

# **MANDENI MUNICIPALITY**

## **KZN291**



## **BUDGET & TREASURY DEPARTMENT**

### **MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED DECEMBER 2025/26 FINANCIAL YEAR**

# **STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2025/26**

## **BUDGET FOR THE PERIOD ENDING 31 DECEMBER 2025.**

### **1. PURPOSE**

The purpose of the report is to submit to the Mayor the statement of financial performance and implementation of the 2025/26 Budget of the Mandeni Municipality for the period ending 31 DECEMBER 2025 in line with the statutory requirements of S71 of the Municipal Finance Management Act (2003).

### **2. AUTHORITY**

Mayor

### **3. LEGAL / STATUTORY REQUIREMENTS**

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

### **4. BACKGROUND**

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

### **5. EXECUTIVE SUMMARY**

The monthly budget statement in terms of section 71 of the Municipal Finance Management Act for the period ending 31 December is detailed below. The monthly budget statement is divided into the following:

- 5.1 Statement of Financial Performance
- 5.2 Capital Expenditure
- 5.3 DORA Receipts
- 5.4 DORA Grants Expenditure
- 5.5 Debtors Age Analysis
- 5.6 Employee Costs and Councilors' Remuneration
- 5.7 Investment Portfolio
- 5.8 Long-term Borrowing
- 5.9 Performance Indicators
- 6. Creditor's Age Analysis
- 6.1 Bank Reconciliation Statement
- 7. Supporting Tables
- 8. Municipal Managers quality certificate

## 1.1 FINANCIAL PERFORMANCE

### BUDGET SUMMARY

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M06 December								
Description	2024/25	Budget Year 2025/26						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>R thousands</b>								<b>%</b>
<b>Financial Performance</b>								
<b>Total Revenue (excluding capital)</b>	<b>430 705</b>	<b>454 622</b>	<b>96 746</b>	<b>287 799</b>	<b>227 311</b>	<b>60 488</b>	<b>27%</b>	<b>454 622</b>
<b>Total Expenditure</b>	<b>474 482</b>	<b>487 944</b>	<b>59 185</b>	<b>238 647</b>	<b>243 972</b>	<b>(5 325)</b>	<b>-2%</b>	<b>487 944</b>
<b>Surplus/(Deficit)</b>	<b>(43 776)</b>	<b>(33 322)</b>	<b>37 561</b>	<b>49 152</b>	<b>(16 661)</b>	<b>65 813</b>	<b>-395%</b>	<b>(33 322)</b>
Transfers and subsidies	47 668	46 017	3 400	21 727	23 008	(1 281)	-6%	46 017
<b>Surplus/(Deficit) after capital transfers &amp; Surplus/ (Deficit) for the year</b>	<b>3 892</b>	<b>12 694</b>	<b>40 962</b>	<b>70 879</b>	<b>6 347</b>	<b>64 532</b>	<b>1017%</b>	<b>12 694</b>
<b>Surplus/(Deficit) after capital transfers &amp; Surplus/ (Deficit) for the year</b>	<b>3 892</b>	<b>12 694</b>	<b>40 962</b>	<b>70 879</b>	<b>6 347</b>	<b>64 532</b>	<b>1017%</b>	<b>12 694</b>
<b>Capital expenditure &amp; funds sources</b>								
<b>Capital expenditure</b>	<b>126 192</b>	<b>130 596</b>	<b>9 723</b>	<b>43 334</b>	<b>68 495</b>	<b>(25 160)</b>	<b>-37%</b>	<b>130 596</b>
Capital transfers recognis	42 242	40 058	2 953	19 528	20 029	(501)	-2%	40 058
Borrowing	0	—	—	—	—	—	—	—
Internally generated fund	<b>83 950</b>	<b>90 538</b>	<b>6 769</b>	<b>23 806</b>	<b>45 269</b>	<b>(21 463)</b>	<b>-47%</b>	<b>90 538</b>
<b>Total sources of capital</b>	<b>126 192</b>	<b>130 596</b>	<b>9 723</b>	<b>43 334</b>	<b>65 298</b>	<b>(21 964)</b>	<b>-34%</b>	<b>130 596</b>
<b>TOTAL BUDGET</b>	600 674	618 540	68 908	281 981	309 270	(27 289)	(0)	618 540

As can be seen from the table above, Actual surplus for the period ended 31 December 2025 is more than the Budgeted Surplus. Monthly budget statement summary (Table C1), for the period ending 31 December 2025 (year to date actual), shows a surplus of R70.9million against YTD budget of R6.3million which reflects an over performance of more than 100%.

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

**Table 1****Table C1 below provides a summary of the overall performance of the municipality.**

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M06 December								
Description	Budget Year 2025/26							
	2024/25	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
<b>R thousands</b>								%
<b>Financial Performance</b>								
Property rates	63 942	64 913	4 999	36 588	32 456	4 131	13%	64 913
Service charges	77 826	97 399	7 803	51 126	48 699	2 426	5%	97 399
Investment revenue	19 863	25 000	1 128	6 794	12 500	(5 706)	-46%	25 000
Transfers and subsidies	253 010	254 956	82 133	189 132	127 478	61 654	48%	254 956
Other own revenue	16 064	12 353	683	4 160	6 177	(2 017)	-33%	12 353
<b>Total Revenue (excluding capital)</b>	<b>430 705</b>	<b>454 622</b>	<b>96 746</b>	<b>287 799</b>	<b>227 311</b>	<b>60 488</b>	<b>27%</b>	<b>454 622</b>
Employee costs	160 030	167 901	13 438	80 631	83 951	(3 320)	-4%	167 901
Remuneration of Council	15 151	17 043	1 274	7 563	8 522	(959)	-11%	17 043
Depreciation and amortis	46 319	36 240	3 376	19 972	18 120	1 852	10%	36 240
Interest	0	3 050	—	—	1 525	(1 525)	-100%	3 050
Inventory consumed and	64 650	72 025	11 050	36 771	36 013	758	-61%	72 025
Transfers and subsidies	2 450	—	1 000	2 050	—	2 050	#DIV/0!	—
Other expenditure	185 882	191 685	29 047	91 661	95 842	(4 181)	-4%	191 685
<b>Total Expenditure</b>	<b>474 482</b>	<b>487 944</b>	<b>59 185</b>	<b>238 647</b>	<b>243 972</b>	<b>(5 325)</b>	<b>-2%</b>	<b>487 944</b>
<b>Surplus/(Deficit)</b>	<b>(43 776)</b>	<b>(33 322)</b>	<b>37 561</b>	<b>49 152</b>	<b>(16 661)</b>	<b>65 813</b>	<b>-395%</b>	<b>(33 322)</b>
Transfers and subsidies	47 668	46 017	3 400	21 727	23 008	(1 281)	-6%	46 017
<b>Surplus/(Deficit) after capital transfers &amp;</b>	<b>3 892</b>	<b>12 694</b>	<b>40 962</b>	<b>70 879</b>	<b>6 347</b>	<b>64 532</b>	<b>1017%</b>	<b>12 694</b>
<b>Surplus/ (Deficit) for the year</b>	<b>3 892</b>	<b>12 694</b>	<b>40 962</b>	<b>70 879</b>	<b>6 347</b>	<b>64 532</b>	<b>1017%</b>	<b>12 694</b>
<b>Capital expenditure &amp; funds sources</b>								
<b>Capital expenditure</b>	<b>126 192</b>	<b>130 596</b>	<b>9 723</b>	<b>43 334</b>	<b>68 495</b>	<b>(25 160)</b>	<b>-37%</b>	<b>130 596</b>
Capital transfers recognis	42 242	40 058	2 953	19 528	20 029	(501)	-2%	40 058
Borrowing	0	—	—	—	—	—	—	—
Internally generated fund	83 950	90 538	6 769	23 806	45 269	(21 463)	-47%	90 538
<b>Total sources of capital</b>	<b>126 192</b>	<b>130 596</b>	<b>9 723</b>	<b>43 334</b>	<b>65 298</b>	<b>(21 964)</b>	<b>-34%</b>	<b>130 596</b>
<b>Financial position</b>								
Total current assets	255 323	178 561		291 098				178 561
Total non current assets	793 896	805 344		817 259				805 344
Total current liabilities	86 164	88 340		74 423				88 340
Total non current liabilities	22 198	25 770		22 198				25 770
Community wealth/Equity	940 858	869 795		1 011 737				869 795
<b>Cash flows</b>								
Net cash from (used) ope	(94 577)	84 002	68 488	91 157	59 044	(32 113)	-54%	62 299
Net cash from (used) inve	126 192	(166 388)	(11 181)	(49 834)	(83 194)	(33 359)	40%	(166 388)
Net cash from (used) fina	—	—	—	—	—	—	—	—
<b>Cash/cash equivalents a</b>	<b>261 803</b>	<b>9 822</b>	<b>57 308</b>	<b>173 221</b>	<b>68 059</b>	<b>(105 163)</b>	<b>-155%</b>	<b>—</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>								
Total By Income Source	13 572	7 290	5 848	16 567	1 459	16 221	209 308	276 826
<b>Creditors Age Analysis</b>								
Total Creditors	—	—	—	—	—	—	—	—

### 1.1.1 Table 2

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

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

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
<b>R thousands</b>	<b>1</b>								%
<b>Revenue - Functional</b>									
<b>Governance and administration</b>	<b>339 132</b>	<b>342 170</b>	<b>87 802</b>	<b>229 202</b>	<b>171 085</b>	<b>58 117</b>	<b>34%</b>	<b>342 170</b>	
Executive and council	—	8 365	—	—	4 182	(4 182)	-100%	8 365	
Finance and administration	339 132	333 805	87 802	229 202	166 902	62 299	37%	333 805	
Internal audit	—	—	—	—	—	—	—	—	
<b>Community and public safety</b>	<b>6 994</b>	<b>6 128</b>	<b>385</b>	<b>2 743</b>	<b>3 064</b>	<b>(321)</b>	<b>-10%</b>	<b>6 128</b>	
Community and social services	5 270	5 719	383	2 528	2 860	(331)	-12%	5 719	
Sport and recreation	1 707	—	—	204	—	204	#DIV/0!	—	
Public safety	17	408	2	10	204	(194)	-95%	408	
Housing	—	—	—	—	—	—	—	—	
Health	—	—	—	—	—	—	—	—	
<b>Economic and environmental services</b>	<b>51 516</b>	<b>52 717</b>	<b>3 917</b>	<b>25 234</b>	<b>26 359</b>	<b>(1 124)</b>	<b>-4%</b>	<b>52 717</b>	
Planning and development	47 129	48 740	3 680	19 128	24 370	(5 242)	-22%	48 740	
Road transport	4 387	3 977	237	6 106	1 988	4 117	207%	3 977	
Environmental protection	—	—	—	—	—	—	—	—	
<b>Trading services</b>	<b>80 731</b>	<b>99 623</b>	<b>8 042</b>	<b>52 347</b>	<b>49 812</b>	<b>2 536</b>	<b>5%</b>	<b>99 623</b>	
Energy sources	66 249	83 081	6 589	43 766	41 540	2 225	5%	83 081	
Water management	—	—	—	—	—	—	—	—	
Waste water management	—	—	—	—	—	—	—	—	
Waste management	14 482	16 543	1 453	8 582	8 271	310	4%	16 543	
<b>Other</b>	<b>4</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	
<b>Total Revenue - Functional</b>	<b>2</b>	<b>478 373</b>	<b>500 638</b>	<b>100 147</b>	<b>309 526</b>	<b>250 319</b>	<b>59 207</b>	<b>24%</b>	<b>500 638</b>
<b>Expenditure - Functional</b>									
<b>Governance and administration</b>	<b>244 373</b>	<b>240 817</b>	<b>32 270</b>	<b>117 146</b>	<b>120 408</b>	<b>(3 262)</b>	<b>-3%</b>	<b>240 817</b>	
Executive and council	66 501	79 879	5 636	35 274	39 940	(4 666)	-12%	79 879	
Finance and administration	177 872	160 937	26 634	81 872	80 469	1 404	2%	160 937	
Internal audit	—	—	—	—	—	—	—	—	
<b>Community and public safety</b>	<b>57 060</b>	<b>51 805</b>	<b>5 654</b>	<b>29 490</b>	<b>26 302</b>	<b>3 188</b>	<b>12%</b>	<b>51 805</b>	
Community and social services	41 974	36 398	3 957	22 234	18 599	3 635	20%	36 398	
Sport and recreation	13 472	13 045	1 689	6 891	6 522	369	6%	13 045	
Public safety	1 462	2 148	—	327	1 074	(747)	-70%	2 148	
Housing	152	214	8	37	107	(69)	-65%	214	
Health	—	—	—	—	—	—	—	—	
<b>Economic and environmental services</b>	<b>83 973</b>	<b>92 410</b>	<b>8 071</b>	<b>43 597</b>	<b>46 146</b>	<b>(2 549)</b>	<b>-6%</b>	<b>92 410</b>	
Planning and development	23 562	26 477	2 315	11 003	13 499	(2 496)	-18%	26 477	
Road transport	55 834	60 311	5 303	29 964	30 156	(192)	-1%	60 311	
Environmental protection	4 577	5 622	453	2 631	2 491	140	6%	5 622	
<b>Trading services</b>	<b>88 785</b>	<b>102 391</b>	<b>13 192</b>	<b>48 350</b>	<b>57 832</b>	<b>(9 482)</b>	<b>-16%</b>	<b>102 391</b>	
Energy sources	72 643	75 903	11 678	41 204	40 256	948	2%	75 903	
Water management	—	—	—	—	—	—	—	—	
Waste water management	3 063	3 048	257	1 524	1 524	(0)	0%	3 048	
Waste management	13 078	23 440	1 257	5 622	16 052	(10 430)	-65%	23 440	
<b>Other</b>	<b>292</b>	<b>522</b>	<b>—</b>	<b>64</b>	<b>261</b>	<b>(197)</b>	<b>-76%</b>	<b>522</b>	
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>474 482</b>	<b>487 944</b>	<b>59 185</b>	<b>238 647</b>	<b>250 950</b>	<b>(12 303)</b>	<b>-5%</b>	<b>487 944</b>
<b>Surplus/ (Deficit) for the year</b>		<b>3 892</b>	<b>12 694</b>	<b>40 962</b>	<b>70 879</b>	<b>(631)</b>	<b>71 509</b>	<b>-11337%</b>	<b>12 694</b>

