

MANDENI MUNICIPALITY

KZN291



BUDGET & TREASURY DEPARTMENT

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

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

1. PURPOSE

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

2. AUTHORITY

Mayor

3. LEGAL / STATUTORY REQUIREMENTS

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

4. BACKGROUND

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

5. EXECUTIVE SUMMARY

The monthly budget statement in terms of section 71 of the Municipal Finance Management Act for the period ending 31 March 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 - M09 March									
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	74 799	394 818	347 271	47 547	14%	454 622
Total Expenditure	474 482	487 944	504 021	40 614	345 577	393 021	(47 444)	-12%	487 944
Surplus/(Deficit)	(43 776)	(33 322)	(40 993)	34 186	49 241	(45 750)	94 991	-208%	(33 322)
Transfers and	47 668	46 017	59 528	1 745	28 119	44 646	(16 526)	-37%	46 017
Surplus/(Deficit) after capital	3 892	12 694	18 535	35 931	77 360	(1 104)	78 464	-7105%	12 694
Surplus/ (Deficit) for the year	3 892	12 694	18 535	35 931	77 360	(1 104)	78 464	-7105%	12 694
Capital expenditure & funds sources									
Capital expenditure	126 192	130 596	126 749	8 064	65 752	95 105	(29 353)	-31%	130 596
Capital transfers received	42 242	40 058	51 806	1 833	26 703	38 855	(12 151)	-31%	40 058
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated	83 950	90 538	74 943	6 232	39 049	56 251	(17 202)	-31%	90 538
Total sources of capital	126 192	130 596	126 749	8 064	65 752	95 105	(29 353)	-31%	130 596
TOTAL BUDGET	600 674	618 540	630 770	48 678	411 330	488 126	(76 797)	(0)	618 540

As can be seen from the table above, Actual surplus for the period ended 31 March 2026 is more than the Budgeted Surplus. Monthly budget statement summary (Table C1), for the period ending 31 March 2026 (year to date actual), shows a surplus of R77.4million against YTD budget of -R1.1million 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 - Q3 Third Quarter									
Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%
Financial Performance									
Property rates	63 942	64 913	64 913	5 048	51 567	48 685	2 883	6%	64 913
Service charges	77 826	97 399	105 421	6 004	75 322	79 066	(3 744)	-5%	97 399
Investment revenue	19 863	25 000	25 000	963	9 258	18 750	(9 492)	-51%	25 000
Transfers and subsidies -	253 010	254 956	254 848	61 677	252 075	191 136	60 939	32%	254 956
Other own revenue	16 064	12 353	12 846	1 108	6 597	9 635	(3 038)	-32%	12 353
Total Revenue (excluding capital)	430 705	454 622	463 028	74 799	394 818	347 271	47 547	14%	454 622
Employee costs	160 030	167 901	167 901	13 756	121 684	125 926	(4 242)	-3%	167 901
Remuneration of Council	15 151	17 043	17 043	1 695	11 811	12 782	(972)	-8%	17 043
Depreciation and amortisa	46 319	36 240	36 240	3 469	30 357	27 180	3 177	12%	36 240
Interest	0	3 050	3 050	-	-	2 288	(2 288)	-100%	3 050
Inventory consumed and t	64 650	72 025	77 557	10 991	53 522	58 776	(5 255)	-67%	72 025
Transfers and subsidies	2 450	-	2 350	-	2 200	1 762	438	25%	-
Other expenditure	185 882	191 685	199 880	10 702	126 004	164 307	(38 303)	-23%	191 685
Total Expenditure	474 482	487 944	504 021	40 614	345 577	393 021	(47 444)	-12%	487 944
Surplus/(Deficit)	(43 776)	(33 322)	(40 993)	34 186	49 241	(45 750)	94 991	-208%	(33 322)
Transfers and subsidies - capital (monetary	47 668	46 017	59 528	1 745	28 119	44 646	(16 526)	-37%	46 017
capital transfers & contributions	3 892	12 694	18 535	35 931	77 360	(1 104)	78 464	-7105%	12 694
Surplus/ (Deficit) for the year	3 892	12 694	18 535	35 931	77 360	(1 104)	78 464	-7105%	12 694
Capital expenditure & funds sources									
Capital expenditure	126 192	130 596	126 749	8 064	65 752	95 105	(29 353)	-31%	130 596
Capital transfers recognis	42 242	40 058	51 806	1 833	26 703	38 855	(12 151)	-31%	40 058
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	83 950	90 538	74 943	6 232	39 049	56 251	(17 202)	-31%	90 538
Total sources of capital f	126 192	130 596	126 749	8 064	65 752	95 105	(29 353)	-31%	130 596
Financial position									
Total current assets	255 323	178 561	217 562		309 211				178 561
Total non current assets	793 896	805 344	883 806		829 292				805 344
Total current liabilities	86 164	88 340	90 068		97 924				88 340
Total non current liabilities	22 198	25 770	27 321		22 198				25 770
Community wealth/Equity	940 858	869 795	959 863		1 018 381				869 795
Cash flows									
Net cash from (used) ope	(22 605)	62 299	70 457	50 957	22 708	81 468	58 760	72%	62 299
Net cash from (used) inve	126 192	(144 685)	(140 261)	(8 064)	(65 752)	(105 196)	(39 444)	37%	(144 685)
Net cash from (used) finan	-	-	-	-	-	-	-	-	-
Cash/cash equivalents a	333 775	9 822	62 123	42 892	188 855	108 199	(80 655)	-75%	-
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	11 242	12 722	6 674	(29)	6 203	6 111	31 268	209 469	283 660
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

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

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q3 Third										
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	67 409	308 681	254 751	53 929	21%	342 170
Executive and council		–	8 365	8 365	–	–	6 274	(6 274)	-100%	8 365
Finance and administration		339 132	333 805	331 304	67 409	308 681	248 478	60 203	24%	333 805
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		6 994	6 128	5 933	397	4 008	4 449	(442)	-10%	6 128
Community and social services		5 270	5 719	5 611	393	3 769	4 209	(440)	-10%	5 719
Sport and recreation		1 707	–	–	–	224	–	224	#DIV/0!	–
Public safety		17	408	321	3	15	241	(226)	-94%	408
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		51 516	52 717	66 707	2 468	32 942	50 030	(17 088)	-34%	52 717
Planning and development		47 129	48 740	50 219	2 380	26 137	37 664	(11 527)	-31%	48 740
Road transport		4 387	3 977	16 488	88	6 805	12 366	(5 560)	-45%	3 977
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		80 731	99 623	110 248	6 271	77 307	82 686	(5 379)	-7%	99 623
Energy sources		66 249	83 081	91 103	4 658	63 952	68 327	(4 375)	-6%	83 081
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		14 482	16 543	19 145	1 614	13 354	14 359	(1 004)	-7%	16 543
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	478 373	500 638	522 556	76 545	422 938	391 917	31 021	8%	500 638
Expenditure - Functional										
Governance and administration		244 373	240 817	246 570	17 222	165 008	185 185	(20 177)	-11%	240 817
Executive and council		66 501	79 879	74 794	4 901	49 619	56 258	(6 639)	-12%	79 879
Finance and administration		177 872	160 937	171 776	12 322	115 388	128 926	(13 538)	-11%	160 937
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		57 060	51 805	56 250	5 174	44 741	42 788	1 953	5%	51 805
Community and social services		41 974	36 398	40 484	3 642	33 069	30 963	2 106	7%	36 398
Sport and recreation		13 472	13 045	13 608	1 524	11 281	10 206	1 074	11%	13 045
Public safety		1 462	2 148	1 943	–	346	1 458	(1 112)	-76%	2 148
Housing		152	214	214	8	45	160	(115)	-72%	214
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		83 973	92 410	93 620	5 618	64 699	74 347	(9 648)	-13%	92 410
Planning and development		23 562	26 477	25 445	1 437	15 203	19 499	(4 296)	-22%	26 477
Road transport		55 834	60 311	62 637	3 764	45 680	50 695	(5 015)	-10%	60 311
Environmental protection		4 577	5 622	5 538	417	3 817	4 154	(337)	-8%	5 622
Trading services		88 785	102 391	107 049	12 534	71 001	90 303	(19 303)	-21%	102 391
Energy sources		72 643	75 903	82 005	11 580	60 199	65 022	(4 822)	-7%	75 903
Water management		–	–	–	–	–	–	–	–	–
Waste water management		3 063	3 048	3 048	271	2 358	2 286	72	3%	3 048
Waste management		13 078	23 440	21 997	683	8 443	22 996	(14 553)	-63%	23 440
Other		292	522	531	65	129	398	(270)	-68%	522
Total Expenditure - Functional	3	474 482	487 944	504 021	40 614	345 577	393 021	(47 444)	-12%	487 944
Surplus/ (Deficit) for the year		3 892	12 694	18 535	35 931	77 360	(1 104)	78 464	-7105%	12 694

Table 3

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

KZN291 Mandeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q3 Third Quarter										
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	–	–	6 274	(6 274)	-100.0%	8 365
Vote 2 - Finance and administrative		339 132	333 805	331 304	67 409	308 681	248 478	60 203	24.2%	333 805
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		5 287	6 128	5 933	397	3 784	4 449	(666)	-15.0%	6 128
Vote 5 - Sport and Recreation		1 707	–	–	–	224	–	224	#DIV/0!	–
Vote 6 - Public safety		–	–	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Planning and Development		47 129	48 740	50 219	2 380	26 137	37 664	(11 527)	-30.6%	48 740
Vote 9 - Road transport		4 387	3 977	16 488	88	6 805	12 366	(5 560)	-45.0%	3 977
Vote 10 - Energy sources		66 249	83 081	91 103	4 658	63 952	68 327	(4 375)	-6.4%	83 081
Vote 11 - Waste Management		14 482	16 543	19 145	1 614	13 354	14 359	(1 004)	-7.0%	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	76 545	422 938	391 917	31 021	7.9%	500 638
Expenditure by Vote	1									
Vote 1 - Executive and council		66 501	79 879	74 794	4 901	49 619	56 258	(6 639)	-11.8%	79 879
Vote 2 - Finance and administrative		177 872	160 624	171 507	12 322	115 388	128 725	(13 336)	-10.4%	160 624
Vote 3 - Internal audit		–	313	269	–	–	202	(202)	-100.0%	313
Vote 4 - Community and social services		41 974	36 398	41 180	3 642	33 069	31 485	1 584	5.0%	36 398
Vote 5 - Sport and Recreation		13 472	13 045	13 608	1 524	11 281	10 206	1 074	10.5%	13 045
Vote 6 - Public safety		1 462	2 148	1 248	–	346	936	(590)	-63.0%	2 148
Vote 7 - Housing		152	214	214	8	45	160	(115)	-71.8%	214
Vote 8 - Planning and Development		23 854	26 998	25 976	1 502	15 331	19 897	(4 566)	-22.9%	26 998
Vote 9 - Road transport		58 897	63 359	65 685	4 035	48 038	52 981	(4 942)	-9.3%	63 359
Vote 10 - Energy sources		72 643	75 903	82 005	11 580	60 199	65 022	(4 822)	-7.4%	75 903
Vote 11 - Waste Management		13 078	23 440	21 997	683	8 443	22 996	(14 553)	-63.3%	23 440
Vote 12 - Environmental Protection		4 577	5 622	5 538	417	3 817	4 154	(337)	-8.1%	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	40 614	345 577	393 021	(47 444)	-12.1%	487 944
Surplus/ (Deficit) for the year	2	3 892	12 694	18 535	35 931	77 360	(1 104)	78 464	-7105.5%	12 694

