

MANDENI MUNICIPALITY

KZN291



BUDGET & TREASURY DEPARTMENT

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

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

1. PURPOSE

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

2. AUTHORITY

Mayor

3. LEGAL / STATUTORY REQUIREMENTS

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

4. BACKGROUND

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

5. EXECUTIVE SUMMARY

The monthly budget statement in terms of section 71 of the Municipal Finance Management Act for the period ending 31 AUGUST 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 - M02 August									
Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Total Revenue (excluding capital transfers and	430 705	454 622	–	28 195	140 575	75 770	64 805	86%	454 622
Total Expenditure	473 964	487 944	–	31 635	59 797	83 670	(23 872)	-29%	487 944
Surplus/(Deficit)	(43 258)	(33 322)	–	(3 440)	80 778	(7 899)	88 678	-1123%	(33 322)
Transfers and subsidies - capital (monetary	47 668	46 017	–	20 786	21 871	7 669	14 202	185%	46 017
capital transfers & Surplus/ (Deficit) for the year	4 409	12 694	–	17 346	102 650	(230)	102 879	-44765%	12 694
	4 409	12 694	–	17 346	102 650	(230)	102 879	-44765%	12 694
Capital expenditure & funds sources									
Capital expenditure	(409 788)	130 596	–	8 731	9 911	21 766	(11 855)	-54%	130 596
Capital transfers recognise	(190 228)	40 058	–	6 169	7 112	6 676	436	7%	40 058
Borrowing	(3 881)	–	–	–	–	–	–	–	–
Internally generated funds	(215 680)	90 538	–	2 562	2 799	15 090	(12 290)	-81%	90 538
Total sources of capital fu	(409 788)	130 596	–	8 731	9 911	21 766	(11 855)	-54%	130 596
TOTAL BUDGET	–	618 540	–	40 366	69 708	105 435	(35 727)	(0)	618 540

As can be seen from the table above, Actual surplus for the period ended 31st August 2025 is Significantly more than the Budgeted Surplus. Monthly budget statement summary (Table C1), for the period ending 31st August 2025 (year to date actual), shows a surplus of R102.7million against YTD budget of R230thousand which reflects variance 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 - M02 August									
Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								%	
Financial Performance									
Property rates	63 942	64 913	–	17 432	17 457	10 819	6 638	61%	64 913
Service charges	77 826	97 399	–	7 728	15 260	16 233	(973)	-6%	97 399
Investment revenue	19 863	25 000	–	1 093	2 589	4 167	(1 578)	-38%	25 000
Transfers and subsidies - Capital	253 010	254 956	–	1 136	103 706	42 493	61 213	144%	254 956
Other own revenue	16 064	12 353	–	806	1 564	2 059	(495)	-24%	12 353
Total Revenue (excluding capital transfers and	430 705	454 622	–	28 195	140 575	75 770	64 805	86%	454 622
Employee costs	160 030	167 901	–	13 458	26 947	27 984	(1 036)		167 901
Remuneration of Councillors	15 151	17 043	–	1 246	2 493	2 841	(348)		17 043
Depreciation and amortisation	42 700	36 240	–	6 709	6 709	6 040	669		36 240
Interest	0	3 050	–	–	–	508	(508)		3 050
Inventory consumed and bought	64 650	72 025	–	29	6 422	12 138	(5 715)		72 025
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	191 433	191 685	–	10 192	17 226	34 160	(16 934)	-50%	191 685
Total Expenditure	473 964	487 944	–	31 635	59 797	83 670	(23 872)	-29%	487 944
Surplus/(Deficit)	(43 258)	(33 322)	–	(3 440)	80 778	(7 899)	88 678	-1123%	(33 322)
Transfers and subsidies - capital (monetary)	47 668	46 017	–	20 786	21 871	7 669	14 202	185%	46 017
capital transfers & Surplus/ (Deficit) for the year	4 409	12 694	–	17 346	102 650	(230)	102 879	-44765%	12 694
Capital expenditure & funds sources									
Capital expenditure	(409 788)	130 596	–	8 731	9 911	21 766	(11 855)	-54%	130 596
Capital transfers recognised	(190 228)	40 058	–	6 169	7 112	6 676	436	7%	40 058
Borrowing	(3 881)	–	–	–	–	–	–		–
Internally generated funds	(215 680)	90 538	–	2 562	2 799	15 090	(12 290)	-81%	90 538
Total sources of capital funds	(409 788)	130 596	–	8 731	9 911	21 766	(11 855)	-54%	130 596

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) - M02 August										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Revenue - Functional										
Governance and administration		339 132	342 170	–	19 299	122 971	57 028	65 942	116%	342 170
Executive and council		–	8 365	–	–	–	1 394	(1 394)	-100%	8 365
Finance and administration		339 132	333 805	–	19 299	122 971	55 634	67 336	121%	333 805
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		6 994	6 128	–	435	805	1 021	(216)	-21%	6 128
Community and social services		5 270	5 719	–	434	802	953	(151)	-16%	5 719
Sport and recreation		1 707	–	–	–	–	–	–	–	–
Public safety		17	408	–	1	3	68	(65)	-96%	408
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		51 516	52 717	–	21 294	22 886	8 786	14 099	160%	52 717
Planning and development		47 129	48 740	–	19 152	19 778	8 123	11 655	143%	48 740
Road transport		4 387	3 977	–	2 142	3 107	663	2 445	369%	3 977
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		80 731	99 623	–	7 953	15 785	16 604	(819)	-5%	99 623
Energy sources		66 249	83 081	–	6 636	13 074	13 847	(772)	-6%	83 081
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		14 482	16 543	–	1 317	2 711	2 757	(46)	-2%	16 543
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	478 373	500 638	–	48 981	162 447	83 440	79 007	95%	500 638
Expenditure - Functional										
Governance and administration		244 105	240 817	–	16 383	29 050	40 136	(11 086)	-28%	240 817
Executive and council		66 751	79 879	–	3 963	7 295	13 313	(6 019)	-45%	79 879
Finance and administration		177 354	160 937	–	12 420	21 755	26 823	(5 068)	-19%	160 937
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		57 060	51 805	–	4 920	8 765	8 767	(2)	0%	51 805
Community and social services		41 974	36 398	–	4 297	7 465	6 200	1 265	20%	36 398
Sport and recreation		13 472	13 045	–	616	1 294	2 174	(880)	-40%	13 045
Public safety		1 462	2 148	–	–	–	358	(358)	-100%	2 148
Housing		152	214	–	6	6	36	(30)	-83%	214
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		83 723	92 410	–	7 560	11 792	15 402	(3 610)	-23%	92 410
Planning and development		23 312	26 477	–	1 518	2 908	4 413	(1 505)	-34%	26 477
Road transport		55 834	60 311	–	5 621	8 053	10 052	(1 999)	-20%	60 311
Environmental protection		4 577	5 622	–	421	831	937	(106)	-11%	5 622
Trading services		88 785	102 391	–	2 772	10 190	19 277	(9 087)	-47%	102 391
Energy sources		72 643	75 903	–	1 089	8 083	13 419	(5 336)	-40%	75 903
Water management		–	–	–	–	–	–	–	–	–
Waste water management		3 063	3 048	–	512	512	508	4	1%	3 048
Waste management		13 078	23 440	–	1 171	1 595	5 351	(3 756)	-70%	23 440
Other		292	522	–	–	–	87	(87)	-100%	522
Total Expenditure - Functional	3	473 964	487 944	–	31 635	59 797	83 670	(23 872)	-29%	487 944
Surplus/ (Deficit) for the year		4 409	12 694	–	17 346	102 650	(230)	102 879	-44765%	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) - M02 August

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue by Vote	1									
Vote 1 - Executive and council		–	8 365	–	–	–	1 394	(1 394)	-100.0%	8 365
Vote 2 - Finance and administrative		339 132	333 805	–	19 299	122 971	55 634	67 336	121.0%	333 805
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		5 287	6 128	–	435	805	1 021	(216)	-21.1%	6 128
Vote 5 - Sport and Recreation		1 707	–	–	–	–	–	–		–
Vote 6 - Public safety		–	–	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Planning and Development		47 129	48 740	–	19 152	19 778	8 123	11 655	143.5%	48 740
Vote 9 - Road transport		4 387	3 977	–	2 142	3 107	663	2 445	368.8%	3 977
Vote 10 - Energy sources		66 249	83 081	–	6 636	13 074	13 847	(772)	-5.6%	83 081
Vote 11 - Waste Management		14 482	16 543	–	1 317	2 711	2 757	(46)	-1.7%	16 543
Vote 12 - Environmental Protection		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	478 373	500 638	–	48 981	162 447	83 440	79 007	94.7%	500 638
Expenditure by Vote	1									
Vote 1 - Executive and council		66 751	79 879	–	3 963	7 295	13 313	(6 019)	-45.2%	79 879
Vote 2 - Finance and administrative		177 354	160 624	–	12 420	21 755	26 771	(5 016)	-18.7%	160 624
Vote 3 - Internal audit		–	313	–	–	–	52	(52)	-100.0%	313
Vote 4 - Community and social services		41 974	36 398	–	4 297	7 465	6 200	1 265	20.4%	36 398
Vote 5 - Sport and Recreation		13 472	13 045	–	616	1 294	2 174	(880)	-40.5%	13 045
Vote 6 - Public safety		1 462	2 148	–	–	–	358	(358)	-100.0%	2 148
Vote 7 - Housing		152	214	–	6	6	36	(30)	-82.7%	214
Vote 8 - Planning and Development		23 604	26 998	–	1 518	2 908	4 500	(1 592)	-35.4%	26 998
Vote 9 - Road transport		58 897	63 359	–	6 133	8 565	10 560	(1 995)	-18.9%	63 359
Vote 10 - Energy sources		72 643	75 903	–	1 089	8 083	13 419	(5 336)	-39.8%	75 903
Vote 11 - Waste Management		13 078	23 440	–	1 171	1 595	5 351	(3 756)	-70.2%	23 440
Vote 12 - Environmental Protection		4 577	5 622	–	421	831	937	(106)	-11.3%	5 622
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	473 964	487 944	–	31 635	59 797	83 670	(23 872)	-28.5%	487 944
Surplus/ (Deficit) for the year	2	4 409	12 694	–	17 346	102 650	(230)	102 879	-44764.8%	12 694

Table 4 provides information on the planned revenue and operational expenditures against the actual results for the period ending 31ST AUGUST 2025.