**Table 3****Table C3 provides the statement of financial performance by standard classification.**

KZN291 Mandeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December									
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
<b>R thousands</b>									%
<b>Revenue by Vote</b>	1								
Vote 1 - Executive and council		–	8 365	–	–	4 182	(4 182)	-100.0%	8 365
Vote 2 - Finance and administration	339 132	333 805	87 802	229 202	166 902	62 299	37.3%	333 805	
Vote 3 - Internal audit		–	–	–	–	–	–	–	–
Vote 4 - Community and social serv	5 287	6 128	385	2 538	3 064	(525)	-17.1%	6 128	
Vote 5 - Sport and Recreation	1 707	–	–	204	–	204	#DIV/0!	–	
Vote 6 - Public safety		–	–	–	–	–	–	–	–
Vote 7 - Housing		–	–	–	–	–	–	–	–
Vote 8 - Planning and Developmen	47 129	48 740	3 680	19 128	24 370	(5 242)	-21.5%	48 740	
Vote 9 - Road transport	4 387	3 977	237	6 106	1 988	4 117	207.1%	3 977	
Vote 10 - Energy sources	66 249	83 081	6 589	43 766	41 540	2 225	5.4%	83 081	
Vote 11 - Waste Management	14 482	16 543	1 453	8 582	8 271	310	3.8%	16 543	
Vote 12 - Environmental Protection		–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–
<b>Total Revenue by Vote</b>	2	<b>478 373</b>	<b>500 638</b>	<b>100 147</b>	<b>309 526</b>	<b>250 319</b>	<b>59 207</b>	<b>23.7%</b>	<b>500 638</b>
<b>Expenditure by Vote</b>	1								
Vote 1 - Executive and council		66 501	79 879	5 636	35 274	39 940	(4 666)	-11.7%	79 879
Vote 2 - Finance and administration	177 872	160 624	26 634	81 872	80 312	1 560	1.9%	160 624	
Vote 3 - Internal audit		–	313	–	–	157	(157)	-100.0%	313
Vote 4 - Community and social serv	41 974	36 398	3 957	22 234	18 599	3 635	19.5%	36 398	
Vote 5 - Sport and Recreation	13 472	13 045	1 689	6 891	6 522	369	5.7%	13 045	
Vote 6 - Public safety		1 462	2 148	–	327	1 074	(747)	-69.5%	2 148
Vote 7 - Housing		152	214	8	37	107	(69)	-65.0%	214
Vote 8 - Planning and Developmen	23 854	26 998	2 315	11 066	13 760	(2 694)	-19.6%	26 998	
Vote 9 - Road transport	58 897	63 359	5 560	31 487	31 680	(192)	-0.6%	63 359	
Vote 10 - Energy sources	72 643	75 903	11 678	41 204	40 256	948	2.4%	75 903	
Vote 11 - Waste Management	13 078	23 440	1 257	5 622	16 052	(10 430)	-65.0%	23 440	
Vote 12 - Environmental Protection	4 577	5 622	453	2 631	2 491	140	5.6%	5 622	
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–
<b>Total Expenditure by V</b>	2	<b>474 482</b>	<b>487 944</b>	<b>59 185</b>	<b>238 647</b>	<b>250 950</b>	<b>(12 303)</b>	<b>-4.9%</b>	<b>487 944</b>
<b>Surplus/ (Deficit) for the</b>	<b>2</b>	<b>3 892</b>	<b>12 694</b>	<b>40 962</b>	<b>70 879</b>	<b>(631)</b>	<b>71 509</b>	<b>-11337.0%</b>	<b>12 694</b>

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

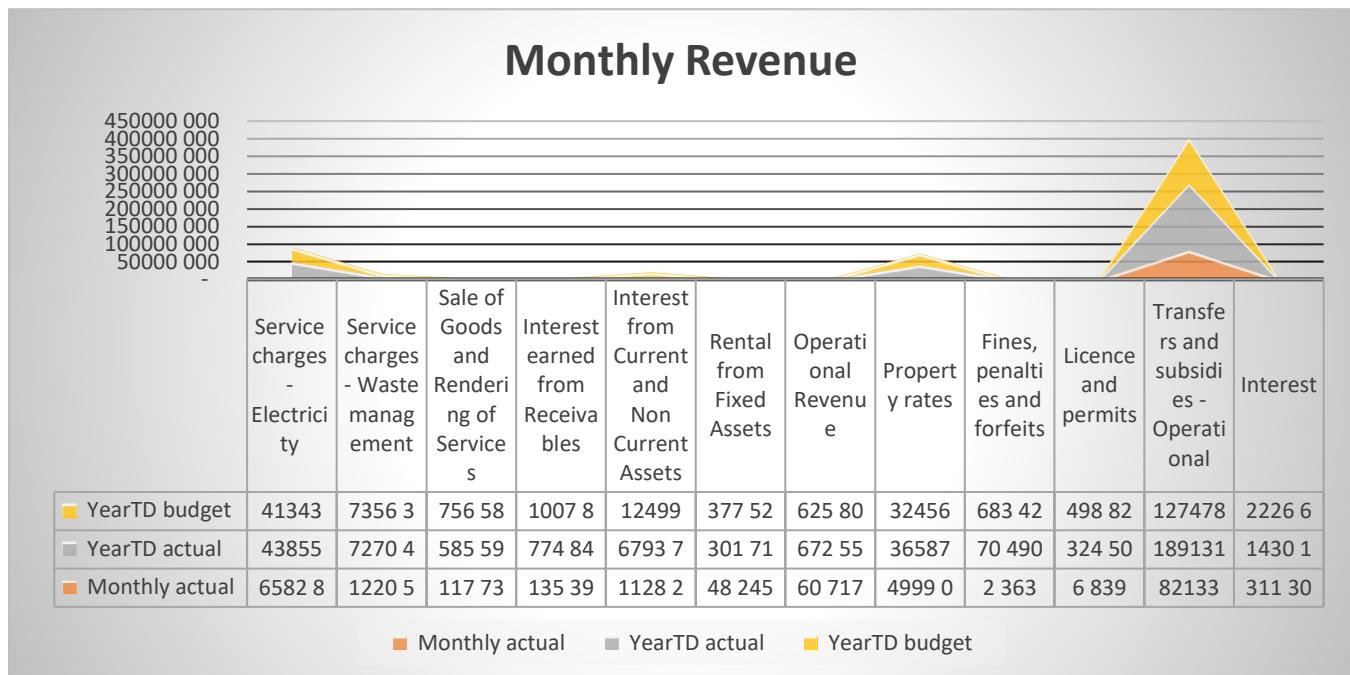
This report analyses each major component under following headings;

- Revenue by Source
- Operational Expenditure by Type,

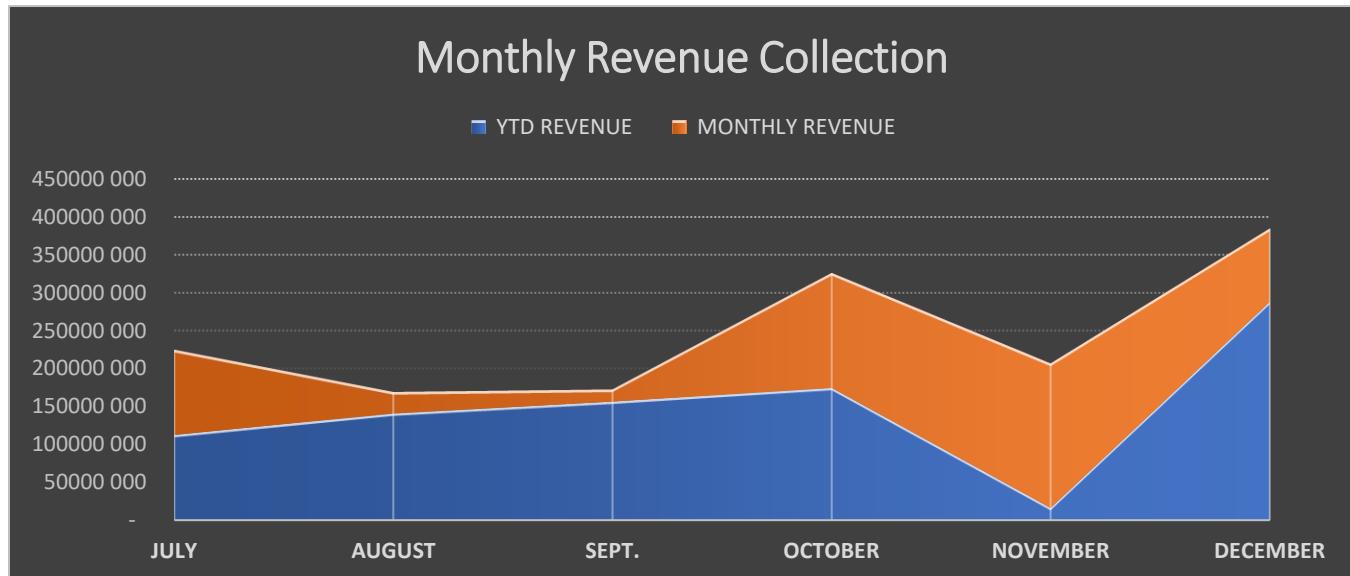
KZN291 Mandeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December												
Description	Ref	2024/25		Budget Year 2025/26					YTD variance %	Full Year Forecast		
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance					
<b>R thousands</b>												
<b>Revenue</b>												
<b>Exchange Revenue</b>												
Service charges - Electricity		64 753	82 686	6 583	43 855	41 343	2 512	6%	82 686			
Service charges - Water		—	—	—	—	—	—	—	—			
Service charges - Waste Water		—	—	—	—	—	—	—	—			
Service charges - Waste manag		13 073	14 713	1 221	7 270	7 356	(86)	-1%	14 713			
Sale of Goods and Rendering of		2 282	1 513	118	586	757	(171)	-23%	1 513			
Agency services		—	—	—	—	—	—	—	—			
Interest		—	—	—	—	—	—	—	—			
Interest earned from Receivable		1 487	2 016	135	775	1 008	(233)	-23%	2 016			
Interest from Current and Non C		19 863	25 000	1 128	6 794	12 500	(5 706)	-46%	25 000			
Dividends		—	—	—	—	—	—	—	—			
Rent on Land		—	—	—	—	—	—	—	—			
Rental from Fixed Assets		593	755	48	302	378	(76)	-20%	755			
Licence and permits		—	—	—	—	—	—	—	—			
Special rating levies		—	—	—	—	—	—	—	—			
Operational Revenue		1 355	1 252	61	673	626	47	7%	1 252			
<b>Non-Exchange Revenue</b>												
Property rates		63 942	64 913	4 999	36 588	32 456	4 131	13%	64 913			
Surcharges and Taxes		—	—	—	—	—	—	—	—			
Fines, penalties and forfeits		3 569	1 367	2	70	683	(613)	-90%	1 367			
Licence and permits		969	998	7	325	499	(174)	-35%	998			
Transfers and subsidies - Opera		253 010	254 956	82 133	189 132	127 478	61 654	48%	254 956			
Interest		3 570	4 453	311	1 430	2 227	(796)	-36%	4 453			
Fuel Levy		—	—	—	—	—	—	—	—			
Operational Revenue		—	—	—	—	—	—	—	—			
Gains on disposal of Assets		—	—	—	—	—	—	—	—			
Other Gains		2 239	—	—	—	—	—	—	—			
Discontinued Operations		—	—	—	—	—	—	—	—			
(excluding capital transfers and		430 705	454 622	96 746	287 799	227 311	60 488	27%	454 622			
<b>Expenditure By Type</b>												
Employee related costs		160 030	167 901	13 438	80 631	83 951	(3 320)	-4%	167 901			
Remuneration of councillors		15 151	17 043	1 274	7 563	8 522	(959)	-11%	17 043			
Bulk purchases - electricity		58 515	66 107	10 668	35 854	33 054	2 800	8%	66 107			
Inventory consumed		6 135	5 918	382	917	2 959	(2 042)	-69%	5 918			
Debt impairment		24 403	32 077	16 039	16 039	16 038	0	0%	32 077			
Depreciation and amortisation		46 319	36 240	3 376	19 972	18 120	1 852	10%	36 240			
Interest		0	3 050	—	—	1 525	(1 525)	-100%	3 050			
Contracted services		79 982	89 650	6 856	37 687	44 825	(7 139)	-16%	89 650			
Transfers and subsidies		2 450	—	1 000	2 050	—	2 050	0%	—			
Irrecoverable debts written off		10 696	6 637	—	—	3 318	(3 318)	-100%	6 637			
Operational costs		71 100	62 722	6 151	37 924	31 361	6 563	21%	62 722			
Losses on Disposal of Assets		965	600	—	—	300	(300)	-100%	600			
Other Losses		(1 264)	—	2	12	—	12	0%	—			
<b>Total Expenditure</b>		<b>474 482</b>	<b>487 944</b>	<b>59 185</b>	<b>238 647</b>	<b>243 972</b>	<b>(5 325)</b>	<b>-2%</b>	<b>487 944</b>			
<b>Surplus/(Deficit)</b>		<b>(43 776)</b>	<b>(33 322)</b>	<b>37 561</b>	<b>49 152</b>	<b>(16 661)</b>	<b>65 813</b>	<b>(0)</b>	<b>(33 322)</b>			
Transfers and subsidies - capital		47 668	46 017	3 400	21 727	23 008	(1 281)	(0)	46 017			
Transfers and		—	—	—	—	—	—	—	—			
<b>Surplus/(Deficit) after capital</b>		<b>3 892</b>	<b>12 694</b>	<b>40 962</b>	<b>70 879</b>	<b>6 347</b>			<b>12 694</b>			
Income Tax		—	—	—	—	—	—	—	—			
<b>Surplus/(Deficit) after income t</b>		<b>3 892</b>	<b>12 694</b>	<b>40 962</b>	<b>70 879</b>	<b>6 347</b>			<b>12 694</b>			
Share of Surplus/Deficit attribut		—	—	—	—	—	—	—	—			
Share of Surplus/Deficit attribut		—	—	—	—	—	—	—	—			
<b>Surplus/(Deficit) attributable to</b>		<b>3 892</b>	<b>12 694</b>	<b>40 962</b>	<b>70 879</b>	<b>6 347</b>			<b>12 694</b>			
Share of Surplus/Deficit attribut		—	—	—	—	—	—	—	—			
Intercompany/Parent subsidiary		—	—	—	—	—	—	—	—			
<b>Surplus/ (Deficit) for the year</b>		<b>3 892</b>	<b>12 694</b>	<b>40 962</b>	<b>70 879</b>	<b>6 347</b>			<b>12 694</b>			

