

MANDENI MUNICIPALITY

KZN291



BUDGET & TREASURY DEPARTMENT

MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED JANUARY 2025/26 FINANCIAL YEAR

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2025/26 BUDGET FOR THE PERIOD ENDING 31 JANUARY 2026.

1. PURPOSE

The purpose of the report is to submit to the Mayor the statement of financial performance and implementation of the 2025/26 Budget of the Mandeni Municipality for the period ending 31 JANUARY 2026 in line with the statutory requirements of S71 of the Municipal Finance Management Act (2003).

2. AUTHORITY

Mayor

3. LEGAL / STATUTORY REQUIREMENTS

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

4. BACKGROUND

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

5. EXECUTIVE SUMMARY

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

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

1.1 FINANCIAL PERFORMANCE

BUDGET SUMMARY

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M07 January								
Description	2024/25	Budget Year 2025/26						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							%	
Financial Performance								
Total Revenue (excluding capital	430 705	454 622	16 322	304 121	265 196	38 925	15%	454 622
Total Expenditure	474 482	487 944	34 984	273 622	292 775	(19 153)	-7%	487 944
Surplus/(Deficit)	(43 776)	(33 322)	(18 662)	30 499	(27 579)	58 078	-211%	(33 322)
Transfers and subsidies - capital /monetary	47 668	46 017	116	21 843	26 843	(5 000)	-19%	46 017
capital transfers & Surplus/ (Deficit) for the	3 892	12 694	(18 545)	52 342	(736)	53 078	-7213%	12 694
	3 892	12 694	(18 545)	52 342	(736)	53 078	-7213%	12 694
Capital expenditure & funds sources								
Capital expenditure	126 192	130 596	535	43 869	79 378	(35 508)	-45%	130 596
Capital transfers recognised	42 242	40 058	389	19 917	26 564	(6 647)	-25%	40 058
Borrowing	0	-	-	-	-	-		-
Internally generated funds	83 950	90 538	146	23 952	52 814	(28 862)	-55%	90 538
Total sources of capital f	126 192	130 596	535	43 869	79 378	(35 508)	-45%	130 596

As can be seen from the table above, Actual surplus for the period ended 31 January 2026 is more than the Budgeted Surplus. Monthly budget statement summary (Table C1), for the period ending 31 January 2026 (year to date actual), shows a surplus of R52.3million against YTD budget of -R736thousand which reflects an over performance of more than 100%.

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

Table 1

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

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M07 January								
Description	2024/25	Budget Year 2025/26						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%
Financial Performance								
Property rates	63 942	64 913	4 894	41 482	37 866	3 616	10%	64 913
Service charges	77 826	97 399	9 361	60 487	56 816	3 671	6%	97 399
Investment revenue	19 863	25 000	794	7 588	14 583	(6 995)	-48%	25 000
Transfers and subsidies -	253 010	254 956	639	189 771	148 725	41 046	28%	254 956
Other own revenue	16 064	12 353	634	4 794	7 206	(2 412)	-33%	12 353
Total Revenue (excluding capital)	430 705	454 622	16 322	304 121	265 196	38 925	15%	454 622
Employee costs	160 030	167 901	14 878	95 508	97 942	(2 434)	-2%	167 901
Remuneration of Councillo	15 151	17 043	1 274	8 841	9 942	(1 101)	-11%	17 043
Depreciation and amortisa	46 319	36 240	3 570	23 542	21 140	2 402	11%	36 240
Interest	0	3 050	-	-	1 779	(1 779)	-100%	3 050
Inventory consumed and b	64 650	72 025	3 656	40 427	42 481	(2 054)	-73%	72 025
Transfers and subsidies	2 450	-	150	2 200	-	2 200	#DIV/0!	-
Other expenditure	185 882	191 685	11 455	103 104	119 490	(16 386)	-14%	191 685
Total Expenditure	474 482	487 944	34 984	273 622	292 775	(19 153)	-7%	487 944
Surplus/(Deficit)	(43 776)	(33 322)	(18 662)	30 499	(27 579)	58 078	-211%	(33 322)
Transfers and subsidies - capital/monetary	47 668	46 017	116	21 843	26 843	(5 000)	-19%	46 017
capital transfers & Surplus/ (Deficit) for the	3 892	12 694	(18 545)	52 342	(736)	53 078	-7213%	12 694
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Capital expenditure & funds sources								
Capital expenditure	126 192	130 596	535	43 869	79 378	(35 508)	-45%	130 596
Capital transfers recognis	42 242	40 058	389	19 917	26 564	(6 647)	-25%	40 058
Borrowing	0	-	-	-	-	-	-	-
Internally generated funds	83 950	90 538	146	23 952	52 814	(28 862)	-55%	90 538
Total sources of capital f	126 192	130 596	535	43 869	79 378	(35 508)	-45%	130 596
Financial position								
Total current assets	255 323	178 561		193 303				178 561
Total non current assets	793 896	805 344		654 554				805 344
Total current liabilities	86 164	88 340		-				88 340
Total non current liabilities	22 198	25 770		-				25 770
Community wealth/Equity	940 858	869 795		790 515				869 795
Cash flows								
Net cash from (used) oper	(94 577)	84 002	(18 376)	78 498	68 885	(9 614)	-14%	84 002
Net cash from (used) inves	126 192	(166 388)	(615)	(50 450)	(97 060)	(46 610)	48%	(166 388)
Net cash from (used) finan	-	-	-	-	-	-	-	-
Cash/cash equivalents at	261 803	9 822	(18 991)	159 948	64 034	(95 914)	-150%	-
Debtors & creditors analysis								
	0-30 Days	31-60 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis								
Total By Income Source	15 066	6 291	6 231	6 076	16 790	13 950	208 869	280 089
Creditors Age Analysis								
Total Creditors	-	-	-	-	-	-	-	-

1.1.1 Table 2

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

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M07 January								
Description	Ref	2024/25	Budget Year 2025/26					
		Audited Outcome	Original Budget	Monthly actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1						%	
Revenue - Functional								
Governance and administration		339 132	342 170	6 021	199 599	(199 599)	-100%	342 170
Executive and council		–	8 365	–	4 880	(4 880)	-100%	8 365
Finance and administration		339 132	333 805	6 021	194 720	(194 720)	-100%	333 805
Internal audit		–	–	–	–	–		–
Community and public safety		6 994	6 128	488	3 574	(3 574)	-100%	6 128
Community and social services		5 270	5 719	470	3 336	(3 336)	-100%	5 719
Sport and recreation		1 707	–	17	–	–		–
Public safety		17	408	0	238	(238)	-100%	408
Housing		–	–	–	–	–		–
Health		–	–	–	–	–		–
Economic and environmental services		51 516	52 717	329	30 752	(30 752)	-100%	52 717
Planning and development		47 129	48 740	23	28 432	(28 432)	-100%	48 740
Road transport		4 387	3 977	306	2 320	(2 320)	-100%	3 977
Environmental protection		–	–	–	–	–		–
Trading services		80 731	99 623	9 601	58 114	(58 114)	-100%	99 623
Energy sources		66 249	83 081	8 037	48 464	(48 464)	-100%	83 081
Water management		–	–	–	–	–		–
Waste water management		–	–	–	–	–		–
Waste management		14 482	16 543	1 564	9 650	(9 650)	-100%	16 543
Other	4	–	–	–	–	–		–
Total Revenue - Functional	2	478 373	500 638	16 438	292 039	(292 039)	-100%	500 638
Expenditure - Functional								
Governance and administration		244 373	240 817	15 884	140 476	154 821	110%	240 817
Executive and council		66 501	79 879	4 538	46 596	(39 393)	-85%	79 879
Finance and administration		177 872	160 937	11 346	93 880	194 214	207%	160 937
Internal audit		–	–	–	–	–		–
Community and public safety		57 060	51 805	4 819	30 686	2 411	8%	51 805
Community and social services		41 974	36 398	3 756	21 699	3 718	17%	36 398
Sport and recreation		13 472	13 045	1 064	7 609	(294)	-4%	13 045
Public safety		1 462	2 148	–	1 253	(926)	-74%	2 148
Housing		152	214	–	125	(87)	-70%	214
Health		–	–	–	–	–		–
Economic and environmental services		83 973	92 410	8 151	53 837	113 137	210%	92 410
Planning and development		23 562	26 477	1 395	15 749	(15 579)	-99%	26 477
Road transport		55 834	60 311	6 451	35 182	131 452	374%	60 311
Environmental protection		4 577	5 622	305	2 906	(2 736)	-94%	5 622
Trading services		88 785	102 391	6 129	67 471	303 888	450%	102 391
Energy sources		72 643	75 903	4 499	46 965	299 960	639%	75 903
Water management		–	–	–	–	–		–
Waste water management		3 063	3 048	281	1 778	16 153	908%	3 048
Waste management		13 078	23 440	1 349	18 727	(12 225)	-65%	23 440
Other		292	522	–	304	(241)	-79%	522
Total Expenditure - Functional	3	474 482	487 944	34 984	292 775	574 016	196%	487 944
Surplus/ (Deficit) for the year		3 892	12 694	(18 545)	(736)	(866 055)	117688%	12 694

Table 3

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

KZN291 Mandeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January									
Vote Description	Ref	2024/25	Budget Year 2025/26						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								%	
Revenue by Vote	1								
Vote 1 - Executive and council		463 892	8 365	–	–	4 880	(4 880)	-100.0%	8 365
Vote 2 - Finance and administ		14 482	333 805	6 021	–	194 720	(194 720)	-100.0%	333 805
Vote 3 - Internal audit		41 974	–	–	–	–	–		–
Vote 4 - Community and socia		–	6 128	471	–	3 574	(3 574)	-100.0%	6 128
Vote 5 - Sport and Recreation		1 707	–	17	–	–	–		–
Vote 6 - Public safety		–	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–		–
Vote 8 - Planning and Develop		47 129	48 740	23	–	28 432	(28 432)	-100.0%	48 740
Vote 9 - Road transport		4 387	3 977	306	–	2 320	(2 320)	-100.0%	3 977
Vote 10 - Energy sources		66 249	83 081	8 037	–	48 464	(48 464)	-100.0%	83 081
Vote 11 - Waste Management		14 482	16 543	1 564	–	9 650	(9 650)	-100.0%	16 543
Vote 12 - Environmental Prote		–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 1		–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 1		–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 1		–	–	–	–	–	–		–
Total Revenue by Vc	2	654 301	500 638	16 438	–	292 039	(292 039)	-100.0%	500 638
Expenditure by Vote	1								
Vote 1 - Executive and council		66 501	79 879	4 538	7 204	46 596	(39 393)	-84.5%	79 879
Vote 2 - Finance and administ		177 872	160 624	11 346	288 094	93 697	194 396	207.5%	160 624
Vote 3 - Internal audit		–	313	–	–	183	(183)	-100.0%	313
Vote 4 - Community and socia		41 974	36 398	3 756	25 417	21 699	3 718	17.1%	36 398
Vote 5 - Sport and Recreation		13 472	13 045	1 064	7 315	7 609	(294)	-3.9%	13 045
Vote 6 - Public safety		1 462	2 148	–	327	1 253	(926)	-73.9%	2 148
Vote 7 - Housing		152	214	–	37	125	(87)	-70.0%	214
Vote 8 - Planning and Develop		23 854	26 998	1 395	234	16 053	(15 819)	-98.5%	26 998
Vote 9 - Road transport		58 897	63 359	6 732	184 565	36 960	147 605	399.4%	63 359
Vote 10 - Energy sources		72 643	75 903	4 499	346 925	46 965	299 960	638.7%	75 903
Vote 11 - Waste Management		13 078	23 440	1 349	6 502	18 727	(12 225)	-65.3%	23 440
Vote 12 - Environmental Prote		4 577	5 622	305	170	2 906	(2 736)	-94.1%	5 622
Vote 13 - [NAME OF VOTE 1		–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 1		–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 1		–	–	–	–	–	–		–
Total Expenditure by	2	474 482	487 944	34 984	866 791	292 775	574 016	196.1%	487 944
Surplus/ (Deficit) for	2	179 819	12 694	(18 545)	(866 791)	(736)	(866 055)	117688.3%	12 694

Table 4 provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 JANUARY 2026.