This report analyses each major component under following headings;

- Revenue by Source
- Operational Expenditure by Type, and

KZN291 Mandeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		64 753	82 686	–	6 616	12 976	13 781	(805)	-6%	82 686
Service charges - Water		–	–	–	–	–	–	–	–	–
Service charges - Waste Water M		–	–	–	–	–	–	–	–	–
Service charges - Waste manage		13 073	14 713	–	1 112	2 284	2 452	(169)	-7%	14 713
Sale of Goods and Rendering of		2 282	1 513	–	142	257	252	5	2%	1 513
Agency services		–	–	–	–	–	–	–	–	–
Interest		–	–	–	–	–	–	–	–	–
Interest earned from Receivables		1 487	2 016	–	126	251	336	(85)	-25%	2 016
Interest from Current and Non Cu		19 863	25 000	–	1 093	2 589	4 167	(1 578)	-38%	25 000
Dividends		–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		593	755	–	48	96	126	(29)	-23%	755
Licence and permits		–	–	–	–	–	–	–	–	–
Special rating levies		–	–	–	–	–	–	–	–	–
Operational Revenue		1 355	1 252	–	135	239	209	31	15%	1 252
Non-Exchange Revenue										
Property rates		63 942	64 913	–	17 432	17 457	10 819	6 638	61%	64 913
Surcharges and Taxes		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		3 569	1 367	–	10	16	228	(212)	-93%	1 367
Licence and permits		969	998	–	64	121	166	(45)	-27%	998
Transfers and subsidies - Operat		253 010	254 956	–	1 136	103 706	42 493	61 213	144%	254 956
Interest		3 570	4 453	–	280	584	742	(158)	-21%	4 453
Fuel Levy		–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–
Other Gains		2 239	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital)		430 705	454 622	–	28 195	140 575	75 770	64 805	86%	454 622
Expenditure By Type										
Employee related costs		160 030	167 901	–	13 458	26 947	27 984	(1 036)	-4%	167 901
Remuneration of councillors		15 151	17 043	–	1 246	2 493	2 841	(348)	-12%	17 043
Bulk purchases - electricity		58 515	66 107	–	–	6 368	11 018	(4 650)	-42%	66 107
Inventory consumed		6 135	5 918	–	29	55	1 120	(1 065)	-95%	5 918
Debt impairment		27 504	32 077	–	–	–	7 558	(7 558)	-100%	32 077
Depreciation and amortisation		42 700	36 240	–	6 709	6 709	6 040	669	11%	36 240
Interest		0	3 050	–	–	–	508	(508)	-100%	3 050
Contracted services		82 382	89 650	–	5 482	8 316	14 942	(6 626)	-44%	89 650
Transfers and subsidies		–	–	–	–	–	–	–	–	–
Irrecoverable debts written off		10 696	6 637	–	–	–	1 106	(1 106)	-100%	6 637
Operational costs		71 150	62 722	–	4 710	8 910	10 454	(1 544)	-15%	62 722
Losses on Disposal of Assets		965	600	–	–	–	100	(100)	-100%	600
Other Losses		(1 264)	–	–	–	–	–	–	–	–
Total Expenditure		473 964	487 944	–	31 635	59 797	83 670	(23 872)	-29%	487 944
Surplus/(Deficit)		(43 258)	(33 322)	–	(3 440)	80 778	(7 899)	88 678	(0)	(33 322)
Surplus/(Deficit)		(43 258)	(33 322)	–	(3 440)	80 778	(7 899)			(33 322)
Income Tax		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		(43 258)	(33 322)	–	(3 440)	80 778	(7 899)			(33 322)
Share of Surplus/Deficit attribut		–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attribut		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to		(43 258)	(33 322)	–	(3 440)	80 778	(7 899)			(33 322)
Share of Surplus/Deficit attribut		–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary t		–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year		(43 258)	(33 322)	–	(3 440)	80 778	(7 899)			(33 322)

The above revenue by sources can be graphically presented in figure 1 and 2 below:

Figure 1

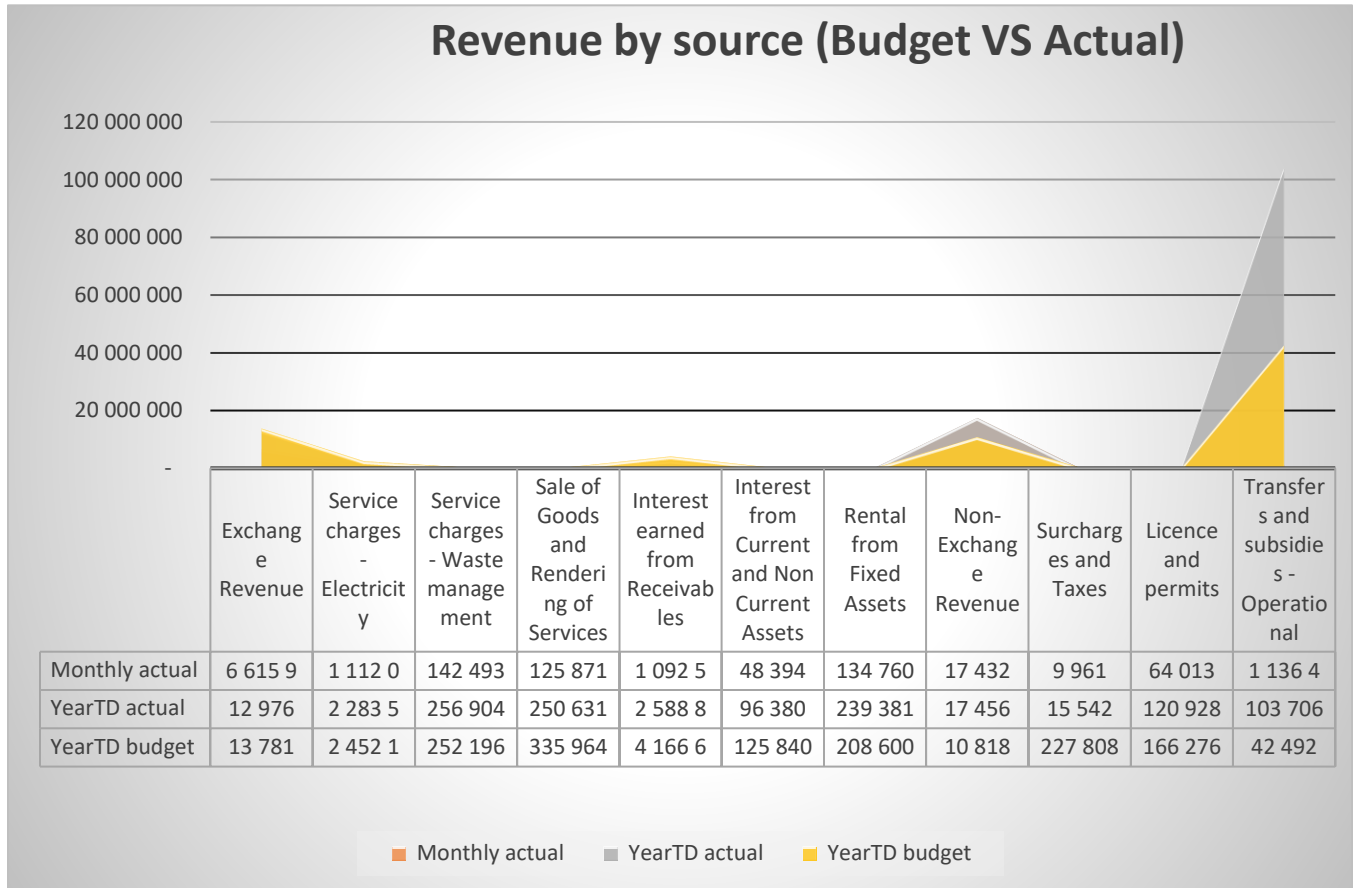
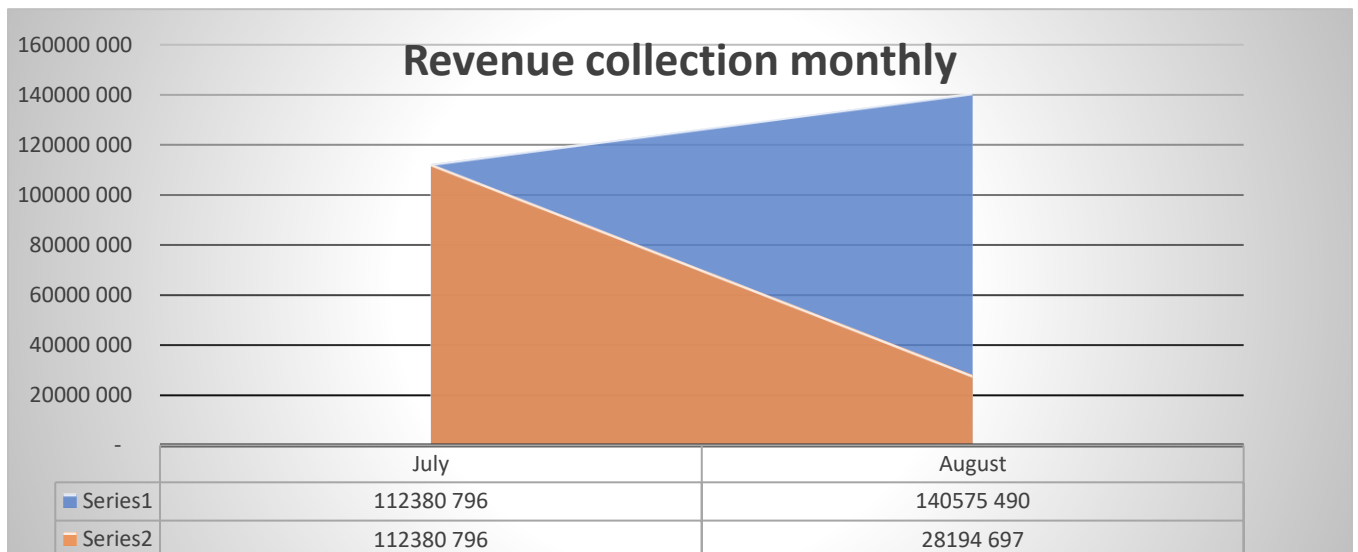


Figure 2



Revenue:

- The Year-to-Date (YTD) total revenue earned amounts to R140.6 million for the period ending 31 August 2025, excluding capital conditional grant income. The YTD budget is R75.8 million, reflecting an over-performance of 86%. This variance is mainly due to the Equitable Share allocation, where R101.7 million of the total R244.2 million was received as the first of three tranches. The budget, however, is apportioned evenly across the 12 months, resulting in the current over-performance.

EXCHANGE REVENUE

Service Charges: Electricity

- Revenue for service charges- electricity is recognized on an invoice basis and the total amount billed is R13million over a pro-rata budget of R13.8 million which is an under-performance by 6%. Economic downturn lead to a decrease in overall electricity demand as businesses and households reduce consumption.
- The actual cash collected is R8.4million for the month ended August 2025.

Service Charges: Refuse

- The actual revenue from Service Charges Refuse as of 31st August 2025 is R2.3million against the budgeted income of R2.5million which is under performance by 7%. Ithala INDUSTRIAL has not been taken into consideration because MOU has not been approved.
- The actual cash collected is R292thousand for the month of August 2025.

Sale of Goods and rendering services

- Sale of Goods and services amounts to R257 thousand in comparison with the year-to-date budget of R252thousand, thus indicating an over performance by R5thousand or 2%, The variance is due to the fact that most of the items under this vote are difficult to measure in terms of performance, as they include revenues from sources such as tender document sales, town planning fees, clearance certificates, library fines for overdue books, and building plan fees.

Interest earned from receivables.

- Interest earned from receivables amounts to R251thousand in comparison with the year-to-date budget of R336thousand, which is an under-performance by 25%. The variance of R85thousand is the cause of customers not owning up-to agreements.

Interest from Current and Non-Current assets

- Interest earned on external investments amounts to R2.6million in comparison with the year-to-date budget of R4.2million, thus indicating an under performance by R1.6million or 38 percent, The variance arises from the majority of the investment maturing at the end of the financial year.

Rental from fixed assets

- Revenue from rental of facilities recognised amounts to R96thousand in comparison with the year-to-date budget of R126thousand thus indicating an under performance of R29thousand or 23%.

Operational Revenue

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

The year-to-date performance in Operational Revenue amounts to R239thousand over a pro-rata budget of R209thousand, the variance of R31thousand is mainly due to seasonal fluctuations and level of demand for these items.

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 R17.5 million, compared to a YTD budget of R10.8million. This represents an over-collection of R6.6 million, or 61%, mainly attributable to the implementation of SV2.
- The actual cash collected being R11.3million for the month ended 31st August 2025.

Fines, Penalties and forfeits

- Fines for the month of August is underperformed by 93%, amounting to R212 thousand below the pro-rata budget of R228thousand. 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.

- Licences and permits have under-performed by 27% or R45thousand with an YTD actual amount of R121thousand as compared to pro-rata budget of R166thousand, the variance is mainly due to the testing machine being out of service for more than 4 weeks, as a significant amount of cash is usually collected from license renewals.

Transfers & subsidies

- Transfers and subsidies recognised operational amounts to R103.7million YTD Actual in comparison with the pro-rata budget of R42.5million, thus indicating an over performance by R61.2million or 144percent, The variance is mainly attributable to the Municipality receiving the first tranche of the Equitable Share amounting to R101.7 million, where Equitable share is received over 3tranches.
- Transfers and subsidies capital amounts to R21.9million in comparison with the pro-rata budget of R7.7 million, thus indicating an under performance by R14.2 million variance is mainly attributable by expenditure in MIG. *(Detailed report on MIG expenditure has been provided below)*

Interest earned from receivables.

