budget of R504thousand, which is an under-performance by 25percent. The variance of R126 thousand is mainly due to customers honoring their credit agreements, which has resulted in lower interest charges than anticipated.

Interest from Current and Non-Current assets

- Interest earned on external investments amounts to R3.8million in comparison with the year-to-date budget of R6.3million, thus indicating an under performance by R2.5million or 40 percent. Lower Investments that anticipated due to higher operational cash requirement during this period.

Rental from fixed assets

- Revenue from the Rental of Facilities amounted to R153 thousand, compared to the year-to-date budget of R189 thousand, resulting in an under-performance of R36 thousand or 19%. This vote comprises a combination of rental income streams, including Municipal Halls, Municipal Stadiums, and Staff Houses. The variance for the quarter is mainly due to lower-than-anticipated lease rentals from staff housing, which has reduced overall revenue performance.

Operational Revenue

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

The year-to-date performance in Operational Revenue amounts to R304thousand over a pro-rata budget of R313thousand, the variance of R9thousand or 3% which is considered immaterial. This vote comprises collection charges, insurance refund and handling fees.

NON-EXCHANGE REVENUE**Property Rates**

- The municipality accounts for Property Rates on an invoice basis in line with GRAP requirements. The Year-to-Date (YTD) actual revenue for Rates amounts to R20.1 million, compared to a YTD budget of R16.2million. This represents an over billing of R3.8million, or 24%. This variance is primarily due to the posting of both annual and monthly billings within the period.
- The actual cash collected amounted R4.1million for the month ended 30th September 2025.

Fines, Penalties and forfeits

- Fines for the month of 30th September is underperformed by 93%, amounting to R319 thousand below the pro-rata budget of R342thousand. The underperformance is primarily attributed to a prevailing culture of non-payment and adverse economic conditions. It is important to note that revenue reported to date is on a cash basis, as the municipality accounts for fines in accordance with iGRAP 1 at year-end. This vote also includes library fine fees for overdue books.

Licences and permits.

- The variance of R45thousand underspend is mainly due to the department relying on walk-in customers who require services at the time. Additional contributing factors include network issues within the building and poor connectivity of the eNatis system when customers are present.

Transfers & subsidies

- Transfers and subsidies recognised operational amounts to R104.9million YTD Actual in comparison with the pro-rata budget of R63.8million, thus indicating an over performance by R41.2million or 65percent. The variance is mainly attributable to the Municipality receiving the first tranche of the Equitable Share amounting to R101.7 million, where Equitable share is received over 3trenches.
- Transfers and subsidies capital amounts to R25.7million in comparison with the pro-rata budget of R11.5 million, thus indicating an over performance by R14.2 million variance is mainly attributable by expenditure in MIG. *(Detailed report on MIG expenditure has been provided below)*

Interest earned from receivables.

- In line with council adopted credit control policy, the municipality charges interest on arrear debtors.
- Interest earned from receivables amounts to R519thousand in comparison with the pro-rata budget of R1.1million, thus indicating an under performance by R595thousand or 53percent.

Operating Expenditure - 30 September 2025

The table below reflects trend of expenditure for the period ended 30 September 2025

Figure 6

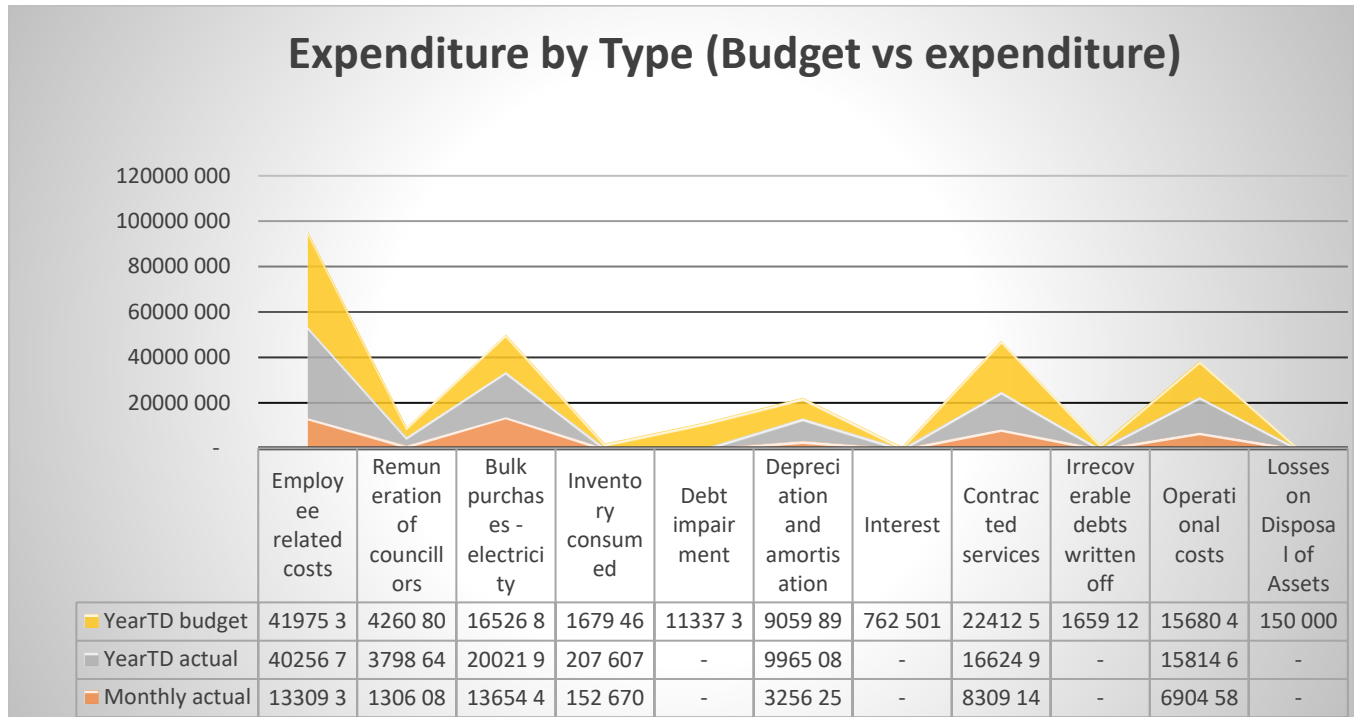
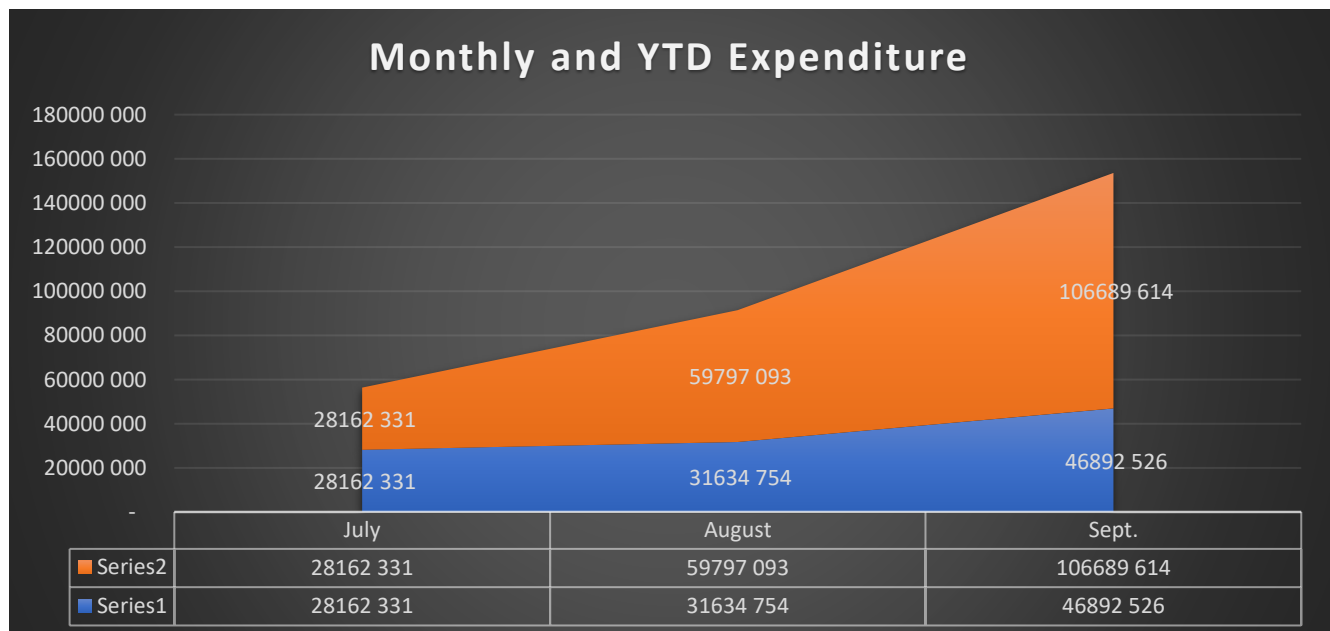


Figure 7



Operating Expenditure:

- The total operational expenditure YTD Actual for the period ending 30th September 2025 amounted to R106.7million against the planned target of R125.5million. As at the end of 30th September the operational expenditure budget has been under spent by -15% or -R18.8million. *Detailed expenditure analysis is below:*

Employee Related Costs

- Employee related costs YTD expenditure for the period ending 30th September 2025 amounted to R40.3million while the pro-rata budget of R42million with an underspending of R1.7million or -4%. The variance in this vote is considered immaterial.
- Furthermore, to that it should be noted that employee bonuses are now being paid on their birth month.

Remuneration of Councilors

- Councilors' allowances pro-rata budget as of 30th September 2025 was under spent by R462thousand or 11percent. when comparing YTD of R3.8million to YTD budget of R4.3million. The variance is mainly attributed to savings in July and August, as the approved increases were only implemented in September.

Bulk Purchases

- The YTD on Bulk purchases amounts to R20.0million which is an over performance when compared to pro-rata budget of R16.5million. The variance of R3.5million or 21% over projected budget is caused by the increase in tariff rates.

Inventory Consumed

- Inventory Consumed are reflecting an underperformance by 88% or R1.5million, when compared to pro-rata budget of R1.7million against the Actual amount of R208thousand. This vote comprises items held in Stores, mainly for maintenance and repairs as well as stationery for the municipality. Performance in this vote is largely demand-driven, as consumption occurs only when requests are made and the need arises.