This report analyses each major component under following headings;

- Revenue by Source
- Operational Expenditure by Type,

KZN291 Mandeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M									
Description	Ref	2024/25	Budget Year 2025/26						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD Variance %	Full Year Forecast
R thousands									
Revenue									
Exchange Revenue									
Service charges - Electricity		64 753	82 686	8 033	51 888	48 234	3 655	8%	82 686
Service charges - Water		—	—	—	—	—	—	—	—
Service charges - Waste Water M		—	—	—	—	—	—	—	—
Service charges - Waste manage		13 073	14 713	1 328	8 598	8 582	16	0%	14 713
Sale of Goods and Rendering of		2 282	1 513	55	640	883	(242)	-27%	1 513
Agency services		—	—	—	—	—	—	—	—
Interest		—	—	—	—	—	—	—	—
Interest earned from Receivables		1 487	2 016	138	913	1 176	(263)	-22%	2 016
Interest from Current and Non Cu		19 863	25 000	794	7 588	14 583	(6 995)	-48%	25 000
Dividends		—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—
Rental from Fixed Assets		593	755	38	339	440	(101)	-23%	755
Licence and permits		—	—	—	—	—	—	—	—
Special rating levies		—	—	—	—	—	—	—	—
Operational Revenue		1 355	1 252	10	683	730	(48)	-7%	1 252
Non-Exchange Revenue									
Property rates		63 942	64 913	4 894	41 482	37 866	3 616	10%	64 913
Surcharges and Taxes		—	—	—	—	—	—	—	—
Fines, penalties and forfeits		3 569	1 367	26	97	797	(700)	-88%	1 367
Licence and permits		969	998	50	375	582	(207)	-36%	998
Transfers and subsidies - Operat		253 010	254 956	639	189 771	148 725	41 046	28%	254 956
Interest		3 570	4 453	317	1 747	2 598	(851)	-33%	4 453
Other Gains		2 239	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—
Total Revenue (excluding capital)		430 705	454 622	16 322	304 121	265 196	38 925	15%	454 622
Expenditure By Type									
Employee related costs		160 030	167 901	14 878	95 508	97 942	(2 434)	-2%	167 901
Remuneration of councillors		15 151	17 043	1 274	8 841	9 942	(1 101)	-11%	17 043
Bulk purchases - electricity		58 515	66 107	3 598	39 451	38 563	889	2%	66 107
Inventory consumed		6 135	5 918	59	975	3 919	(2 943)	-75%	5 918
Debt impairment		24 403	32 077	—	16 039	26 454	(10 415)	-39%	32 077
Depreciation and amortisation		46 319	36 240	3 570	23 542	21 140	2 402	11%	36 240
Interest		0	3 050	—	—	1 779	(1 779)	-100%	3 050
Contracted services		79 982	89 650	7 165	44 851	52 227	(7 376)	-14%	89 650
Transfers and subsidies		2 450	—	150	2 200	—	2 200	-100%	—
Irrecoverable debts written off		10 696	6 637	—	—	3 871	(3 871)	-100%	6 637
Operational costs		71 100	62 722	4 291	42 214	36 588	5 627	15%	62 722
Losses on Disposal of Assets		965	600	—	—	350	(350)	-100%	600
Other Losses		(1 264)	—	—	—	—	—	—	—
Total Expenditure		474 482	487 944	34 984	273 622	292 775	(19 153)	-7%	487 944
Surplus/(Deficit)		(43 776)	(33 322)	(18 662)	30 499	(27 579)	58 078	(0)	(33 322)
Transfers and subsidies - capital		47 668	46 017	116	21 843	26 843	(5 000)	(0)	46 017
Transfers and subsidies - capital /in		—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers		3 892	12 694	(18 545)	52 342	(736)			12 694
Income Tax		—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		3 892	12 694	(18 545)	52 342	(736)			12 694
Share of Surplus/Deficit attributable to		—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to		—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to		3 892	12 694	(18 545)	52 342	(736)			12 694
Share of Surplus/Deficit attributable to		—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary tr		—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year		3 892	12 694	(18 545)	52 342	(736)			12 694

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

Figure 1

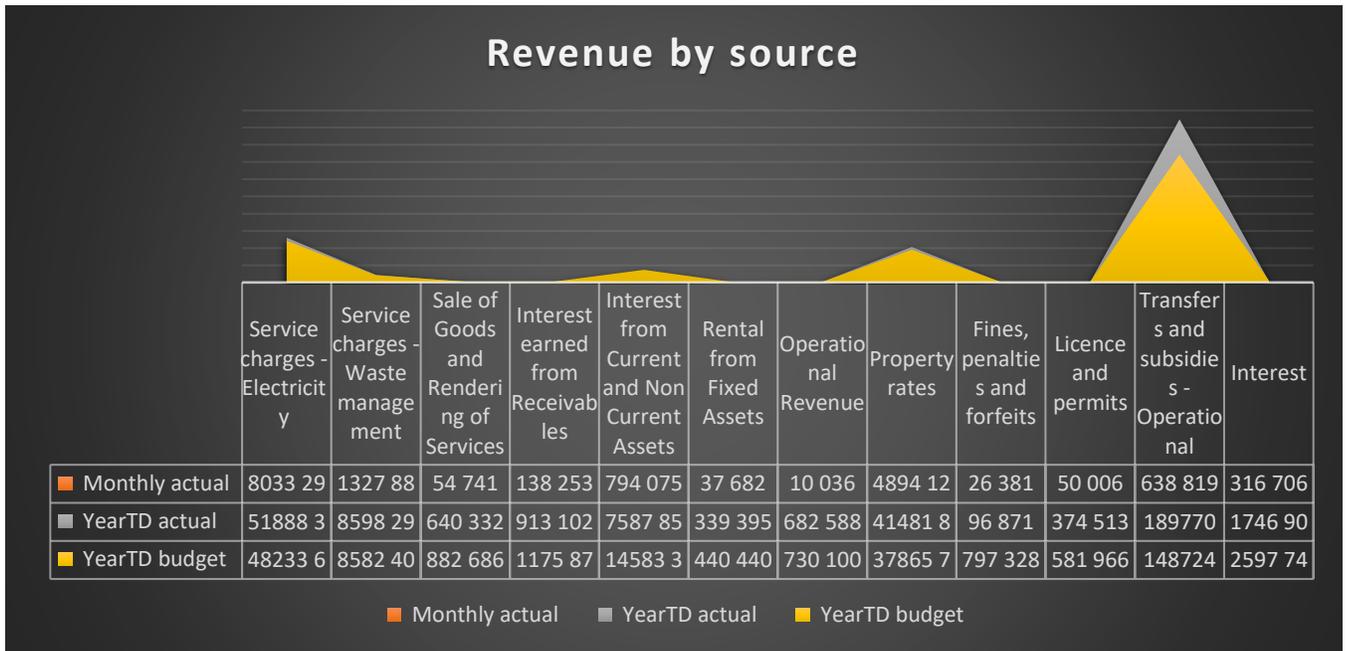
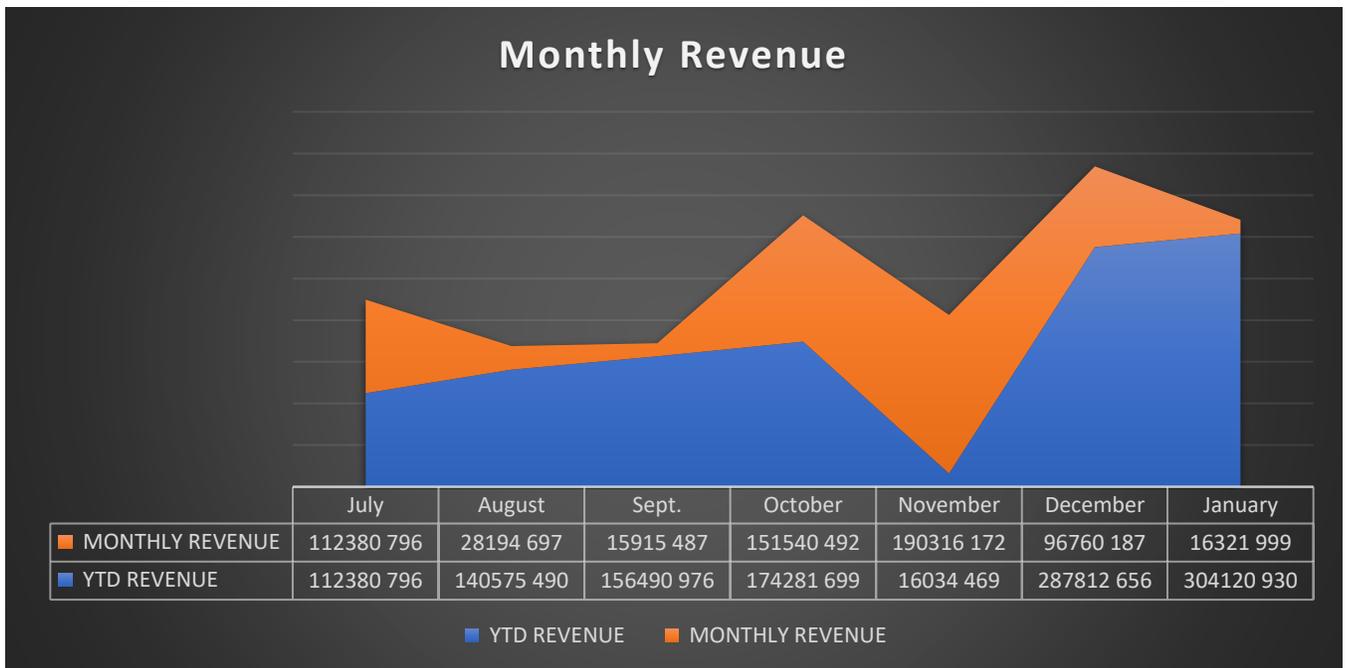


Figure 2



Revenue:

The Year-to-Date (YTD) total revenue amounted to **R304.1 million** for the period ending **31 January 2026**, excluding capital conditional grant income. Against the YTD budget, revenue reflects an overperformance of 15%.

EXCHANGE REVENUE

Service Charges: Electricity

- Revenue from electricity service charges is recognized on an invoice basis. A total amount of R51.9 million was billed against a pro-rata budget of R48.2 million, resulting in an over-performance of 8%. The variance of R3.7million is due to Longer Billing Cycle for certain properties, and also correction of previous under billing Seasonal changes.
- The actual cash collected amounted R5.9million for the month ended 31 January 2026.

Service Charges: Refuse

- The actual revenue from Service Charges Refuse as of 31 January 2026 is R8.6million against the budgeted income of R8.6million which is under performance by 0percent. This line item has reached its budget.
- The actual cash collected amounted R305thousand for the month of 31 January 2026.

Sale of Goods and rendering services

- Sales of Goods and Services amounted to R640 thousand, compared to the year-to-date budget of R883 thousand, resulting in an underperformance of R242 thousand or 27%. The variance is influenced by the nature of the revenue items under this vote, which are difficult to project and measure in advance. These include income from tender document sales, town planning fees, clearance certificates, library fines for overdue books, and building plan fees. Performance in this category is largely dependent on walk-in customers.

Interest earned from receivables.

- Interest earned from receivables amounts to R913thousand in comparison with the year-to-date budget of R1.2million, which is an under-performance by 22percent. The variance of R263 thousand is mainly, Consistency of payment arrangements by customers.

Interest from Current and Non-Current assets

- Interest earned on external investments amounts to R7.6million in comparison with the year-to-date budget of R14.6million, thus indicating an under performance by R6.9million or 48percent, this variance is due to the municipality having withdrawn investments before their maturity dates because of higher operational cash requirements.
- Going forward, the municipality has new investments in place, which are expected to improve the interest earned in the investment vote.

Rental from fixed assets

- Revenue from the Rental of Facilities amounted to R339 thousand, compared to the year-to-date budget of R440 thousand, resulting in an under-performance of R101 thousand or 23%. This vote comprises a combination of rental income streams, including municipal halls,

municipal stadiums, and staff houses. The variance is mainly attributable to fluctuations in the utilization of municipal facilities, which are not feasible to measure accurately in advance.

Operational Revenue

- The majority of the Council own funded sources are budgeted under this category.
- The year-to-date operational revenue amounted to R683 thousand against a pro-rata budget of R730 thousand, resulting in an unfavorable variance of R48 thousand or 7%.

NON-EXCHANGE REVENUE

Property Rates

- The municipality accounts for Property Rates on an invoice basis in line with GRAP requirements.
The Year-to-Date (YTD) actual revenue for Rates amounts to R41.5million, compared to a YTD budget of R37.9million. This represents an over-billing of R3.6million, or 10%.
- Property Rates: Incorrect Categorization: A property might be incorrectly classified... (residential to commercial) which often results in higher rates
Supplementary Valuations and Improvements
- The actual cash collected amounted R5.1million for the month ended 31 January 2026.

Fines, Penalties and forfeits

- Fines for the month as of 31st January is R97 thousand and underperformed by 88%, amounting to R700thousand below the pro-rata budget of R797thousand. The underperformance is primarily attributed to a prevailing culture of non-payment and adverse economic conditions. It is important to note that revenue reported to date is on a cash basis, as the municipality accounts for fines in accordance with iGRAP 1 at year-end. This vote also includes library fine fees for overdue books.

Licences and permits.

- The variance of R207thousand or -36% underspend is mainly due to the department relying on walk-in customers who require services at the time. Additional contributing factors include network issues within the building and poor connectivity of the eNatis system when customers are present.

Transfers & subsidies

- Transfers and subsidies recognised operational amounts to R189.8million YTD Actual in comparison with the pro-rata budget of R148.7million, thus indicating a over performance of 28%. This is due to the second tranche receipt of an Equitable share.
- Transfers and subsidies capital amounts to R21.8million in comparison with the pro-rata budget of R26.8 million, thus indicating an over performance by R5 million variance is mainly attributable by expenditure in MIG. *(Detailed report on MIG expenditure has been provided*

below)

Interest earned from receivables.

- In line with council adopted credit control policy, the municipality charges interest on arrear debtors.
- Interest earned from receivables amounts to R1.7million in comparison with the pro-rata budget of R2.6million, thus indicating an under performance by R851thousand or 33percent.