- In line with council adopted credit control policy, the municipality charges interest on arrear debtors.
- Interest earned from receivables amounts to R584thousand in comparison with the pro-rata budget of R742thousand, thus indicating an under performance by R158thousand or 21percent. The variance arises from customers failing to adhere to their agreed-upon payment arrangements

Operating Expenditure from August 2025

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

Figure 3

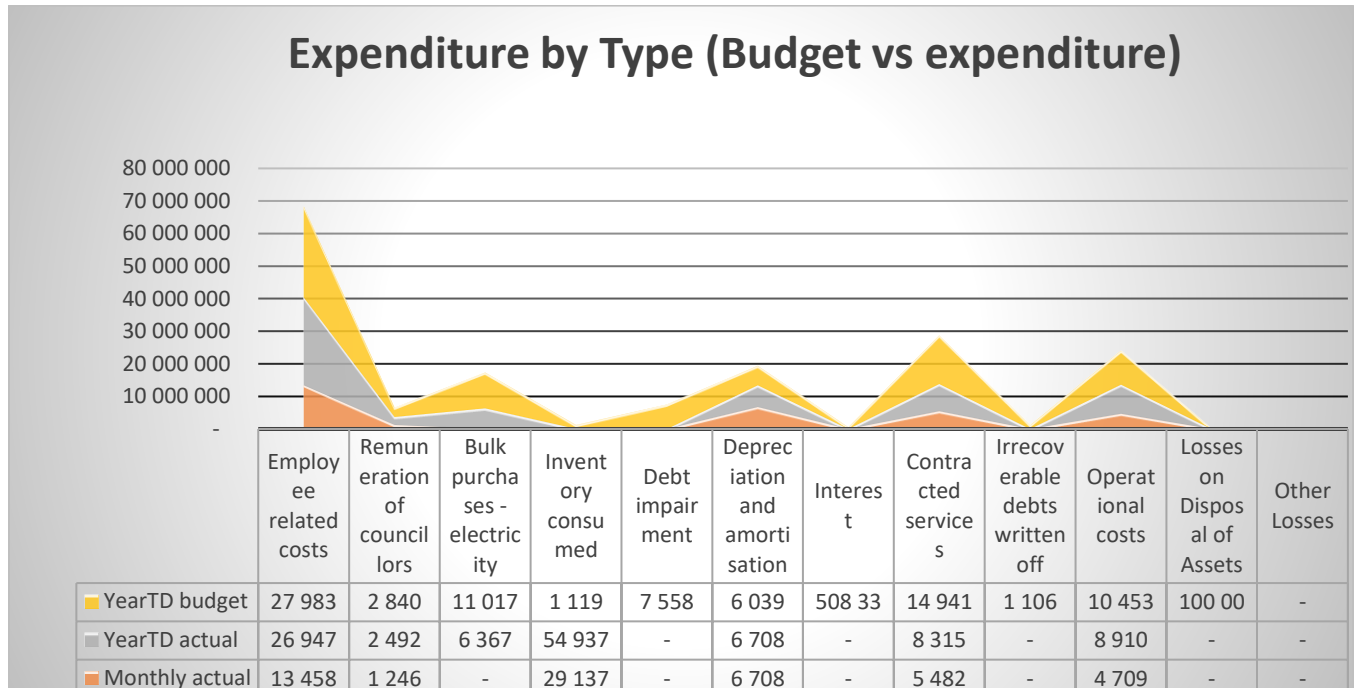
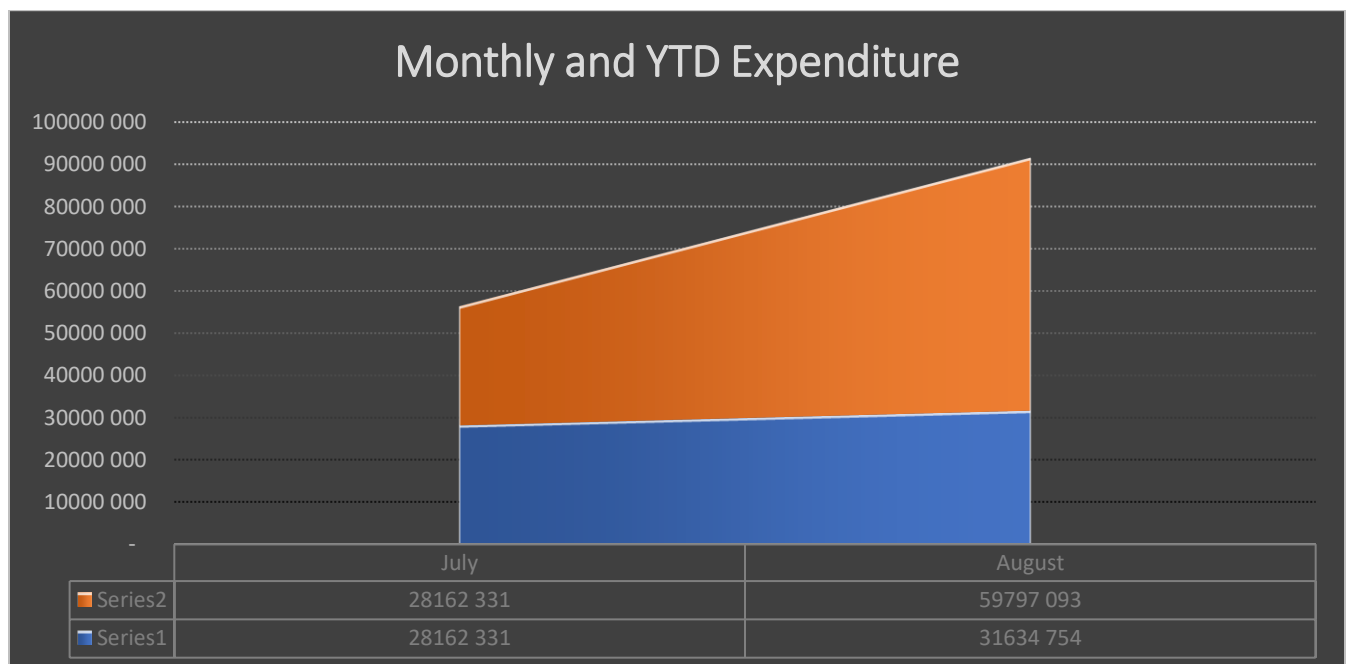


Figure 4



Operating Expenditure:

- The total operational expenditure YTD Actual for the period ending 31st August 2025 amounted to R59.8million against the planned target of R83.7million. As at the end of August the operational expenditure budget has been under spent by -29% or -R23.9million. *Detailed expenditure analysis is below:*

Employee Related Costs

- Employee related costs YTD expenditure for the period ending 31 August 2025 amounted to R26.9million while the pro-rata budget of R28million with an underspending of R1.0million or -4%. The variance of 4% in this vote is immaterial.
- Furthermore, to that it should be noted that employee bonuses are now being paid on their birth month.

Remuneration of Councilors

- Councilors' allowances pro-rata budget as at 31st August 2025 was under spent by R348thousand. The YTD Remuneration of Councilor's budget is R2.5million whilst the actual expenditure of R2.8million incurred results in under-spending of -12% YTD expenditure performance.

Bulk Purchases

- The YTD on Bulk purchases amounts to R6.4million which is an over performance when compared to pro-rata budget of R11.0million. The variance of R4.7million or 42% over projected budget is caused by the increase in tariff rates.

Inventory Consumed

- Inventory Consumed are reflecting an underperformance by 95% or R1.0million, when compared to pro-rata budget of R1.1million against the Actual amount of R55thousand variance is due to the implementation of procurement plan,
- Budget allocated for this item relates to materials procured by the municipality towards repairs and maintenance which are kept at stores for rendering of services, such as pothole patching materials, workshop stock etc.
- The municipality regularly reviews its repairs and maintenance plan to ensure that the infrastructure of the municipality is regularly monitored for its aging.

Debt Impairment

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

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

- Each debtor's account per age analysis must be analyzed.
- The frequency of payment must be analysed on each debtor.

- Indigent debtors, debtors with take on balances which cannot be explained, insolvent and debtors under administration of estate should be impaired 100%.
- The Municipality is guided by a write off policy when the assumptions are determined.
- Different services must be impaired separately.
- Different customer must be impaired separately.

Depreciation and Asset Impairment

- The YTD for Depreciation and Asset impairment is reflecting an over performance of 11percent. The variance of R669thousand is due to the invoices that are not yet paid and allocated in to WIP.

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 44percent or R6.6million, from pro-rata budget of R14.9million against the YTD actual of R8.3million. This item included all the contracted and outsourced services by the municipality. It includes services for catering, transport, etc. A wide range of programmers will commence in July 2025, we might see progress see the 1st Quarter.

Irrecoverable debts written off

- Irrecoverable debts written off have underperformed by 100% when compared to pro-rata budget of R1.1million. A journal entry will be processed in due time.

Operational Cost

- Other expenditure is under spent this month by 15% or R1.5million when compared to pro-rata budget of R10.5million. The programmers will commence in July 2025, we might see progress in the 1st Quarter, as this report currently cover only two months.