Table 4 provides information on the planned revenue and operational expenditures against the actual results for the period ending 31st March 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) - Q3 Third Qu										
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	4 632	63 991	68 031	(4 040)	-6%	82 686
Service charges - Waste management		13 073	14 713	14 713	1 371	11 331	11 035	296	3%	14 713
Sale of Goods and Rendering of Services		2 282	1 513	1 383	52	796	1 037	(241)	-23%	1 513
Interest		—	—	—	—	—	—	—	—	—
Interest earned from Receivables		1 487	2 016	2 016	147	1 199	1 512	(313)	-21%	2 016
Interest from Current and Non Current		19 863	25 000	25 000	963	9 258	18 750	(9 492)	-51%	25 000
Rent on Land		—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		593	755	755	60	447	566	(119)	-21%	755
Licence and permits		—	—	—	—	—	—	—	—	—
Special rating levies		—	—	—	—	—	—	—	—	—
Operational Revenue		1 355	1 252	1 875	435	1 130	1 406	(276)	-20%	1 252
Non-Exchange Revenue										
Property rates		63 942	64 913	64 913	5 048	51 567	48 685	2 883	6%	64 913
Surcharges and Taxes		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		3 569	1 367	1 367	24	126	1 025	(899)	-88%	1 367
Licence and permits		969	998	998	68	515	748	(234)	-31%	998
Transfers and subsidies - Operational		253 010	254 956	254 848	61 677	252 075	191 136	60 939	32%	254 956
Interest		3 570	4 453	4 453	322	2 384	3 340	(956)	-29%	4 453
Other Gains		2 239	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital)		430 705	454 622	463 028	74 799	394 818	347 271	47 547	14%	454 622
Expenditure By Type										
Employee related costs		160 030	167 901	167 901	13 756	121 684	125 926	(4 242)	-3%	167 901
Remuneration of councillors		15 151	17 043	17 043	1 695	11 811	12 782	(972)	-8%	17 043
Bulk purchases - electricity		58 515	66 107	72 107	10 772	51 787	54 080	(2 293)	-4%	66 107
Inventory consumed		6 135	5 918	5 450	219	1 735	4 696	(2 961)	-63%	5 918
Debt impairment		24 403	32 077	30 077	—	16 039	32 512	(16 474)	-51%	32 077
Depreciation and amortisation		46 319	36 240	36 240	3 469	30 357	27 180	3 177	12%	36 240
Interest		0	3 050	3 050	—	—	2 288	(2 288)	-100%	3 050
Contracted services		79 982	89 650	87 841	4 968	56 532	70 405	(13 874)	-20%	89 650
Transfers and subsidies		2 450	—	2 350	—	2 200	1 762	438	25%	—
Irrecoverable debts written off		10 696	6 637	6 637	—	—	4 977	(4 977)	-100%	6 637
Operational costs		71 100	62 722	74 726	5 736	53 423	55 962	(2 539)	-5%	62 722
Losses on Disposal of Assets		965	600	600	—	—	450	(450)	-100%	600
Other Losses		(1 264)	—	—	(2)	11	—	11	#DIV/0!	—
Total Expenditure		474 482	487 944	504 021	40 614	345 577	393 021	(47 444)	-12%	487 944
Surplus/(Deficit)		(43 776)	(33 322)	(40 993)	34 186	49 241	(45 750)	94 991	(0)	(33 322)
Transfers and subsidies - capital		47 668	46 017	59 528	1 745	28 119	44 646	(16 526)	(0)	46 017
Surplus/(Deficit) after		3 892	12 694	18 535	35 931	77 360	(1 104)			12 694
Income Tax		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		3 892	12 694	18 535	35 931	77 360	(1 104)			12 694
Share of Surplus/Deficit attributable to		—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to		3 892	12 694	18 535	35 931	77 360	(1 104)			12 694
Share of Surplus/Deficit attributable to		—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year		3 892	12 694	18 535	35 931	77 360	(1 104)			12 694

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

Figure 1

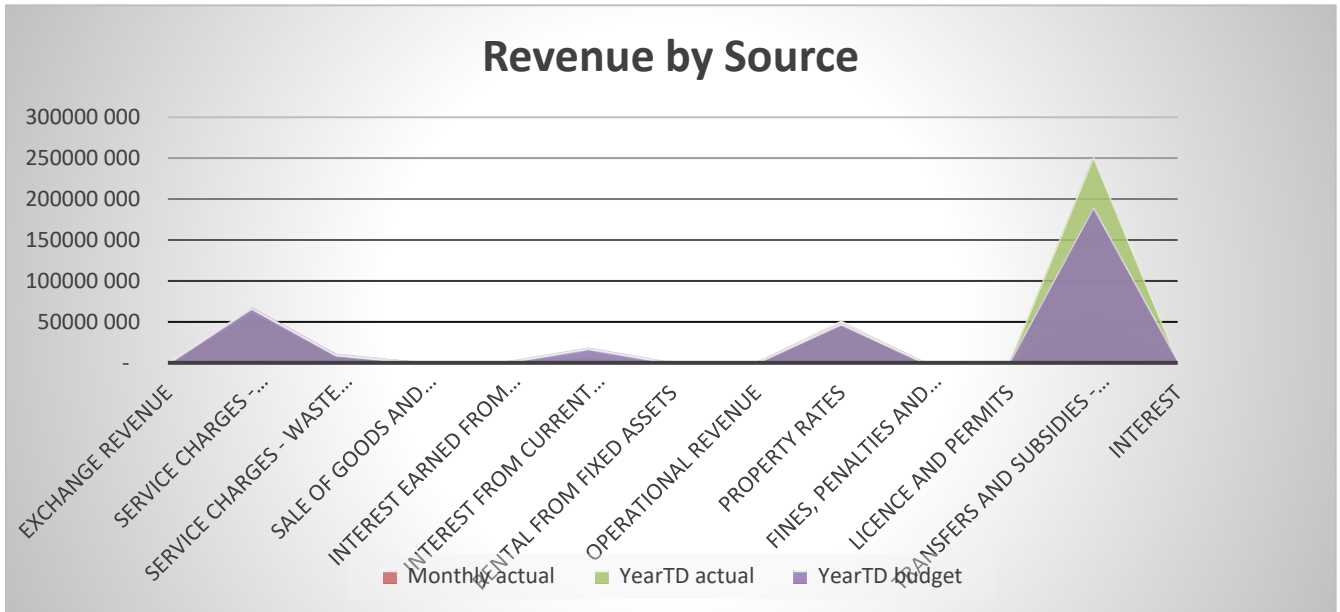
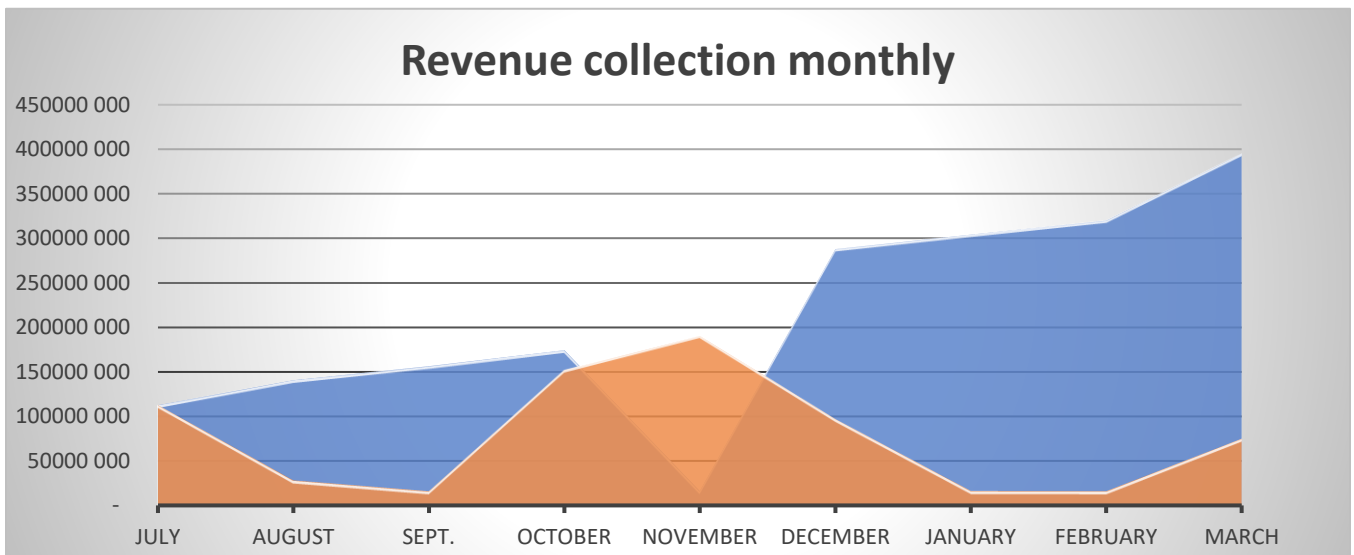


Figure 2



Revenue:

- The Year-to-Date (YTD) total revenue amounted to R394.8 million for the period ending 31 March 2026, excluding capital conditional grant income. The YTD budget of R347.3 million reflects an over-performance of 14percent.

EXCHANGE REVENUE

Service Charges: Electricity

- Revenue from electricity service charges is recognised on an invoice basis, with a total of R64 million billed against a pro-rata budget of R68.0 million, resulting in an underperformance of 6%. The amount billed to uMngeni was undercharged due to periods during which the meter was disconnected, because of ongoing development activities.
- The actual cash collected amounted R6.5million for the month ended 31st March 2026.

Service Charges: Refuse

- The revenue billed from Service charges Refuse as of 31st March 2026 is R11.3million against the budgeted income of R11.0million which is under performance by 3percent. The variance is immaterial.
- The actual cash collected amounted R451thousand for the month of 31st March 2026.

Sale of Goods and rendering services

- Sale of Goods and Services amounted to R796thousand, compared to the year-to-date budget of R1.0million, resulting in an under-performance of R241thousand or 23%. The variance is influenced by the nature of the revenue items under this vote, which are difficult to project and measure in advance. These include income from tender document sales, town planning fees, clearance certificates, library fines for overdue books, and building plan fees. Performance in this category is largely dependent on walk-in customers.

Interest earned from receivables.

- Interest earned from receivables amounts to R1.2 million compared to the year-to-date budget of R1.5 million, reflecting an underperformance of 21%. The variance of R313 thousand is mainly attributable to improved customer payment behavior, as more customers are **honoring** their credit agreements. In addition, debt collectors are actively issuing monthly demand letters and conducting follow-ups on customer payments, which has contributed to lower interest being charged than initially anticipated.

