

MANDENI MUNICIPALITY

KZN291



BUDGET & TREASURY DEPARTMENT

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

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2025/26 BUDGET FOR THE PERIOD ENDING 28 FEBRUARY 2026.

1. PURPOSE

The purpose of the report is to submit to the Mayor the statement of financial performance and implementation of the 2025/26 Budget of the Mandeni Municipality for the period ending 28 February 2026 in line with the statutory requirements of S71 of the Municipal Finance Management Act (2003).

2. AUTHORITY

Mayor

3. LEGAL / STATUTORY REQUIREMENTS

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

4. BACKGROUND

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

5. EXECUTIVE SUMMARY

The monthly budget statement in terms of section 71 of the Municipal Finance Management Act for the period ending 28 February 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 - M08 February									
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)	430 705	454 622	463 028	15 898	320 019	308 686	11 333	4%	454 622
Total Expenditure	474 482	487 944	504 021	31 315	304 949	349 784	(44 834)	-13%	487 944
Surplus/(Deficit)	(43 776)	(33 322)	(40 993)	(15 416)	15 070	(41 098)	56 168	-137%	(33 322)
Transfers and subsidies - capital	47 668	46 017	59 528	4 531	26 374	39 685	(13 311)	-34%	46 017
Surplus/(Deficit)	3 892	12 694	18 535	(10 886)	41 444	(1 413)	42 857	-3033%	12 694
Surplus/ (Deficit)	3 892	12 694	18 535	(10 886)	41 444	(1 413)	42 857	-3033%	12 694
Capital expenditure & funds sources									
Capital expenditure	126 192	130 596	126 749	13 818	57 688	84 543	(26 855)	-32%	130 596
Capital transfers received	42 242	40 058	51 806	4 953	24 871	34 537	(9 667)	-28%	40 058
Internally generated	83 950	90 538	74 943	8 865	32 817	50 005	(17 188)	-34%	90 538
Total sources of capital	126 192	130 596	126 749	13 818	57 688	84 543	(26 855)	-32%	130 596
TOTAL BUDGET	600 674	618 540	630 770	45 133	362 637	434 326	(71 689)	(0)	618 540

As can be seen from the table above, Actual surplus for the period ended 28 February 2026 is more than the Budgeted Surplus. Monthly budget statement summary (Table C1), for the period ending 28 February 2026 (year to date actual), shows a surplus of R41.4million against YTD budget of -R1.4million which reflects an over performance of more than 100%.

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

Table 1

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

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M08 February									
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	64 913	5 037	46 519	43 275	3 244	7%	64 913
Service charges	77 826	97 399	105 421	8 831	69 318	70 281	(963)	-1%	97 399
Investment revenue	19 863	25 000	25 000	707	8 295	16 667	(8 372)	-50%	25 000
Transfers and subs	253 010	254 956	254 848	628	190 398	169 899	20 499	12%	254 956
Other own revenue	16 064	12 353	12 846	695	5 489	8 564	(3 076)	-36%	12 353
Total Revenue (excluding capital	430 705	454 622	463 028	15 898	320 019	308 686	11 333	4%	454 622
Employee costs	160 030	167 901	167 901	12 420	107 928	111 934	(4 006)	-4%	167 901
Remuneration of Co	15 151	17 043	17 043	1 274	10 116	11 362	(1 247)	-11%	17 043
Depreciation and ar	46 319	36 240	36 240	3 346	26 888	24 160	2 728	-33%	36 240
Interest	0	3 050	3 050	-	-	2 033	(2 033)	-100%	3 050
Inventory consumed	64 650	72 025	77 557	2 104	42 531	52 246	(9 716)	-64%	72 025
Transfers and subs	2 450	-	2 350	-	2 200	1 567	633	40%	-
Other expenditure	185 882	191 685	199 880	12 171	115 287	146 481	(31 194)	-21%	191 685
Total Expenditure	474 482	487 944	504 021	31 315	304 949	349 784	(44 834)	-13%	487 944
Surplus/(Deficit)	(43 776)	(33 322)	(40 993)	(15 416)	15 070	(41 098)	56 168	-137%	(33 322)
Transfers and	47 668	46 017	59 528	4 531	26 374	39 685	(13 311)	-34%	46 017
Surplus/(Deficit)	3 892	12 694	18 535	(10 886)	41 444	(1 413)	42 857	-3033%	12 694
Surplus/ (Deficit)	3 892	12 694	18 535	(10 886)	41 444	(1 413)	42 857	-3033%	12 694
Capital expenditure & funds sources									
Capital expenditure	126 192	130 596	126 749	13 818	57 688	84 543	(26 855)	-32%	130 596
Capital transfers rec	42 242	40 058	51 806	4 953	24 871	34 537	(9 667)	-28%	40 058
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated	83 950	90 538	74 943	8 865	32 817	50 005	(17 188)	-34%	90 538
Total sources of ca	126 192	130 596	126 749	13 818	57 688	84 543	(26 855)	-32%	130 596
Financial position									
Total current assets	255 323	178 561	217 562		269 968				178 561
Total non current as	793 896	805 344	883 806		824 696				805 344
Total current liabilities	86 164	88 340	90 068		90 002				88 340
Total non current lia	22 198	25 770	27 321		22 198				25 770
Community wealth/E	940 858	869 795	959 863		982 464				869 795
Cash flows									
Net cash from (used	(1 367)	84 001	91 496	7 990	(16 348)	86 442	102 789	119%	84 001
Net cash from (used	126 192	(166 388)	(161 300)	(15 891)	(66 341)	(107 533)	(41 192)	38%	(166 388)
Net cash from (used	-	-	-	-	-	-	-	-	-
Cash/cash equivale	355 013	9 822	62 123	(7 900)	149 210	110 836	(38 374)	-35%	-
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Sou	21 305	6 770	6 341	5 879	314	7 071	28 373	208 998	285 052
Creditors Age Analysis									
Total Creditors	3	-	-	-	-	-	-	-	3
TOTAL BUDGET	600 674	618 540	630 770	45 133	362 637	434 326	(71 689)	(0)	618 540

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) - M08 February

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	339 669	6 050	241 272	226 446	14 826	7%	342 170
Executive and council		–	8 365	8 365	–	–	5 577	(5 577)	-100%	8 365
Finance and administration		339 132	333 805	331 304	6 050	241 272	220 869	20 403	9%	333 805
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		6 994	6 128	5 933	381	3 611	3 955	(344)	-9%	6 128
Community and social services		5 270	5 719	5 611	377	3 376	3 741	(365)	-10%	5 719
Sport and recreation		1 707	–	–	3	224	–	224	#DIV/0!	–
Public safety		17	408	321	1	11	214	(203)	-95%	408
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		51 516	52 717	66 707	4 911	30 474	44 471	(13 997)	-31%	52 717
Planning and development		47 129	48 740	50 219	4 606	23 757	33 479	(9 723)	-29%	48 740
Road transport		4 387	3 977	16 488	305	6 717	10 992	(4 274)	-39%	3 977
Environmental protection		–	–	–	–	–	–	–		–
Trading services		80 731	99 623	110 248	9 087	71 035	73 498	(2 463)	-3%	99 623
Energy sources		66 249	83 081	91 103	7 492	59 295	60 735	(1 441)	-2%	83 081
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		14 482	16 543	19 145	1 595	11 741	12 763	(1 023)	-8%	16 543
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	478 373	500 638	522 556	20 429	346 393	348 371	(1 978)	-1%	500 638
Expenditure - Functional										
Governance and administration		244 373	240 817	246 570	14 736	147 771	164 619	(16 849)	-10%	240 817
Executive and council		66 501	79 879	74 794	4 890	44 706	50 007	(5 302)	-11%	79 879
Finance and administration		177 872	160 937	171 776	9 847	103 065	114 612	(11 547)	-10%	160 937
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		57 060	51 805	56 250	5 258	39 567	38 034	1 534	4%	51 805
Community and social services		41 974	36 398	40 484	3 438	29 428	27 523	1 905	7%	36 398
Sport and recreation		13 472	13 045	13 608	1 801	9 756	9 072	684	8%	13 045
Public safety		1 462	2 148	1 943	19	346	1 296	(950)	-73%	2 148
Housing		152	214	214	–	37	143	(105)	-74%	214
Health		–	–	–	–	–	–	–		–
Economic and environmental services		83 973	92 410	93 620	7 333	59 081	66 500	(7 420)	-11%	92 410
Planning and development		23 562	26 477	25 445	1 368	13 765	17 334	(3 568)	-21%	26 477
Road transport		55 834	60 311	62 637	5 501	41 916	45 475	(3 559)	-8%	60 311
Environmental protection		4 577	5 622	5 538	464	3 400	3 692	(292)	-8%	5 622
Trading services		88 785	102 391	107 049	3 988	58 467	80 277	(21 810)	-27%	102 391
Energy sources		72 643	75 903	82 005	2 916	48 619	57 804	(9 185)	-16%	75 903
Water management		–	–	–	–	–	–	–		–
Waste water management		3 063	3 048	3 048	283	2 088	2 032	56	3%	3 048
Waste management		13 078	23 440	21 997	789	7 760	20 441	(12 680)	-62%	23 440
Other		292	522	531	–	64	354	(290)	-82%	522
Total Expenditure - Functional	3	474 482	487 944	504 021	31 315	304 949	349 784	(44 834)	-13%	487 944
Surplus/ (Deficit) for the year		3 892	12 694	18 535	(10 886)	41 444	(1 413)	42 857	-3033%	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										
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	8 365	–	–	5 577	(5 577)	-100.0%	8 365
Vote 2 - Finance and administration		339 132	333 805	331 304	6 050	241 272	220 869	20 403	9.2%	333 805
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social		5 287	6 128	5 933	378	3 387	3 955	(568)	-14.4%	6 128
Vote 5 - Sport and Recreation		1 707	–	–	3	224	–	224	#DIV/0!	–
Vote 6 - Public safety		–	–	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Planning and Development		47 129	48 740	50 219	4 606	23 757	33 479	(9 723)	-29.0%	48 740
Vote 9 - Road transport		4 387	3 977	16 488	305	6 717	10 992	(4 274)	-38.9%	3 977
Vote 10 - Energy sources		66 249	83 081	91 103	7 492	59 295	60 735	(1 441)	-2.4%	83 081
Vote 11 - Waste Management		14 482	16 543	19 145	1 595	11 741	12 763	(1 023)	-8.0%	16 543
Vote 12 - Environmental Protection		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	478 373	500 638	522 556	20 429	346 393	348 371	(1 978)	-0.6%	500 638
Expenditure by Vote	1									
Vote 1 - Executive and council		66 501	79 879	74 794	4 890	44 706	50 007	(5 302)	-10.6%	79 879
Vote 2 - Finance and administration		177 872	160 624	171 507	9 847	103 065	114 432	(11 367)	-9.9%	160 624
Vote 3 - Internal audit		–	313	269	–	–	179	(179)	-100.0%	313
Vote 4 - Community and social		41 974	36 398	41 180	3 438	29 428	27 987	1 441	5.1%	36 398
Vote 5 - Sport and Recreation		13 472	13 045	13 608	1 801	9 756	9 072	684	7.5%	13 045
Vote 6 - Public safety		1 462	2 148	1 248	19	346	832	(486)	-58.4%	2 148
Vote 7 - Housing		152	214	214	–	37	143	(105)	-73.7%	214
Vote 8 - Planning and Development		23 854	26 998	25 976	1 368	13 829	17 687	(3 859)	-21.8%	26 998
Vote 9 - Road transport		58 897	63 359	65 685	5 784	44 003	47 507	(3 503)	-7.4%	63 359
Vote 10 - Energy sources		72 643	75 903	82 005	2 916	48 619	57 804	(9 185)	-15.9%	75 903
Vote 11 - Waste Management		13 078	23 440	21 997	789	7 760	20 441	(12 680)	-62.0%	23 440
Vote 12 - Environmental Protection		4 577	5 622	5 538	464	3 400	3 692	(292)	-7.9%	5 622
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	474 482	487 944	504 021	31 315	304 949	349 784	(44 834)	-12.8%	487 944
Surplus/ (Deficit) for the year	2	3 892	12 694	18 535	(10 886)	41 444	(1 413)	42 857	-3032.9%	12 694

Table 4 provides information on the planned revenue and operational expenditures against the actual results for the period ending 28 FEBRUARY 2026.