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

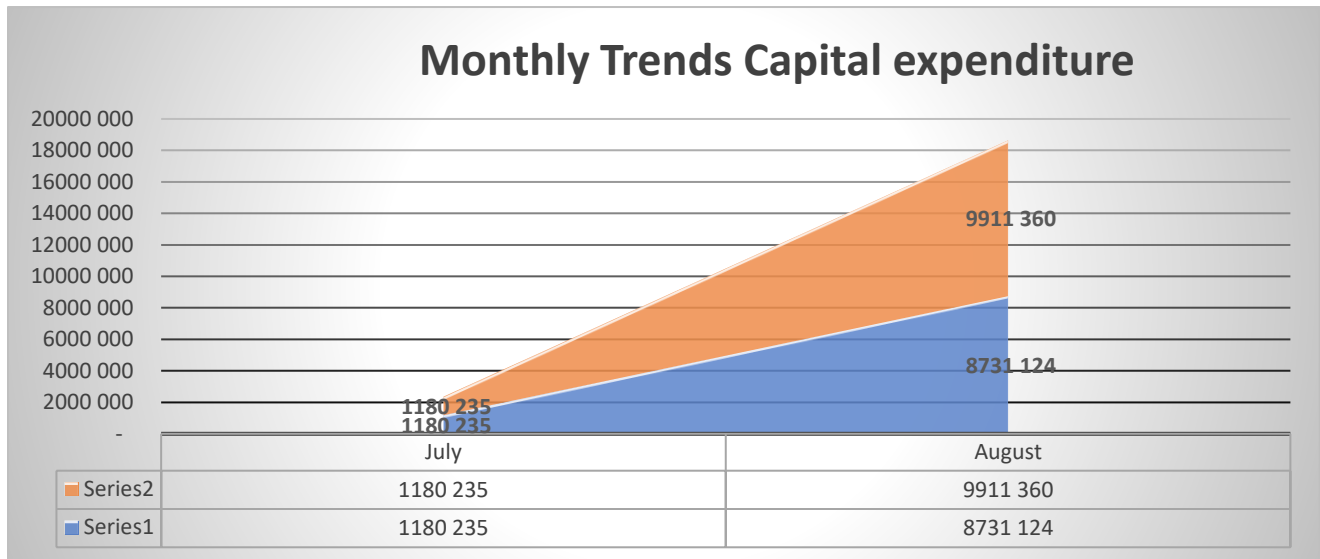
KZN291 Mandeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August										
Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriated	2									
Single Year expenditure appropriated	2									
Vote 1 - Executive and council		10 538	30 000	–	1 350	1 350	5 000	(3 650)	-73%	30 000
Vote 2 - Finance and administration		(137 135)	4 549	–	–	–	758	(758)	-100%	4 549
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		(108 099)	17 738	–	621	967	2 956	(1 989)	-67%	17 738
Vote 5 - Sport and Recreation		(2 375)	8 836	–	199	199	1 473	(1 274)	-86%	8 836
Vote 6 - Public safety		817	70	–	–	–	12	(12)	-100%	70
Vote 7 - Housing		–	–	–	–	–	–	–	–	–
Vote 8 - Planning and Development		(27 742)	7 522	–	793	793	1 254	(460)	-37%	7 522
Vote 9 - Road transport		(110 064)	55 386	–	5 767	6 601	9 231	(2 630)	-28%	55 386
Vote 10 - Energy sources		(31 556)	4 869	–	–	–	812	(812)	-100%	4 869
Vote 11 - Waste Management		(4 174)	1 626	–	–	–	271	(271)	-100%	1 626
Vote 12 - Environmental Protection		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Capital single-year expenditure	4	(409 788)	130 596	–	8 731	9 911	21 766	(11 855)	-54%	130 596
Total Capital Expenditure		(409 788)	130 596	–	8 731	9 911	21 766	(11 855)	-54%	130 596
Capital Expenditure - Functional Classification										
Governance and administration		(126 597)	34 549	–	1 350	1 350	5 758	(4 408)	-77%	34 549
Executive and council		10 538	30 000	–	1 350	1 350	5 000	(3 650)	-73%	30 000
Finance and administration		(137 135)	4 549	–	–	–	758	(758)	-100%	4 549
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		(109 656)	26 644	–	820	1 167	4 441	(3 274)	-74%	26 644
Community and social services		(108 099)	8 664	–	621	967	1 444	(477)	-33%	8 664
Sport and recreation		(2 375)	8 836	–	199	199	1 473	(1 274)	-86%	8 836
Public safety		817	9 143	–	–	–	1 524	(1 524)	-100%	9 143
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		(137 806)	62 038	–	6 561	7 394	10 340	(2 945)	-28%	62 038
Planning and development		(27 742)	7 522	–	793	793	1 254	(460)	-37%	7 522
Road transport		(110 064)	54 517	–	5 767	6 601	9 086	(2 485)	-27%	54 517
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		(35 730)	7 365	–	–	–	1 227	(1 227)	-100%	7 365
Energy sources		(31 556)	4 869	–	–	–	812	(812)	-100%	4 869
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	870	–	–	–	145	(145)	-100%	870
Waste management		(4 174)	1 626	–	–	–	271	(271)	-100%	1 626
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional Classification	3	(409 788)	130 596	–	8 731	9 911	21 766	(11 855)	-54%	130 596
Funded by:										
National Government		(190 332)	39 884	–	6 169	7 112	6 647	465	7%	39 884
Provincial Government		104	174	–	–	–	29	(29)	-100%	174
District Municipality		–	–	–	–	–	–	–	–	–
Transfers recognised - capital		(190 228)	40 058	–	6 169	7 112	6 676	436	7%	40 058
Borrowing	6	(3 881)	–	–	–	–	–	–	–	–
Internally generated funds		(215 680)	90 538	–	2 562	2 799	15 090	(12 290)	-81%	90 538
Total Capital Funding		(409 788)	130 596	–	8 731	9 911	21 766	(11 855)	-54%	130 596

Capital Expenditure of JULY 2025:

The YTD capital expenditure budget is R9.9million against YTD actual Capital expenditure amounted to R21.8million resulting in an under performance of (54%) 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 August 2025



- Capital grants funded by National Government are actual for R7.1million versus pro-rata Budget of R6.6million, expenditure reported has been overspent by (7%).
- Capital grants funded by Provincial Government under-performed by 100%.
- Capital grants funded Internally actual is R2.8million versus pro-rata Budget of R15.1million variance of 81% reflects and under expenditure on this item

2.2 Monthly Budget Statement – expenditure on Repairs and Maintenance

KZN291 Mandeni - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M02 August

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		13 925	16 237	-	465	745	2 706	1 962	72.5%	16 237
Roads Infrastructure		8 864	8 426	-	377	541	1 404	863	61.5%	8 426
Roads		8 569	7 948	-	377	541	1 325	784	59.2%	7 948
Road Structures		269	304	-	-	-	51	51	100.0%	304
Road Furniture		26	174	-	-	-	29	29	100.0%	174
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		1 246	3 913	-	-	-	652	652	100.0%	3 913
Drainage Collection		1 246	3 913	-	-	-	652	652	100.0%	3 913
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		2 614	3 148	-	15	65	525	460	87.6%	3 148
Power Plants		40	130	-	-	-	22	22	100.0%	130
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		169	870	-	-	50	145	95	65.5%	870
MV Substations		(3)	61	-	11	11	10	(1)	-9.8%	61
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		143	87	-	-	-	14	14	100.0%	87
LV Networks		949	1 130	-	4	4	188	185	97.9%	1 130
Capital Spares		1 317	870	-	-	-	145	145	100.0%	870
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-

Information and Communication Infrastructure	1 201	750	-	73	138	125	(13)	-10.8%	750	
Data Centres	-	-	-	-	-	-	-	-	-	
Core Layers	1 201	750	-	73	138	125	(13)	-10.8%	750	
Distribution Layers	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Community Assets	1 914	2 885	-	56	56	481	425	88.4%	2 885	
Community Facilities	66	363	-	13	13	61	48	79.3%	363	
Halls	-	-	-	-	-	-	-	-	-	
Centres	-	-	-	-	-	-	-	-	-	
Crèches	-	-	-	-	-	-	-	-	-	
Clinics/Care Centres	-	-	-	-	-	-	-	-	-	
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-	
Testing Stations	-	-	-	-	-	-	-	-	-	
Museums	-	-	-	-	-	-	-	-	-	
Galleries	-	-	-	-	-	-	-	-	-	
Theatres	-	-	-	-	-	-	-	-	-	
Libraries	46	213	-	-	-	36	36	100.0%	213	
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	
Police	-	-	-	-	-	-	-	-	-	
Parks	20	150	-	13	13	25	12	49.9%	150	
Public Open Space	-	-	-	-	-	-	-	-	-	
Nature Reserves	-	-	-	-	-	-	-	-	-	
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	-	-	
Stalls	-	-	-	-	-	-	-	-	-	
Abattoirs	-	-	-	-	-	-	-	-	-	
Airports	-	-	-	-	-	-	-	-	-	
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities	1 847	2 522	-	43	43	420	377	89.7%	2 522	
Indoor Facilities	-	-	-	-	-	-	-	-	-	
Outdoor Facilities	1 847	2 522	-	43	43	420	377	89.7%	2 522	
Capital Spares	-	-	-	-	-	-	-	-	-	
Heritage assets	-	-	-	-	-	-	-	-	-	
Monuments	-	-	-	-	-	-	-	-	-	
Historic Buildings	-	-	-	-	-	-	-	-	-	
Works of Art	-	-	-	-	-	-	-	-	-	
Conservation Areas	-	-	-	-	-	-	-	-	-	
Other Heritage	-	-	-	-	-	-	-	-	-	
Investment properties	-	-	-	-	-	-	-	-	-	
Revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Non-revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Other assets	-	348	-	-	-	58	58	100.0%	348	
Operational Buildings	-	348	-	-	-	58	58	100.0%	348	
Municipal Offices	-	348	-	-	-	58	58	100.0%	348	
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	
Building Plan Offices	-	-	-	-	-	-	-	-	-	
Workshops	-	-	-	-	-	-	-	-	-	
Yards	-	-	-	-	-	-	-	-	-	
Stores	-	-	-	-	-	-	-	-	-	
Laboratories	-	-	-	-	-	-	-	-	-	
Training Centres	-	-	-	-	-	-	-	-	-	
Manufacturing Plant	-	-	-	-	-	-	-	-	-	
Depots	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Housing	-	-	-	-	-	-	-	-	-	
Staff Housing	-	-	-	-	-	-	-	-	-	
Social Housing	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
Intangible Assets	-	-	-	-	-	-	-	-	-	
Servitudes	-	-	-	-	-	-	-	-	-	
Licences and Rights	-	-	-	-	-	-	-	-	-	
Water Rights	-	-	-	-	-	-	-	-	-	
Effluent Licenses	-	-	-	-	-	-	-	-	-	
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	
Computer Software and Applications	-	-	-	-	-	-	-	-	-	
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-	
Unspecified	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	
Machinery and Equipment	8 094	10 438	-	688	704	1 740	1 035	59.5%	10 438	
Machinery and Equipment	8 094	10 438	-	688	704	1 740	1 035	59.5%	10 438	
Transport Assets	-	-	-	-	-	-	-	-	-	
Transport Assets	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
Living resources	-	-	-	-	-	-	-	-	-	
Mature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Immature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Total Repairs and Maintenance Expenditure	1	23 933	29 907	-	1 209	1 505	4 985	3 480	69.8%	29 907

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

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

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

2025/26 Financial Year MIG Allocation	R48 228 000
Less: Total Expenditure (incl. Retention)	R9 187 001.73
Balance	R39 040 998.27
Expenditure of as a %	R19.04%

Projects under Construction Stage for MIG

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

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

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

Projects that are in planning stage and registered with MIG

- Rehabilitation of Internal Roads and Upgrade of Associated Stormwater in Sundumbili, Ward 14, Chappies Section: Bid closed on the 19th of August.

4.2. Projects under Municipal Internal Funding

Projects under planning

- Completion of Extension of Mechanical / Technical Services Building Phase 1: Finalisation of document to procure new service provider.
- Construction of a Community Hall in Ward 3: Awaiting appointment of consultant.
- Construction of a Community Hall in Ward 17: Awaiting appointment of consultant.
- Establishment of new Emergency Centre: finalisation of preliminary report and business plan.
- Planning for installation of high masters in ward 1,2,6, 7,13,14,15: finalisation of preliminary report.

4.3 Municipal Disaster Response Grant

2024/25 Financial Year MIG Allocation	R5 180 500
Less: Total Expenditure (incl. Retention)	R 3 785 681.62
Balance	R 1 394 818.38
Expenditure of as a %	73.08%

Projects under Construction

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

5. PROGRESS ON PROJECTS AND EXPENDITURE

5.1 Municipal Infrastructure Grant

a) Construction of a Hlomendlini Sportfield - Ward 4

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 333 210.46	R 1 333 210.46
Construction Cost (incl. Retention)	R 7 951 934.33	R 4 923 290.59

Internal Funding (Professional and construction Fees)	R1 547 441.12	R 1 118 795.88
TOTALS (Incl Vat)	R 10 832 585.91	R 7 375 296.93

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 38% (Overall Progress 80%): Site Handover, Site Establishment 100%, Setting Out 100%, Site Clearance 90%, Subsoil 90%, Bulk Earthworks (Combo Court, Ablution & Guardhouse) 90%, Layerworks to Sportsfield 65%, Layerworks to Combo Court 50%, Access Road & Parking 30%, Grandstand 15%.

Performance of the contractor is unsatisfactory as the contractor is failing to achieve set targets as per the approved E.O.T and Construction Programme.

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 is not 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

This has resulted in issuing further notices of default as the Contractor has failed to comply contractually and perform adequately on-site as per their requirements of the Contract.

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

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

Project Details

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

Project Scope

- Site Establishment: Establishment of offices, tools, plant, etc.
- General requirements for construction activities: Employment of Local Labour and CLO.
- Site clearance: removal of topsoil, cutting of trees and bushes, where required.
- The implementation of Traffic Accommodation facilities.
- Milling of the existing road asphalt to spoil.
- Excavation of the existing road layerworks to stockpile and spoil.
- Subgrade treatment: 300mm undercut to spoil and replace with G7 backfill at unsuitable founding conditions.
- Rip and recompact Roadbed (Subgrade) in preparation for layerworks.

