

MANDENI MUNICIPALITY

KZN291



BUDGET & TREASURY DEPARTMENT

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

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2025/26 BUDGET FOR THE PERIOD ENDING 31 MAY 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 MAY 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 MAY 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 - M11 May									
Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Total Revenue (excluding capital)	430 705	454 622	463 028	15 204	426 280	424 443	1 837	0%	454 622
Other expenditure	185 882	191 685	199 880	13 636	148 954	200 128	(51 174)	-17%	191 685
Total Expenditure	474 482	487 944	504 021	44 646	419 345	479 496	(60 151)	-13%	487 944
Surplus/(Deficit)	(43 776)	(33 322)	(40 993)	(29 441)	36 398	(55 054)	91 452	-166%	(33 322)
Transfers and	47 668	46 017	59 528	1 155	31 122	54 567	(23 445)	-43%	46 017
Surplus/(Deficit) after capital transfers & the year	3 892	12 694	18 535	(28 287)	38 057	(487)	38 543	-7919%	12 694
Capital expenditure & funds sources									
Capital expenditure	126 192	130 596	126 749	5 061	80 915	116 230	(35 315)	-30%	130 596
Capital transfers recogn	42 242	40 058	51 806	2 064	30 524	47 489	(16 965)	-36%	40 058
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated fund	83 950	90 538	74 943	2 997	50 391	68 741	(18 350)	-27%	90 538
Total sources of capital	126 192	130 596	126 749	5 061	80 915	116 230	(35 315)	-30%	130 596
TOTAL BUDGET	600 674	618 540	630 770	49 707	500 260	595 726	(95 466)	(0)	618 540

As can be seen from the table above, Actual surplus for the period ended 31 May 2026 is more than the Budgeted Surplus. Monthly budget statement summary (Table C1), for the period ending 31st May 2026 (year to date actual), shows a surplus of R38.1million against YTD budget of -R487thousand 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 - M11 May									
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	5 043	56 605	59 503	(2 899)	-5%	64 913
Service charges	77 826	97 399	105 421	8 013	84 023	96 636	(12 613)	-13%	97 399
Investment revenue	19 863	25 000	25 000	763	10 170	22 917	(12 747)	-56%	25 000
Transfers and subsid	253 010	254 956	254 848	645	252 615	233 611	19 004	8%	254 956
Other own revenue	16 064	12 353	12 846	741	7 663	11 776	(4 113)	-35%	12 353
Total Revenue (excluding capital transfers and	430 705	454 622	463 028	15 204	426 280	424 443	1 837	0%	454 622
Employee costs	160 030	167 901	167 901	13 641	150 006	153 909	(3 904)	-11%	167 901
Remuneration of Cou	15 151	17 043	17 043	1 321	14 453	15 623	(1 169)	-16%	17 043
Depreciation and am	46 319	36 240	36 240	3 835	37 557	33 220	4 337	2%	36 240
Interest	0	3 050	3 050	-	-	2 796	(2 796)	-100%	3 050
Inventory consumed a	64 650	72 025	77 557	12 212	66 176	71 666	(5 491)	-83%	72 025
Transfers and subsid	2 450	-	2 350	-	2 200	2 154	46	2%	-
Other expenditure	185 882	191 685	199 880	13 636	148 954	200 128	(51 174)	-17%	191 685
Total Expenditure	474 482	487 944	504 021	44 646	419 345	479 496	(60 151)	-13%	487 944
Surplus/(Deficit)	(43 776)	(33 322)	(40 993)	(29 441)	36 398	(55 054)	91 452	-166%	(33 322)
Transfers and subsidies - capital	47 668	46 017	59 528	1 155	31 122	54 567	(23 445)	-43%	46 017
Surplus/(Deficit) after capital transfers & contributions	3 892	12 694	18 535	(28 287)	38 057	(487)	38 543	-7919%	12 694
Surplus/ (Deficit) for the year	3 892	12 694	18 535	(28 287)	38 057	(487)	38 543	-7919%	12 694
Capital expenditure & funds sources									
Capital expenditure	126 192	130 596	126 749	5 061	80 915	116 230	(35 315)	-30%	130 596
Capital transfers recd	42 242	40 058	51 806	2 064	30 524	47 489	(16 965)	-36%	40 058
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated f	83 950	90 538	74 943	2 997	50 391	68 741	(18 350)	-27%	90 538
Total sources of cap	126 192	130 596	126 749	5 061	80 915	116 230	(35 315)	-30%	130 596
Financial position									
Total current assets	177 463	178 561	217 562		187 762				178 561
Total non current ass	655 009	805 344	883 806		677 585				805 344
Total current liabilities	-	88 340	90 068		73 570				88 340
Total non current liab	-	25 770	27 321		22 198				25 770
Community wealth/Ed	738 186	869 795	959 863		858 067				869 795
Cash flows									
Net cash from (used)	495 194	62 299	70 457	(32 861)	73 115	99 572	26 457	27%	62 299
Net cash from (used)	(12 695)	(144 685)	(140 261)	(5 061)	(80 915)	(128 573)	(47 658)	37%	(144 685)
Net cash from (used)	-	-	-	-	-	-	-	-	-
Cash/cash equivalent	712 687	9 822	62 123	(37 922)	124 099	102 927	(21 173)	-21%	-
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 Sourc	13 583	10 410	5 945	10 564	477	5 141	35 786	212 154	294 059
Creditors Age Analysis									
Total Creditors	-	1	-	-	-	-	-	-	1

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

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M11										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		339 132	342 170	339 669	6 167	321 375	311 363	10 012	3%	342 170
Executive and council		–	8 365	8 365	–	–	7 668	(7 668)	-100%	8 365
Finance and administration		339 132	333 805	331 304	6 167	321 375	303 695	17 680	6%	333 805
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		6 994	6 128	5 933	509	4 908	5 438	(531)	-10%	6 128
Community and social services		5 270	5 719	5 611	507	4 664	5 144	(479)	-9%	5 719
Sport and recreation		1 707	–	–	–	224	–	224	#DIV/0!	–
Public safety		17	408	321	2	19	294	(276)	-94%	408
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental		51 516	52 717	66 707	1 411	36 642	61 148	(24 506)	-40%	52 717
Planning and development		47 129	48 740	50 219	1 313	29 669	46 034	(16 365)	-36%	48 740
Road transport		4 387	3 977	16 488	97	6 973	15 114	(8 141)	-54%	3 977
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		80 731	99 623	110 248	8 272	94 477	101 060	(6 584)	-7%	99 623
Energy sources		66 249	83 081	91 103	6 646	77 872	83 511	(5 639)	-7%	83 081
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		14 482	16 543	19 145	1 626	16 604	17 550	(945)	-5%	16 543
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	478 373	500 638	522 556	16 359	457 402	479 009	(21 608)	-5%	500 638
Expenditure - Functional										
Governance and administration		244 373	240 817	246 570	17 626	197 625	226 536	(28 911)	-13%	240 817
Executive and council		66 501	79 879	74 794	5 017	59 136	68 760	(9 624)	-14%	79 879
Finance and administration		177 872	160 937	171 776	12 608	138 489	157 776	(19 287)	-12%	160 937
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		57 060	51 805	56 250	5 411	55 135	52 296	2 839	5%	51 805
Community and social services		41 974	36 398	40 484	3 650	40 439	37 835	2 604	7%	36 398
Sport and recreation		13 472	13 045	13 608	1 536	14 080	12 474	1 606	13%	13 045
Public safety		1 462	2 148	1 943	216	562	1 791	(1 229)	-69%	2 148
Housing		152	214	214	9	54	196	(142)	-72%	214
Health		–	–	–	–	–	–	–	–	–
Economic and environmental		83 973	92 410	93 620	8 881	80 874	89 820	(8 946)	-10%	92 410
Planning and development		23 562	26 477	25 445	2 713	20 236	23 830	(3 594)	-15%	26 477
Road transport		55 834	60 311	62 637	5 734	56 054	60 914	(4 860)	-8%	60 311
Environmental protection		4 577	5 622	5 538	434	4 585	5 077	(492)	-10%	5 622
Trading services		88 785	102 391	107 049	12 728	85 557	110 357	(24 800)	-22%	102 391
Energy sources		72 643	75 903	82 005	11 626	72 883	79 457	(6 574)	-8%	75 903
Water management		–	–	–	–	–	–	–	–	–
Waste water management		3 063	3 048	3 048	331	2 951	2 794	157	6%	3 048
Waste management		13 078	23 440	21 997	771	9 722	28 106	(18 384)	-65%	23 440
Other		292	522	531	–	154	487	(333)	-68%	522
Total Expenditure	3	474 482	487 944	504 021	44 646	419 345	479 496	(60 151)	-13%	487 944
Surplus/ (Deficit) for the year		3 892	12 694	18 535	(28 287)	38 057	(487)	38 543	-7919%	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) - M11 May										
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	–	–	7 668	(7 668)	-100.0%	8 365
Vote 2 - Finance and administration		339 132	333 805	331 304	6 167	321 375	303 695	17 680	5.8%	333 805
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		5 287	6 128	5 933	509	4 683	5 438	(755)	-13.9%	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	1 313	29 669	46 034	(16 365)	-35.5%	48 740
Vote 9 - Road transport		4 387	3 977	16 488	97	6 973	15 114	(8 141)	-53.9%	3 977
Vote 10 - Energy sources		66 249	83 081	91 103	6 646	77 872	83 511	(5 639)	-6.8%	83 081
Vote 11 - Waste Management		14 482	16 543	19 145	1 626	16 604	17 550	(945)	-5.4%	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	16 359	457 402	479 009	(21 608)	-4.5%	500 638
Expenditure by Vote	1									
Vote 1 - Executive and council		66 501	79 879	74 794	5 017	59 136	68 760	(9 624)	-14.0%	79 879
Vote 2 - Finance and administration		177 872	160 624	171 507	12 608	138 489	157 529	(19 040)	-12.1%	160 624
Vote 3 - Internal audit		–	313	269	–	–	247	(247)	-100.0%	313
Vote 4 - Community and social services		41 974	36 398	41 180	3 650	40 439	38 473	1 966	5.1%	36 398
Vote 5 - Sport and Recreation		13 472	13 045	13 608	1 536	14 080	12 474	1 606	12.9%	13 045
Vote 6 - Public safety		1 462	2 148	1 248	216	562	1 153	(591)	-51.3%	2 148
Vote 7 - Housing		152	214	214	9	54	196	(142)	-72.5%	214
Vote 8 - Planning and Development		23 854	26 998	25 976	2 713	20 389	24 316	(3 927)	-16.1%	26 998
Vote 9 - Road transport		58 897	63 359	65 685	6 065	59 005	63 708	(4 703)	-7.4%	63 359
Vote 10 - Energy sources		72 643	75 903	82 005	11 626	72 883	79 457	(6 574)	-8.3%	75 903
Vote 11 - Waste Management		13 078	23 440	21 997	771	9 722	28 106	(18 384)	-65.4%	23 440
Vote 12 - Environmental Protection		4 577	5 622	5 538	434	4 585	5 077	(492)	-9.7%	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	44 646	419 345	479 496	(60 151)	-12.5%	487 944
Surplus/ (Deficit) for the	2	3 892	12 694	18 535	(28 287)	38 057	(487)	38 543	-7918.6%	12 694