Interest from Current and Non-Current assets

- Interest earned on external investments amounts to R9.3million in comparison with the year-to-date budget of R18.8million, thus indicating an under performance by R9.5million or 51 percent,

Rental from fixed assets

- Revenue from the rental of facilities amounted to R447 thousand, compared to the year-to-date budget of R566 thousand, resulting in an underperformance of R119 thousand or 21%. This vote comprises a combination of rental income streams, including Municipal Halls, Municipal Stadiums, and Staff Houses. The variance for the 3rd quarter is mainly attributable to lower

income from the rental of Municipal Halls and sports fields, as many municipal facilities were utilized to host communities during the IDP roadshows. In addition, revenue from Municipal Hall hire is not easily monitored, as it largely depends on bookings from the community.

Operational Revenue

- The majority of the Council own funded sources are budgeted under this category. The year-to-date performance in Operational Revenue amounts to R1.1 million against a pro-rata budget of R1.4 million, resulting in an underperformance of R276 thousand or 20%. This vote comprises collection charges, insurance refunds, and handling fees, which are not easily measurable on a monthly basis. However, it is anticipated that the budgeted projection will be achieved by year-end, as the budget was carefully considered during the adjustment process.

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 Property Rates amounts to R51.6 million, compared to a YTD budget of R48.9 million, resulting in an over-collection of R2.8 million or 6%. The positive variance is partly attributable to the reinstatement of property rates billing for certain customers who were previously receiving the indigent rebate but had their properties placed on the market for sale.
-
- The actual cash collected amounted R2.6million for the month ended 31st March 2026.

Fines, Penalties and forfeits

- Fines for the month of 31st March 2026 is underperformed by 88%, amounting to R899 thousand below the pro-rata budget of R1.0million. The variance is due to slack in collection. This vote also includes library fine fees for tardiness.

Licences and permits.

- The variance of R234thousand 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 R252.1million YTD Actual versus YTD budget of R191.1million, thus indicating an over performance by R60.9million or 32percent. The variance is mainly attributable to the Municipality receiving the ALL tranche of the Equitable Share, we will observe progress towards the year end.

- Transfers and subsidies capital amounts to R28.1million in comparison with the pro-rata budget of R44.6 million, thus indicating under performance by R16.5 million variance is mainly attributable by expenditure in MIG. *(Detailed report on MIG expenditure has been provided below)*

Operating Expenditure from 31 March 2026

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

Figure 6

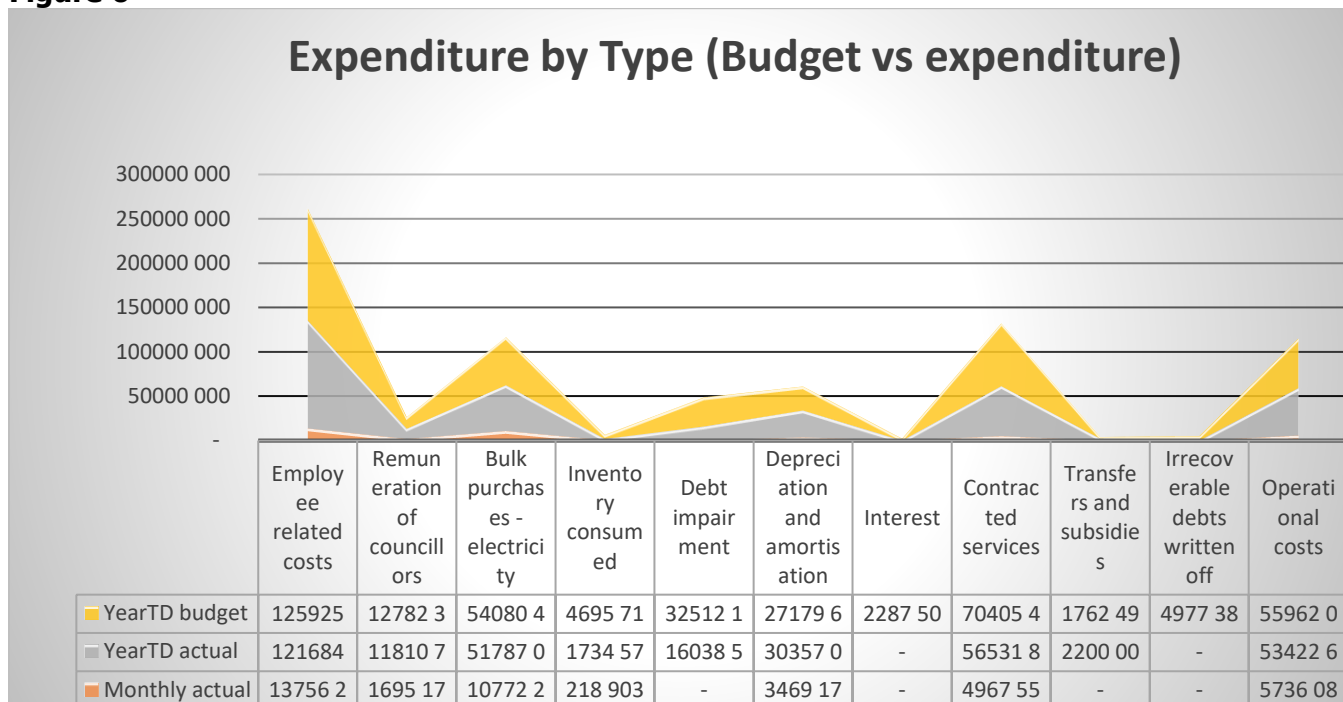
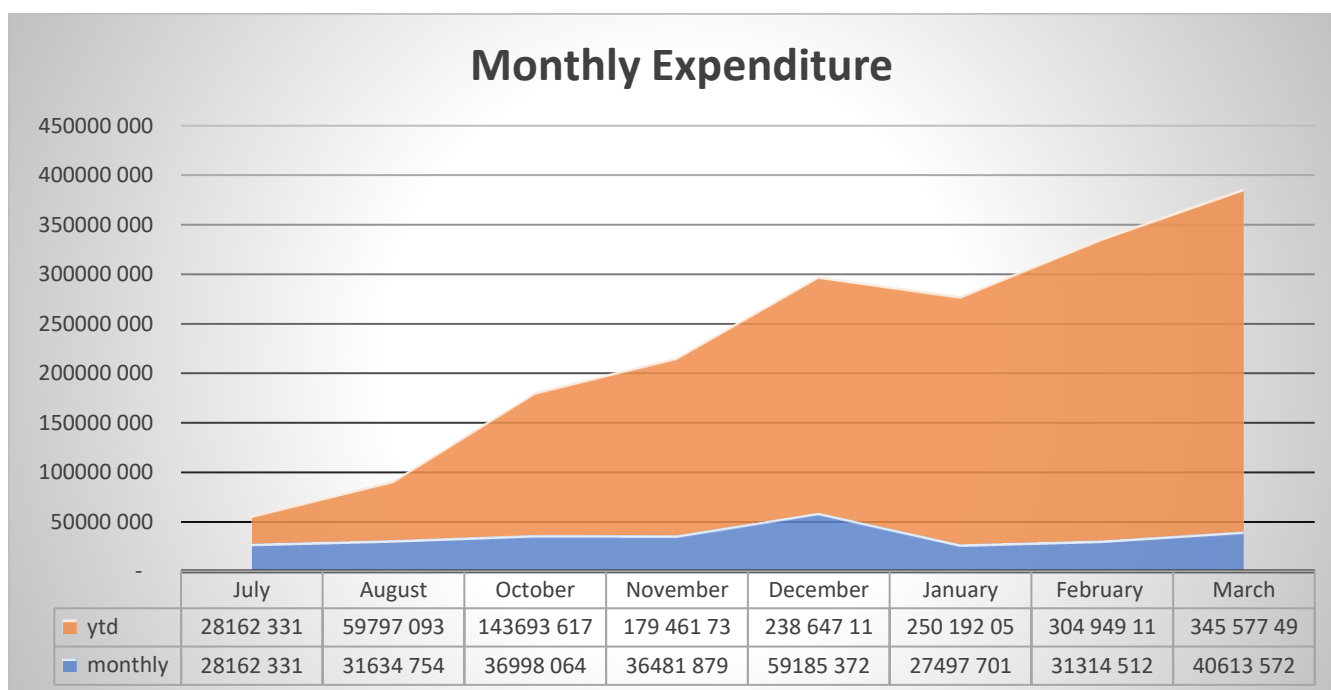


Figure 7



Operating Expenditure:

- The total operational expenditure YTD Actual for the period ending 31st March 2026 amounted to R345.6million against the planned target of R393.0million. As at the end of 31 March the operational expenditure budget has been under spent by -12% or -R47.4million. *Detailed expenditure analysis is below:*

Employee Related Costs

- Employee related costs YTD expenditure for the period ending 31st March amounted to R121.7million while the pro-rata budget of R125.9million with an underspending of R4.2million or -3%. The variance in this vote is considered immaterial.

Remuneration of Councilors

- Councilors' allowances pro-rata budget as of 31st March 2026 was under spent by R972thousand or 8percent. when comparing YTD of R11.8million to YTD budget of R12.8million. The variance is mainly attributable to savings realized during the period, which are expected to continue progressing towards year-end.

Bulk Purchases

- The YTD on Bulk purchases amounts to R51.8million which is an over performance when compared to pro-rata budget of R54.1million. The variance of R2.3million or 4% is considered immaterial.

Inventory Consumed

- Inventory Consumed are reflecting an underperformance by 63% or R3million, when compared to pro-rata budget of R4.7million. This vote comprises items held in Stores, mainly for maintenance and repairs as well as stationery for the municipality. Performance in this vote is largely demand-driven, as consumption occurs only when requests are made and the need arises.

Debt Impairment

- A journal amounting to R16.0 million was processed to this vote in January 2026. At the reporting date, a variance of R16.5 million is reflected as an underperformance. A second journal is expected in June 2026 as part of the year-end processes.

Depreciation and Asset Impairment

- The YTD for Depreciation and Asset impairment is reflecting an over performance by 12percent or R3.2million. 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 20% or R13.9 million, with year-to-date (YTD) actual expenditure of R56.5 million against a pro-rata budget of R70.4 million. This vote includes all contracted and outsourced services procured by the municipality, such as catering, transport, accommodation, and professional services.
- Expenditure in this category is largely dependent on the implementation of public programmes. As the IDP roadshows are scheduled to take place in April, progress against this vote is expected to improve and will be more accurately reflected in the next or final quarter.

Irrecoverable debts written off

- Irrecoverable debts written off have underperformed by 100% when compared to pro-rata budget of R5million. A journal entry will be processed in due time.

Operational Cost

- Other expenditure is under spent this month by 5% or R2.5thousand when compared to pro-rata budget of R15.7million. This variance is immaterial.