- Installation of cable ducts - and protection to existing services where necessary.
- Import G5 and G2 material from commercial sources for layerworks.
- Construction of a 150mm Subbase layer with G5 material obtained from commercial sources.
- Construction of a 150mm Base layer with G2 material obtained from commercial sources.
- Pre-pulverising cement stabilising of the existing Base layer for areas with minimal degree of surface failures.
- Construction of concrete V-Drains and Kerbing and Channelling.
- Construction of a 40mm Asphalt layer- Mix D, obtained from commercial sources.
- Construction of speed humps.
- Construction of Stormwater pipelines utilising 600mmØ and 450mmØ concrete pipes. The installation of Sub-soil drains for subsurface drainage.
- Construction of Side Inlet Manholes along the roadways. Installation of Guardrails.
- Installation of Gabions.
- Installation of Retaining walls.
- Installation of Road Signs and painting of Road Markings.
- Clearing of the road reserve

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

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

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 243 837.65	R 2 243 764.93

Construction Cost (incl. Retention)	R 10 679 964.34	R 10 679 964.34
Internal Funds (Professional/construction fees)	R 4 629 230.16	R 1 562 012.76
TOTALS (Incl. Vat)	R 17 553 032.15	R 14 485 742.03

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 81%: Contractual Submissions 100%, Site Establishment 100%, Accommodation of Traffic 78% Road Construction Works 78%, Stormwater 99%, Kerb & Channel Works 70%, Sidewalk Construction 34% and Asphalt Laying 0%. Performance of the contractor is unsatisfactory as the contractor has failed to achieve set targets as per the approved E.O.T and Construction programme. The Municipality has imposed penalties from 1st August 2025 to be reviewed on the 31st August 2025 for Contractors' failure to meet his contractual obligation in bring the project to a Completion.

Challenges: Theft of Survey Pegs being a continuous issue on site along with water pipe bursts infrastructure due to the damages this causes to the road layer works because of leakages. Contractor has been issued with a Notice of slow progress because of the rate of construction works, poor planning and inadequate resource allocation on their end remains a recurring issue in delivery of the project. Inadequate resources and workmanship of appointed local Subcontractors have also contributed to the slow progress of works. The Transnet Gas Pipeline intersecting with the proposed stormwater along with an existing sewer line challenge has been resolved with the contractor being issued a site instruction to execute works.

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees (MIG)	R 2 743 191.52	R 2 696 436.49
Construction Cost (MIG)	R 17 536 070.12	R 16 190 562.19
Internal Funds Professional/construction fees)	R 3 932 538.28	R 0.00
TOTALS (Incl. Vat)	R 24 211 799.92	R 18 886 898.68

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: 30 August 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 87%: 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 90%, wingwalls 45%. Dump rock layer 100%. Importing of fill material to formation 100%. Layerworks G7 100%, G5 100%, G2 100%, Asphalt 0%. 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 100%. Performance of the contractor is satisfactory. The contractor has been able to increase personnel and equipment resources to Fastrack work on site and meet targets as set in the revised programme

Challenges: N/A

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

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

Project Details

Name of Consultant: Impumelelo Consulting Engineers
Name of Contractor: 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 48%: Site Handover / Technical Meeting - 100%, Contractual Submissions 100%, Site Establishment - 100%, Clearing & Grubbing - 100%, Setting Out - 100%, Bulk Earthworks - 93%, Civil Works - 85%, Fencing 80%.

Performance of the contractor is satisfactory.

Challenges: n/a

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 281 229.81	R 705 210.77
Construction Cost (incl. Retention & Surety)	R 7 180 245.34	R 1 706 741.78
TOTALS (Incl. Vat)	R 8 461 475.15	R 2 411 952.55

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
 - 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
 - General cleaning
- **Current Status Overall Construction progress 20%:** Establishment on site 100%, Site clearance 100%, Earthworks 100%, Foundations including concrete 100%, Brickwork 10%, Plaster 0%, Painting 0%, Installation of ironmongery 0%, Ceiling installation 0%, Installation of sanitary fittings 0%, Installation of doors and windows 0%, Tiling 0%, Plumbing and drainage 0%, Septic tank & sewer pipes 0%, Electrical installations 0%, HVAC installations 0%, Timber roof trusses 0%, Roof sheeting 0%, Roadworks 0%, Asphalt surfacing 0%, Installation of kerbs 0%, Stormwater drainage 0%, Water reticulation 0%, Landscaping 0%, Fencing 0% an Specialist signage 0% . Performance of the contractor is satisfactory

Challenges: Inadequate experience of the key personnel.

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

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

Project Details

Name of Consultant: Africoast JBFE Project Manager

Name of Contractor: R Busisiwe (Pty) Ltd

Project Commencement Date: January 2023

Contractual Completion Date: July 2023

Revised Completion date: 20 May 2024

Project Scope

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

Current Status Overall Construction progress 98%: All overhead support infrastructure and underground infrastructure has been installed. All 6 High masts have been erected, and light fittings have been installed. Quotations for the supply points from Eskom have been received and paid for by the municipality. Eskom to has commenced with the installation of supply points.

Challenges: N/a

Municipal Disaster Response Grant

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

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 398 803.57	R 297 216.72

Construction Cost (Including retention)	R 1 981 696.43	R 1 455 210.12
TOTAL	R 2 380 500.00	R 1 752 426.84

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 87.9%: Site Establishment 100%, Setting out - 100 %, Clearing and grabbing - 100%, Installation of sub soil - 100%, Overhaul - 100%, concrete pipe installation and construction of Structure (Stormwater), Bulk earthworks (cut to fill & cut to spoil) - 100%, Preparation of the roadbed - 100%, Gravel subbase layer (G7) - 95%, Gravel wearing course (G5), - 75%, Installation of gabions and mattresses - 35%, Installation of signages - 0%, Clearing of road reserve . Performance of the contractor is satisfactory.

Challenges: Encroachment of sugarcane and graveyard within the road width i.e. road alignment. Some sections of the road have shown serve case of unsuitable material, excess surface and underground water which has resulted in additional drainage being executed to control water and prevent damages.

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

CATEGORY	TENDER AMOUNT	EXPENDITURE
Professional Fees	R 349 144.02	R 401 199.78
Construction Cost	R 2 493 885.89	R 1 565 387.94
TOTAL	R 2 800 000.0	R 1 966 587.72

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 69%: Site Establishment 90%, Clear and grubbing for roadworks 85%, Mass Earthworks 100%, Road formation 100%. Layer works consisting of (G9 - 0%, G7- 0% & G5 - 0% Gravel materials), Concrete V-Drains 0% and Subsoils 60%, Prefabricated Pipe Culverts including headwalls 90%, Concrete Surfacing (25 MPa) of Steep areas 0%, Landscaping works, topsoiling and grassing 0%. Performance of the contractor is satisfactory

Challenges: N/a

5.2 Municipal Internal Funding

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

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

Project Details

Name of Consultant:	DLV Project Managers and Engineers
Name of Contractor:	High end JV Nap Holdings
Project Commencement Date:	1 September 2025
Anticipated Completion Date:	TBC
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 0%:** Contractor appointed on the 29th of Jul 2025. Technical site handover meeting was conducted on 11th August 2025. Access to site to be granted on the 1st September 2025

Challenges: N/a

5.3 INEP GRANT

a) Okhovothe Electrification Project

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

Project Details

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

Project Scope:

- electrification of 100 households

Current Status: Overall construction progress is at 100%.

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

2025. The commissioning has been unsuccessful because the Key Change Tokens for this project were issued in 2023 which back then Eskom was still using an old Supply Group Code (SGC) 100405 and Key Revision Number 1 (KRN1). The business has now migrated to KRN2 and to new Supply Group Codes (100841, 100842 & 100843). The Eskom System has been blocked and can no longer allow meters to be reconfigured to KRN 2 and to the new SGC. The system also can no longer create any KRN1 tokens & old SGC's. This means that the meters could not be commissioned as planned. The municipality is engaging with Eskom in this regard with the aim to find a solution towards this issue. Eskom has not offered a solution that will rectify this issue and is not responsive in the engagements.

5.3 Division of Revenue Act on Grants Receipts

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M02 August

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										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		271 476	250 223	–	2 329	106 489	41 704	64 786	155.3%	250 223
EPWP Incentive	–	1 815	1 714	–	429	429	286	143	50.2%	1 714
Finance Management	–	1 850	1 900	–	1 900	1 900	317	1 583	500.0%	1 900
Integrated National Electr	–	7 200	–	–	–	–	–	–	–	–
Local Government Equita	–	243 588	244 198	–	–	101 749	40 700	61 049	150.0%	244 198
Municipal Infrastructure G	–	17 023	2 411	–	–	2 411	402	2 010	500.0%	2 411
	–									
	–									
	–									
	–									
	–									
Other transfers and grants [insert description]										
Provincial Government:		4 501	4 933	–	–	–	822	(822)	-100.0%	4 933
KwaZulu-Natal_Capacity	–	4 501	4 933	–	–	–	822	822	100.0%	4 933
	–									
	4									
Other transfers and grants [insert description]										
Total Operating Transfers	5	275 977	255 156	–	2 329	106 489	42 526	63 963	150.4%	255 156
Capital Transfers and Grants										
National Government:		132 244	45 817	–	–	11 589	7 636	3 953	51.8%	45 817
Municipal Infrastructure C	–	128 668	45 817	–	–	11 589	7 636	3 953	51.8%	45 817
Integrated National Electr	–	3 576	–	–	–	–	–	–	–	–
Municipal Disaster Recov	–	–	–	–	–	–	–	–	–	–
	–									
Other capital transfers [insert description]										
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
KwaZulu-Natal_DC 29 - /	–	–	–	–	–	–	–	–	–	–
	–									
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Capital Transfers and	5	132 244	45 817	–	–	11 589	7 636	3 953	51.8%	45 817
TOTAL RECEIPTS OF TRA	5	408 221	300 973	–	2 329	118 078	50 162	67 916	135.4%	300 973

5.4 Division of Revenue Act on Grants Expenditure

KZN291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		271 476	251 013	-	46 397	78 901	41 836	37 066	88.6%	6 025
EPWP Incentive	-	1 815	1 714	-	224	444	286	158	55.5%	1 714
Finance Management	-	1 850	1 900	-	362	431	317	114	36.0%	-
Integrated National Electric	-	7 200	-	-	-	-	-	-	-	1 900
Local Government Equitable	-	243 588	244 988	-	45 634	77 634	40 831	36 802	90.1%	-
Municipal Infrastructure Gra	-	17 023	2 411	-	178	393	402	(9)	-2.1%	2 411
			4 933	-	371	689	822	(133)	-16.2%	4 933
KwaZulu-Natal_Capacity Building and Other Specify (Add grant description)_Receipts										
KwaZulu-Natal	-	4 282	4 933	-	371	689	822	(133)	-16.2%	4 933
0										
0										
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Tra		271 476	255 946	-	46 768	79 591	42 658	36 933	86.6%	10 958
Capital expenditure of Transfers and Grants										
National Government:		46 479	45 817	-	5 914	6 412	7 636	(1 224)	-16.0%	45 817
Integrated National Electric	-	-	-	-	-	-	-	-	-	-
Municipal Disaster Recover	-	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Gra	-	46 479	45 817	-	5 914	6 412	7 636	(1 224)	-16.0%	45 817
0										
0										
Other capital transfers [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
KwaZulu-Natal		-	-	-	-	-	-	-	-	-
0										
District Municipality:		-	-	-	-	-	-	-	-	-
KwaZulu-Natal-DC 29 - Ilem		-	-	-	-	-	-	-	-	-
0										
Other grant providers:		-	-	-	-	-	-	-	-	-
0										
Total capital expenditure of Transf		46 479	45 817	-	5 914	6 412	7 636	(1 224)	-16.0%	45 817
TOTAL EXPENDITURE OF TRANSF		317 955	301 763	-	52 682	86 003	50 294	35 709	71.0%	56 775