Operating Expenditure from 31 January 2026

The table below reflects trend of expenditure for the period ended 31 January 2026

Figure 3

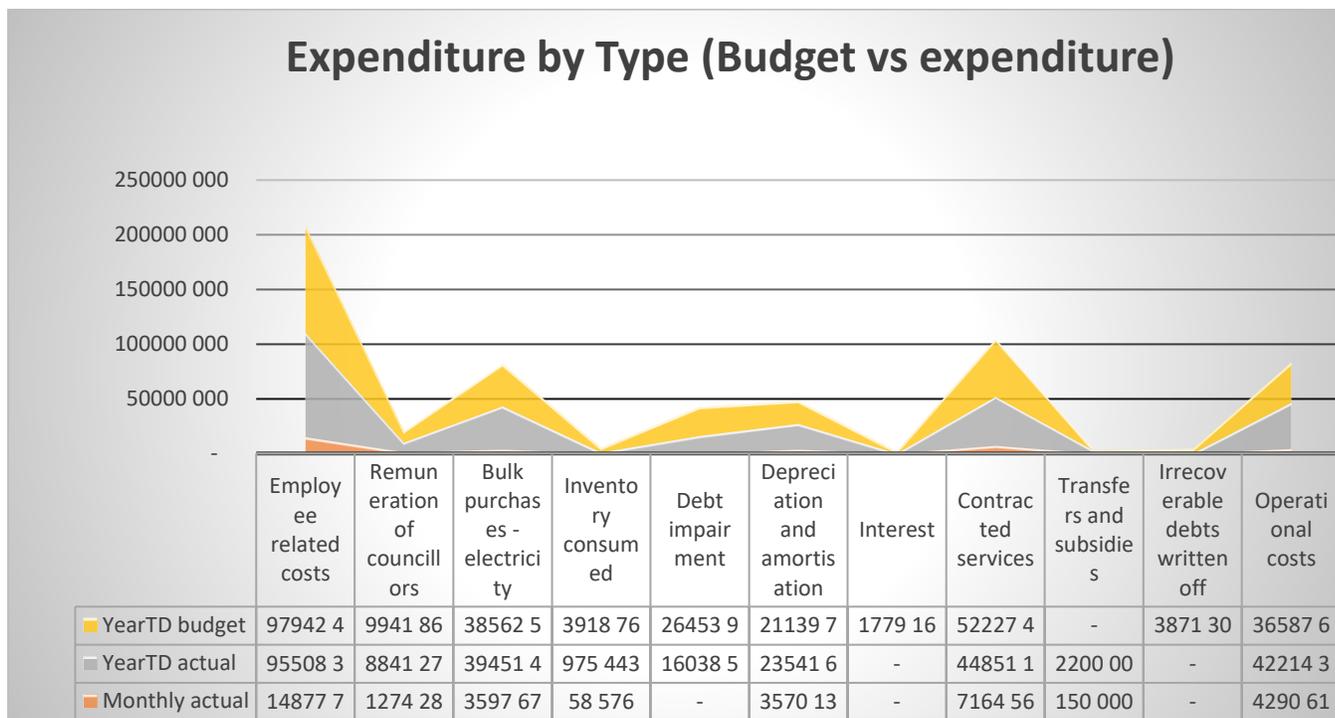
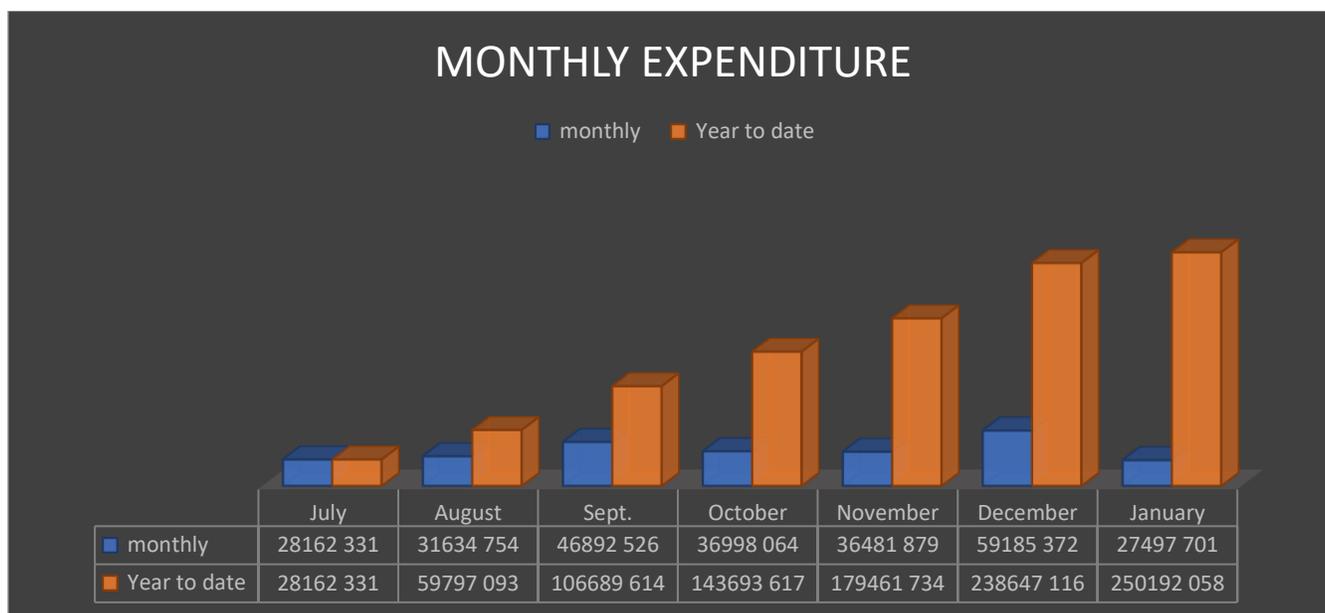


Figure 4



Operating Expenditure:

- The total operational expenditure YTD Actual for the period ending 31 January 2026 amounted to R273.6million against the planned target of R292.8million. As at the end of 31st January the operational expenditure budget has been under spent by -7% or -R19.2million, indicating that expenditure performance is within the targeted threshold. *Detailed expenditure analysis is below:*

Employee Related Costs

- Employee-related costs reflect a variance of R2.4million or 2 per cent for the period ending 31 January 2026 when compared to the pro-rata budget of R97 million. The variance in this vote is considered immaterial.
- Furthermore, to that it should be noted that employee bonuses are now being paid on their birth month.

Remuneration of Councilors

- Councilors' allowances reflect a favorable variance of R9.9 million or 11% when compared to the pro-rata budget of R8.8 million. This variance is mainly attributable to savings realized in July and August, as the approved increases were only implemented in September 2025. The savings realized during the earlier months have carried over into the reporting period.

Bulk Purchases

- The YTD on Bulk purchases amounts to R39.5million which is an over performance when compared to pro-rata budget of R38.6million. The variance of 2% or R889 thousand is considered immaterial.

Inventory Consumed

- Inventory consumed reflects an underperformance of R2.9 million or 75% when compared to the pro-rata budget of R3.9 million, with an actual expenditure of R975 thousand. This vote comprises items held in stores, mainly for maintenance and repairs, as well as stationery for the municipality. Expenditure in this vote is largely demand-driven, as consumption occurs only when requests are made and operational needs arise.

Debt Impairment

- The debt impairment for the year is R16 million and compared to pro-rata budget of 26.5million with an under performance of 10.4million, 39%.

Depreciation and Asset Impairment

- The YTD for Depreciation and Asset impairment is reflecting an over performance by 11 percent. The depreciation variance is due to an increase in acquisitions of assets and commissioning of capital projects at year-end. The estimates were made before the later were taken into consideration.

Interest

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

Contracted Services

- Contracted Services Expenditure reflects an underspending of 14% or R7.4 million, with a YTD actual of R44.9million against a pro-rata budget of R52.2million. This vote includes all contracted and outsourced services procured by the municipality, such as catering, transport, accommodation, and professional services. Expenditure in this category largely depends on the implementation of public programmes.

Transfers and Subsidies

- Transfers and grants expenditure amounting to R2.2million was incurred under this vote with no approved budget, as a correction of audit findings. The budget for this vote will be adjusted during the budget adjustment period.

Irrecoverable debts written off

- Irrecoverable debts written off have underperformed by 100% when compared to pro-rata budget of R3.9million. A journal entry will be processed in due time.

Operational Cost

- Other expenditure is overspent this month by 15% or R5.6million when compared to pro-rata budget of R36.6million. The over-expenditure is mainly attributable to community projects that are implemented early in the financial year, resulting in higher spending during this period.

Loss on disposal of assets

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

2. Capital Expenditure

Table C5 Monthly Budget Statement – Capital Expenditure

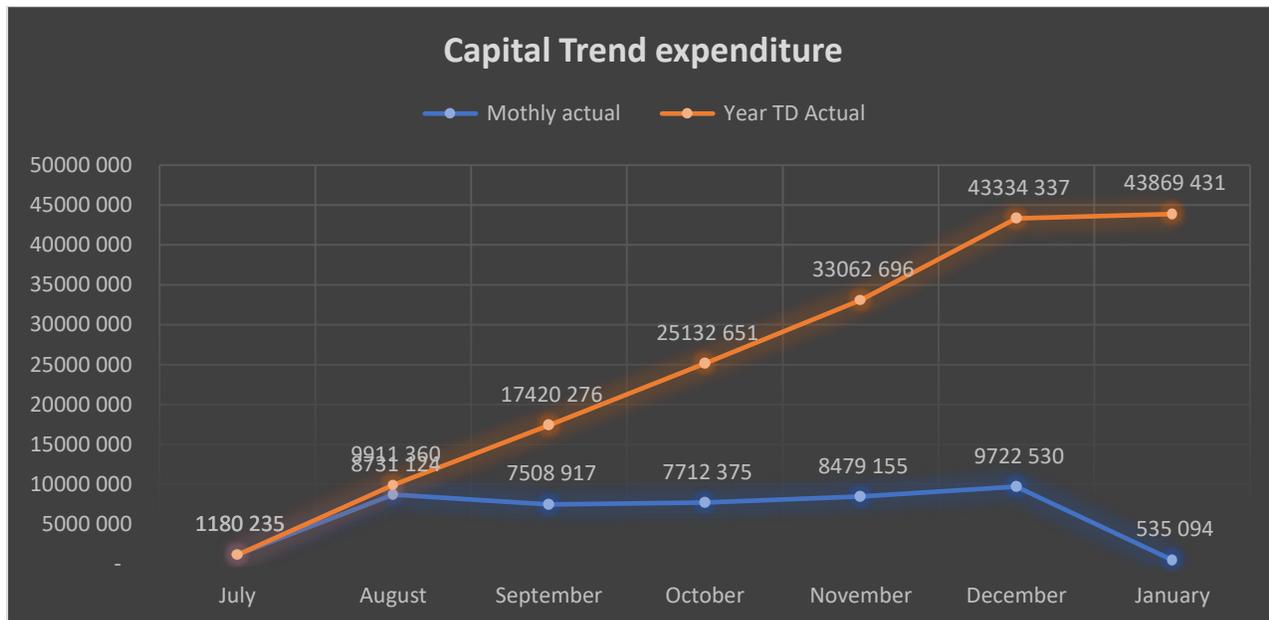
KZN291 Mandeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07 January									
Vote Description	Ref	2024/25	Budget Year 2025/26						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands		1						%	
Multi-Year expenditure	2								
Single Year expenditure	2								
Vote 1 - Executive and council		12 470	30 000	–	11 040	17 500	(6 460)	-37%	30 000
Vote 2 - Finance and administration		14 806	4 549	3	1 460	2 654	(1 194)	-45%	4 549
Vote 3 - Internal audit		–	–	–	–	–	–	–	–
Vote 4 - Community and social services		4 026	17 738	210	4 054	10 347	(6 293)	-61%	17 738
Vote 5 - Sport and Recreation		7 487	8 836	–	1 554	5 155	(3 601)	-70%	8 836
Vote 6 - Public safety		817	70	198	198	41	158	388%	70
Vote 7 - Housing		–	–	–	–	–	–	–	–
Vote 8 - Planning and Development		7 313	7 522	–	1 566	4 388	(2 822)	-64%	7 522
Vote 9 - Road transport		75 324	55 386	124	23 600	35 505	(11 906)	-34%	55 386
Vote 10 - Energy sources		2 389	4 869	–	–	2 840	(2 840)	-100%	4 869
Vote 11 - Waste Management		1 560	1 626	–	397	948	(551)	-58%	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	4	126 192	130 596	535	43 869	79 378	(35 508)	-45%	130 596
Total Capital Expenditure		126 192	130 596	535	43 869	79 378	(35 508)	-45%	130 596
Capital Expenditure - Functional Classification									
Governance and administration		27 275	34 549	3	12 500	20 154	(7 654)	-38%	34 549
Executive and council		12 470	30 000	–	11 040	17 500	(6 460)	-37%	30 000
Finance and administration		14 806	4 549	3	1 460	2 654	(1 194)	-45%	4 549
Internal audit		–	–	–	–	–	–	–	–
Community and public safety		12 330	26 644	408	5 807	15 542	(9 736)	-63%	26 644
Community and social services		4 026	8 664	210	4 054	5 054	(1 000)	-20%	8 664
Sport and recreation		7 487	8 836	–	1 554	5 155	(3 601)	-70%	8 836
Public safety		817	9 143	198	198	5 334	(5 135)	-96%	9 143
Housing		–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–
Economic and environmental services		82 638	62 038	124	25 166	39 386	(14 220)	-36%	62 038
Planning and development		7 313	7 522	–	1 566	4 388	(2 822)	-64%	7 522
Road transport		75 324	54 517	124	23 600	34 998	(11 398)	-33%	54 517
Environmental protection		–	–	–	–	–	–	–	–
Trading services		3 949	7 365	–	397	4 296	(3 899)	-91%	7 365
Energy sources		2 389	4 869	–	–	2 840	(2 840)	-100%	4 869
Water management		–	–	–	–	–	–	–	–
Waste water management		–	870	–	–	507	(507)	-100%	870
Waste management		1 560	1 626	–	397	948	(551)	-58%	1 626
Other		–	–	–	–	–	–	–	–
Total Capital Expenditure	3	126 192	130 596	535	43 869	79 378	(35 508)	-45%	130 596
Funded by:									
National Government		41 421	39 884	570	19 834	26 462	(6 628)	-25%	39 884
Provincial Government		821	174	(181)	83	101	(19)	-18%	174
District Municipality		–	–	–	–	–	–	–	–
Transfers and		–	–	–	–	–	–	–	–
Transfers recognised - capital		42 242	40 058	389	19 917	26 564	(6 647)	-25%	40 058
Borrowing	6	–	–	–	–	–	–	–	–
Internally generated funds		83 950	90 538	146	23 952	52 814	(28 862)	-55%	90 538
Total Capital Funding		126 192	130 596	535	43 869	79 378	(35 508)	-45%	130 596

Capital Expenditure of 31 January 2026:

The YTD capital expenditure budget is R43.9million against YTD actual Capital expenditure amounting to R79.4million resulting in an under performance of 45%or by R35.5million on capital expenditure. The variance in capital expenditure were due to different reason (detail report on the progress on all capital projects has been provided below).