This report analyses each major component under following headings;

- Revenue by Source
- Operational Expenditure by Type,

KZN291 Mandeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

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	90 708	7 470	59 359	60 472	(1 113)	-2%	82 686
Service charges - Water		–	–	–	–	–	–	–	–	–
Service charges - Waste Water M		–	–	–	–	–	–	–	–	–
Service charges - Waste manage		13 073	14 713	14 713	1 361	9 959	9 808	151	2%	14 713
Sale of Goods and Rendering of S		2 282	1 513	1 383	104	744	922	(178)	-19%	1 513
Agency services		–	–	–	–	–	–	–	–	–
Interest		–	–	–	–	–	–	–	–	–
Interest earned from Receivables		1 487	2 016	2 016	139	1 052	1 344	(291)	-22%	2 016
Interest from Current and Non Cu		19 863	25 000	25 000	707	8 295	16 667	(8 372)	-50%	25 000
Rental from Fixed Assets		593	755	755	47	387	503	(117)	-23%	755
Operational Revenue		1 355	1 252	1 875	12	695	1 250	(555)	-44%	1 252
Non-Exchange Revenue										
Property rates		63 942	64 913	64 913	5 037	46 519	43 275	3 244	7%	64 913
Surcharges and Taxes		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		3 569	1 367	1 367	5	102	911	(810)	-89%	1 367
Licence and permits		969	998	998	72	446	665	(219)	-33%	998
Transfers and subsidies - Operat		253 010	254 956	254 848	628	190 398	169 899	20 499	12%	254 956
Interest		3 570	4 453	4 453	316	2 063	2 969	(906)	-31%	4 453
Other Gains		2 239	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital)		430 705	454 622	463 028	15 898	320 019	308 686	11 333	4%	454 622
Expenditure By Type										
Employee related costs		160 030	167 901	167 901	12 420	107 928	111 934	(4 006)	-4%	167 901
Remuneration of councillors		15 151	17 043	17 043	1 274	10 116	11 362	(1 247)	-11%	17 043
Bulk purchases - electricity		58 515	66 107	72 107	1 563	41 015	48 071	(7 057)	-15%	66 107
Inventory consumed		6 135	5 918	5 450	540	1 516	4 175	(2 659)	-64%	5 918
Debt impairment		24 403	32 077	30 077	–	16 039	28 900	(12 861)	-45%	32 077
Depreciation and amortisation		46 319	36 240	36 240	3 346	26 888	24 160	2 728	11%	36 240
Interest		0	3 050	3 050	–	–	2 033	(2 033)	-100%	3 050
Contracted services		79 982	89 650	87 841	6 713	51 564	62 835	(11 271)	-18%	89 650
Transfers and subsidies		2 450	–	2 350	–	2 200	1 567	633	40%	–
Irrecoverable debts written off		10 696	6 637	6 637	–	–	4 424	(4 424)	-100%	6 637
Operational costs		71 100	62 722	74 726	5 457	47 672	49 922	(2 251)	-5%	62 722
Losses on Disposal of Assets		965	600	600	–	–	400	(400)	-100%	600
Other Losses		(1 264)	–	–	–	12	–	12	#DIV/0!	–
Total Expenditure		474 482	487 944	504 021	31 315	304 949	349 784	(44 834)	-13%	487 944
Surplus/(Deficit)		(43 776)	(33 322)	(40 993)	(15 416)	15 070	(41 098)	56 168	(0)	(33 322)
Transfers and subsidies - capital		47 668	46 017	59 528	4 531	26 374	39 685	(13 311)	(0)	46 017
Surplus/(Deficit) after capital transfers & Income Tax		3 892	12 694	18 535	(10 886)	41 444	(1 413)			12 694
Surplus/(Deficit) after income tax attributable to		3 892	12 694	18 535	(10 886)	41 444	(1 413)			12 694
Share of Surplus/Deficit attributable to		–	–	–	–	–	–			–
Intercompany/Parent subsidiary tr		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		3 892	12 694	18 535	(10 886)	41 444	(1 413)			12 694

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

Figure 1

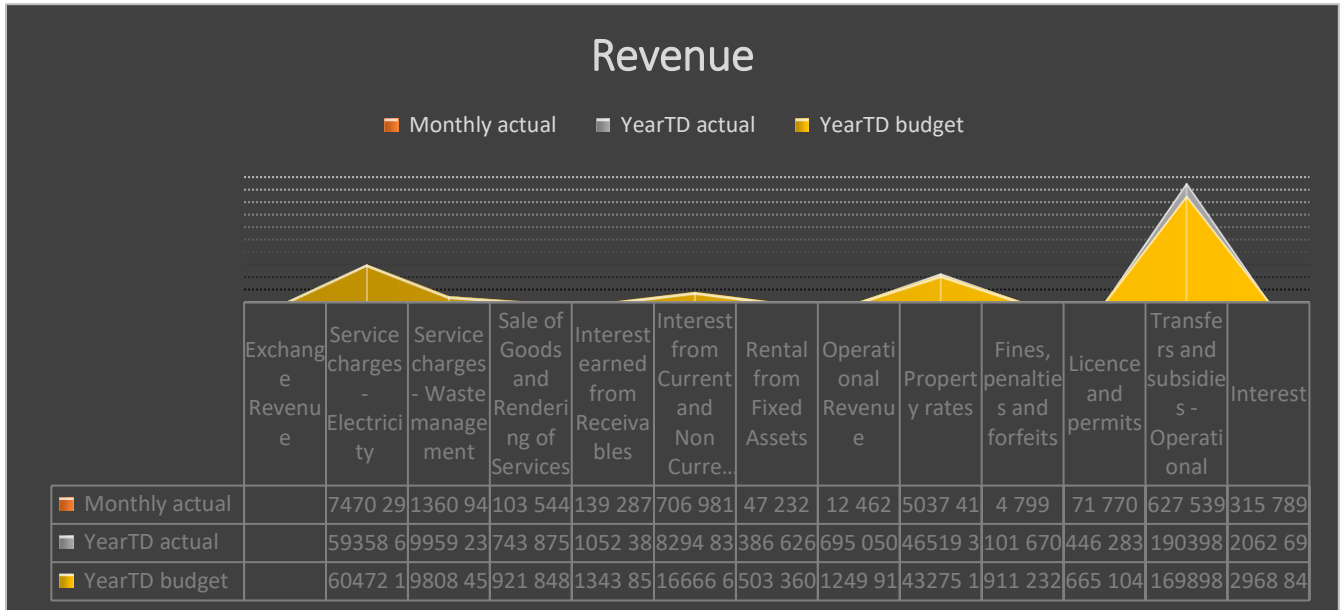
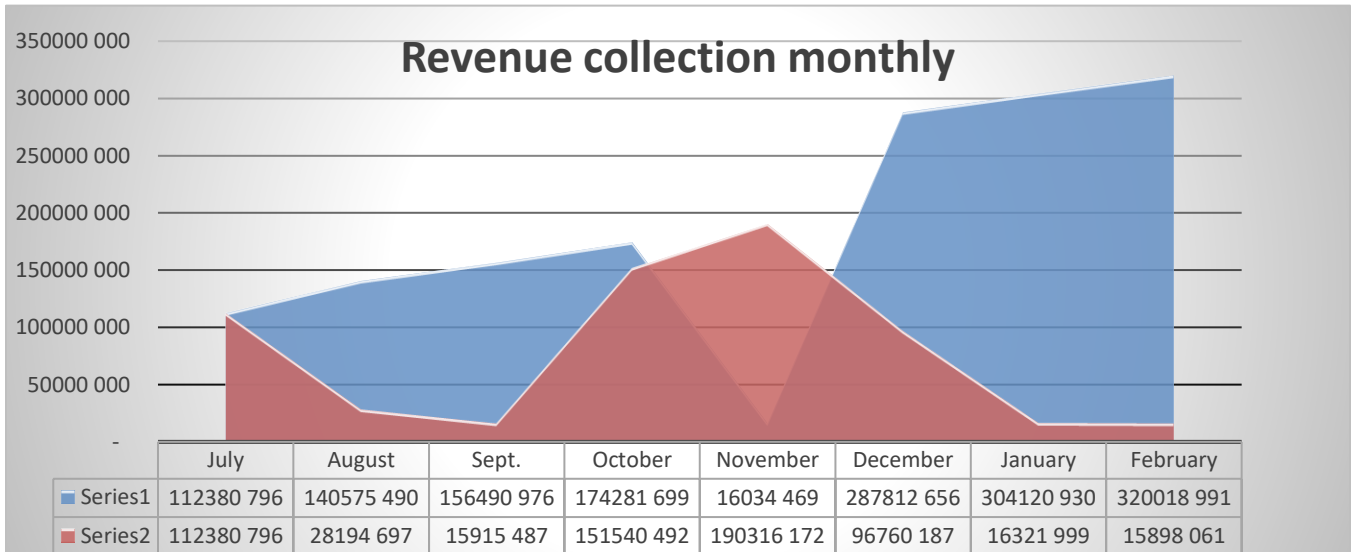


Figure 2



Revenue:

The Year-to-Date (YTD) total revenue amounted to **R320.0 million** for the period ending **28 February 2026**, excluding capital conditional grant income. Against the YTD budget, revenue reflects an overperformance of 4%, mainly attributable to the receipt of the second tranche of the Equitable Share amounting to R81.4 million.

EXCHANGE REVENUE

Service Charges: Electricity

- Revenue from electricity service charges is recognized on an invoice basis. A total amount of R59.4 million was billed against a pro-rata budget of R60.5 million, resulting in an under-performance of -2%. The variance of R1.1million is immaterial, or budget has been reached.
- The actual cash collected amounted R5.9million for the month ended 28 February 2026.

Service Charges: Refuse

- The actual revenue from Service Charges Refuse as of 28 February 2026 is R10million against the budgeted income of R9.8million which is under performance by 2percent. This line item has reached its budget.
- The actual cash collected amounted R301thousand for the month of 28 February 2026.

Sale of Goods and rendering services

- Sales of Goods and Services amounted to R744 thousand, compared to the year-to-date budget of R922 thousand, resulting in an under-performance of R178 thousand or -19%. The variance is immaterial, and budget is reached in this line item.

Interest earned from receivables.

- Interest earned from receivables amounts to R1.1thousand in comparison with the year-to-date budget of R1.3million, which is an under-performance by 22percent. The variance of R291thousand is mainly due to customers not honoring their credit agreements as expected, In previous periods, this line item performed better as customers were more consistent in meeting their payment obligations.

Interest from Current and Non-Current assets

- Interest earned on external investments amounts to R8.3million in comparison with the year-to-date budget of R16.7million, thus indicating an under performance by R8.4million or 50percent, this variance is due to the municipality having withdrawn investments before their maturity dates because of higher operational cash requirements.
- Going forward, the municipality has new investments in place, which are expected to improve the interest earned in the investment vote.

Rental from fixed assets

- Revenue from the Rental of Facilities amounted to R387 thousand, compared to the year-to-date budget of R503 thousand, resulting in an under-performance of R117 thousand or 23%. This vote comprises a combination of rental income streams, including municipal halls, municipal stadiums, and staff houses. The variance is mainly attributable to fluctuations in the utilization of municipal facilities, which are not feasible to measure accurately in advance.

Operational Revenue

- The majority of the Council own funded sources are budgeted under this category.
- The year-to-date operational revenue amounted to R673 thousand against a pro-rata budget of R626 thousand, resulting in a favorable variance of R47 thousand or 7%. The positive variance is attributable to improved collection revenue. This vote comprises collection charges, insurance refunds, and handling fees.

NON-EXCHANGE REVENUE

Property Rates

- The municipality accounts for Property Rates on an invoice basis in line with GRAP requirements.
The Year-to-Date (YTD) actual revenue for Rates amounts to R46.5million, compared to a YTD budget of R43.3million. This represents an over-billing of R3.2million, or 7%.
- The actual cash collected amounted R2.0million for the month ended 28 February 2026.

Fines, Penalties and forfeits

- Fines for the month of February is underperformed by -89%, amounting to R810thousand below the pro-rata budget of 911thousand. The underperformance is primarily attributed to a prevailing culture of non-payment and adverse economic conditions. It is important to note that revenue reported to date is on a cash basis, as the municipality accounts for fines in accordance with iGRAP 1 at year-end. This vote also includes library fine fees for overdue books.

Licences and permits.

- The variance of R219thousand or -33% underspend is mainly due to the department relying on walk-in customers who require services at the time. Additional contributing factors include network issues within the building and poor connectivity of the eNatis system when customers are present.

Transfers & subsidies

- Transfers and subsidies recognised operational amounts to R190.4million YTD Actual in comparison with the pro-rata budget of R170million, thus indicating a over performance of 12%. This is due to the second tranche receipt of an Equitable share.
- Transfers and subsidies capital amounts to R26.4million in comparison with the pro-rata budget of R39.7 million, thus indicating an over performance by R13.3million 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 R2.1million in comparison with the pro-rata budget of R3million, thus indicating an under performance by R906thousand or 31percent.