Debt Impairment

- The provision for bad debt is reflecting an under performance by 100percent. A journal to this vote is done bi-annually **(January and June 2026)**

When the provision for debt impairment is calculated, the following assumptions must be taken into consideration.

- Each debtor's account per age analysis must be analyzed.
- The frequency of payment must be analyses on each debtor.
- Indigent debtors, debtors with take on balances which cannot be explained, insolvent and debtors under administration of estate should be impaired 100%.

- The Municipality is guided by a write-off policy when the assumptions are determined.
- Different services must be impaired separately.
- Different customers must be impaired separately.

Depreciation and Asset Impairment

- The YTD for Depreciation and Asset impairment is reflecting an over performance by 10percent. The depreciation variance is due to an increase in acquisitions of assets and commissioning of capital projects at year-end. The estimates were made before the later were taken into consideration.

Interest

- Finance charges reflect an underperformance by -100percent, this line item is journalized at year-end, in June 2026.
- Another contributing factor to finance charges is the reclassification of retirement benefit obligation interest costs in accordance with GRAP 25, this calculation will be done during year end after assessment by Actuarial Report has been completed for the year.

Contracted Services

- Contracted Services Expenditure reflects an underspending of 26% or R5.8 million, with a YTD actual of R16.6 million against a pro-rata budget of R22.4 million. This vote includes all contracted and outsourced services procured by the municipality, such as catering, transport, accommodation, and professional services. Expenditure in this category largely depends on the implementation of public programmes, with the IDP roadshow scheduled to commence soon.

Irrecoverable debts written off

- Irrecoverable debts written off have underperformed by 100% when compared to pro-rata budget of R1.7million. A journal entry will be processed in due time.

Operational Cost

- Other expenditure is under spent this month by 1% or R134thousand when compared to pro-rata budget of R15.7million. This variance is considered immaterial.

Loss on disposal of assets

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

2. Capital Expenditure

Table C5 Monthly Budget Statement – Capital Expenditure

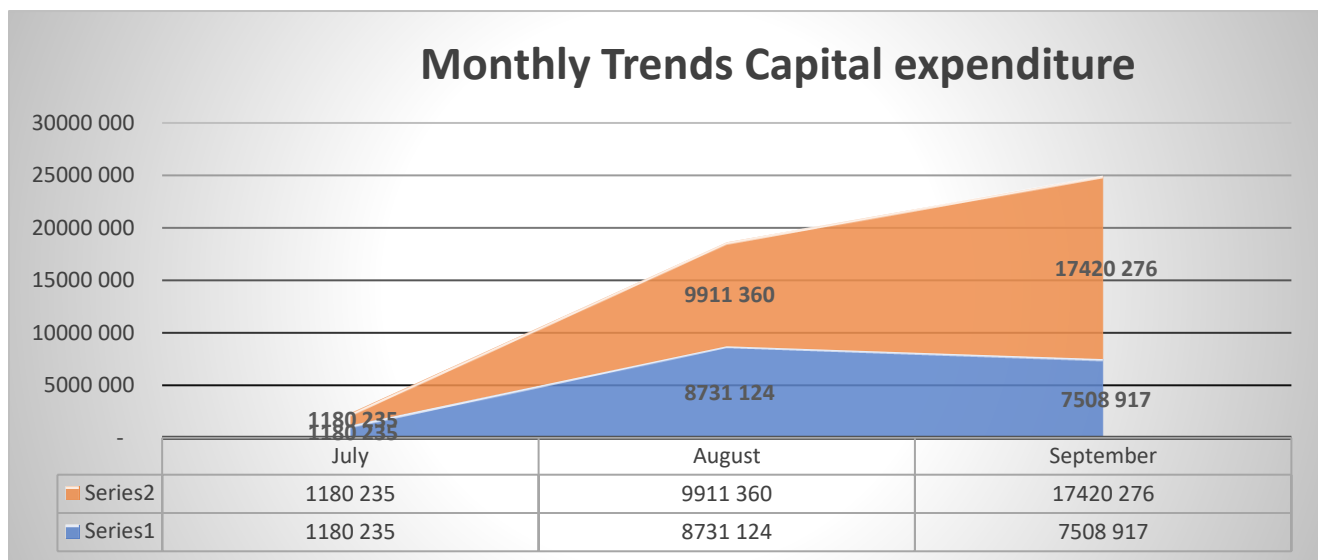
KZN291 Mandeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q1 First Quarter									
Vote Description	Ref	2024/25	Budget Year 2025/26						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1							%	
Single Year expenditure appropriation	2								
Vote 1 - Executive and council		12 470	30 000	1 817	3 168	7 500	(4 332)	-58%	30 000
Vote 2 - Finance and administration		14 806	4 549	68	68	1 137	(1 070)	-94%	4 549
Vote 3 - Internal audit		—	—	—	—	—	—	—	—
Vote 4 - Community and social services		4 026	17 738	1 015	1 982	4 434	(2 452)	-55%	17 738
Vote 5 - Sport and Recreation		7 487	8 836	104	304	2 209	(1 905)	-86%	8 836
Vote 6 - Public safety		817	70	—	—	17	(17)	-100%	70
Vote 7 - Housing		—	—	—	—	—	—	—	—
Vote 8 - Planning and Development		7 313	7 522	195	988	1 880	(892)	-47%	7 522
Vote 9 - Road transport		75 205	55 386	4 310	10 911	17 043	(6 133)	-36%	55 386
Vote 10 - Energy sources		2 389	4 869	—	—	1 217	(1 217)	-100%	4 869
Vote 11 - Waste Management		1 560	1 626	—	—	406	(406)	-100%	1 626
Vote 12 - Environmental Protection		—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—
Total Capital single-year expenditure	4	126 073	130 596	7 509	17 420	35 846	(18 425)	-51%	130 596
Total Capital Expenditure		126 073	130 596	7 509	17 420	35 846	(18 425)	-51%	130 596
Capital Expenditure - Functional Classification									
Governance and administration		27 275	34 549	1 885	3 235	8 637	(5 402)	-63%	34 549
Executive and council		12 470	30 000	1 817	3 168	7 500	(4 332)	-58%	30 000
Finance and administration		14 806	4 549	68	68	1 137	(1 070)	-94%	4 549
Internal audit		—	—	—	—	—	—	—	—
Community and public safety		12 330	26 644	1 119	2 286	6 661	(4 375)	-66%	26 644
Community and social services		4 026	8 664	1 015	1 982	2 166	(184)	-8%	8 664
Sport and recreation		7 487	8 836	104	304	2 209	(1 905)	-86%	8 836
Public safety		817	9 143	—	—	2 286	(2 286)	-100%	9 143
Housing		—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—
Economic and environmental services		82 519	62 038	4 505	11 899	18 706	(6 807)	-36%	62 038
Planning and development		7 313	7 522	195	988	1 880	(892)	-47%	7 522
Road transport		75 205	54 517	4 310	10 911	16 826	(5 915)	-35%	54 517
Environmental protection		—	—	—	—	—	—	—	—
Trading services		3 949	7 365	—	—	1 841	(1 841)	-100%	7 365
Energy sources		2 389	4 869	—	—	1 217	(1 217)	-100%	4 869
Water management		—	—	—	—	—	—	—	—
Waste water management		—	870	—	—	217	(217)	-100%	870
Waste management		1 560	1 626	—	—	406	(406)	-100%	1 626
Other		—	—	—	—	—	—	—	—
Total Capital Expenditure - Functional	3	126 073	130 596	7 509	17 420	35 846	(18 425)	-51%	130 596
Funded by:									
National Government		41 421	39 884	3 315	10 427	13 168	(2 741)	-21%	39 884
Provincial Government		821	174	—	—	43	(43)	-100%	174
District Municipality		—	—	—	—	—	—	—	—
Transfers and subsidies - capital		—	—	—	—	—	—	—	—
Transfers recognised - capital		42 242	40 058	3 315	10 427	13 211	(2 784)	-21%	40 058
Borrowing	6	—	—	—	—	—	—	—	—
Internally generated funds		83 831	90 538	4 194	6 993	22 634	(15 641)	-69%	90 538
Total Capital Funding		126 073	130 596	7 509	17 420	35 846	(18 425)	-51%	130 596

Capital Expenditure of 30 September 2025:

The YTD capital expenditure budget is R17.4million against YTD actual Capital expenditure amounting to R35.8million resulting in an under performance of (51%) on capital expenditure. The variance in capital expenditure was due to different reasons (detail report on the progress on all capital projects has been provided below).

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

Capital Expenditure reported as at 30 September 2025



- Capital grants funded by National Government are actual for R10.4million versus pro-rata Budget of R13.2million, expenditure reported has been underspent by (21%).
- Capital grants funded by Provincial Government under-performed by 100%.
- Capital grants funded Internally is R7million versus pro-rata Budget of R22.6million variance of 69% reflects an under expenditure on this item.