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

Capital Expenditure reported as at 31 January 2026



- Capital grants funded by National Government of actual R19.8million versus pro-rata Budget of R26.5million, expenditure reported has been underspent by -25%. A monthly expenditure of R570thousand is recorded this month.
- Capital grants funded by Provincial Government under-performed by 18%, which expenditure to date is R83thousand. A monthly expenditure of negative -R181thousand is recorded this month for Library allocations, this is a correction of vote.
- Capital grants funded Internally actual amount of R24million versus pro-rata Budget of R52.8million variance of -55% reflects and under expenditure on this item. A monthly expenditure of R535thousand is noticed this month.

2.2 Monthly Budget Statement – expenditure on Repairs and Maintenance

KZN291 Mandeni - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M07 January

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		13 925	16 237	-	1 226	9 667	9 472	(195)	-2.1%	16 237
Roads Infrastructure		8 864	8 426	-	862	6 431	4 915	(1 516)	-30.8%	8 426
Roads		8 569	7 948	-	862	6 431	4 636	(1 795)	-38.7%	7 948
Road Structures		269	304	-	-	-	178	178	100.0%	304
Road Furniture		26	174	-	-	-	101	101	100.0%	174
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		1 246	3 913	-	202	1 799	2 283	484	21.2%	3 913
Drainage Collection		1 246	3 913	-	202	1 799	2 283	484	21.2%	3 913
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		2 614	3 148	-	1	521	1 836	1 315	71.6%	3 148
Power Plants		40	130	-	-	3	76	73	95.7%	130
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		169	870	-	-	50	507	457	90.1%	870
MV Substations		(3)	61	-	-	51	36	(16)	-44.4%	61
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		143	87	-	-	-	51	51	100.0%	87
LV Networks		949	1 130	-	1	35	659	625	94.8%	1 130
Capital Spares		1 317	870	-	-	382	507	125	24.6%	870
Information and Communication Infrastructure		1 201	750	-	161	915	438	(478)	-109.2%	750
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		1 201	750	-	161	915	438	(478)	-109.2%	750
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		1 914	2 885	-	(75)	1 226	1 683	456	27.1%	2 885
Community Facilities		66	363	-	(96)	216	212	(4)	-1.9%	363
Libraries		46	213	-	-	46	124	78	63.1%	213
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Purils		20	150	-	(96)	170	88	(83)	-94.3%	150
Sport and Recreation Facilities		1 847	2 522	-	20	1 010	1 471	461	31.3%	2 522
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		1 847	2 522	-	20	1 010	1 471	461	31.3%	2 522
Other assets		-	348	-	-	64	203	139	68.6%	348
Operational Buildings		-	348	-	-	64	203	139	68.6%	348
Municipal Offices		-	348	-	-	64	203	139	68.6%	348
Machinery and Equipment		8 094	10 438	-	1 801	4 361	6 089	1 728	28.4%	10 438
Machinery and Equipment		8 094	10 438	-	1 801	4 361	6 089	1 728	28.4%	10 438
Total Repairs and Maintenance Expenditure	1	23 933	29 907	-	2 952	15 318	17 446	2 128	12.2%	29 907

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

4.1 Municipal Infrastructure Grant (MIG) Funded Projects:

2025/26 Financial Year MIG
Allocation

R48 228 000

Less: Total Expenditure (incl. Retention)	R21 918 872.25
Balance	R26 309 127.75
Expenditure of as a %	R45.45%

Projects under Construction Stage for MIG

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

Projects that are in the planning stage for MIG and registered

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

4.2. Municipal Internal Funded Projects

Projects under planning

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

- Construction of a Community Hall in Ward 3: Consultant has been appointed. Identified site has been identified as belonging to Department of Public Works. Alternative site is to be identified.
- Construction of a Community Hall in Ward 17: Awaiting appointment of consultant.
- Establishment of new Emergency Centre: Preliminary report completed and endorsed by the Provincial Disaster Management.
- Hlomendlini Sports field: Cost to completion and repackaging of outstanding works has been concluded. funding provision needs to be approved to commence with the completion of the project.

Projects under Construction Stage

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

4.3 Municipal Disaster Response Grant Funded Projects

2024/25 Financial Year MIG Allocation	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 Ematsheketshehi road in Ward 12: Completed

5. PROGRESS ON PROJECTS AND EXPENDITURE

5.1 Municipal Infrastructure Grant

a) Construction of a Hlomendlini Sportfield - Ward 4

CATEGORY	APPROVED BUDGET	EXPENDITURE
----------	-----------------	-------------

Professional Fees	R 1 333 210.46	R 1 333 210.46
Construction Cost (incl. Retention)	R 7 951 934.33	R 5 059 345.48
Internal Funding (Professional and construction Fees)	R1 547 441.12	R 1 286 866.10
TOTALS (Incl. Vat)	R 10 832 585.91	R 7 679 422.04

Project Details

Name of Consultant: Siyazenzela Consulting
Name of Contractor: Sihawusethu Trading (Pty) Ltd
Project Commencement Date: January 2025
Contractual Completion Date: 5 May 2025
Revised Completion date: 25 September 2025

Project Scope

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

Current Status of Construction Progress 45% (Overall Progress 80%): Site Handover, Site Establishment 100%, Setting Out 100%, Site Clearance 90%, Subsoil 90%, Bulk Earthworks (Combo Court, Ablution & Guardhouse) 90%, Layerworks to Sportsfield 65%, Layerworks to Combo Court 50%, Access Road & Parking 30%, Grandstand 40%, Guardhouse 20%.

Performance of the Contractor remains unsatisfactory as the contractor is failing to achieve their set targets as per the approved E.O.T Claim No.2 (Expired 25th September 2025) and the revised Construction Programme. The Contractor was issued a Notice of Termination

dated **Wednesday, 8th October 2025**. Cost to Completion along with the repackaging of the outstanding works has been concluded and we await the SCM process for procurement.

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

b) 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).

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 73 960.66	R 0
Construction Cost (incl. Retention)	R747 378.10	R 0
TOTALS (Incl Vat)	R 821 338.76	R 0

Project Details

Name of Consultant: Singh Govender & Associates cc
Name of Contractor: USANDILE PROJECTS (PTY) LTD
Project Commencement Date: 26 January 2026
Contractual Completion Date: 06 March 2026

Project Scope

- Asphalt, Completion of installation of kerbs.
- Construction of new manhole.
- Completion of existing manholes.
- Alignment of catchpits.
- Completion of concrete works:- concrete chutes and channels.
- Road line markings.
- Subsoil drainage remedial works.
- Reinstatement of sidewalks.

- Completion of Bell-mouths.
- Reinstatement of existing works i.e fencing etc
- General housekeeping of the entire site.
- Backfilling of banks.

Current Status Overall Construction progress 22.31%: Asphalt 0%, Completion of installation of kerbs 0%, Construction of new manhole 35%, Completion of existing manholes 20%, Alignment of catchpits 15%, Concrete chutes and channels 80%, Road line markings %, Subsoil drainage remedial works, Reinstatement of sidewalks, Completion of Bell-mouths 15%, Reinstatement of existing works 100%, General housekeeping of the entire site 25 %, Backfilling of banks 0%.

The commencement letter dated **19th January 2026** was issued to the contractor and the contractor is already on site.

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

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

Project Details

Name of Consultant: Kukhanya Projects (Pty) Ltd

Name of Contractor: Iqhawe Elihle Trading

Project Commencement Date: May 2024

Contractual Completion Date: 10 February 2025

Revised Completion date: 31 July 2025

Project Scope

- Site establishment
- Site clearance
- Finishing Construction of 1km long, 7m width asphalt surface road.
- Construction of Kerb and channel where required.
- Construction of Kerb inlet, headwall and manholes where required.

- Construction of 967m stormwater pipes ranging from 450mm-900mm diameter.
- Construction of 874m long, 2m width asphalt finished sidewalk.
- Construction and preparation of bell mouth to tie in the existing internal access road in the vicinity of the proposed road.
- Milling of existing asphalt (to be stockpiled and re-used by the client) Construction of subsoil drain where required.

Current Status Overall Construction Progress 94%: Contractual Submissions 100%, Site Establishment 100%, Accommodation of Traffic 92% Road Construction Works 92%, Stormwater 99%, Kerb & Channel Works 98%, Sidewalk Construction 34% and Asphalt Laying 100%.

Within the current month of reporting still remains to be very minimal works been executed with regards to the completion of the project, but progress of works remains very poor. The performance of the Contractor still remains to be very unsatisfactory as the contractor has failed to achieve set targets as per their latest programme along no visibility on site to conduct the said works. The Municipality imposed penalties from the **1st August 2025**, reviewed them on the **31st August 2025** to extent them until the **29th September 2025**. The contractor has been issued with final termination letter dated **19th January 2026**. Employer's agent is currently finalising the cost to completion.

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

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees (MIG)	R 2 743 191.52	R 2 696 436.49
Construction Cost (MIG)	R 17 536 070.12	R 17 535 975.10
Internal Funds Professional/construction fees)	R 3 932 538.28	R 3 767 557.49
TOTALS (Incl. Vat)	R 24 211 799.92	R 23 999 969.08

Name of Consultant: Urbanru (Pty) LTD

Name of Contractor:	Silo Construction
Project Commencement Date:	September 2024
Contractual Completion Date:	26 June 2025
Revised Completion date:	26 September 2025

Project Scope

- Establishment on site.
- Clearing & grubbing.
- Traffic accommodation facilities.
- Removal of layers and stockpiling for later use. (Earthworks)
- Demolish existing culverts.
- Construction of stormwater infrastructure.
- Construction of sidewalks.
- Construction of layer works
- Erection of Kerbing and Channel.
- Clearing of road reserve.
- Road marking, including road signs.
- Traffic calming measures.
- Finishing off, removal of site establishment and 12 months' maintenance of the works as stipulated per the defect liability period clause.

Current Status Overall Construction progress 98%: Contractor has established on site 100%. Contractor has planned alternate routes for traffic accommodation 100%. Clear and grub 100%. Removal of existing asphalt 100%. Earthworks 100%. Demolishing of existing concrete culverts at Ch 3+050 and Ch 3+500 100%. Portal Culvert at 3+050 earthworks 100%, portal culverts installation 100%, wingwalls 100%. Dump rock layer 100%. Importing of fill material to formation 100%. Layerworks G7 100%, G5 100%, G2 100%, Asphalt 100%. Concrete 1200mm diameter culvert installation at Ch 3+500 installation 100%, concrete wingwalls 100%. Stormwater concrete pipe culverts 100%. Kerb and channel 100%. Gabion baskets and reno mattresses 100%. Finishing off 98%. Performance of the contractor is satisfactory. Practical completion has been reached, and Contractor is finalising the snag list items.

Challenges: The contractor has struggled to finalize the snag and final completion inspection scheduled for the 5th of February .

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 441 758.19	R 1 072 692.41
Construction Cost (incl. Retention & Surety)	R 10 600 230.99	R 6 097 182.02
TOTALS (Incl. Vat)	R 12 041 989.18	R 7 169 874.43

Project Details

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

Project Scope

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

Current Status Overall Construction progress 56%: Site Handover / Technical Meeting - 100%, Contractual Submissions 100%, Site Establishment - 100%, Clearing & Grubbing - 100%, Setting Out - 100%, Bulk Earthworks - 100%, Civil Works (Stormwater & Sewer) - 85%, Fencing 80%, Parking 10%, Combo Court 5%, soccer field 40%, Change room 5% and Grandstand 5%.

Performance of the Contractor remains as unsatisfactory with minimal improvements and little progress in the current month of reporting as this has been a continuous challenge.

Notices of poor planning resulting in slow progress, non-compliance and inadequate resource allocation and Contractor's Performance have been issued to the Contractor on **Monday, 6th October 2025, Monday, 27th October 2025** and **Tuesday, 9th December 2025**.

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

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

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

Project Details

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

Project Scope

- Establishment on site
- Site clearance
- Concrete work (Foundations and floor slabs)
- Brickwork
- Plaster
- Painting
- Installation of ironmongery
- Ceiling installation
- Installation of sanitary fittings
- Installation of doors and windows
- Tiling

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

Current Status Overall Construction progress 68%: Establishment on site 100%, Site Clearance 100%,

Hall: Hall Superstructure Earthworks 100%, Hall Superstructure Foundations including Concrete 100%, Hall Superstructure Floor Slab 100%, Hall Superstructure Brickwork 99%, Hall Plaster 80%, Hall Superstructure Plumbing and drainage 20%, Hall Superstructure Electrical installations 30%, Hall Timber roof trusses 100%, Hall Installation of roof tiles 15%, Installation of ironmongery 0%.