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) - Q3 Third Quarter

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	2									
Vote 1 - Executive and council		12 470	30 000	23 540	3 796	20 916	17 655	3 261	18%	30 000
Vote 2 - Finance and administration		14 806	4 549	8 239	316	1 773	6 179	(4 406)	-71%	4 549
Vote 3 - Internal audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and social services		4 026	17 738	17 690	-	4 617	13 267	(8 650)	-65%	17 738
Vote 5 - Sport and Recreation		7 487	8 836	10 940	580	3 846	8 205	(4 358)	-53%	8 836
Vote 6 - Public safety		817	70	70	-	201	52	149	286%	70
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		7 313	7 522	5 208	703	4 004	3 906	97	2%	7 522
Vote 9 - Road transport		75 324	55 386	57 709	2 669	29 998	43 325	(13 327)	-31%	55 386
Vote 10 - Energy sources		2 389	4 869	2 087	-	-	1 565	(1 565)	-100%	4 869
Vote 11 - Waste Management		1 560	1 626	1 267	-	397	950	(553)	-58%	1 626
Vote 12 - Environmental Protection		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	126 192	130 596	126 749	8 064	65 752	95 105	(29 353)	-31%	130 596
Total Capital Expenditure		126 192	130 596	126 749	8 064	65 752	95 105	(29 353)	-31%	130 596
Capital Expenditure - Functional Classification										
Governance and administration		27 275	34 549	31 778	4 112	22 689	23 834	(1 145)	-5%	34 549
Executive and council		12 470	30 000	23 540	3 796	20 916	17 655	3 261	18%	30 000
Finance and administration		14 806	4 549	8 239	316	1 773	6 179	(4 406)	-71%	4 549
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		12 330	26 644	28 699	580	8 665	21 524	(12 860)	-60%	26 644
Community and social services		4 026	8 664	8 616	-	4 617	6 462	(1 845)	-29%	8 664
Sport and recreation		7 487	8 836	10 940	580	3 846	8 205	(4 358)	-53%	8 836
Public safety		817	9 143	9 143	-	201	6 857	(6 656)	-97%	9 143
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		82 638	62 038	62 478	3 372	34 002	46 902	(12 900)	-28%	62 038
Planning and development		7 313	7 522	5 208	703	4 004	3 906	97	2%	7 522
Road transport		75 324	54 517	57 270	2 669	29 998	42 996	(12 998)	-30%	54 517
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		3 949	7 365	3 793	-	397	2 845	(2 448)	-86%	7 365
Energy sources		2 389	4 869	2 087	-	-	1 565	(1 565)	-100%	4 869
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	870	440	-	-	330	(330)	-100%	870
Waste management		1 560	1 626	1 267	-	397	950	(553)	-58%	1 626
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	126 192	130 596	126 749	8 064	65 752	95 105	(29 353)	-31%	130 596
Funded by:										
National Government		41 421	39 884	50 763	1 833	26 621	38 072	(11 451)	-30%	39 884
Provincial Government		821	174	1 043	-	83	783	(700)	-89%	174
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		42 242	40 058	51 806	1 833	26 703	38 855	(12 151)	-31%	40 058
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		83 950	90 538	74 943	6 232	39 049	56 251	(17 202)	-31%	90 538
Total Capital Funding		126 192	130 596	126 749	8 064	65 752	95 105	(29 353)	-31%	130 596

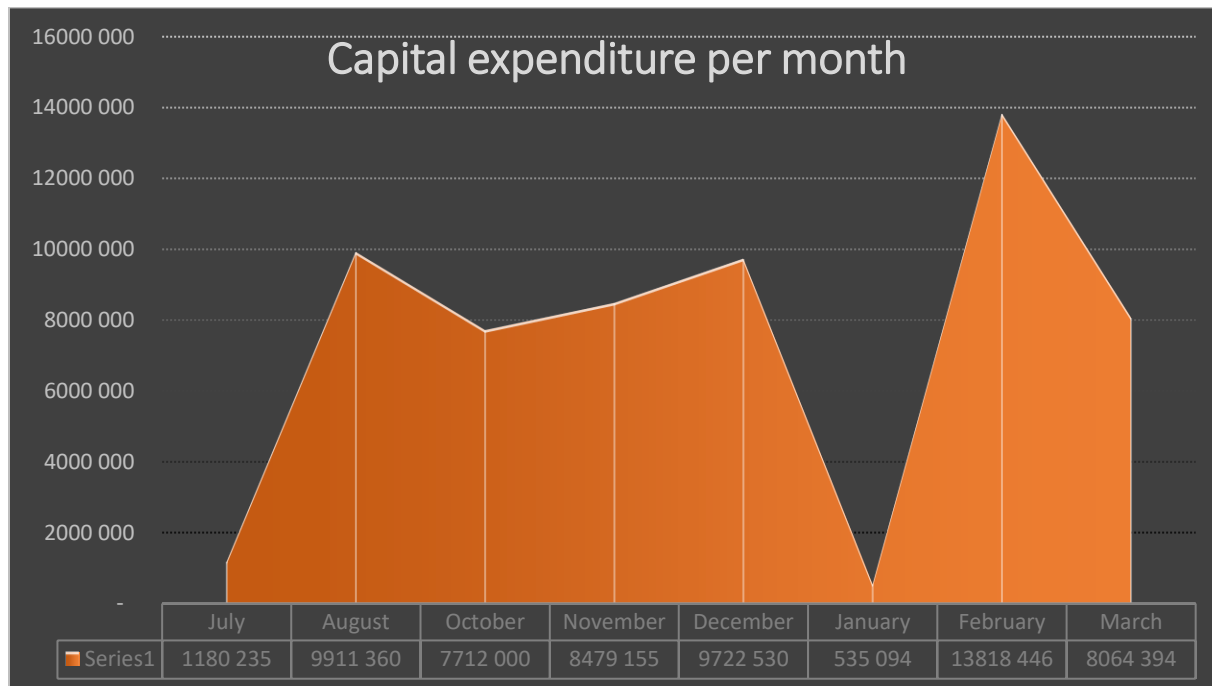
Capital Expenditure of 31 March 2026:

The YTD capital expenditure budget is R65.8million against YTD actual Capital expenditure amounting Page 16 of 59

to R95.1million resulting in an under performance of (31%) on capital expenditure. The variance in capital expenditure was due to different reasons (detail report on the progress on all capital projects has been provided below).

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

Capital Expenditure reported as at 31 MARCH 2026



- Capital grants funded by National Government are actual for R26.6million versus pro-rata Budget of R38.1million, expenditure reported has been underspent by (21%).
- Capital grants funded by Provincial Government under-performed by 89%, which has an expenditure of R89thousand as of 31 March 2026.
- Capital grants funded Internally is R39.0million versus pro-rata Budget of R56.3million variance of 31% reflects an under expenditure on this item.

2.2 Monthly Budget Statement – expenditure on Repairs and Maintenance

KZN291 Mandeni - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - Q3 Third Quarter

Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		13 925	16 237	16 791	263	10 913	16 363	5 450	33.3%	16 237
Roads Infrastructure		8 864	8 426	9 500	-	6 763	9 255	2 492	26.9%	8 426
<i>Roads</i>		8 569	7 948	9 326	-	6 628	9 096	2 468	27.1%	7 948
<i>Road Structures</i>		269	304	174	-	135	159	25	15.6%	304
<i>Road Furniture</i>		26	174	0	-	-	-	-	-	174
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		1 246	3 913	3 865	18	1 977	4 477	2 500	55.8%	3 913
<i>Drainage Collection</i>		1 246	3 913	3 865	18	1 977	4 477	2 500	55.8%	3 913
<i>Storm water Conveyance</i>		-	-	-	-	-	-	-	-	-
<i>Attenuation</i>		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		2 614	3 148	2 322	24	1 064	1 803	739	41.0%	3 148
<i>Power Plants</i>		40	130	130	14	17	98	81	82.4%	130
<i>HV Substations</i>		-	-	-	-	-	-	-	-	-
<i>HV Switching Station</i>		-	-	-	-	-	-	-	-	-
<i>HV Transmission Conductors</i>		169	870	739	-	50	616	566	91.9%	870
<i>MV Substations</i>		(3)	61	61	-	51	46	(6)	-12.3%	61
<i>MV Switching Stations</i>		-	-	-	-	-	-	-	-	-
<i>MV Networks</i>		143	87	217	-	80	163	83	50.8%	87
<i>LV Networks</i>		949	1 130	304	2	37	228	192	83.9%	1 130
<i>Capital Spares</i>		1 317	870	870	8	828	652	(176)	-27.0%	870
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Other assets		-	348	174	2	66	130	65	49.7%	348
Operational Buildings		-	348	174	2	66	130	65	49.7%	348
<i>Municipal Offices</i>		-	348	174	2	66	130	65	49.7%	348
<i>Pay/Enquiry Points</i>		-	-	-	-	-	-	-	-	-
Machinery and Equipment		8 094	10 438	9 916	1 389	7 701	7 625	(76)	-1.0%	10 438
Machinery and Equipment		8 094	10 438	9 916	1 389	7 701	7 625	(76)	-1.0%	10 438

Information and Communication Infrastructure	1 201	750	1 104	221	1 110	828	(282)	-34.1%	750	
Data Centres	-	-	-	-	-	-	-	-	-	
Core Layers	1 201	750	1 104	221	1 110	828	(282)	-34.1%	750	
Distribution Layers	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Community Assets	1 914	2 885	3 001	80	1 837	2 250	414	18.4%	2 885	
Community Facilities	66	363	479	-	279	359	80	22.2%	363	
Halls	-	-	-	-	-	-	-	-	-	
Centres	-	-	-	-	-	-	-	-	-	
Crèches	-	-	-	-	-	-	-	-	-	
Clinics/Care Centres	-	-	-	-	-	-	-	-	-	
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-	
Testing Stations	-	-	-	-	-	-	-	-	-	
Museums	-	-	-	-	-	-	-	-	-	
Galleries	-	-	-	-	-	-	-	-	-	
Theatres	-	-	-	-	-	-	-	-	-	
Libraries	46	213	213	-	46	160	114	71.3%	213	
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	
Police	-	-	-	-	-	-	-	-	-	
Purls	20	150	266	-	233	199	(34)	-17.1%	150	
Public Open Space	-	-	-	-	-	-	-	-	-	
Nature Reserves	-	-	-	-	-	-	-	-	-	
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	-	-	
Stalls	-	-	-	-	-	-	-	-	-	
Abattoirs	-	-	-	-	-	-	-	-	-	
Airports	-	-	-	-	-	-	-	-	-	
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities	1 847	2 522	2 522	80	1 558	1 891	334	17.6%	2 522	
Indoor Facilities	-	-	-	-	-	-	-	-	-	
Outdoor Facilities	1 847	2 522	2 522	80	1 558	1 891	334	17.6%	2 522	
Capital Spares	-	-	-	-	-	-	-	-	-	
Heritage assets	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Total Repairs and Maintenance Expenditure	1	23 933	29 907	29 882	1 734	20 517	26 368	5 852	22.2%	29 907

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

The Technical Services Department is currently implementing the following projects as per the **4.1 Projects under The Municipal Infrastructure Grant (MIG) Funding:**

2025/26 Financial Year MIG Allocation	R 48 228 000.00
Less: Total Expenditure (incl. Retention)	R 28 897 410.02
Balance	R 19 330 589.98
Expenditure as a %	59.91%

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 Mangqakaza, Ward 01 - Mandeni Municipality
- 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: bidding document has been presented to bid specification committee and approved for advertisement.