Table 4 provides information on the planned revenue and operational expenditures against the actual results for the period ending 31st May 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) - M11 May										
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	6 631	77 940	83 149	(5 209)	-6%	82 686
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		13 073	14 713	14 713	1 382	14 096	13 487	609	5%	14 713
Sale of Goods and Rendering of Services		2 282	1 513	1 383	67	1 218	1 268	(50)	-4%	1 513
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		1 487	2 016	2 016	142	1 482	1 848	(366)	-20%	2 016
Interest from Current and Non Current Assets		19 863	25 000	25 000	763	10 933	22 917	(11 984)	-52%	25 000
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		593	755	755	72	585	692	(107)	-15%	755
Licence and permits		-	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		1 355	1 252	1 875	29	1 270	1 719	(449)	-26%	1 252
Non-Exchange Revenue										
Property rates		63 942	64 913	64 913	5 043	61 648	59 503	2 144	4%	64 913
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		3 569	1 367	1 367	17	149	1 253	(1 104)	-88%	1 367
Licence and permits		969	998	998	85	667	915	(248)	-27%	998
Transfers and subsidies - Operational		253 010	254 956	254 848	645	253 260	233 611	19 649	8%	254 956
Interest		3 570	4 453	4 453	329	3 033	4 082	(1 049)	-26%	4 453
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		2 239	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		430 705	454 622	463 028	15 204	426 280	424 443	1 837	0%	454 622
Expenditure By Type										
Employee related costs		160 030	167 901	167 901	13 641	150 006	153 909	(3 904)	-3%	167 901
Remuneration of councillors		15 151	17 043	17 043	1 321	14 453	15 623	(1 169)	-7%	17 043
Bulk purchases - electricity		58 515	66 107	72 107	10 644	62 431	66 098	(3 667)	-6%	66 107
Inventory consumed		6 135	5 918	5 450	1 567	3 744	5 568	(1 824)	-33%	5 918
Debt impairment		24 403	32 077	30 077	-	16 039	39 737	(23 699)	-60%	32 077
Depreciation and amortisation		46 319	36 240	36 240	3 835	37 557	33 220	4 337	13%	36 240
Interest		0	3 050	3 050	-	-	2 796	(2 796)	-100%	3 050
Contracted services		79 982	89 650	87 841	6 491	68 376	84 773	(16 397)	-19%	89 650
Transfers and subsidies		2 450	-	2 350	-	2 200	2 154	46	2%	-
Irrecoverable debts written off		10 696	6 637	6 637	-	15	6 083	(6 069)	-100%	6 637
Operational costs		71 100	62 722	74 726	7 146	64 502	68 984	(4 482)	-6%	62 722
Losses on Disposal of Assets		965	600	600	-	-	550	(550)	-100%	600
Other Losses		(1 264)	-	-	-	22	-	22	#DIV/0!	-
Total Expenditure		474 482	487 944	504 021	44 646	419 345	479 496	(60 151)	-13%	487 944
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations)		47 668	46 017	59 528	1 155	31 122	54 567	(23 445)	(0)	46 017
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	(0)	-
Surplus/(Deficit) after capital transfers & contributions		3 892	12 694	18 535	(28 287)	38 057	(487)			12 694
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		3 892	12 694	18 535	(28 287)	38 057	(487)			12 694
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		3 892	12 694	18 535	(28 287)	38 057	(487)			12 694
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		3 892	12 694	18 535	(28 287)	38 057	(487)			12 694

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

Figure 1

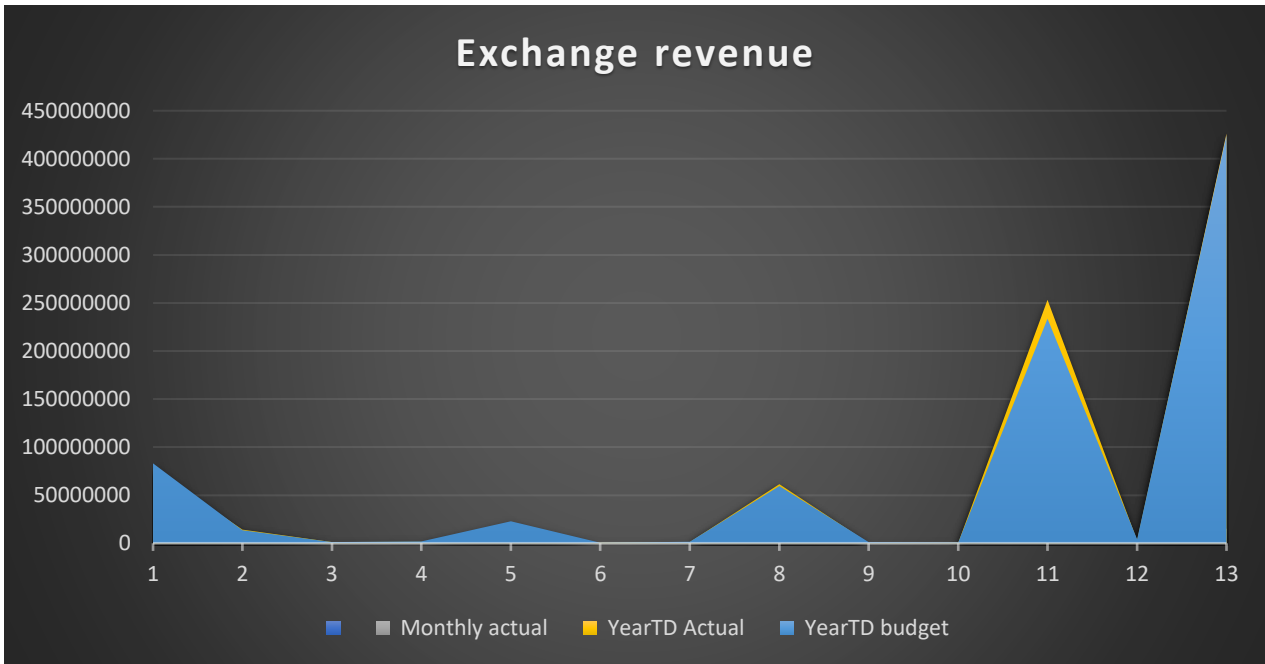
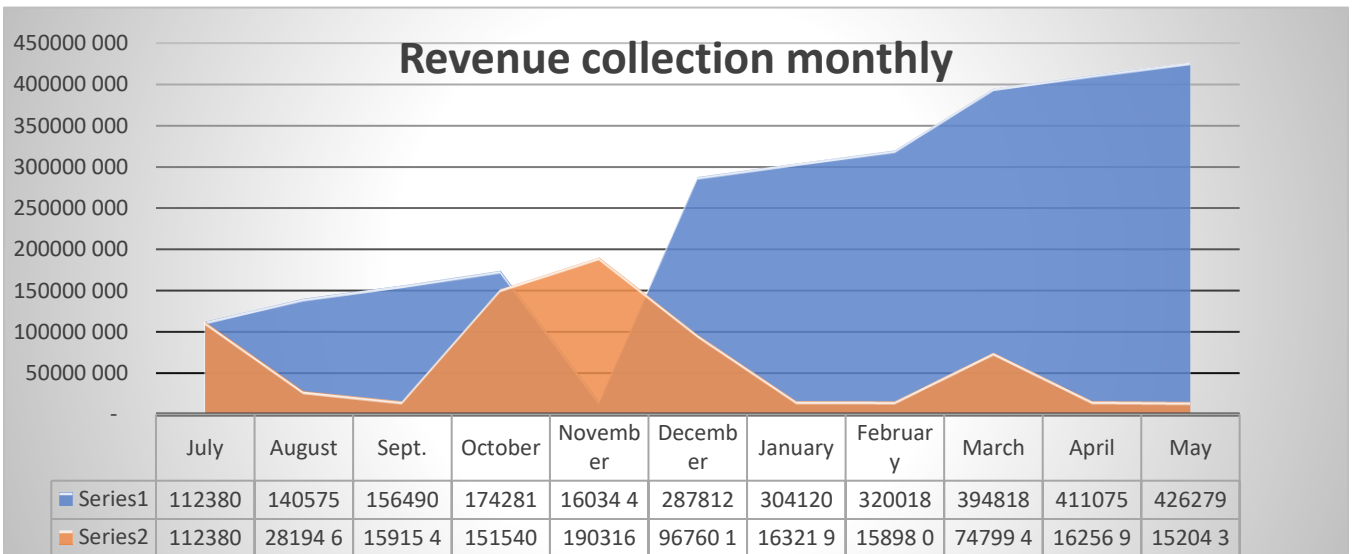