Operating Expenditure from 28 February 2026

The table below reflects trend of expenditure for the period ended 28 February 2026

Figure 3

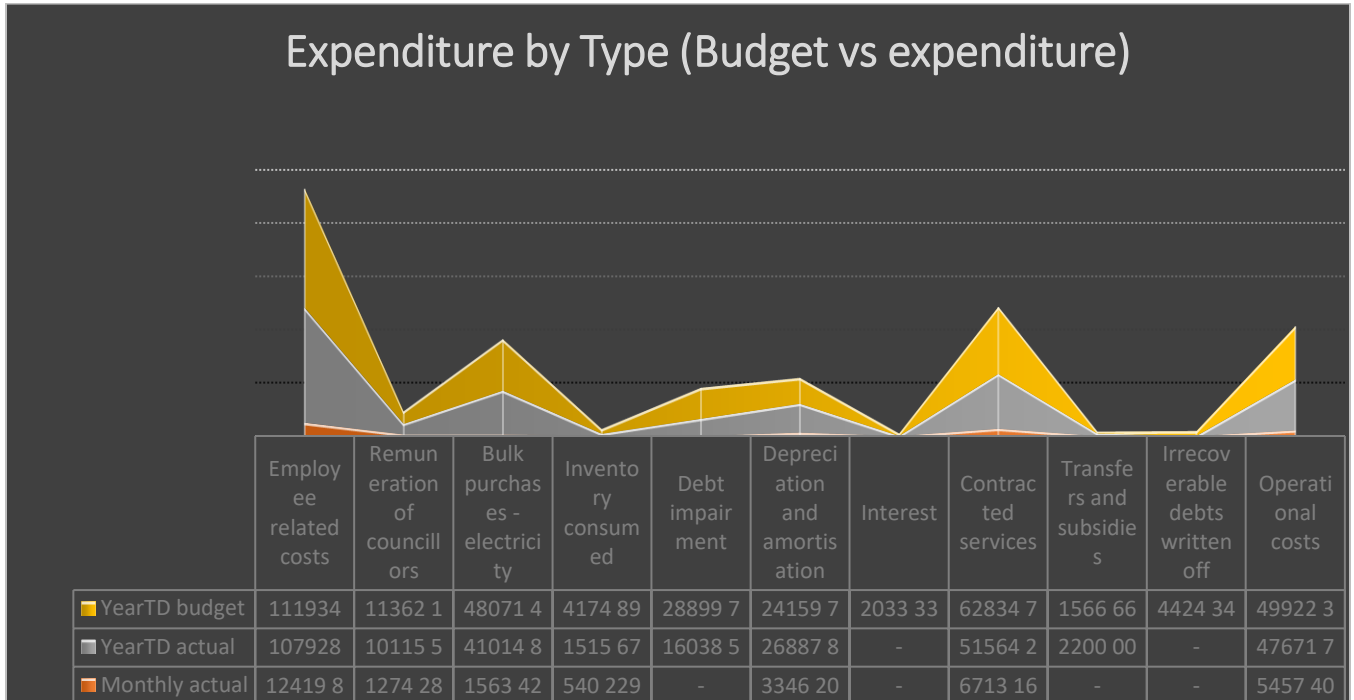
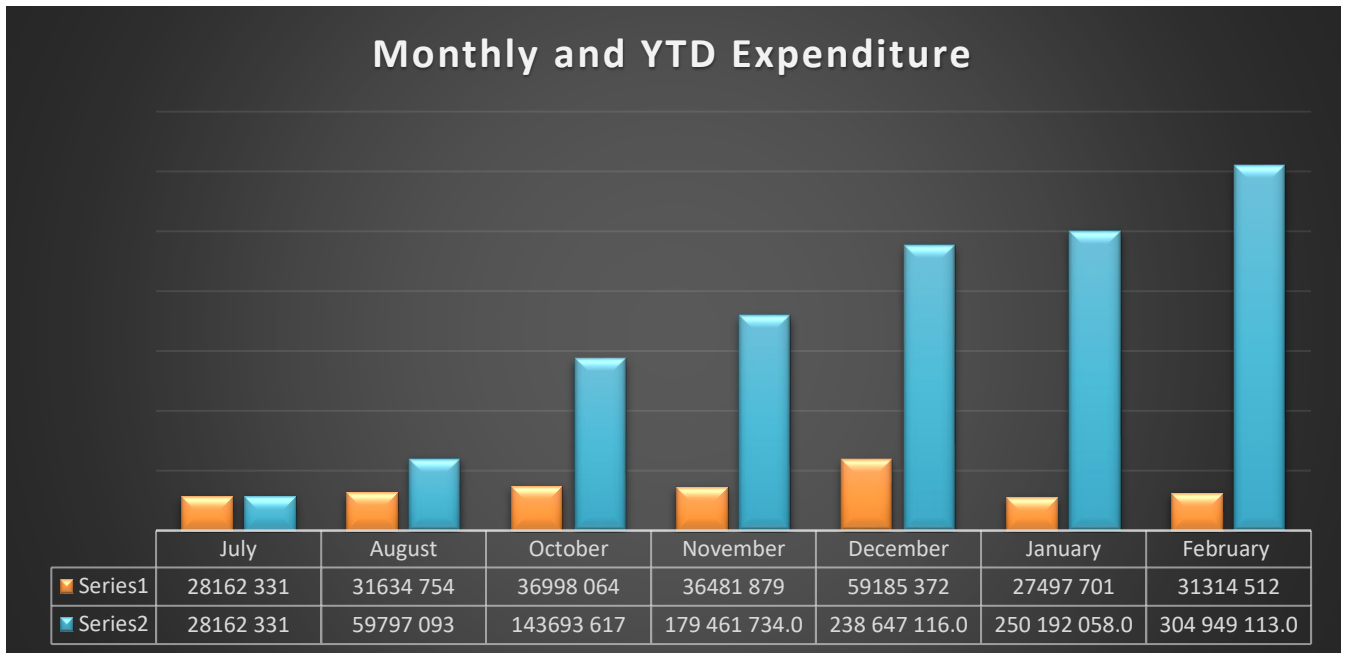


Figure 4



Operating Expenditure:

- The total operational expenditure YTD Actual for the period ending 28 February 2026 amounted to R304.9million against the planned target of R349.9million. As at the end of 28th February the operational expenditure budget has been under spent by -13% or -R44.8million, indicating that expenditure performance is within the targeted threshold. *Detailed expenditure analysis is below:*

Employee Related Costs

- Employee-related costs reflect a variance of R107.9 million or 4 per cent for the period ending 28 February 2026 when compared to the pro-rata budget of R111.9 million. The variance in this vote is considered immaterial.
- Furthermore, to that it should be noted that employee bonuses are now being paid on their birth month.

Remuneration of Councillors

- Councillors' allowances reflect a favorable variance of R1.2million or 11% when compared to the pro-rata budget of R11.4 million. This variance is mainly attributable to savings realized in July and August, as the approved increases were only implemented in September 2025. The savings realized during the earlier months have carried over into the reporting period.

Bulk Purchases

- The YTD on Bulk purchases amounts to R41.0million which is an over performance when compared to pro-rata budget of R48.1million. The variance of 15% or R7.1 million is mainly attributable to Eskom experiencing challenges with the implementation of new tariffs during the invoice process.

Inventory Consumed

- Inventory consumption reflects an underperformance of R 1.5million or 64% when compared to the pro-rata budget of R4.2 million, with an actual expenditure of R2.7million. This vote comprises items held in stores, mainly for maintenance and repairs, as well as stationery for the municipality. Expenditure in this vote is largely demand-driven, as consumption occurs only when requests are made and operational needs arise.

Debt Impairment

- The provision for bad debt is reflecting a performance of 45% or R12.9million against year-to-date budget of R28.9million. A journal of R16.0million to this vote has been processed.

Depreciation and Asset Impairment

- The YTD for Depreciation and Asset impairment is reflecting an over performance by 11percent. The depreciation variance is due to an increase in acquisitions of assets and commissioning of

capital projects at year-end. The estimates were made before the later were taken into consideration.

Interest

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

Contracted Services

- Contracted Services Expenditure reflects an underspending of 18% or R11.3million, with a YTD actual of R51.6 million against a pro-rata budget of R62.8million. This vote includes all contracted and outsourced services procured by the municipality, such as catering, transport, accommodation, and professional services. Expenditure in this category largely depends on the implementation of public programmes. The municipality has noted an improvement in this line item during the current reporting period and anticipates that the variance will gradually decrease, aligning closer to the year-to-date budget.

Transfers and Subsidies

- Transfers and grants expenditure amounting to R2.2 million was incurred against an adjusted budget total of R2.4 million, resulting in an overperformance of 40% or R633 thousand.

Irrecoverable debts written off

- Irrecoverable debts written off have underperformed by 100% when compared to pro-rata budget of R4.4million. A journal entry will be processed in due time.

Operational Cost

- Other expenditure is underspent for the month by R2.3 million, or 5%, when compared to the pro-rata budget of R49.9 million. The variance in this line item is considered immaterial, and spending is largely in line with the budget.

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

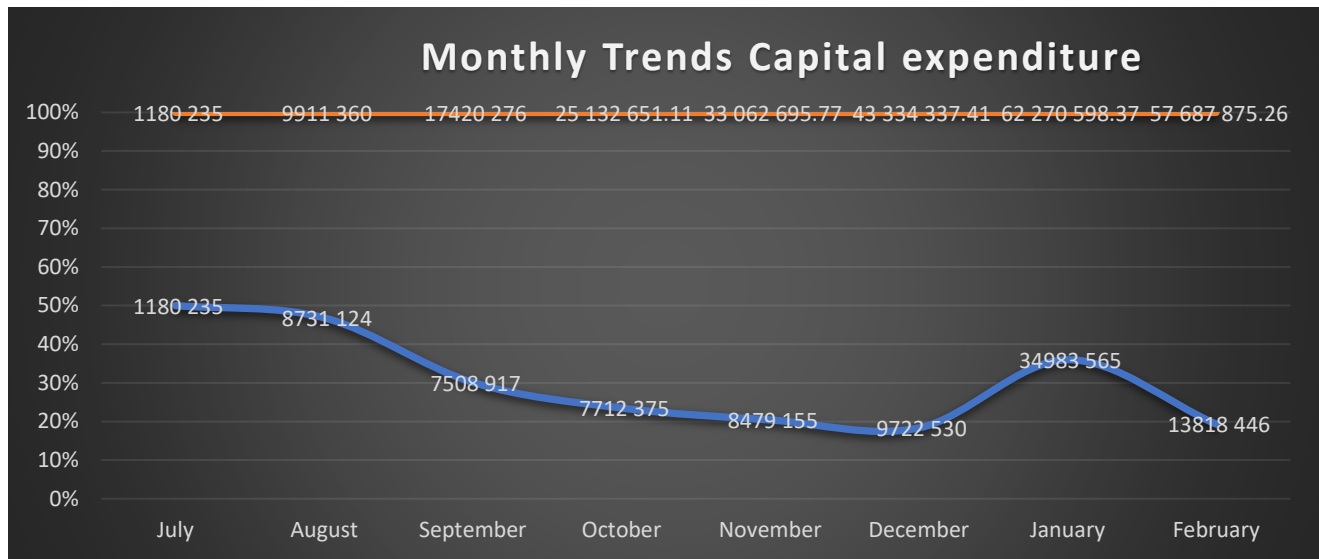
KZN291 Mandeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M08 February										
Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Single Year expenditure	2									
Vote 1 - Executive and council		12 470	30 000	23 540	6 080	17 120	15 693	1 426	9%	30 000
Vote 2 - Finance and administration		14 806	4 549	8 239	(3)	1 457	5 492	(4 035)	-73%	4 549
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		4 026	17 738	17 690	563	4 617	11 793	(7 176)	-61%	17 738
Vote 5 - Sport and Recreation		7 487	8 836	10 940	1 712	3 266	7 293	(4 027)	-55%	8 836
Vote 6 - Public safety		817	70	70	3	201	46	155	334%	70
Vote 7 - Housing		–	–	–	–	–	–	–	–	–
Vote 8 - Planning and Development		7 313	7 522	5 208	1 735	3 301	3 472	(171)	-5%	7 522
Vote 9 - Road transport		75 324	55 386	57 709	3 729	27 329	38 516	(11 188)	-29%	55 386
Vote 10 - Energy sources		2 389	4 869	2 087	–	–	1 391	(1 391)	-100%	4 869
Vote 11 - Waste Management		1 560	1 626	1 267	–	397	845	(447)	-53%	1 626
Vote 12 - Environmental Protection		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE]		–	–	–	–	–	–	–	–	–
Total Capital single-year	4	126 192	130 596	126 749	13 818	57 688	84 543	(26 855)	-32%	130 596
Total Capital Expenditure		126 192	130 596	126 749	13 818	57 688	84 543	(26 855)	-32%	130 596
Capital Expenditure - Functional Classification										
Governance and administration		27 275	34 549	31 778	6 077	18 577	21 186	(2 609)	-12%	34 549
Executive and council		12 470	30 000	23 540	6 080	17 120	15 693	1 426	9%	30 000
Finance and administration		14 806	4 549	8 239	(3)	1 457	5 492	(4 035)	-73%	4 549
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		12 330	26 644	28 699	2 278	8 085	19 133	(11 048)	-58%	26 644
Community and social services		4 026	8 664	8 616	563	4 617	5 744	(1 127)	-20%	8 664
Sport and recreation		7 487	8 836	10 940	1 712	3 266	7 293	(4 027)	-55%	8 836
Public safety		817	9 143	9 143	3	201	6 096	(5 894)	-97%	9 143
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental		82 638	62 038	62 478	5 464	30 629	41 695	(11 066)	-27%	62 038
Planning and development		7 313	7 522	5 208	1 735	3 301	3 472	(171)	-5%	7 522
Road transport		75 324	54 517	57 270	3 729	27 329	38 223	(10 895)	-29%	54 517
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		3 949	7 365	3 793	–	397	2 529	(2 132)	-84%	7 365
Energy sources		2 389	4 869	2 087	–	–	1 391	(1 391)	-100%	4 869
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	870	440	–	–	293	(293)	-100%	870
Waste management		1 560	1 626	1 267	–	397	845	(447)	-53%	1 626
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	3	126 192	130 596	126 749	13 818	57 688	84 543	(26 855)	-32%	130 596
Funded by:										
National Government		41 421	39 884	50 763	4 953	24 788	33 842	(9 054)	-27%	39 884
Provincial Government		821	174	1 043	–	83	696	(613)	-88%	174
District Municipality		–	–	–	–	–	–	–	–	–
Transfers recognised - capital		42 242	40 058	51 806	4 953	24 871	34 537	(9 667)	-28%	40 058
Borrowing	6	–	–	–	–	–	–	–	–	–
Internally generated funds		83 950	90 538	74 943	8 865	32 817	50 005	(17 188)	-34%	90 538
Total Capital Funding		126 192	130 596	126 749	13 818	57 688	84 543	(26 855)	-32%	130 596