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

**Figure 1**



**Figure 2**



### Revenue:

The Year-to-Date (YTD) total revenue amounted to **R287.8 million** for the period ending **31 December 2025**, excluding capital conditional grant income. Against the YTD budget, revenue reflects an overperformance of 27%, mainly attributable to the receipt of the second tranche of the Equitable Share

amounting to R81.4 million.

## **EXCHANGE REVENUE**

### **Service Charges: Electricity**

- Revenue from electricity service charges is recognized on an invoice basis. A total amount of R43.9 million was billed against a pro-rata budget of R41.3 million, resulting in an over-performance of 6%. The favorable variance is mainly attributable to seasonal changes in electricity usage, increased use of air conditioners during warmer periods, and the identification of previously unbilled or inadequate electricity connections at several properties, which led to higher recorded consumption.
- The actual cash collected amounted R6.2million for the month ended 31 December 2025.

### **Service Charges: Refuse**

- The actual revenue from Service Charges Refuse as of 31 December 2025 is R7.3million against the budgeted income of R7.4million which is under performance by 1percent. This line item has reached its budget.
- The actual cash collected amounted R478thousand for the month of 31 December 2025.

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

- Sales of Goods and Services amounted to R586 thousand, compared to the year-to-date budget of R757 thousand, resulting in an under-performance of R171 thousand or 23%. 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 R775thousand in comparison with the year-to-date budget of R1.0million, which is an under-performance by 23percent. The variance of R233 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 R6.8million in comparison with the year-to-date budget of R12.5million, thus indicating an under performance by R5.7million or 46percent, this variance is due to the municipality having withdrawn investments before their maturity dates because of higher operational cash requirements.
- Going forward, the municipality has new investments in place, which are expected to improve the interest earned in the investment vote.

## **Rental from fixed assets**

- Revenue from the Rental of Facilities amounted to R302 thousand, compared to the year-to-date budget of R378 thousand, resulting in an under-performance of R76 thousand or 20%. This vote comprises a combination of rental income streams, including municipal halls, municipal stadiums, and staff houses. The variance is mainly attributable to fluctuations in the utilization of municipal facilities, which are not feasible to measure accurately in advance.

## **Operational Revenue**

- The majority of the Council own funded sources are budgeted under this category.
- The year-to-date operational revenue amounted to R673 thousand against a pro-rata budget of R626 thousand, resulting in a favorable variance of R47 thousand or 7%. The positive variance is attributable to improved collection revenue. This vote comprises collection charges, insurance refunds, 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 R36.6million, compared to a YTD budget of R32.5million. This represents an over-billing of R4.1million, or 13%.  
Property Rent: Inadequate background checks may result in leasing to tenants with monthly low-rate charge  
Property Rates: Annual Tariff Escalation, Property Improvements, that resulted in an increase property Market values which reflected on the SV 2 implemented.
- The actual cash collected amounted R2.0million for the month ended 31 December 2025.

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

- Fines for the month of 31 December is underperformed by -90%, amounting to R613 thousand below the pro-rata budget of R683 thousand. 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.
- This line item will be reviewed during the adjustment budget, as performance is below the 50% budget target.

### **Licences and permits.**

- The variance of R174 thousand or -35% 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 R189.1million YTD Actual in comparison with the pro-rata budget of R127.5million, thus indicating a over performance of 48%. This is due to the second tranche receipt of an Equitable share.
- Transfers and subsidies capital amounts to R21.7million in comparison with the pro-rata budget of R23.0 million, thus indicating an over performance by R1.3 million variance is mainly attributable by expenditure in MIG. *(Detailed report on MIG expenditure has been provided below)*

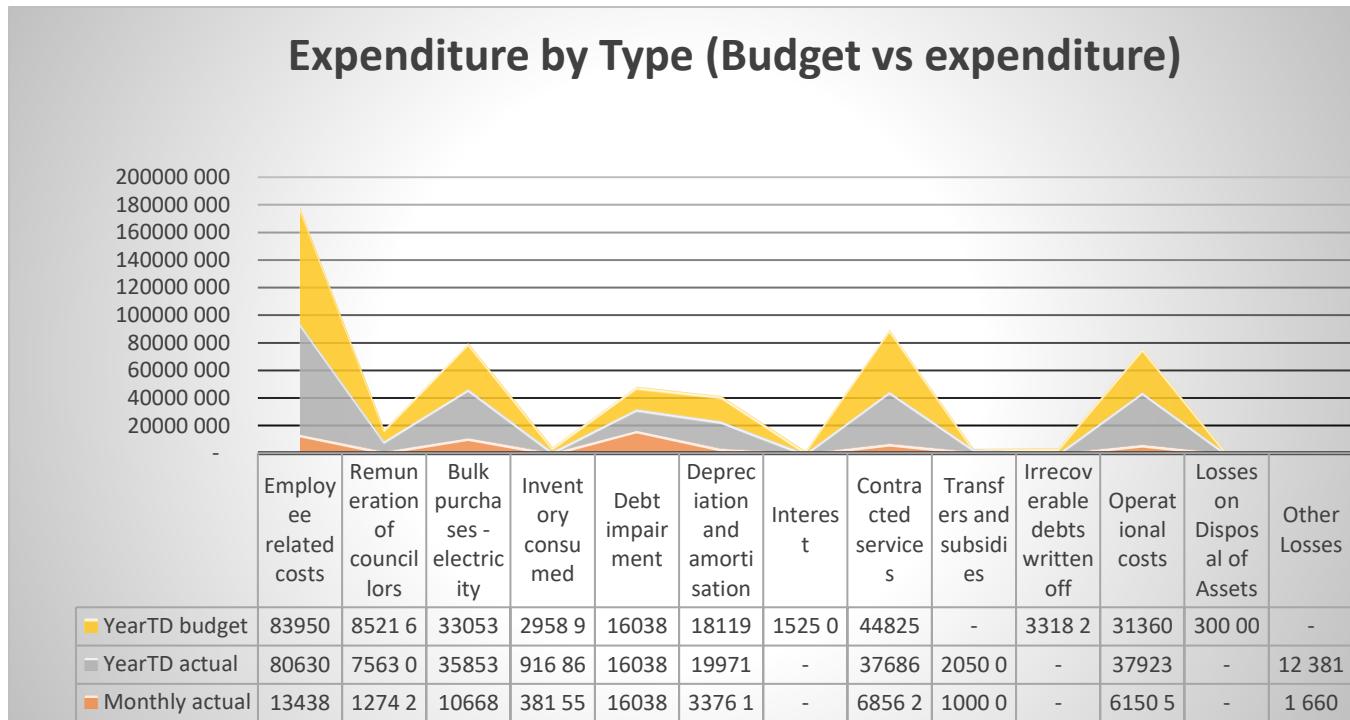
### **Interest earned from receivables.**

- In line with council adopted credit control policy, the municipality charges interest on arrear debtors.
- Interest earned from receivables amounts to R1.4million in comparison with the pro-rata budget of R2.2million, thus indicating an under performance by R796thousand or 36percent.

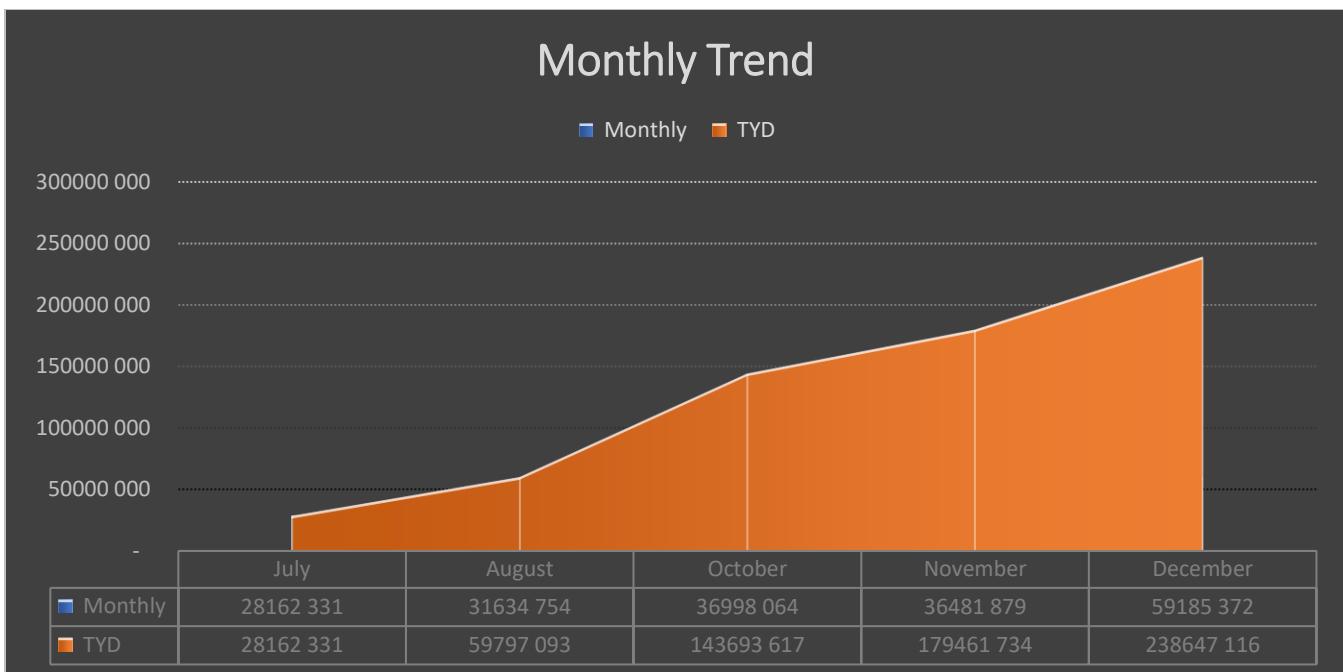
## Operating Expenditure from 31 December 2025

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

**Figure 3**



**Figure 4**



#### **Operating Expenditure:**

- The total operational expenditure YTD Actual for the period ending 31 December 2025 amounted to R59.2million against the planned target of R238.6million. As at the end of 31<sup>st</sup> December the operational expenditure budget has been under spent by -2% or -R5.3million, indicating that expenditure performance is within the targeted threshold. *Detailed expenditure analysis is below:*

#### **Employee Related Costs**

- Employee-related costs reflect a variance of R3.3 million or 4 per cent for the period ending 31 December 2025 when compared to the pro-rata budget of R84 million. 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**

- Councillors' allowances reflect a favorable variance of R959 thousand or 11% when compared to the pro-rata budget of R8.5 million. This variance is mainly attributable to savings realized in July and August, as the approved increases were only implemented in September 2025. The savings realized during the earlier months have carried over into the reporting period.

#### **Bulk Purchases**

- The YTD on Bulk purchases amounts to R35.9million which is an over performance when compared to pro-rata budget of R33.1million. The variance of 8% or R2.8million is due to an two invoices being paid in one month.

## **Inventory Consumed**

- Inventory consumed reflects an underperformance of R2.0 million or 69% when compared to the pro-rata budget of R3.0 million, with an actual expenditure of R917 thousand. This vote comprises items held in stores, mainly for maintenance and repairs, as well as stationery for the municipality. Expenditure in this vote is largely demand-driven, as consumption occurs only when requests are made and operational needs arise.

## **Debt Impairment**

- The provision for bad debt is reflecting a performance by 100percent. A journal of R16.0million to this vote has been processed.

## **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 16% or R7.1 million, with a YTD actual of R37.7 million against a pro-rata budget of R44.8million. 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.