Projects at Construction Stage

- Main Offices Master Plan and Building of the New Block Offices

4.3 Municipal Disaster Response Grant Funded Projects

2025/26 Financial Year MIG Allocation	R 20 000 000
<u>Less:</u> 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 1Km of Carwash to Ngqofela in ward 9
- Construction of 1km of Grape vine in ward 11
- construction of 1Km of R102 to Kwangqofela 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 remained unsatisfactory as the contractor failed 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**.

Final Cost to Completion and Bid Document Draft has been presented and pre-approved by ADHOC Bid Specification Committee with the final documentation to be issued to SCM for procurement process.

Challenges: Contractor was terminated as a result of poor performance and failure in bring the project to completion.

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 747 153.10
TOTALS (Incl. Vat)	R 821 338.76	R 789 625.96

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
Revised Completion Date: N/A

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

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
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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 remained 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: Contractor was terminated because of poor performance and failure in bring the project to completion.

Bid Document Draft has been presented and pre-approved by ADHOC Bid Specification Committee with the final documentation to be issued to SCM for procurement process.

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 unsatisfactory

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.

The contractor has abandoned the site. They have been issued with the letter to remedy the default relating to works suspension.

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 1 672 538.00
Construction Cost (incl. Retention)	R 12 312 111.04	R 6 489 154.47
TOTALS (Incl. Vat)	R 14 235 323.65	R 8 161 692.47

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.

The contractor has abandoned the site. They have been issued with the letter to remedy the default relating to works suspension.

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 11 302 221.77
TOTALS (Incl. Vat)	R 19 943 512.04	R 13 375 692.35

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 46.0%: Contractor has established on site 100%. Bulk Sewer 10.8%, Internal Sewer Retic 59.1%, Taxi Collector 39.9%, Internal Access Roads 49.3 %, Bulk Water 19.6%, Internal Water - Retic 38.7%, 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 (2025/26FY)
2025/26 FY Construction Cost (Including retention)	R 33 500 000.00	R 22 272 582.58
Total Construction Cost (Including retention)	R 112 455 957.18	R 22 272 582.58
TOTALS (Incl. Vat)	R 139 976 423.40	R 38 802 166.97

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 24%: 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%, Strip Footing Excavations 100%, Blinding 100%, Formwork 90%, Reinforcement 79%, Concrete to Foundations 90%, 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 105 households

Current Status: Overall construction progress is at 100%. project not 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.

5.4 Division of Revenue Act on Grants Receipts

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q3 Third Quarter

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		273 445	250 223	-	61 238	250 412	187 668	429	0.2%	250 223
EPWP Incentive	-	3 784	1 714	-	-	1 714	1 285	429	33.3%	1 714
Finance Management	-	1 850	1 900	-	-	1 900	1 425			1 900
Integrated National Electrification	-	7 200	-	-	189	189	-			-
Local Government Equitable Share	-	243 588	244 198	-	61 049	244 198	183 148			244 198
Municipal Infrastructure Grant	-	17 023	2 411	-	-	2 411	1 809			2 411
Other transfers and grants [insert description]								-		
Provincial Government:		(19 093)	4 933	-	-	4 625	4 069	556	13.7%	4 933
KwaZulu-Natal_Capacity Building	-	(19 093)	4 933	-	-	4 625	4 069	556	13.7%	4 933
								-		
Total Operating Transfers and Grants	5	254 352	255 156	-	61 238	255 037	191 736	985	0.5%	255 156
Capital Transfers and Grants										
National Government:		132 244	45 817	-	10 417	66 006	19 362	11 455	59.2%	45 817
Municipal Infrastructure Grant (MIG)	-	128 668	45 817	-	10 228	45 817	34 362	11 455	33.3%	45 817
Integrated National Electrification	-	3 576	-	-	189	189	-			-
Municipal Disaster Recovery Grant	-	-	-	-	-	20 000	(15 000)			-
Other capital transfers [insert description]								-		
Provincial Government:		50 633	-	-	1 000	1 200	(750)	1 950	-260.0%	-
EDTEA	-	50 633	-	-	1 000	1 000	(750)	1 750	-233.3%	-
						200				
District Municipality:		-	-	-	452	6 614	-	6 614	#DIV/0!	-
KwaZulu-Natal_DC 29 - Ilembe_Municipality	-	-	-	-	452	6 614	-	6 614	#DIV/0!	-
								-		
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
								-		
Total Capital Transfers and Grants	5	182 877	45 817	-	11 869	73 820	18 612	20 019	107.6%	45 817
TOTAL RECEIPTS OF TRANSFERS	5	437 230	300 973	-	73 107	328 857	210 349	21 004	10.0%	300 973

Grant Receipts Analysis

The total operational YTD grant receipts as at 31st March is R255.0 million, which has been allocated as follows:

- Equitable Share receipts of R61.0million which is the last tranche of 2025/26 totaling Equitable share of R244.2 million which was Gazetted.
- FMG receipt of R1.9 million as in total Grant.
- EPWP receipts of R1.7million as of March 2026.
- The Library grant received of R4,8million which was R108thousand rand short and was adjusted in the Municipal Budget as well.

The total capital YTD grant receipts as at 31st March 2026 is R73.8million which has been allocated as follows:

- MIG receipt of R 48.2million as of March 2026.
- EDTEA Grant receipt of R1million
- Disaster recovery Grant of R20million.
- INEP Grant: An amount of R189 thousand was received, which was not included in the gazetted allocations. The Municipality is awaiting formal correspondence to provide guidance on the treatment of these funds as a conditional grant.

5.4 Division of Revenue Act on Grants Expenditure

KZN291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q3 Third Quarter

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		271 476	6 025	-	302	4 707	4 519	188	4.2%	6 025
Expanded Public Works Program	_	1 815	1 714	-	-	1 714	1 285	429	33.3%	1 714
Integrated National Electrification	_	1 850	-	-	-	-	-	-	-	-
Local Government Financial Management	_	7 200	1 900	-	51	1 418	1 425	(7)	-0.5%	1 900
Municipal Disaster Relief Grant	_	243 588	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	_	17 023	2 411	-	251	1 574	1 809	(234)	-12.9%	2 411
0										
Other transfers and grants [insert description]										
Provincial Government:		4 282	4 933	-	325	3 269	4 611	(1 341)	-29.1%	4 933
KwaZulu-Natal_Capacity Building and Other_Specify (Add grant description)_Receipts										
KwaZulu-Natal	_	4 282	4 933	-	325	3 269	4 611	(1 341)	-29.1%	4 933
0										
0										
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers		275 758	10 958	-	628	7 976	9 130	(1 154)	-12.6%	10 958
Capital expenditure of Transfers and Grants										
National Government:		135 667	45 817	-	1 745	27 796	43 746	(15 950)	-36.5%	45 817
Integrated National Electrification	_	2 553	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant	_	15 556	-	-	-	4 511	9 383	(4 872)	-51.9%	-
Municipal Infrastructure Grant	_	117 558	45 817	-	1 745	23 285	34 362	(11 078)	-32.2%	45 817
0										
0										
Other capital transfers [insert description]										
Provincial Government:		44 303	-	-	-	-	750	(750)	-100.0%	-
KwaZulu-Natal		44 303	-	-	-	-	750	(750)	-100.0%	-
0										
District Municipality:		-	-	-	483	6 645	-	6 645	#DIV/0!	-
KwaZulu-Natal-DC 29 - Ilembe-		-	-	-	483	6 645	-	6 645	#DIV/0!	-
0										
Other grant providers:		-	-	-	-	-	-	-	-	-
0										
Total capital expenditure of Transfers and		179 970	45 817	-	2 228	34 441	44 496	(10 055)	-22.6%	45 817
TOTAL EXPENDITURE OF TRANSFERS AND		455 728	56 775	-	2 856	42 417	53 626	(11 209)	-20.9%	56 775

Grant Expenditure Analysis

The total operational YTD grant receipts as at 31st March 2026 are R286.6 million, which has been allocated as follows

- EPWP Grant: with a R0 balance or expenditure of 100% as of 31st March 2026.
- FMG Grant: with a balance of R482thousand with 75% of the allocation spent as of 31st March 2026.
- Provincial Libraries Grant: with a balance of R1.6million with 66% as at 31st March 2026.
- MIG Grant: with a balance of R22.7million, which is 53% as in the month end of March 2026.
- RBIG Grant: with a balance of R1.2million at 82% as of 31st March 2026
- Sport Grant: no expenditure recorded in the new financial year to date.
- Title Deeds Restoration Grant: with a balance of R552thousand at 107% as of 31st March 2026.
- Disaster relief Grant: The approved rolled-over grant of R4.5million has been fully spent. The Municipality has received an additional Disaster Relief Grant of R20million which has no movement at the end of 31st March 2026.

3. Debtors Age Analysis

Table SC3 Monthly Budget Statement_ Debtors Age Analysis

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q3 Third Quarter

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	1200	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables	1300	2 033	2 304	1 294	–	1 354	1 185	3 288	2 771	14 229	8 598	–
Receivables from Non-exchan	1400	5 072	7 036	3 840	(27)	3 351	3 518	19 898	101 999	144 688	128 739	–
Receivables from Exchange T	1500	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange T	1600	1 472	2 382	1 083	(4)	1 046	926	5 998	63 504	76 407	71 470	–
Receivables from Exchange T	1700	37	91	11	–	13	7	(714)	123	(431)	(571)	–
Interest on Arrear Debtor Acco	1810	468	908	445	–	434	469	2 761	35 678	41 162	39 341	–
Recoverable unauthorised, irre	1820	–	–	–	–	–	–	–	–	–	–	–
Other	1900	2 158	2	–	2	5	6	37	5 396	7 605	5 445	–
Total By Income Source	2000	11 242	12 722	6 674	(29)	6 203	6 111	31 268	209 469	283 660	253 022	–
2024/25 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	2200	5 073	4 500	2 538	15	2 331	2 559	4 510	36 506	58 031	45 921	–
Commercial	2300	2 422	2 091	1 150	(0)	1 091	1 018	2 869	15 933	26 574	20 911	–
Households	2400	3 624	5 926	2 891	(43)	2 688	2 493	23 494	153 343	194 416	181 974	–
Other	2500	122	205	95	–	93	41	396	3 688	4 639	4 217	–
Total By Customer Group	2600	11 242	12 722	6 674	(29)	6 203	6 111	31 268	209 469	283 660	253 022	–

The total Consumer debtors outstanding as 30th September 2025 is **R 263.9 million**

- Debt book indicates 1% increase from to 1st July 2025 with R260.9million to September 2025 with R263.9million; within a Quarter the debt book has accumulated a 1% increase.
- Debtors collection rate of September 2025 is 96%

The balance of the amount outstanding from debtors has Increased from R236 million to R 257 million in the period from 01 July 2024 to 30 June 2025 (9% Increased).