Figure 2



Revenue:

- The Year-to-Date (YTD) total revenue amounted to R426.8 million for the period ending 31 May 2026, excluding capital conditional grant income. The YTD budget of R424.4million shows a difference of R1.8million or 0% therefore this vote budget is reached as at May 2026.

EXCHANGE REVENUE

Service Charges: Electricity

- Revenue from electricity service charges is recognised on an invoice basis, with a total of R77.9 million billed against a pro-rata budget of R83.1 million, resulting in an underperformance of 6%. A variance of R5.2 million is attributable to lower consumption during the month of May.
- The actual cash collected amounted R7.8million for the month ended 31st May 2026.

Service Charges: Refuse

- The revenue billed from Service charges Refuse as of 31 May 2026 is R14.1million against the budgeted income of R13.5million which is over performance by 5percent. The variance is immaterial.
- The actual cash collected amounted R45thousand for the month of 31st May 2026.

Sale of Goods and rendering services

- Sale of Goods and Services amounted to R1.2million, compared to the year-to-date budget of R1.3million, a variance of 4% or R50thousand is considered immaterial.

Interest earned from receivables.

- Interest earned from receivables amounts to R1.5 million compared to the year-to-date budget of R1.8 million, reflecting an underperformance of 20%. The variance of R366 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 R10.9million in comparison with the year-to-date budget of R22.9million, thus indicating an under performance by R12million or 52 percent, This was primarily attributable to a decrease in income from external investments as more funds were retained to support the municipality's cash flow requirements.

Rental from fixed assets

- Revenue from the rental of facilities amounted to R585 thousand, compared to the year-to-date budget of R692 thousand, resulting in an underperformance of R107 thousand or 15%. 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 R1.3million against a pro-rata budget of R1.7 million, resulting in an underperformance of R449thousand or 26%. 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 R61.6 million, compared to a YTD budget of R59.5 million, resulting in an over-collection of R2.1 million or 4%. the variance on this vote is immaterial.
- The actual cash collected amounted R3.2million for the month ended 31st May 2026.

Fines, Penalties and forfeits

- Fines for the month of 31st May 2026 is underperformed by 1.1million or 88%, verses pro-rata budget of R1.3million. The variance is due to slack in collection, This vote also includes library fine fees for tardiness.

Licences and permits.

- The variance of R248thousand or 27% under collected 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 R253.6million verses YTD budget of R233.6million, thus indicating an over performance by R19.6million or 8percent. 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 R31.2million in comparison with the pro-rata budget of R54.5 million, thus indicating under performance by R23.4million variance is mainly attributable by expenditure in MIG. *(Detailed report on MIG expenditure has been provided below)*

Operating Expenditure of 31 May 2026

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

Figure 6

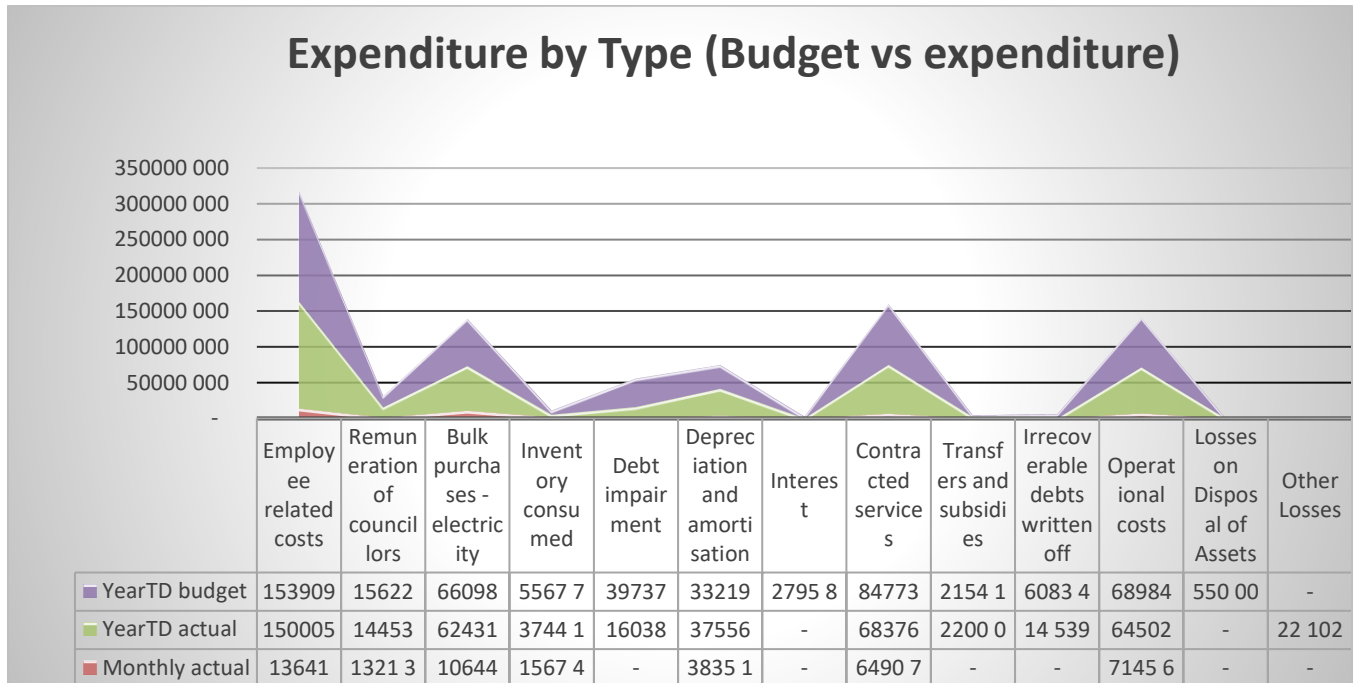
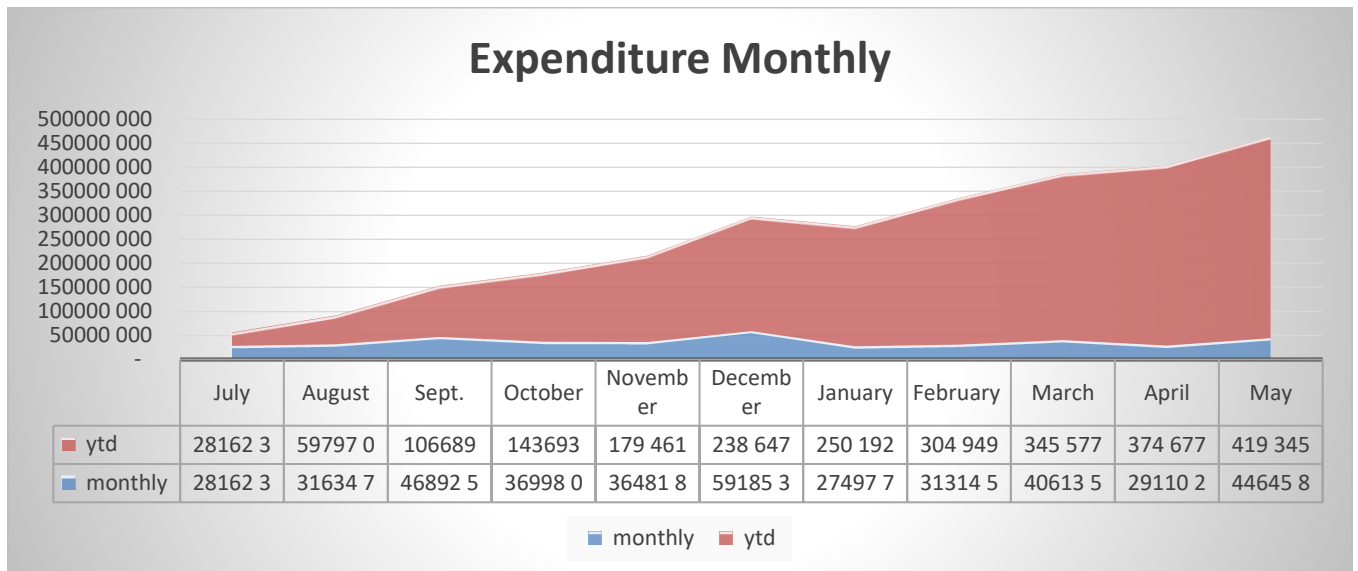


