

MANDENI MUNICIPALITY (KZN 291)



FIRST QUARTER REPORT SECTION 52(D) (mSCOA)

**2025/26 FINANCIAL YEAR JULY– SEPTEMBER
2025**

Table of Contents

ANNEXURE	A
PART 1 – SECOND QUARTER REPORT	
1.1 MAYOR’S REPORT.....	2
1.2 COUNCIL RESOLUTIONS	2
1.3 EXECUTIVE SUMMARY.....	2
1.4 IN-YEAR BUDGET STATEMENT TABLES	5
PART 2 – SUPPORTING DOCUMENTATION	37
2.1 DEBTOR’S ANALYSIS.....	38
2.2 CREDITOR’S ANALYSIS	44
2.3 INVESTMENT PORTFOLIO ANALYSIS	45
2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE.....	46
2.5 COUNCILORS AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFIT	51
3. EXPENDITURE MANAGEMENT.....	56
3.1 COST CONTAINMENT MEASURES	56
4. ASSET MANAGEMENT REPORT	57
5. REVENUE MANAGEMENT.....	52
6 REPORTING (FINANCIAL STATEMENTS).....	59
7. MUNICIPAL MANAGER’S QUALITY CERTIFICATE	93

List of Tables

Table 1 MBRR Table C1 -Monthly Budget Statement Summary	5
Table 2 MBRR Table C2 _ Monthly Financial Performance (standard Classification	6
Table 3 MBRR Table C3 -Financial Performance (revenue and expenditure by municipal vote) .	7
Table 4 MBRR Table C4 -Financial Performance (revenue and expenditure).....	8
Table 5 MBRR Table C5 -Capital expenditure (municipal vote and funding).....	19
Table 6 MBRR Table C6 -Financial Position	68
Table 7 MBRR Table C7 - Cash Flow	70
Table 8 Debtor’s Analysis	73
Table 9 Creditor’s Analysis.....	79
Table 10 Investment Portfolio Analysis.....	80
Table 11 Allocation and grant receipts and expenditure	81
Table 12 Transfer and grant expenditure.....	83
Table 13 Councilors and board member allowance and employee benefit.....	86

1.1 MAYORS' FOREWORD

Attached

1.2 COUNCIL RESOLUTION

Resolution No: C

Refer to the recommendations contained in this report.

1.3 EXECUTIVE SUMMARY

LEGAL REQUIREMENTS

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

Quarterly reports are submitted in a prescribed format on the state of the municipality's budget reflecting

the following particulars for that month and for the financial year up to the end of that month.

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

1.3.2 FINANCIAL PERFORMANCE

BUDGET SUMMARY

The following table represents an executive summary for the 1st half of the financial year ended 31st December 2025:

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter									
Description	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									
Total Revenue (excluding capital transfers and contributions)	430,705	454,622	–	96,746	287,799	227,311	60,488	27%	454,622
Total Expenditure	474,482	487,944	–	59,185	238,647	243,972	(5,325)	-2%	487,944
Surplus/(Deficit)	(43,776)	(33,322)	–	37,561	49,152	(16,661)	65,813	-395%	(33,322)
Transfers and subsidies - capital (monetary allocations)	47,668	46,017	–	3,400	21,727	23,008	(1,281)	-6%	46,017
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	3,892	12,694	–	40,962	70,879	6,347	64,532	1017%	12,694
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	3,892	12,694	–	40,962	70,879	6,347	64,532	1017%	12,694
Capital expenditure & funds sources									
Capital expenditure	126,192	130,596	–	9,723	43,334	68,495	(25,160)	-37%	130,596
Capital transfers recognised	42,242	40,058	–	2,953	19,528	20,029	(501)	-2%	40,058
Borrowing	0	–	–	–	–	–	–		–
Internally generated funds	83,950	90,538	–	6,769	23,806	45,269	(21,463)	-47%	90,538
Total sources of capital funds	126,192	130,596	–	9,723	43,334	65,298	(21,964)	-34%	130,596

As can be seen from the table above, Actual surplus for the period ended 31st 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%.

The municipal state of finance remains healthy as the municipality continues to realize more returns on investments hence the municipality will be able to redirect these returns towards service delivery.

1.4 IN- YEAR BUDGET STATEMENT TABLES
Table 1
Table C1 below provides a summary of the overall performance of the Municipality

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter									
Description	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									
Financial Performance									
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 - Operational	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
Total Revenue (excluding capital transfers and contributions)	430,705	454,622	–	96,746	287,799	227,311	60,488	27%	454,622
Employee costs	160,030	167,901	–	13,438	80,631	83,951	(3,320)		167,901
Remuneration of Councillors	15,151	17,043	–	1,274	7,563	8,522	(959)		17,043
Depreciation and amortisation	46,319	36,240	–	3,376	19,972	18,120	1,852		36,240
Interest	0	3,050	–	–	–	1,525	(1,525)		3,050
Inventory consumed and bulk purchases	64,650	72,025	–	11,050	36,771	36,013	758		72,025
Transfers and subsidies	2,450	–	–	1,000	2,050	–	2,050	–	–
Other expenditure	185,882	191,685	–	29,047	91,661	95,842	(4,181)	-4%	191,685
Total Expenditure	474,482	487,944	–	59,185	238,647	243,972	(5,325)	-2%	487,944
Surplus/(Deficit)	(43,776)	(33,322)	–	37,561	49,152	(16,661)	65,813	-395%	(33,322)
Transfers and subsidies - capital (monetary allocations)	47,668	46,017	–	3,400	21,727	23,008	(1,281)	-6%	46,017
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	3,892	12,694	–	40,962	70,879	6,347	64,532	1017%	12,694
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	3,892	12,694	–	40,962	70,879	6,347	64,532	1017%	12,694
Capital expenditure & funds sources									
Capital expenditure	126,192	130,596	–	9,723	43,334	68,495	(25,160)	-37%	130,596
Capital transfers recognised	42,242	40,058	–	2,953	19,528	20,029	(501)	-2%	40,058
Borrowing	0	–	–	–	–	–	–		–
Internally generated funds	83,950	90,538	–	6,769	23,806	45,269	(21,463)	-47%	90,538
Total sources of capital funds	126,192	130,596	–	9,723	43,334	65,298	(21,964)	-34%	130,596
Financial position									
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
Cash flows									
Net cash from (used) operating	(94,577)	62,299	–	67,176	91,157	31,149	(60,007)	-193%	62,299
Net cash from (used) investing	126,192	(144,685)	–	(9,723)	(49,834)	(72,343)	(22,509)	31%	(144,685)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year	261,803	9,822	–	57,454	173,221	51,015	(122,206)	-240%	–
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	13,572	7,290	6,561	5,848	16,567	1,459	16,221	209,308	276,826
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

C2 provides the statement of financial performance by standard classification

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		339,132	342,170	-	87,802	229,202	171,085	58,117	34%	342,170
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		-	-	-	-	-	-	-	-	-
Community and public safety		6,994	6,128	-	385	2,743	3,064	(321)	-10%	6,128
Community and social services		5,270	5,719	-	383	2,528	2,860	(331)	-12%	5,719
Sport and recreation		1,707	-	-	-	204	-	204	0%	-
Public safety		17	408	-	2	10	204	(194)	-95%	408
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		51,516	52,717	-	3,917	25,234	26,359	(1,124)	-4%	52,717
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		-	-	-	-	-	-	-	-	-
Trading services		80,731	99,623	-	8,042	52,347	49,812	2,536	5%	99,623
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
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	478,373	500,638	-	100,147	309,526	250,319	59,207	24%	500,638
Expenditure - Functional										
Governance and administration		244,373	240,817	-	32,270	117,146	120,408	(3,262)	-3%	240,817
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		-	-	-	-	-	-	-	-	-
Community and public safety		57,060	51,805	-	5,654	29,490	26,302	3,188	12%	51,805
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		-	-	-	-	-	-	-	-	-
Economic and environmental services		83,973	92,410	-	8,071	43,597	46,146	(2,549)	-6%	92,410
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
Trading services		88,785	102,391	-	13,192	48,350	57,832	(9,482)	-16%	102,391
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
Other		292	522	-	-	64	261	(197)	-76%	522
Total Expenditure - Functional	3	474,482	487,944	-	59,185	238,647	250,950	(12,303)	-5%	487,944
Surplus/ (Deficit) for the year		3,892	12,694	-	40,962	70,879	(631)	71,509	-11337%	12,694

Monthly Budget Statement – Financial Performance and expenditure by municipal vote