## **Transfers and Subsidies**

- Transfers and grants expenditure amounting to R2.1million was incurred under this vote with no approved budget, as a correction of audit findings. The budget for this vote will be adjusted during the budget adjustment period.

## **Irrecoverable debts written off**

- Irrecoverable debts written off have underperformed by 100% when compared to pro-rata budget of R3.3million. A journal entry will be processed in due time.

### **Operational Cost**

- Other expenditure is overspent this month by 21% or R6.6million when compared to pro-rata budget of R31.4million.

### **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) - M06 December										
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									%
<b>Multi-Year expenditure approv</b>	2									
<b>Single Year expenditure approv</b>	2									
Vote 1 - Executive and council		12 470	30 000	3 820	11 040	15 000	(3 960)	-26%	30 000	
Vote 2 - Finance and administration		14 806	4 549	915	1 457	2 275	(818)	-36%	4 549	
Vote 3 - Internal audit		—	—	—	—	—	—	—	—	
Vote 4 - Community and social services		4 026	17 738	292	3 845	8 869	(5 024)	-57%	17 738	
Vote 5 - Sport and Recreation		7 487	8 836	280	1 554	4 418	(2 864)	-65%	8 836	
Vote 6 - Public safety		817	70	—	—	35	(35)	-100%	70	
Vote 7 - Housing		—	—	—	—	—	—	—	—	
Vote 8 - Planning and Development		7 313	7 522	578	1 566	3 761	(2 195)	-58%	7 522	
Vote 9 - Road transport		75 324	55 386	3 837	23 476	30 890	(7 414)	-24%	55 386	
Vote 10 - Energy sources		2 389	4 869	—	—	2 435	(2 435)	-100%	4 869	
Vote 11 - Waste Management		1 560	1 626	—	397	813	(416)	-51%	1 626	
Vote 12 - Environmental Protection		—	—	—	—	—	—	—	—	
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	
<b>Total Capital single-year expen</b>	4	126 192	130 596	9 723	43 334	68 495	(25 160)	-37%	130 596	
<b>Total Capital Expenditure</b>		<b>126 192</b>	<b>130 596</b>	<b>9 723</b>	<b>43 334</b>	<b>68 495</b>	<b>(25 160)</b>	<b>-37%</b>	<b>130 596</b>	
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>27 275</b>	<b>34 549</b>	<b>4 735</b>	<b>12 497</b>	<b>17 275</b>	(4 778)	-28%	<b>34 549</b>	
Executive and council		12 470	30 000	3 820	11 040	15 000	(3 960)	-26%	30 000	
Finance and administration		14 806	4 549	915	1 457	2 275	(818)	-36%	4 549	
Internal audit		—	—	—	—	—	—	—	—	
<b>Community and public safety</b>		<b>12 330</b>	<b>26 644</b>	<b>573</b>	<b>5 399</b>	<b>13 322</b>	(7 923)	-59%	<b>26 644</b>	
Community and social services		4 026	8 664	292	3 845	4 332	(487)	-11%	8 664	
Sport and recreation		7 487	8 836	280	1 554	4 418	(2 864)	-65%	8 836	
Public safety		817	9 143	—	—	4 572	(4 572)	-100%	9 143	
Housing		—	—	—	—	—	—	—	—	
Health		—	—	—	—	—	—	—	—	
<b>Economic and environmental services</b>		<b>82 638</b>	<b>62 038</b>	<b>4 415</b>	<b>25 042</b>	<b>31 019</b>	(5 978)	-19%	<b>62 038</b>	
Planning and development		7 313	7 522	578	1 566	3 761	(2 195)	-58%	7 522	
Road transport		75 324	54 517	3 837	23 476	27 258	(3 783)	-14%	54 517	
Environmental protection		—	—	—	—	—	—	—	—	
<b>Trading services</b>		<b>3 949</b>	<b>7 365</b>	<b>—</b>	<b>397</b>	<b>3 682</b>	(3 285)	-89%	<b>7 365</b>	
Energy sources		2 389	4 869	—	—	2 435	(2 435)	-100%	4 869	
Water management		—	—	—	—	—	—	—	—	
Waste water management		—	870	—	—	435	(435)	-100%	870	
Waste management		1 560	1 626	—	397	813	(416)	-51%	1 626	
<b>Other</b>		—	—	—	—	—	—	—	—	
<b>Total Capital Expenditure - Fur</b>	3	<b>126 192</b>	<b>130 596</b>	<b>9 723</b>	<b>43 334</b>	<b>65 298</b>	<b>(21 964)</b>	<b>-34%</b>	<b>130 596</b>	
<b>Funded by:</b>										
National Government		41 421	39 884	2 957	19 264	19 942	(678)	-3%	39 884	
Provincial Government		821	174	(4)	264	87	177	204%	174	
District Municipality		—	—	—	—	—	—	—	—	
<b>Transfers recognised - capital</b>		<b>42 242</b>	<b>40 058</b>	<b>2 953</b>	<b>19 528</b>	<b>20 029</b>	<b>(501)</b>	<b>-2%</b>	<b>40 058</b>	
<b>Borrowing</b>	6	0	—	—	—	—	—	—	—	
<b>Internally generated funds</b>		83 950	90 538	6 769	23 806	45 269	(21 463)	-47%	90 538	
<b>Total Capital Funding</b>		<b>126 192</b>	<b>130 596</b>	<b>9 723</b>	<b>43 334</b>	<b>65 298</b>	<b>(21 964)</b>	<b>-34%</b>	<b>130 596</b>	

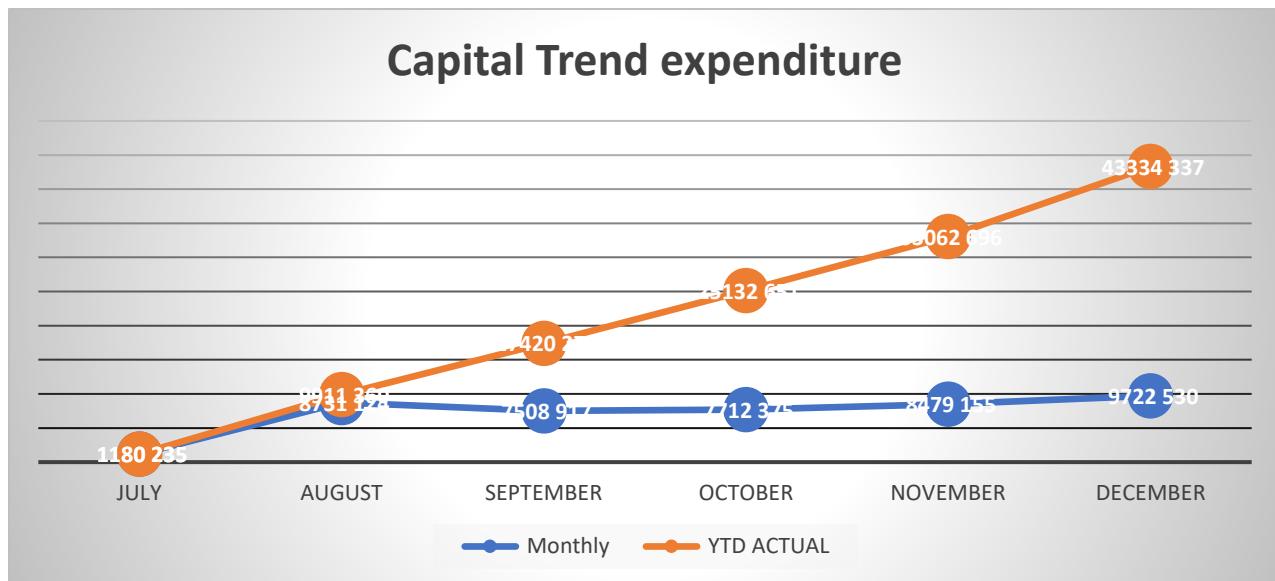
### Capital Expenditure of 31 December 2025:

The YTD capital expenditure budget is R65.3million against YTD actual Capital expenditure amounting to R43.3million resulting in an under performance of 34%or by R22million on capital expenditure. The

variance in capital expenditure were due to different reason (detail report on the progress on all capital projects has been provided below).

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

**Capital Expenditure reported as at 31 December 2025**



- Capital grants funded by National Government are actual for R19.3million versus pro-rata Budget of R19.9million, expenditure reported has been underspent by (-3%). A monthly expenditure of R3million is recorded this month.
- Capital grants funded by Provincial Government under-performed by 204%, which expenditure to date is R264thousand. A monthly expenditure of negative -R4thousand is recorded this month for Library allocations, this is a correction of vote.
- Capital grants funded Internally actual is R23.8million versus pro-rata Budget of R45.3million variance of 47% reflects and under expenditure on this item. A monthly expenditure of R5.9million is noticed this month.

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

KZN291 Mandeni - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M06

Description	Ref	2024/25		Budget Year 2025/26					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	1								
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>									
Infrastructure		28 744	4 439	–	(16)	4 170	5 416	1 247	23.0%
Roads Infrastructure		23 929	3 913	–	(16)	4 170	5 153	984	19.1%
Roads		23 929	3 913	–	(16)	4 170	5 153	984	19.1%
Road Structures		–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–
Storm water Infrastructure		4 436	–	–	–	–	–	–	–
Drainage Collection		4 436	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–
Electrical Infrastructure		380	526	–	–	–	263	263	100.0%
Power Plants		–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–
MV Networks		380	526	–	–	–	263	263	100.0%
LV Networks		–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–
Community Assets		847	4 348	–	–	–	2 174	2 174	100.0%
Community Facilities		847	4 348	–	–	–	2 174	2 174	100.0%
Stalls		847	4 348	–	–	–	2 174	2 174	100.0%
Abattoirs		–	–	–	–	–	–	–	–
Policing and Protection		–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing assets	1	29 591	8 787	–	(16)	4 170	7 590	3 421	45.1%
									8 787

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.

### 4.1 Municipal Infrastructure Grant (MIG) Funded Projects :

2025/26 Financial Year MIG Allocation	<b>R48 228 000</b>
<b>Less: Total Expenditure (incl. Retention)</b>	<b>R16 603 381.71</b>
Balance	R31 624 618.29
Expenditure of as a %	R44.06%

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 Wards 10 and 12 Phase 2
- Construction of a Sportsfield and Combo Court in Khenana: Ward 10 - Phases 1 & 2
- Construction of Community Hall in Wangu Area, Ward 8
- Upgrade of Nhlalonhle, Downtown and Khuthala Roads and Stormwater in Ward 14

Projects that are in the planning stage for MIG and registered

- 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
- Construction of Ngqofela Community Hall in Ward 9, Mandeni Municipality
- Construction of Community Hall in The Machibini Area, Mandeni Ward 12
- Planning for installation of high masts in ward 1, 2, 6, 7, 13, 14 and 15

#### **4.2. Municipal Internal Funded Projects**

Projects under planning

- Completion of Extension of Mechanical / Technical Services Building Phase 1: bid has been advertised and awaiting appointment of suitable contractor.
- 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: Preliminary report completed and endorsed by the Provincial Disaster Management.

- Hlomendlini Sportsfield: Cost to completion and repackaging of outstanding works has been concluded and awaiting SCM Procurement Process.

Projects under Construction Stage

- Main offices master plan and building of the new office block

#### 4.3 Municipal Disaster Response Grant Funded Projects

2024/25 Financial Year MIG Allocation	<b>R5 180 500</b>
<b>Less:</b> Total Expenditure (incl. Retention)	R5 180 500
Balance	R0
Expenditure of as a %	<b>100%</b>

Projects under Construction

- The Re-gravelling of Thengela to Nazareth Temple in Ward 8, Mandeni: Completed
- Re-gravelling of Road Thulas to Ematsheketseni road in Ward 12: Completed

### 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 5 059 345.48
Internal Funding (Professional and construction Fees)	R1 547 441.12	R 1 286 866.10
<b>TOTALS (Incl. Vat)</b>	<b>R 10 832 585.91</b>	<b>R 7 679 422.04</b>

## **Project Details**

<b>Name of Consultant:</b>	Siyazenzela Consulting
<b>Name of Contractor:</b>	Sihawusethu Trading (Pty) Ltd
<b>Project Commencement Date:</b>	January 2025
<b>Contractual Completion Date:</b>	5 May 2025
<b>Revised Completion date:</b>	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 45% (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 40%, Guardhouse 20%.

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 25<sup>th</sup> September 2025) and the revised Construction Programme. The Contractor was issued a Notice of Termination dated ***Wednesday, 8<sup>th</sup> October 2025***. Cost to Completion along with the repackaging of the outstanding works has been concluded and we await the SCM process for procurement.

**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
<b>TOTALS (Incl Vat)</b>	<b>R 19 011 007.91</b>	<b>R 18 783 176.08</b>

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

Bid Document for completion of outstanding works was approved by SCM with a briefing session having taken place on **Thursday, 30<sup>th</sup> October 2025**, tenders then closed for evaluation on **Friday, 7<sup>th</sup> November 2025** with a final letter of Award being issued to the Contractor on **Thursday, 04<sup>th</sup> December 2025**. Works are due to commence after the

National Builders Shutdown for 2025 i.e works will commence in **January 2026**. An official site handover meeting with the Contractor was held on **Friday, 12<sup>th</sup> December 2025**.

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
<b>Professional Fees</b>	R 2 243 837.65	R 2 243 764.93
<b>Construction Cost (incl. Retention)</b>	R 10 679 964.34	R 10 679 964.34
<b>Internal Funds (Professional/construction fees)</b>	R 4 629 230.16	R 3 707 772.29
<b>TOTALS (Incl. Vat)</b>	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 93%:** Contractual Submissions 100%, Site Establishment 100%, Accommodation of Traffic 92% Road Construction Works 92%, Stormwater 99%, Kerb & Channel Works 98%, Sidewalk Construction 34% and Asphalt Laying 100%.