Figure 7



Operating Expenditure:

- The total operational expenditure YTD Actual for the period ending 31st May 2026 amounted to R419.3million against the planned target of R479.5million. As at the end of 31 MAY the operational expenditure budget has been under spent by -13% or -R60.2million. *Detailed expenditure analysis is below:*

Employee Related Costs

- Employee related costs YTD expenditure for the period ending 31st May amounted to R150.0million while the pro-rata budget of R153.9million with an underspending of R3.9million or -3%. The variance in this vote is considered immaterial.

Remuneration of Councilors

- Councilors' allowances pro-rata budget as of 31st May 2026 was under spent by R1.2million or 7percent. 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 R62.4million which is an under performance when compared to pro-rata budget of R66.1million. The variance of R3.7million or 6% is immaterial.

Inventory Consumed

- Inventory Consumed are reflecting an underperformance by 33% or R1.8million, when compared to pro-rata budget of R5.6million. 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 13percent or R4.3million. 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 19% or R16.4million, with year-to-date (YTD) actual expenditure of R68.4 million against a pro-rata budget of R84.8 million. This vote includes all contracted and outsourced services procured by the municipality, such as catering, transport, accommodation, and professional services. also, there is commitments to vote.

Transfers and Subsidies

- Transfers and subsidies has a performance of R2.2million with a different of 2% form the budget amount of R2,154million, the different is immaterial.

Irrecoverable debts written off

- Irrecoverable debts written off have underperformed by 100% when compared to pro-rata budget of R6.1million, an expenditure of R15thousand is processed in the month of April.

Operational Cost

- Other expenditure is under spent this month by 6% or R4.5million when compared to pro-rata budget of R69million, there are commitment invoices in the vote.

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) - M11 May

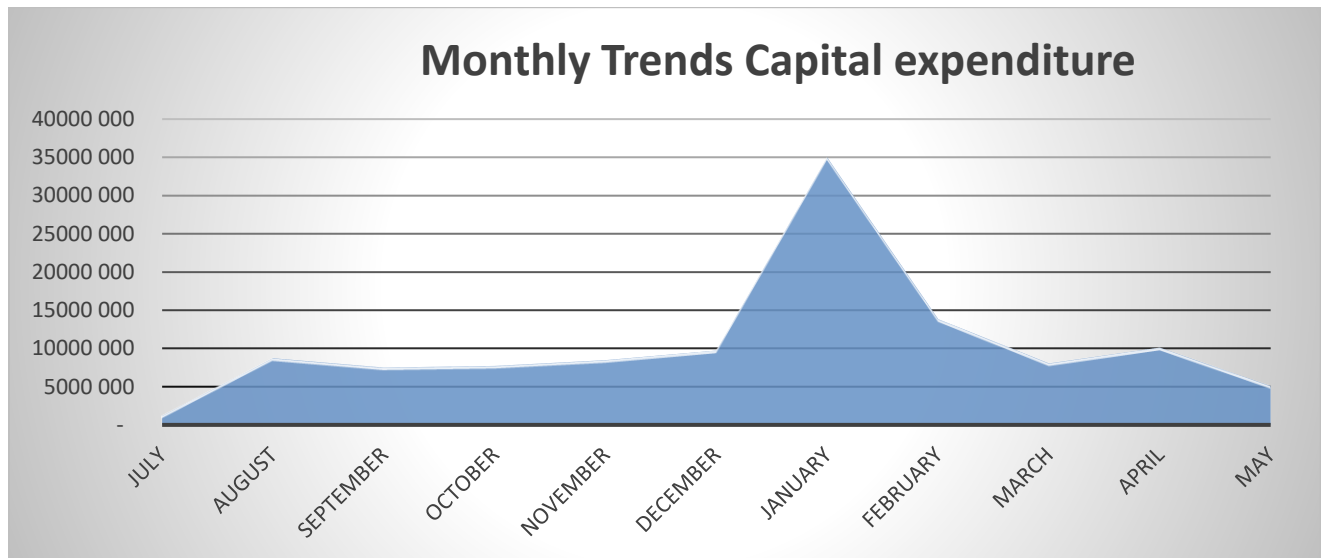
Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Single Year expense	2									
Vote 1 - Executive and council		12 470	30 000	23 540	2 189	26 358	21 578	4 780	22%	30 000
Vote 2 - Finance and administration		14 806	4 549	8 239	–	1 935	7 552	(5 617)	-74%	4 549
Vote 3 - Internal audit		–	–	–	–	–	–	–	–	–
Vote 4 - Community and social services		4 026	17 738	17 690	217	4 834	16 216	(11 381)	-70%	17 738
Vote 5 - Sport and Recreation		7 487	8 836	10 940	191	4 038	10 028	(5 990)	-60%	8 836
Vote 6 - Public safety		817	70	70	–	201	64	137	216%	70
Vote 7 - Housing		–	–	–	–	–	–	–	–	–
Vote 8 - Planning and Development		7 313	7 522	5 208	92	4 308	4 774	(467)	-10%	7 522
Vote 9 - Road transport		75 324	55 386	57 709	2 372	37 722	52 944	(15 221)	-29%	55 386
Vote 10 - Energy sources		2 389	4 869	2 087	–	962	1 913	(951)	-50%	4 869
Vote 11 - Waste Management		1 560	1 626	1 267	–	557	1 161	(604)	-52%	1 626
Vote 12 - Environmental Protection		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Capital single	4	126 192	130 596	126 749	5 061	80 915	116 230	(35 315)	-30%	130 596
Total Capital Expenditure		126 192	130 596	126 749	5 061	80 915	116 230	(35 315)	-30%	130 596
Capital Expenditure - Functional Classification										
Governance and administration		27 275	34 549	31 778	2 189	28 292	29 130	(838)	-3%	34 549
Executive and council		12 470	30 000	23 540	2 189	26 358	21 578	4 780	22%	30 000
Finance and administration		14 806	4 549	8 239	–	1 935	7 552	(5 617)	-74%	4 549
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		12 330	26 644	28 699	409	9 073	26 308	(17 234)	-66%	26 644
Community and social services		4 026	8 664	8 616	217	4 834	7 898	(3 064)	-39%	8 664
Sport and recreation		7 487	8 836	10 940	191	4 038	10 028	(5 990)	-60%	8 836
Public safety		817	9 143	9 143	–	201	8 381	(8 180)	-98%	9 143
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental		82 638	62 038	62 478	2 464	42 030	57 315	(15 285)	-27%	62 038
Planning and development		7 313	7 522	5 208	92	4 308	4 774	(467)	-10%	7 522
Road transport		75 324	54 517	57 270	2 372	37 722	52 541	(14 818)	-28%	54 517
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		3 949	7 365	3 793	–	1 519	3 477	(1 958)	-56%	7 365
Energy sources		2 389	4 869	2 087	–	962	1 913	(951)	-50%	4 869
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	870	440	–	–	403	(403)	-100%	870
Waste management		1 560	1 626	1 267	–	557	1 161	(604)	-52%	1 626
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	3	126 192	130 596	126 749	5 061	80 915	116 230	(35 315)	-30%	130 596
Funded by:										
National Government		41 421	39 884	50 763	1 984	30 361	46 532	(16 171)	-35%	39 884
Provincial Government		821	174	1 043	80	162	957	(794)	-83%	174
District Municipality		–	–	–	–	–	–	–	–	–
Transfers recognised - capital		42 242	40 058	51 806	2 064	30 524	47 489	(16 965)	-36%	40 058
Borrowing	6	–	–	–	–	–	–	–	–	–
Internally generated funds		83 950	90 538	74 943	2 997	50 391	68 741	(18 350)	-27%	90 538
Total Capital Funding		126 192	130 596	126 749	5 061	80 915	116 230	(35 315)	-30%	130 596

Capital Expenditure of 31 May 2026:

The YTD capital expenditure budget is R116.2million against YTD actual Capital expenditure amounting to R80.9million resulting in an under performance of (30%) 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 May 2026



- Capital grants funded by National Government are actual for R30.4million versus pro-rata Budget of R46.5million, expenditure reported has been underspent by (35%).
- Capital grants funded by Provincial Government under-performed by 83%, which has an expenditure of R83thousand as of 31 May 2026.
- Capital grants funded Internally is R50.4million versus pro-rata Budget of R68.7million variance of 27% 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 - M11 May

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		13 925	16 237	16 791	1 019	12 706	19 161	6 456	33.7%	16 237
Roads Infrastructure		8 864	8 426	9 500	-	7 291	10 839	3 548	32.7%	8 426
Roads		8 569	7 948	9 326	-	7 156	10 650	3 494	32.8%	7 948
Road Structures		269	304	174	-	135	188	54	28.6%	304
Road Furniture		26	174	0	-	-	-	-	-	174
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		1 246	3 913	3 865	913	2 828	5 121	2 293	44.8%	3 913
Drainage Collection		1 246	3 913	3 865	913	2 828	5 121	2 293	44.8%	3 913
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		2 614	3 148	2 322	24	1 331	2 190	859	39.2%	3 148
Power Plants		40	130	130	(5)	13	120	107	89.1%	130
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		169	870	739	-	50	739	689	93.2%	870
MV Substations		(3)	61	61	2	54	56	2	3.9%	61
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		143	87	217	-	201	199	(2)	-0.8%	87
LV Networks		949	1 130	304	26	73	196	123	62.8%	1 130
Capital Spares		1 317	870	870	-	940	880	(60)	-6.9%	870
Information and Communication Infrastructure		1 201	750	1 104	82	1 256	1 012	(244)	-24.1%	750
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		1 201	750	1 104	82	1 256	1 012	(244)	-24.1%	750
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		1 914	2 885	3 001	171	2 042	2 430	387	15.9%	2 885
Community Facilities		66	363	479	40	256	439	183	41.7%	363
Halls		-	-	-	-	-	-	-	-	-
Libraries		46	213	213	10	56	195	139	71.3%	213
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		20	150	266	30	200	244	44	17.9%	150
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		1 847	2 522	2 522	131	1 786	1 991	205	10.3%	2 522
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		1 847	2 522	2 522	131	1 786	1 991	205	10.3%	2 522

Other assets		-	348	174	1	66	159	93	58.5%	348
Operational Buildings		-	348	174	1	66	159	93	58.5%	348
Municipal Offices		-	348	174	1	66	159	93	58.5%	348
Pay/Enquiry Points		-	-	-	-	-	-	-		-
Machinery and Equipment		8 094	10 438	9 916	1 173	9 446	9 099	(347)	-3.8%	10 438
Machinery and Equipment		8 094	10 438	9 916	1 173	9 446	9 099	(347)	-3.8%	10 438
Total Repairs and Maintenance Expenditure	1	23 933	29 907	29 882	2 364	24 260	30 849	6 590	21.4%	29 907

4.1 Municipal Infrastructure Grant (MIG) Funded Projects:

2025/26 Financial Year MIG Allocation	R 48 228 000.00
Less: Total Expenditure (incl. Retention)	R 32 475 055.29
Balance	R 15 752 944.71
Expenditure as a %	67.34%

Projects that are in the planning stage for MIG and registered

- Rehabilitation of Quartz Road and Portion of Platinum Road in Ward 4: Bidding document finalised and is to be submitted to SCM for processing.
- Construction of Ngqofela Community Hall in Ward 9, Mandeni Municipality: Detailed design report has been finalised and approved.
- Construction of Community Hall in The Machibini Area, Mandeni Ward 12; Detailed design report has been finalised and approved.
- Construction of installation of high mast lights in Ward 1, 2, 6, 7, 13, 14 and 15: Detailed design report has been finalised and approved.
- Completion of Rehabilitation of Bumbanani Road in Sundumbili: Ward 13, 14 & 15 - Phase1: Bidding document for completion of outstanding works has been finalised.
- Completion of Construction of Community Hall in Wangu Area, Ward 8: Cost to completion for outstanding of works has been finalised and awaiting submission of bidding document for reviewing and approval by the Municipality.

Projects that are at tender stage

- Construction of a Sportsfield in Ward 2, Mandeni
- Construction of a Sportsfield In Mangqakaza, Ward 01
- Completion of Construction of a Sportsfield and Combo Court in Khenana: Ward 10 - Phases 1 & 2
- Completion of Construction of a Hlomendlini Sportfield - Ward 4

Projects under Construction Stage

- Nyoni Taxi Route Phase 4
- Upgrade of Nhlonhle, Downtown and Khuthala Roads and Stormwater in Ward 14

Completed Projects

- Upgrade of Machibini Link Road to Isithebe in Wards 10 and 12 Phase 2
- 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 that are in the planning stage:

- 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.

Projects at tender stage

- None

Projects at Construction Stage

- Main Offices Master Plan and Building of the New Block Offices
- Completion of Extension of Mechanical / Technical Services Building Phase 1

Completed Projects

- None

4.3 Municipal Disaster Response Grant Funded Projects

2025/26 Financial Year MIG Allocation	R 20 000 000.00
<u>Less:</u> Total Expenditure (incl. Retention)	R 1 206 753.26
Balance	R 18 793 246.74
Expenditure as a %	6.03%

Projects that are in the planning stage:

- None

Projects at tender stage;

- 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

- None

Completed Projects

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

5. PROGRESS ON PROJECTS AND EXPENDITURE

5.1 Municipal Infrastructure Grant

a) Construction of a Hlomendlini Sportfield - Ward 4

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 333 210.46	R 1 333 210.46
Construction Cost (incl. Retention)	R 7 951 934.33	R 5 059 345.48
Internal Funding (Professional and Construction Fees)	R 1 547 441.12	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 was approved by ADHOC Bid Specification Committee with the final documentation issued to SCM for procurement process and subsequently Bids were advertised on the **17th April 2026** with closure being on the **24th April 2026**.

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 Mandela).

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 73 960.66	R 42 472.86
Construction Cost (Incl. Retention Withdrawal)	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
Actual Completion Date: 23 March 2026

Project Scope

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

Current Status Overall Construction progress 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%. Project has been successfully completed as off 23rd March 2026.

Challenges: n/a.

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

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

Project Details

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

Project Scope

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

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

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

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

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

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 743 191.52	R 2 696 436.49
Construction Cost (incl. Retention)	R 17 536 070.12	R 17 535 975.10
Internal Funding (Professional and Construction Fees)	R 3 932 538.28	R 3 767 557.49

TOTALS (Incl. Vat)	R 24 211 799.92	R 23 999 969.08
---------------------------	------------------------	------------------------

Project Details

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

Project Scope

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

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

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

Challenges: None.

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

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

Project Details

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

Project Scope

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

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

Performance of the Contractor remained unsatisfactory with minimal improvements and little progress in the 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.

Contractor was subsequently issued with a formal **Notice of Final Termination** in accordance with the express terms and conditions of the contract. This termination became officially effective on **03 March 2026**.

Final Cost to Completion and Bid Document Draft was approved by ADHOC Bid Specification Committee with the final documentation issued to SCM for procurement process and subsequently Bids were advertised on the **17th April 2026** with closure being on the **24th April 2026**.

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 281 229.81	R 1 342 060.04
Construction Cost (incl. Retention)	R 7 180 245.34	R 5 094 093.54
TOTALS (Incl. Vat)	R 8 461 475.15	R 6 436 153.58

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: Contractor was terminated after they have notified the client that they are withdrawing from the contract.

The planning for the preparation of bidding document for completion of outstanding works has commenced.

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 1 885 394.67
Construction Cost (incl. Retention)	R 12 312 111.04	R 8 298 572.31
TOTALS (Incl. Vat)	R 14 235 323.65	R 10 183 966.98

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 60%: 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) 80%, Stormwater pipe culverts installation 90%, Kerb inlets and Manholes 65%, Headwalls 0%, Kerb and Channel 13%, Asphalt surface layer 60%, Traffic calming (Speed humps) 0%, Road marking 0%, Road signs 0% and Finishing off 0%.

Challenges: The contractor did not pay their workers April wages; it resulted on workers not coming to work and there was time lost due to no progress. The payments have been made and workers are back on site.

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
Original Completion Date:	17 November 2025.
Revised Completion date:	31 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 48.43%: Contractor has established on site 100%. Bulk Sewer 13.3%, Internal Sewer Retic 59.1%, Taxi Collector 42.3%, Internal Access Roads 49.8%, Bulk Water 40.9%, Internal Water - Retic 38.8%, MR495 0%, Underpass 0%. Performance of the Contractor is unsatisfactory with very minimal improvements in this regard although some minor works being executed.

Challenges: Performance of the Contractor remains to be monitored closely with improvements being noted in the past 3 months. E.O.T Claim No.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**. Final Approval Certificate i.e Final Completion Certificate was issued on **Wednesday, 08th April 2026** following a final inspection of works.