Guardhouse: Guardhouse earthworks 100%, Guardhouse foundations including concrete 100%, Guardhouse Floor Slab 100%, Guardhouse Brickwork 99%, Guardhouse Plaster 20%, Painting 0%, Guardhouse Installation of roof tiles 0%, Installation of ironmongery 0%, Ceiling installation 0%, Installation of sanitary fittings 0%, Installation of doors and windows 0%, Tiling 0%, Guardhouse Plumbing and drainage 15%, Septic tank & sewer pipes 20%, Electrical installations 20%, HVAC installations 0%, Guardhouse Timber roof trusses 0%, Guardhouse installation of roof tiles 0%.

Civil works: Roadworks 20%, Asphalt surfacing 0%, Installation of kerbs 0%, Stormwater drainage 85%, Water reticulation 95%, Landscaping 0%, Fencing 45%, Specialist signage 0% and Borehole installation 0%.

Fencing: Installation of clear view fence 45% and gates 0%.

Performance of the contractor is satisfactory

Challenges: Nil

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

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

Project Details

Name of Consultant: Africoast JBFE Project Manager
Name of Contractor: R Busisiwe (Pty) Ltd
Project Commencement Date: January 2023
Contractual Completion Date: July 2023
Revised Completion date: 20 May 2024

Project Scope

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

Current Status Overall Construction progress 100%: All six high masts have been commissioned and energized. Completion certificate and Certificate of Compliance issued.

Challenges: N/A

H) Upgrade of Nhlalohle, Downtown and Khuthala Roads and Stormwater in Ward 14

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 554 123.29	R 1 326 465.14

Construction Cost Incl. (Retention)	R 12 312 111.04	R 3 984 653.90
TOTALS (Incl. Vat)	R 14 235 323.65	R 5 311 119.04

Project Details

Name of Consultant: Ngeja Consulting Engineers
Name of Contractor: Progressive Choice Trading
Project Commencement Date: 10 October 2025
Contractual Completion Date: 10 July 2026
Revised Completion date: N/A

Project Scope:

- Establishment on site.
- Clearing and grubbing.
- Traffic accommodation facilities.
- Removal of layers and stockpiling for later use. (Earthworks)
- Construction of stormwater infrastructure.
- Construction of layer works.
- Erection of kerbing and channel.
- Clearing of road reserve.
- Road marking, including road signs.
- Traffic calming measures.
- Finishing off, removal of site establishment and 12 months' maintenance of the works as stipulated per the defect liability period clause.

Current Status Overall Construction progress 48%: Establishment on site 100%, Setting out ongoing 100%, Clearing and grubbing 100%, Road earthworks 100%, Subsoil drain on Downtown Road 90%, Road formation 100%, G5 layerwork (Subbase) 100%, G2 layerwork (Base) 45%, Stormwater pipe culverts installation 90%, Manholes 65%, Headwalls 0%, Kerb and Channel 0%, Asphalt surface layer 0%, Traffic calming (Speed humps) 0%, Road marking 0%, Road signs 0% and Finishing off 0%.

Challenges: Removal and destroying of Surveyor pegs by the community ongoing. Identified Water line and the valve along the reserve on Downtown Road has been relocated and supervised by personnel from ilembe municipality

INYONI HOUSING DEVELOPMENT PHASE 4

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees (MIG)	R 2 779 603.23	R 2 073 470.58
Construction Cost (MIG)	R 17 163 908.81	R10 982 788.99
TOTALS (Incl. Vat)	R 19 943 512.04	R 13 056 259.57

Name of Consultant: BVI Consulting Engineers (Pty) Ltd
Name of Contractor: Zibandlela Trading 10cc
Project Commencement Date: 12 September 2023
Contractual Completion Date: 17 November 2025.
Revised Completion date: July 2026

Project Scope

The project entails the construction of bulk and internal services for approximately 1275 Households as well as the completion of incomplete works in Phase 3 i.e. The MR495 Intersection and underpass. The breakdown of the project scope is as follows:

- Establishment on site.
- Bulk & Internal Sewer Scope
 - Construction of Sewer Pumpstation and stilling chamber,
 - Gravity sewer reticulation networks varying between 140mm-200mm Ø uPVC, HDPE,
 - Ductile pipelines, Approximate total pipeline length = 20 000m
 - Elevated concrete pipe bridges will be built across various stream crossings.
- Roads & Stormwater Scope
 - Construction of Approximately 8 Km Taxi Collector and Access Roads.
 - All roads will have Cape seal Surfacing and 1 m wide gravel sidewalk.
 - 3 No. Concrete causeways across various stream crossings.
 - 0.75m wide to 1m wide drains will be constructed along all roadways.
 - 450mm - 600mm Ø concrete pipe networks and manholes at various low points along the road and sites
 - The design standards for the roads and stormwater are similar to infrastructure implemented on the previous Phase.
- Water Scope

- 43KL Elevated tank, pumpstation,
 - Domestic and fire reticulation networks ranging from 20mm – 315mm Ø uPVC Class 12 pipelines,
 - Fire hydrants,
- MR495 Intersection & Underpass (Phase 3)
 - Completion of concrete side walks
 - Road Markings and Signage
 - Underpass Electrical Infrastructure, footpaths, stormwater infrastructure and protection work.

Current Status Overall Construction progress 37%: Contractor has established on site 100%. Bulk Sewer 9.5%, Internal Sewer Retic 55.2%, Taxi Collector 35.9%, Internal Access Roads 47.1 %, Bulk Water 0.3%, Internal Water - Retic 12.8%, MR495 0%, Underpass 0%. Performance of the Contractor is unsatisfactory.

Challenges: Performance of the Contractor remains poor as a result of poor planning, insufficient resource allocation and cashflow challenges. EOT 2 has been submitted to DOHS for approval.

5.2 Municipal Disaster Response Grant

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

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 499 441.40	R 499 441.40
Construction Cost (Including retention)	R 1 979 445.84	R 1 979 445.84
TOTAL	R 2 478 887.24	R 2 478 887.24

Project Details

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

Revised Completion Date: Nil

Project Scope:

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

Current Status Overall Construction progress 100%: Practical Completion Certificate was issued to the Contractor on **Friday, 26th September 2025** and subsequently the Completion Certificate was issued to the Contractor on **Wednesday, 8th October 2025**.

Challenges: n/a

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

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

Project Details

Name of Consultant: FDKL Engineering Consultants

Name of Contractor: Amathokozamahle (Pty) LTD

Project Commencement Date: June 2025

Completion Date: October 2025

Revised Completion Date: Nil

Project Scope:

- Site Establishment

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

Current Status Overall Construction progress: Construction 100%: Site Establishment 100%, Clear and grubbing for roadworks 100%, Mass Earthworks 100%, Road formation 100%. Layer works consisting of (G9 - 100%, G7- 100% & G5 - 100% Gravel materials), Concrete V-Drains 100% and Subsoils 100%, Prefabricated Pipe Culverts including headwalls 95%, Concrete Surfacing (25 MPa) of Steep areas 100%, Landscaping works, topsoiling and grassing 60%. Finishing off 95%. Performance of the contractor is satisfactory. Completion certificate was issued to the Contractor on **Friday, 17 October 2025**.

Challenges: n/a

5.2 Municipal Internal Funding

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

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 27 520 466.21	R13 409 689.07 (2024/25FY) R 3 119 895.32 (2025/26FY)
2025/26 FY Construction Cost (Including retention)	R 33 500 000.0	R 10 443 028.38
Total Construction Cost (Including retention)	R112 455 957.18	R 10 443 028.38

TOTAL	R139 976 423.4	R 26 972 612.77
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Project Details

Name of Consultant:	DLV Project Managers and Engineers
Name of Contractor:	High end JV Nap Holdings
Project Commencement Date:	1 September 2025
Anticipated Completion Date:	30 November 2027
Revised Completion Date:	N/A

Project Scope:

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

Current Status Overall Construction progress 20%: Contractor appointed on the 29th of July 2025. Technical site handover meeting was conducted on 11th August 2025. Access to site to be granted on the 1st September 2025. Current progress achieved is as follows: - Contractual Matters 100%, Site Establishment 100%, Exposing Services 85%, Relocation of Existing Offices 100%, Survey Setting Out 100%, Clearing of Site 100%, Cut to Fill 98%, Stormwater 2% and Strip Footing Excavations 85%.

Challenges: Space constraints on site for working area.

b) Extension of Mechanical Workshop and Construction of New Offices

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 910 105.97	R 1 774 651.88
Construction Cost (Incl Ret.)	R 16 996 962.19	R 15 103 608.53
TOTALS (Incl. Vat)	R 18 907 069.16	R 16 878 260.41

Project Details

Name of Consultant: Ukwakha Consulting Engineers
Name of Contractor: Bheka Phezulu Investment and Sales
Project Commencement Date: July 2023
Contractual Completion Date: March 2024
Revised Completion Date: 24 February 2025
Contractor's Termination Date: 17 April 2025

Project Scope

- Site establishment
- Site clearance, demolition of existing pavement
- Demolition of an existing building
- Earthworks
- Construction of the new 146m² Mechanical workshop
- Demolition & Modification of the existing workshop storage
- Modification, Repairing and plumbing of the Existing Toilets & Change room
- Construction of the new 100.70m² Office Block
- Construction of the new canteen
- Extension of the existing storage rooms by 114m²
- Fiberglass Roof Sheet IBR 3.6m Clear - Covered Walkway
- Construction of new pavement around the site
- Stormwater drainage installation
- Installation of electrical, mechanical, and associated works
- Renovation of the Male and Female Ablution and change rooms
- Construction of New Slabs

Current Status Overall Construction progress 92%: Site Establishment 100%, Site

Clearance 95%, Demolition of existing pavement 95%, Demolition of an existing building 100% and Construction of the new Office Block 96%, Earthworks 50%, Construction of the new 146m² Mechanical workshop 75%, Construction of the new canteen 95%, Extension of the existing storage rooms 65%, Fiberglass Roof Sheet IBR 3.6m Clear - Covered Walkway 45%, Construction of new pavement around the site 30%, Stormwater drainage installation 70%, Installation of electrical, mechanical and associated works 40%, Renovation of the Male and Female Ablution and change rooms 96%, Construction of New Slab for the vehicle wash bay 90%.

Cost to completion and the work package was completed, and we awaiting for SCM processes for procurement.

Challenges: The Contractor submitted a revised Extension of Time No.4 application which has been approved for a Revised Practical Completion date being noted for 24th of February 2025, penalties to be imposed should the Contractor not achieve the Revised Completion Date. The Contractor has shown some sense of improvements with regards to the rate of construction works but the recovery of the project to meet the revised completion date has been failed to be achieved as a result of poor planning, inadequate resource allocations and production levels along with inclement weather conditions.

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

5.3 INEP GRANT

a) Okhovothe Electrification Project

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

Project Details

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

Project Scope: Electrification of 100 households

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

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

5.4 RISKS/CHALLENGES

- Allowable items of subcontractor not defined including items of ablution facilities, materials, plant hire and security
- Poor performance of appointed contractors
- Adverse weather conditions
- Failure of appointed contractors to complete identified snag items.

5.3 Division of Revenue Act on Grants Receipts

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M07 Janua

Description	Ref	2024/25	Budget Year 2025/26						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:	1,2								
Operating Transfers and Grants									
National Government:		273 445	250 223	-	188 660	145 964	42 696	29.3%	250 223
EPWP Incentive	-	3 784	1 714	-	1 200	1 000	200	20.0%	1 714
Finance Management	-	1 850	1 900	-	1 900	1 108	792	71.4%	1 900
Integrated National Elect	-	7 200	-	-	-	-	-		244 198
Local Government Equita	-	243 588	244 198	-	183 149	142 449	40 700	28.6%	2 411
Municipal Infrastructure C	-	17 023	2 411		2 411	1 407	1 004	71.4%	
	-						-		
Other transfers and grants [insert description]							-		
Provincial Government:		4 282	4 733	-	4 625	2 761	1 864	67.5%	4 933
KwaZulu-Natal_Capacity	-	4 282	4 733	-	4 625	2 761	1 864	67.5%	4 933
							-		
Total Operating Transfer	5	277 727	254 956	-	193 285	148 725	44 560	30.0%	255 156
Capital Transfers and Grants									
National Government:		132 244	50 328	-	40 100	26 726	8 863	33.2%	45 817
Municipal Infrastructure	-	128 668	45 817	-	35 589	26 726	8 863	33.2%	45 817
	-	3 576	4 511		4 511				
Other capital transfers [insert description]							-		
Provincial Government:		50 633	200	-	200	117	83	71.4%	-
[insert description]		50 633	200		200	117	83	71.4%	
							-		
Total Capital Transfers a	5	182 877	50 528	-	40 300	26 843	8 946	33.3%	45 817
TOTAL RECEIPTS OF TR	5	460 604	305 484	-	233 585	175 568	53 506	30.5%	300 973