2.2 Monthly Budget Statement – expenditure on Repairs and Maintenance

KZN291 Mandeni - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M03 September

Description	Ref	2024/25	Budget Year 2025/26							
		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		13 925	16 237	–	1 808	2 552	4 059	1 507	37.1%	16 237
Roads Infrastructure		8 864	8 426	–	1 206	1 747	2 107	359	17.0%	8 426
Roads		8 569	7 948	–	1 206	1 747	1 987	240	12.1%	7 948
Road Structures		269	304	–	–	–	76	76	100.0%	304
Road Furniture		26	174	–	–	–	43	43	100.0%	174
Capital Spares		–	–	–	–	–	–	–		–
Storm water Infrastructure		1 246	3 913	–	444	444	978	534	54.6%	3 913
Drainage Collection		1 246	3 913	–	444	444	978	534	54.6%	3 913
Storm water Conveyance		–	–	–	–	–	–	–		–
Attenuation		–	–	–	–	–	–	–		–
Electrical Infrastructure		2 614	3 148	–	8	73	787	714	90.7%	3 148
Power Plants		40	130	–	8	8	33	25	75.6%	130
HV Substations		–	–	–	–	–	–	–		–
HV Switching Station		–	–	–	–	–	–	–		–
HV Transmission Conductors		169	870	–	–	50	217	167	77.0%	870
MV Substations		(3)	61	–	–	11	15	4	26.8%	61
MV Switching Stations		–	–	–	–	–	–	–		–
MV Networks		143	87	–	–	–	22	22	100.0%	87
LV Networks		949	1 130	–	–	4	283	279	98.6%	1 130
Capital Spares		1 317	870	–	–	–	217	217	100.0%	870
Water Supply Infrastructure		–	–	–	–	–	–	–		–

Information and Communication Infrastructure	1 201	750	–	149	288	188	(100)	-53.4%	750	
Data Centres	–	–	–	–	–	–	–	–	–	
Core Layers	1 201	750	–	149	288	188	(100)	-53.4%	750	
Distribution Layers	–	–	–	–	–	–	–	–	–	
Capital Spares	–	–	–	–	–	–	–	–	–	
Community Assets	1 914	2 885	–	252	308	721	413	57.3%	2 885	
Community Facilities	66	363	–	203	216	91	(125)	-137.9%	363	
Halls	–	–	–	–	–	–	–	–	–	
Centres	–	–	–	–	–	–	–	–	–	
Crèches	–	–	–	–	–	–	–	–	–	
Clinics/Care Centres	–	–	–	–	–	–	–	–	–	
Fire/Ambulance Stations	–	–	–	–	–	–	–	–	–	
Testing Stations	–	–	–	–	–	–	–	–	–	
Museums	–	–	–	–	–	–	–	–	–	
Galleries	–	–	–	–	–	–	–	–	–	
Theatres	–	–	–	–	–	–	–	–	–	
Libraries	46	213	–	46	46	53	7	13.9%	213	
Cemeteries/Crematoria	–	–	–	–	–	–	–	–	–	
Police	–	–	–	–	–	–	–	–	–	
Parks	20	150	–	158	170	38	(133)	-353.5%	150	
Public Open Space	–	–	–	–	–	–	–	–	–	
Nature Reserves	–	–	–	–	–	–	–	–	–	
Public Ablution Facilities	–	–	–	–	–	–	–	–	–	
Markets	–	–	–	–	–	–	–	–	–	
Stalls	–	–	–	–	–	–	–	–	–	
Abattoirs	–	–	–	–	–	–	–	–	–	
Airports	–	–	–	–	–	–	–	–	–	
Taxi Ranks/Bus Terminals	–	–	–	–	–	–	–	–	–	
Capital Spares	–	–	–	–	–	–	–	–	–	
Sport and Recreation Facilities	1 847	2 522	–	49	92	630	538	85.4%	2 522	
Indoor Facilities	–	–	–	–	–	–	–	–	–	
Outdoor Facilities	1 847	2 522	–	49	92	630	538	85.4%	2 522	
Capital Spares	–	–	–	–	–	–	–	–	–	
Heritage assets	–	–	–	–	–	–	–	–	–	
Non-revenue Generating	–	–	–	–	–	–	–	–	–	
Improved Property	–	–	–	–	–	–	–	–	–	
Unimproved Property	–	–	–	–	–	–	–	–	–	
Other assets	–	348	–	26	26	87	61	69.7%	348	
Operational Buildings	–	348	–	26	26	87	61	69.7%	348	
Municipal Offices	–	348	–	26	26	87	61	69.7%	348	
Pay/Enquiry Points	–	–	–	–	–	–	–	–	–	
Machinery and Equipment	8 094	10 438	–	88	792	2 609	1 817	69.6%	10 438	
Machinery and Equipment	8 094	10 438	–	88	792	2 609	1 817	69.6%	10 438	
Immature	–	–	–	–	–	–	–	–	–	
Policing and Protection	–	–	–	–	–	–	–	–	–	
Zoological plants and animals	–	–	–	–	–	–	–	–	–	
Total Repairs and Maintenance Expenditure	1	23 933	29 907	–	2 174	3 679	7 477	3 798	50.8%	29 907

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

The Technical Services Department is currently implementing the following projects as per the

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

2025/26 Financial Year MIG
Allocation

R48 228 000

Less: Total Expenditure (incl. Retention)	R12 635 125.20
Balance	R35 592 874.80
Expenditure of as a %	R26.20%

Projects under Construction Stage for MIG

- Construction of a Sportsfield in Hlomendlini
- Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili Ward 13 Phase 2 and Ward 14 White City Section (Phumla, Indumiso and Malandela).
- Nyoni Taxi Route Phase 4
- Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Mthombothi, Mbabala, Umgakla and Sondeza)
- The Rehabilitation of Bumbanani Road in Sundumbili: Ward 13, 14 & 15 - Phase1
- Upgrade of Machibini Link Road to Isithebe in Ward 10 and 12 Phase 2
- Construction of a Soccer Field and Combo Court in Khenana Township, Ward 10
- Construction of Community Hall in Ward 8

Projects that are in the planning stage for MIG and awaiting registration

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

4.2. Projects under Municipal Internal FundingProjects under planning

- Completion of Extension of Mechanical / Technical Services Building Phase 1: Finalisation of document to procure new service provider.
- Construction of a Community Hall in Ward 3: Consultant has been appointed. Identified site has been identified as belonging to Department of Public Works. Alternative site is to be identified.
- Construction of a Community Hall in Ward 17: Awaiting appointment of consultant.
- Establishment of new Emergency Centre: finalisation of preliminary report and business plan.

- Planning for installation of high masts in ward 1,2,6, 7,13,14,15: finalisation of preliminary report.

4.3 Municipal Disaster Response Grant

2024/25 Financial Year MIG Allocation	R5 180 500
Less: Total Expenditure (incl. Retention)	R 4 679 724.85
Balance	R 500 775.15
Expenditure of as a %	90.33%

Projects under Construction

- The Re-gravelling of Thengela to Nazareth Temple in Ward 8, Mandeni
- Re-gravelling of Road Thulas to Ematsheketsheeni road in Ward 12.

5. **PROGRESS ON PROJECTS AND EXPENDITURE**

5.1 Municipal Infrastructure Grant

a) Construction of a Hlomendlini Sportfield - Ward 4

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 333 210.46	R 1 333 210.46
Construction Cost (incl. Retention)	R 7 951 934.33	R 4 923 290.59
Internal Funding (Professional and construction Fees)	R1 547 441.12	R 1 238 868.59
TOTALS (Incl. Vat)	R 10 832 585.91	R 7 495 369.64

Project Details

Name of Consultant:

Siyazenzela Consulting

Name of Contractor: Sihawusethu Trading (Pty) Ltd

Project Commencement Date: January 2025

Contractual Completion Date: 5 May 2025

Revised Completion date: 25 September 2025

Project Scope

- Site Establishment and Setting out of works.
- Bulk earthworks to the various elements of infrastructure on site.
- Construction of a soccer field (110m x 75m).
- Construction of a combi court (38m x 19.5m).
- Construction of an ablution facility (10 toilet units), with change rooms (3 toilet units), public toilets (2 toilet units) and office/first aid room including water, sewage, and electrical supply.
- Construction of a grandstand with a minimum of 5 rows of seats (length of 25m).
- Installation of fencing including gate house (pedestrian and vehicle gates).
- Construction of an unpaved parking area.

Current Status of Construction Progress 40% (Overall Progress 80%): Site Handover, Site Establishment 100%, Setting Out 100%, Site Clearance 90%, Subsoil 90%, Bulk Earthworks (Combo Court, Ablution & Guardhouse) 90%, Layerworks to Sportsfield 65%, Layerworks to Combo Court 50%, Access Road & Parking 30%, Grandstand 15%, Guardhouse 5%.

Performance of the Contractor remains unsatisfactory as the contractor is failing to achieve their set targets as per the approved E.O.T Claim No.2 (Expired 25th September 2025) and the revised Construction Programme. The Contractor was issued an Intention to Terminate on **Tuesday, 9th September 2025** with a possibility of Final Termination process to commence.

Challenges: Poor performance by the Contractor due to poor workmanship caused by lack of supervision, planning and inadequate allocation of resources to execute the project accordingly. This has been a recurring issue that has been noted in the previous months with signs of minimal improvements that has not been enough to steer the project back on track to ensure project completion within time and quality. Poor quality of works and non-compliance towards their contractual and site obligations remains an area

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

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

Project Details

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

Project Scope

- Site Establishment: Establishment of offices, tools, plant, etc.
- General requirements for construction activities: Employment of Local Labour and CLO.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- The implementation of Traffic Accommodation facilities.
- Milling of the existing road asphalt to spoil.
- Excavation of the existing road layerworks to stockpile and spoil.
- Subgrade treatment: 300mm undercut to spoil and replace with G7 backfill at unsuitable founding conditions.
- Rip and recompact Roadbed (Subgrade) in preparation for layerworks.
- Installation of cable ducts - and protection to existing services where necessary.
- Import G5 and G2 material from commercial sources for layerworks.
- Construction of a 150mm Subbase layer with G5 material obtained from commercial sources.
- Construction of a 150mm Base layer with G2 material obtained from commercial sources.

- Pre-pulverising cement stabilising of the existing Base layer for areas with minimal degree of surface failures.
- Construction of concrete V-Drains and Kerbing and Channelling.
- Construction of a 40mm Asphalt layer- Mix D, obtained from commercial sources.
- Construction of speed humps.
- Construction of Stormwater pipelines utilising 600mmØ and 450mmØ concrete pipes. The installation of Sub-soil drains for subsurface drainage.
- Construction of Side Inlet Manholes along the roadways. Installation of Guardrails.
- Installation of Gabions.
- Installation of Retaining walls.
- Installation of Road Signs and painting of Road Markings.
- Clearing of the road reserve

Current Status Overall Construction progress 99%: Site establishment 90%, Setting Out of works is 100%, Traffic Accommodation 100%, Site Clearance 100% and Roadbed Preparation 100%, Stormwater Installation 100%, Manhole Construction 97%, Subsoil installation 95%, service crossing ducts 92%, Subsoil Drainage G5 material layer 100% for our subbase layer, G2 Base layer 100%, Asphalt Surfacing 100%, Road Signs & Marking 85%, Speed Humps 100%, Guardrails 100%, Kerbing and Channel 97.5%, Gabion Retaining Wall 60%.