Challenges: n/a

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

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

Project Details

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

Project Scope:

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

Current Status Overall Construction progress: Construction 100%: Site Establishment 100%, Clear and grubbing for roadworks 100%, Mass Earthworks 100%, Road formation 100%. Layer works consisting of (G9 - 100%, G7- 100% & G5 - 100% Gravel materials), Concrete V-Drains 100% and Subsoils 100%, Prefabricated Pipe Culverts including headwalls 95%, Concrete Surfacing (25 MPa) of Steep areas 100%,

Landscaping works, topsoiling and grassing 60%. Finishing off 95%. Performance of the contractor is satisfactory. Completion certificate was issued to the Contractor on Friday, 17 October 2025.

Challenges: n/a

5.2 Municipal Internal Funding

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 27 520 466.21	R 13 409 689.07 <small>(2024/25FY)</small> R 3 119 895.32 <small>(2025/26FY)</small>
2025/26 FY Construction Cost (Including retention)	R 33 500 000.00	R 29 044 775.30
Total Construction Cost (Including retention)	R 112 455 957.18	R 29 044 775.30
TOTALS (Incl. Vat)	R 139 976 423.40	R 45 574 359.69

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 27.5%: 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 to Basement 100%, Reinforcement to basement 100%, Concrete to Foundations 100%, G5 Fill to Surface Bed 80%, Soil Poisoning 100%, Lighting Protection 50%, Ironmongery 5%, Sewer 25%, Valve Chambers and Manholes 7%.

Challenges: Hardrock excavations, Space constraints on site for working area and existing site being fully active with traffic and public along with inclement weather conditions.

b) Contractor for the Completion of Mechanical Workshop and Office Block

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 310 127.12	R 118 390.11
Construction Cost (incl. Retention)	R 6 100 723.15	R 0.00
TOTALS (Incl. Vat)	R 6 410 850.27	R 118 390.11

Project Details

Name of Consultant: Ukwakha Consulting Engineers
Name of Contractor: Chashaza (Pty) Ltd
Project Commencement Date: May 2026
Contractual Completion Date: August 2026
Revised Completion Date: TBA

Project Scope

- Site establishment
- Site clearance

- Concrete work
- Brickwork
- Plaster
- Painting
- Installation of ironmongery
- Ceiling installation
- Installation of sanitary fittings
- Installation of doors and windows
- Tiling
- Plumbing and drainage
- Electrical installation
- HVAC Installation
- Timber roof trusses and roof sheeting
- Roadwork
- Installation of fire hydrants
- Landscaping
- Fencing
- Specialist signage & General cleaning

Current Status Overall Construction progress 8%: Site Establishment 90%, Site Clearance (rubble removal) 40%, Establishment of Temporary Office & Storage Facilities 80%.

Challenges: Insufficient planning and coordination from the Contractor to execute works in accordance with the contract and time frames.

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 - M11 May										
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:		30 101	250 223	-	-	260 412	208 519	286	0.1%	250 223
EPWP Incentive	-	3 784	1 714	-	-	1 714	1 428	286	20.0%	1 714
Finance Management	-	1 850	1 900	-	-	11 900	1 583			1 900
Integrated National Electrification	-	7 200	-	-	-	189	-			-
Local Government Equitable	-	244	244 198	-	-	244 198	203 498			244 198
Municipal Infrastructure Grants	-	17 023	2 411	-	-	2 411	2 010			2 411
Other transfers and grants [insert description]								-		
Provincial Government:		(19 093)	4 733	4 625	-	4 625	4 521	104	2.3%	4 933
KwaZulu-Natal_Capacity Building	-	(19 093)	4 733	4 625	-	4 625	4 521	104	2.3%	4 933
Other transfers and grants [insert description]	4							-		
District Municipality:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	11 008	254 956	4 625	-	265 037	213 040	390	0.2%	255 156
Capital Transfers and Grants										
National Government:		132 244	45 817	-	-	65 817	54 847	7 636	13.9%	45 817
Municipal Infrastructure Grants	-	128 668	45 817	-	-	45 817	38 181	7 636	20.0%	45 817
Integrated National Electrification	-	3 576	-	-	-	-	-			-
Municipal Disaster Recovery	-	-	-	-	-	20 000	16 667			-
Other capital transfers [insert description]								-		
Provincial Government:		50 633	200	1 200	-	1 200	1 000	200	20.0%	-
EDTEA	-	50 633	-	1 000	-	1 000	833	167	20.0%	-
Library	-		200	200		200	167			
Other capital transfers [insert description]								-		
District Municipality:		-	-	-	-	7 877	-	7 877	#DIV/0!	-
KwaZulu-Natal_DC 29 - Ilembe	-	-	-	-	-	8 538	-	8 538	#DIV/0!	-
Other grant providers:		-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	5	182 877	46 017	1 200	-	74 893	55 847	15 713	28.1%	45 817
TOTAL RECEIPTS OF TRANSFERS AND GRANTS	5	193 885	300 973	5 825	-	339 931	268 887	16 103	6.0%	300 973

5.4 Division of Revenue Act on Grants Expenditure

KZN291 Mandeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M11 May

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	250 223	-	18 403	247 379	208 519	36 558	17.5%	6 025
Expanded Public Work	-	1 815	1 714	-	-	1 714	1 428	286	20.0%	1 714
Local Government Financial	-	1 850	1 900	-	120	1 580	1 583	(123)	-7.8%	-
Municipal Infrastructure	-	7 200	-	-	-	-	-	-	-	1 900
Local Government Financial	-	243 588	244 198	-	18 101	242 147	203 498	36 649	18.0%	-
Municipal Infrastructure	-	17 023	2 411	-	182	1 938	2 010	(253)	-12.6%	2 411
0										
Other transfers and grants [insert description]										
Provincial Government:		4 282	4 733	-	317	3 484	5 123	(1 640)	-32.0%	4 933
KwaZulu-Natal_Capacity Building and Other_Specify (Add grant description)_Receipts										
KwaZulu-Natal	-	4 282	4 733	-	344	3 827	5 123	(1 640)	-32.0%	4 933
0										
0										
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants		275 758	254 956	-	16 641	248 561	213 643	34 918	16.3%	10 958
Capital expenditure of Transfers and Grants										
National Government:		135 667	45 817	-	1 848	30 275	48 606	(18 331)	-37.7%	45 817
Municipal Disaster Relief	-	2 553	-	-	-	-	-	-	-	-
Municipal Infrastructure	-	15 556	-	-	-	4 511	10 426	(5 915)	-56.7%	-
0		117 558	45 817	-	1 069	26 833	38 181	(12 417)	-32.5%	45 817
0										
Other capital transfers [insert description]										
Provincial Government:		44 303	200	-	-	99	833	(734)	-88.1%	-
KwaZulu-Natal	-	44 303	200	-	80	179	833	(734)	-88.1%	-
0										
District Municipality:		-	-	-	-	8 458	-	8 458	#DIV/0!	-
0						9 727	-	8 458	#DIV/0!	-
0										
Other grant providers:		-	-	-	-	-	-	-	-	-
0										
Total capital expenditure of Transfers and Grants		179 970	46 017	-	3 661	38 832	49 440	(10 607)	-21.5%	45 817
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		455 728	300 973	-	20 302	287 393	263 082	24 311	9.2%	56 775

3. Debtors Age Analysis

Table SC3 Monthly Budget Statement_ Debtors Age Analysis

KZN291 Mandeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

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 fro	1200	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables fro	1300	1 457	4 634	715	1 061	6	467	2 722	2 800	13 862	7 056	
Receivables from Non-exchange	1400	5 342	3 897	3 501	6 375	474	3 183	24 514	102 875	150 161	137 421	
Receivables from Exchange Tran	1500	–	–	–	–	–	–	–	–	–	–	
Receivables from Exchange Tran	1600	1 531	1 341	1 248	2 149	(3)	1 038	6 216	64 633	78 153	74 033	
Receivables from Exchange Tran	1700	37	30	21	82	–	11	(586)	118	(287)	(375)	
Interest on Arrear Debtor Accoun	1810	481	467	459	895	–	440	2 874	36 343	41 958	40 551	
Recoverable unauthorised, irregu	1820	–	–	–	–	–	–	–	–	–	–	
Other	1900	4 736	40	2	1	–	2	47	5 385	10 213	5 435	
Total By Income Source	2000	13 583	10 410	5 945	10 564	477	5 141	35 786	212 154	294 059	264 121	
2024/25 - totals only										–	–	
Debtors Age Analysis By Customer Group												
Organs of State	2200	7 131	2 573	2 304	4 324	318	2 246	19 867	36 791	75 554	63 546	
Commercial	2300	2 696	4 542	606	926	6	378	2 019	19 128	30 301	22 457	
Households	2400	3 604	3 158	2 940	5 141	152	2 440	13 540	152 823	183 799	174 097	
Other	2500	151	136	95	173	–	78	360	3 411	4 405	4 022	
Total By Customer Group	2600	13 583	10 410	5 945	10 564	477	5 141	35 786	212 154	294 059	264 121	