5.3 Division of Revenue Act on Grants Expenditure

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

Description	Ref	2024/25	Budget Year 2025/26						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:		271 476	251 013	15 844	212 866	146 424	66 441	45.4%	251 013
Expanded Public Works Pr	—	1 815	1 714	253	1 676	1 000	676	67.6%	1 714
Local Government Financ	—	1 850	1 900	57	1 317	1 108	208	18.8%	1 900
Municipal Infrastructure Gr	—	7 200	—	—	—	—	—	—	—
Local Government Financ	—	243 588	244 988	15 356	208 767	142 910	65 857	46.1%	244 988
Municipal Infrastructure Gr	—	17 023	2 411	178	1 106	1 407	(300)	-21.3%	2 411
0							—		
Other transfers and grants [insert description]							—		
Provincial Government:		4 282	4 733	328	2 520	2 878	(358)	-12.4%	4 933
KwaZulu-Natal_Capacity Building and Other Specify (Add grant description)_Receipts							—		
KwaZulu-Natal	—	4 282	4 733	328	2 520	2 878	(358)	-12.4%	4 933
0							—		
0							—		
[insert description]							—		
Total operating expenditure of T		275 758	255 746	16 173	215 386	149 302	66 084	44.3%	255 946
Capital expenditure of Transfers and Grants									
National Government:		133 114	50 328	3 418	22 355	26 726	(4 371)	-16.4%	45 817
Municipal Infrastructure Gr	—	117 558	45 817	3 418	17 844	26 726	(8 882)	-33.2%	45 817
Municipal Infrastructure Gr	—	15 556	4 511	—	4 511	—	4 511	#DIV/0!	—
0							—		
Other capital transfers [insert description]							—		
Provincial Government:		—	200	99	99	117	(17)	-14.8%	—
0			200	99	99	117	(17)	-14.8%	
0							—		
District Municipality:		—	—	—	—	—	—		—
Total capital expenditure of Tran		133 114	50 528	3 518	22 454	26 843	(4 389)	-16.3%	45 817
TOTAL EXPENDITURE OF TRAN		408 872	306 274	19 690	237 840	176 145	61 695	35.0%	301 763

3. Debtors Age Analysis

Table SC3 Monthly Budget Statement_ Debtors Age Analysis

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January											
Description		Budget Year 2025/26									
	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other	1200	-	-	-	-	-	-	-	-	-	-
Trade and Other	1300	3 344	739	1 609	1 285	2 049	1 120	488	2 753	13 387	7 696
Receivables from	1400	5 153	3 901	3 648	3 512	2 666	15 122	4 780	103 187	141 970	129 267
Receivables from	1500	-	-	-	-	-	-	-	-	-	-
Receivables from	1600	1 422	1 183	1 106	952	938	955	5 888	62 323	74 766	71 056
Receivables from	1700	34	20	14	7	7	(815)	(44)	129	(649)	(717)
Interest on Arrea	1810	455	446	435	469	400	401	2 822	35 074	40 502	39 166
Recoverable una	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	4 658	2	5	6	15	8	15	5 403	10 112	5 447
Total By Income	2000	15 066	6 291	6 817	6 231	6 076	16 790	13 950	208 869	280 089	251 915
2024/25 - totals only											
Debtors Age Analysis By Customer Group											
Organs of State	2200	2 453	1 854	1 811	2 189	1 385	505	1 202	33 141	44 539	38 421
Commercial	2300	7 715	1 159	1 798	1 284	1 255	13 464	2 186	25 831	54 692	44 020
Households	2400	4 633	3 117	3 070	2 611	3 289	2 617	9 624	143 664	172 625	161 805
Other	2500	265	161	139	147	147	204	937	6 233	8 234	7 669
Total By Custom	2600	15 066	6 291	6 817	6 231	6 076	16 790	13 950	208 869	280 089	251 915

The total Consumer debtors outstanding as 31st January 2026 is **R 280.1million**

- **Debt book indicates R19.2million increase from 1st January 2026 to 31 January 2026; within a month the debt book has accumulated a 7.3% decrease.**
- Debtor's collection rate at 31 January 2026 is 82%

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

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

To encourage timely payments, the Municipality is exploring the possibility of offering discounts to prompt-paying consumers.

As part of the revenue enhancement strategy, door-to-door visits are being conducted to collect outstanding debts, verify consumer data, and serve Section 129 demands. The indigent office is also actively engaging in an outreach program to collect indigent applications and ensure access to Free Basic Electricity. and will be expanded to other wards. Our visitations have resulted into serious dialogues with our community members, wherein they have raised serious concerns about refuse bags dispatching methodologies, non-existent of our satellite offices which are much closer to our people and high legal costs for property transfers.

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

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

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

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

- On a weekly basis, a list of top 20 debtors (businesses, government and domestic) is extracted from the debtors list.
- Debtors selected are encouraged to come and make arrangements for payment;
- In the event that they still default on payments, these debtors are written final demand letters and if no positive response is received, a process of effecting service disconnections ensues in line with our credit control policy.

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DISCONNECTIONS JAN 2026

NO.	ACCOUNT NO.	TOWN	ADDRESS	NAME	DEBT TYPE	AMOUNT R
1	009101511	MANDINI	1 IMPUNZI RD	NSELE	RATE/REFUSE	R3 828.93
2	009200441	MANDINI	1 MIMOSA PLACE	MZIMELA	RATE/REFUSE	R10 864.72
3	008007861	MANDINI	1 SUNDANCE FLAT	MEMELA	RATE/REFUSE	R3 548.85
4	009901177	MANDINI	10 CYCAD PLACE	MZIMELA	RATE/REFUSE	R614 137.89

5	009600111	MANDINI	10 PLOVER CRESCENT	KANNIGAN	RATE/REFUSE	R137 235.22
6	002501152	MANDINI	10 ROBIN PLACE	ACKERMAN	RATE/REFUSE	R3 946.42
7	009903301	MANDINI	10 STRATTEN CIRCLE	NSELE	RATE/REFUSE	R5 353.55
8	009401651	MANDINI	10 TROGON RD	NGCOBO	RATE/REFUSE	R60 555.01
9	009933821	MANDINI	10B ROBIN PLACE	SITHOLE	RATE/REFUSE	R21 228.73
10	006609661	MANDINI	11 MIMOSA PLACE	ZULU	RATE/REFUSE	R23 103.81
11	009904491	MANDINI	11 PATRYS RD	MTHEMBU	RATE/REFUSE	R30 483.21
12	009002041	MANDINI	12 IMPALA RD	ZULU	RATE/REFUSE	R8 068.19
13	008100711	MANDINI	12 IMPUNZI RD	SWART	RATE/REFUSE	R14 472.97
14	008902032	MANDINI	12 INYATHI RD	KHUMALO	RATE/REFUSE	R27 489.39
15	008004671	MANDINI	13 IMPUNZI RD	MAKHOPA	RATE/REFUSE	R60 893.54
16	008004971	MANDINI	13 KUDU RD	MSOMI	RATE/REFUSE	R4 787.19
17	009908221	MANDINI	13 SPRINGBOK RD	DUMAKO	RATE/REFUSE	R12 556.60
18	009900201	MANDINI	133 ANDERSON RD	THE MPHILE FAMILY	RATE/REFUSE	R42 015.76
19	009801162	MANDINI	14 IMPUNZI RD	MBONAMBI	RATE/REFUSE	R30 448.41
20	002901742	MANDINI	14 INYALA RD	MSWELI	RATE/REFUSE	R56 729.63
21	008002371	MANDINI	15 INYALA RD	PERUMAL	RATE/REFUSE	R4 745.90
22	009910101	MANDINI	16 ACACIA AVENUE	GOVENDER	RATE/REFUSE	R37 968.05
23	009981311	MANDINI	16 KUDU RD	NGCOBO	RATE/REFUSE	R14 638.08
24	009903601	MANDINI	17 SANDPIPER RD	MWANDLA	RATE/REFUSE	R40 405.12
25	009903001	MANDINI	17 TALBOT RD	DUBE	RATE/REFUSE	R23 040.57
26	009903731	MANDINI	17 TROGON RD	NGWANE	RATE/REFUSE	R5 996.20
27	008701031	MANDINI	18 GREIG RD	RAMBACCUSING	RATE/REFUSE	R9 714.85
28	009401651	MANDINI	10 TROGON RD	NGCOBO (RET) (RET)	RATE/REFUSE	R61 005.31
29	008803051	MANDINI	6 JOHNSTON	NDLOVU	RATE/REFUSE	R40 268.95
30	009900971	MANDINI	30 ANDERSON	GUMEDE	RATE/REFUSE	R10 322.89
31	008005271	MANDINI	28 KUDU RD	NXUMALO	RATE/REFUSE	R41 343.11
32	009900821	MANDINI	60 ANDERSON	THABETHE	RATE/REFUSE	R41 782.01
33	009701121	MANDINI	23 INYALA	LIAO	RATE/REFUSE	R74 534.78
34	008907042	MANDINI	5 DUBE RD	RADEBE	RATE/REFUSE	R58 884.91
35	009902161	MANDINI	19 FYRE RD	SHANGE	RATE/REFUSE	R38 101.00
36	009600111	MANDINI	10 PLOVER	KANNIGAN	RATE/REFUSE	R137 235.22
37	009300382	MANDINI	23 DUBE	FOURIE	RATE/REFUSE	R11 193.72
38	008902032	MANDINI	12 INYATHI	KHUMALO	RATE/REFUSE	R26 239.69
39	009908011	MANDINI	81 PATRYS	DLAMINI	RATE/REFUSE	R20 015.77
40	009908211	MANDINI	82 PATRYS	GUMEDE	RATE/REFUSE	R74 743.09
41	002401262	MANDINI	64 ANDERSON	KHUMALO	RATE/REFUSE	R12 333.31
42	009902471	MANDINI	59 GREIG RD	GUMEDE	RATE/REFUSE	R6 774.95
43	009900851	MANDINI	54 ANDERSON	NDLOVU/NXUMALO	RATE/REFUSE	R14 296.82
44	009600721	MANDINI	44 KUDU	SHEZI	RATE/REFUSE	R9 152.60
45	009801201	MANDINI	44 GREIG	NGCOBO	RATE/REFUSE	R31 750.49
46	009702121	MANDINI	42 IMPUNZI	NZIMANDE	RATE/REFUSE	R30 429.35
47	009701172	MANDINI	41 IMPUNZI	MKHWANAZI	RATE/REFUSE	R66 445.65
48	009501791	MANDINI	40 KUDU	BUTHELEZI	RATE/REFUSE	R9 243.77
49	009908461	MANDINI	40 INYATHI	MTHEMBU,NGEMA	RATE/REFUSE	R26 206.94
50	009906321	MANDINI	39 KUDU	SHEMBE	RATE/REFUSE	R21 502.21
51	008902412	MANDINI	38 GREIG	PENTITO CC	RATE/REFUSE	R13 358.58
52	009903521	MANDINI	37 TROGON	MATHONSI	RATE/REFUSE	R30 404.09
53	009701301	MANDINI	37 OHARA	KUBHEKA	RATE/REFUSE	R58 273.17
54	008803561	MANDINI	37 KUDU	ROUILLON	RATE/REFUSE	R3 341.41
55	008803671	MANDINI	35 TROGON	SINDICICH	RATE/REFUSE	R12 691.79
56	008801111	MANDINI	35 OHARA	SITHOLE	RATE/REFUSE	R7 517.97
57	009908132	MANDINI	35 IMPUNZI	MEMEMA	RATE/REFUSE	R6 010.16
58	008001111	MANDINI	34 OHARA	NGIBA	RATE/REFUSE	R14 551.13
59	008701352	MANDINI	34 ANDERSON	MKHWANAZI	RATE/REFUSE	R2 699.40
60	002901711	MANDINI	33 TROGON	MABASO	RATE/REFUSE	R2 235.86
61	009901541	MANDINI	33 ANDERSON	SANGWENI	RATE/REFUSE	R8 317.02
62	009904701	MANDINI	32 PLOVER	CELE	RATE/REFUSE	R48 713.33
63	009907711	MANDINI	32 KUDU	MANQELE	RATE/REFUSE	R14 088.43
64	009910361	MANDINI	32 ACACIA	MDLET SHE	RATE/REFUSE	R73 102.76
65	009903071	MANDINI	31 TALBOT	MBUYISA	RATE/REFUSE	R44 180.62
66	009900431	MANDINI	31 OHARA	MKHWANAZI	RATE/REFUSE	R18 866.59

67	009906281	MANDINI	31 KUDU	MLAMBO	RATE/REFUSE	R6 064.74
68	009700421	MANDINI	29 INYALA	LUKOMBO	RATE/REFUSE	R4 433.84
69	008001121	MANDINI	28 OHARA	MZIMELA	RATE/REFUSE	R32 594.75
70	008005271	MANDINI	28 KUDU RD	NXUMALO	RATE/REFUSE	R41 343.11
71	008800681	MANDINI	29 ANDERSON	MSEZANE	RATE/REFUSE	R3 141.68
72	008200141	MANDINI	27 KUDU	JARRD BELL	RATE/REFUSE	R5 606.72
73	009911941	MANDINI	27 ALOE RD	MBONGWA	RATE/REFUSE	R6 806.90
74	009909911	MANDINI	26 ANDERSON	SIBISI	RATE/REFUSE	R5 665.08
75	009800801	MANDINI	25 INYALA	MATHONSI	RATE/REFUSE	R26 792.22
76	009700971	MANDINI	24 TEKWANE	CHETTY	RATE/REFUSE	R5 216.38
77	009201582	MANDINI	24 READ RD	ZULU,MKHIZE	RATE/REFUSE	R2 249.17
78	009902881	MANDINI	24 FARROW	GWALA	RATE/REFUSE	R12 174.77
79	009901281	MANDINI	24 ANDERSON	NKOSI	RATE/REFUSE	R12 174.77
80	009501061	MANDINI	24 ANDERSON	BUTHELEZI	RATE/REFUSE	R20 108.70
81	008800871	MANDINI	23 OHARA	XULU	RATE/REFUSE	R19 200.26
82	009906241	MANDINI	23 KUDU	MBATHA	RATE/REFUSE	R20 465.60
83	009301371	MANDINI	23 ANDERSON	MDLALOSE	RATE/REFUSE	R2 141.23
84	009910421	MANDINI	3 ARUM PLACE	SIBIYA	RATE/REFUSE	R68 449.76
					TOTAL	R2 825 045.32