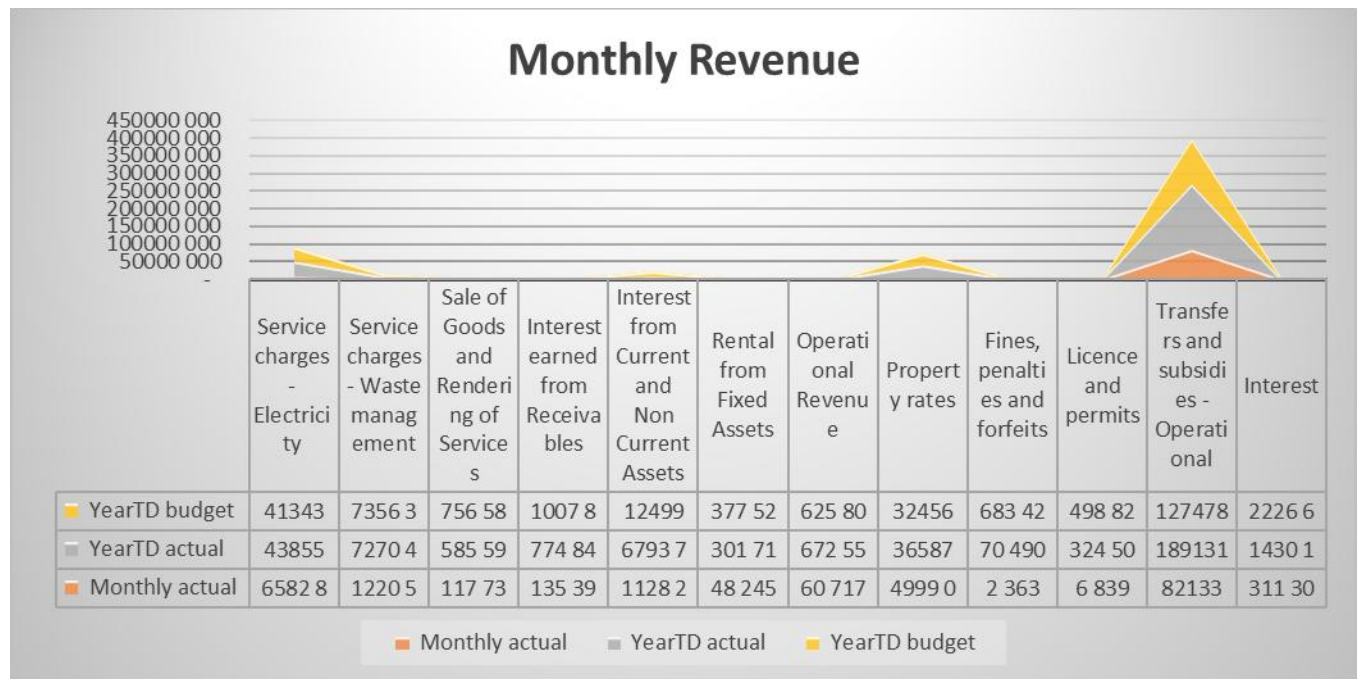
KZN291 Mandeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second										
Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	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 services		5,287	6,128	–	385	2,538	3,064	(525)	-17.1%	6,128
Vote 5 - Sport and Recreation		1,707	–	–	–	204	–	204	0.0%	–
Vote 6 - Public safety		–	–	–	–	–	–	–	–	–
Vote 7 - Housing		–	–	–	–	–	–	–	–	–
Vote 8 - Planning and Development		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]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	478,373	500,638	–	100,147	309,526	250,319	59,207	23.7%	500,638
Expenditure by Vote	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 services		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 Development		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]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	474,482	487,944	–	59,185	238,647	250,950	(12,303)	-4.9%	487,944
Surplus/ (Deficit) for the year	2	3,892	12,694	–	40,962	70,879	(631)	71,509	-11337.0%	12,694

4 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment

KZN291 Mandeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter										
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										
Revenue										
Exchange Revenue										
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 Management		–	–	–	–	–	–	–	–	–
Service charges - Waste management		13,073	14,713	–	1,221	7,270	7,356	(86)	-1%	14,713
Sale of Goods and Rendering of Services		2,282	1,513	–	118	586	757	(171)	-23%	1,513
Agency services		–	–	–	–	–	–	–	–	–
Interest		–	–	–	–	–	–	–	–	–
Interest earned from Receivables		1,487	2,016	–	135	775	1,008	(233)	-23%	2,016
Interest from Current and Non Current Assets		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
Non-Exchange Revenue		–	–	–	–	–	–	–	–	–
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 - Operational		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		–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		430,705	454,622	–	96,746	287,799	227,311	60,488	27%	454,622
Expenditure By Type										
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%	–
Total Expenditure		474,482	487,944	–	59,185	238,647	243,972	(5,325)	-2%	487,944
Surplus/(Deficit)		(43,776)	(33,322)	–	37,561	49,152	(16,661)	65,813	(0)	(33,322)
Transfers and subsidies - capital (monetary allocations)		47,668	46,017	–	3,400	21,727	23,008	(1,281)	(0)	46,017
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		3,892	12,694	–	40,962	70,879	6,347			12,694
Income Tax		–	–	–	–	–	–			–
Surplus/(Deficit) after income tax		3,892	12,694	–	40,962	70,879	6,347			12,694
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		3,892	12,694	–	40,962	70,879	6,347			12,694
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		3,892	12,694	–	40,962	70,879	6,347			12,694

▪ **Total Operating Revenue from (July-December 2025)**

The table below reflects budget vs actual by revenue source for the 1st half of the year.



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.
- As can be seen from the table above that transfers recognized-operational are high is due to the municipality receiving second tranche of equitable share at R183.1 million has been received by the municipality. Therefore, the municipality is awaiting the last trench of R61 million as publicized on DORA. Also, the increase is due to operational grants which conditions have been met as they have been realized as revenue for FMG, EPWP and DIDASTER Grant.

Exchange Revenue

Service Charges: Electricity

- The actual revenue from Service Charges Electricity as at 31st December 2025 is R43.9 million or 6 percent less than the budgeted income of R41.3 million.
- Variance of 6% is mainly attributable to seasonal changes in electricity demand, 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. Further to that the municipality is also providing electricity to Umngeni Water Plant which resulted in the reported performance, the performance also has an impact on bulk purchases.

Service Charges: Refuse

- The actual revenue from Service Charges Refuse as @ 31st December 2025 is R7.3 million or 1 percent less than the budgeted income of R7.4 million. The variance is acceptable, the business refuse always increases during the more economically active months. As part of Revenue Enhancement Strategy, the Municipality provides an incentive for consumers who wish to settle their annual refuse collection debt within the 1st two months of the financial year. As result we receive a lot of requests for annual refuse billings in this regard. As the months progress the revenue billed will subsequently match the budgeted figures.

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, fire service, pounding services and building plan fees. Performance in this category is largely dependent on walk-in customers.
- The municipality has insourced fire services, with this service the municipality's expectation was that this service will contribute towards increased revenue collection. However as at mid-year, there was no performance collected for this service.

Interest earned from receivables.

- Interest earned from receivables amounted to R775 thousand, compared to the year-to-date budget of R757 thousand, resulting in an under-performance of R171 thousand or 23%, variance is based on the outstanding debt billed on refuse and electricity. Interest rate on outstanding debtors is 2% per annum.

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 fact that the municipality recognizes interest when investments are maturing.
- External investments interest is only received when investment has reached its maturity or during withdrawal. Currently there are investments amounting to R130 million which have been invested with ABSA which will be reaching its maturity during the 2nd half of the financial year.

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%.

- Variance is due to level of demand in the usage of municipal facilities such as (Community Halls, Sports Fields and rental of municipal houses) when comparing to the projections.

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 actual revenue from property rates as at 31st December 2025 is R36.6 million or 52 percent more than the budgeted income of R32.5 million. The variance of 13%
- Variance is due to Annual Billings raised for Government Departments National and Provincial and Ithala as per the agreement entered to between these stakeholders.
- The property rates budget will remain the same as we anticipate that the projected budget will be met at year end.

Fines, Penalties and forfeits

- Fines underperformed by 90 percent or R613 thousand, with an actual amount of R70 thousand variance against year-to-date budget projections of R683 thousand. This is mainly due to the culture of non-payment and process followed when fines are issued. Revenue reported to date is on cash basis, as the municipality accounts for fines in terms of iGRAP 1 during year end.

Licences and permits

- Licences and permits have under-performed by 35 percent or R174 thousand with an actual amount of R325 thousand as compared to budget of R499 thousand, variance is due to the level of demand for issuing of licences and permits. Revenue reported has been received from issuing licences and permits by traffic department and trading licences for business within the municipality. Additional contributing factors is due to relocation of DLTC to a new establishment. There were delays from the department of transport in activating services for the new site. However the municipality is still engaging department.

Transfers & subsidies

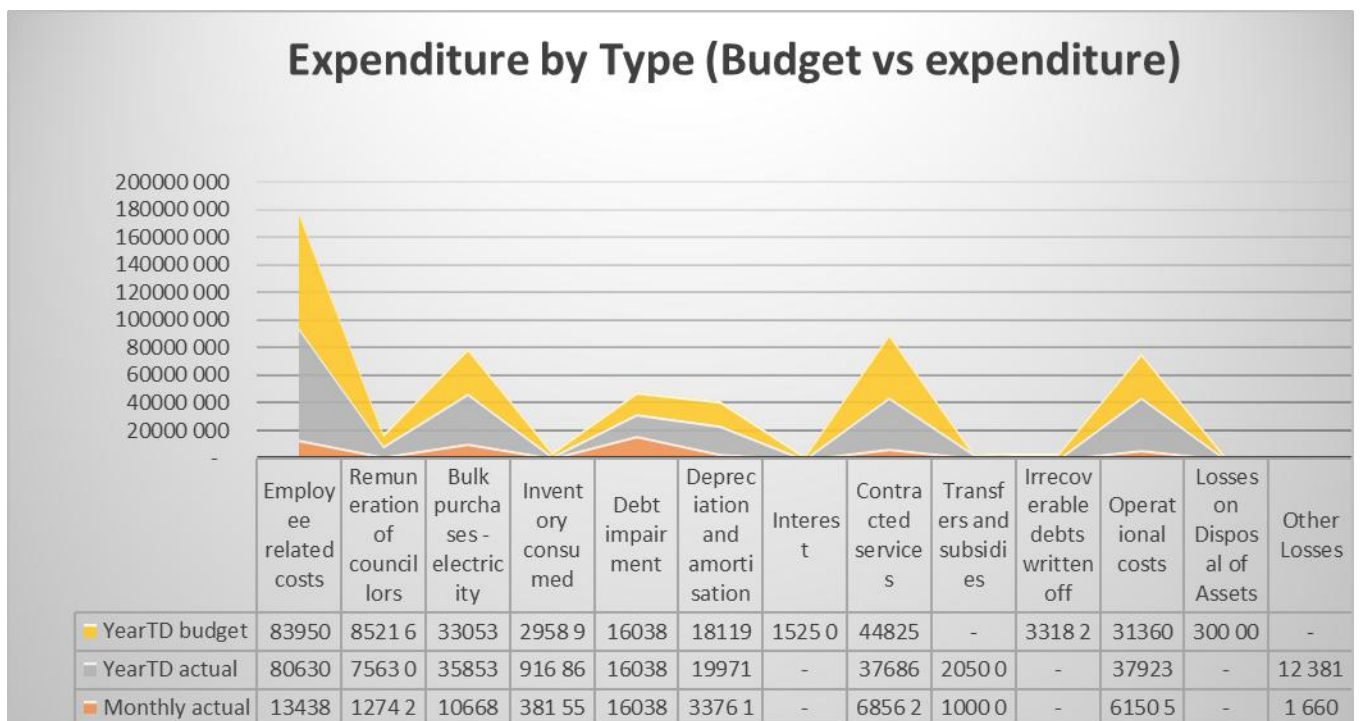
- Transfers and subsidies recognised operational amounts to R189.1 million YTD Actual in comparison with the YTD budget of R127.5 million, thus indicating an over performance by R61.6 million or 48 percent, variance is mainly attributable to the municipality receiving the two trenches of the Equitable Share which totals to R183.1 million and realisation of operational grants spent as conditions have been met for EPWP, FMG and Library Grant.
- 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 from the Rollover Disaster Grant of R4,5 million and MIG of 17,2. *(Detailed report on MIG expenditure has been provided below)*

Interest earned from receivables.