Within the current month of reporting still remains to be very minimal works been executed with regards to the completion of the project, but progress of works remains very poor. The performance of the Contractor still remains to be very unsatisfactory as the contractor has failed to achieve set targets as per their latest programme along no visibility on site to conduct the said works. The Municipality imposed penalties from the **1<sup>st</sup> August 2025**, reviewed them on the **31<sup>st</sup> August 2025** to extent them until the **29<sup>th</sup> September 2025**.

The Contractor was then served with an Intention to Terminate on **Monday, 29<sup>th</sup> September 2025** as a result of failure to meet their contractual obligation in bring the project to a Completion. Contractor's risk assessment is being evaluated to consider Termination Process being activated at this stage. Furthermore, the road works have experienced damages / defects because of previously damaged sewer line infrastructure that requires repair works to be conducted on the sewer pipe line which may result in the new constructed road to be excavated for this works and reinstated.

**Challenges:** Contractor's failure to execute works accordingly as the project still remains incomplete along with the Contractor's visibility on site being a challenge. Furthermore, safety concerns noted and raised with the Contractor as there is no pedestrian sidewalk all resulting in the road being currently unsafe.

**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/constructio n fees)	R 3 932 538.28	R 3 767 557.49
<b>TOTALS (Incl. Vat)</b>	<b>R 24 211 799.92</b>	<b>R 23 999 969.08</b>

**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 98%:** 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 98%. Performance of the contractor is satisfactory. Practical completion has been reached, and Contractor is finalising the snag list items.

**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 6 097 182.02
<b>TOTALS (Incl. Vat)</b>	<b>R 12 041 989.18</b>	<b>R 7 169 874.43</b>

## **Project Details**

<b>Name of Consultant:</b>	Impumelelo Consulting Engineers
<b>Name of Contractor:</b>	Nikeresa Construction
<b>Project Commencement Date:</b>	January 2025
<b>Contractual Completion Date:</b>	March 2026
<b>Revised Completion date:</b>	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 56%:** 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%, Parking 10%, Combo Court 5%, soccer field 40%, Change room 5% and Grandstand 5%.

Performance of the Contractor remains as unsatisfactory with minimal improvements and little progress in the current month of reporting as this has been a continuous challenge. Notices of poor planning resulting in slow progress, non-compliance and inadequate resource allocation and Contractor's Performance have been issued to the Contractor on ***Monday, 6<sup>th</sup> October 2025, Monday, 27<sup>th</sup> October 2025 and Tuesday, 9<sup>th</sup> December 2025.***

**Challenges:** Poor planning, Slow Progress, Non-Compliance, inadequate resource allocation and incompetency of the Contractor's Key Staff have contributed to the Contractor's continued poor performance. Adverse weather conditions preventing continuation of construction works.

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
<b>Professional Fees</b>	R 1 281 229.81	R 933 856.11
<b>Construction Cost (incl. Retention &amp; Surety)</b>	R 7 180 245.34	R 5 094 093.54
<b>TOTALS (Incl. Vat)</b>	R 8 461 475.15	R 6 027 949.65

**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 55%:** Establishment on site 100%, Site Clearance 100%, Hall Superstructure Earthworks 100%, Hall Superstructure Foundations including Concrete 100%, Hall Superstructure Floor Slab 100%, Hall Superstructure Brickwork 95%, Hall Superstructure Plumbing and drainage 20%, Hall Superstructure Electrical installations 20%, Guardhouse earthworks 100%, Guardhouse foundations including concrete 100%, Guardhouse Floor Slab 100%, Guardhouse Brickwork 80%, Plaster 0%, Painting 0%, Installation of ironmongery 0%, Ceiling installation 0%, Installation of sanitary fittings 0%, Installation of doors and windows 0%, Tiling 0%, Guardhouse Plumbing and drainage 0%, Septic tank & sewer pipes 20%, Electrical installations 0%, HVAC installations 0%, Timber roof trusses 0%, Roof sheeting 0%, Roadworks 20%, Asphalt surfacing 0%, Installation of kerbs 0%, Stormwater drainage 85%, Water reticulation 95%, Landscaping 0%, Fencing 45%, Specialist signage 0% and Borehole installation 0%. Performance of the contractor is satisfactory

**Challenges:** Nil

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
<b>Professional Fees</b>	R 1 067 105.27	R 1 022 364.28
<b>Construction Cost (incl. Retention + VAT) (V.O : R 367 004.50)</b>	R 5 413 316.30	R 5 308 779.36
<b>TOTALS (Incl. Vat)</b>	R 6 480 421.57	R 6 331 143.64

#### **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 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. Completion certificate and Certificate of Compliance issued.

**Challenges:** N/A

### **H) Upgrade of Nhlalonhle, Downtown and Khuthala Roads and Stormwater in Ward 14**

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 554 123.29	R 1 326 465.14
Construction Cost Incl. (Retention)	R 12 312 111.04	R 3 984 653.90
<b>TOTALS (Incl. Vat)</b>	<b>R 14 235 323.65</b>	<b>R 5 311 119.04</b>

### **Project Details**

**Name of Consultant:** Ngeja Consulting Engineers

**Name of Contractor:** Progressive Choice Trading

**Project Commencement Date:** 10 October 2025

**Contractual Completion Date:** 10 July 2026

**Revised Completion date:** N/A

### **Project Scope:**

- Establishment on site.
- Clearing and grubbing.
- Traffic accommodation facilities.
- Removal of layers and stockpiling for later use. (Earthworks)
- Construction of stormwater infrastructure.
- 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 34%:** Establishment on site 100%, Setting out ongoing 100%, Clearing and grubbing 100%, Road earthworks 100%, Subsoil drain on Downtown Road 10%, Road formation 100%, G5 layerwork (Subbase) 90%, G2 layerwork (Base) 30%, Stormwater pipe culverts installation 40%, Headwalls 0%, Kerb and Channel 0%, Asphalt surface layer 0%, Traffic calming (Speed humps) 0%, Road marking 0%, Road signs 0% and Finishing off 0%.

**Challenges:** Removal and destroying of Surveyor pegs by the community. Water line inside the road reserve on Downtown Road.

## 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 499 441.40	R 499 441.40
Construction Cost (Including retention)	R 1 979 445.84	R 1 979 445.84
<b>TOTAL</b>	<b>R 2 478 887.24</b>	<b>R 2 478 887.24</b>

#### Project Details

<b>Name of Consultant:</b>	Libeko (Pty) Ltd
<b>Name of Contractor:</b>	Musa and Sons Trading Enterprise (Pty) Ltd
<b>Project Commencement Date:</b>	June 2025
<b>Anticipated Completion Date:</b>	October 2025
<b>Revised Completion Date:</b>	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 100%:** Practical Completion Certificate was issued to the Contractor on ***Friday, 26<sup>th</sup> September 2025*** and subsequently the Completion Certificate was issued to the Contractor on ***Wednesday, 8<sup>th</sup> October 2025***.

**Challenges:** n/a

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

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 548 662.38	R 548 662.38
Construction Cost	R 2 206 084.81	R 2 206 084.81
<b>TOTAL</b>	<b>R 2 800 000.0</b>	<b>R 2 754 747.19</b>

**Project Details**

**Name of Consultant:** FDKL Engineering Consultants

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

**Project Commencement Date:** June 2025

**Completion Date:** October 2025

**Revised Completion Date:** Nil

**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 100%:** 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. Completion certificate was issued to the Contractor on ***Friday, 17 October 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) R 3 119 895.32 (2025/26FY)
2025/26 FY Construction Cost (Including retention)	R 33 500 000.0	R 10 443 028.38
Total Construction Cost (Including retention)	R112 455 957.18	R 10 443 028.38
<b>TOTAL</b>	<b>R139 976 423.4</b>	<b>R 26 972 612.77</b>

#### Project Details

<b>Name of Consultant:</b>	DLV Project Managers and Engineers
<b>Name of Contractor:</b>	High end JV Nap Holdings
<b>Project Commencement Date:</b>	1 September 2025
<b>Anticipated Completion Date:</b>	30 November 2027
<b>Revised Completion Date:</b>	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 19.26%:** Contractor appointed on the 29<sup>th</sup> of Jul

2025. Technical site handover meeting was conducted on 11<sup>th</sup> August 2025. Access to site to be granted on the 1<sup>st</sup> September 2025. Current progress achieved is as follows:- Contractual Matters 100%, Site Establishment 100%, Exposing Services 85%, Relocation of Existing Offices 100%, Survey Setting Out 100%, Clearing of Site 100%, Cut to Fill 98%, Stormwater 2% and Strip Footing Excavations 85%.

**Challenges:** Adverse weather conditions, insufficient information of drawings from the Consultant, Hard Rock and Space constraints on site for working area.

### **5.3 INEP GRANT**

#### **a) Okhovothi Electrification Project**

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

### **Project Details**

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

**Project Scope:** Electrification of 100 households

**Current Status:** Overall construction progress is at 100%. project note electrified due to change in Key Change Tokens. Municipality has submitted application to DMRE for funding for purchasing of 105 meters.

**Challenges:** The commissioning of this project was scheduled to commence on the 14<sup>th</sup> of July 2025. This date was agreed upon at a preplanning meeting held on the 1<sup>st</sup> 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 a 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.

## 5.3 Division of Revenue Act on Grants Receipts

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

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										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
National Government:										
EPWP Incentive		273 445	250 223	–	81 400	188 660	124 610	486	0.4%	250 223
Finance Management		–	3 784	1 714	–	1 200	714	486	68.0%	1 714
Integrated National Electrification Programme		–	1 850	1 900	–	1 900	792			1 900
Local Government Equitable Share		–	7 200	–	–	–	–			–
Municipal Infrastructure Grant		–	243 588	244 198	–	81 400	183 149	122 099		244 198
		–	17 023	2 411	–	–	2 411	1 005		2 411
Other transfers and grants [insert description]										
Provincial Government:										
KwaZulu-Natal_Capacity Building and Other_Specify (Add grant descrip		(19 093)	4 933	–	4 825	4 825	2 055	2 770	134.7%	4 933
	4	–	(19 093)	4 933	–	4 825	4 825	2 055	2 770	134.7%
Other transfers and grants [insert description]										
District Municipality:										
[insert description]										
Other grant providers:										
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	10 764	255 156	–	86 225	107 260	106 315	3 255	3.1%	255 156
<b>Capital Transfers and Grants</b>										
National Government:										
Municipal Infrastructure Grant (MIG)		132 244	45 817	–	10 000	35 589	19 090	16 499	86.4%	45 817
Integrated National Electrification Programme Grant		–	128 668	45 817	–	10 000	35 589	19 090	16 499	86.4%
		–	3 576	–	–	–	–	–		–
Other capital transfers [insert description]										
Provincial Government:										
KwaZulu-Natal_Infrastructure_Infrastructure_RECEIPTS		50 633	–	–	–	–	–	–		–
		–	50 633	–	–	–	–	–		–
District Municipality:										
KwaZulu-Natal_DC 29 - Ilombe_Infrastructure_Specify (Add grant descrip		–	–	–	–	–	–	–		–
Other grant providers:										
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	182 877	45 817	–	10 000	35 589	19 090	16 499	86.4%	45 817
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	193 642	300 973	–	96 225	142 849	125 405	19 754	15.8%	300 973

## 5.4 Division of Revenue Act on Grants Expenditure

KZN91 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06  
December

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD varianc e	YTD varianc e %	Full Year Forecast	
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>271 476</b>	<b>251 013</b>	<b>63 196</b>	<b>197 236</b>	<b>125 507</b>	<b>71 729</b>	<b>57.2%</b>	<b>128 519</b>	
Expanded Public Works Program	–	1 815	1 714	253	1 423	857	566	66.0%	1 714	
Integrated National Electrification	–	1 850	–	–	–	–	–	–	–	
Local Government Financial Mana	–	7 200	1 900	178	1 296	950	346	36.4%	1 900	
Municipal Disaster Relief Grant	–	243 588	244 988	62 588	193 411	122 494	70 917	57.9%	122 494	
Municipal Infrastructure Grant	–	17 023	2 411	178	1 106	1 206	(99)	-8.2%	2 411	
0	–	–	–	–	–	–	–	–	–	
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	
<b>Provincial Government:</b>		<b>4 282</b>	<b>4 933</b>	<b>345</b>	<b>2 192</b>	<b>2 467</b>	<b>(275)</b>	<b>-11.1%</b>	<b>4 933</b>	
KwaZulu-Natal_Capacity Building and Other_Specify (Add grant description)_Receipts		–	–	–	–	–	–	–	–	
KwaZulu-Natal	–	4 282	4 933	345	2 192	2 467	(275)	-11.1%	4 933	
0	–	–	–	–	–	–	–	–	–	
0	–	–	–	–	–	–	–	–	–	
<b>Total operating expenditure of Transfer</b>		<b>275 758</b>	<b>255 946</b>	<b>63 541</b>	<b>199 428</b>	<b>127 973</b>	<b>71 455</b>	<b>55.8%</b>	<b>133 452</b>	
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>135 667</b>	<b>45 817</b>	<b>3 418</b>	<b>21 723</b>	<b>22 908</b>	<b>(1 185)</b>	<b>-5.2%</b>	<b>45 817</b>	
Integrated National Electrification	–	2 553	–	–	–	–	–	–	–	
Municipal Disaster Recovery Gran	–	15 556	–	–	4 511	–	4 511	#DIV/0!	–	
Municipal Infrastructure Grant	–	117 558	45 817	3 418	17 213	22 908	(5 696)	-24.9%	45 817	
0	–	–	–	–	–	–	–	–	–	
0	–	–	–	–	–	–	–	–	–	
Other capital transfers [insert description]		–	–	–	–	–	–	–	–	
<b>Provincial Government:</b>		<b>44 303</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
KwaZulu-Natal	–	44 303	–	–	–	–	–	–	–	
0	–	–	–	–	–	–	–	–	–	
<b>District Municipality:</b>		<b>–</b>	<b>–</b>	<b>3 467</b>	<b>5 074</b>	<b>–</b>	<b>5 074</b>	<b>#DIV/0!</b>	<b>–</b>	
KwaZulu-Natal-DC 29 - Ilembe-In	–	–	–	3 467	5 074	–	5 074	#DIV/0!	–	
0	–	–	–	–	–	–	–	–	–	
<b>Other grant providers:</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
0	–	–	–	–	–	–	–	–	–	
<b>Total capital expenditure of Transfers a</b>		<b>179 970</b>	<b>45 817</b>	<b>6 886</b>	<b>26 797</b>	<b>22 908</b>	<b>3 889</b>	<b>17.0%</b>	<b>45 817</b>	
<b>TOTAL EXPENDITURE OF TRANSFERS</b>		<b>455 728</b>	<b>301 763</b>	<b>70 427</b>	<b>226 225</b>	<b>150 882</b>	<b>75 343</b>	<b>49.9%</b>	<b>179 269</b>	