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 Offices.

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

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

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

ACCOUNTS WITH LETTERS OF FINAL DEMAND FOR PAYMENT SENT OUT

ACC. NO.	ADDRESS	ERF NO.	DEBTORS NAME	DEBT TYPE	AMOUNT R
003960321	LOT 44	44	NAICKER/GOUNDEN	RATE/REFUSE	R8 031.43
003960761	LOT 46	46	SINGH	RATE/REFUSE	R90 731.24
003960781	LOT 49	49	SINGH	RATE/REFUSE	R37 773.32
003960801	LOT 53	53	MAHARAJ	RATE/REFUSE	R22 602.07
006600592	LOT 59	59	NAICKER	RATE/REFUSE	R7 867.02
006600611	LOT 61	61	RADEBE	RATE/REFUSE	R17 041.72
006660851	LOT 85	85	MOODLEY	RATE/REFUSE	R16 793.14
003960911	LOT 86	86	NDEBELE/MLAMBO	RATE/REFUSE	R29 688.56
006661031	LOT 103	103	SIBIYA	RATE/REFUSE	R29 004.53
006601131	LOT 113	113	NXELE	RATE/REFUSE	R60 694.86
006661161	LOT 116	116	GOVENDER	RATE/REFUSE	R3 394.63
003961061	LOT 128	128	NXUMALO	RATE/REFUSE	R30 278.80
006601291	LOT 129	129	GOVENDER	RATE/REFUSE	R77 146.13
006661341	LOT 134	134	THUSI	RATE/REFUSE	R13 376.11
003961151	LOT 139	139	MUDALY	RATE/REFUSE	R29 402.53
006661491	LOT 149	149	NAIDOO	RATE/REFUSE	R84 494.74
003961211	LOT 155	155	MTHETHWA	RATE/REFUSE	R20 107.59
003961221	LOT 157	157	MHLANZI	RATE/REFUSE	R78 277.25
003970092	LOT 162	162	NDLANZI	RATE/REFUSE	R57 536.54
006661631	LOT 163	163	MHLONGO	RATE/REFUSE	R130 601.05
TOTAL					R844 843.26

--	--	--	--	--	--

DISCONNECTIONS MARCH 2026						
NO.	ACCOUNT NO.	TOWN	ADDRESS	NAME	DEBT TYPE	AMOUNT R
1	009910421	MANDINI	3 ARUM PLACE	SIBIYA	RATE/REFUSE	R67 589.74
2	009501151	MANDINI	3 IMPUNZI ROAD	MTSHALI	RATE/REFUSE	R2 408.53
3	009401981	MANDINI	32 INYATHI ROAD	MTHEMBU	RATE/REFUSE	R6 740.29
4	002400802	MANDINI	34 FARROW ROAD	SINGH	RATE/REFUSE	R3 011.47
5	009902761	MANDINI	48 GREIG ROAD	MTSHALI	RATE/REFUSE	R5 223.55
6	004004802	MANDINI	5 MIMOSA PLACE	SHABANE	RATE/REFUSE	R101 257.71
7	009900431	MANDINI	31OHARA ROAD	MKHWANAZI	RATE/REFUSE	R19 559.36
8	009903521	MANDINI	37 TRAGON ROAD	MATHONSI	RATE/REFUSE	R32 135.43
9	008001111	MANDINI	34 OHARA ROAD	NGIBA	RATE/REFUSE	R13 744.73
10	009908011	MANDINI	81 PATRYS ROAD	DLAMINI	RATE/REFUSE	R19 208.46
11	008803801	MANDINI	4 TRAGON ROAD	NDLELA	RATE/REFUSE	R24 166.30
12	009908461	MANDINI	40 INYATHI ROAD	MTHEMBU	RATE/REFUSE	R28 344.14
13	009568351	MANDINI	35 LEONARD	SHABANGU	RATE/REFUSE	R4 610.28
14	009902731	MANDINI	54 GREIG ROAD	MZIMELA	RATE/REFUSE	R6 182.26
15	008801781	MANDINI	57 GRIEIG ROAD	VAN RENSBURG	RATE/REFUSE	R118 471.25
16	009300531	MANDINI	57 PATRYS ROAD	MINNIE	RATE/REFUSE	R7 479.73
17	009601081	MANDINI	20 IMPUNZI ROAD	KHUMALO	RATE/REFUSE	R6 767.25
18	009901561	MANDINI	29 ANDERSON ROAD	GABELA	RATE/REFUSE	R14 343.34
19	009700421	MANDINI	29 INYALA ROAD	LUKOMBO	RATE/REFUSE	R4 708.44
20	009910241	MANDINI	3 ERICA PLACE	QHOSHA	RATE/REFUSE	R41 331.80
21	008300671	MANDINI	6 IMPALA ROAD	SOKHULU	RATE/REFUSE	R46 918.20
22	002700091	MANDINI	1 BEGONIA ROAD	KHUZWAYO	RATE/REFUSE	R10 667.01
23	009903541	MANDINI	20 TRAGON ROAD	GOVENDER	RATE/REFUSE	R5 609.96
24	009903521	MANDINI	37 TRAGON ROAD	MATHONSI	RATE/REFUSE	R32 135.43
25	009901551	MANDINI	31 ANDERSON ROAD	NGEMA	RATE/REFUSE	R8 826.99
26	009901471	MANDINI	7 FARROW ROAD	NTSHANGASE	RATE/REFUSE	R6 990.43
27	009901177	MANDINI	10 CYCAD PLACE	MZIMELA	RATE/REFUSE	R634 486.47
28	009900791	MANDINI	66 ANDERSON ROAD	NDWANDWE	RATE/REFUSE	R49 465.45
29	009900611	MANDINI	9 RICHRDS CIRCLE	NAIDOO	RATE/REFUSE	R29 448.75
30	009700261	MANDINI	47 PATRYS ROAD	NXUMALO	RATE/REFUSE	R4 037.32
31	009902881	MANDINI	24 GREIG ROAD	GWALA	RATE/REFUSE	R3 439.29
32	008801101	MANDINI	24 LONG ROAD	BENNY	RATE/REFUSE	R3 445.72
33	009908931	MANDINI	25 DUBE ROAD	NDLOVU	RATE/REFUSE	R3 914.48
34	008903411	MANDINI	30 PLOVER CRESCENT	RADEBE	RATE/REFUSE	R97 504.33
35	009903071	MANDINI	31 TALBOT ROAD	MBUYISA	RATE/REFUSE	R46 149.20
36	008400631	MANDINI	22 TEKWANE	XULU	RATE/REFUSE	R7 868.46
37	008907042	MANDINI	5 DUBE ROAD	RADEBE	RATE/REFUSE	R202 871.61
38	009906501	MANDINI	14 SPRINGBOK	ROUILLON	RATE/REFUSE	R4 671.57
39	009910101	MANDINI	16 ACACIA AVENUE	MDLETSHI	RATE/REFUSE	R40 764.66
40	009907442	MANDINI	4 IMPUNZI	HIRAMAN	RATE/REFUSE	R77 902.99
41	009910281	MANDINI	2 ERICA	MADUNA	RATE/REFUSE	R32 330.98
42	009903581	MANDINI	13 WHIMBREL RD	DLUDLA	RATE/REFUSE	R50 280.16
43	009600421	MANDINI	8 SPRINGBOK	ZULU	RATE/REFUSE	R9 102.76
44	006609661	MANDINI	11 MIMOSA	CHILI	RATE/REFUSE	R25 508.20
45	009900121	MANDINI	2 STRATTEN	ZULU	RATE/REFUSE	R9 424.52
46	009901291	MANDINI	26 FARROW RD	ZULU	RATE/REFUSE	R7 951.98
47	009907542	MANDINI	3 GAZELLE	SOMTSEWU	RATE/REFUSE	R29 516.36
48	009908221	MANDINI	13 SPRINGBOK	DUMAKO	RATE/REFUSE	R13 754.40
49	009905201	MANDINI	12 SANDPIPER	NHLUMAYO	RATE/REFUSE	R4 712.23
50	009701121	MANDINI	23 INYALA	LIAO	RATE/REFUSE	R77 099.06
52	009946721	MANDINI	26A PLOVER CRESCENT	CHAPMAN	RATE/REFUSE	R4 693.59
			TOTAL			R2 108 776.62