Capital Expenditure of 28 February 2026:

The YTD capital expenditure budget is R57.7million against YTD actual Capital expenditure amounting to R84.5million resulting in an under performance of 32% or by R26.9million 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 28 February 2026



- Capital grants funded by National Government of actual R24.8million versus pro-rata Budget of R33.8million, expenditure reported has been underspent by -27%. A monthly expenditure of R5million is recorded this month.
- Capital grants funded by Provincial Government under-performed by 88%, which expenditure to date is R83thousand.
- Capital grants funded Internally actual amount of R32.8million versus pro-rata Budget of R50.0million variance of -34% reflects and under expenditure on this item. A monthly expenditure of R8.9million is noticed this month.

2.2 Monthly Budget Statement – expenditure on Repairs and Maintenance

KZN291 Mandeni - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M08 February

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		13 925	16 237	16 791	983	10 650	14 964	4 314	28.8%	16 237
Roads Infrastructure		8 864	8 426	9 500	332	6 763	8 464	1 701	20.1%	8 426
Roads		8 569	7 948	9 326	197	6 628	8 319	1 690	20.3%	7 948
Road Structures		269	304	174	135	135	145	10	7.2%	304
Road Furniture		26	174	0	-	-	-	-	-	174
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		1 246	3 913	3 865	160	1 959	4 155	2 196	52.9%	3 913
Drainage Collection		1 246	3 913	3 865	160	1 959	4 155	2 196	52.9%	3 913
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		2 614	3 148	2 322	518	1 040	1 609	570	35.4%	3 148
Power Plants		40	130	130	-	3	87	84	96.3%	130
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		169	870	739	-	50	554	504	91.0%	870
MV Substations		(3)	61	61	-	51	41	(11)	-26.3%	61
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		143	87	217	80	80	145	65	44.7%	87
LV Networks		949	1 130	304	-	35	203	168	83.0%	1 130
Capital Spares		1 317	870	870	438	820	580	(241)	-41.5%	870
Information and Communication Infrastructure		1 201	750	1 104	(26)	889	736	(153)	-20.8%	750
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		1 201	750	1 104	(26)	889	736	(153)	-20.8%	750
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		1 914	2 885	3 001	530	1 757	2 000	243	12.2%	2 885
Community Facilities		66	363	479	63	279	319	40	12.5%	363
Libraries		46	213	213	-	46	142	96	67.7%	213
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
PurIs		20	150	266	63	233	177	(56)	-31.8%	150
Sport and Recreation Facilities		1 847	2 522	2 522	467	1 478	1 681	204	12.1%	2 522
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		1 847	2 522	2 522	467	1 478	1 681	204	12.1%	2 522
Machinery and Equipment		8 094	10 438	9 916	1 951	6 312	6 611	299	4.5%	10 438
Machinery and Equipment		8 094	10 438	9 916	1 951	6 312	6 611	299	4.5%	10 438
Total Repairs and Maintenance Expenditure	1	23 933	29 907	29 882	3 465	18 782	23 691	4 908	20.7%	29 907

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

4.1 Municipal Infrastructure Grant (MIG) Funded Projects:

2025/26 Financial Year MIG Allocation	R 48 228 000.00
Less: Total Expenditure (incl. Retention)	R 26 692 152.76
Balance	R 21 535 847.24
Expenditure as a %	55.35%

Projects that are in the planning stage for MIG and registered

- Rehabilitation of Quartz Road and Portion of Platinum Road in Ward 4
- Construction of a Sportsfield in Ward 2, Mandeni
- Construction of a Sportsfield in Ward 1, Mandeni
- Construction of Ngqofela Community Hall in Ward 9, Mandeni Municipality
- Construction of Community Hall in The Machibini Area, Mandeni Ward 12
- Construction of installation of high mast lights in Ward 1, 2, 6, 7, 13, 14 and 15
- Completion of Rehabilitation of Bumbanani Road in Sundumbili: Ward 13, 14 & 15 - Phase1

Projects under Construction Stage for MIG

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

4.2. Municipal Internal Funded Projects

Projects under Planning Stage:

- Completion of Extension of Mechanical / Technical Services Building Phase 1: bid has been re-advertised and awaiting appointment of suitable contractor.
- Construction of a Community Hall in Ward 3: Request for Permission to occupy for identified site has been sent Department of Public Works.
- Construction of a Community Hall in Ward 17: Awaiting identification of suitable site for the construction of proposed community hall.
- Establishment of new Emergency Centre: Preliminary report completed and endorsed by the Provincial Disaster Management.
- Hlomendlini Sports field: Cost to completion and repackaging of outstanding works has been concluded. funding provision needs to be approved to commence with the completion of the project.

Projects at Construction Stage

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

4.3 Municipal Disaster Response Grant Funded Projects

2025/26 Financial Year MIG Allocation	R 20 000 000
---------------------------------------	--------------

Less: Total Expenditure (incl. Retention)	R 0
Balance	R 20 000 000
Expenditure as a %	0%

Projects under planning

- construction of 1.5 km Kwamazitapele gravel road in ward 2
- construction of 1.5KM of P266 to Emachunwini gravel road in ward 6
- construction of 1 KM of Carwash to Nqofela in ward 9
- construction of 1 KM of Grape vine in ward 11
- construction of 1KM of R102 to Kwanqofela in ward 9

Projects under Construction

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

5. PROGRESS ON PROJECTS AND EXPENDITURE

5.1 Municipal Infrastructure Grant

a) Construction of a Hlomendlini Sportfield - Ward 4

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 333 210.46	R 1 333 210.46
Construction Cost (incl. Retention)	R 7 951 934.33	R 5 059 345.48
Internal Funding (Professional and Construction Fees)	R1 547 441.12	R 1 652 867.78
TOTALS (Incl. Vat)	R 10 832 585.91	R 8 045 423.72

Project Details

Name of Consultant: Siyazenzela Consulting
Name of Contractor: Sihawusethu Trading (Pty) Ltd
Project Commencement Date: January 2025
Contractual Completion Date: 05 May 2025
Revised Completion date: 25 September 2025

Project Scope

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

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

Performance of the Contractor remains unsatisfactory as the contractor is failing to achieve their set targets as per the approved E.O.T Claim No.2 (Expired 25th September 2025) and the revised Construction Programme. The Contractor was issued with a Final Notice of Termination dated **Wednesday, 8th October 2025**. Cost to Completion along with the repackaging of the outstanding works has been concluded and we await the SCM process for procurement and Management's final decision. The draft Cost to Completion options have been finalised, and we are currently awaiting management's allocation of the required budgets.

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 was a recurring issue that was noted in the previous months with signs of minimal improvements that has not been enough to steer the project back on track to ensure project completion within time and quality. Poor quality of works and non-compliance towards their contractual and site obligations remains an area. This result in Management's final decision to terminate the contract effective 8th October 2025.

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 73 960.66	R 42 472.86
Construction Cost (incl. Retention)	R 747 378.10	R 354 311.30
TOTALS (Incl. Vat)	R 821 338.76	R 396 784.16

Project Details

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

Project Scope

- Asphalt, Completion of installation of kerbs.
- Construction of new manhole.
- Completion of existing manholes.
- Alignment of catchpits.
- Completion of concrete works: - concrete chutes and channels.
- Road line markings.
- Subsoil drainage remedial works.
- Reinstatement of sidewalks.
- Completion of Bell-mouths.
- Reinstatement of existing works i.e fencing etc
- General housekeeping of the entire site.
- Backfilling of banks.

Current Status Overall Construction progress 55.7%: Asphalt 0%, Completion of installation of kerbs 100%, Construction of new manhole 100%, Completion of existing manholes 70%, Alignment of catchpits 80%, Concrete chutes and channels 80%, Road line markings %, Subsoil drainage remedial works, Reinstatement of sidewalks 80, Completion of Bell-mouths 100%, Reinstatement of existing works 100%, General housekeeping of the entire site 40 %, Backfilling of banks 0%.

Challenges: Inclement weather causing some delays.

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

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

Project Details

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

Project Scope

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

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

Within the past months of reporting, there remained very minimal works executed with regard to the completion of the project, and progress of the works remained very poor. The performance of the Contractor remained highly unsatisfactory, as the Contractor failed to achieve the set targets in accordance with their latest programme, with little to no visibility on site to undertake the said works. The Municipality imposed penalties from the **01st of August 2025**, reviewed them on the **31st of August 2025**, and extended them until the **29th of September 2025**.

This then resulted in the Contractor being issued with Final Termination Letter effective as of **19th of January 2026**. Employer's agent has finalized a cost to completion which has been submitted for perusal by management.

Challenges: The Contractor failed to execute the works accordingly, as the project remained incomplete and as a result the Contractor was terminated, and the Contractor's visibility on site was a challenge. Furthermore, safety concerns were noted and raised with the Contractor, as there was no pedestrian sidewalk and opened manholes cover lids, resulting in the road being unsafe.

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

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

Project Details

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

Project Scope

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

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

Contractor has finished all the snag list items therefore project reached completion stage on the **13th of February 2026** and completion certificate has been issued. Defects liability period ends on the **12th of February 2027**

Challenges: None.

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)	R 10 600 230.99	R 6 097 182.02
TOTALS (Incl. Vat)	R 12 041 989.18	R 7 169 874.43

Project Details

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

Project Scope

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

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

Performance of the Contractor remains as unsatisfactory with minimal improvements and little progress in the current two (2) months / year 2026 reporting as this has been a continuous challenge. Notices of poor planning resulting in slow progress, non-compliance and inadequate resource allocation and the Contractor's performance and related allocation matters have been addressed through formal correspondence of Non-Compliance issued on **Monday, 6th of October 2025, Monday, 27th of October 2025 and Tuesday, 09th of December 2025.**

Challenges: Poor planning, Slow Progress, Non-Compliance, inadequate resource allocation and incompetency of the Contractor's Key Staff have contributed to the Contractor's continued poor performance. Furthermore, it is noted that the contractor has partial de-establishment of the site with no formal notice being issued to the Employer or the Employer's Agent. The Contractor had not returned to site during the 2026 calendar year i.e. post Builders Shutdown.

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

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

Project Details

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

Project Scope

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

Current Status Overall Construction progress 72%: Establishment on site 100%, Site Clearance 100%,

Hall: Hall Superstructure Earthworks 100%, Hall Superstructure Foundations including Concrete 100%, Hall Superstructure Floor Slab 100%, Hall Superstructure Brickwork 99%, Hall Plaster 95%,

Hall Superstructure Plumbing and drainage 20%, Hall Superstructure Electrical installations 50%, HVAC installations 0%, Hall Timber roof trusses 100%, Hall Installation of roof tiles 100%, Installation of ironmongery 0%.