ACCOUNTS WITH LETTERS OF FINAL DEMAND FOR PAYMENT SENT OUT

ACC. NO.	ADDRESS	ERF NO.	DEBTORS NAME	DEBT TYPE	AMOUNT R
6600811	TUGELA	811	REPUBLIC OF SOUTH AFRICA - ZN 06626	RATE/REFUSE	R1 070 753.63
6600802	TUGELA	802	TUGELA MUSLIM JAMAAT TRUST-TRUSTEES	RATE/REFUSE	R3 312.86
5100076	TUGELA	076	TUGELA NOORD BELEGGINGS	RATE/REFUSE	R69 670.05
5100014	TUGELA	014	LEBOTES TRUST TRUSTEES	RATE/REFUSE	R11 575.88
5100058	TUGELA	058	ROBERTS	RATE/REFUSE	R54 560.46
5100065	TUGELA	065	FINE ASSET INVESTMENTS 475 CC	RATE/REFUSE	R59 808.37
5100009	TUGELA	009	JOHAN LOTZ FAMILIETRUST	RATE/REFUSE	R8 228.19
6661032	TUGELA	032	MANDENI MUNICIPALITY	RATE/REFUSE	R34 161.14
5100054	TUGELA	054	ERASMUS	RATE/REFUSE	R20 205.92
5100015	TUGELA	015	SADIE	RATE/REFUSE	R343 169.70
5100017	TUGELA	017	DUELCO INV 118 (PTY) LTD (M A EASTMAN)	RATE/REFUSE	R183 681.05
5100016	TUGELA	016	ROSATI CC	RATE/REFUSE	R67 434.84
6601021	TUGELA	021	ZIKODE FUNERAL SERVICES CC	RATE/REFUSE	R597 023.68
5100047	TUGELA	047	LOTZ	RATE/REFUSE	R48 632.00
5100020	TUGELA	020	MKIZE Z B; WOODS J M	RATE/REFUSE	R229 955.23
6660612	TUGELA	612	REP PROPS 91 PTY LTD	RATE/REFUSE	R37 492.58
5100048	TUGELA	048	CESTRIAN TRUST-TRUSTEES	RATE/REFUSE	R48 742.08
5100043	TUGELA	043	SHERRIFF	RATE/REFUSE	R31 677.69
6601721	TUGELA	721	MOODLEY	RATE/REFUSE	R20 781.11
3961951	TUGELA	951	SIBIYA	RATE/REFUSE	R78 684.94
TOTAL					R3 019 551.40

Figure 5

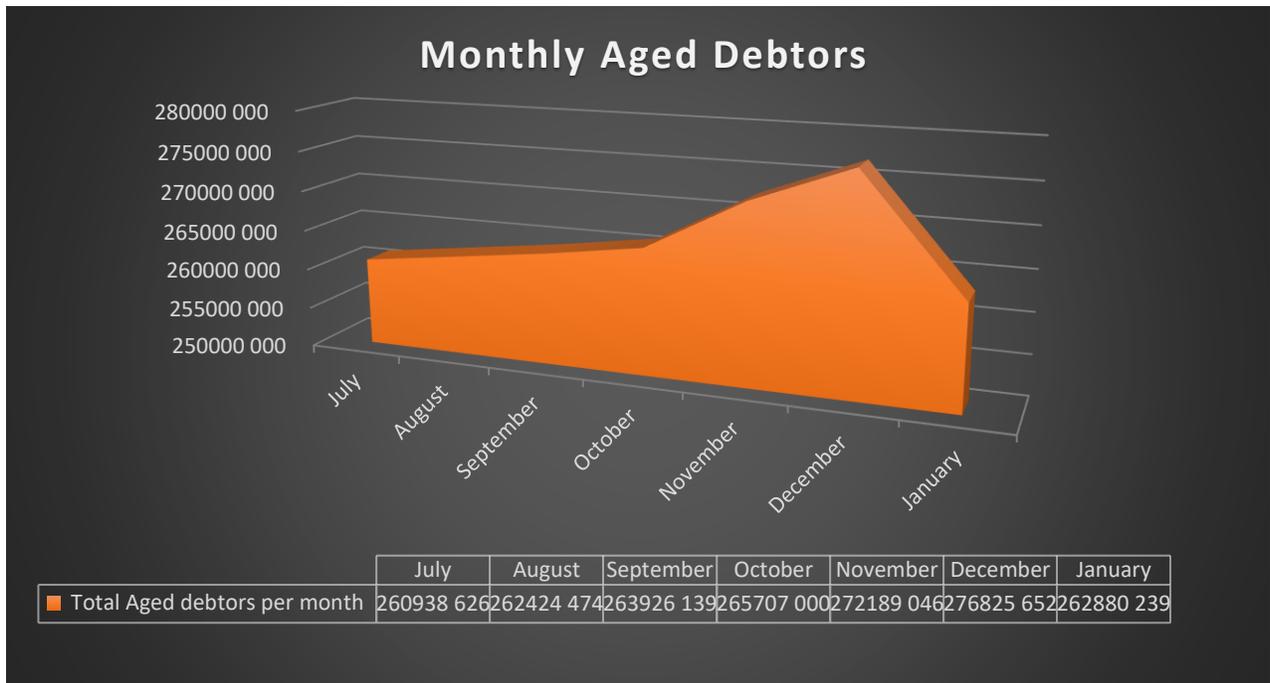
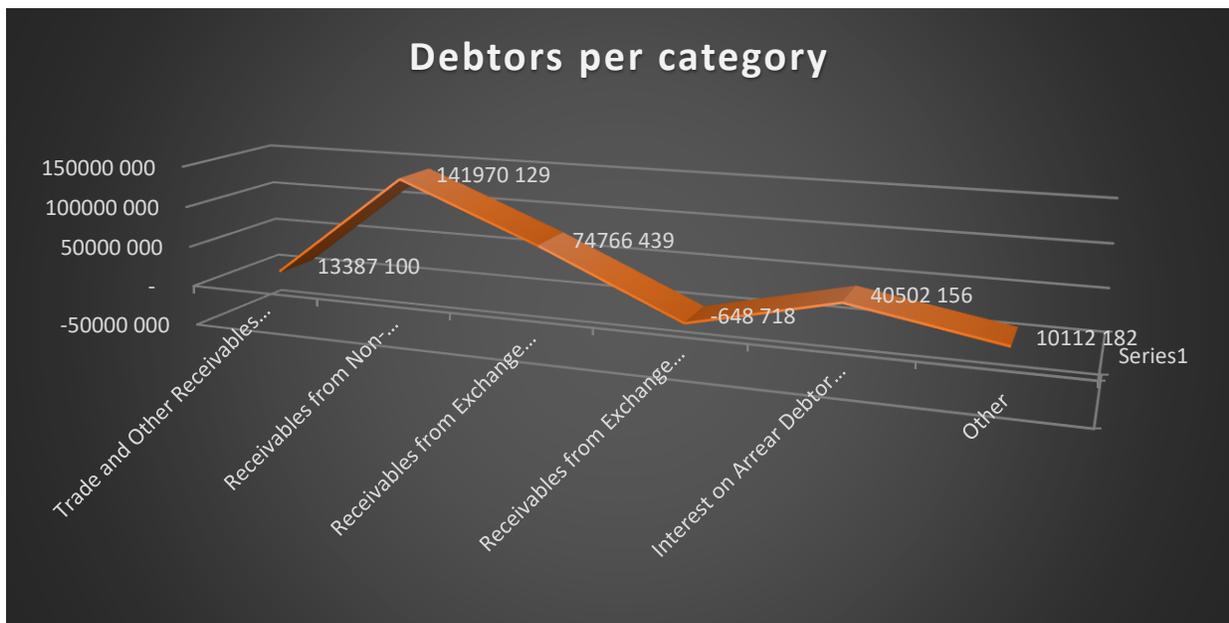


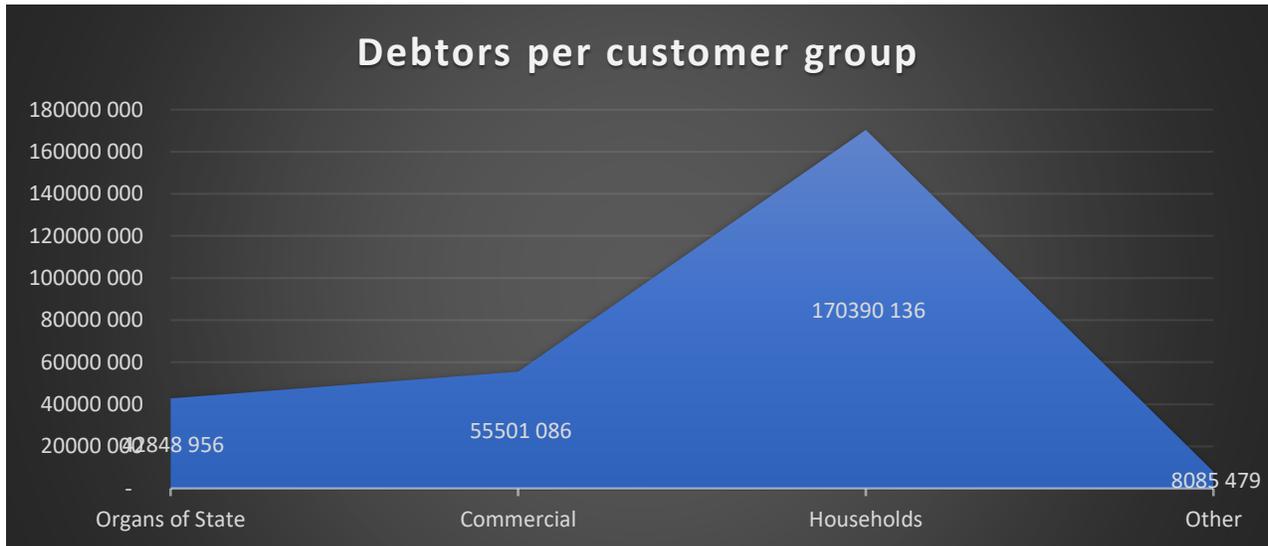
Figure 6



The municipal debtors have increased from R260.9 million to R280.1 million that is from July 2025 until 31 January 2026. This increase is between Household debtors of 62% and it is followed by Business Commercial is 20% and Organ of state at 15% and lastly the other debtors with a percentage of 3%.

- **Total Outstanding Debtors from 31 January 2026**

Figure 7



Councillors and Employees in Arrear

- Debt outstanding on Staff as of 31 January is R76,183.77
- Councillors Accounts in arrears as of 31 January is R175,467.44
- However, it should be noted that both Councillors and Staff have made arrangement with the municipality to settle these outstanding debts.

4. CREDITOR’S AGE ANALYSIS

Table SC4 Monthly Budget Statement_ Creditors Age Analysis

KZN291 Mandeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January												
Description	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
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 aged at Nil as at 31 January 2026. (Age analysis listing attached)

Top 10 Creditors (January 2026)

Name	Amount
ESKOM HOLDING	R 4 651 198.87
EMALANGENI	R 757 545.60
DCLM	R 428 296.87
BAMBHANANI ENTERPRISE	R 103 475.41
MALUTHULI TRADING	R 18 600.00
EZAMALUNQA	R 1 694 258.14
CCG SYSTEMS	R 42 144.17
CITY OF CHOICE	R 311 531.24
ILEMBE MUNICIPALITY	R 113 364.77
MBD CONSULTING	R 434 299.80

5. MONTHLY BUDGET STATEMENT - FINANCIAL POSITION

Table C6 displays the financial position of the municipality as at 31 January 2026

KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - M07 January

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		131 927	9 811	–	159 948	9 811
Trade and other receivables from exchange transactions		56 701	43 899	–	9 305	43 899
Receivables from non-exchange transactions		20 402	44 829	–	(15 291)	44 829
Current portion of non-current receivables		–	–	–	–	–
Inventory		41 639	41 799	–	41 764	41 799
VAT		4 428	38 224	–	(2 649)	38 224
Other current assets		225	–	–	225	–
Total current assets		255 323	178 561	–	193 303	178 561
Non current assets						
Investments		–	–	–	–	–
Investment property		44 152	41 913	–	44 152	41 913
Property, plant and equipment		747 620	761 503	–	608 279	761 503
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		2 124	1 928	–	2 124	1 928
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		793 896	805 344	–	654 554	805 344
TOTAL ASSETS		1 049 220	983 905	–	847 858	983 905
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		9 025	–	–	9 025	–
Consumer deposits		196	162	–	246	162
Trade and other payables from exchange transactions		56 434	46 847	–	25 638	46 847
Trade and other payables from non-exchange transactions		5 292	2 058	–	21 189	2 058
Provision		5 380	17 141	–	5 380	17 141
VAT		9 837	22 133	–	12 945	22 133
Other current liabilities		–	–	–	–	–
Total current liabilities		86 164	88 340	–	74 423	88 340
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		–	–	–	–	–
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		22 198	25 770	–	22 198	25 770
Total non current liabilities		22 198	25 770	–	22 198	25 770
TOTAL LIABILITIES		108 362	114 110	–	96 620	114 110
NET ASSETS	2	940 858	869 795	–	1 011 737	869 795
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		738 186	867 662	–	809 064	867 662
Reserves and funds		202 672	2 133	–	202 672	2 133
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	940 858	869 795	–	1 011 737	869 795

RATIOS FOR THE MONTH

Current ratio: The municipality's current assets are (2.60) times that of current liabilities.