Figure 9

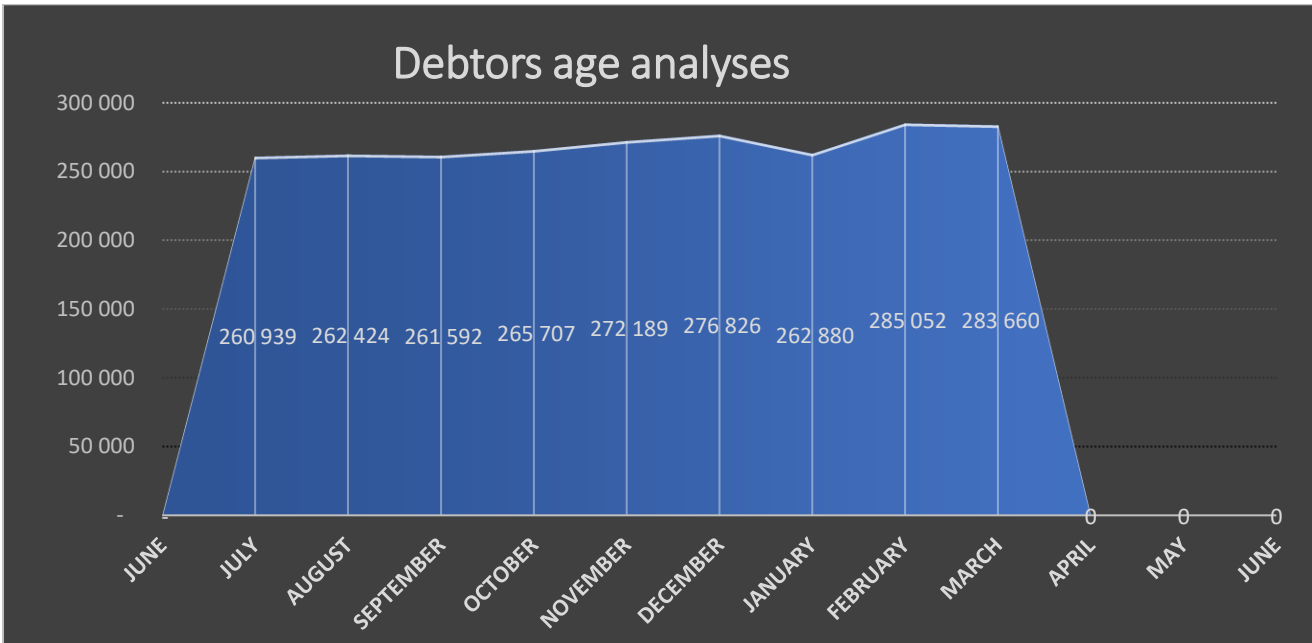
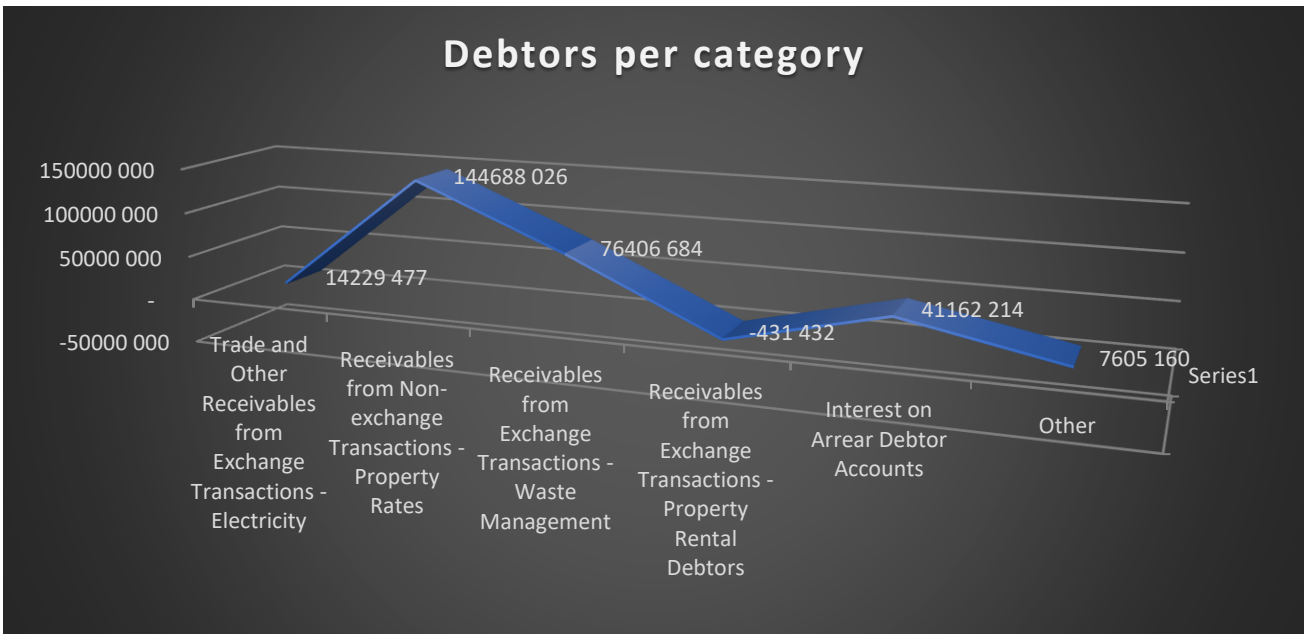
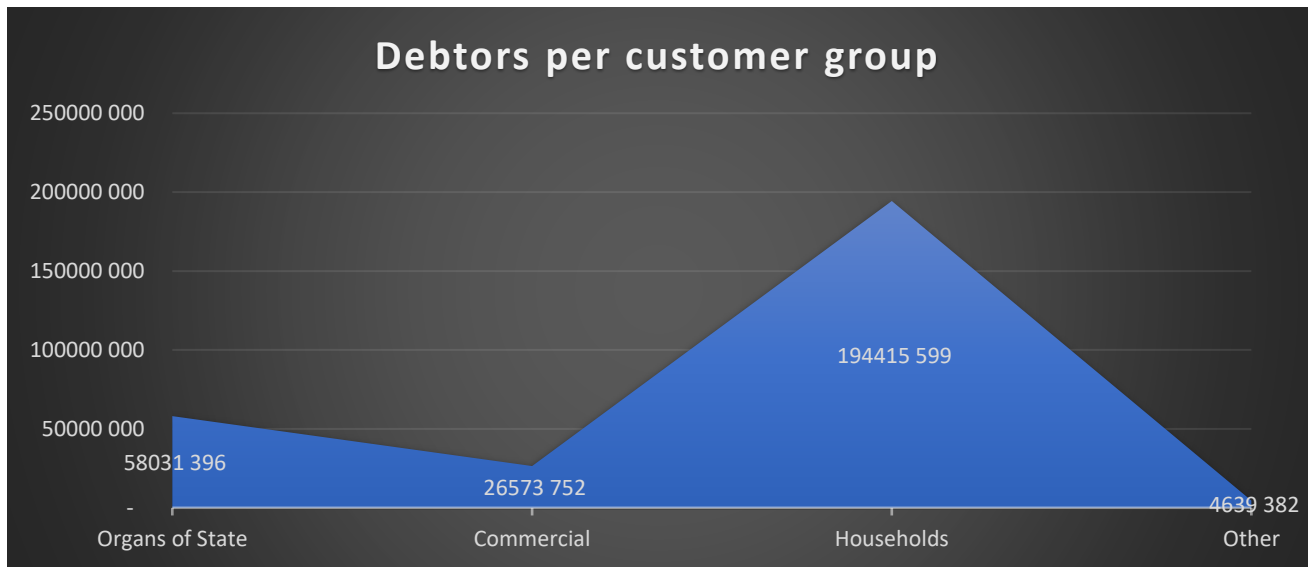


Figure 10



The municipal debtors have increased from R263,5 million to R283.7 million that is from July 2025 until 31st March 2026. This increase is between Household debtors of 68.5% and it is followed by Business Commercial is 20.4% and Organs of State by 9.4% and lastly the other debtors with a percentage of 2%.

▪ **Total Outstanding Debtors from March 2026**



Councillors and Employees in Arrear

- Debt outstanding on Councillors as at March is R158,133.84
- Staff Accounts in arrears as at March is R 79,238.60

However, it should be noted that both Councillors and Staff have made arrangement with the municipality to settle this outstanding debt.

4. CREDITOR’S AGE ANALYSIS

Table SC4 Monthly Budget Statement_ Creditors Age Analysis

KZN291 Mandeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q3 Third Quarter												
Description	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-	-	-

- Creditors aged of R NIL as of 30th 31 MARCH 2026. (Age analysis listing attached)

Top 10 Creditors:

Top 10 Creditors (March 2026)

Name	Amount
ESKOM HOLDING	R 12 770 615.04
EMALANGENI	R 941 545.60
DCLM	R 276 355.83
BAMBHANANI ENTERPRISE	R 230 550.41
MALUTHULI TRADING	R 134 934.30
EZAMALUNQA	R 1 617 659.40
BIDVEST SERVICES	R 69 089.46
CITY OF CHOICE	R 224 164.14
ILEMBE MUNICIPALITY	R 619 034.57
MBD CONSULTING	R 239 730.15

5. MONTHLY BUDGET STATEMENT - FINANCIAL POSITION

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

KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - Q3 Third Quarter

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	188 855	9 811
Trade and other receivables from exchange transactions		56 701	43 899	30 895	65 905	43 899
Receivables from non-exchange transactions		20 402	44 829	45 510	8 563	44 829
Current portion of non-current receivables		-	-	-	-	-
Inventory		41 639	41 799	42 416	41 902	41 799
VAT		4 428	38 224	36 618	3 760	38 224
Other current assets		225	-	-	225	-
Total current assets		255 323	178 561	217 562	309 211	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	783 016	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	829 292	805 344
TOTAL ASSETS		1 049 220	983 905	1 101 368	1 138 502	983 905
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		9 025	-	-	9 105	-
Consumer deposits		196	162	179	236	162
Trade and other payables from exchange transactions		56 434	46 847	66 114	23 565	46 847
Trade and other payables from non-exchange transactions		5 292	2 058	(12 058)	46 574	2 058
Provision		5 380	17 141	9 356	5 380	17 141
VAT		9 837	22 133	26 478	13 065	22 133
Other current liabilities		-	-	-	-	-
Total current liabilities		86 164	88 340	90 068	97 924	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	120 121	114 110
NET ASSETS	2	940 858	869 795	983 979	1 018 381	869 795
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		738 186	867 662	957 633	815 709	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	1 018 381	869 795

RATIOS FOR THE MONTH

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

The ratio measures short-term liquidity, that is, the extent to which the current liabilities can be paid from current assets. The higher the ratio, the healthier the situation is. The ratio of 3.16:0.32c 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, R3.16c

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 96%.

Collection days: 249days 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 09 month of 2025/26 at 79%

3	Remuneration as % of Total Operating Expenditure		44%
		Employee/personnel related cost	121 684 409
		Councillors Remuneration	11 810 735
		Total Operating Expenditure	304 949 113
		Taxation Expense	-
4	Contracted Services % of Total Operating Expenditure		16%
		Contracted Services	56 531 844
		Total Operating Expenditure	345 577 490
		Taxation Expense	

1	Creditors Payment Period (Trade Creditors)		0 days
		Trade Creditors	-
		Contracted Services	56 531 844
		Repairs and Maintenance	20 516 878
		General expenses	53 422 674
		Bulk Purchases	51 787 054
		Capital Credit Purchases (<i>Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment</i>)	17 400 875

A. Asset Management/Utilisation			
1	Capital Expenditure to Total Expenditure		16%
		Total Operating Expenditure	345 577 490
		Taxation Expense	
		Total Capital Expenditure	65 752 268
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)		0%
		PPE, Investment Property and Intangible Impairment	-
		PPE at carrying value	783 015 662
		Investment at carrying value	44 152 000
		Intangible Assets at carrying value	2 123 913
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)		2%
		Total Repairs and Maintenance Expenditure	20 516 878
		PPE at carrying value	783 015 662
		Investment Property at Carrying value	44 152 000
B. Debtors Management			
1	Collection Rate		79%
		Gross Debtors closing balance	283 660 138
		Gross Debtors opening balance	257 884 837
		Billed Revenue	121 881 790
2	Bad Debts Written-off as % of Provision for Bad Debt		0%
		Consumer Debtors Bad debts written off	
		Consumer Debtors Current bad debt Provision	200 669 456
3	Net Debtors Days		249 days
		Gross debtors	283 660 138
		Bad debts Provision	200 669 456
		Billed Revenue	121 881 790
C. Liquidity Management			
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)		4 Month
		Cash and cash equivalents	8 784 595
		Unspent Conditional Grants	47 771 819
		Overdraft	-
		Short Term Investments	181 382 962
		Total Annual Operational Expenditure	487 943 906
2	Current Ratio		3.16
		Current Assets	309 210 920
		Current Liabilities	97 923 639

6. MONTHLY BUDGET STATEMENT -CASH FLOW

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

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - Q3 Third Quarter										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(52 913)	49 972	49 993	10 748	81 117	37 495	43 622	116%	49 972
Service charges		(63 797)	98 454	106 665	2 118	21 489	79 999	(58 509)	-73%	98 454
Other revenue		8 768	26 748	27 243	640	3 013	20 433	(17 419)	-85%	26 748
Transfers and Subsidies - Operational		412 131	254 956	255 448	61 238	193 407	191 586	1 821	1%	254 956
Transfers and Subsidies - Capital		142 712	46 017	67 017	11 680	68 228	50 262	17 966	36%	46 017
Interest		-	25 232	25 232	-	-	18 924	(18 924)	-100%	25 232
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(469 507)	(436 031)	(455 741)	(35 468)	(344 547)	(316 706)	27 841	-9%	(436 031)
Interest		-	(3 050)	(3 050)	-	-	(2 288)	(2 288)	100%	(3 050)
Transfers and Subsidies		-	-	(2 350)	-	-	1 762	1 762	100%	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(22 605)	62 299	70 457	50 957	22 708	81 468	58 760	72%	62 299
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		126 192	(144 685)	(140 261)	(8 064)	(65 752)	(105 196)	(39 444)	37%	(144 685)
NET CASH FROM/(USED) INVESTING ACTIVITIES		126 192	(144 685)	(140 261)	(8 064)	(65 752)	(105 196)	(39 444)	37%	(144 685)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		103 587	(82 386)	(69 804)	42 892	(43 044)	(23 728)			-
Cash/cash equivalents at beginning:		230 188	92 208	131 927	-	231 899	131 927			231 899
Cash/cash equivalents at month/year end:		333 775	9 822	62 123	42 892	188 855	108 199			-

The net decrease in cash for the period ending 31 March 2026 is R43.0million. 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 March with a balance of R188.9million.