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

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 243 837.65	R 2 243 764.93
Construction Cost (incl. Retention)	R 10 679 964.34	R 10 679 964.34
Internal Funds (Professional/construction fees)	R 4 629 230.16	R 3 707 772.29
TOTALS (Incl. Vat)	R 17 553 032.15	R 16 631 501.56

Project Details

Name of Consultant: Kukhanya Projects (Pty) Ltd
Name of Contractor: Iqhawe Elihle Trading
Project Commencement Date: May 2024
Contractual Completion Date: 10 February 2025
Revised Completion date: 31 July 2025

Project Scope

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

Current Status Overall Construction Progress 86%: Contractual Submissions 100%, Site Establishment 100%, Accommodation of Traffic 78% Road Construction Works 78%, Stormwater 99%, Kerb & Channel Works 70%, Sidewalk Construction 34% and Asphalt Laying 0%. There has been very minimal progress of works within the month of September 2025 as the performance of the contractor remains unsatisfactory as the contractor has failed to achieve set targets as per the approved E.O.T Claim (expired 31 July 2025) and Construction programme. The Municipality imposed penalties from the 1st August 2025, reviewed them on the 31st August 2025 to extent them until the 30th September 2025. The Contractor was then served with an Intention to Terminate on **Monday, 29th September 2025** as a result of failure to meet their contractual obligation in bring the project to a Completion.

Challenges: Theft of Survey Pegs being a continuous issue on site along with water pipe bursts infrastructure due to the damages this causes to the road layer works because of leakages. Contractor has been issued with a Notice of slow progress because of the rate of construction

works, poor planning and inadequate resource allocation on their end remains a recurring issue in delivery of the project. Inadequate resources and workmanship of appointed local Subcontractors have also contributed to the slow progress of works. The Transnet Gas Pipeline intersecting with the proposed stormwater along with an existing sewer line challenge has been resolved with the contractor being issued a site instruction to execute works.

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees (MIG	R 2 743 191.52	R 2 696 436.49
Construction Cost (MIG)	R 17 536 070.12	R 17 535 975.10
Internal Funds Professional/construction fees)	R 3 932 538.28	R 2 860 021.25
TOTALS (Incl. Vat)	R 24 211 799.92	R 23 092 342.84

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

Project Scope

- Establishment on site.
- Clearing & grubbing.
- Traffic accommodation facilities.
- Removal of layers and stockpiling for later use. (Earthworks)
- Demolish existing culverts.
- Construction of stormwater infrastructure.
- Construction of sidewalks.
- Construction of layer works
- Erection of Kerbing and Channel.
- Clearing of road reserve.
- Road marking, including road signs.
- Traffic calming measures.

- Finishing off, removal of site establishment and 12 months' maintenance of the works as stipulated per the defect liability period clause.

Current Status Overall Construction progress 95%: Contractor has established on site 100%. Contractor has planned alternate routes for traffic accommodation 100%. Clear and grub 100%. Removal of existing asphalt 100%. Earthworks 100%. Demolishing of existing concrete culverts at Ch 3+050 and Ch 3+500 100%. Portal Culvert at 3+050 earthworks 100%, portal culverts installation 100%, wingwalls 100%. Dump rock layer 100%. Importing of fill material to formation 100%. Layerworks G7 100%, G5 100%, G2 100%, Asphalt 100%. Concrete 1200mm diameter culvert installation at Ch 3+500 installation 100%, concrete wingwalls 100%. Stormwater concrete pipe culverts 100%. Kerb and channel 100%. Gabion baskets and reno mattresses 100%. Finishing off 10%. Performance of the contractor is satisfactory.

Challenges: N/A

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 441 758.19	R 1 072 692.41
Construction Cost (incl. Retention & Surety)	R 10 600 230.99	R 4 453 661.08
TOTALS (Incl. Vat)	R 12 041 989.18	R 5 526 353.49

Project Details

Name of Consultant: Impumelelo Consulting Engineers
Name of Contractor: Nikeresia Construction
Project Commencement Date: January 2025
Contractual Completion Date: March 2026
Revised Completion date: N/A

Project Scope

- Site establishment
- Site clearance
- Bulk earthworks / civils works

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

Current Status Overall Construction progress 49%: Site Handover / Technical Meeting - 100%, Contractual Submissions 100%, Site Establishment - 100%, Clearing & Grubbing - 100%, Setting Out - 100%, Bulk Earthworks - 100%, Civil Works (Stormwater & Sewer) - 85%, Fencing 80%.

Performance of the Contractor remains as unsatisfactory with minimal improvements and little progress in the current month of reporting. Notices of slow progress will be issued to the contractor.

Challenges: Slow progress of the contractors performance.

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 281 229.81	R 1 059 585.20
Construction Cost (incl. Retention & Surety)	R 7 180 245.34	R 2 932 551.24
TOTALS (Incl. Vat)	R 8 461 475.15	R 3 992 136.44

Project Details

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

Project Scope

- Establishment on site
- Site clearance
- Concrete work (Foundations and floor slabs)
- Brickwork
- Plaster
- Painting
- Installation of ironmongery
- Ceiling installation
- Installation of sanitary fittings
- Installation of doors and windows
- Tiling
- Plumbing and drainage.
- Electrical installations
- HVAC installations
- Timber roof trusses and roof sheeting.
- Roadworks
- Asphalt surfacing for parking area
- Installation of kerbs
- Landscaping
- Fencing
- Specialist signage
- Borehole
- General cleaning

Current Status Overall Construction progress 30%: Establishment on site 100%, Site Clearance 100%, Hall Superstructure Earthworks 100%, Hall Superstructure Foundations including Concrete 100%, Hall Superstructure Floor Slab 90%, Hall Superstructure Brickwork 30%, Guardhouse earthworks 80%, Guardhouse foundations including concrete 0%, Guardhouse Floor Slab 0%, Guardhouse Brickwork 0%, Plaster 0%, Painting 0%, Installation of ironmongery 0%, Ceiling installation 0%, Installation of sanitary fittings 0%, Installation of doors and windows 0%, Tiling 0%, Plumbing and drainage 0%, Septic tank & sewer pipes 0%, Electrical installations 0%, HVAC installations 0%, Timber roof trusses 0%, Roof sheeting 0%, Roadworks 0%, Asphalt surfacing 0%, Installation of kerbs 0%, Stormwater drainage 0%, Water reticulation 0%,

Landscaping 0%, Fencing 0%, Specialist signage 0% and Borehole installation 0%. Performance of the contractor is satisfactory

Challenges: Inadequate experience of the key personnel to monitor construction works was identified as risk and contractor was instructed to appoint personnel with the required experience. The contractor has made a new appointment and will resume work on site on the 7th of October 2025.

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 067 105.27	R 1 022 364.28
Construction Cost (incl. Retention) (V.O : R 367 004.50)	R 5 413 316.30	R 5 283 165.92
TOTALS (Incl. Vat)	R 6 480 421.57	R 6 305 530.20

Project Details

Name of Consultant: Africoast JBFE Project Manager

Name of Contractor: R Busisiwe (Pty) Ltd

Project Commencement Date: January 2023

Contractual Completion Date: July 2023

Revised Completion date: 20 May 2024

Project Scope

- Supply and install of 6 x 30m high mast lighting.
- Installation and Commissioning of street and high mast lighting.
- Certifying all the installations for compliance.
- Submitting project report, designs/drawings and quality stacks on project handover.

Current Status Overall Construction progress 100%: All six high masts have been commissioned and energized.

Challenges: N/A

5.2 Municipal Disaster Response Grant

(a) The Re-gravelling of Thengela to Nazareth Temple in Ward 8, Mandeni

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 398 803.57	R 297 216.72
Construction Cost (Including retention)	R 1 981 696.43	R 1 997 445.84
TOTAL	R 2 380 500.00	R 2 276 662.56

Project Details

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

Project Scope:

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

Current Status Overall Construction progress 95.65%: Site Establishment 100%, Setting out - 100 %, Clearing and grabbing - 100%, Installation of sub soil - 100%, Overhaul - 100%, concrete pipe installation and construction of Structure (Stormwater), Bulk earthworks (cut to fill & cut to

spoil) - 100%, Preparation of the roadbed - 100%, Gravel subbase layer (G7) - 95%, Gravel wearing course (G5), - 85%, Installation of gabions and mattresses - 85%, Installation of signages - 100%, Clearing of road reserve 100% . Performance of the contractor is satisfactory. Practical Completion was issued to the Contractor on **Friday, 26th September 2025**.

Challenges: n/a

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

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 349 144.02	R 401 199.78
Construction Cost	R 2 493 885.89	R 2 001 862.51
TOTAL	R 2 800 000.0	R 2 403 062.29

Project Details

Name of Consultant: FDKL Engineering Consultants

Name of Contractor: Amathokozamahle (Pty) LTD

Project Commencement Date: June 2025

Completion Date: October 2025

Revised Completion Date: Nil

Project Scope:

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

Current Status Overall Construction progress: Construction 94%: Site Establishment 100%, Clear and grubbing for roadworks 100%, Mass Earthworks 100%, Road formation 100%. Layer works consisting of (G9 - 100%, G7- 100% & G5 - 100% Gravel materials), Concrete V-Drains 100% and Subsoils 100%, Prefabricated Pipe Culverts including headwalls 95%, Concrete Surfacing (25 MPa) of Steep areas 100%, Landscaping works, topsoiling and grassing 60%. Finishing off 95%. Performance of the contractor is satisfactory. Practical Completion was issued to the Contractor on **Wednesday, 23rd September 2025**.

Challenges: n/a

5.2 Municipal Internal Funding

(a) Establishment of new office building at the Municipality's Main Office

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 27 520 466.21	R13 409 689.07 (2024/25FY) R1 552 944.36 (2025/26FY)
2025/26 FY Construction Cost (Including retention)	R33 500 000.0	R0
Total Construction Cost (Including retention)	R112 455 957.18	N/A
TOTAL	R139 976 423.4	R14 962 633.43

Project Details

Name of Consultant: DLV Project Managers and Engineers
Name of Contractor: High end JV Nap Holdings
Project Commencement Date: 1 September 2025
Anticipated Completion Date: November 2027
Revised Completion Date: N/A

Project Scope:

- Site establishment
- Site clearance
- Completion of Mass Earthworks
- Foundation excavations
- Pouring of reinforced concrete footings, slabs, and pile foundations
- Basement Construction
- Underground Services Installation
- Structural Framing
- Building construction
- Floor slabs
- Roofing
- Windows
- Cladding
- Door installation
- Mechanical, electrical and plumbing
- Floor finishes
- Ceiling systems
- HVAC systems
- Fire protection systems
- Wall and floor finishes
- MEP Testing
- Parking and External works
- Cleaning
- Finishing

Current Status Overall Construction progress 2%: Contractor appointed on the 29th of Jul 2025. Technical site handover meeting was conducted on 11th August 2025. Access to site to be granted on the 1st September 2025.