- Interest earned from receivables amounts to R1.4 million in comparison with the year-to-date budget of R2.2 million, thus indicating under performance by R796 thousand or 36 percent, variance is based on the outstanding debtors billed on property rates. Interest rate on outstanding debtors is 2% per annum.

4.3

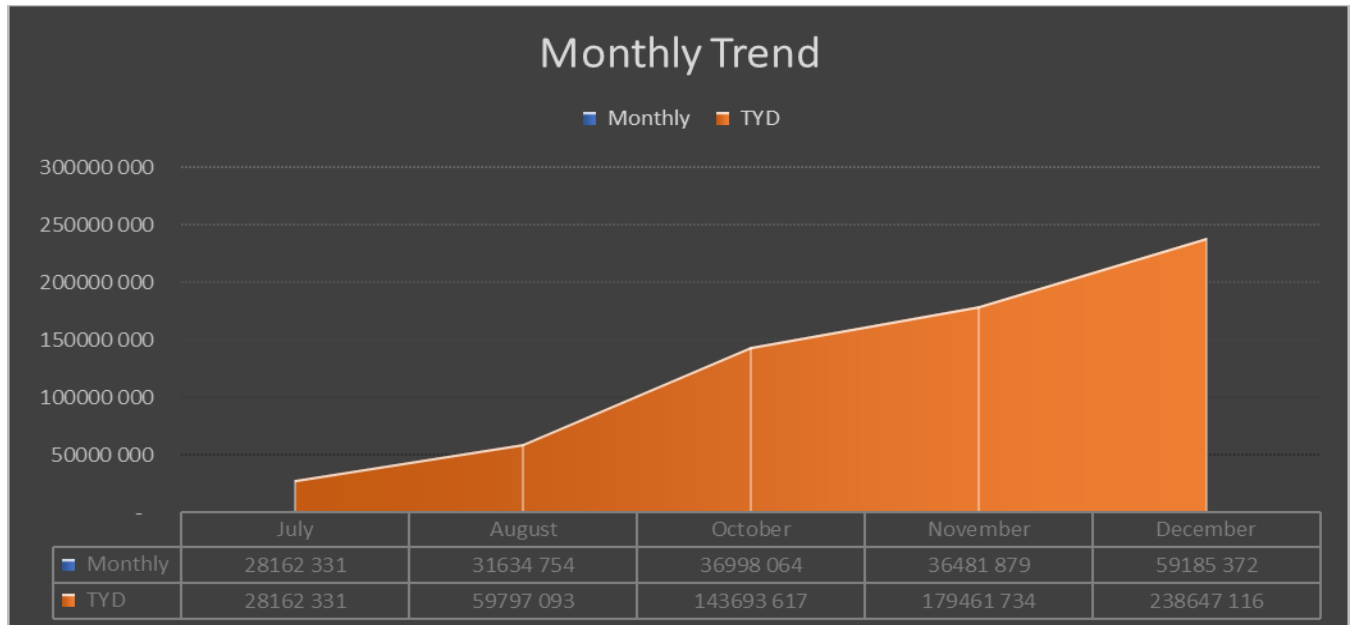
- Total Operating Expenditure from (July- December 2025)**



4.4

▪ **Operating Expenditure from July-December 2025**

The table below reflects the trend of monthly expenditure for the 1st half of the financial year.



Operating Expenditure:

- The total operational expenditure YTD Actual for the period ending 31st December 2025 amounted to R 238.6 million against the planned target of YTD budget is R 243.9 million. Target for 1st half of the financial year has been achieved as projected.

Employee Related Costs

- Employee related costs YTD expenditure for the period ending 31st December 2025 amounted to R80.6 million while the YTD budget is R84 million, which has resulted in an underspending by 4%. Variance is due to positions that were prioritised in the budget which have not been filled. However, recruitment processes are still underway in ensuring that these positions are filled before year end.
- Further to variance is due to employee bonuses which are being paid to employees on their birth month not in November as it was previously done in the prior years.

Remuneration of Councilors

- The expenditure on councilor allowances as at 31st December 2025 was under spent R 959 thousand. The YTD Remuneration of Councilor's budget is R7.6 million whilst the actual expenditure incurred results in slightly underspent by 11% YTD expenditure performance.
- The performance reported under Remuneration of Cllrs has considered the approval from COGTA in relation to Cllrs Upper limits as per Gazette No. 53168 dated **14 August 2025**.

The upper limits relating to 2024/25 financial year were considered and implemented as per gazette.

Bulk Purchases - Electricity

- The bulk purchases for Umngeni Water Board and Eskom Purchases reflect an overspending of 8 percent or R2.8 million from the year-to-date budget projections amounting to R28.9 million, variance is due to bulk consumption by umngeni water and increased rate that was approved by NERSA.
- Performance reported is due to level of demand by Umngeni Water plant due to expansion of their plant.

Inventory Consumed

- Inventory Consumed are reflecting an underperformance by 69 percent or R2 million from YTD budget of R3 million against the YTD Actual of R917 thousand.
- Budget allocated for this item relates to materials procured by the municipality towards repairs and maintenance which are kept at stores for rendering of services, such as pothole patching materials, workshop stock etc, and these items are demand driven.
- The municipality regularly reviews its repairs and maintenance plan to ensure that the infrastructure of the municipality is regularly monitored for its aging.

Debt Impairment

- The provision for debt impairment actual of R16 million versus YTD budget of R16 million is within the budgeted projections. Debt impairment calculation has assumed the method below.
- The assumption is that you exclude all debtors with credit balances when calculating the provision. Provision for Bad debt is therefore calculated using the collection rate of 65% for debt within 90 days and 20% for any debt older than 90 days for all categories except electricity. With Electricity the assumption is that 90% of the debt older than 90 days is still collectable.

Depreciation and Asset Impairment

- Depreciation and asset impairment are reflecting an over performance by 10 percent or R1.9 million against YTD actual of R20 million against the YTD budget of R18 million. 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 100 percent or R1.5 million against YTD actual of R0 thousand.
- Budget allocated considered interest paid towards Eskom for late payments which have not been incurred during 1st half of the year as the municipality has placed internal controls that will ensure that we avoid incurring such expenditure.
- Another contributing factor to finance charges is the reclassification of retirement benefit obligation interest costs in accordance with GRAP 25, this calculation will be done during year end after assessment by Actuarial Report has been completed for the year.
- Based on performance for 2024/25 AFS audited for finance charges of R2.9 million budget allocated will be sufficient at year end.

Contracted Services

- Contracted services expenditure reflects an underspending of -16 percent or R7.1 million from YTD budget of R37.7 million against the YTD actual of R44.8million, variance is within the projected budget as planned projects have been implemented as per the approved procurement plan.

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 and nature of these transactions, budget for this item was allocated under contracted service.

Irrecoverable debts written off

- Irrecoverable debts written off have underperformed by 100% when compared to pro-rata budget of R3.3million. The municipality is in the process of reviewing indigent register, indigent list will still be reviewed by ward councilors prior to being tabled Council for approval.
- .

Operational Cost

- Other expenditure has overspent by 21 percent or R6.6 million from YTD budget of R31.4 million against the YTD actual of R37.9 million, variance is due to activities that took place in the 1st half of the financial year.

Other expenditure - The majority of items are not a straight-line expenditure some are paid where it is needed e.g. printing and stationery, mayoral projects, external services etc. Certain expenditure items are based on a seasonal commitment.

Other Losses

Budget was not allocated for this item as it relates to write off of Inventory items. This item was not budgeted for in an annual budget.