Guardhouse: Guardhouse earthworks 100%, Guardhouse foundations including concrete 100%, Guardhouse Floor Slab 100%, Guardhouse Brickwork 99%, Guardhouse Plaster 95%, Painting 0%, Guardhouse Installation of roof tiles 0%, Installation of ironmongery 0%, Ceiling installation 0%, Installation of sanitary fittings 0%, Installation of doors and windows 0%, Tiling 0%, Guardhouse Plumbing and drainage 15%, Electrical installations 55%, HVAC installations 0%, Guardhouse Timber roof trusses 100%, Guardhouse installation of roof tiles 100%.

External Civil works: Site clearance 100%, Earthworks 90%, Roadworks 30%, Asphalt surfacing 0%, Installation of kerbs 0%, Stormwater drainage 85%, Septic tank & sewer pipes 20%, Water reticulation 99%, Landscaping 0%, Specialist signage 0% and Borehole installation 95%.

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

Performance of the contractor is satisfactory

Challenges: The contractor's progress is slow and the letter concerning their progress has been issued. They have been requested to submit the recovery plan; the submission was done and was not approved by the consultant. They were requested to resubmit the revised recovery plan.

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

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

Project Details

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

Project Scope

- Supply and install 6 x 30m high mast lighting.
- Installation and Commissioning of street and high mast lighting.
- Certifying all the installations for compliance.

- Submitting project report, designs/drawings and quality stacks on project handover.

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

Challenges: N/A

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 554 123.29	R 1 584 633.07
Construction Cost (incl. Retention)	R 12 312 111.04	R 5 133 637.30
TOTALS (Incl. Vat)	R 14 235 323.65	R 6 718 270.37

Project Details

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

Project Scope:

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

Current Status Overall Construction progress 52%: Establishment on site 100%, Setting out ongoing 100%, Clearing and grubbing 100%, Road earthworks 100%, Subsoil drain on Downtown Road 100%, Road formation 100%, G5 layerwork (Subbase) 100%, G2 layerwork (Base) 60%, Stormwater pipe culverts installation 90%, Manholes 65%, Headwalls 0%, Kerb and Channel 0%, Asphalt surface layer 0%, Traffic calming (Speed humps) 0%, Road marking 0%, Road signs 0% and Finishing off 0%.

Challenges: Removal and destroying of Surveyor pegs by the community ongoing. The contractor is experiencing difficulties with the quality of G2 material they are receiving from the supplier. They are resolving the matter with their supplier.

i) Inyoni Housing Development Phase 4

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 779 603.23	R 2 073 470.58
Construction Cost (incl. Retention)	R 17 163 908.81	R 10 982 788.99
TOTALS (Incl. Vat)	R 19 943 512.04	R 13 056 259.57

Project Details

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

Project Scope

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

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

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

Current Status Overall Construction progress 37%: Contractor has established on site 100%. Bulk Sewer 9.5%, Internal Sewer Retic 55.2%, Taxi Collector 35.9%, Internal Access Roads 47.1 %, Bulk Water 0.3%, Internal Water - Retic 12.8%, MR495 0%, Underpass 0%. Performance of the Contractor is unsatisfactory with very minimal improvements in this regard although some minor works being executed.

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

5.2 Municipal Disaster Response Grant

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 499 441.40	R 499 441.40
Construction Cost (incl. Retention)	R 1 979 445.84	R 1 979 445.84
TOTALS (Incl. Vat)	R 2 478 887.24	R 2 478 887.24

Project Details

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

Project Scope:

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

- Road signs
- Landscaping works, topsoiling and grassing

Current Status Overall Construction progress 100%: Practical Completion Certificate was issued to the Contractor on Friday, 26th of September 2025 and subsequently the Completion Certificate was issued to the Contractor on Wednesday, 08th of October 2025.

Challenges: n/a

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 548 662.38	R 548 662.38
Construction Cost (incl. Retention)	R 2 206 084.81	R 2 206 084.81
TOTALS (Incl. Vat)	R 2 800 000.00	R 2 754 747.19

Project Details

Name of Consultant: FDKL Engineering Consultants
Name of Contractor: Amathokozamahle (Pty) LTD
Project Commencement Date: June 2025
Completion Date: October 2025
Revised Completion Date: Nil

Project Scope:

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

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

Challenges: n/a

5.2 Municipal Internal Funding

a) Establishment of New Office Building at the Municipality's Main Office

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 27 520 466.21	R 13 409 689.07 <small>(2024/25FY)</small> R 3 119 895.32 <small>(2025/26FY)</small>
2025/26 FY Construction Cost (Including retention)	R 33 500 000.00	R 17 504 789.41
Total Construction Cost (Including retention)	R 112 455 957.18	R 17 504 789.41
TOTALS (Incl. Vat)	R 139 976 423.40	R 34 034 373.80

Project Details

Name of Consultant:	DLV Project Managers and Engineers
Name of Contractor:	High end JV Nap Holdings
Project Commencement Date:	01 September 2025
Anticipated Completion Date:	30 November 2027
Revised Completion Date:	N/A

Project Scope:

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

- Parking and External works
- Cleaning
- Finishing

Current Status Overall Construction progress 22%: Contractor appointed on the 29th of July 2025. Technical site handover meeting was conducted on 11th August 2025. Access to site to be granted on the 1st of September 2025. Current progress achieved is as follows: - Contractual Matters 100%, Site Establishment 100%, Exposing Services 90%, Relocation of Existing Offices 100%, Survey Setting Out 100%, Clearing of Site 100%, Cut to Fill 100%, Stormwater 2% and Strip Footing Excavations 100%, Blinding 100%, Formwork 65%, Reinforcement 75%, Concrete to Foundations 60%, G5 Fill to Surface Bed 80%, Soil Poisoning 100%, Ironmongery 5%, Stormwater 25%, Valve Chambers and Manholes 7%.

Challenges: Space constraints on site for working area and existing site being fully active with traffic and public.

b) Extension of Mechanical Workshop and Construction of New Offices

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

Project Details

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

Project Scope

- Site establishment
- Site clearance, demolition of existing pavement
- Demolition of an existing building
- Earthworks
- Construction of the new 146m² Mechanical workshop
- Demolition & Modification of the existing workshop storage
- Modification, Repairing and plumbing of the Existing Toilets & Change room
- Construction of the new 100.70m² Office Block
- Construction of the new canteen
- Extension of the existing storage rooms by 114m²
- Fiberglass Roof Sheet IBR 3.6m Clear - Covered Walkway

- Construction of new pavement around the site
- Stormwater drainage installation
- Installation of electrical, mechanical, and associated works
- Renovation of the Male and Female Ablution and change rooms
- Construction of New Slabs

Current Status Overall Construction progress 92%: Site Establishment 100%, Site Clearance 95%, Demolition of existing pavement 95%, Demolition of an existing building 100% and Construction of the new Office Block 96%, Earthworks 50%, Construction of the new 146m² Mechanical workshop 75%, Construction of the new canteen 95%, Extension of the existing storage rooms 65%, Fiberglass Roof Sheet IBR 3.6m Clear - Covered Walkway 45%, Construction of new pavement around the site 30%, Stormwater drainage installation 70%, Installation of electrical, mechanical and associated works 40%, Renovation of the Male and Female Ablution and change rooms 96%, Construction of New Slab for the vehicle wash bay 90%.

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

On the 17th of April 2025, the Contractor was issued with a Letter of Termination of the project as a result of Non-compliance towards their contract and failure to bring the project to a final completion. Tenders have been re-advertised for the third time due to non-compliance by external service providers who submitted bids, which were due for return on **Friday, 06th of March 2026**.

5.3 INEP Grant

a) Okhovothe Electrification Project

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 210 983.83	R 128 424.94
Construction Cost (incl. Retention)	R 899 998.72	R 582 773.82
TOTALS (Incl. Vat)	R 1 363 717.39	R 814 698.63

Project Details

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

Project Scope: Electrification of 100 households

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

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

5.4 Risks/Challenges

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

5.3 Division of Revenue Act on Grants Receipts

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M08 February

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:		273 445	250 223	-	514	189 174	166 816	571	0.3%	250 223
EPWP Incentive	-	3 784	1 714	-	514	1 714	1 143	571	50.0%	1 714
Finance Management	-	1 850	1 900	-	-	1 900	1 267			1 900
Integrated National Electrification	-	7 200	-	-	-	-	-			-
Local Government Equitable Share	-	243 588	244 198	-	-	183 149	162 799			244 198
Municipal Infrastructure Grant	-	17 023	2 411	-	-	2 411	1 608			2 411
	-							-		
Provincial Government:		4 282	4 933	-	-	4 625	3 617	1 008	27.9%	4 933
KwaZulu-Natal_Capacity Building	-	4 282	4 933	-	-	4 625	3 617	1 008	27.9%	4 933
	-							-		
Total Operating Transfers and Grants	5	277 727	255 156	-	514	193 799	170 432	1 580	0.9%	255 156
Capital Transfers and Grants										
National Government:		132 244	45 817	-	20 000	55 589	17 211	5 045	29.3%	45 817
Municipal Infrastructure Grant (MIG)	-	128 668	45 817	-	-	35 589	30 544	5 045	16.5%	45 817
Integrated National Electrification	-	3 576	-	-	-	-	-			-
Municipal Disaster Recovery Grant	-	-	-	-	20 000	20 000	(13 333)			-
	-									
Provincial Government:		50 633	200	-	-	200	(667)	867	-130.0%	-
KwaZulu-Natal_Infrastructure_Infr	-	50 633	200	-	-	200	(667)	867	-130.0%	-
	-									
District Municipality:		-	-	-	-	-	-	-		-
KwaZulu-Natal_DC 29 - Ilembe_M	-	-	-	-	-	-	-	-		-
	-									
Other grant providers:		-	-	-	-	-	-	-		-
	-									
Total Capital Transfers and Grants	5	182 877	46 017	-	20 000	55 789	16 544	5 911	35.7%	45 817
TOTAL RECEIPTS OF TRANSFER	5	460 604	301 173	-	20 514	249 588	186 977	7 491	4.0%	300 973

5.3 Division of Revenue Act on Grants Expenditure

KZN291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M08 Februar										
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	-	24 176	236 813	167 342	69 471	41.5%	6 025
Expanded Public Works R	-	1 815	1 714	-	38	1 714	1 143	571	50.0%	1 714
Local Government Finance	-	1 850	1 900	-	51	1 317	1 267	50	3.9%	-
Municipal Infrastructure C	-	7 200	-	-	-	-	-	-	-	1 900
Local Government Finance	-	243 588	244 988	-	23 909	232 676	163 325	69 351	42.5%	-
Municipal Infrastructure C	-	17 023	2 411	-	178	1 106	1 608	(501)	-31.2%	2 411
0										
Other transfers and grants [insert description]										
Provincial Government:		4 282	4 933	-	322	2 842	4 099	(1 257)	-30.7%	4 933
KwaZulu-Natal Capacity Building and Other_Specify (Add grant description)_Receipts										
KwaZulu-Natal	-	4 282	4 933	-	322	2 842	4 099	(1 257)	-30.7%	4 933
0										
0										
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of		275 758	255 946	-	24 498	239 655	171 441	68 214	39.8%	10 958
Capital expenditure of Transfers and Grants										
National Government:		135 667	45 817	-	2 723	20 567	30 544	(9 977)	-32.7%	45 817
Integrated National Elect	-	2 553	-	-	-	-	-	-	-	-
Municipal Disaster Recov	-	15 556	-	-	-	-	-	-	-	-
Municipal Infrastructure C	-	117 558	45 817	-	2 723	20 567	30 544	(9 977)	-32.7%	45 817
0										
0										
Other capital transfers [insert description]										
Provincial Government:		44 303	-	-	99	99	667	(567)	-85.1%	-
KwaZulu-Natal	-	44 303	-	-	99	99	667	(567)	-85.1%	-
0										
District Municipality:		-	-	-	-	-	-	-	-	-
KwaZulu-Natal-DC 29 - II	-	-	-	-	-	-	-	-	-	-
0										
Other grant providers:		-	-	-	-	-	-	-	-	-
0										
Total capital expenditure of Tra		179 970	45 817	-	2 823	20 667	31 211	(10 544)	-33.8%	45 817
TOTAL EXPENDITURE OF TRAI		455 728	301 763	-	27 321	260 322	202 652	57 670	28.5%	56 775