Challenges: N/A

5.3 INEP GRANT

a) Okhovothe Electrification Project

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

Project Details

Name of Consultant: BVI Engineers
Name of Contractor: Onombuthu (Pty) Ltd
Project Commencement Date: May 2023
Completion Date: August 2023
Revised Completion Date: June 2024

Project Scope: Electrification of 100 households

Current Status: Overall construction progress is at 100%.

Challenges: The commissioning of this project was scheduled to commence on the 14th of July 2025. This date was agreed upon at a preplanning meeting held on the 1st of July 2025. The commissioning has been unsuccessful because the Key Change Tokens for this project were issued in 2023 which back then Eskom was still using an old Supply Group Code (SGC) 100405 and Key Revision Number 1 (KRN1). The business has now migrated to KRN2 and to new Supply Group Codes (100841, 100842 & 100843). The Eskom System has been blocked and can no longer allow meters to be reconfigured to KRN 2 and to the new SGC. The system also can no longer create any KRN1 tokens & old SGC's. This means that the meters could not be commissioned as planned. Eskom recommended that municipalities must procure new meters and replace meters with old KRN's. A quotation has been received from a supplier for 105 meters and engagements with the municipality for funding are currently underway.

6 IMPLICATIONS**7****6.1 FINANCIAL**

All projects being implemented will have to be funded in terms of the approved municipal budget. Funding is either through grant funding or municipal revenue funding.

6.2 LEGAL

All procurement will be done in terms of the Municipal Supply Chain Management Policy, or any other relevant policy of council and implementation will be in terms of all relevant legislation or regulations applicable.

6.3 PUBLIC RELATIONS

Project Steering Committees (PSC's) are established through the Office of the Speaker to address community consultation on all projects. The PSC's meet regularly to attend to issues relating to the community affected by the projects. Further, community liaison officers from the project areas are employed on the projects to assist with community consultation.

5.4 Division of Revenue Act on Grants Receipts

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q1 First Quarter

Description	Ref	2024/25	Budget Year 2025/26						
		Audited Outcome	Original 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:		271 476	250 223	–	106 489	62 556	1	0.0%	250 223
EPWP Incentive	–	1 815	1 714	–	429	428	1	0.1%	1 714
Finance Management	–	1 850	1 900	–	1 900	475			1 900
Integrated National Electrification Prog	–	7 200	–	–	–	–			–
Local Government Equitable Share	–	243 588	244 198	–	101 749	61 049			244 198
Municipal Infrastructure Grant	–	17 023	2 411	–	2 411	603			2 411
	–						–		
	–						–		
	–						–		
	–						–		
Other transfers and grants [insert description]							–		
Provincial Government:		4 501	4 933	–	–	1 233	(1 233)	-100.0%	4 933
KwaZulu-Natal_Capacity Building and	–	4 501	4 933	–	–	1 233	(1 233)	-100.0%	4 933
	–						–		
	4						–		
Other transfers and grants [insert description]							–		
District Municipality:		–	–	–	–	–	–		–
[insert description]							–		
							–		
Other grant providers:		–	–	–	–	–	–		–
							–		
Total Operating Transfers and Grants	5	275 977	255 156	–	106 489	63 789	(1 233)	-1.9%	255 156
Capital Transfers and Grants									
National Government:		132 244	45 817	14 000	30 100	11 454	14 135	123.4%	45 817
Municipal Infrastructure Grant (MIG)	–	128 668	45 817	14 000	25 589	11 454	14 135	123.4%	45 817
Integrated National Electrification Prog	–	3 576	–	–	–	–			–
DISASTER GRANT	–	–	4 511		4 511				
Other capital transfers [insert description]							–		
Provincial Government:		–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–		–
KwaZulu-Natal_DC 29 - Ilembe_Infras	–	–	–	–	–	–	–		–
							–		
Other grant providers:		–	–	–	–	–	–		–
Total Capital Transfers and Grants	5	132 244	45 817	14 000	30 100	11 454	14 135	123.4%	45 817
TOTAL RECEIPTS OF TRANSFERS &	5	408 221	300 973	14 000	136 589	75 243	12 902	17.1%	300 973

Grant Receipts Analysis

The total operational YTD grant receipts as at 30th September is R136.6 million, which has been allocated as follows:

- Equitable Share receipts of R101.7million as of September 2025.
- FMG receipt of R1.9 million as in total Grant.
- EPWP receipts of R429thousand as of September 2025.
- The Municipality have not received any Library Grant as of September 2025.

The total capital YTD grant receipts as at 30th September 2025 is R28million which has been allocated as follows:

- MIG receipt of R 28million as of September 2025.

5.4 Division of Revenue Act on Grants Expenditure

KZN291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q1 First Qu

Description	Ref	2024/25	Budget Year 2025/26						
		Audited Outcome	Original 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:		271 476	251 013	24 395	103 297	62 753	40 544	64.6%	6 025
Expanded Public Works Program	—	1 815	1 714	237	681	428	253	59.0%	1 714
Local Government Financial Mar	—	1 850	1 900	420	850	475	375	79.0%	—
INEP	—	7 200	—	—	—	—	—	—	1 900
EQUITABLESHARE	—	243 588	244 988	23 560	101 194	61 247	39 947	65.2%	—
Municipal Infrastructure Grant	—	17 023	2 411	178	572	603	(31)	-5.2%	2 411
0									
Other transfers and grants [insert description]									
Provincial Government:			4 933	447	1 136	1 233	(97)	-7.9%	4 933
KwaZulu-Natal Capacity Building and Other Specify (Add grant description)_Receipts									
KwaZulu-Natal	—	4 282	4 933	447	1 136	1 233	(97)	-7.9%	4 933
0									
0									
Other transfers and grants [insert description]									
District Municipality:		—	—	—	—	—	—	—	—
[insert description]									
Other grant providers:		—	—	—	—	—	—	—	—
[insert description]									
Total operating expenditure of Transfer		271 476	255 946	24 842	104 433	63 987	40 446	63.2%	10 958
Capital expenditure of Transfers and Grants									
National Government:		46 479	45 817	4 213	13 158	12 582	576	4.6%	45 817
Integrated National Electrification	—	—	—	—	—	—	—	—	—
Municipal Disaster Recovery Gra	—	—	4 511	366	2 899	1 128	1 771	157.1%	—
Municipal Infrastructure Grant	—	46 479	45 817	3 847	10 259	11 454	(1 195)	-10.4%	45 817
0									
0									
Other capital transfers [insert description]									
Provincial Government:		—	—	—	—	—	—	—	—
KwaZulu-Natal	—	—	—	—	—	—	—	—	—
0									
District Municipality:		—	—	—	—	—	—	—	—
KwaZulu-Natal-DC 29 - Ilembe-I	—	—	—	—	—	—	—	—	—
0									
Other grant providers:		—	—	—	—	—	—	—	—
0									
Total capital expenditure of Transfers a		46 479	45 817	4 213	13 158	12 582	576	4.6%	45 817
TOTAL EXPENDITURE OF TRANSFERS		317 955	301 763	29 056	117 591	76 568	41 023	53.6%	56 775

Grant Expenditure Analysis

The total operational YTD grant receipts as at 30th September 2025 are R117.6 million, which has been allocated as follows

- FMG Grant: with a balance of R1.0million as at 30th September 2025, representing 45% spend of the total expenditure.
- Provincial Libraries Grant: negative balance of -R1.1million as the grant has not been received.
- MIG Grant: expenditure of R10.8million, which is 22% as of 30th September 2025.
- RBIG Grant: expenditure of R974thousand which is 86% as of 30th September 2025.
- Sport Grant: no expenditure recorded in the new financial year to date.
- Title Deeds Restoration Grant: no expenditure incurred as at September 2025, and the balance of R723thousand remains unchanged.
- Disaster relief Grant: expenditure to date is R3.4million remaining unspent balance of R1.1million as of 30th September 2025.
- EPWP Grant: expenditure of R681thousand, representing 40% as at September 2025, resulted in a negative balance of -R252thousand. This is due to the municipality having received only R429 thousand as the first tranche.

3. Debtors Age Analysis

Table SC3 Monthly Budget Statement_ Debtors Age Analysis

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q1 First Quarter

Appendix A: Supporting Table 300 Monthly Budget Statement - aged debtors - 21 April 2025													
Description	Budget Year 2025/26										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
	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
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivable	1200	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivable	1300	4 830	23	295	124	101	73	495	2 784	8 725	3 576	–	–
Receivables from Non-exchange	1400	18 396	(294)	(8)	45	1 416	1 316	8 057	105 864	134 791	116 697	–	–
Receivables from Exchange	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange	1600	2 235	(8)	957	943	885	881	5 762	60 058	71 714	68 529	–	–
Receivables from Exchange	1700	44	(1 412)	(17)	(22)	(6)	(36)	5	124	(1 321)	65	–	–
Interest on Arrear Debtor Accounts	1810	807	–	421	397	415	410	2 753	33 821	39 024	37 797	–	–
Recoverable unauthorised, interest on	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	5 527	5	16	9	(0)	(0)	0	5 437	10 993	5 446	–	–
Total By Income Source	2000	31 838	(1 686)	1 663	1 495	2 811	2 644	17 073	208 089	263 926	232 111	–	–
2024/25 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	1 290	(1 447)	163	149	263	242	1 427	33 323	35 410	35 405	–	–
Commercial	2300	21 986	(128)	186	286	551	509	2 962	29 771	56 124	34 080	–	–
Households	2400	8 101	(111)	1 178	906	1 863	1 760	11 789	139 185	164 672	155 503	–	–
Other	2500	461	(0)	137	154	133	133	894	5 809	7 720	7 123	–	–
Total By Customer Group	2600	31 838	(1 686)	1 663	1 495	2 811	2 644	17 073	208 089	263 926	232 111	–	–

The total Consumer debtors outstanding as 30th September 2025 is **R 263.9 million**

- Debt book indicates 1% increase from to 1st July 2025 with R260.9million to September 2025 with R263.9million; within a Quarter the debt book has accumulated a 1% increase.
- Debtors collection rate of September 2025 is 96%

The culture of non-payment by ordinary households due to poor database and sanctioning tools is still a contributing factor to our poor revenue collection.