3. Debtors Age Analysis

Table SC3 Monthly Budget Statement_ Debtors Age Analysis

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August														
Description	NT Code	Budget Year 2025/26										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		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 Receivables from	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from	1300	1 248	588	168	114	76	84	501	2 764	5 543	3 538	-	-	
Receivables from Non-exchange Tr	1400	17 110	(4)	36	1 523	1 383	1 362	25 550	89 725	136 684	119 543	-	-	
Receivables from Exchange Transa	1500	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transa	1600	1 225	1 006	963	896	895	886	5 871	59 523	71 266	68 072	-	-	
Receivables from Exchange Transa	1700	(1 516)	(30)	(34)	(9)	(43)	(28)	15	124	(1 522)	58	-	-	
Interest on Arrear Debtor Accounts	1810	406	425	401	419	415	416	2 734	33 578	38 794	37 562	-	-	
Recoverable unauthorised, irregular	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	6 193	15	9	(1)	(0)	0	0	5 445	11 660	5 444	-	-	
Total By Income Source	2000	24 665	2 001	1 541	2 943	2 726	2 720	34 670	191 158	262 424	234 217	-	-	
2024/25 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	505	183	170	278	250	271	11 792	24 730	38 180	37 322	-	-	
Commercial	2300	20 149	205	303	636	555	518	9 339	23 035	54 741	34 083	-	-	
Households	2400	3 754	1 476	914	1 896	1 787	1 798	12 129	137 868	161 622	155 478	-	-	
Other	2500	257	137	154	133	133	133	1 410	5 524	7 881	7 334	-	-	
Total By Customer Group	2600	24 665	2 001	1 541	2 943	2 726	2 720	34 670	191 158	262 424	234 217	-	-	

The total Consumer debtors outstanding as 31st August is **R 262.4million**

- **Debt book indicates 3% decrease from 1st July 2025 to August 2025; within a month the debt book has accumulated a 3% decrease.**
- Debtors collection rate at August 2025 is 85%
- We are however maintaining and ensuring the collection of the current debt but our biggest challenge is the historic debt. We have since appointed three Debt Collectors to follow up on outstanding debtors, Debt collectors are operating Debt pack while telephoning Debtors, printing section 29 and Final demands, we will soon be moving to legal in order to further our collection measured on consumers that are resistant to pay nor respond to our Debt collectors.
- Our Debt collectors have embarked on an exercise where different households are being visited in order to assess the state affordability of each household, this exercise is aimed at assisting the Municipality to classify its debt book in terms of collectability or non-collectability of the debt, the program is ongoing.
- There is a challenge of high level of debt that calls for reassessments of the debtors, impairments.
- It is quite a challenge to collect satisfactory revenue from Sundumbili since we do not have any leverage to restrict in order to encourage regular payments from consumers thereon. I.e. Eskom is licensed to supply electricity.
- The high debt is mainly due to non-payment by Household in Sundumbili.

- Interventions have been made which are expected that they will change the current status, as the municipality is placing every effort in ensuring that we collect and recover the outstanding debt.
- We are currently undergoing the process of categorizing our book per various customers so that we know which ones to chase once our debt management system is up and running.
- We have also initiated a meter audit exercise, through Conlog, in order to ensure that we receive all the funds due for electricity supplied without any household tampering with our meter and steal electricity, the program is currently o
- Debt collection measures have been improved after the policy review by issuing summons with the intention to attach movable property. This initiative is however a slow process because of sheriff's involvement. They cannot cope with the number of summons to be served, upon attachment of movable properties for sale in execution, the sheriff returns with "nulla bona" which defeats the entire process. Property owners are not regular domiciles of properties indebted to council and have since left with no possible trace, legal proceedings cannot be extended further since courts are reluctant in granting intended judgement (section 66 declaring properties especially executable) as the said properties are primary residents to the latte's relatives or dependents.

Auditor General's matter of emphasis

- It should be noted that the issue of Material impairments to debtors is one of the factors that affected our audit opinion
- It was also noted that we are having a challenge in identifying and eliminating indigent cheaters
- The audit Further identified the billing discrepancies relating to interest charged for outstanding debt and property rates
- It should be noted if things were to carry on this way this institution is going to lose it credibility and this will subsequently affect it going concern and we will soon be regarded as a grant dependent Municipality
- We should also put an emphasis that this issue is not entirely dependent on the Revenue team but requires a collective effort of each and every member of the Mandeni family to play a meaningful role so as to ensure that we redeem ourselves from these challenges.
- We have formulated a plan of collection going forward and our plan has been highlighted in the AG's management latter
- The plan provided is more operational but we have highlighted that strategic interventions need to be put in place so as to uplift the standard of living of our communities, attract and retain investment.
- Open opportunities for more job creation so as to ensure that we are serving the community that can afford to pay for our services.
- We need to ensure that we deal with the low hanging fruits in as far as basic service delivery is concerned. Fix potholes, streetlights, maintain roads clean our town and collect our waste on time.
- It is the above few things that encourage our people to come forward and assist their Municipality when they can see that their Municipality is working for them.

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

- On a weekly basis, a list of top 20 debtors (businesses, government and domestic) is extracted from the debtors list.
- Debtors selected are encouraged to come and make arrangements for payment;

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

ACCOUNTS WITH LETTERS OF FINAL DEMAND FOR PAYMENT SENT OUT

ACC. NO.	address	ERF NO.	DEBTORS NAME	DEBT TYPE	AMOUNT R
001062300	SUNDUMBILI A	623	MTSHALI	RATES/REFUSE	R47 407.21
001062500	SUNDUMBILI A	625	SITHOLE	RATES/REFUSE	R32 493.39
001006252	SUNDUMBILI A	6252	NGEMA	RATES/REFUSE	R51 744.57
001006262	SUNDUMBILI A	6262	BIYELA	RATES/REFUSE	R51 534.27
001062600	SUNDUMBILI A	626	ZULU	REFUSE/RATES	R9 689.93
001062700	SUNDUMBILI A	627	MMGENGE	RATES/REFUSE	R80 644.22
001062800	SUNDUMBILI A	628	NYAWO	RATES/REFUSE	R111 065.10
001062900	SUNDUMBILI A	629	SIBIYA	RATES/REFUSE	R17 881.00
001063000	SUNDUMBILI A	630	BUTHELEZI	RATES/REFUSE	R13 728.36
001063100	SUNDUMBILI A	631	MADELA	RATES/REFUSE	R82 900.53
001063200	SUNDUMBILI A	632	MASUKU	RATES/REFUSE	R68 099.78
001063300	SUNDUMBILI A	633	MTHEMBU	RATES/REFUSE	R71 232.39
001063400	SUNDUMBILI A	634	SIKHAKHANE	RATES/REFUSE	R37 041.00
001063500	SUNDUMBILI A	635	NXUMALO	RATES/REFUSE	R91 008.71
001063600	SUNDUMBILI A	636	MAKHOBHA	RATES/REFUSE	R54 608.04
001063700	SUNDUMBILI A	637	ZUNGU	RATES/REFUSE	R105 679.01
001064400	SUNDUMBILI A	644	MGENGE	RATES/REFUSE	R25 045.94
001064700	SUNDUMBILI A	647	NTSHANGASE	RATES/REFUSE	R79 752.17
001006492	SUNDUMBILI A	6492	MTHWETHWA	RATES/REFUSE	R51 246.45
001064900	SUNDUMBILI A	649	MTHWETHWA	RATES/REFUSE	R11 661.92
TOTAL					R1 094 463.99

DISCONNECTIONS AUGUST 2025

NO.	ACCOUNT NO.	TOWN	ADDRESS	NAME	DEBT TYPE	AMOUNT R
1	002100622	MANDENI	1 PLOVER	NAIDU	RATES/ELECTRICITY	R3 082.42
2	009907021	MANDENI	1 INYALA	TRANSNET PROPERTY	RATES/ELECTRICITY	R3 776.50
3	008908221	MANDENI	2 TEKWANE	DLAMINI	RATES/ELECTRICITY	R49 065.95
4	009910601	MANDENI	3 BEGONIA	MKHWANAZI	RATES/ELECTRICITY	R6 850.45
5	009908801	MANDENI	3 INYATHI	TRANSNET PROPERTY	RATES/ELECTRICITY	R6 300.64
6	009909831	MANDENI	3 UMSINSI	DUBE	RATES/ELECTRICITY	R19 609.75
7	009200261	MANDENI	4 GAZELLE	MTHEMBU	RATES/ELECTRICITY	R4 084.95
8	009910391	MANDENI	5 ALOE	MNGADI	RATES/ELECTRICITY	R4 331.04
9	008300671	MANDENI	6 IMPALA	SOKHULU	RATES/ELECTRICITY	R47 296.68
10	009701611	MANDENI	6 ORIBI	LIN,XUE	RATES/ELECTRICITY	R54 396.16
11	009909851	MANDENI	7 UMSINSI	TRANSNET PROPERTY	RATES/ELECTRICITY	R5 485.96
12	009909641	MANDENI	7 MIMOSA	TRANSNET PROPERTY	RATES/ELECTRICITY	R6 127.47
13	009600501	MANDENI	7 INYALA	EUSHEN	RATES/ELECTRICITY	R171 003.17
14	009600241	MANDENI	7 IMPUNZI	BRITS	RATES/ELECTRICITY	R106 552.54
15	009910141	MANDENI	8 ACACIA	SYROPOULOS	RATES/ELECTRICITY	R4 583.27
16	009401621	MANDENI	8 RICHARDS	DLAMINI	RATES/ELECTRICITY	R25 301.63
17	009600421	MANDENI	8 SPRINGBOK	ZULU	RATES/ELECTRICITY	R7 854.33
18	009909391	MANDENI	9 UMDONI	TRANSNET PROPERTY	RATES/ELECTRICITY	R10 482.42
19	009903771	MANDENI	9 TROGON	MANYEPHISA	RATES/ELECTRICITY	R14 808.80
20	009900611	MANDENI	9 RICHARDS	NAIDOO	RATES/ELECTRICITY	R22 215.17
21	009200652	MANDENI	9 READ RD	RADIANT TRUST	RATES/ELECTRICITY	R3 521.69

22	009904501	MANDENI	9 PATRYS	DUBE	RATES/ELECTRICITY	R17 604.11
23	009401651	MANDENI	10 TROGON	NGCOBO	RATES/ELECTRICITY	R56 213.00
24	009907381	MANDENI	10 ORIBI	ASSOCIATED SPINNERS	RATES/ELECTRICITY	R5 968.20
25	008061310	MANDENI	10 KARAMI FLATS	MATABA	RATES/ELECTRICITY	R9 261.14
26	009904491	MANDENI	11 PATRYS	MTHEMBU	RATES/ELECTRICITY	R24 944.81
27	006609661	MANDENI	11 MIMOSA	ZULU	RATES/ELECTRICITY	R17 520.22
28	009906971	MANDENI	11 INYALA	JOUBERT	RATES/ELECTRICITY	R15 436.62
29	009908731	MANDENI	12 DUBE	MPONTSHANE	RATES/ELECTRICITY	R5 675.30
30	009903581	MANDENI	13 WHIMBREL	DLUDLA	RATES/ELECTRICITY	R48 343.55
31	008004971	MANDENI	13 KUDU	MSOMI	RATES/ELECTRICITY	R4 825.34
32	009914261	MANDENI	14 DUBE	ARANDA TEXTILE	RATES/ELECTRICITY	R5 643.83
33	009981371	MANDENI	14 ACACIA	MTHETHWA	RATES/ELECTRICITY	R5 945.85
34	008078614	MANDENI	15 SUNDANCE	HARITATOS	RATES/ELECTRICITY	R124 661.36
35	009903001	MANDENI	17 TALBOT	DUBE	RATES/ELECTRICITY	R21 907.55
36	009907282	MANDENI	20 IMPALA	MICHAEL LIN	RATES/ELECTRICITY	R49 743.70
37	009001702	MANDENI	22 IMPALA	FRUIN	RATES/ELECTRICITY	R7 483.48
38	009909492	MANDENI	23 UMDONI	NZUZA	RATES/ELECTRICITY	R3 362.42
39	008800871	MANDENI	23 OHARA	XULU	RATES/ELECTRICITY	R14 900.12
40	008200141	MANDENI	27 KUDU	JARRYD BELL	RATES/ELECTRICITY	R4 828.36
41	008001121	MANDENI	28 OHARA	MZIMELA	RATES/ELECTRICITY	R26 731.20
42	008903411	MANDENI	30 PLOVER	RADEBE	RATES/ELECTRICITY	R89 587.86
43	009903071	MANDENI	31 TALBOT	MBUYISA	RATES/ELECTRICITY	R40 136.45
44	008900571	MANDENI	35 KUDU	ZUNGU	RATES/ELECTRICITY	R8 456.79
45	009903521	MANDENI	37 TROGON	MATHONSI	RATES/ELECTRICITY	R25 439.79
46	009501791	MANDENI	40 KUDU	BUTHELEZI	RATES/ELECTRICITY	R7 772.68
47	009702121	MANDENI	42 IMPUNZI	NZIMANDE	RATES/ELECTRICITY	R25 355.83
48	009300531	MANDENI	57 PATRYS	MINNIE	RATES/ELECTRICITY	R4 883.47
49	009908011	MANDENI	81 PATRYS	DLAMINI	RATES/ELECTRICITY	R19 488.61
50	009908211	MANDENI	82 PATRYS	GUMEDE	RATES/ELECTRICITY	R69 267.43