3. Debtors Age Analysis

Table SC3 Monthly Budget Statement_ Debtors Age Analysis

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February												
Description	NT Code	Budget Year 2025/26								Total	Total over 90 days	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from	1200	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from	1300	3 715	1 309	1 518	1 176	4	2 708	674	2 738	13 842	7 300	
Receivables from Non-exchange	1400	8 883	3 875	3 300	3 327	268	3 017	19 660	102 407	144 736	128 678	
Receivables from Exchange Trans	1500	–	–	–	–	–	–	–	–	–	–	
Receivables from Exchange Trans	1600	2 724	1 124	1 073	938	(7)	926	5 979	62 903	75 661	70 739	
Receivables from Exchange Trans	1700	63	17	14	7	–	7	(791)	128	(556)	(649)	
Interest on Arrear Debtor Account	1810	909	445	435	427	42	400	2 827	35 421	40 906	39 117	
Recoverable unauthorised, irregu	1820	–	–	–	–	–	–	–	–	–	–	
Other	1900	5 010	–	2	4	7	14	23	5 402	10 462	5 450	
Total By Income Source	2000	21 305	6 770	6 341	5 879	314	7 071	28 373	208 998	285 052	250 636	
2024/25 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	2200	3 962	2 156	1 806	1 732	444	1 224	1 888	32 734	45 947	38 023	
Commercial	2300	8 969	1 464	1 538	1 306	(127)	2 427	14 315	25 856	55 748	43 777	
Households	2400	7 945	2 991	2 860	2 694	(3)	3 272	11 155	144 055	174 970	161 174	
Other	2500	428	160	138	147	(0)	147	1 014	6 353	8 387	7 661	
Total By Customer Group	2600	21 305	6 770	6 341	5 879	314	7 071	28 373	208 998	285 052	250 636	

The total Consumer debtors outstanding as 28th February 2026 is **R 285.1million**

- **Debt book indicates R19.2million increase from 1st January 2026 to 28 February 2026; within a month the debt book has accumulated a 7.3% decrease.**
- Debtor's collection rate at 28 February 2026 is 80%

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

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

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

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

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

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

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

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

**FEBRUARY 2026 REPORT
DISCONNECTION ESUES IN LINE WITH OUR CREDIT CONTROL POLICY
DISCONNECTION LIST FEBRUARY 2026**

NO.	ACCOUNT NO.	TOWN	ADDRESS	NAME	DEBT TYPE	AMOUNT R
1	009909391	MANDINI	9 UMDONI PLACE	TRANSNET	RATE/REFUSE	R11 152.83
2	009900611	MANDINI	9 RICHARD CIRCLE	NAIDOO	RATE/REFUSE	R28 447.93
3	009904501	MANDINI	9 PATRYS ROAD	DUBE	RATE/REFUSE	R13 849.90
4	009401621	MANDINI	8 RICHARD CIRCLE	DLAMINI	RATE/REFUSE	R34 671.82
5	002900531	MANDINI	8 ORIBI ROAD	MKHIZE	RATE/REFUSE	R16 268.65
6	009911761	MANDINI	8 CYCAD PLACE	MZIMELA	RATE/REFUSE	R546 841.16
7	008701011	MANDINI	63 GREIG ROAD	MHLONGO	RATE/REFUSE	R23 652.93
8	009900821	MANDINI	60 ANDERSON ROAD	THABETHE	RATE/REFUSE	R42 410.42

9	009701611	MANDINI	6 ORIBI ROAD	LIN,XUE	RATE/REFUSE	R62 127.05
10	009909281	MANDINI	51 PATRYS ROAD	HLONGWANE	RATE/REFUSE	R10 943.87
11	002500882	MANDINI	5 PHILLIP ROAD	OLDHAM PROPERTY & LEASING	RATE/REFUSE	R14 507.67
12	009910391	MANDINI	5 ALOE ROAD	MNGADI	RATE/REFUSE	R7 764.87
13	009702121	MANDINI	42 IMPUNZI ROAD	NZIMANDE	RATE/REFUSE	R31 454.12
14	009801732	MANDINI	41 PATRYS ROAD	MTAMBO	RATE/REFUSE	R5 428.37
15	009800611	MANDINI	40 IMPUNZI ROAD	MOOLMAN	RATE/REFUSE	R14 679.95
16	009600971	MANDINI	4 PHILLIP ROAD	NTULI	RATE/REFUSE	R84 788.87
17	009906321	MANDINI	39 KUDU ROAD	SHEMBE	RATE/REFUSE	R22 509.69
18	008900571	MANDINI	35 KUDU ROAD	ZUNGU	RATE/REFUSE	R10 189.25
19	009907711	MANDINI	32 KUDU ROAD	MANQELE	RATE/REFUSE	R15 080.49
20	009903071	MANDINI	31 TALBOT ROAD	MBUYISA	RATE/REFUSE	R45 200.58
21	008802721	MANDINI	30 PATRYS ROAD	MBUTHU	RATE/REFUSE	R40 374.46
22	009999341	MANDINI	30 OHARA ROAD	MZIMELA	RATE/REFUSE	R11 190.79
23	002500842	MANDINI	30 GREIG ROAD	XULU	RATE/REFUSE	R112 580.26
24	009908801	MANDINI	3 INYATHI ROAD	TRANSNET	RATE/REFUSE	R5 301.05
25	009981921	MANDINI	29 KUDU ROAD	RAMCHURAN	RATE/REFUSE	R5 137.48
26	009901561	MANDINI	29 ANDERSON ROAD	GABELA	RATE/REFUSE	R13 520.03
27	008902381	MANDINI	28 IMPUNZI ROAD	ZONDI	RATE/REFUSE	R31 994.38
28	009901371	MANDINI	27 FARROW RD	YEKANI	RATE/REFUSE	R9 868.10
29	009301131	MANDINI	26 IMPUNZI ROAD	PILLAY	RATE/REFUSE	R20 484.37
30	009909492	MANDINI	23 UMDONI PLACE	NZUZA	RATE/REFUSE	R5 009.80
31	008300731	MANDINI	23 PLOVER CRESCENT	MORGAN	RATE/REFUSE	R69 151.80
32	002700082	MANDINI	23 PATRYS ROAD	MANQELE	RATE/REFUSE	R13 195.87
33	008800871	MANDINI	23 OHARA ROAD	XULU	RATE/REFUSE	R19 508.85
34	009701331	MANDINI	22 KUDU ROAD	THABETHE	RATE/REFUSE	R32 383.94
35	002900931	MANDINI	22 IMPUNZI ROAD	ZIBANE	RATE/REFUSE	R4 837.58
36	008800041	MANDINI	20 ANDERSON ROAD	MSWELI	RATE/REFUSE	R46 852.42
37	009900121	MANDINI	2 STRATTEN CIRCLE	ZULU	RATE/REFUSE	R10 848.61
38	009903601	MANDINI	17 SANDPIPER ROAD	MWANDLA	RATE/REFUSE	R41 444.61
39	009910101	MANDINI	16 ACACIA AVENUE	GOVENDER	RATE/REFUSE	R39 508.63
40	009904261	MANDINI	14 TEKWANE CRSCENT	ZONDI	RATE/REFUSE	R15 901.91
41	009903151	MANDINI	14 JOHNSTON ROAD	NTULI	RATE/REFUSE	R32 975.40
42	008700781	MANDINI	131 ANDERSON ROAD	ZANGWA	RATE/REFUSE	R88 351.66
43	008061312	MANDINI	12 KARAMI FLAT	HLABISA/NTULI	RATE/REFUSE	R5 021.71
44	009901221	MANDINI	12 FARROW ROAD	NCANANA	RATE/REFUSE	R9 830.36
45	009400291	MANDINI	11 SPRINGBOK ROAD	MOONSAMY	RATE/REFUSE	R23 635.73
46	009904491	MANDINI	11 PATRYS ROAD	MTHEMBU	RATE/REFUSE	R31 871.95
47	009933821	MANDINI	10B ROBIN PLACE	SITHOLE	RATE/REFUSE	R22 373.78
48	009908741	MANDINI	10 DUBE ROAD	GUMEDE	RATE/REFUSE	R5 316.69
49	009200441	MANDINI	1 MIMOSA PLACE	MZIMELA	RATE/REFUSE	R12 809.70
50	009910591	MANDINI	1 BEGONIA ROAD	MANZINI	RATE/REFUSE	R10 424.33
51	009910601	MANDINI	3 BEGONIA ROAD	MKHWANAZI	RATE/REFUSE	R13 094.60
52	009910611	MANDINI	5 BEGONIA ROAD	MKHWANAZI	RATE/REFUSE	R30 118.74
			TOTAL			R1 833 676.67

disconnections esues 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
008002441	MANDENI	2441	SHABANGU INVESTMENT PROPERTIES	RATE/REFUSE	R428 465.11
009903771	MANDENI	3771	MANYPHISA	RATE/REFUSE	R18 769.43
008901951	MANDENI	1951	KOTO	RATE/REFUSE	R21 694.24
009900611	MANDENI	611	NAIDOO	RATE/REFUSE	R29 176.32
009904501	MANDENI	4501	DUBE	RATE/REFUSE	R12 127.30
008006139	MANDENI	6139	NENE	RATE/REFUSE	R21 327.85
008000601	MANDENI	601	MTHEMBU	RATE/REFUSE	R30 467.36
002900701	MANDENI	701	NGCOBO	RATE/REFUSE	R155 330.24
008600081	MANDENI	81	GINGINDLOVU LODGE	RATE/REFUSE	R113 946.83
009908211	MANDENI	8211	GUMEDE	RATE/REFUSE	R76 584.83
009401621	MANDENI	1621	DLAMINI	RATE/REFUSE	R35 828.16
009909782	MANDENI	9782	INTEGRITY APPARELS	RATE/REFUSE	R168 156.71
009902221	MANDENI	2221	KHAMBULE	RATE/REFUSE	R24 794.88
009911761	MANDENI	1761	MZIMELA GUESTHOUSE	RATE/REFUSE	R545 451.16
009912301	MANDENI	2301	DLAMINI	RATE/REFUSE	R11 867.02
009600501	MANDENI	501	EUSHEN	RATE/REFUSE	R199 767.19
009600241	MANDENI	241	BRITS	RATE/REFUSE	R118 062.05
009900791	MANDENI	791	NDWANDWE	RATE/REFUSE	R49 158.13
009902701	MANDENI	2701	MKHWANAZI	RATE/REFUSE	R28 344.22
009900821	MANDENI	821	THABETHE	RATE/REFUSE	R42 126.98
TOTAL					R2 131 446.01

DISCONNECTIONS FEB 2026

NO.	ACCOUNT NO.	TOWN	ADDRESS	NAME	DEBT TYPE	AMOUNT R
1	009909391	MANDINI	9 UMDONI PLACE	TRANSNET	RATE/REFUSE	R11 152.83
2	009900611	MANDINI	9 RICHARD CIRCLE	NAIDOO	RATE/REFUSE	R28 447.93
3	009904501	MANDINI	9 PATRYS ROAD	DUBE	RATE/REFUSE	R13 849.90
4	009401621	MANDINI	8 RICHARD CIRCLE	DLAMINI	RATE/REFUSE	R34 671.82
5	002900531	MANDINI	8 ORIBI ROAD	MKHIZE	RATE/REFUSE	R16 268.65
6	009911761	MANDINI	8 CYCAD PLACE	MZIMELA	RATE/REFUSE	R546 841.16
7	008701011	MANDINI	63 GREIG ROAD	MHLONGO	RATE/REFUSE	R23 652.93
8	009900821	MANDINI	60 ANDERSON ROAD	THABETHE	RATE/REFUSE	R42 410.42
9	009701611	MANDINI	6 ORIBI ROAD	LIN,XUE	RATE/REFUSE	R62 127.05
10	009909281	MANDINI	51 PATRYS ROAD	HLONGWANE	RATE/REFUSE	R10 943.87
11	002500882	MANDINI	5 PHILLIP ROAD	OLDHAM PROPERTY & LEASING	RATE/REFUSE	R14 507.67
12	009910391	MANDINI	5 ALOE ROAD	MNGADI	RATE/REFUSE	R7 764.87
13	009702121	MANDINI	42 IMPUNZI ROAD	NZIMANDE	RATE/REFUSE	R31 454.12
14	009801732	MANDINI	41 PATRYS ROAD	MTAMBO	RATE/REFUSE	R5 428.37
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18	008900571	MANDINI	35 KUDU ROAD	ZUNGU	RATE/REFUSE	R10 189.25
19	009907711	MANDINI	32 KUDU ROAD	MANQELE	RATE/REFUSE	R15 080.49
20	009903071	MANDINI	31 TALBOT ROAD	MBUYISA	RATE/REFUSE	R45 200.58
21	008802721	MANDINI	30 PATRYS ROAD	MBUTHU	RATE/REFUSE	R40 374.46
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28	009901371	MANDINI	27 FALLOW RD	YEKANI	RATE/REFUSE	R9 868.10
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33	008800871	MANDINI	23 OHARA ROAD	XULU	RATE/REFUSE	R19 508.85
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35	002900931	MANDINI	22 IMPUNZI ROAD	ZIBANE	RATE/REFUSE	R4 837.58
36	008800041	MANDINI	20 ANDERSON ROAD	MSWELI	RATE/REFUSE	R46 852.42
37	009900121	MANDINI	2 STRATTEN CIRCLE	ZULU	RATE/REFUSE	R10 848.61
38	009903601	MANDINI	17 SANDPIPER ROAD	MWANDLA	RATE/REFUSE	R41 444.61
39	009910101	MANDINI	16 ACACIA AVENUE	GOVENDER	RATE/REFUSE	R39 508.63
40	009904261	MANDINI	14 TEKWANE CRSCENT	ZONDI	RATE/REFUSE	R15 901.91
41	009903151	MANDINI	14 JOHNSTON ROAD	NTULI	RATE/REFUSE	R32 975.40
42	008700781	MANDINI	131 ANDERSON ROAD	ZANGWA	RATE/REFUSE	R88 351.66
43	008061312	MANDINI	12 KARAMI FLAT	HLABISA/NTULI	RATE/REFUSE	R5 021.71
44	009901221	MANDINI	12 FALLOW ROAD	NCANANA	RATE/REFUSE	R9 830.36
45	009400291	MANDINI	11 SPRINGBOK ROAD	MOONSAMY	RATE/REFUSE	R23 635.73
46	009904491	MANDINI	11 PATRYS ROAD	MTHEMBU	RATE/REFUSE	R31 871.95
47	009933821	MANDINI	10B ROBIN PLACE	SITHOLE	RATE/REFUSE	R22 373.78
48	009908741	MANDINI	10 DUBE ROAD	GUMEDE	RATE/REFUSE	R5 316.69
49	009200441	MANDINI	1 MIMOSA PLACE	MZIMELA	RATE/REFUSE	R12 809.70
50	009910591	MANDINI	1 BEGONIA ROAD	MANZINI	RATE/REFUSE	R10 424.33
51	009910601	MANDINI	3 BEGONIA ROAD	MKHWANAZI	RATE/REFUSE	R13 094.60
52	009910611	MANDINI	5 BEGONIA ROAD	MKHWANAZI	RATE/REFUSE	R30 118.74
			TOTAL			R1 833 676.67