The total Consumer debtors outstanding as 31st May 2026 is **R 294.1 million**

- Debt book indicates 1% increase from to 1st July 2025 with R260.9million to May 2026 with R294.1million to 12.7%increase.
- Debtors collection rate of May 2026 is 68%

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
002051000	SUNDUMBILI B	510	NKOSI	RATE/REFUSE	R117 926.50
002051100	SUNDUMBILI A	511	SIBIYA	RATE/REFUSE	R107 001.43
002051200	SUNDUMBILI A	512	NDLAZI	RATE/REFUSE	R32 616.05
002051300	SUNDUMBILI A	513	SHABALALA	RATE/REFUSE	R13 906.87
002051400	SUNDUMBILI A	514	NCUBE	RATE/REFUSE	R21 792.70
002051500	SUNDUMBILI A	515	NDLOVU	RATE/REFUSE	R27 192.70
002051600	SUNDUMBILI A	516	SHANDU	RATE/REFUSE	R22 090.04
002051700	SUNDUMBILI A	517	KHUMALO	RATE/REFUSE	R16 047.19
002051900	SUNDUMBILI A	519	GWAMBE	RATE/REFUSE	R16 055.12
002052000	SUNDUMBILI A	520	MJIYAKHO	RATE/REFUSE	R54 109.41
002052100	SUNDUMBILI A	521	MAZIBUKO	RATE/REFUSE	R27 035.57
002052200	SUNDUMBILI A	522	KHUZWAYO (DECEASED)	RATE/REFUSE	R15 682.70
002052300	SUNDUMBILI A	523	ZITHA	RATE/REFUSE	R25 622.18
002052400	SUNDUMBILI A	524	MTHEMBU	RATE/REFUSE	R17 406.45
002052500	SUNDUMBILI A	525	NKOSI	RATE/REFUSE	R29 771.65
002052600	SUNDUMBILI A	526	NDUNAKAZI	RATE/REFUSE	R51 880.20
002052700	SUNDUMBILI A	527	MABANGA	RATE/REFUSE	R22 880.20
002052800	SUNDUMBILI A	528	NTULI	RATE/REFUSE	R52 202.51

002052900	SUNDUMBILI A	529	KHANYILE	RATE/REFUSE	R71 502.92
002053000	SUNDUMBILI A	530	NDLOVU	RATE/REFUSE	R66 991.49
TOTAL					R809 713.88

DISCONNECTIONS MAY 2026

NO.	ACCOUNT NO.	TOWN	ADDRESS	NAME	DEBT TYPE	AMOUNT R
1	008900571	MANDENI	35 KUDU	ZUNGU	RATE/REFUSE	R11 443.32
2	009908132	MANDENI	35 IMPUNZI	MEMELA	RATE/REFUSE	R7 600.62
3	008801631	MANDENI	32 ANDERSON	ZUNGU	RATE/REFUSE	R3 908.77
4	009903661	MANDENI	31 TROGON	MONNAGARATWE	RATE/REFUSE	R2 785.11
5	009902691	MANDENI	31 GREIG	NAIDU	RATE/REFUSE	R7 408.00
6	009909831	MANDENI	3 UMSINSI	DUBE	RATE/REFUSE	R22 959.32
7	009910601	MANDENI	3 BEGONIA	MKHWANAZI	RATE/REFUSE	R16 556.46
8	009981921	MANDENI	29 KUDU RD	RAMCHURAN	RATE/REFUSE	R7 465.65
9	009901561	MANDENI	29 ANDERSON	GABELA	RATE/REFUSE	R15 191.43
10	009982041	MANDENI	28 TEKWANE	ZONDO	RATE/REFUSE	R3 417.43
11	008001121	MANDENI	28 OHARA	MZIMELA	RATE/REFUSE	R37 197.03
12	009946721	MANDENI	26A PLOVER	CHAPMAN	RATE/REFUSE	R7 834.32
13	009301131	MANDENI	26 IMPUNZI	PILLAY	RATE/REFUSE	R22 126.28
14	009909492	MANDENI	23 UMDONI	NZUZA	RATE/REFUSE	R3 866.80
15	009500771	MANDENI	23 FRYE RD	GOVENDER	RATE/REFUSE	R5 907.62
16	009301371	MANDENI	23 ANDERSON	MDLALOSE	RATE/REFUSE	R3 433.21
17	003000212	MANDENI	22 IMPALA	WANG	RATE/REFUSE	R34 025.87
18	009702171	MANDENI	21 PLOVER	MHLONGO	RATE/REFUSE	R17 965.55
19	009500781	MANDENI	20 UMSINSI	SIBIYA	RATE/REFUSE	R173 369.31
20	009909512	MANDENI	20 UMDONI	BUSANE	RATE/REFUSE	R9 684.08
21	002900701	MANDENI	9 DUBE	NGCOBO	RATE/REFUSE	R159 013.06
22	009908211	MANDENI	82 PATRYS	GUMEDE	RATE/REFUSE	R79 240.86
23	009900711	MANDENI	82 ANDERSON	DLAMINI	RATE/REFUSE	R18 123.27
24	009401621	MANDENI	8 RICHARDS	DLAMINI	RATE/REFUSE	R38 995.44
25	009902701	MANDENI	60 GREIG	MKHWANAZI	RATE/REFUSE	R30 329.18
26	009900821	MANDENI	60 ANDERSON	THABETHE	RATE/REFUSE	R44 449.51
27	009909582	MANDENI	6 UMDONI	DLAMINE	RATE/REFUSE	R3 494.20
28	008007866	MANDENI	6 SUNDANCE	MOODLEY	RATE/REFUSE	R6 153.14
29	008903661	MANDENI	6 FARROW	LANGA	RATE/REFUSE	R10 449.60
30	009902471	MANDENI	59 GREIG RD	GUMEDE	RATE/REFUSE	R5 296.79
31	009801331	MANDENI	55 PARTYS	MBONAMBI	RATE/REFUSE	R33 224.33
32	009902731	MANDENI	54 GREIG	MZIMELA	RATE/REFUSE	R9 274.84
33	008903642	MANDENI	52 GREIG	MCHUNU	RATE/REFUSE	R5 187.80
34	009902561	MANDENI	5 WATSON	ZUNGU	RATE/REFUSE	R16 137.19
35	002500882	MANDENI	5 PHILLIP	OLDHAM PROPERTIES	RATE/REFUSE	R15 807.04
36	008701381	MANDENI	5 GREIG	EBRAHIM	RATE/REFUSE	R3 557.58
37	009910611	MANDENI	5 BEGONIA	MKHWANAZI	RATE/REFUSE	R30 522.82
38	009905161	MANDENI	49 TROGON	WYNNE	RATE/REFUSE	R5 808.94
39	009702121	MANDENI	42 IMPUNZI	NZIMANDE	RATE/REFUSE	R34 391.07
40	009800611	MANDENI	40 IMPUNZI	MOOLMAN	RATE/REFUSE	R14 371.21
41	008802291	MANDENI	4 WATSON RD	NAUDE	RATE/REFUSE	R4 825.66
42	009600971	MANDENI	4 PHILLIP RD	NTULI	RATE/REFUSE	R91 819.57
43	008803761	MANDENI	39 IMPUNZI RD	MACHINGAUTA	RATE/REFUSE	R3 275.55
44	008803671	MANDENI	35 TROGON	SINDICICH	RATE/REFUSE	R12 263.70
45	008400751	MANDENI	35 PATRYS	MSWELI	RATE/REFUSE	R3 284.41
46	009911941	MANDENI	27 ALOE	MBONGWA	RATE/REFUSE	R5 902.31
47	002101022	MANDENI	26 LONG	VERMAAK	RATE/REFUSE	R5 760.30
48	009910411	MANDENI	1 ARUM PLACE	MDLALOSE	RATE/REFUSE	R4 474.90
49	009910591	MANDENI	1 BEGONIA	MANZINI	RATE/REFUSE	R10 276.22
50	008007861	MANDENI	1 SUNDANCE	MEMELA	RATE/REFUSE	R4 970.51
51	009933821	MANDENI	10B ROBIN PLACE	SITHOLE	RATE/REFUSE	R25 040.74

52	009904491	MANDENI	11 PARTYS RD	MTHEMBU	RATE/REFUSE	R35 226.79
53	008803721	MANDENI	11 WHIMBREL RD	MKHIZE	RATE/REFUSE	R31 638.21
54	009904491	MANDENI	11 PARTYS RD	MTHEMBU	RATE/REFUSE	R35 226.79
55	009909421	MANDENI	1 ACACIA AVENUE	CELE	RATE/REFUSE	R12 664.39
56	009907021	MANDENI	1 INYALA RD	TRANSNET PROPERTY	RATE/REFUSE	R3 618.52
57	009908731	MANDENI	12 DUBE	MPONTSHANE	RATE/REFUSE	R3 558.55
58	009905201	MANDENI	12 SANDPIPER	NHLUMAYO	RATE/REFUSE	R7 079.66
59	007700431	MANDENI	13 INYALA RD	BALGOBING	RATE/REFUSE	R5 581.05
60	008700781	MANDENI	131 ANDERSON	ZANGWA	RATE/REFUSE	R90 193.19
61	009900031	MANDENI	132 ANDERSON	NTSHANGASE	RATE/REFUSE	R5 157.19
62	009901177	MANDENI	10 CYCAD	MZIMELA	RATE/REFUSE	R643 840.83
63	009910101	MANDENI	16 ACACIA AVENUE	GOVENDER	RATE/REFUSE	R43 283.18
						R2 066 936.27