Table C7 provides a projection of the anticipated cash inflows and outflows, illustrating the cash flow patterns likely to result from the implementation of the approved budget.


Revenue -Receipts

- The property collection rate to date is over-performed by 116% or R43.6million of the collected revenue in C7-as of 31st March 2026.
- Service Charges: Electricity and Refuse cash receipt are under collected by 73% or R58.5million from the revenue budget of R80million as of 31st March 2026.
- Other Revenue collected form VAT refunds received as of 31st March totals R20.0million, and Revenue receipt of R3million.
- Government grants received YTD total of R261.6million as of 31st March 2026 which includes Government grant Capital of R68.2million.
- Interest earned on external investments amounts to R9.3million in comparison with the pro-rata budget of R18.8million which is an under performance of 51%.

Payments

- Suppliers and employees for cash outflows of R344.5million.
- Finance charges reflect underperformance by 100 percent.
- Capital Assets of R75.6million with VAT for the month of 31st March 2026 shows an under-performance of 43% as of 31st March 2026.

6.1. BANK RECONCILIATION STATEMENT AS AT MARCH 2026

 Mandeni Municipality		
BANK RECONCILIATION STATEMENT FOR MARCH 2026		
Main Account :52940480587		
Opening FNB Bank Balance as on MARCH 2026	8 096 231.18	8 096 231.18
PLUS: Deposits Banked	15 167 692.46	
PLUS: Interest received	15 293.21	
PLUS: Transfers In	81 962 207.10	
PLUS:Interest received From Call 1	369 297.22	
PLUS:Unpaid	-	
PLUS: MATURED INVESTMENTS	-	
PLUS: SARS REFUND	1 820 908.44	
PLUS: GRANTS RECEIVED	72 466 000.00	
Total Deposits	171 801 398.43	171 801 398.43
Less:Total payments	- 171 164 001.54	- 171 164 001.54
LESS: EFT Payments	- 48 235 384.79	
LESS: Bank Charges	- 20 677.20	
LESS: Transfers Out	- 72 285 974.56	
LESS: NEW INVESTMENTS	- 50 000 000.00	
LESS: Debit Orders	- 621 964.99	
Closing FNB Bank Balance as on 31 MARCH 2026		8 733 628.07
Cashbook Reconciliation for 31 MARCH 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 MAR 2026-D0001/IA09567/F0001/X049/R0099/001/FIN	450 121 494.00	
Less:Cashbook Balance as on 1 MAR 2026-D0001/IA09850/F0001/X049/R0099/001/FIN	- 458 417 759.87	
Corrections to be made (JNL CR)	-	
Corrections to be made (JNL DR)	-	
PLUS: Deposits Banked for MARCH 2026	15 167 692.46	
LESS: EFT Payments for MARCH 2026	- 49 770 482.98	
Plus FEBR 2026 outstanding (reconciled)	-	
Less: Bank Charges to date	- 190 956.26	
PLUS: Grant received	72 466 000.00	
Less : New investment	- 50 000 000.00	
Less: Payments not yet paid during MARCH 2026	-	
PLUS: Interest received to date	266 387.30	
PLUS:Interest received From Call 1-MARCH 2026	369 297.22	
PLUS MATURED INVESTMENT	-	
PLUS :SARS REFUND	1 820 908.44	
PLUS :TRANSFER IN	81 962 207.10	
LESS:TRANSFER OUT	- 72 285 974.56	
LESS: Debit Orders for -MARCH 2026	- 621 964.99	
Closing Cashbook Balance as on 31 MARCH 2026	7 185 753.07	7 185 753.07
		1 547 875.18
Reconciling Items	Amount	
ADD: Journal Debits - on Cashbook not on Bank Statement	1 547 875.18	
ADJUSTED MONTH END CASHBOOK BALANCE- 31 MARCH 2026		8 733 628.25
MONTH END BALANCE PER BANK STATEMENT- 31 MARCH 2026		8 733 628.07
DIFFERENCE		0.18

6.2. MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO

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

INVESTMENT REGISTER FOR MARCH 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
			2026/03/01					2026/03/31	
		%	R	R	R	R	R	R	R
call 1-internal grant	61294217372	7.20	72 992 547.95	61 049 000.00	80 369 297.22	369 297.22	-	54 041 547.95	1 974 140.97
Call account 2 - HOUSING	62028673219	7.20	2 241 262.72	-	-	9 800.15	-	2 251 062.87	96 825.53
Call account 3-MIG	62812286400	7.20	12 678 265.81	10 228 000.00	1 962 207.10	65 274.75	-	21 009 333.46	549 848.20
Call account 5-TMT	62113325882	7.20	580 804.62	1 100.00	-	2 539.77	15.44	584 428.95	24 806.37
Call account 6-INEP / EDTEA	62527527462	7.20	1 142.29	1 000 000.00	-	4.99	-	1 001 147.28	1 147.28
Call account 7-AR	62538203449	7.20	497 641.02	-	-	2 409.13	-	500 050.15	99 663.68
Call account 8-Title Deed	62812286963	7.20	1 729 249.17	8 974.56	-	8 374.26	-	1 746 597.99	85 448.46
Call account 9-Disaster Recovery	63048438097	7.20	20 151 238.79	-	-	97 554.08	-	20 248 792.87	167 539.96
ABSA BANK	208168-2978	9.78	-	-	-	-	-	-	-
NEDBANK	03/7881155450/000038	7.87	-	-	-	-	-	-	1 117 029.92
ABSA BANK	208213-3077	7.92	-	-	-	-	-	-	3 992 547.95
ABSA BANK	208231-8708	7.36	30 000 000.00	-	30 000 000.00	54 443.84	-	-	544 438.36
ABSA BANK	208231-8708	6.66	-	30 000 000.00	-	142 323.28	-	30 000 000.00	142 323.28
NEDBANK	037881155450/000039	7.15	-	50 000 000.00	-	195 890.41	-	50 000 000.00	195 890.41
FNB-MAIN BANK	52940480587	-	-	-	-	15 293.21	-	-	266 387.30
TOTAL			140 872 152.37	152 287 074.56	(112 331 504.32)	963 205.09	(15.44)	181 382 961.52	9 258 037.67

An investment of R50 million has been made with Nedbank, maturing at the end of June 2026. In addition, an investment (208231-8708) of R50 million held with ABSA, which was originally set to mature on 11 March 2026, was reinvested for a further one month and is now maturing on 13 April 2026.

The interest accrued, amounting to R544,438.36, has been transferred to the main bank account.

Interest amounting to R6 million has been accumulated as of 31 March 2026.

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

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q3 Third Quarter										
Summary of Employee and Councillor 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	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		13 079	14 319	14 319	1 519	10 236	10 739	(503)	-5%	14 319
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		452	702	702	39	355	526	(171)	-32%	702
Cellphone Allowance		1 493	1 754	1 754	126	1 125	1 316	(191)	-15%	1 754
Housing Allowances		126	269	269	11	95	201	(107)	-53%	269
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		15 151	17 043	17 043	1 695	11 811	12 782	(972)	-8%	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	636	5 373	4 727	646	14%	5 833
Pension and UIF Contributions		-	11	11	-	-	8	(8)	-100%	11
Medical Aid Contributions		268	153	191	-	171	143	28	20%	153
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		570	399	399	-	-	299	(299)	-100%	399
Motor Vehicle Allowance		716	909	909	60	537	682	(145)	-21%	909
Cellphone Allowance		342	281	281	14	216	211	5	2%	281
Housing Allowances		170	292	292	14	128	219	(91)	-42%	292
Other benefits and allowances		482	485	485	(28)	293	364	(71)	-19%	485
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	5 617	3 923	3 923	-	-	2 942	(2 942)	-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	696	6 718	9 595	(2 877)	-30%	12 285
% increase	4		-27.4%	-24.4%						-27.4%
Other Municipal Staff										
Basic Salaries and Wages		96 503	105 238	100 927	9 198	79 538	75 695	3 842	5%	105 238
Pension and UIF Contributions		15 787	17 150	17 603	1 427	12 396	13 202	(807)	-6%	17 150
Medical Aid Contributions		7 748	7 271	7 983	732	6 318	5 987	331	6%	7 271
Overtime		4 129	3 191	3 982	237	2 794	2 987	(193)	-6%	3 191
Performance Bonus		8 019	5 711	6 031	668	6 010	4 524	1 487	33%	5 711
Motor Vehicle Allowance		4 999	6 161	6 170	435	3 770	4 628	(857)	-19%	6 161
Cellphone Allowance		758	832	837	68	605	628	(23)	-4%	832
Housing Allowances		340	405	407	27	256	305	(49)	-16%	405
Other benefits and allowances		2 185	1 052	1 973	240	2 166	1 480	687	46%	1 052
Payments in lieu of leave		3 327	2 798	3 386	-	727	2 539	(1 812)	-71%	2 798
Long service awards		439	1 498	1 498	29	386	1 124	(737)	-66%	1 498
Post-retirement benefit obligations	2	(1 123)	4 310	4 310	-	-	3 233	(3 233)	-100%	4 310
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		143 111	155 617	155 108	13 060	114 966	116 331	(1 365)	-1%	155 617
% increase	4		8.7%	8.4%						8.7%
Total Parent Municipality		175 181	184 944	184 944	15 451	133 495	138 708	(5 213)	-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 - Q3 Third Quarter							
Description of financial indicator	Basis of calculation	Ref	2024/25	Budget Year 2025/26			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	8.1%	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%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		9.9%	8.6%	8.5%	10.0%	8.6%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	296.3%	202.1%	241.6%	315.8%	202.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		153.1%	11.1%	69.0%	192.9%	11.1%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		18.0%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		37.2%	36.9%	36.3%	30.8%	36.9%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		5.6%	6.6%	6.5%	5.2%	6.6%
Interest & Depreciation	I&D/Total Revenue - capital revenue		10.8%	8.6%	8.5%	0.0%	4.4%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

QUALITY CERTIFICATE

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

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

- **Monthly Budget Statements**

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

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

Municipal manager of Mandeni Municipality (KZN 291)

Signature_____

Date **16 April 2026**