R1 338 120.06

Figure 5

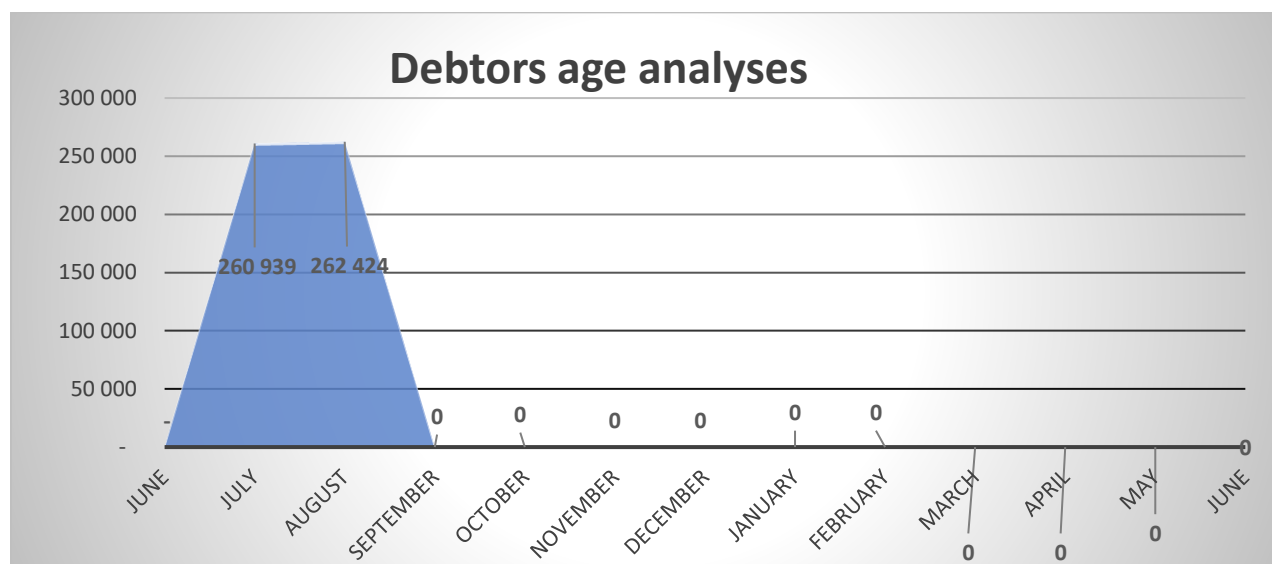
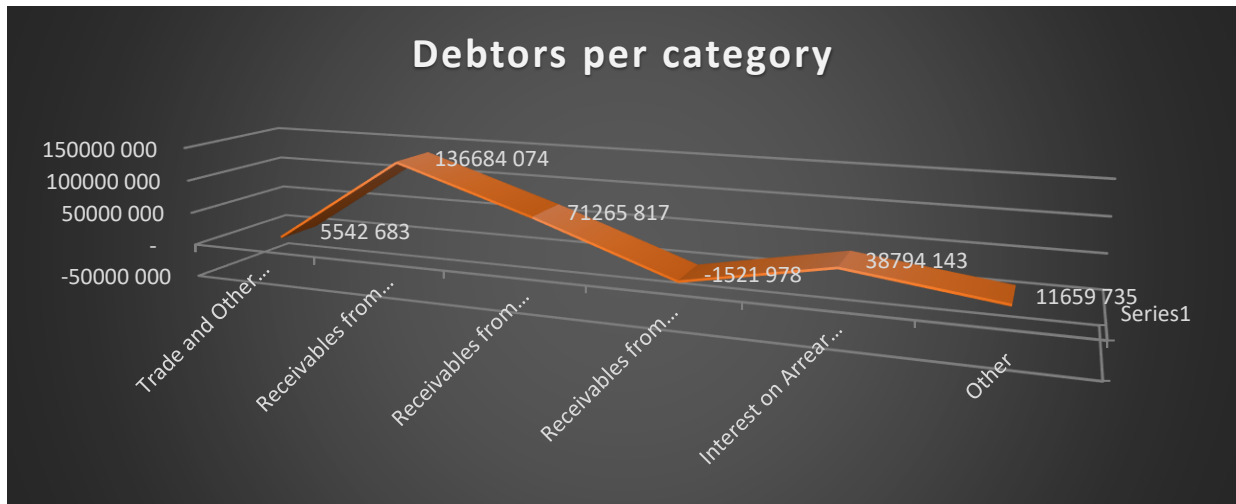


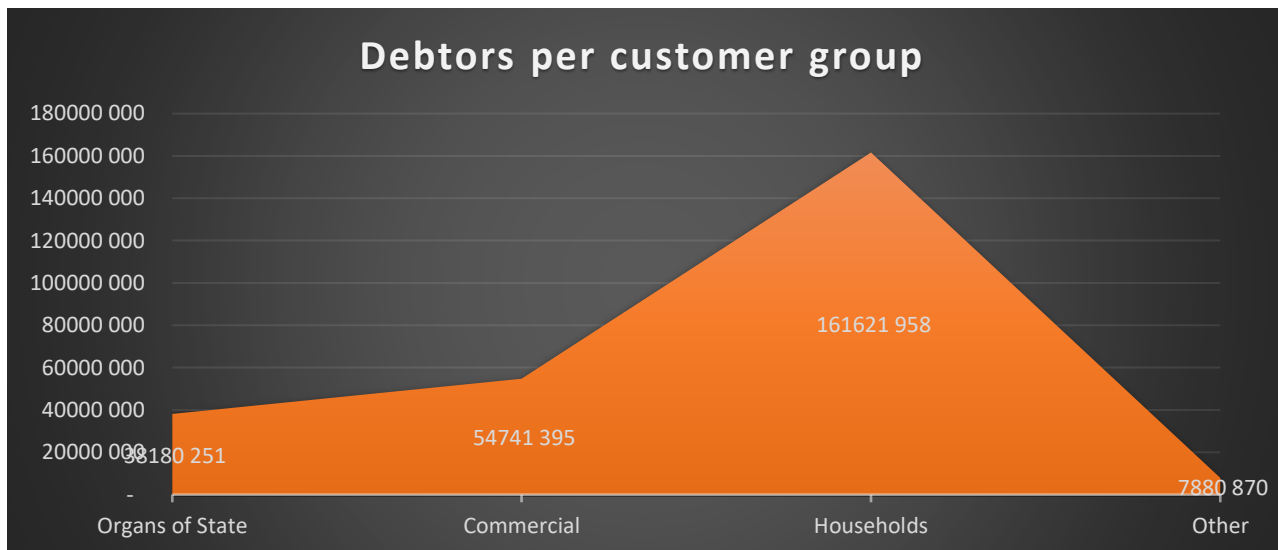
Figure 6



The municipal debtors have reduced from R260.9 million to R262.4 million that is from July 2025 until August 2025. This increase is between Household debtors of 65% and it is followed by Organs of State by 17% and Business Commercial is 16% and lastly the other debtors with a percentage of 2%.

- **Total Outstanding Debtors from August 2025**

Figure 7



Councillors and Employees in Arrear

- Debt outstanding on Staff as of August is R69,666.23
- Councillors Accounts in arrears as of August is R221,220.67
- However, it should be noted that both Councillors and Staff have made arrangement with the municipality to settle this outstanding debt.

4. CREDITOR'S AGE ANALYSIS

Table SC4 Monthly Budget Statement_ Creditors Age Analysis

KZN291 Mandeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August											
Description	NT Code	Budget Year 2025/26									Prior year totals for
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120	121 - 150	151 - 180	181 Days -	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	39	-	-	-	-	-	-	-	39	39
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	139	-	-	-	-	-	-	-	139	139
Medical Aid deduction	0950	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	178	-	-	-	-	-	-	-	178	178

- Creditors aged is R178thousand as of 31st August 2025. (Age analysis listing attached)
- 95% of the creditors are on current as per our age analysis, we ensure that creditors are paid within 30 days as stipulated by the MFMA.

Top 10 Creditors:

Top 10 Creditors (AUGUST 2025)

Name	Amount
ESKOM HOLDING	R 459 909.50
EMALANGENI	R 922 230.33
CCG SYSTEMS	R 30 830.36
BAMBHANANI ENTERPRISE	R 81 501.56
MALUTHULI TRADING	R 120 300.00
EZAMALUNQA	R 1 877 119.29
NJOMISA BOEDERY	R 44 903.91
CITY OF CHOICE	R 482 853.16
ILEMBE MUNICIPALITY	R 148 131.40
MBD CONSULTING	R 429 981.58

5. MONTHLY BUDGET STATEMENT - FINANCIAL POSITION

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

KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - M02 August

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	-	204 227	9 811
Trade and other receivables from exchange transactions		55 838	43 899	-	55 951	43 899
Receivables from non-exchange transactions		18 164	44 829	-	14 013	44 829
Current portion of non-current receivables		-	-	-	-	-
Inventory		41 639	41 799	-	41 487	41 799
VAT		4 478	38 224	-	2 238	38 224
Other current assets		225	-	-	225	-
Total current assets		252 271	178 561	-	318 142	178 561
Non current assets						
Investments		-	-	-	-	-
Investment property		44 152	41 913	-	44 152	41 913
Property, plant and equipment		751 120	761 503	-	754 323	761 503
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		-	-	-	-	-
Intangible assets		2 124	1 928	-	2 124	1 928
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		797 396	805 344	-	800 598	805 344
TOTAL ASSETS		1 049 667	983 905	-	1 118 740	983 905
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		9 025	-	-	9 025	-
Consumer deposits		196	162	-	223	162
Trade and other payables from exchange transactions		56 364	46 847	-	28 671	46 847
Trade and other payables from non-exchange transactions		5 292	2 058	-	(2 208)	2 058
Provision		5 380	17 141	-	5 380	17 141
VAT		5 997	22 133	-	7 586	22 133
Other current liabilities		-	-	-	-	-
Total current liabilities		82 253	88 340	-	48 676	88 340
Non current liabilities						
Financial liabilities		-	-	-	-	-
Provision		-	-	-	-	-
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		22 198	25 770	-	22 198	25 770
Total non current liabilities		22 198	25 770	-	22 198	25 770
TOTAL LIABILITIES		104 451	114 110	-	70 874	114 110
NET ASSETS	2	945 216	869 795	-	1 047 866	869 795
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		742 544	867 662	-	845 194	867 662
Reserves and funds		202 672	2 133	-	202 672	2 133
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	945 216	869 795	-	1 047 866	869 795

RATIOS FOR THE MONTH

Current ratio: The municipality's current assets are (6) 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 6.54:0.15c 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, R6.54c

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 85%.

Collection days: 648days it takes the municipality to collect outstanding debt.