### 3. Debtors Age Analysis

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

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December											
Description	NT Code	Budget Year 2025/26									
		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
<b>R thousands</b>											
<b>Debtors Age Analysis By Income Source</b>											
Trade and Other Receivable	1200	—	—	—	—	—	—	—	—	—	—
Trade and Other Receivable	1300	1 913	1 659	1 294	2 051	1 125	123	495	2 756	11 417	6 551
Receivables from Non-exch	1400	4 996	3 982	3 805	2 424	15 278	(5)	7 112	104 541	142 135	129 352
Receivables from Excharch	1500	—	—	—	—	—	—	—	—	—	—
Receivables from Excharch	1600	1 492	1 175	974	949	966	916	5 825	61 713	74 011	70 369
Receivables from Excharch	1700	34	31	12	7	(1 212)	(5)	(47)	128	(1 052)	(1 130)
Interest on Arrear Debtor	1810	447	436	470	401	402	418	2 829	34 760	40 163	38 810
Recoverable unauthorise	1820	—	—	—	—	—	—	—	—	—	—
Other	1900	4 690	6	6	15	8	11	7	5 409	10 152	5 450
<b>Total By Income Source</b>	<b>2000</b>	<b>13 572</b>	<b>7 290</b>	<b>6 561</b>	<b>5 848</b>	<b>16 567</b>	<b>1 459</b>	<b>16 221</b>	<b>209 308</b>	<b>276 826</b>	<b>249 402</b>
<b>2024/25 - totals only</b>										—	—
<b>Debtors Age Analysis By Customer Group</b>											
Organs of State	2200	2 076	1 838	2 425	1 142	162	148	1 357	33 700	42 849	36 509
Commercial	2300	6 535	2 012	1 433	1 244	13 645	130	2 892	27 609	55 501	45 521
Households	2400	4 692	3 300	2 556	3 314	2 556	1 044	11 039	141 891	170 390	159 843
Other	2500	269	140	147	147	204	136	933	6 108	8 085	7 529
<b>Total By Customer Group</b>	<b>2600</b>	<b>13 572</b>	<b>7 290</b>	<b>6 561</b>	<b>5 848</b>	<b>16 567</b>	<b>1 459</b>	<b>16 221</b>	<b>209 308</b>	<b>276 826</b>	<b>249 402</b>

The total Consumer debtors outstanding as 31<sup>st</sup> December is **R 276.8million**

- Debt book indicates R6.4million increase from 1<sup>st</sup> July 2025 to 31 December 2025; within a month the debt book has accumulated a 2% increase.**
- Debtor's collection rate at 31 December 2025 is 83%

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 Office.

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.

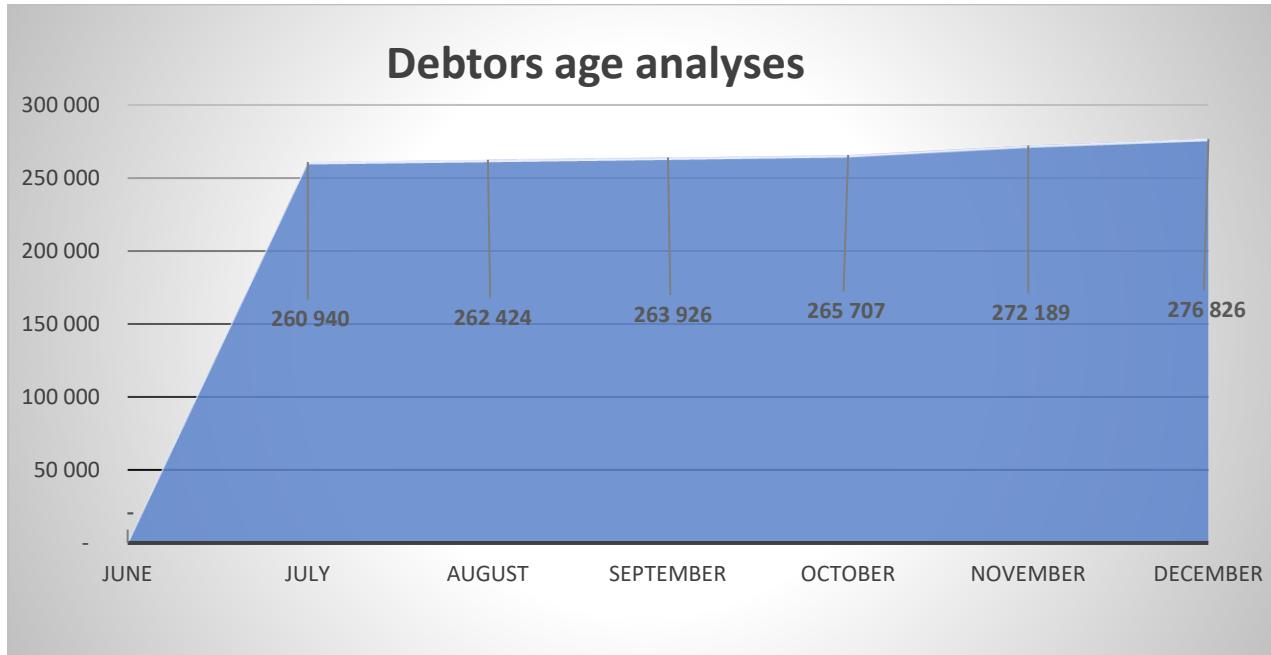
#### **ACCOUNTS WITH LETTERS OF FINAL DEMAND FOR PAYMENT SENT OUT**

ACC. NO.	ADDRESS	ERF NO.	DEBTORS NAME	DEBT TYPE	AMOUNT R
002250300	SUNDUMBILI B	2503	YAKA	RATE/REFUSE	R116 813.18
002250600	SUNDUMBILI B	2506	MPONTSHANE	RATE/REFUSE	R96 553.76
002250800	SUNDUMBILI B	2508	PHUNGULA	RATE/REFUSE	R47 404.78
002250900	SUNDUMBILI B	2509	MKHIZE (DECEASED)	RATE/REFUSE	R82 630.46
002251100	SUNDUMBILI B	2511	SHANDU	RATE/REFUSE	R39 756.28
002251400	SUNDUMBILI B	2514	NSELE	RATE/REFUSE	R130 813.90
002251500	SUNDUMBILI B	2515	MTSHALI	RATE/REFUSE	R41 613.18

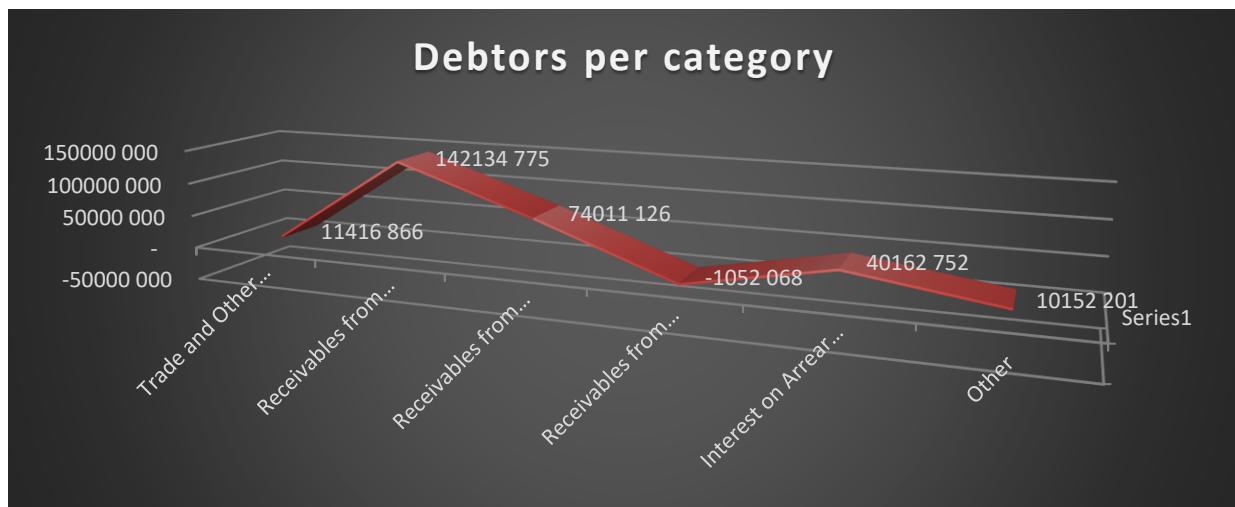
002251600	SUNDUMBILI B	2516	NTOMBELA	RATE/REFUSE	R38 371.76
002251700	SUNDUMBILI B	2517	DLAMINI	RATE/REFUSE	R66 820.13
002251800	SUNDUMBILI B	2518	MKONZA (DECEASED)	RATE/REFUSE	R31 790.15
002252000	SUNDUMBILI B	2520	MSWELI	RATE/REFUSE	R30 486.60
002252100	SUNDUMBILI B	2521	NYAWO	RATE/REFUSE	R43 610.45
002252200	SUNDUMBILI B	2522	MGWABA (DECEASED)	RATE/REFUSE	R38 772.84
002252300	SUNDUMBILI B	2523	MTETWA	RATE/REFUSE	R33 956.29
002252600	SUNDUMBILI B	2526	MBATHA	RATE/REFUSE	R19 081.36
002252700	SUNDUMBILI B	2527	ITHALA DEV FIN CORP	RATE/REFUSE	R48 561.17
002253200	SUNDUMBILI B	2532	MBATHA	RATE/REFUSE	R41 045.28
002253500	SUNDUMBILI B	2535	ITHALA LTD -	RATE/REFUSE	R46 699.76
002253600	SUNDUMBILI B	2536	ZIKHALI	RATE/REFUSE	R21 033.53
002253700	SUNDUMBILI B	2537	NDABA	RATE/REFUSE	R33 469.37
<b>TOTAL</b>					<b>R1 049 284.23</b>