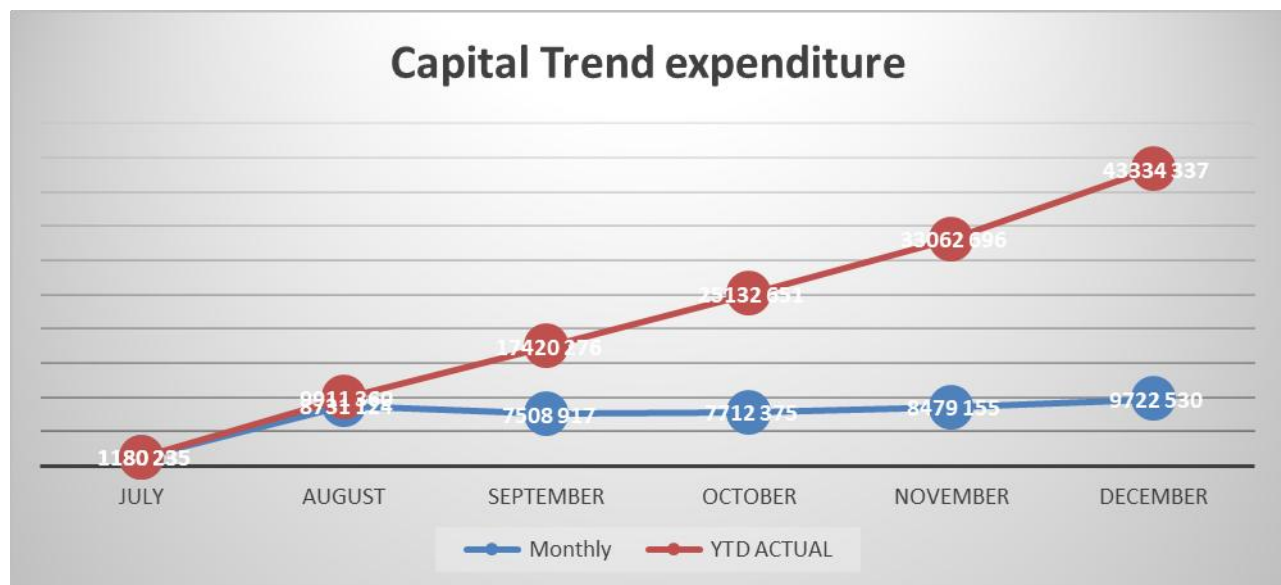
C5 Monthly Budget Statement – Capital Expenditure

KZN291 Mandeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2										
Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	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]		–	–	–	–	–	–	–	–	–
Total Capital single-year expenditure	4	126,192	130,596	–	9,723	43,334	68,495	(25,160)	-37%	130,596
Total Capital Expenditure		126,192	130,596	–	9,723	43,334	68,495	(25,160)	-37%	130,596
Capital Expenditure - Functional Classification										
Governance and administration		27,275	34,549	–	4,735	12,497	17,275	(4,778)	-28%	34,549
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		–	–	–	–	–	–	–	–	–
Community and public safety		12,330	26,644	–	573	5,399	13,322	(7,923)	-59%	26,644
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		–	–	–	–	–	–	–	–	–
Economic and environmental services		82,638	62,038	–	4,415	25,042	31,019	(5,978)	-19%	62,038
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		–	–	–	–	–	–	–	–	–
Trading services		3,949	7,365	–	–	397	3,682	(3,285)	-89%	7,365
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
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional Clas	3	126,192	130,596	–	9,723	43,334	65,298	(21,964)	-34%	130,596
Funded by:										
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		–	–	–	–	–	–	–	–	–
Transfers recognised - capital		42,242	40,058	–	2,953	19,528	20,029	(501)	-2%	40,058
Borrowing	6	0	–	–	–	–	–	–	–	–
Internally generated funds		83,950	90,538	–	6,769	23,806	45,269	(21,463)	-47%	90,538
Total Capital Funding		126,192	130,596	–	9,723	43,334	65,298	(21,964)	-34%	130,596

Capital Expenditure from July – 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 was due to delays in the implementation of procurement plan and delays experienced with completion of projects (detail report on the progress on all capital projects has been provided below).

The table below reflects trend of expenditure for the period ended 31st December of the financial year.

Table 7

- Capital grants funded by National Government actual is R19.3 million versus YTD Budget of R19.9 million, expenditure reported has been underspent (3%).
- Capital grants funded by Provincial Government actual is R264 thousand versus YT Budget of R174 thousand variance of (204%) reflects and under expenditure on this grant. The variance is due to donations received from KZN DSAC of Kitchen equipment and Gaming and office equipment.
- Capital funded Internally actual is R23.8 million versus YTD Budget of R45.3 million variance of 47% reflects and under expenditure on this item.
- However, it should be noted that there are ongoing projects which are still in progress in relation to this funding such as
Re-gravelling of rural roads, Sizwe road, Mathaba roads (Design Report have been received, and the project is at the procurement stage)

Detailed explanation of the grants has been provided below under service delivery performance and progress on spending grants.

The Technical Services Department is currently implementing the following projects as per the Municipality's Integrated Development Plan (IDP):

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

2025/26 Financial Year MIG Allocation	R48 228 000
Less: Total Expenditure (incl. Retention)	R21 249 256.8
Balance	R26 978 743.2
Expenditure of as a %	R44.06%

4.1 MIG registered projects

1. Rehabilitation of Quartz Road and Portion of Platinum Road in Ward 4
2. Construction of a Sportsfield in Ward 2, Mandeni
3. Construction of a Sportsfield in Ward 1, Mandeni
4. Construction of Ngqofela Community Hall in Ward 9, Mandeni Municipality
5. Construction of Community Hall in The Machibini Area, Mandeni Ward 12
6. Planning for installation of high masts in ward 1, 2, 6, 7, 13, 14 and 15

4.2 New projects at planning stage

1. Completion of Extension of Mechanical / Technical Services Building Phase 1: bid has been advertised and awaiting appointment of suitable contractor.

2. 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.
3. Construction of a Community Hall in Ward 17: Awaiting appointment of consultant.
4. Establishment of new Emergency Centre: Preliminary report completed and endorsed by the Provincial Disaster Management.
5. Hlomendlini Sportsfield: Cost to completion and repackaging of outstanding works has been concluded and awaiting SCM Procurement Process.

4.3 Projects under construction

1. 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).
2. Nyoni Taxi Route Phase 4
3. The Rehabilitation of Bumbanani Road in Sundumbili: Ward 13, 14 & 15 - Phase1
4. Upgrade of Machibini Link Road to Isithebe in Wards 10 and 12 Phase 2
5. Construction of a Sportsfield and Combo Court in Khenana: Ward 10 - Phases 1 & 2
6. Construction of Community Hall in Wangu Area, Ward 8
7. Upgrade of Nhlalohle, Downtown and Khuthala Roads and Stormwater in Ward 14
8. Main offices master plan and building of the new office block

4.4 Completed projects

1. Construction of thulas to ematheketheni ward 12 road
2. Construction of Thengela to Nazareth church ward 8
3. Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 13 Phase 1 (Mthombothi, Mbabala, Umgakla and Sondeza)
4. Installation of High Mast Lights in Mandeni, Phase 2 (Ward 3, 5, 9, 11 and 12x2)

5. PROGRESS ON PROJECTS AND EXPENDITURE**5.1 Municipal Infrastructure Grant**

Completion of 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).

Project Scope	Construction of 1.23Km with average clear width of 5.5m asphalt road including associated stormwater drainage.
Completion Date	April 2026
Project Budget	R747 378.10
Project Expenditure	R0
Progress to date	Approval of contractual documents
Challenges	N/A
Remedial action	N/A

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

Project Scope	Construction of 1km long average clear width 7m width asphalt surface road, associated storm water drainage and sidewalks.
Completion Date	31 July 2025
Project Budget	R 17 553 032.15
Project Expenditure	R 16 631 501.56
Progress to date	Project is at 93% completion. The Municipality imposed penalties from the 1st August 2025. An intention to terminate was issued to the contractor for failure to meet contractual obligation.
Challenges	Poor performance of contractor.
Remedial action	Termination of contractor with cost. Appointment of new contractor to complete outstanding work.

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

Project Scope	Construction of 1.551km long average clear width 6.1m width asphalt surface road, associated storm water drainage.
Completion Date	26 September 2025
Project Budget	R 24 211 799.92

Project Expenditure	R 23 999 969.08
Progress to date	Project has reached practical completion. Contractor attending to identified snag list.
Challenges	N/A
Remedial action	N/A

Construction of a Soccer Field and Combo Court in Khenana Township, Ward 10

Project Scope	Construction of soccer field with outdoor gym, fencing, combo court, guard house and ablution facility
Completion Date	March 2026
Project Budget	R 12 041 989.18
Project Expenditure	R 7 169 874.43
Progress to date	Project is at 56% completion. Performance of the Contractor remains as unsatisfactory with minimal improvements and little progress
Challenges	Poor planning, Slow Progress, Non-Compliance, inadequate resource allocation and incompetence of the Contractor's Key Staff have contributed to the Contractor's continued poor performance. Adverse weather conditions prevent continuation of construction works.
Remedial action	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, 6th October 2025, Monday, 27th October 2025 and Tuesday, 9th December 2025.

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

Project Scope	Construction of 350 community hall with guard house and ablution facility
Completion Date	March 2026
Project Budget	R 8 461 475.15
Project Expenditure	R 6 027 949.65
Progress to date	Project is at 55% completion. Performance of the Contractor is satisfactory
Challenges	Adverse weather conditions prevent continuation of construction works.
Remedial action	Approval of extension of time claim

Upgrade of Nhlonhle, Downtown and Khuthala Roads and Stormwater in Ward 14

Project Scope	Upgrade of 1.203km long average clear width 5m width surface road, associated storm water drainage
Completion Date	July 2026
Project Budget	R 14 235 323.65
Project Expenditure	R 5 311 119.04
Progress to date	Project is at 34% completion. Performance of the Contractor is satisfactory
Challenges	Removal and destroying of Surveyor pegs by the community. Water line inside the road reserve on Downtown Road.
Remedial action	N/A

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

Project Scope	Construction of 67 new offices,146 parking bays , 4 reception areas, 5 boardrooms,4 public consultation rooms, 5 ablution facilities,4 storage rooms,1 server room and 4 canteen/kitchen areas.
Completion Date	November 2027
Project Budget	R139 976 423.4
Project Expenditure	R 26 972 612.77
Progress to date	Project is at 19% completion. Performance of the Contractor is satisfactory
Challenges	Adverse weather conditions prevent continuation of construction works.
Remedial action	Approval of extension of time claim

Extension of Mechanical Workshop and Construction of New Offices

Project Scope	Construction of new mechanical workshop and offices
Completion Date	November 2027
Project Budget	R 18 907 069.16
Project Expenditure	R 16 878 260.41
Progress to date	Project is at 93% completion. Poor performance of contractor. Contractor terminated on the 17 th of April 2025.
Challenges	Failure of contractor met contractual obligation which led to termination of contract.
Remedial action	Appointment of new contractor to complete outstanding work.