The growing municipal debt book is a cause for concern, with management focusing on data collection and cleansing as part of a broader strategy to enhance debt collection. By the end of the current financial year (2025/2026), the database is expected to reflect an accurate view of outstanding debts. Management plans to implement a debt collection strategy that includes engaging a third-party debt collection service, targeting debts older than 90 days (excluding government debt). To encourage timely payments, the Municipality is exploring the possibility of offering discounts to prompt-paying consumers.

As part of the revenue enhancement strategy, door-to-door visits are being conducted to collect outstanding debts, verify consumer data, and serve Section 129 demands. The indigent office is also actively engaging in an outreach program to collect indigent applications and ensure access to Free Basic Electricity. and will be expanded to other wards. Our visitations have resulted into serious

dialogues with our community members, wherein they have raised serious concerns about refuse bags dispatching methodologies, non-existent of our satellite offices which are much closer to our people and high legal costs for property transfers.

The analysis of vacant properties is underway; the aim is to exhaust all necessary steps before the abandoned vacant properties are advertised for sale in execution.

Management have initiated the outreach program where Quarterly visits are carried out on different wards, the program is aimed at adding a number of indigent households who face challenge to access municipal Offices.

The municipality has adopted the revenue enhancement strategy. This is being implemented. This strategy is a process that is mainly supported by external stakeholders. Its impact will be assessed going forward. At this point in time, it is important that an opportunity is given for its support.

Planned Interventions to Increase Collections (Property rates and Service Charges)

- On a weekly basis, a list of top 20 debtors (businesses, government and domestic) is extracted from the debtors list.

- Debtors selected are encouraged to come and make arrangements for payment;
- In the event that they still default on payments, these debtors are written final demand letters and if no positive response is received, a process of effecting service disconnections ensues in line with our credit control policy.

ACCOUNTS WITH LETTERS OF FINAL DEMAND FOR PAYMENT SENT OUT					
ACC. NO.	address	ERF NO.	DEBTORS NAME	DEBT TYPE	AMOUNT R
003961361	LOT 159 HIGHVIEW	159	MASEELA	RATES/REFUSE	R10 078.71
003961371	LOT 163 HIGHVIEW	163	KHUZWAYO	RATES/REFUSE	R21 760.15
003961381	LOT 164 HIGHVIEW	164	NDIMANDE	RATES/REFUSE	R10 743.34
003961391	LOT 165 HIGHVIEW	165	YENKATHIAH	RATES/REFUSE	R66 544.44
003961401	LOT 166 HIGHVIEW	166	GOUNDEN	REFUSE/RATES	R14 794.90
003961441	LOT 173 HIGHVIEW	173	PILLAY	RATES/REFUSE	R32 399.69
003961451	LOT 176 HIGHVIEW	176	GOVENDER	RATES/REFUSE	R23 117.43
003961471	LOT 178 HIGHVIEW	178	NGWANE	RATES/REFUSE	R7 967.14
006601821	LOT 182 HIGHVIEW	182	GUMEDE	RATES/REFUSE	R13 217.86
003961631	LOT 186 HIGHVIEW	186	BASANTHAL	RATES/REFUSE	R8 284.23
006601881	LOT 188 HIGHVIEW	188	NAIDOO	RATES/REFUSE	R23 595.87
003961661	LOT 190 HIGHVIEW	190	MDLETSHI	RATES/REFUSE	R7 256.94
003961671	LOT 191 HIGHVIEW	191	NDLOVU	RATES/REFUSE	R14 404.22
003961681	LOT 192 HIGHVIEW	192	MTHETHWA	RATES/REFUSE	R87 277.85
003961691	LOT 193 HIGHVIEW	193	NDHLAZI	RATES/REFUSE	R68 495.64
003961701	LOT 194 HIGHVIEW	194	SHANDU	RATES/REFUSE	R52 012.05
003961711	LOT 195 HIGHVIEW	195	SHANDU	RATES/REFUSE	R55 187.31
006601971	LOT 197 HIGHVIEW	197	PILLAY	RATES/REFUSE	R60 245.05
003961731	LOT 199 HIGHVIEW	199	MAZIBUKO	RATES/REFUSE	R63 096.72
006602001	LOT 200 HIGHVIEW	200	ANMOL	RATES/REFUSE	R4 953.43
TOTAL					R645 432.97

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

Figure 9

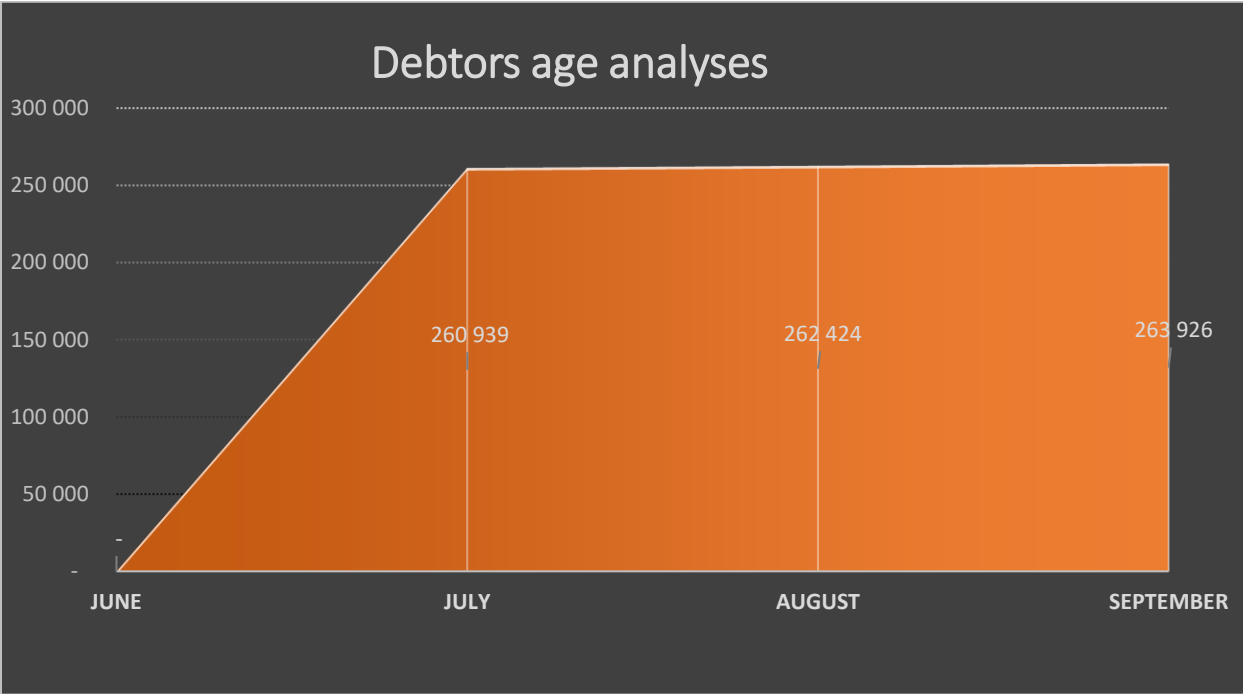
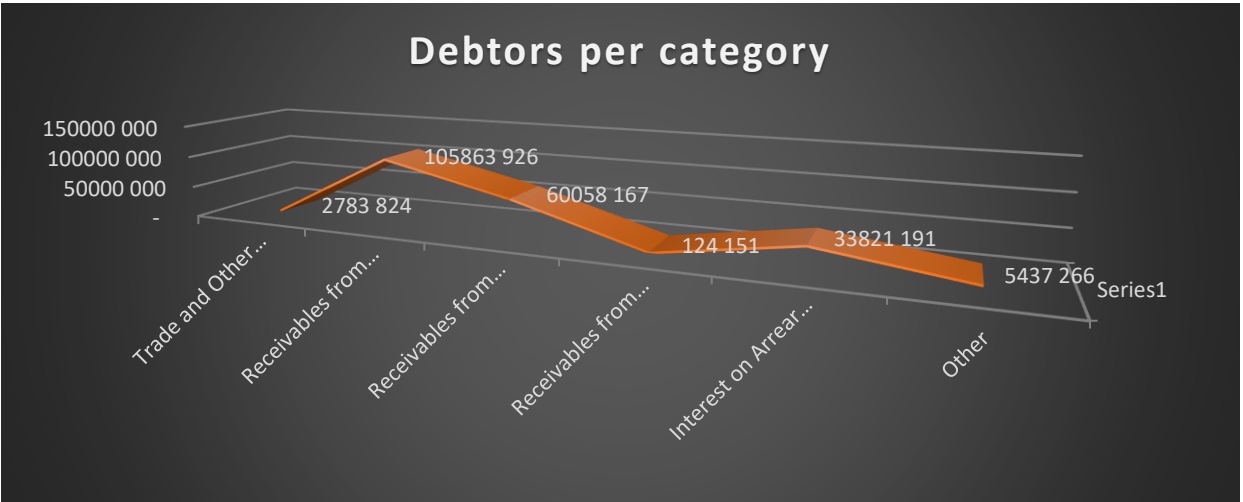
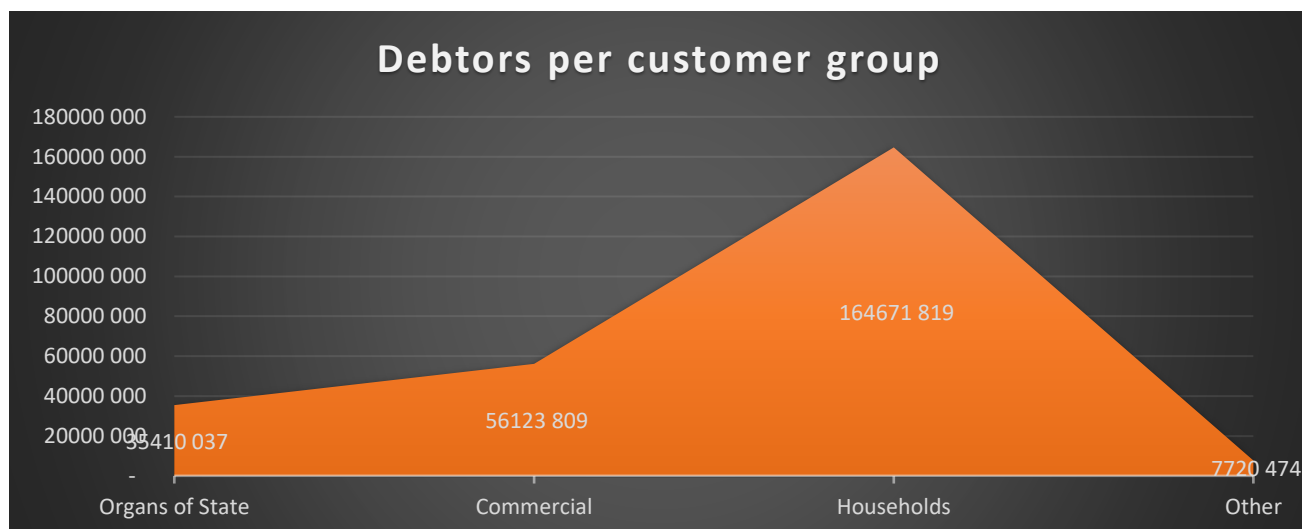