Figure 5

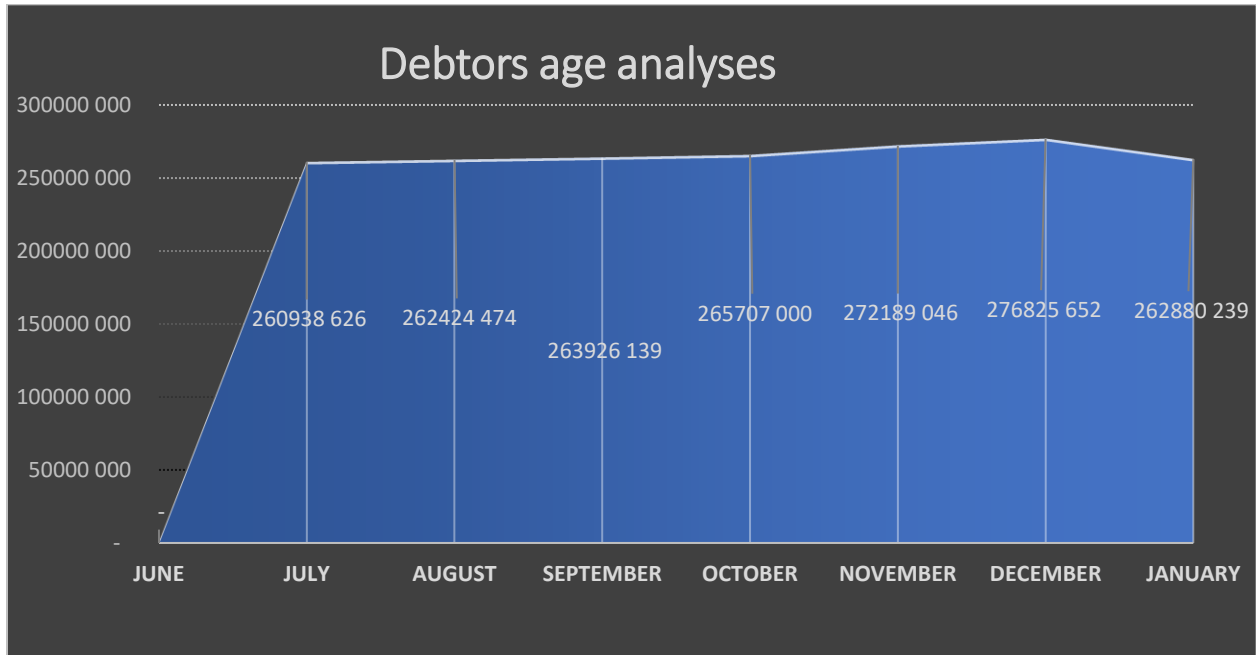
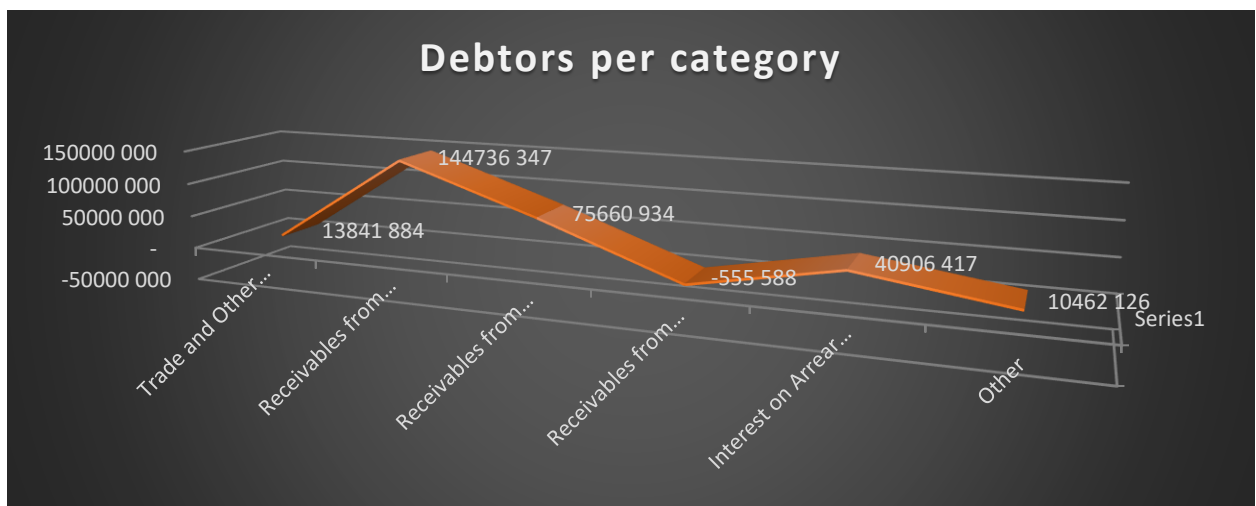


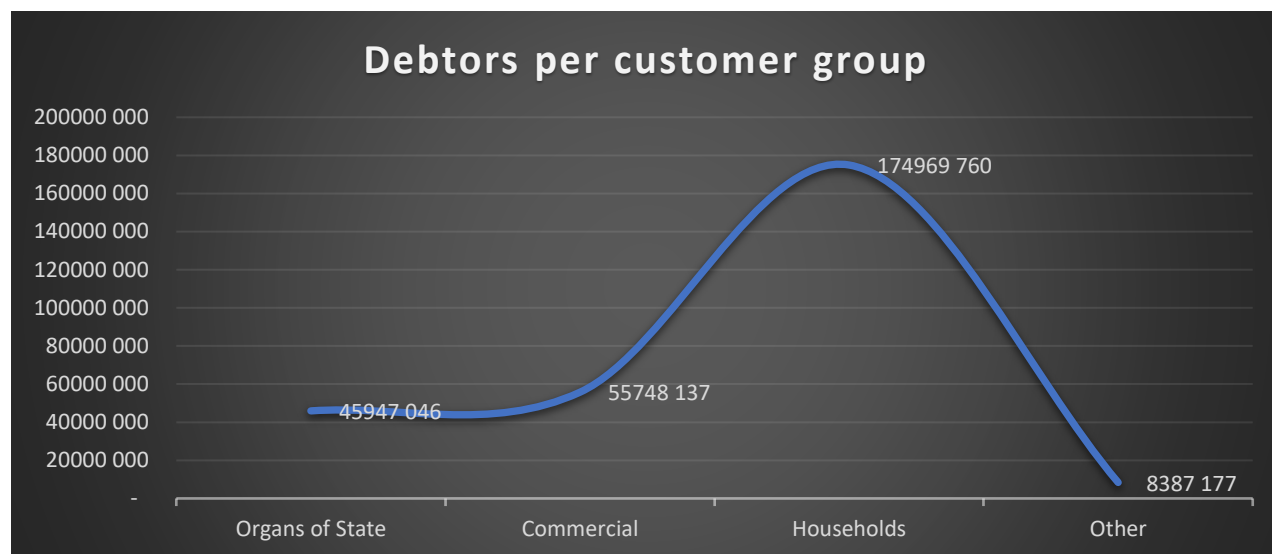
Figure 6



The municipal debtors have increased from R260.9 million to R280.1 million that is from July 2025 until 28 February 2026. This increase is between Household debtors of 62% and it is followed by Business Commercial is 20% and Organ of state at 15% and lastly the other debtors with a percentage of 3%.

- **Total Outstanding Debtors from 28 February 2026**

Figure 7



Councillors and Employees in Arrear

- Debt outstanding on Staff as of 28 February is R76,848.04
- Councillor’s Accounts in arrears as of 28 February is R172,388.74
- However, it should be noted that both Councillors and Staff have made arrangement with the municipality to settle these outstanding debts.

4. CREDITOR’S AGE ANALYSIS

Table SC4 Monthly Budget Statement_ Creditors Age Analysis

KZN291 Mandeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February												
Description	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	3	-	-	-	-	-	-	-	-	3	3
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	3	-	-	-	-	-	-	-	-	3	3

- Creditors aged at Nil as at 28 February 2026. (Age analysis listing attached)

Top 10 Creditors (February 2026)

Name	Amount
ESKOM HOLDING	R 2 230 825.22
EMALANGENI	R 757 545.60
DCLM	R 376 952.59
BAMBHANANI ENTERPRISE	R 51 727.71
MALUTHULI TRADING	R 487 792.50
EZAMALUNQA	R 1 617 659.40
BIDVEST SERVICES	R 65 089.46
CITY OF CHOICE	R 558 652.91
ILEMBE MUNICIPALITY	R 108 586.89
MBD CONSULTING	R 110 802.50

5. MONTHLY BUDGET STATEMENT - FINANCIAL POSITION

Table C6 displays the financial position of the municipality as at 28 February 2026

KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - M08 February

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	62 123	149 210	9 811
Trade and other receivables from exchange transactions		56 701	43 899	30 895	67 610	43 899
Receivables from non-exchange transactions		20 402	44 829	45 510	8 574	44 829
Current portion of non-current receivables		-	-	-	-	-
Inventory		41 639	41 799	42 416	41 877	41 799
VAT		4 428	38 224	36 618	2 473	38 224
Other current assets		225	-	-	225	-
Total current assets		255 323	178 561	217 562	269 968	178 561
Non current assets						
Investments		-	-	-	-	-
Investment property		44 152	41 913	44 152	44 152	41 913
Property, plant and equipment		747 620	761 503	837 609	778 420	761 503
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		-	-	-	-	-
Intangible assets		2 124	1 928	2 045	2 124	1 928
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		793 896	805 344	883 806	824 696	805 344
TOTAL ASSETS		1 049 220	983 905	1 101 368	1 094 665	983 905
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		9 025	-	-	9 105	-
Consumer deposits		196	162	179	246	162
Trade and other payables from exchange transactions		56 434	46 847	66 114	24 232	46 847
Trade and other payables from non-exchange transactions		5 292	2 058	(12 058)	37 560	2 058
Provision		5 380	17 141	9 356	5 380	17 141
VAT		9 837	22 133	26 478	13 480	22 133
Other current liabilities		-	-	-	-	-
Total current liabilities		86 164	88 340	90 068	90 002	88 340
Non current liabilities						
Financial liabilities		-	-	-	-	-
Provision		-	-	-	-	-
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		22 198	25 770	27 321	22 198	25 770
Total non current liabilities		22 198	25 770	27 321	22 198	25 770
TOTAL LIABILITIES		108 362	114 110	117 389	112 200	114 110
NET ASSETS	2	940 858	869 795	983 979	982 464	869 795
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		738 186	867 662	957 633	779 792	867 662
Reserves and funds		202 672	2 133	2 230	202 672	2 133
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	940 858	869 795	959 863	982 464	869 795

RATIOS FOR THE MONTH

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

The ratio measures the short-term liquidity, that is, the extent to which the current liabilities can be paid from current assets. The higher the ratio, the healthier is the situation. The ratio of 3:0.033c is favorable as it is above the norm of 1:1 normally set for municipalities.