INYOINI HOUSING DEVELOPMENT PHASE 4

Project Scope	Construction of collector roads, bulk sewer, bulk water ilembe and internal roads in ward 10
Completion Date	June 2026
Project Budget	R 19 943 512.04
Project Expenditure	R 13 056 259.54
Progress to date	Project is at 35.9% completion. Poor performance of contractor.
Challenges	Failure of contractor met contractual obligation Limited management of the project and applying contractual obligations due to existing conditions of contract.
Remedial action	DOHS approves extension of time claims. Impose penalties on the contract

5.2 Municipal Disaster Response Grant Funded Projects

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

Projects under Construction

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

5.3. Municipal Internal Funding:**A) CONSTRUCTION OF BUS SHELTERS IN VARIOUS WARDS 3,4,13,14 & 15****Project Description**

The main objective of this project is to upgrade the bus shelters in various wards. The existing bus shelters are in deteriorating state and are unsafe for commuters to utilize. The bus shelters need to be upgraded to protect commuters from inclement weather, to provide a safe and comfortable waiting area and for advertising.

Project Details

Name of Consultant: Baithusi Consulting cc

Appointment Date: 2 June 2025

CATEGORY	BUDGET (INCL. VAT)	PROPOSED BUDGET TO COMPLETE (CONSULTANT) (INCL. VAT)	EXPENDITURE	BALANCE
Professional & Construction Cost	R 1,500,000.00	R 2,215,523.80	R 153,530.52	R 1,346,469.48

Project Progress

The Consultant has submitted the Detailed Design Report and is currently doing the draft tender document.

B) CONSTRUCTION OF PEDESTRIAN BRIDGES IN VARIOUS WARDS 8, 10, 11 & 17**Project Description**

Design and construction of four pedestrian crossing bridges in wards 8,10,11 and 17. The existing crossings are currently unsafe for the community to use. Proper pedestrian or vehicle structures are required to improve safety for the community.

Project Details

Name of Consultant: Baithusi Consulting cc

Appointment Date: 2 June 2025

CATEGORY	BUDGET (INCL. VAT)	PROPOSED BUDGET TO COMPLETE (CONSULTANT) (INCL. VAT)	EXPENDITURE	BALANCE
Professional & Construction Cost	R 2,000,000.00	R 9,360,452.11	R 181,080.00	R 1,818,920.00

Project Progress

The Consultant has submitted the Detailed Design Report and is currently doing the draft tender document.

**C) CONSTRUCTION OF GWALA TO KWADLAMINI ROAD (CONCRETE SURFACING)
WARD 10****Project Description**

The project entails the design and construction of Gwala to Kwa Dlamini Road. A section of the road is to be paved using concrete.

Project Details

Name of Consultant: Morula Consulting

Appointment Date: 29 May 2025

CATEGORY	BUDGET (INCL. VAT)	PROPOSED BUDGET TO COMPLETE (CONSULTANT) (INCL. VAT)	EXPENDITURE	BALANCE
Professional & Construction Cost	R 1,750,000.00	R 1,976,334.87	R 0.00	R 1,750.000.00

Project Progress

The Consultant has submitted the Detailed Design Report, and the project is at the procurement stage.

D) CONSTRUCTION OF ROAD PASSING VUTHA HIGH SCHOOL (CONCRETE SURFACING) WARD 17**Project Description**

The project entails the design and construction of the road passing Vutha high school. A section of the road is to be paved using concrete.

Project Details

Name of Consultant: Morula Consulting

Appointment Date: 29 May 2025

CATEGORY	BUDGET (INCL. VAT)	PROPOSED BUDGET TO COMPLETE (CONSULTANT) (INCL. VAT)	EXPENDITURE	BALANCE
Professional & Construction Cost	R 2,000,000.00	R 1,977,708.16	R 0.00	R 2,000,000.00

Project Progress

The Consultant has submitted the Detailed Design Report, and the project is at the procurement stage.

E) CONSTRUCTION OF NGCOBO OJIKAYO ROAD (CONCRETE SURFACING) WARD 06**Project Description**

The road upgrade project involves the design and construction of approximately 0,86km of concrete surface roads in Ward 6 of Mandeni Municipality. The project will also include the design and construction of new stormwater infrastructure which will include mainly open drains because of the steep terrain.

Project Details

Name of Consultant: Elihle Mzansi (Pty) Ltd

Appointment Date: 2 June 2025

CATEGORY	BUDGET (INCL. VAT)	PROPOSED BUDGET TO COMPLETE (CONSULTANT) (INCL. VAT)	EXPENDITURE	BALANCE
Professional & Construction Cost	R 1,750,000.00	R 9,558,266.38	R 0.00	R 1,750,000.00

Progress Report

The Consultant has submitted the Detailed Design Report and is currently doing the draft tender document.

F) CONSTRUCTION OF PEDESTRIAN BRIDGES (LINDAYIPHI & MPOFANA NGAKWA NDUNA BUTHELEZI) WARD 16**Project Description**

This project entails the design and construction of pedestrian bridges in ward 16. These bridges will facilitate safe passage across rivers that currently pose significant access challenges, especially during the rainy season. The consultant has presented two options, the Bailey steel bridge and the portal culvert. We have chosen the portal culvert as it is more economical.

Project Details

Name of Consultant: Elihle Mzansi (Pty) Ltd

Appointment Date: 2 June 2025

CATEGORY	BUDGET (INCL. VAT)	PROPOSED BUDGET TO COMPLETE (CONSULTANT) (INCL. VAT)	EXPENDITURE	BALANCE
Professional & Construction Cost	R 1,750,000.00	R 9,329,083.85	R 0.00	R 1,750,000.00

Project Progress

The Consultant has submitted the Detailed Design Report, and the project is at the procurement stage.

G) REGRAVELLING OF ACCESS ROAD (NKAZIMULO, DOKODWENI TO MROZA, GUMEDE RD (EZIQUNGWENI), D888, NDUNA CHILLI (KABETHO)-WARD 1

Project Description

This project entails the regravelling of access road (Nkazimulo, Dokodweni To Mroza, Gumede Rd (Eziqungweni), D888, Nduna Chilli (Kabetho) in ward 1.

Project Details

Name of Consultant: Likhanyile Consulting Engineers and Project Mangers

Appointment Date: 29 May 2025

CATEGORY	BUDGET (INCL. VAT)	PROPOSED BUDGET TO COMPLETE (CONSULTANT) (INCL. VAT)	EXPENDITURE	BALANCE
Professional & Construction Cost	R 1,500,000.00	TBC	R 0.00	R 1,500,000.00

Project Progress

The project is at the procurement stage.

H) UPGRADE OF BRIDGE (KWADUBE EFALETHU AND EZIHLABATHINI) WARD 02

Project Description

This project entails the upgrade of bridge kwadube efaletu and ezihlabathini in ward 2.

Project Details

Name of Consultant: Likhanyile Consulting Engineers and Project Mangers

Appointment Date: 29 May 2025

CATEGORY	BUDGET (INCL. VAT)	PROPOSED BUDGET TO COMPLETE (CONSULTANT) (INCL. VAT)	EXPENDITURE	BALANCE
Professional & Construction Cost	R 1,000,000.00	R 4,025,000.00	R 0.00	R 1,000,000.00

Project Progress

The Consultant is currently doing the draft tender document.

I) CONSTRUCTION OF KWAOMO ROAD (CONCRETE SURFACING) WARD 04**Project Description**

This project entails the construction of gravel road kwaOmo road. A section is to be paved using concrete 0.22 km.

Project Details

Name of Consultant: SKYV Consulting Engineers (Pty) Ltd

Appointment Date: 02 June 2025

CATEGORY	BUDGET (INCL. VAT)	PROPOSED BUDGET TO COMPLETE (CONSULTANT) (INCL. VAT)	EXPENDITURE	BALANCE
Professional & Construction Cost	R 1,750,000.00	R 3,944,649.93	R 0.00	R 1,750,000.00

Project Progress

We have received the detailed Design Report, and the project is at the procurement stage.

J) REGRAVELLING OF ACCESS ROAD FROM KWA MATHABA TO KWANELISWA STORE WARD 09**Project Description**

The project entails the re-gravelling of the existing 1.5km gravel road which suffered Severe Stormwater Damage. The project's aim is to provide a safe passageway for pedestrians and commuters to their residence.

Project Details

Name of Consultant: SKYV Consulting Engineers (Pty) Ltd

Appointment Date: 02 June 2025

CATEGORY	BUDGET (INCL. VAT)	PROPOSED BUDGET TO COMPLETE (CONSULTANT) (INCL. VAT)	EXPENDITURE	BALANCE
Professional & Construction Cost	R 1,500,000.00	R 10,256,204.52	R 0.00	R 1,500,000.00

Project Progress

We have received the detailed Design Report, and the project is at the procurement stage.

K) RE-GRAVELLING OF ACCESS ROAD FROM SIZWE ROAD LEADING TO SWEDISH CHURCH- WARD 03**Project Description**

The project entails the re-gravelling of the existing 0.91 km gravel roads which suffered Severe Stormwater Damage. The project's aim is to provide a safe passageway for pedestrians and commuters to their residence.

Project Details

Name of Consultant: SKYV Consulting Engineers (Pty) Ltd

Appointment Date: 02 June 2025

CATEGORY	BUDGET (INCL. VAT)	PROPOSED BUDGET TO COMPLETE (CONSULTANT) (INCL. VAT)	EXPENDITURE	BALANCE
Professional & Construction Cost	R 1,500,000.00	R 6,367,833.65	R 0.00	R 1,500,000.00

Progress

We have received the Detailed Design Report, and the project is at the procurement stage.

.

L) CONSTRUCTION OF EZAKHENI ROAD (CONCRETE SURFACING) PHASE 2- WARD 12**Project Description**

This project entails the upgrade of gravel road. A section is to be paved using concrete.

Project Details**Name of Consultant:** BI Infrastructure Consulting**Appointment Date:** 17 July 2025

CATEGORY	BUDGET (INCL. VAT)	PROPOSED BUDGET TO COMPLETE (CONSULTANT) (INCL. VAT)	EXPENDITURE	BALANCE
Professional & Construction Cost	R 1,750,000.00	TBC	R 0.00	R 1,750,000.00

Progress

We have received the Detailed Design Report, and the project is at the procurement stage

M) CONSTRUCTION OF OTHINI TO NTSHONGENI ROAD (CONCRETE SURFACING)
WARD 05

Project Description

This project entails the construction of gravel road. A section is to be paved using concrete.