The ratio measures the short-term liquidity, that is, the extent to which the current liabilities can be paid from current assets. The higher the ratio, the healthier is the situation. The ratio of 2.60:0.0.39c is favorable as it is above the norm of 1:1 normally set for municipalities. This indicates that there is sufficient cash to meet creditor obligations.

Liquidity ratio: The cash and cash equivalents are the current liabilities, R2.60c

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

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

Outstanding debtors: billing far exceeds the collection on outstanding debt at the rate of 83%.

Collection days: 295days it takes the municipality to collect outstanding debt.

Cost coverage: on average the municipality has sustained its existence for the period of 6 months without any grant funding.

Debtors collection rate: as at the 07 month of 2025/26 at 83%

DEBT RATIOS JANUARY 2026					
					81.84
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening	95%		81.84137659
				Gross Debtors closing balance	280 089 295
				Gross Debtors opening balance	262 266 700
				Bad debts written Off	
				Billed Revenue	98 149 483
					80 326 888.00
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts x 100	100%		0.05
				Consumer Debtors Bad debts written off	10 695 564.00
				Consumer Debtors Current bad debt Provision	200 669 456.00
3	Net Debtors Days	(((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) x	30 days		295.35
				Gross debtors	280 089 295.41
				Bad debts Provision	200 669 456.45
				Billed Revenue	98 149 483.25

C. Liquidity Management

1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on	1 - 3 Months		6 Month
				Cash and cash equivalents	10 025 648
				Unspent Conditional Grants	21 420 801
				Overdraft	-
				Short Term Investments	249 694 023
				Total Annual Operational Expenditure	487 943 906
2	Current Ratio	Current Assets / Current Liabilities	1.5 - 2:1		2.60
				Current Assets	193 303 353
				Current Liabilities	74 422 559

A. Asset Management/Utilisation						
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	10% - 20%		14%	
				Total Operating Expenditure	273 622 212	
				Taxation Expense		
				Total Capital Expenditure	43 869 431	
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	0%		0%	
				PPE, Investment Property and Intangible Impairment	-	
				PPE at carrying value	608 278 572	
				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)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	8%		2%	
				Total Repairs and Maintenance Expenditure	15 317 897	
				PPE at carrying value	608 278 572	
				Investment Property at Carrying value	44 152 000	
E. Grant Dependency						
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	None		55%	
				Internally generated funds	23 952 184	
				Borrowings	-	
				Total Capital Expenditure	43 869 431	
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	None		55%	
				Internally generated funds	23 952 184	
				Total Capital Expenditure	43 869 431	
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	None		94%	
				Total Revenue	304 120 930	
				Government grant and subsidies	56 775 000	
				Public contributions and Donations	-	
				Capital Grants	40 299 901	

6. MONTHLY BUDGET STATEMENT -CASH FLOW

Table C7 below display the Cash Flow Statement for the period ending 31 JANUARY 2026

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - M07 January										
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										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(52 910)	49 972	-	5 234	63 376	29 151	34 226	117%	49 972
Service charges		(63 798)	98 454	-	1 622	16 676	57 432	(40 755)	-71%	98 454
Other revenue		8 768	26 748	-	179	2 134	15 603	(13 470)	-86%	26 748
Transfers and Subsidies - Operational		411 617	254 956	-	-	190 303	148 725	41 578	28%	254 956
Transfers and Subsidies - Capital		164 463	46 017	-	-	38 000	26 843	11 157	42%	46 017
Interest		-	25 232	-	-	-	14 719	(14 719)	-100%	25 232
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		-	(414 328)	-	(25 410)	(231 991)	(221 808)	10 183	-5%	(414 328)
Interest		-	(3 050)	-	-	-	(1 779)	(1 779)	100%	(3 050)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		468 140	84 002	-	(18 376)	78 498	68 885	(9 614)	-14%	84 002
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		(12 695)	(166 388)	-	(615)	(50 450)	(97 060)	(53 601)	55%	(166 388)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(12 695)	(166 388)	-	(615)	(50 450)	(97 060)	(46 610)	48%	(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		455 445	(82 386)	-	(18 991)	28 049	(28 175)			-
Cash/cash equivalents at beginning:		230 188	92 208	-	-	131 899	92 208			131 899
Cash/cash equivalents at month/year end:		685 633	9 822	-	(18 991)	159 948	64 034			-

The net decrease in cash for the period ending 31 January 2026 is R28.0million. 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 January with a balance of R159.9million.

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 117% or R34.2million of the collected revenue in C7-as of 31 January 2026.
- Service Charges: Electricity and Refuse cash receipts are under collected by 71% or R40.8million from the revenue budget.
- Other Revenue collected from VAT refunds received as of 31st January 2026 totals R3.2million whereas a total amount of R17.4million and, Other Revenue receipt collected of R2.1million.
- Government grants received YTD total of R228.3million as of 31 January 2026 which includes Government grant Capital of R38million.
- Interest earned on external investments amounts to R7.6million@48%.

Payments

- Suppliers and employees for cash outflows of R232million.
- Finance charges reflect underperformance by 100 percent.
- Capital Assets of R50.5million as at 31 January 2026 @55%.

6.1. BANK RECONCILIATION STATEMENT AS AT 31 JANUARY 2026

		Mandeni Municipality	
BANK RECONCILIATION STATEMENT FOR JANUARY 2026			
Main Account :52940480587			
Opening FNB Bank Balance as on JANUARY 2026		12 122 464.09	12 122 464.09
PLUS: Deposits Banked		12 754 104.25	
PLUS: Interest received		90 772.36	
PLUS: Transfers In		15 449 465.90	
PLUS:Interest received From Call 1		355 641.11	
PLUS:Unpaid		-	
PLUS: MATURED INVESTMENTS		103 992 547.95	
PLUS: SARS REFUND		3 173 868.04	
PLUS: GRANTS RECEIVED		-	
Total Deposits		135 816 399.61	135 816 399.61
Less:Total payments	-	137 913 215.86	- 137 913 215.86
LESS: EFT Payments	-	33 349 047.18	
LESS: Bank Charges	-	20 798.22	
LESS: Transfers Out	-	103 992 547.95	
LESS: NEW INVESTMENTS	-	-	
LESS: Debit Orders	-	550 822.51	
Closing FNB Bank Balance as on 31 JANUARY 2026			10 025 647.84
Cashbook Reconciliation for 31 JANUARY 2026			
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 JAN 2026-D0001/IA09567/F0001/X049/R0099/001/FIN		376 015 751.08	
Less:Cashbook Balance as on 1 JAN 2026-D0001/IA09850/F0001/X049/R0099/001/FIN	-	380 231 917.13	
Corrections to be made (JNL CR)		-	
Corrections to be made (JNL DR)		-	
PLUS: Deposits Banked for JANUARY 2026		12 753 414.25	
LESS: EFT Payments for JANUARY 2026	-	33 356 687.18	
Plus DEC 2026 outstanding (reconciled)		29 850.00	
Less: Bank Charges to date	-	149 185.54	
PLUS: Grant received		-	
Less : New investment		-	
Less: Payments not yet paid during JANUARY 2026		-	
PLUS: Interest received to date		227 224.80	
PLUS:Interest received From Call 1-JANUARY 2026		355 641.11	
PLUS MATURED INVESTMENT		103 992 547.95	
PLUS :SARS REFUND		3 173 868.04	
PLUS :TRANSFER IN		15 449 465.90	
LESS:TRANSFER OUT	-	103 992 547.95	
LESS: Debit Orders for -JANUARY 2026	-	550 822.51	
Closing Cashbook Balance as on 31 JANUARY 2026		10 015 508.03	10 015 508.03
			10 140.00
Reconciling Items	Amount		
ADD: Journal Debits - on Cashbook not on Bank Statement		10 140.00	
ADJUSTED MONTH END CASHBOOK BALANCE- 31 JANUARY 2026			10 025 648.03
MONTH END BALANCE PER BANK STATEMENT- 31 JANUARY 2026			10 025 647.84
DIFFERENCE			0.19

6.2. MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO

The following information presents the short-term investments balances broken down per investment type as of 31 JANUARY 2026

 INVESTMENT REGISTER FOR JANUARY 2026									
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	7 500 000.00	103 992 547.95	15 355 641.11	355 641.11	-	96 492 547.95	1 195 569.49
Call account 2 - HOUSING	62028673219	7.20	2 219 718.95	-	-	10 745.88	-	2 230 464.83	76 227.49
Call account 3-MIG	62812286400	7.20	17 301 583.61	-	449 465.90	82 916.34	-	16 935 034.05	414 611.05
Call account 5-TMT	62113325882	7.20	571 619.35	2 850.00	-	2 859.14	51.28	577 277.21	19 473.35
Call account 6-INEP	62527527462	7.20	1 131.31	-	-	5.48	-	1 136.79	1 136.79
Call account 7-AR	62538203449	7.20	1 527 665.60	-	-	7 395.58	-	1 535 061.18	90 868.35
Call account 8-Title Deed	62812286963	7.20	1 769 573.37	-	-	8 566.67	-	1 778 140.04	69 440.33
Call account 9-Disaster Recovery	63048438097	7.20	143 665.49	-	-	695.49	-	144 360.98	63 108.07
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	-	-	65 095.90	-	100 000 000.00	3 992 547.95
ABSA BANK	208231-8708	7.36	30 000 000.00	-	-	169 380.82	-	30 000 000.00	320 613.69
FNB-MAIN BANK	52940480587	-	-	-	-	90 772.36	-	-	227 224.80
TOTAL			161 034 957.68	103 995 397.95	(15 805 107.01)	794 074.77	(51.28)	249 694 023.03	7 587 851.28

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

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January										
Summary of Employee and Councilor remuneration	Ref	Budget Year 2025/26								
		2024/25 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	7 615	8 353	(738)	-9%	14 319
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		452	702	-	39	276	409	(133)	-32%	702
Cellphone Allowance		1 493	1 754	-	126	872	1 023	(151)	-15%	1 754
Housing Allowances		126	269	-	11	74	157	(83)	-53%	269
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		15 151	17 043	-	1 274	7 563	9 942	(2 379)	-24%	17 043
% increase	4		12.5%							12.5%
Senior Managers of the Municipality										
Basic Salaries and Wages		8 755	5 833	-	1 965	5 366	3 402	1 964	58%	5 833
Pension and UIF Contributions		-	11	-	-	-	6	(6)	-100%	11
Medical Aid Contributions		268	153	-	24	151	89	62	69%	153
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		570	399	-	-	-	233	(233)	-100%	399
Motor Vehicle Allowance		716	909	-	60	418	530	(113)	-21%	909
Cellphone Allowance		342	281	-	29	200	164	36	22%	281
Housing Allowances		170	292	-	14	99	170	(71)	-42%	292
Other benefits and allowances		482	485	-	40	281	283	(2)	-1%	485
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	5 617	3 923	-	-	-	2 288	(2 288)	-100%	3 923
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		16 920	12 285	-	2 132	4 382	7 166	(2 784)	-39%	12 285
% increase	4		-27.4%							-27.4%
Other Municipal Staff										
Basic Salaries and Wages		96 503	105 238	-	8 793	61 399	61 389	11	0%	105 238
Pension and UIF Contributions		15 787	17 150	-	1 362	9 586	10 004	(418)	-4%	17 150
Medical Aid Contributions		7 748	7 271	-	720	4 849	4 241	607	14%	7 271
Overtime		4 129	3 191	-	341	2 264	1 861	402	22%	3 191
Performance Bonus		8 019	5 711	-	762	4 625	3 332	1 294	39%	5 711
Motor Vehicle Allowance		4 999	6 161	-	403	2 932	3 594	(661)	-18%	6 161
Cellphone Allowance		758	832	-	66	472	485	(13)	-3%	832
Housing Allowances		340	405	-	27	201	236	(35)	-15%	405
Other benefits and allowances		2 185	1 052	-	234	1 671	614	1 057	172%	1 052
Payments in lieu of leave		3 327	2 798	-	-	667	1 632	(965)	-59%	2 798
Long service awards		439	1 498	-	38	328	874	(546)	-62%	1 498
Post-retirement benefit obligations	2	(1 123)	4 310	-	-	-	2 514	(2 514)	-100%	4 310
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		143 111	155 617	-	12 746	76 249	90 776	(14 528)	-16%	155 617
% increase	4		8.7%							8.7%
Total Parent Municipality		175 181	184 944	-	16 152	88 194	107 884	(19 691)	-18%	184 944

8. External Loan

NONE

9. Performance Indicators

KZN291 Mandeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M07 January							
Description of financial indicator	Basis of calculation	Ref	2024/25	Budget Year 2025/26			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	8.1%	0.0%	0.0%	4.1%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		9.9%	8.6%	0.0%	7.7%	8.6%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	296.3%	202.1%	0.0%	259.7%	202.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		153.1%	11.1%	0.0%	214.9%	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%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		37.2%	36.9%	0.0%	31.4%	36.9%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		5.6%	6.6%	0.0%	5.0%	6.6%
Interest & Depreciation	I&D/Total Revenue - capital revenue		10.8%	8.6%	0.0%	0.0%	4.4%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

QUALITY CERTIFICATE

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

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

- **Monthly Budget Statements**

for the month of **January 2026** has been prepared in accordance with the Municipal Finance Management Act and regulations under that Act.

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

Municipal manager of Mandeni Municipality (KZN 291)

Signature _____

Date **16 February 2026**