Figure 10



The municipal debtors have reduced from R263,5 million to R261,6 million that is from July 2025 until 30th September 2025. This increase is between Household debtors of 63% and it is followed by Business Commercial is 21% and Organs of State by 13% and lastly the other debtors with a percentage of 3%.

▪ **Total Outstanding Debtors from September 2025**



Councilors and Employees in Arrear

- Debt outstanding on Councilors as at September is R171,299.71
- Staff Accounts in arrears as at September is R 71,187.93

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 - M03 September											
Description	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	7 299	-	-	-	-	-	-	-	7 299	7 299
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	712	-	-	-	-	-	-	-	712	712
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	2 374	-	-	-	-	-	-	-	2 374	2 374
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	10 385	-	-	-	-	-	-	-	10 385	10 385

- Creditors aged of R10.4million as of 30th September 2025. (Age analysis listing attached)
- As of 30 September 2025, the balance stood at R10.4 million. The creditors' balance is relatively high as payments are still being processed; however, it is expected to have reduced by 14 October 2025

Top 10 Creditors:

Top 10 Creditors (30TH SEPTEMBER 2025)

Name	Amount
ESKOM HOLDING	R 8 758 673.99
EMALANGENI	R 727 517.83
DCLM	R 319 221.97
BAMBHANANI ENTERPRISE	R 171 600.26
MALUTHULI TRADING	R 194 137.50
EZAMALUNQA	R 2 005 739.84
NJOMISA BOEDERY	R 44 903.91
CITY OF CHOICE	R 416 197.81
ILEMBE MUNICIPALITY	R 67 098.05
MBD CONSULTING	R 142 482.96

5. MONTHLY BUDGET STATEMENT - FINANCIAL POSITION**Table C6 displays the financial position of the municipality as at 30th September 2025****KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - Q1 First Quarter**

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		131 927	9 811	–	190 580	9 811
Trade and other receivables from exchange transactions		55 838	43 899	–	58 531	43 899
Receivables from non-exchange transactions		18 164	44 829	–	11 395	44 829
Current portion of non-current receivables		–	–	–	–	–
Inventory		41 639	41 799	–	41 502	41 799
VAT		4 478	38 224	–	4 098	38 224
Other current assets		225	–	–	225	–
Total current assets		252 271	178 561	–	306 331	178 561
Non current assets						
Investments		–	–	–	–	–
Investment property		44 152	41 913	–	44 152	41 913
Property, plant and equipment		751 120	761 503	–	758 575	761 503
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		2 124	1 928	–	2 124	1 928
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		797 396	805 344	–	804 851	805 344
TOTAL ASSETS		1 049 667	983 905	–	1 111 182	983 905
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		9 025	–	–	9 025	–
Consumer deposits		196	162	–	257	162
Trade and other payables from exchange transactions		56 364	46 847	–	38 580	46 847
Trade and other payables from non-exchange transactions		5 292	2 058	–	6 860	2 058
Provision		5 380	17 141	–	5 380	17 141
VAT		5 997	22 133	–	8 182	22 133
Other current liabilities		–	–	–	–	–
Total current liabilities		82 253	88 340	–	68 283	88 340
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		–	–	–	–	–
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		22 198	25 770	–	22 198	25 770
Total non current liabilities		22 198	25 770	–	22 198	25 770
TOTAL LIABILITIES		104 451	114 110	–	90 481	114 110
NET ASSETS	2	945 216	869 795	–	1 020 701	869 795
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		742 544	867 662	–	818 028	867 662
Reserves and funds		202 672	2 133	–	202 672	2 133
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	945 216	869 795	–	1 020 701	869 795

RATIOS FOR THE MONTH

Current ratio: The municipality's current assets are (4) times that of current liabilities.

The ratio measures short-term liquidity, that is, the extent to which the current liabilities can be paid from current assets. The higher the ratio, the healthier the situation is. The ratio of 4.49:0.22c is favorable as it is above the norm of 1:1 normally set for municipalities. This indicates that there is sufficient cash to meet creditor obligations.

Liquidity ratio: The cash and cash equivalents are the current liabilities, R4.49c

Creditors' system efficiency: 100 percent of the creditors outstanding are less than 30 days.

Creditor's payment: it takes the municipality 0 days to pay its creditors.

Outstanding debtors: billing far exceeds the collection on outstanding debt at the rate of 96%.

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

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

Debtors collection rate: as at the 03 month of 2025/26 at 96%

	4 Month
Cash and cash equivalents	3 445 858
Unspent Conditional Grants	18 874 172
Overdraft	-
Short Term Investments	186 962 854
Total Annual Operational Expenditure	487 943 906
	4.49
Current Assets	306 330 657
Current Liabilities	68 283 201

	0%
PPE, Investment Property and Intangible Impairment	-
PPE at carrying value	758 575 191
Investment at carrying value	44 152 000
Intangible Assets at carrying value	2 123 913

	96%
Gross Debtors closing balance	263 989 033
Gross Debtors opening balance	262 266 700
Bad debts written Off	
Billed Revenue	44 745 282
	0%
Consumer Debtors Bad debts written off	
Consumer Debtors Current bad debt Provision	15 130 435
	698 days
Gross debtors	257 133 994
Bad debts Provision	15 130 435
Billed Revenue	126 536 473

	85%
Cash and cash Equivalents	3 445 858
Bank Overdraft	-
Short Term Investment	186 962 854
Long Term Investment	-
Unspent Grants	18 874 172
Net Assets	1 020 700 723
Share Premium	
Share Capital	
Revaluation Reserve	
Fair Value Adjustment Reserve	
Accumulated Surplus	818 028 386

	23 days
Trade Creditors	10 384 762
Contracted Services	16 624 944
Repairs and Maintenance	3 678 759
General expenses	106 689 614
Bulk Purchases	20 021 922
Capital Credit Purchases (<i>Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment</i>)	17 400 875

	41%
Employee/personnel related cost	40 256 795
Councillors Remuneration	3 798 641
Total Operating Expenditure	106 689 614
Taxation Expense	-
	16%
Contracted Services	16 624 944
Total Operating Expenditure	106 689 614
Taxation Expense	

	49%
Actual Capital Expenditure	17 420 276
Budget Capital Expenditure	35 845 692
	85%
Actual Operating Expenditure	106 689 614
Budget Operating Expenditure	125 504 253
	138%
Actual Operating Revenue	156 490 976
Budget Operating Revenue	113 655 369
	113%
Actual Service Charges and Property Rates Revenue	45 962 254
Budget Service Charges and Property Rates Revenue	40 578 002

6. MONTHLY BUDGET STATEMENT -CASH FLOW

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

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - M03 September										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(52 871)	49 972	-	10 869	31 867	12 493	19 374	155%	49 972
Service charges		(63 798)	98 454	-	1 729	9 551	24 614	(15 063)	-61%	98 454
Other revenue		8 768	26 748	-	218	948	6 687	(5 740)	-86%	26 748
Transfers and Subsidies - Operational		321 176	254 956	-	(6 555)	103 649	63 739	39 910	63%	254 956
Transfers and Subsidies - Capital		133 610	46 017	-	(34 284)	28 848	11 504	17 343	151%	46 017
Interest		-	25 232	-	-	-	6 308	(6 308)	-100%	25 232
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(469 507)	(436 031)	-	(26 703)	(93 171)	(100 486)	(7 315)	7%	(436 031)
Interest		-	(3 050)	-	-	-	(763)	(763)	100%	(3 050)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(122 622)	62 299	-	(54 725)	81 691	24 096	(57 595)	-239%	62 299
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		126 073	(144 685)	-	(8 635)	(23 038)	(36 171)	(13 133)	36%	(144 685)
NET CASH FROM/(USED) INVESTING ACTIVITIES		126 073	(144 685)	-	(8 635)	(23 038)	(36 171)	(13 133)	36%	(144 685)
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		3 451	(82 386)	-	(63 360)	58 653	(12 075)			-
Cash/cash equivalents at beginning:		230 188	92 208	-	131 927	131 927	92 208			131 927
Cash/cash equivalents at month/year end:		233 639	9 822	-	68 567	190 580	80 133			-

The net increase in cash for the period ending 30 September 2025 is R58.7million. The municipality opened the financial year with cash and cash equivalents of R131.9 million as per the unaudited AFS and closed the month of September with a balance of R190.6 million.

Table C7 provides a projection of the anticipated cash inflows and outflows, illustrating the cash flow patterns likely to result from the implementation of the approved budget.

Revenue -Receipts

- The property collection rate to date is over-performed by 155% or R31.9million of the collected revenue in C7-as of 30th September 2025.
- Service Charges: Electricity and Refuse cash receipt are under collected by 61% or R15.1million from the revenue budget of R24.6million as of 30th September 2025.
- Other Revenue collected form VAT refunds received as of 30th September totals R6.9million. and Revenue receipt of R948thousand.
- Government grants received YTD total of R132.5million as of 30th September 2025 which includes Government grant Capital of R28.8million.
- Interest earned on external investments amounts to R3.8million in comparison with the pro-rata budget of R6.3million which is an under performance of 40%.