Project Details

Name of Consultant: BI Infrastructure Consulting (Pty) Ltd

Appointment Date: 17 July 2025

CATEGORY	BUDGET (INCL. VAT)	PROPOSED BUDGET TO COMPLETE (CONSULTANT) (INCL. VAT)	EXPENDITURE	BALANCE
Professional & Construction Cost	R 1,750,000.00	TBC	R 0.00	R 1,750,000.00

Progress

We have received the Detailed Design Report, and the project is at the procurement stage

N) UPGRADING OF STORMWATER AT UGAGANE, UMVEMVE AND IMBILA ROAD- WARD 13**Project Description**

This project entails the upgrade of stormwater at ugagane, umvemve and umbila road in ward 13.

Project Details

Name of Consultant: Urbanru (Pty) Ltd

Appointment Date: 17 July 2025

CATEGORY	BUDGET (INCL. VAT)	PROPOSED BUDGET TO COMPLETE (CONSULTANT) (INCL. VAT)	EXPENDITURE	BALANCE
Professional & Construction Cost	R 1,000,000.00	TBC	R 0.00	R 1,000,000.00

Progress

We have received the Detailed Design Report, and the project is at the procurement stage

O) CONSTRUCTION OF PATHWAYS IN WARD 14 & 15**Project Description**

This project entails the construction of pathways in wards 14 and 15.

Project Details**Name of Consultant:** N/A (Project does not require professional services)**Appointment Date:** N/A

CATEGORY	BUDGET (INCL. VAT)	PROPOSED BUDGET TO COMPLETE (CONSULTANT) (INCL. VAT)	EXPENDITURE	BALANCE
Construction Cost	R 347,826.09	N/A	R 0.00	R 347,826.09

Progress status

Site assessments and measurements have been conducted. Project is currently at documentation stage.

P) CONSTRUCTION OF SIDE WALKS IN WARD 04**Project Description**

This project entails the construction of sidewalks in wards 04.

Project Details**Name of Consultant:** Ongasweli (PTY)(LTD)**Appointment Date:** 31 October 2025

CATEGORY	BUDGET (INCL. VAT)	EXPENDITURE	BALANCE
Construction Cost	R 897 523.83	R 206,712.50	R 347,826.09

Progress status

Site assessments and measurements have been conducted. Project is currently at documentation stage.

P) CONSTRUCTION OF SIDE WALKS IN WARD 15**Project Description**

This project entails the construction of sidewalks in wards 15.

Project Details

Name of Contractor: Malithuli consulting cc

Appointment Date: 31 October 2025

CATEGORY	BUDGET (INCL. VAT)	EXPENDITURE	BALANCE
Construction Cost	R 725 000.00	R 464.300.00	R 260.700.00

Progress status

The project is at 80% completion stage

Division of Revenue Act on Grants Expenditure

KZN291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q2 Second Quarter										
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										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		271,476	251,013	–	63,196	197,236	125,507	71,729	57.2%	128,519
Expanded Public Works Programme Integrated Grant	–	1,815	1,714	–	253	1,423	857	566	66.0%	1,714
Integrated National Electrification Programme Grant	–	1,850	–	–	–	–	–	–	–	–
Local Government Financial Management Grant	–	7,200	1,900	–	178	1,296	950	346	36.4%	1,900
Local Government Equitable Share	–	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
Other transfers and grants [insert description]								–		
Provincial Government:		4,282	4,933	–	345	2,192	2,467	(275)	-11.1%	4,933
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
								–		
Other transfers and grants [insert description]								–		
Capital Transfers and Grants		–	–	–	3,467	5,074	–	5,074	-100.0%	–
KwaZulu-Natal-DC 29 - Ilembe-Infrastructure	–	–	–	–	3,467	5,074	–	5,074	-100.0%	–
KwaZulu-Natal_DC 29 - Ilembe_Infrastructure_Specify (Add grant description)_RECEIPTS								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
Total operating expenditure of Transfers and Grants:		275,758	255,946	–	67,009	204,501	127,973	76,528	59.8%	133,452
Capital expenditure of Transfers and Grants										
National Government:		135,667	45,817	–	3,418	21,723	22,908	(1,185)	-5.2%	45,817
Integrated National Electrification Programme Grant	–	2,553	–	–	–	–	–	–		–
Municipal Disaster Recovery Grant	–	15,556	–	–	–	4,511	–	4,511	-100.0%	–
Municipal Infrastructure Grant	–	117,558	45,817	–	3,418	17,213	22,908	(5,696)	-24.9%	45,817
								–		
Other capital transfers [insert description]								–		
Provincial Government:		44,303	–	–	–	–	–	–		–
KwaZulu-Natal	–	44,303	–	–	–	–	–	–		–
								–		
District Municipality:		–	–	–	–	–	–	–		–
KwaZulu-Natal-DC 29 - Ilembe-Infrastructure	–	–	–	–	–	–	–	–		–
								–		
Other grant providers:		–	–	–	–	–	–	–		–
								–		
Total capital expenditure of Transfers and Grants		179,970	45,817	–	3,418	21,723	22,908	(1,185)	-5.2%	45,817
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		455,728	301,763	–	70,427	226,225	150,882	75,343	50%	179,269

DEBTOR'S ANALYSIS

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment											
Description	NT Code	Budget Year 2025/26									
R thousands		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
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1,913	1,660	1,294	2,051	1,125	123	496	2,759	11,421	6,555
Receivables from Non-exchange Transactions - Property Rates	1400	4,966	4,004	3,821	2,435	15,283	(5)	7,117	104,555	142,175	129,384
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	1,420	1,179	977	950	969	916	5,828	61,721	73,961	70,384
Receivables from Exchange Transactions - Property Rental Debtors	1700	34	31	12	7	(1,212)	(5)	(47)	128	(1,052)	(1,130)
Interest on Arrear Debtor Accounts	1810	447	436	470	401	402	418	2,829	34,765	40,168	38,816
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	4,690	6	6	15	8	11	7	5,409	10,152	5,450
Total By Income Source	2000	13,471	7,316	6,580	5,860	16,574	1,459	16,229	209,337	276,826	249,459
2024/25 - totals only										-	-
Debtors Age Analysis By Customer Group											
Organs of State	2200	2,076	1,839	2,425	1,142	162	148	1,357	33,700	42,849	36,509
Commercial	2300	6,482	2,026	1,448	1,254	13,646	130	2,898	27,618	55,501	45,545
Households	2400	4,644	3,311	2,559	3,317	2,562	1,044	11,042	141,911	170,390	159,876
Other	2500	269	140	147	147	204	136	933	6,108	8,085	7,529
Total By Customer Group	2600	13,471	7,316	6,580	5,860	16,574	1,459	16,229	209,337	276,826	249,459

The total Consumer debtors outstanding as 31st December 2025 is **R 276 825 654.00**

- Debt book indicates **7%** increase from to 1st July 2025 to 31 December 2025, the debt book is very high.
- Debtors collection rate at December 2025 is **83%**
- The persistently high level of debt necessitates a reassessment of debtors and potential impairments.
- Revenue collection in Sundumbili remains particularly challenging, as the Municipality has limited leverage to enforce payment compliance, given that Eskom is the licensed electricity supplier in the area.

- The high debt levels are primarily attributable to non-payment by households in Sundumbili.
- Various interventions have been implemented, which are expected to improve the current situation, as the Municipality continues to apply all reasonable measures to collect and recover outstanding debt.
- The Municipality is currently in the process of categorizing the debtors' book by customer segments, to enable targeted collection efforts once the debt management system becomes fully operational.
- Billing is conducted on a monthly basis, while collections and the issuing of final demand notices are ongoing in an effort to reduce the debtors' book. In addition, several revenue protection and debt collection program are in place, aimed at improving overall collection rates.
- While the Municipality continues to maintain and optimize the collection of current debt, the recovery of historic debt remains the most significant challenge. To mitigate this, tracing mechanisms have been developed and implemented to reduce the impact of historic debt on the overall debtors' book.
- Furthermore, Debt Pack has been appointed to assist the Municipality with debt recovery through telephonic follow-ups, the issuing of Section 29 notices, and final demand letters.
- Outstanding debt in respect of Councilors' accounts as at December 2025 amounts to **R175,375.64**.
- Staff accounts in arrears as at December 2025 amount to **R77,088.94**.
- Monthly deductions are implemented for both staff and councilors to progressively reduce outstanding balances.
- Debt collection measures were strengthened following the review of the Credit Control and Debt Collection Policy, including the issuing of summonses with the intention to attach movable property. However, this process has proven to be slow due to capacity constraints within the Sheriff's office. In many cases, the Sheriff returns a "nulla bona" report, which undermines enforcement efforts. Additionally, many property owners are not permanent occupants of the indebted properties and cannot be traced. Legal proceedings are further constrained, as courts are often reluctant to grant judgments declaring properties specially executable (Section 66), particularly where such properties are occupied by relatives or dependents of the debtor.

DATA CLEANSING

- In the previous financial year, the Municipality undertook a customer tracing and profiling exercise aimed at improving the credibility of the debtors' book. The exercise achieved positive outcomes, contributing to more accurate billing by aligning accounts to the correct

customers and ensuring that qualifying indigent beneficiaries were appropriately exempted in line with the approved policy.

INDIGENT REGISTRATION

- During the year under review, the Municipality implemented a targeted indigent registration outreach program, structured around a Voting District-based approach. This initiative proved effective in identifying previously unregistered and eligible indigent households, thereby expanding access to social support in a structured and controlled manner. The program has contributed positively to the reduction of the debtors' book by preventing the billing of consumers who are genuinely unable to afford municipal services, while ensuring that qualifying beneficiaries are correctly registered in terms of the approved Indigent Policy. The outreach program will continue to be rolled out to reach vulnerable communities, supporting access to both internal municipal services and Eskom's Free Basic Electricity program.