This indicates that there is sufficient cash to meet creditor obligations.

Liquidity ratio: The cash and cash equivalents are the current liabilities, R3.00c

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 80%.

Collection days: 276days it takes the municipality to collect outstanding debt.

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

Debtors collection rate: as at the 08 month of 2025/26 at 80%

6. MONTHLY BUDGET STATEMENT -CASH FLOW

Table C7 below display the Cash Flow Statement for the period ending 28 February 2026

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - M08 February										
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		(52 912)	49 972	49 993	7 355	70 744	33 329	37 416	112%	49 972
Service charges		(63 796)	98 454	106 665	2 335	18 998	71 110	(52 112)	-73%	98 454
Other revenue		8 768	26 748	27 243	240	2 373	18 162	(15 789)	-87%	26 748
Transfers and Subsidies - Operational		411 617	254 956	255 448	514	193 218	170 299	22 919	13%	254 956
Transfers and Subsidies - Capital		164 463	46 017	67 017	21 750	58 000	44 678	13 322	30%	46 017
Interest		-	25 232	25 232	-	-	16 821	(16 821)	-100%	25 232
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(469 507)	(414 329)	(434 702)	(24 204)	(359 681)	(267 491)	92 191	-34%	(414 329)
Interest		-	(3 050)	(3 050)	-	-	(2 033)	(2 033)	100%	(3 050)
Transfers and Subsidies		-	-	(2 350)	-	-	1 567	1 567	100%	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(1 367)	84 001	91 496	7 990	(16 348)	86 442	102 789	119%	84 001
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		126 192	(166 388)	(161 300)	(15 891)	(66 341)	(107 533)	(41 192)	38%	(166 388)
NET CASH FROM/(USED) INVESTING ACTIVITIES		126 192	(166 388)	(161 300)	(15 891)	(66 341)	(107 533)	(41 192)	38%	(166 388)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/(DECREASE) IN CASH HELD		124 825	(82 386)	(69 804)	(7 900)	(82 689)	(21 091)			-
Cash/cash equivalents at beginning:		230 188	92 208	131 927	-	231 899	131 927			231 899
Cash/cash equivalents at month/year end:		355 013	9 822	62 123	(7 900)	149 210	110 836			-

The net decrease in cash for the period ending 28 February 2026 is R82.7million. The municipality opened the financial year with cash and cash equivalents of R231.9 million as per the audited AFS and closed the month of February with a balance of R149.2million.

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 112% or R37.4million of the collected revenue in C7-as of 28 February 2026.
- Service Charges: Electricity and Refuse cash receipts are under collected by 73% or R52million from the revenue budget.
- Other Revenue collected from VAT refunds received as of 28th February 2026 totals R802thousand whereas a total amount received of R18.2million and, Other Revenue receipt collected of R2.4million.
- Government grants received YTD total of R251.2million as of 28th February 2026 which includes Government grant Capital of R58million.
- Interest earned on external investments amounts to R8.3million@50%.

Payments


- Suppliers and employees for cash outflows of R359.7million.
- Finance charges reflect underperformance by 100 percent.
- Capital Assets of R66.3million as at 28 February 2026 @38%.

6.1. BANK RECONCILIATION STATEMENT AS AT 28 FEBRUARY 2026

 Mandeni Municipality		
BANK RECONCILIATION STATEMENT FOR FEBRUARY 2026		
Main Account :52940480587		
Opening FNB Bank Balance as on FEBRUARY 2026	10 025 647.84	10 025 647.84
PLUS: Deposits Banked	13 199 980.80	
PLUS: Interest received	23 869.29	
PLUS: Transfers In	28 927 061.74	
PLUS:Interest received From Call 1	409 274.26	
PLUS:Unpaid	3 500.00	
PLUS: MATURED INVESTMENTS	-	
PLUS: SARS REFUND	802 824.51	
PLUS: GRANTS RECEIVED	20 514 000.00	
Total Deposits	63 880 510.60	63 880 510.60
Less:Total payments	- 65 809 927.45	- 65 809 927.45
LESS: EFT Payments	- 45 082 452.07	
LESS: Bank Charges	- 21 093.52	
LESS: Transfers Out	- 20 000 000.00	
LESS: NEW INVESTMENTS	-	
LESS: Debit Orders	- 706 381.86	
Closing FNB Bank Balance as on 28 FEBRUARY 2026		8 096 230.99
Cashbook Reconciliation for 28 FEBRUARY 2026		
OPENING BALANCE 1/07/2025	2 810 099 045.12	
OPENING BALANCE 1/07/2025	96 176 000.00	
OPENING BALANCE 1/07/2025	- 2 889 322 530.36	
OPENING BALANCE 1/07/2025-INTEREST	1 007 168.74	
OPENING BALANCE-1/7/2025 -BANK CHARGES	- 1 660 778.29	
TOTAL OPENING BALANCE 1/07/2025	16 298 905.21	
Cashbook Balance as on 1 FEBR 2026-D0001/IA09567/F0001/X049/R0099/001/FIN	406 331 952.54	
Less:Cashbook Balance as on 1 FEBR 2026-D0001/IA09850/F0001/X049/R0099/001/FIN	- 412 693 388.98	
Corrections to be made (JNL CR)	-	
Corrections to be made (JNL DR)	2 500.00	
PLUS: Deposits Banked for FEBRUARY 2026	13 203 480.80	
LESS: EFT Payments for FEBRUARY 2026	- 45 095 229.06	
Plus JAN 2026 outstanding (reconciled)	7 640.00	
Less: Bank Charges to date	- 170 279.06	
PLUS: Grant received	20 514 000.00	
Less : New investment	-	
Less: Payments not yet paid during FEBRUARY 2026	-	
PLUS: Interest received to date	251 094.09	
PLUS:Interest received From Call 1-FEBRUARY 2026	409 274.26	
PLUS MATURED INVESTMENT	-	
PLUS :SARS REFUND	802 824.51	
PLUS :TRANSFER IN	28 927 061.74	
LESS:TRANSFER OUT	- 20 000 000.00	
LESS: Debit Orders for -FEBRUARY 2026	- 706 381.86	
Closing Cashbook Balance as on 28 FEBRUARY 2026	8 083 454.19	8 083 454.19
		12 776.99
Reconciling Items	Amount	
ADD: Journal Debits - on Cashbook not on Bank Statement	12 776.99	
ADJUSTED MONTH END CASHBOOK BALANCE- 28 FEBRUARY 2026		8 096 231.18
MONTH END BALANCE PER BANK STATEMENT- 28 FEBRUARY 2026		8 096 230.99
DIFFERENCE		0.19

6.2. MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO

The following information presents the short-term investments balances broken down per investment type as of 28 February 2026

 INVESTMENT REGISTER FOR FEBRUARY 2026									
Name of grant	Bank account number	INTEREST RATES	Opening Balance as at	Re-Investments	Expenditure	interest	bank charges	Closing Balance as at	TOTAL INTEREST EARNED TO DATE
			2026/02/01					2026/02/28	
		%	R	R	R	R	R	R	R
call 1-internal grant	61294217372	7.20	96 492 547.95	-	23 909 274.26	409 274.26	-	72 992 547.95	1 604 843.75
Call account 2 - HOUSING	62028673219	7.20	2 230 464.83	-	-	10 797.89	-	2 241 262.72	87 025.38
Call account 3-MIG	62812286400	7.20	16 935 034.05	1 043 806.36	5 370 537.00	69 962.40	-	12 678 265.81	484 573.45
Call account 5-TMT	62113325882	7.20	577 277.21	800.00	-	2 793.25	65.84	580 804.62	22 266.60
Call account 6-INEP	62527527462	7.20	1 136.79	-	-	5.50	-	1 142.29	1 142.29
Call account 7-AR	62538203449	7.20	1 535 061.18	-	1 043 806.36	6 386.20	-	497 641.02	97 254.55
Call account 8-Title Deed	62812286963	7.20	1 778 140.04	-	56 524.74	7 633.87	-	1 729 249.17	77 074.20
Call account 9-Disaster Recovery	63048438097	7.20	144 360.98	20 000 000.00	-	6 877.81	-	20 151 238.79	69 985.88
ABSA BANK	208168-2978	9.78	-	-	-	-	-	-	-
NEDBANK	03/7881155450/000038	7.87	-	-	-	-	-	-	1 117 029.92
ABSA BANK	208213-3077	7.92	100 000 000.00	-	-	-	-	100 000 000.00	3 992 547.95
ABSA BANK	208231-8708	7.36	30 000 000.00	-	-	169 380.83	-	30 000 000.00	489 994.52
FNB-MAIN BANK	52940480587		-	-	-	23 869.29	-	-	251 094.09
TOTAL			249 694 023.03	21 044 606.36	(30 380 142.36)	706 981.30	(65.84)	240 872 152.37	8 294 832.58

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

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February										
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	14 319	1 098	8 717	9 546	(829)	-9%	14 319
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		452	702	702	39	316	468	(152)	-32%	702
Cellphone Allowance		1 493	1 754	1 754	126	999	1 169	(171)	-15%	1 754
Housing Allowances		126	269	269	11	84	179	(95)	-53%	269
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		15 151	17 043	17 043	1 274	10 116	11 362	(1 247)	-11%	17 043
% increase	4		12.5%	12.5%						12.5%
Senior Managers of the Municipality										
Basic Salaries and Wages		8 755	5 833	6 303	(629)	4 737	4 202	535	13%	5 833
Pension and UIF Contributions		-	11	11	-	-	7	(7)	-100%	11
Medical Aid Contributions		268	153	191	21	171	127	44	35%	153
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		570	399	399	-	-	266	(266)	-100%	399
Motor Vehicle Allowance		716	909	909	60	477	606	(129)	-21%	909
Cellphone Allowance		342	281	281	3	202	187	15	8%	281
Housing Allowances		170	292	292	14	113	195	(81)	-42%	292
Other benefits and allowances		482	485	485	40	321	323	(2)	-1%	485
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		5 617	3 923	3 923	-	-	2 615	(2 615)	-100%	3 923
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		16 920	12 285	12 793	(492)	6 022	8 529	(2 507)	-29%	12 285
% increase	4		-27.4%	-24.4%						-27.4%
Other Municipal Staff										
Basic Salaries and Wages		96 503	105 238	100 927	8 941	70 340	67 285	3 055	5%	105 238
Pension and UIF Contributions		15 787	17 150	17 603	1 383	10 969	11 736	(767)	-7%	17 150
Medical Aid Contributions		7 748	7 271	7 983	737	5 586	5 322	264	5%	7 271
Overtime		4 129	3 191	3 982	293	2 557	2 655	(98)	-4%	3 191
Performance Bonus		8 019	5 711	6 031	717	5 342	4 021	1 321	33%	5 711
Motor Vehicle Allowance		4 999	6 161	6 170	403	3 336	4 113	(778)	-19%	6 161
Cellphone Allowance		758	832	837	65	537	558	(21)	-4%	832
Housing Allowances		340	405	407	27	229	271	(43)	-16%	405
Other benefits and allowances		2 185	1 052	1 973	256	1 927	1 315	612	47%	1 052
Payments in lieu of leave		3 327	2 798	3 386	60	727	2 257	(1 530)	-68%	2 798
Long service awards		439	1 498	1 498	30	358	999	(641)	-64%	1 498
Post-retirement benefit obligations		(1 123)	4 310	4 310	-	-	2 873	(2 873)	-100%	4 310
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		143 111	155 617	155 108	12 912	101 906	103 406	(1 499)	-1%	155 617
% increase	4		8.7%	8.4%						8.7%
Total Parent Municipality		175 181	184 944	184 944	13 694	118 044	123 296	(5 253)	-4%	184 944
Unpaid salary, allowances & benefits in arrears:										

8. External Loan NONE

9. Performance Indicators

KZN291 Mandeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M08 February							
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%	7.8%	0.0%	4.1%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		9.9%	8.6%	8.5%	9.5%	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	296.3%	202.1%	241.6%	300.0%	202.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		153.1%	11.1%	69.0%	165.8%	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		18.0%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
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%	36.3%	33.7%	36.9%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		5.6%	6.6%	6.5%	5.9%	6.6%
Interest & Depreciation	I&D/Total Revenue - capital revenue		10.8%	8.6%	8.5%	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 **February 2026** has been prepared in accordance with the Municipal Finance Management Act and regulations under that Act.

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

Municipal manager of Mandeni Municipality (KZN 291)

Signature _____

Date **18 March 2026**