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

Debtors collection rate: as at the 02 month of 2025/26 at 85%

	5 Month
Cash and cash equivalents	8 314 166
Unspent Conditional Grants	10 216 789
Overdraft	-
Short Term Investments	196 325 479
Total Annual Operational Expenditure	487 943 906

	6.54
Current Assets	318 141 598
Current Liabilities	48 676 351

	85.98086096
Gross Debtors closing balance	262 424 482.59
Gross Debtors opening balance	257 884 837.23
Bad debts written Off	
Billed Revenue	32 381 769.96

27 842 124.61

	-
Consumer Debtors Bad debts written off	
Consumer Debtors Current bad debt Provision	199 605 905.29

	648.44
Gross debtors	257 133 993.84
Bad debts Provision	199 605 905.29
Billed Revenue	32 381 769.96

	92%
Cash and cash Equivalents	8 314 166
Bank Overdraft	-
Short Term Investment	196 325 479
Long Term Investment	-
Unspent Grants	17 385 055
Net Assets	1 047 865 850
Share Premium	
Share Capital	
Revaluation Reserve	
Fair Value Adjustment Reserve	
Accumulated Surplus	845 193 524

6. MONTHLY BUDGET STATEMENT -CASH FLOW

Table C7 below display the Cash Flow Statement for the period ending 31st August 2025

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - M02 August										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(52 833)	49 972	-	12 411	20 853	8 329	12 525	150%	49 972
Service charges		(63 794)	98 454	-	6 727	7 813	16 409	(8 596)	-52%	98 454
Other revenue		8 768	26 748	-	400	729	4 458	(3 729)	-84%	26 748
Transfers and Subsidies - Operational		321 176	254 956	-	-	103 649	42 493	61 156	144%	254 956
Transfers and Subsidies - Capital		133 610	46 017	-	-	14 848	7 669	7 178	94%	46 017
Interest		-	25 232	-	-	192	4 205	(4 014)	-95%	25 232
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(469 507)	(436 031)	-	(20 207)	(65 844)	(66 991)	(1 147)	2%	(436 031)
Interest		-	(3 050)	-	-	-	(508)	(508)	100%	(3 050)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(122 580)	62 299	-	(669)	82 239	16 064	(66 175)	-412%	62 299
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		126 073	(144 685)	-	(8 731)	(9 911)	(24 114)	(14 203)	59%	(144 685)
NET CASH FROM/(USED) INVESTING ACTIVITIES		126 073	(144 685)	-	(8 731)	(9 911)	(24 114)	(14 203)	59%	(144 685)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		3 493	(82 386)	-	(9 401)	72 328	(8 050)			-
Cash/cash equivalents at beginning:		230 188	92 208	-	-	131 899	92 208			131 899
Cash/cash equivalents at month/year end:		233 681	9 822	-	(9 401)	204 227	84 158			-

As per the pre-audited Annual Financial Statements (AFS), the cash and cash equivalents at the beginning of the 2025/26 financial year amounted to R131.9 million. With a net increase at the month end of August 2025, of R72.3million. And cash and cash equivalent of R204million at month end.

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 61% or R6.6million of the billed revenue as August 2025.
- Service Charges: Electricity and Refuse is 87% or R973thousand collected from the billed revenue of R16.2million as of August 2025.
- Other Revenue collected form VAT refunds received as of August totals R5.6million.
- Government grants received YTD total of R118.1million as of 31st August 2025 which includes Government grant Capital of R14million.
- Interest earned on external investments amounts to R2.6million in comparison with the pro-rata budget of R4.2million which is an under performance of 38%.

Payments

- Suppliers and employees for cash outflows of R65.8million. The total payment for suppliers and employees is noted the same as there are payments from the INEP and Title deed.
- Finance charges reflect underperformance by 100 percent.
- Capital Assets of R8.7million for the month of August 2025 shows an under-performance of 54% as of August 2025.

6.1. BANK RECONCILIATION STATEMENT AS AT AUGUST 2025

 Mandeni Municipality		
BANK RECONCILIATION STATEMENT FOR AUGUST 2025		
Main Account :52940480587		
Opening FNB Bank Balance as on AUGUST 2025	3 447 312.79	3 447 312.79
PLUS: Deposits Banked	22 100 093.79	
PLUS: Interest received	15 895.99	
PLUS: Transfers In	22 190 731.37	
PLUS:Interest received From Call 1	175 691.74	
PLUS:Unpaid	1 504.48	
PLUS: MATURED INVESTMENTS	-	
PLUS: SARS REFUND	3 738 970.32	
PLUS: GRANTS RECEIVED	2 329 000.00	
Total Deposits	50 551 887.69	50 551 887.69
Less:Total payments	- 45 685 034.19	- 45 685 034.19
LESS: EFT Payments	- 34 880 533.05	
LESS: Bank Charges	- 21 516.44	
LESS: Transfers Out	- 9 909 350.20	
LESS: NEW INVESTMENTS	-	
LESS: Debit Orders	- 873 634.50	
Closing FNB Bank Balance as on 31 AUGUST 2025		8 314 166.29
Cashbook Reconciliation for 31 AUGUST 2025		
OPENING BALANCE 1/07/2024	2 026 213 166.77	
OPENING BALANCE 1/07/2024	96 176 000.00	
OPENING BALANCE 1/07/2024	- 2 112 252 018.86	
OPENING BALANCE 1/07/2024-INTEREST	593 200.30	
OPENING BALANCE-1/7/2024 -BANK CHARGES	- 1 380 300.52	
TOTAL OPENING BALANCE 1/07/2024	9 350 047.69	
Cashbook Balance as on 1 AUG 2025-D0001/IA09567/F0001/X049/R0099/001/FIN	880 523 919.47	
Less:Cashbook Balance as on 1 AUG 2025-D0001/IA09850/F0001/X049/R0099/001/FIN	- 886 595 995.31	
Corrections to be made (JNL CR)	-	
Corrections to be made (JNL DR)	-	
PLUS: Deposits Banked for AUGUST 2025	22 101 598.27	
LESS: EFT Payments for AUGUST 2025	- 35 414 707.67	
Plus JULY 2025 outstanding (reconciled)	14 915.00	
Less: Bank Charges to date	- 323 729.03	
PLUS: Grant received	2 329 000.00	
Less : New investment	-	
Less: Payments not yet paid during AUGUST 2025	-	
PLUS: Interest received to date	472 534.91	
PLUS:Interest received From Call 1-AUGUST 2025	175 691.74	
PLUS MATURED INVESTMENT	-	
PLUS :SARS REFUND	3 738 970.32	
PLUS :TRANSFER IN	22 190 731.37	
LESS:TRANSFER OUT	- 9 909 350.20	
LESS: Debit Orders for -AUGUST 2025	- 873 634.50	
Closing Cashbook Balance as on 31 AUGUST 2025	7 779 992.07	7 779 992.07
		534 174.62
Reconciling Items	Amount	
ADD: Journal Debits - on Cashbook not on Bank Statement	534 174.62	
ADJUSTED MONTH END CASHBOOK BALANCE- 31 AUGUST 2025		8 314 166.69
MONTH END BALANCE PER BANK STATEMENT- 31 AUGUST 2025		8 314 166.29
DIFFERENCE		0.40

6.2. MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO

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

Name of grant	INTEREST RATES	INVESTMENT REGISTER FOR AUGUST 2025						
		Opening Balance as at	Re-Investments	Expenditure	interest	bank charges	Closing Balance as at	TOTAL INTEREST EARNED TO DATE
		2025/08/01					2025/08/31	
	%	R	R	R	R	R	R	
call 1-internal grant	7.20	31 749 458.99	9 814 150.20	15 175 691.74	175 691.74	-	26 563 609.19	516 732.37
Call account 2 - HOUSING	7.20	2 165 367.66	-	-	10 797.17	-	2 176 164.83	21 927.49
Call account 3-MIG	7.20	13 686 454.33	-	5 247 605.09	46 674.22		8 485 523.46	88 690.11
Call account 5-TMT	7.20	549 802.55	3 300.00	-	2 839.81	126.16	555 816.20	5 607.38
Call account 6-INEP	7.20	-	-	-	1 109.31	-	1 109.31	1 109.31
Call account 7-AR	7.20	4 256 430.17		96 747.40	21 083.72	-	4 180 766.49	45 469.78
Call account 8-Title Deed	7.20	2 137 353.72	95 200.00	-	11 064.77	-	2 243 618.49	22 534.06
Call account 9-Disaster Recovery	7.20	3 947 724.21	-	1 846 378.88	17 526.10	-	2 118 871.43	41 794.57
ABSA BANK	9.78	100 000 000.00		(100 000 000.00)	-		-	-
NEDBANK	7.87	50 000 000.00		-	334 205.48		50 000 000.00	592 945.20
ABSA BANK	7.92	100 000 000.00	-	-	455 671.23		100 000 000.00	1 193 424.65
FNB-MAIN BANK					15 895.99		-	58 566.47
TOTAL		308 492 591.63	9 912 650.20	77 633 576.89	1 092 559.54	(126.16)	196 325 479.40	2 588 801.39

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

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August										
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	-	1 070	2 141	2 386	(246)	-10%	14 319
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		452	702	-	39	79	117	(38)	-32%	702
Cellphone Allowance		1 493	1 754	-	126	252	292	(40)	-14%	1 754
Housing Allowances		126	269	-	11	21	45	(24)	-53%	269
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		15 151	17 043	-	1 246	2 493	2 841	(348)	-12%	17 043
% increase	4		12.5%							12.5%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		8 755	5 833	-	479	958	972	(14)	-1%	5 833
Pension and UIF Contributions		-	11	-	-	-	2	(2)	-100%	11
Medical Aid Contributions		268	153	-	23	45	25	20	79%	153
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		570	399	-	-	-	67	(67)	-100%	399
Motor Vehicle Allowance		716	909	-	60	119	151	(32)	-21%	909
Cellphone Allowance		342	281	-	29	57	47	10	22%	281
Housing Allowances		170	292	-	14	28	49	(20)	-42%	292
Other benefits and allowances		482	485	-	40	80	81	(1)	-1%	485
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	5 617	3 923	-	-	-	654	(654)	-100%	3 923
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		16 920	12 285	-	644	1 288	2 047	(759)	-37%	12 285
% increase	4		-27.4%							-27.4%
Other Municipal Staff										
Basic Salaries and Wages		96 503	105 238	-	8 684	17 502	17 540	(37)	0%	105 238
Pension and UIF Contributions		15 787	17 150	-	1 377	2 753	2 858	(105)	-4%	17 150
Medical Aid Contributions		7 748	7 271	-	699	1 394	1 212	182	15%	7 271
Overtime		4 129	3 191	-	345	731	532	200	38%	3 191
Performance Bonus		8 019	5 711	-	661	1 285	952	333	35%	5 711
Motor Vehicle Allowance		4 999	6 161	-	428	856	1 027	(171)	-17%	6 161
Cellphone Allowance		758	832	-	69	137	139	(1)	-1%	832
Housing Allowances		340	405	-	30	59	67	(8)	-12%	405
Other benefits and allowances		2 185	1 052	-	238	494	175	319	182%	1 052
Payments in lieu of leave		3 327	2 798	-	214	337	466	(129)	-28%	2 798
Long service awards		439	1 498	-	70	109	250	(141)	-57%	1 498
Post-retirement benefit obligations	2	(1 123)	4 310	-	-	-	718	(718)	-100%	4 310
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		143 111	155 617	-	12 814	25 659	25 936	(277)	-1%	155 617
% increase	4		8.7%							8.7%
Total Parent Municipality		175 181	184 944	-	14 705	29 440	30 824	(1 384)	-4%	184 944

8. External Loan

NONE

9. Performance Indicators

KZN291 Mandeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M02 August

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
Borrowing Management							
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		0.9%	0.0%	0.0%	0.0%	0.0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		9.8%	8.6%	0.0%	5.5%	8.6%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	306.7%	202.1%	0.0%	653.6%	202.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		160.4%	11.1%	0.0%	419.6%	11.1%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		17.2%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		37.2%	36.9%	0.0%	19.2%	36.9%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		5.6%	6.6%	0.0%	1.1%	6.6%
Interest & Depreciation	I&D/Total Revenue - capital revenue		9.9%	8.6%	0.0%	0.0%	4.4%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

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 **August 2025** has been prepared in accordance with the Municipal Finance Management Act and regulations under that Act.

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

Municipal manager of Mandeni Municipality (KZN 291)

Signature_____

Date **17 August 2025**