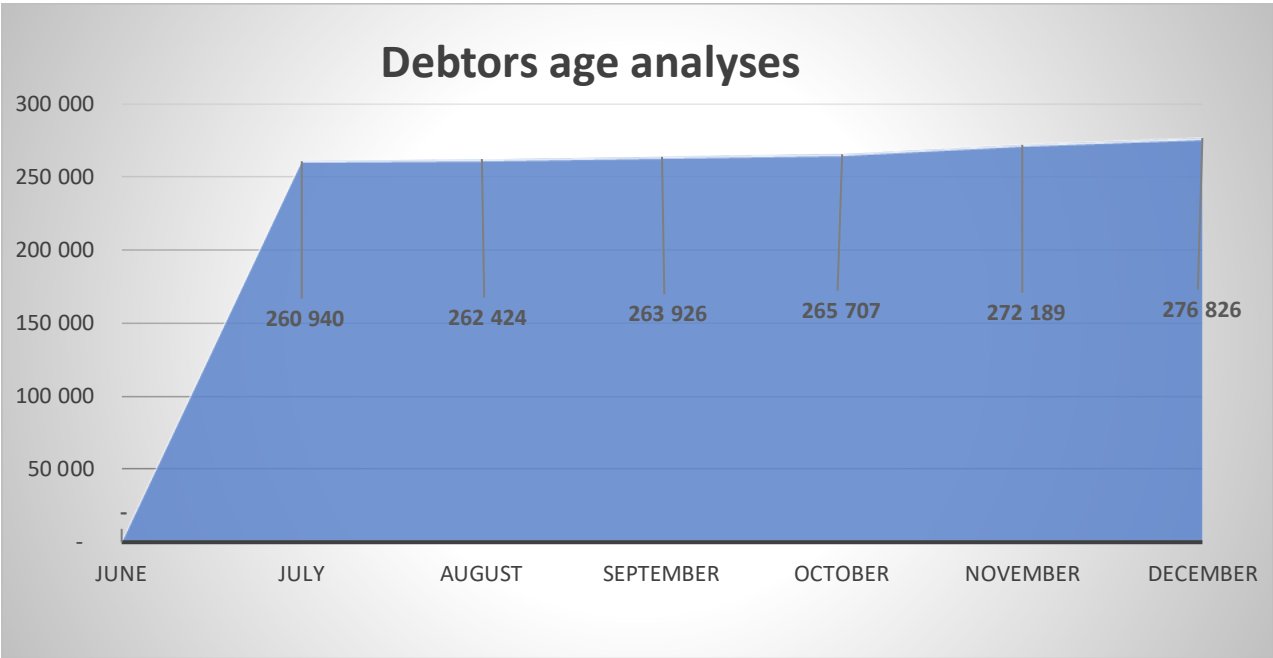
ACCOUNTS WITH LETTERS OF FINAL DEMAND FOR PAYMENT SENT OUT					
ACC. NO.	ADDRESS	ERF NO.	DEBTORS NAME	DEBT TYPE	AMOUNT R
2250300	SUNDUMBILI B	2503	YAKA	RATE/REFUSE	R116 813.18
2250600	SUNDUMBILI B	2506	MPONTSHANE	RATE/REFUSE	R96 553.76
2250800	SUNDUMBILI B	2508	PHUNGULA	RATE/REFUSE	R47 404.78
2250900	SUNDUMBILI B	2509	MKHIZE (DECEASED)	RATE/REFUSE	R82 630.46
2251100	SUNDUMBILI B	2511	SHANDU	RATE/REFUSE	R39 756.28
2251400	SUNDUMBILI B	2514	NSELE	RATE/REFUSE	R130 813.90
2251500	SUNDUMBILI B	2515	MTSHALI	RATE/REFUSE	R41 613.18
2251600	SUNDUMBILI B	2516	NTOMBELA	RATE/REFUSE	R38 371.76
2251700	SUNDUMBILI B	2517	DLAMINI	RATE/REFUSE	R66 820.13
2251800	SUNDUMBILI B	2518	MKONZA (DECEASED)	RATE/REFUSE	R31 790.15
2252000	SUNDUMBILI B	2520	MSWELI	RATE/REFUSE	R30 486.60
2252100	SUNDUMBILI B	2521	NYAWO	RATE/REFUSE	R43 610.45
2252200	SUNDUMBILI B	2522	MGWABA (DECEASED)	RATE/REFUSE	R38 772.84
2252300	SUNDUMBILI B	2523	MTETWA	RATE/REFUSE	R33 956.29
2252600	SUNDUMBILI B	2526	MBATHA	RATE/REFUSE	R19 081.36
2252700	SUNDUMBILI B	2527	ITHALA DEV FIN CORP	RATE/REFUSE	R48 561.17
2253200	SUNDUMBILI B	2532	MBATHA	RATE/REFUSE	R41 045.28
2253500	SUNDUMBILI B	2535	ITHALA LTD -	RATE/REFUSE	R46 699.76
2253600	SUNDUMBILI B	2536	ZIKHALI	RATE/REFUSE	R21 033.53
2253700	SUNDUMBILI B	2537	NDABA	RATE/REFUSE	R33 469.37
TOTAL					R1 049 284.23

Table 8.2

KZN 291 Mandeni Municipality S52(d) Quarterly Reporting 2020-2026

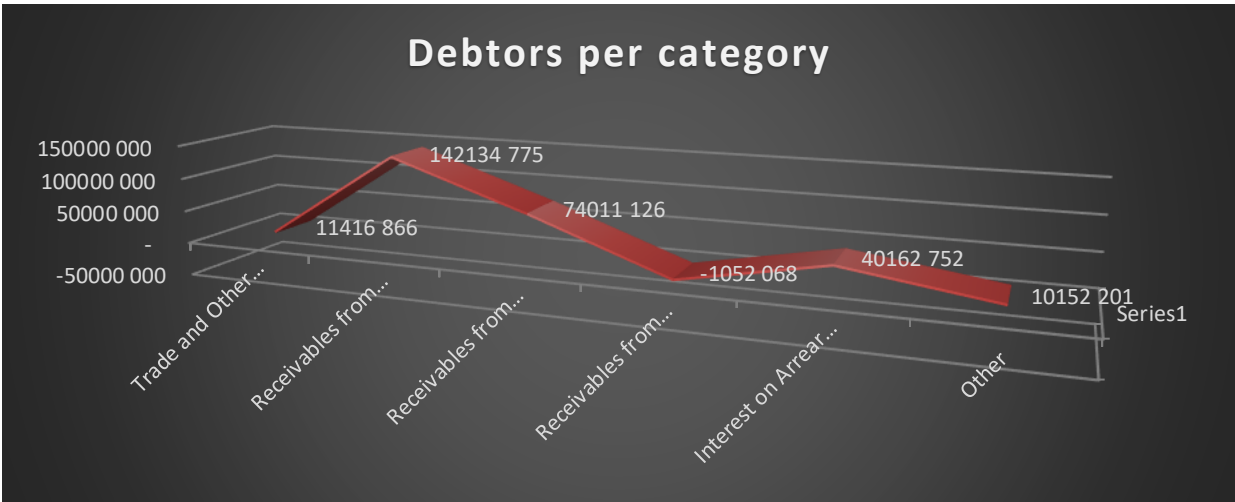
DISCONNECTIONS DEC 2025						
NO.	ACCOUNT NO.	TOWN	ADDRESS	NAME	DEBT TYPE	AMOUNT R
1	009900611	MANDINI	9 RICHARD CIRCLE	NAIDOO	RATE/REFUSE	R2 7 855.68
2	009904501	MANDINI	9 PATRYS ROAD	DUBE	RATE/REFUSE	R12 808.43
3	009401621	MANDINI	8 RICHARDS CIRCLE	DLAMINI	RATE/REFUSE	R33 183.24
4	009907461	MANDINI	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	MINQAYI	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 ANDESROD 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
50	009903601	MANDINI	17 SANDPIPER RD	MWANDLA	RATE/REFUSE	R40 630.27
			TOTAL			R1 602 044.44

Table 8.3

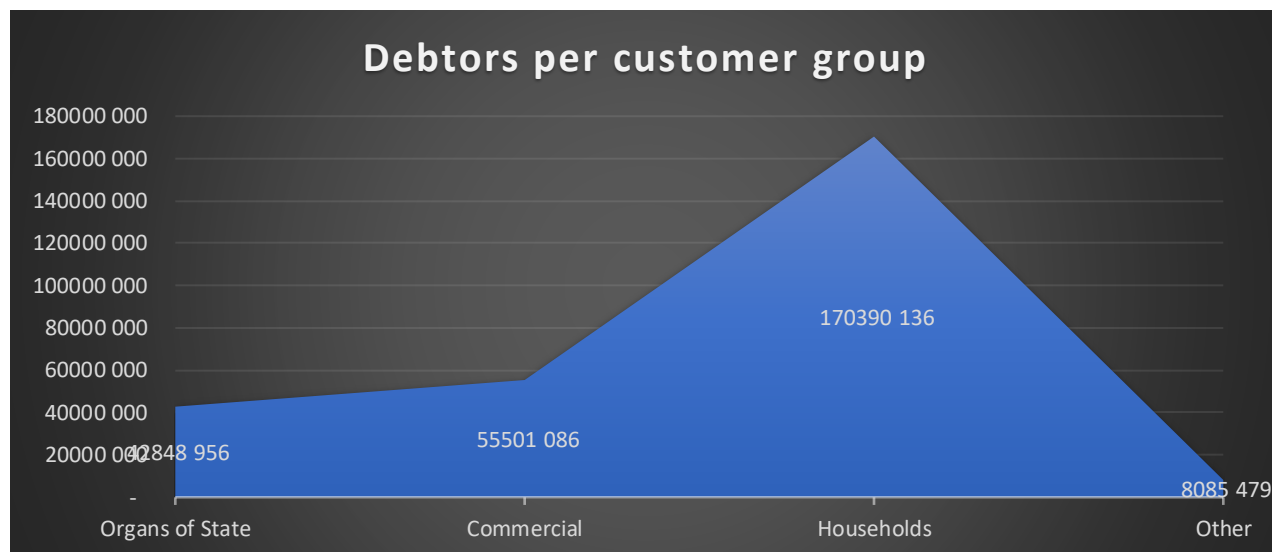


The municipal debtors have increased from R260.9 million to R276.8 million that is from July 2025 until 31 December 2025. This increase is between Household debtors of 62% and it is followed by Business Commercial is 20% and Organ of state at 15% and lastly the other debtors with a percentage of 3%.