Payments

- Suppliers and employees for cash outflows of R93.2million.
- Finance charges reflect underperformance by 100 percent.
- Capital Assets of R23.0million with VAT for the month of 30th September 2025 shows an under-performance of 36% as of 30th September 2025.

6.1. BANK RECONCILIATION STATEMENT AS AT EPTEMBER 2025

 Mandeni Municipality		
BANK RECONCILIATION STATEMENT FOR SEPTEMBER 2025		
Main Account :52940480587		
Opening FNB Bank Balance as on SEPTEMBER 2025	8 314 166.29	8 314 166.29
PLUS: Deposits Banked	13 916 886.26	
PLUS: Interest received	18 237.76	
PLUS: Transfers In	23 461 206.95	
PLUS:Interest received From Call 1	96 489.16	
PLUS:Unpaid	4 785.00	
PLUS: MATURED INVESTMENTS	-	
PLUS: SARS REFUND	1 238 982.32	
PLUS: GRANTS RECEIVED	14 000 000.00	
Total Deposits	52 736 587.45	52 736 587.45
Less:Total payments	- 57 508 406.66	- 57 508 406.66
LESS: EFT Payments	- 42 620 897.45	
LESS: Bank Charges	- 20 822.06	
LESS: Transfers Out	- 14 000 000.00	
LESS: NEW INVESTMENTS	-	
LESS: Debit Orders	- 866 687.15	
Closing FNB Bank Balance as on 30 SEPTEMBER 2025		3 542 347.08
Cashbook Reconciliation for 30 SEPTEMBER 2025		
OPENING BALANCE 1/07/2025	2 810 099 045.12	
OPENING BALANCE 1/07/2025	96 176 000.00	
OPENING BALANCE 1/07/2025	- 2 889 322 530.36	
OPENING BALANCE 1/07/2025-INTEREST	1 007 168.74	
OPENING BALANCE-1/7/2025 -BANK CHARGES	- 1 660 778.29	
TOTAL OPENING BALANCE 1/07/2025	16 298 905.21	
Cashbook Balance as on 1 SEPT 2025-D0001/IA09567/F0001/X049/R0099/001/FIN	136 745 416.10	
Less:Cashbook Balance as on 1 SEPT 2025-D0001/IA09850/F0001/X049/R0099/001/FIN	- 145 279 644.65	
Corrections to be made (JNL CR)	-	
Corrections to be made (JNL DR)	5 000.00	
PLUS: Deposits Banked for SEPTEMBER 2025	13 921 671.26	
LESS: EFT Payments for SEPTEMBER 2025	- 42 670 009.64	
Plus AUG 2025 outstanding (reconciled)	529 174.62	
Less: Bank Charges to date	- 64 073.32	
PLUS: Grant received	14 000 000.00	
Less : New investment	-	
Less: Payments not yet paid during SEPTEMBER 2025	-	
PLUS: Interest received to date	76 804.23	
PLUS:Interest received From Call 1-SEPTEMBER 2025	96 489.16	
PLUS MATURED INVESTMENT	-	
PLUS :SARS REFUND	1 238 982.32	
PLUS :TRANSFER IN	23 461 206.95	
LESS:TRANSFER OUT	- 14 000 000.00	
LESS: Debit Orders for -SEPTEMBER 2025	- 866 687.15	
Closing Cashbook Balance as on 30 SEPTEMBER 2025	3 493 235.08	3 493 235.08
		49 112.19
Reconciling Items	Amount	
ADD: Journal Debits - on Cashbook not on Bank Statement	49 112.19	
ADJUSTED MONTH END CASHBOOK BALANCE- 30 SEPTEMBER 2025		3 542 347.27
MONTH END BALANCE PER BANK STATEMENT- 30 SEPTEMBER 2025		3 542 347.08
DIFFERENCE		0.19

6.2. MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO

The following information presents the short-term investments balances broken down per investment type as of 30TH SEPTEMBER 2025

 INVESTMENT REGISTER FOR SEPTEMBER 2025								
Name of grant	INTEREST RATES	Opening Balance as at	Re-Investments	Expenditure	interest	bank charges	Closing Balance as at	TOTAL INTEREST EARNED TO DATE
		2025/09/01					2025/09/30	
	%	R	R	R	R	R	R	R
call 1-internal grant	7.20	26 563 609.19	-	20 096 489.16	96 489.16	-	6 563 609.19	613 221.53
Call account 2 - HOUSING	7.20	2 176 164.83	-	-	11 351.83	-	2 187 516.66	33 279.32
Call account 3- MIG	7.20	8 485 523.46	14 000 000.00	3 461 206.95	39 993.03		19 064 309.54	128 683.14
Call account 5-TMT	7.20	555 816.20	5 330.00	2 500.00	2 721.43	100.32	561 267.31	8 328.81
Call account 6- INEP	7.20	1 109.31	-	-	5.60	-	1 114.91	1 114.91
Call account 7- AR	7.20	4 180 766.49		-	20 445.67	-	4 201 212.16	65 915.45
Call account 8- Title Deed	7.20	2 243 618.49	-	-	10 972.22	-	2 254 590.71	33 506.28
Call account 9- Disaster Recovery	7.20	2 118 871.43	-	-	10 362.15	-	2 129 233.58	52 156.72
ABSA BANK	9.78	-		-	-		-	-
NEDBANK	7.87	50 000 000.00		-	323 424.66		50 000 000.00	916 369.86
ABSA BANK	7.92	100 000 000.00	-	-	650 958.91		100 000 000.00	1 844 383.56
FNB-MAIN BANK		-			18 237.76		-	76 804.23
TOTAL		196 325 479.40	14 005 330.00	(23 560 196.11)	1 184 962.42	(100.32)	186 962 854.06	3 773 763.81

The Municipality's Investment Committee resolved to re-invest funds to generate interest income that will support municipal service delivery.

In July 2025, a total amount of R150 million was invested, comprising R50 million from ABSA for a four-month term, and R100 million from Nedbank for a six-month term.

As at the reporting date of September 2025, the Investment Register reflects a balance of R3.8million for external investments total interest earned.

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

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q1 First Quarter										
Summary of Employee and Councillor remuneration	Ref	2024/25	Budget Year 2025/26							
		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		13 079	14 319	–	1 133	3 273	3 580	(307)	-9%	14 319
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		452	702	–	39	118	175	(57)	-32%	702
Cellphone Allowance		1 493	1 754	–	123	375	439	(63)	-14%	1 754
Housing Allowances		126	269	–	11	32	67	(36)	-53%	269
Other benefits and allowances		–	–	–	–	–	–	–	–	–
Sub Total - Councillors		15 151	17 043	–	1 306	3 799	4 261	(462)	-11%	17 043
% increase	4		12.5%							12.5%
Senior Managers of the Municipality										
Basic Salaries and Wages		8 755	5 833	–	479	1 437	1 458	(22)	-1%	5 833
Pension and UIF Contributions		–	11	–	–	–	3	(3)	-100%	11
Medical Aid Contributions		268	153	–	23	68	38	30	79%	153
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		570	399	–	–	–	100	(100)	-100%	399
Motor Vehicle Allowance		716	909	–	60	179	227	(48)	-21%	909
Cellphone Allowance		342	281	–	29	86	70	15	22%	281
Housing Allowances		170	292	–	14	43	73	(30)	-42%	292
Other benefits and allowances		482	485	–	40	120	121	(1)	-1%	485
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations		5 617	3 923	–	–	–	981	(981)	-100%	3 923
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and postrelated allowance		–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		16 920	12 285	–	644	1 932	3 071	(1 139)	-37%	12 285
% increase	4		-27.4%							-27.4%
Other Municipal Staff										
Basic Salaries and Wages		96 503	105 238	–	8 700	26 203	26 309	(107)	0%	105 238
Pension and UIF Contributions		15 787	17 150	–	1 375	4 128	4 288	(160)	-4%	17 150
Medical Aid Contributions		7 748	7 271	–	694	2 088	1 818	271	15%	7 271
Overtime		4 129	3 191	–	372	1 103	798	305	38%	3 191
Performance Bonus		8 019	5 711	–	660	1 945	1 428	517	36%	5 711
Motor Vehicle Allowance		4 999	6 161	–	428	1 284	1 540	(256)	-17%	6 161
Cellphone Allowance		758	832	–	68	205	208	(3)	-1%	832
Housing Allowances		340	405	–	30	89	101	(12)	-12%	405
Other benefits and allowances		2 185	1 052	–	257	751	263	488	186%	1 052
Payments in lieu of leave		3 327	2 798	–	46	383	699	(316)	-45%	2 798
Long service awards		439	1 498	–	36	145	375	(230)	-61%	1 498
Post-retirement benefit obligations		(1 123)	4 310	–	–	–	1 078	(1 078)	-100%	4 310
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and postrelated allowance		–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		143 111	155 617	–	12 665	38 325	38 904	(580)	-1%	155 617
% increase	4		8.7%							8.7%
Total Parent Municipality		175 181	184 944	–	14 615	44 055	46 236	(2 181)	-5%	184 944

8. External Loan

NONE

9. Performance Indicators

KZN291 Mandeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q1 First Quarter							
Description of financial indicator	Basis of calculation	Ref	2024/25	Budget Year 2025/26			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	8.1%	0.0%	0.0%	4.1%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		9.8%	8.6%	0.0%	7.5%	8.6%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	306.7%	202.1%	0.0%	448.6%	202.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		160.4%	11.1%	0.0%	279.1%	11.1%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		17.2%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		37.2%	36.9%	0.0%	25.7%	36.9%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		5.6%	6.6%	0.0%	2.4%	6.6%
Interest & Depreciation	I&D/Total Revenue - capital revenue		9.9%	8.6%	0.0%	0.0%	4.4%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

Tel 032 456 8200

Fax 032 456 2504 / 086 568 9741

Email ceo@mandeni.gov.za

2 Kingfisher Road, Mandeni, KwaZulu Natal, 4490, South Africa

PO Box 144, Mandeni, 4490

www.mandeni.gov.za

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: -

▪ **FIRST QUARTER REPORT S52(d)**

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

Print Name **Mr S.G. Khuzwayo**

Municipal Manager of Mandeni Municipal(KZN291)

Signature: _____

Date: **30 SEPTEMBER 2025**