DISCONNECTIONS DEC 2025							
NO.	ACCOUNT NO.	TOWN	ADDRESS	NAME	DEBT TYPE	AMOUNT R	
1	009900611	MANDINI	9 RICHARD CIRCLE	NAIDOO	RATE/REFUSE	R27 855.68	
2	009904501	MANDINI	9 PATRYS ROAD	DUBE	RATE/REFUSE	R12 808.43	
3	009401621	MANDINI	8 RICHARDS CIRCLE	DLAMINI	RATE/REFUSE	R33 183.24	
4	009907461	MANDINI	8 IMPUNZI RD	MCHUNU	RATE/REFUSE	R1 860.06	
5	009903781	MANDINI	7 TROGON RD	DLAMINI	RATE/REFUSE	R5 771.87	
6	009908251	MANDINI	7 SPRINGBOK RD	MTHEMBU	RATE/REFUSE	R2 994.36	
7	009901471	MANDINI	7 FARROW RD	NTSHANGASE	RATE/REFUSE	R5 781.14	
8	009909122	MANDINI	7 DUBE RD	VENTER	RATE/REFUSE	R3 842.49	
9	009900821	MANDINI	60 ANDERSON RD	THABETHE	RATE/REFUSE	R41 782.01	
10	008803051	MANDINI	6 JOHNSTON RD	NDLOVU	RATE/REFUSE	R40 268.95	
11	009002182	MANDINI	58 KUDU RD	MZIMELA	RATE/REFUSE	R91 521.78	
12	009300531	MANDINI	57 PATRYS RD	MINNIE	RATE/REFUSE	R5 781.59	
13	008700581	MANDINI	57 KUDU RD	MNQAYI	RATE/REFUSE	R4 485.89	
14	009902731	MANDINI	54 GREIG RD	MZIMELA	RATE/REFUSE	R3 550.96	
15	009909281	MANDINI	51 PATRYS RD	HLONGWANE	RATE/REFUSE	R9 803.85	
16	009902561	MANDINI	5 WATSON RD	ZUNGU	RATE/REFUSE	R14 714.71	
17	008400741	MANDINI	45 PATRYS RD	GOVENDER	RATE/REFUSE	R5 366.64	
18	009702121	MANDINI	42 IMPUNZI RD	NZIMANDE	RATE/REFUSE	R30 429.35	
19	009501791	MANDINI	40 KUDU RD	BUTHELEZI	RATE/REFUSE	R9 243.77	
20	0024385.68	MANDINI	40 INYATHI RD	MTHEMBU, NGEMA	RATE/REFUSE	R26 206.94	
21	009800611	MANDINI	40 IMPUNZI RD	MOOLMAN	RATE/REFUSE	R14 077.96	
22	008803801	MANDINI	4 TROGON RD	NDLELA	RATE/REFUSE	R23 241.90	
23	009600971	MANDINI	4 PHILLIP RD	NTULI	RATE/REFUSE	R81 049.85	
24	009907442	MANDINI	4 IMPUNZI RD	HIRAMAN	RATE/REFUSE	R74 724.73	
25	009903521	MANDINI	37 TROGON RD	MATHONSI	RATE/REFUSE	R30 404.09	
26	009200811	MANDINI	37 PATRYS RD	SIBIYA	RATE/REFUSE	R5 389.30	
27	008900571	MANDINI	35 KUDU RD	ZUNGU	RATE/REFUSE	R9 425.08	
28	009801702	MANDINI	34 GREIG RD	ZULU	RATE/REFUSE	R25 249.18	
29	009904701	MANDINI	32 PLOVER CRESCENT	CELE	RATE/REFUSE	R48 713.33	
30	009907711	MANDINI	32 KUDU RD	MANQELE	RATE/REFUSE	R14 088.43	
31	009903071	MANDINI	31 TALBOT RD	MBUYISA	RATE/REFUSE	R44 180.62	
32	008903411	MANDINI	30 PLOVER CRESCENT	RADEBE	RATE/REFUSE	R95 631.87	
33	009999341	MANDINI	30 O'HARA RD	MZIMELA	RATE/REFUSE	R10 929.20	
34	002500842	MANDINI	30 GREIG RD	XULU	RATE/REFUSE	R109 477.57	
35	009910241	MANDINI	3 ERICA PLACE	QHOSHA	RATE/REFUSE	R38 337.83	
36	009910421	MANDINI	3 ARUM PLACE	SIBIYA	RATE/REFUSE	R68 449.76	
37	009901561	MANDINI	29 ANDESRON RD	GABELA	RATE/REFUSE	R13 129.79	
38	008001121	MANDINI	28 O'HARA RD	MZIMELA	RATE/REFUSE	R32 594.75	
39	008902381	MANDINI	28 IMPUNZI RD	ZONDI	RATE/REFUSE	R31 204.77	
40	009301131	MANDINI	26 IMPUNZI RD	PILLAY	RATE/REFUSE	R20 024.98	
41	009901291	MANDINI	26 FARROW RD	PM ZULU	RATE/REFUSE	R8 184.84	
42	009800801	MANDINI	25 INYALA RD	MATHONSI	RATE/REFUSE	R26 792.22	
43	008300731	MANDINI	23 PLOVER CRESCENT	MORGAN	RATE/REFUSE	R67 309.42	
44	008800871	MANDINI	23 O'HARA RD	XULU	RATE/REFUSE	R19 200.26	
45	008400631	MANDINI	22 TEKWANE CRESCENT	XULU	RATE/REFUSE	R5 930.21	
46	009701331	MANDINI	22 KUDU RD	THABETHE	RATE/REFUSE	R30 676.19	
47	009500781	MANDINI	20 UMSINSI RD	SIBIYA	RATE/REFUSE	R170 852.26	
48	008908221	MANDINI	2 TEKWANE RD	DLAMINI	RATE/REFUSE	R54 682.26	
49	009900121	MANDINI	2 STRATTEN CIRCLE	ZULU	RATE/REFUSE	R10 207.81	
	Page   41	009903601	MANDINI	17 SANDPIPER RD	MWANDLA	RATE/REFUSE	R40 630.27
				TOTAL		R1 602 044.44	

**Figure 5**



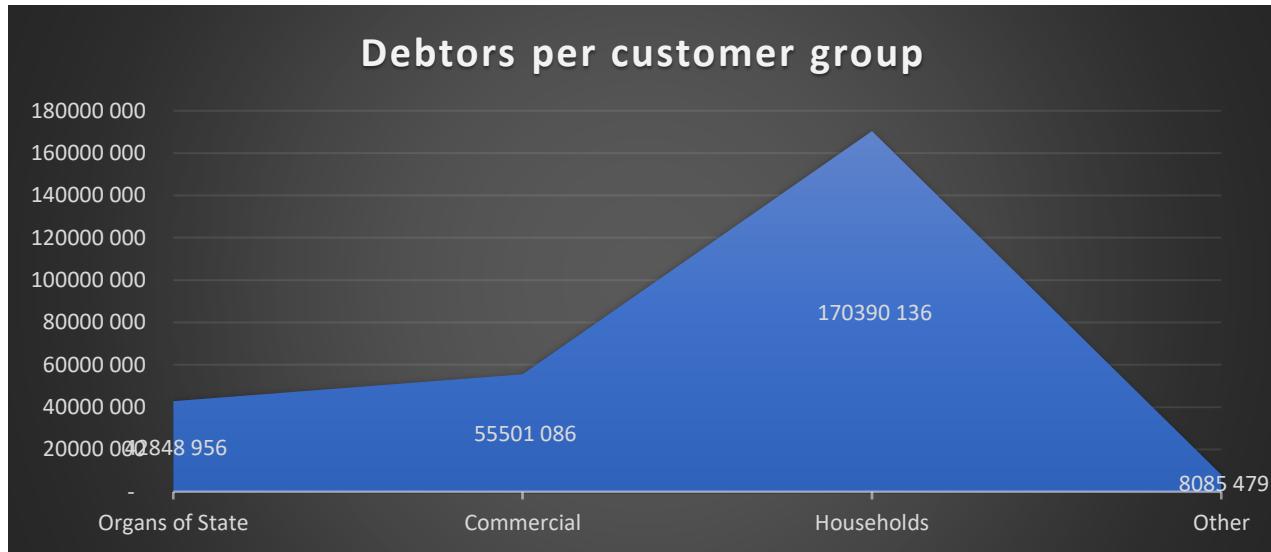
**Figure 6**



The municipal debtors have increased from R260.9 million to R272.2 million that is from July 2025 until 31 December 2025. This increase is between Household debtors of 62% and it is followed by Business Commercial is 20% and Organ of state at 15% and lastly the other debtors with a percentage of 3%.

- **Total Outstanding Debtors from 31 December 2025**

**Figure 7**



### **Councilors and Employees in Arrear**

- Debt outstanding on Staff as of 31 December is R.77,088.94
- Councillors Accounts in arrears as of 31 December is R175,375.64
- However, it should be noted that both Councilors and Staff have made arrangement with the municipality to settle these outstanding debts.

## **4. CREDITOR'S AGE ANALYSIS**

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

Description R thousands	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	
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

- Creditors aged at Nil as at 30 November 2025. (Age analysis listing attached)

Top 10 Creditors (December 2025)

<b>Name</b>	<b>Amount</b>
ESKOM HOLDING	R12 739 575.98
EMALANGENI	R 757 545.60
DCLM	R 354 544.93
BAMBHANANI ENTERPRISE	R 80 476.56
MALUTHULI TRADING	R 683 900.00
EZAMALUNQA	R 1 504 799.84
CCG SYSTEMS	R 272 979.18
CITY OF CHOICE	R 234 173.03
ILEMBE MUNICIPALITY	R 91 805.90
MBD CONSULTING	R 343 724.65

## 5. MONTHLY BUDGET STATEMENT - FINANCIAL POSITION

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

KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2024/25		Budget Year 2025/26		
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		131 927	9 811	–	173 221	9 811
Trade and other receivables from exchange transactions		56 701	43 899	–	63 217	43 899
Receivables from non-exchange transactions		20 402	44 829	–	8 258	44 829
Current portion of non-current receivables		–	–	–	–	–
Inventory		41 639	41 799	–	41 699	41 799
VAT		4 428	38 224	–	4 478	38 224
Other current assets		225	–	–	225	–
<b>Total current assets</b>		<b>255 323</b>	<b>178 561</b>	–	<b>291 098</b>	<b>178 561</b>
<b>Non current assets</b>						
Investments		–	–	–	–	–
Investment property		44 152	41 913	–	44 152	41 913
Property, plant and equipment		747 620	761 503	–	770 983	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		–	–	–	–	–
<b>Total non current assets</b>		<b>793 896</b>	<b>805 344</b>	–	<b>817 259</b>	<b>805 344</b>
<b>TOTAL ASSETS</b>		<b>1 049 220</b>	<b>983 905</b>	–	<b>1 108 357</b>	<b>983 905</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Financial liabilities		9 025	–	–	9 025	–
Consumer deposits		196	162	–	246	162
Trade and other payables from exchange transactions		56 434	46 847	–	25 638	46 847
Trade and other payables from non-exchange transactions		5 292	2 058	–	21 189	2 058
Provision		5 380	17 141	–	5 380	17 141
VAT		9 837	22 133	–	12 945	22 133
Other current liabilities		–	–	–	–	–
<b>Total current liabilities</b>		<b>86 164</b>	<b>88 340</b>	–	<b>74 423</b>	<b>88 340</b>
<b>Non current liabilities</b>						
Financial liabilities		–	–	–	–	–
Provision		–	–	–	–	–
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		22 198	25 770	–	22 198	25 770
<b>Total non current liabilities</b>		<b>22 198</b>	<b>25 770</b>	–	<b>22 198</b>	<b>25 770</b>
<b>TOTAL LIABILITIES</b>		<b>108 362</b>	<b>114 110</b>	–	<b>96 620</b>	<b>114 110</b>
<b>NET ASSETS</b>	2	<b>940 858</b>	<b>869 795</b>	–	<b>1 011 737</b>	<b>869 795</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		738 186	867 662	–	809 064	867 662
Reserves and funds		202 672	2 133	–	202 672	2 133
Other		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>940 858</b>	<b>869 795</b>	–	<b>1 011 737</b>	<b>869 795</b>

## RATIOS FOR THE MONTH

**Current ratio:** The municipality's current assets are (3) times that of current liabilities.

The ratio measures the short-term liquidity, that is, the extent to which the current liabilities can be paid from current assets. The higher the ratio, the healthier is the situation. The ratio of 3.91:0.0.26c 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, R3.91c

**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 83%.

**Collection days:** 329days it takes the municipality to collect outstanding debt.

**Cost coverage:** on average the municipality has sustained its existence for the period of 3 months without any grant funding.

**Debtors collection rate: as** at the 06 month of 2025/26 at 83%

B. Debtors Management			
1	Collection Rate	95%	83%
			Gross Debtors closing balance
			276 825 666
			Gross Debtors opeining balance
			262 266 700
2	Bad Debts Written-off as % of Provision for Bad Debt	100%	5%
			Consumer Debtors Bad debts written off
			10 695 564
			Consumer Debtors Current bad debt Provision
			200 669 456
3	Net Debtors Days	30 days	329 days
			Gross debtors
			276 825 666
			Bad debts Provision
			200 669 456
Billed Revenue			84 580 809

### C. Liquidity Management

				4 Month
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	1 - 3 Months	Cash and cash equivalents	12 183 073
			Unspent Conditional Grants	22 122 630
			Overdraft	-
			Short Term Investments	161 034 958
			Total Annual Operational Expenditure	487 943 906
2	Current Ratio	1.5 - 2:1		3.91
			Current Assets	291 097 754
			Current Liabilities	74 422 559
3	Remuneration as % of Total Operating Expenditure	25% - 40%		37%
			Employee/personnel related cost	80 630 651
			Councillors Remuneration	7 563 059
			Total Operating Expenditure	238 647 116
			Taxation Expense	-
4	Contracted Services % of Total Operating Expenditure	2% - 5%		16%
			Contracted Services	37 686 565
			Total Operating Expenditure	238 647 116
			Taxation Expense	

1	Capital Expenditure to Total Expenditure	10% - 20%		21%
			Total Operating Expenditure	238 647 116
			Taxation Expense	
			Total Capital Expenditure	65 297 923
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	0%		0%
			PPE, Investment Property and Intangible Impairment	-
			PPE at carrying value	770 983 232
			Investment at carrying value	44 152 000
			Intangible Assets at carrying value	2 123 913
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	8%		2%
			Total Repairs and Maintenance Expenditure	12 365 467
			PPE at carrying value	770 983 232
			Investment Property at Carrying value	44 152 000