▪ Debtors outstanding per category



▪ **Total Outstanding Debtors from July –December**



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.

CREDITORS ANALYSIS

Table 9

KZN291 Mandeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - Mid-Year Assessment											
Description	NT Code	Budget Year 2025/26									Prior year totals
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120	121 - 150	151 - 180	181 Days -	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-	-

- Creditors as at 31st December 2025 amounts to **R0**
- 100% of the creditors are paid within 30 days as stipulated in the MFMA.

FINANCIAL POSITION

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

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q2 Second Quarter										
Description	Ref	2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		273,445	250,223	–	81,400	188,660	124,610	64,050	51.4%	250,223
EPWP Incentive	–	3,784	1,714	–	–	1,200	714	486	68.0%	1,714
Finance Management	–	1,850	1,900	–	–	1,900	792	1,108		1,900
Integrated National Electrification Programme	–	7,200	–	–	–	–	–	–		–
Local Government Equitable Share	–	243,588	244,198	–	81,400	183,149	122,099	61,050		244,198
Municipal Infrastructure Grant	–	17,023	2,411	–	–	2,411	1,005	1,406		2,411
								–		
Other transfers and grants [insert description]								–		
Provincial Government:		(19,093)	4,933	–	4,825	4,825	2,055	2,770	134.7%	4,933
KwaZulu-Natal_Capacity Building and Other_Spe	–	(19,093)	4,933	–	4,825	4,825	2,055	2,770	134.7%	4,933
								–		
Other transfers and grants [insert description]								–		
District Municipality:		–	–	–	3,467	5,074	–	5,074	100.0%	–
[insert description]		–	–	–	3,467	5,074	–	5,074	100.0%	–
								–		
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]								–		
								–		
Total Operating Transfers and Grants	5	10,764	255,156	–	89,692	198,559	106,315	71,894	3.1%	255,156
Capital Transfers and Grants										
National Government:		132,244	45,817	–	10,000	35,589	19,090	16,499	86.4%	45,817
Municipal Infrastructure Grant (MIG)	–	128,668	45,817	–	10,000	35,589	19,090	16,499	86.4%	45,817
Integrated National Electrification Programme Gra	–	3,576	–	–	–	–	–	–		–
								–		
Other capital transfers [insert description]								–		
Provincial Government:		50,633	–	–	–	–	–	–	–	–
KwaZulu-Natal_Infrastructure_Infrastructure_REC	–	50,633	–	–	–	–	–	–		–
								–		
District Municipality:		–	–	–	–	–	–	–	–	–
KwaZulu-Natal_DC 29 - Ilembe_Infrastructure_Sp	–	–	–	–	–	–	–	–		–
								–		
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]								–		
								–		
Total Capital Transfers and Grants	5	182,877	45,817	–	10,000	35,589	19,090	16,499	86.4%	45,817
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	193,642	300,973	–	99,692	234,148	125,405	108,742	15.8%	300,973

FINANCIAL RATIOS AND NORMS

Current ratio: The municipality's current assets are 4 (three) 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 the situation is. The ratio of 3.91:1 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 three time of the current liabilities.

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 percent.

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

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

Debtors collection rate: as at mid-year is **83%**

B. Debtors Management

1	Collection Rate	95%		83%
			Gross Debtors closing balance	276 825 666
			Gross Debtors opening balance	262 266 700
			Bad debts written Off	
			Billed Revenue	84 580 809

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				
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	1 - 3 Months		4 Month
			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	

KZN 291 Mandeni Municipality S52(d) Quarterly Reporting 2020-2026

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 month ending 31st December 2025

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(52,910)	49,972	—	6,840	58,159	24,986	33,173	133%	49,972
Service charges		(63,799)	98,454	—	1,926	15,039	49,227	(34,189)	-69%	98,454
Other revenue		8,768	26,748	—	236	1,955	13,374	(11,419)	-85%	26,748
Transfers and Subsidies - Operational		315,392	254,956	—	96,225	190,303	127,478	62,825	49%	254,956
Transfers and Subsidies - Capital		167,478	46,017	—	3,015	38,000	23,008	14,992	65%	46,017
Interest		—	25,232	—	—	—	12,616	(12,616)	-100%	25,232
Dividends		—	—	—	—	—	—	—		—
Payments										
Suppliers and employees		(469,507)	(414,328)	—	(39,754)	(212,299)	(190,121)	22,178	-12%	(436,031)
Interest		—	(3,050)	—	—	—	(1,525)	(1,525)	100%	(3,050)
Transfers and Subsidies		—	—	—	—	—	—	—		—
NET CASH FROM/(USED) OPERATING ACTIVITIES		(94,577)	84,002	—	68,488	91,157	59,044	(32,113)	-54%	62,299
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		—	—	—	—	—	—	—		—
Decrease (increase) in non-current receivables		—	—	—	—	—	—	—		—
Decrease (increase) in non-current investments		—	—	—	—	—	—	—		—
Payments										
Capital assets		126,192	(166,388)	—	(11,181)	(49,834)	(83,194)	(33,359)	40%	(144,685)
NET CASH FROM/(USED) INVESTING ACTIVITIES		126,192	(166,388)	—	(11,181)	(49,834)	(83,194)	(33,359)	46%	(166,388)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		—	—	—	—	—	—	—		—
Borrowing long term/refinancing		—	—	—	—	—	—	—		—
Increase (decrease) in consumer deposits		—	—	—	—	—	—	—		—
Payments										
Repayment of borrowing		—	—	—	—	—	—	—		—
NET CASH FROM/(USED) FINANCING ACTIVITIES		—	—	—	—	—	—	—		—
NET INCREASE/ (DECREASE) IN CASH HELD		31,615	(82,386)	—	57,308	41,322	(24,150)			—
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 31st 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%.

KZN 291 Mandeni Municipality S52(d) Quarterly Reporting 2020-2026



Mandeni Municipality

BANK RECONCILIATION STATEMENT FOR DECEMBER 2025

Main Account :52940480587

Opening FNB Bank Balance as on DECEMBER 2025

7 579 741.88

7 579 741.88

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	

Total Deposits 178 377 791.03 178 377 791.03

Less:Total payments - 173 835 068.82 - 173 835 068.82

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	

Closing FNB Bank Balance as on 31 DECEMBER 2025 12 122 464.09

Cashbook Reconciliation for 31 DECEMBER 2025

OPENING BALANCE 1/07/2025	2 810 099 045.12	
OPENING BALANCE 1/07/2025	96 176 000.00	
OPENING BALANCE 1/07/2025	- 2 889 322 530.36	
OPENING BALANCE 1/07/2025-INTEREST	1 007 168.74	
OPENING BALANCE-1/7/2025 -BANK CHARGES	- 1 660 778.29	
TOTAL OPENING BALANCE 1/07/2025	16 298 905.21	

Cashbook Balance as on 1 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

Closing Cashbook Balance as on 31 DECEMBER 2025 12 090 114.27 12 090 114.27

32 350.00

Reconciling Items Amount


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

MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO

<div>  INVESTMENT REGISTER FOR DECEMBER 2025 </div>									
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
TOTAL			142 027 415.06	85 001 400.00	(66 184 223.91)	1 128 245.75	(32.24)	161 034 957.68	6 793 776.51

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

KZN 291 Mandeni Municipality S52(d) Quarterly Reporting 2020-2026

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December										
Summary of Employee and Councillor remuneration	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
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		—	—	—	—	—	—	—	—	—
Sub Total - Councillors		15 151	17 043	—	1 274	7 563	8 522	(959)	-11%	17 043
% increase	4		12.5%							12.5%
Senior Managers of the Municipality										
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		5 617	3 923	—	—	—	1 961	(1 961)	-100%	3 923
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality		16 920	12 285	—	656	4 382	6 142	(1 760)	-29%	12 285
% increase	4		-27.4%							-27.4%
Other Municipal Staff										
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	1 062	—	229	1 437	526	911	173%	1 062
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		(1 123)	4 310	—	—	—	2 155	(2 155)	-100%	4 310
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff		143 111	155 617	—	12 782	76 249	77 808	(1 560)	-2%	155 617
% increase	4		8.7%							8.7%
Total Parent Municipality		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	Full Year Forecast
<u>Borrowing Management</u>						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	8.1%	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%
<u>Safety of Capital</u>						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		9.9%	8.6%	0.0%	8.6%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>						
Current Ratio	Current assets/current liabilities	1	296.3%	202.1%	0.0%	202.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		153.1%	11.1%	0.0%	11.1%
<u>Revenue Management</u>						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing					
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		18.0%	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%
<u>Creditors Management</u>						
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))					
<u>Funding of Provisions</u>						
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions					
<u>Other Indicators</u>						
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2				
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2				
Employee costs	Employee costs/Total Revenue - capital revenue		37.2%	36.9%	0.0%	36.9%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		5.6%	6.6%	0.0%	6.6%
Interest & Depreciation	I&D/Total Revenue - capital revenue		10.8%	8.6%	0.0%	4.4%
<u>IDP regulation financial viability indicators</u>						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)					
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services					
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure					
References						

8. Municipal Manager's 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: -

▪ SECOND QUARTER REPORT S52(d)

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

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

Municipal manager of Mandeni Municipality (KZN 291)

Signature: _____

Date: **31 December 2025**