## 6. MONTHLY BUDGET STATEMENT -CASH FLOW

**Table C7 below display the Cash Flow Statement for the period ending 31 DECEMBER 2025**

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - M06 December									
Description R thousands	Ref 1	2024/25		Budget Year 2025/26					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
Receipts									
Property rates		(52 910)	49 972	—	6 840	58 159	24 986	33 173	133%
Service charges		(63 799)	98 454	—	1 926	15 039	49 227	(34 189)	-69%
Other revenue		8 768	26 748	—	236	1 955	13 374	(11 419)	-85%
Transfers and Subsidies - Operational		315 392	254 956	—	96 225	190 303	127 478	62 825	49%
Transfers and Subsidies - Capital		167 478	46 017	—	3 015	38 000	23 008	14 992	65%
Interest		—	25 232	—	—	—	12 616	(12 616)	-100%
Dividends		—	—	—	—	—	—	—	—
Payments									
Suppliers and employees		(469 507)	(414 328)	—	(39 754)	(212 299)	(190 121)	22 178	-12%
Interest		—	(3 050)	—	—	—	(1 525)	(1 525)	100%
Transfers and Subsidies		—	—	—	—	—	—	—	—
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(94 577)</b>	<b>84 002</b>	<b>—</b>	<b>68 488</b>	<b>91 157</b>	<b>59 044</b>	<b>(32 113)</b>	<b>-54%</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
Receipts									
Proceeds on disposal of PPE		—	—	—	—	—	—	—	—
Decrease (increase) in non-current receivables		—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments		—	—	—	—	—	—	—	—
Payments									
Capital assets		126 192	(166 388)	—	(11 181)	(49 834)	(83 194)	(33 359)	40%
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>126 192</b>	<b>(166 388)</b>	<b>—</b>	<b>(11 181)</b>	<b>(49 834)</b>	<b>(83 194)</b>	<b>(33 359)</b>	<b>46%</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
Receipts									
Short term loans		—	—	—	—	—	—	—	—
Borrowing long term/refinancing		—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits		—	—	—	—	—	—	—	—
Payments									
Repayment of borrowing		—	—	—	—	—	—	—	—
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>31 615</b>	<b>(82 386)</b>	<b>—</b>	<b>57 308</b>	<b>41 322</b>	<b>(24 150)</b>		<b>—</b>
Cash/cash equivalents at beginning:		230 188	92 208	—	—	131 899	92 208		131 899
Cash/cash equivalents at month/year end:		261 803	9 822	—	57 308	173 221	68 059		—

The net decrease in cash for the period ending 31 December 2025 is R41.3million. The municipality opened the financial year with cash and cash equivalents of R131.9 million as per the audited AFS and closed the month of December with a balance of R173.2 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 33% or R33.2million of the collected revenue in C7-as of 31 December 2025.
- Service Charges: Electricity and Refuse cash receipts are under collected by 69% or R34.2million from the revenue budget.
- Other Revenue collected from VAT refunds received as of 31<sup>st</sup> December totals R2.4million whereas a total amount of R14.2million and, Other Revenue receipt collected of R1.9million.
- Government grants received YTD total of R228.3million as of 31 December 2025 which includes Government grant Capital of R38million.
- Interest earned on external investments amounts to R6.8million@54%.

## **Payments**

- Suppliers and employees for cash outflows of R213million.
- Finance charges reflect underperformance by 100 percent.
- Capital Assets of R49.8million as at 31 December 2025 @60%.

## 6.1. BANK RECONCILIATION STATEMENT AS AT 31 DECEMBER 2025

 <p style="text-align: center;"><b>Mandeni Municipality</b></p>		
<b>BANK RECONCILIATION STATEMENT FOR DECEMBER 2025</b>		
Main Account :52940480587		
<b>Opening FNB Bank Balance as on DECEMBER 2025</b>	<b>7 579 741.88</b>	<b>7 579 741.88</b>
PLUS: Deposits Banked	10 029 225.39	
PLUS: Interest received	27 162.05	
PLUS: Transfers In	66 096 537.61	
PLUS:Interest received From Call 1	87 686.30	
PLUS:Unpaid	-	
PLUS: MATURED INVESTMENTS	-	
PLUS: SARS REFUND	2 444 707.67	
PLUS: GRANTS RECEIVED	99 692 472.01	
<b>Total Deposits</b>	<b>178 377 791.03</b>	<b>178 377 791.03</b>
<b>Less:Total payments</b>	<b>- 173 835 068.82</b>	<b>- 173 835 068.82</b>
LESS: EFT Payments	- 57 866 645.74	
LESS: Bank Charges	- 20 758.50	
LESS: Transfers Out	- 85 000 000.00	
LESS: NEW INVESTMENTS	- 30 000 000.00	
LESS: Debit Orders	- 947 664.58	
<b>Closing FNB Bank Balance as on 31 DECEMBER 2025</b>	<b>12 122 464.09</b>	
<b>Cashbook Reconciliation for 31 DECEMBER 2025</b>		
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-1/07/2025-BANK CHARGES	- 1 660 778.29	
<b>TOTAL OPENING BALANCE 1/07/2025</b>	<b>16 298 905.21</b>	
Cashbook Balance as on 1 DEC 2025-D0001/IA09567/F0001/X049/R0099/001/FIN	282 667 569.16	
Less:Cashbook Balance as on 1 DEC 2025-D0001/IA09850/F0001/X049/R0099/001/FIN	- 291 411 393.88	
Corrections to be made (JNL CR)	-	
Corrections to be made (JNL DR)	-	
PLUS: Deposits Banked for DECEMBER 2025	10 029 225.39	
LESS: EFT Payments for DECEMBER 2025	- 57 898 995.74	
Plus NOV 2025 outstanding (reconciled )	23 000.00	
Less: Bank Charges to date	- 128 387.32	
PLUS: Grant received	99 692 472.01	
Less : New investment	- 30 000 000.00	
Less: Payments not yet paid during DECEMBER 2025		
PLUS: Interest received to date	136 452.44	
PLUS:Interest received From Call 1-DECEMBER 2025	87 686.30	
PLUS MATURED INVESTMENT	-	
PLUS :SARS REFUND	2 444 707.67	
PLUS :TRANSFER IN	66 096 537.61	
LESS:TRANSFER OUT	- 85 000 000.00	
LESS: Debit Orders for -DECEMBER 2025	- 947 664.58	
<b>Closing Cashbook Balance as on 31 DECEMBER 2025</b>	<b>12 090 114.27</b>	<b>12 090 114.27</b>
<b>32 350.00</b>		
<b>Reconciling Items</b>	<b>Amount</b>	
ADD: Journal Debits - on Cashbook not on Bank Statement	32 350.00	
ADJUSTED MONTH END CASHBOOK BALANCE- 31 DECEMBER 2025	12 122 464.27	
MONTH END BALANCE PER BANK STATEMENT- 31 DECEMBER 2025	12 122 464.09	
DIFFERENCE	0.18	

## 6.2. MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO

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

		INVESTMENT REGISTER FOR DECEMBER 2025								
Name of grant	Bank account number	INTEREST RATES	Opening Balance as at	Re-Investments	Expenditure	interest	bank charges	Closing Balance as at	TOTAL INTEREST EARNED TO DATE	
			2025/12/01					2025/12/31		
		%	R	R	R	R	R	R	R	
call 1-internal grant	61294217372	7.20	-	70 000 000.00	62 587 686.30	87 686.30	-	7 500 000.00	839 928.38	
Call account 2 - HOUSING	62028673219	7.20	2 209 323.03	-		10 395.92	-	2 219 718.95	65 481.61	
Call account 3-MIG	62812286400	7.20	5 824 982.97	15 000 000.00	3 596 537.61	73 138.25		17 301 583.61	331 694.71	
Call account 5-TMT	62113325882	7.20	567 656.06	1 400.00	-	2 595.53	32.24	571 619.35	16 614.21	
Call account 6- INEP	62527527462	7.20	1 126.03	-	-	5.28	-	1 131.31	1 131.31	
Call account 7-AR	62538203449	7.20	1 520 305.66	-	-	7 359.94	-	1 527 665.60	83 472.77	
Call account 8- Title Deed	62812286963	7.20	1 761 047.97	-	-	8 525.40	-	1 769 573.37	60 873.66	
Call account 9- Disaster Recovery	63048438097	7.20	142 973.34	-	-	692.15	-	143 665.49	62 412.58	
ABSA BANK	208168-2978	9.78	-		-	-		-	-	
NEDBANK	03/7881155450/000038	7.87	-		-	-		-	1 117 029.92	
ABSA BANK	208213-3077	7.92	100 000 000.00	-	-	759 452.06		100 000 000.00	3 927 452.05	
ABSA BANK	208231-8708	7.36	30 000 000.00			151 232.87		30 000 000.00	151 232.87	
FNB-MAIN BANK	52940480587		-			27 162.05		-	136 452.44	
<b>TOTAL</b>			<b>142 027 415.06</b>	<b>85 001 400.00</b>	<b>(66 184 223.91)</b>	<b>1 128 245.75</b>	<b>(32.24)</b>	<b>161 034 957.68</b>	<b>6 793 776.51</b>	

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

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December											
Summary of Employee and Councillor remuneration R thousands	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	
		1	A	B	C					D	
<b>Councillors (Political Office Bearers plus Other)</b>											
Basic Salaries and Wages		13 079	14 319	-	1 098	6 517	7 159	(643)	-9%	14 319	
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-	
Medical Aid Contributions		-	-	-	-	-	-	-	-	-	
Motor Vehicle Allowance		452	702	-	39	237	351	(114)	-32%	702	
Cellphone Allowance		1 493	1 754	-	126	746	877	(131)	-15%	1 754	
Housing Allowances		126	269	-	11	63	134	(71)	-53%	269	
Other benefits and allowances		-	-	-	-	-	-	-	-	-	
<b>Sub Total - Councillors</b>		15 151	17 043	-	1 274	7 563	8 522	(959)	-11%	17 043	
% increase	4		12.5%							12.5%	
<b>Senior Managers of the Municipality</b>	3										
Basic Salaries and Wages		8 755	5 833	-	496	3 401	2 916	484	17%	5 833	
Pension and UIF Contributions		-	11	-	-	-	5	(5)	-100%	11	
Medical Aid Contributions		268	153	-	17	127	76	50	66%	153	
Overtime		-	-	-	-	-	-	-	-	-	
Performance Bonus		570	399	-	-	-	200	(200)	-100%	399	
Motor Vehicle Allowance		716	909	-	60	358	454	(96)	-21%	909	
Cellphone Allowance		342	281	-	29	171	141	30	22%	281	
Housing Allowances		170	292	-	14	85	146	(61)	-42%	292	
Other benefits and allowances		482	485	-	40	241	243	(2)	-1%	485	
Payments in lieu of leave		-	-	-	-	-	-	-	-	-	
Long service awards		-	-	-	-	-	-	-	-	-	
Post-retirement benefit obligations	2	5 617	3 923	-	-	-	1 961	(1 961)	-100%	3 923	
<b>Entertainment</b>		-	-	-	-	-	-	-	-	-	
<b>Scarcity</b>		-	-	-	-	-	-	-	-	-	
<b>Acting and post related allowance</b>		-	-	-	-	-	-	-	-	-	
<b>In kind benefits</b>		-	-	-	-	-	-	-	-	-	
<b>Sub Total - Senior Managers of Municipality</b>	4	16 920	12 285	-	656	4 382	6 142	(1 760)	-29%	12 285	
% increase			-27.4%							-27.4%	
<b>Other Municipal Staff</b>											
Basic Salaries and Wages		96 503	105 238	-	8 918	52 606	52 619	(12)	0%	105 238	
Pension and UIF Contributions		15 787	17 150	-	1 360	8 224	8 575	(351)	-4%	17 150	
Medical Aid Contributions		7 748	7 271	-	675	4 129	3 635	494	14%	7 271	
Overtime		4 129	3 191	-	266	1 923	1 596	327	21%	3 191	
Performance Bonus		8 019	5 711	-	655	3 863	2 856	1 008	35%	5 711	
Motor Vehicle Allowance		4 999	6 161	-	403	2 529	3 080	(551)	-18%	6 161	
Cellphone Allowance		758	832	-	66	406	416	(10)	-2%	832	
Housing Allowances		340	405	-	27	174	202	(29)	-14%	405	
Other benefits and allowances		2 185	1 052	-	229	1 437	526	911	173%	1 052	
Payments in lieu of leave		3 327	2 798	-	128	667	1 399	(732)	-52%	2 798	
Long service awards		439	1 498	-	57	290	749	(460)	-61%	1 498	
Post-retirement benefit obligations	2	(1 123)	4 310	-	-	-	2 155	(2 155)	-100%	4 310	
<b>Entertainment</b>		-	-	-	-	-	-	-	-	-	
<b>Scarcity</b>		-	-	-	-	-	-	-	-	-	
<b>Acting and post related allowance</b>		-	-	-	-	-	-	-	-	-	
<b>In kind benefits</b>		-	-	-	-	-	-	-	-	-	
<b>Sub Total - Other Municipal Staff</b>	4	143 111	155 617	8.7%	-	12 782	76 249	77 808	(1 560)	-2%	155 617
% increase											8.7%
<b>Total Parent Municipality</b>		175 181	184 944	-	14 712	88 194	92 472	(4 279)	-5%	184 944	

## 8. External Loan

NONE

## 9. Performance Indicators

KZN291 Mandeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M06 December

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
<b>Borrowing Management</b>							
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%
<b>Safety of Capital</b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		9.9%	8.6%	0.0%	7.7%	8.6%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>							
Current Ratio	Current assets/current liabilities	1	296.3%	202.1%	0.0%	391.1%	202.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		153.1%	11.1%	0.0%	232.8%	11.1%
<b>Revenue Management</b>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		18.0%	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%
<b>Creditors Management</b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<b>Funding of Provisions</b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b>Other Indicators</b>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		37.2%	36.9%	0.0%	28.0%	36.9%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		5.6%	6.6%	0.0%	4.3%	6.6%
Interest & Depreciation	I&D/Total Revenue - capital revenue		10.8%	8.6%	0.0%	0.0%	4.4%
<b>IDP regulation financial viability indicators</b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						
<b>References</b>							

### **QUALITY CERTIFICATE**

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

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

- **Monthly Budget Statements**

for the month of **December 2025** has been prepared in accordance with the Municipal Finance Management Act and regulations under that Act.

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

Municipal manager of Mandeni Municipality (KZN 291)

Signature\_\_\_\_\_

Date **16 January 2026**