Figure 9

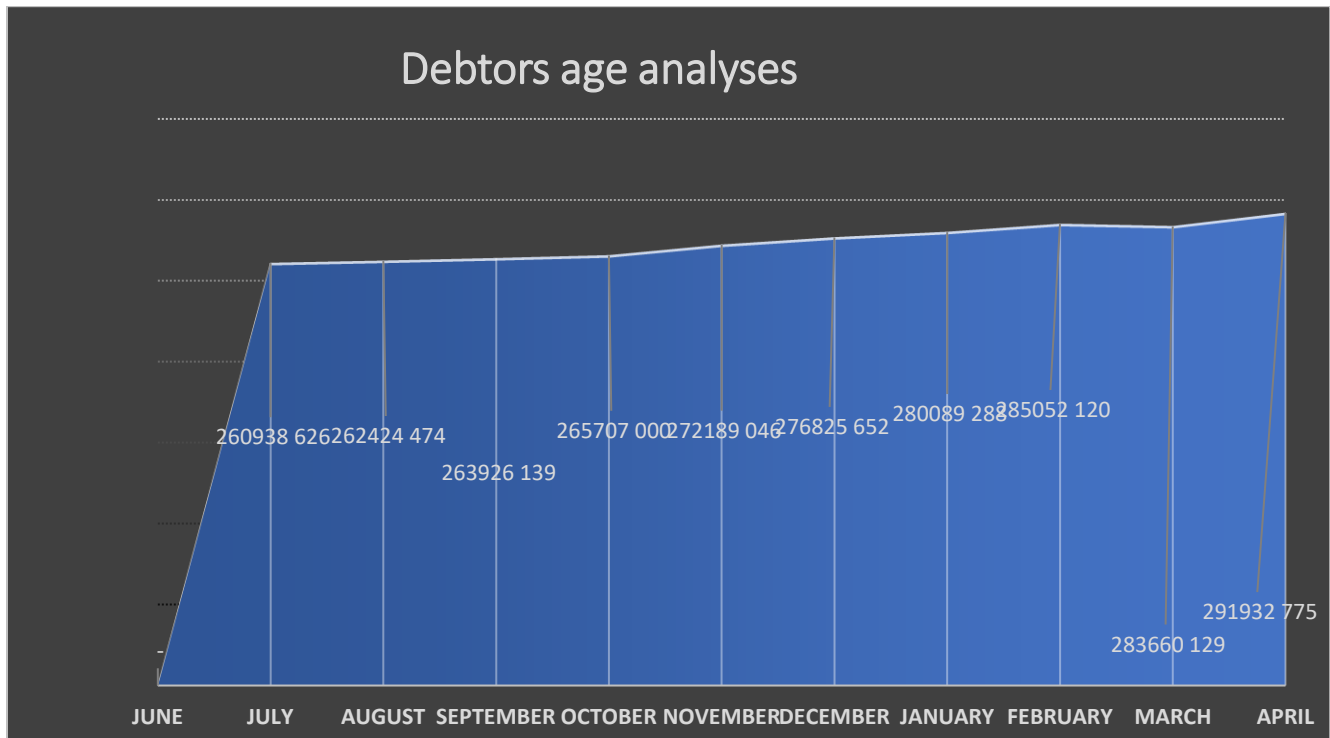
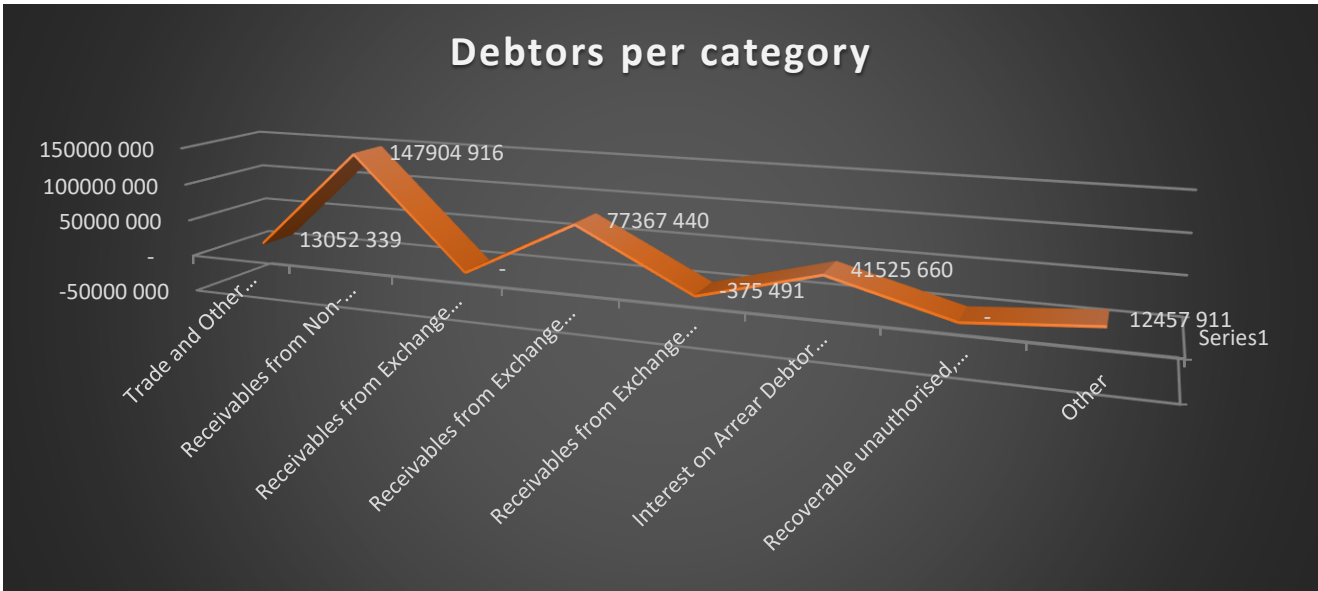
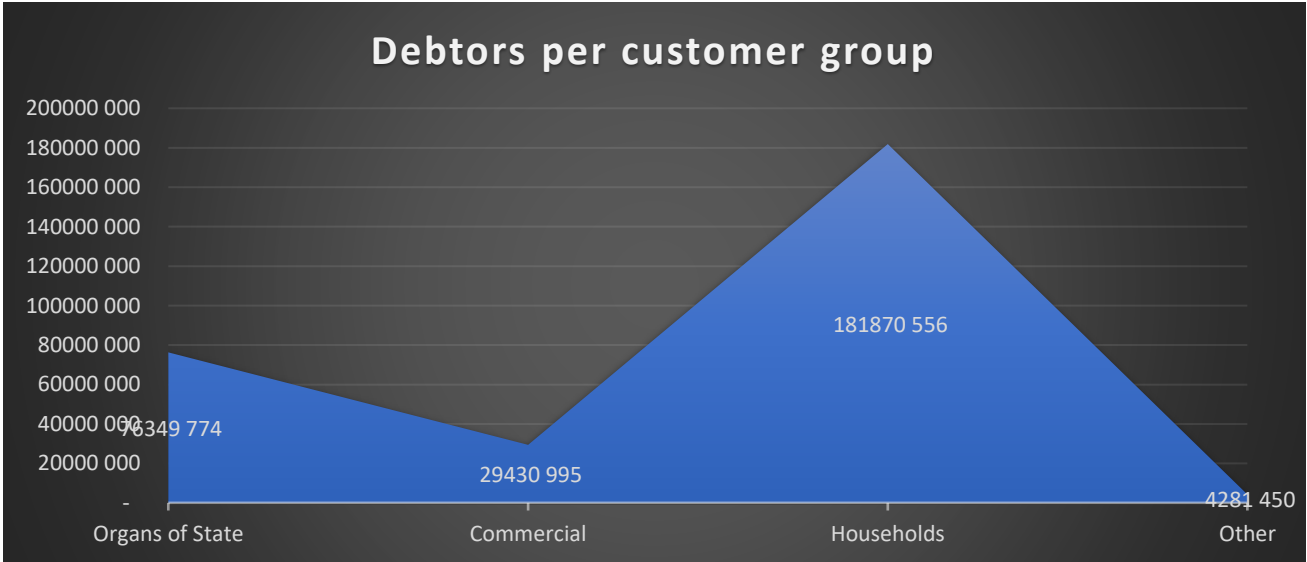


Figure 10



The municipal debtors have increased from R263,5 million to R283.7 million that is from July 2025 until 31st MAY 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 May 2026**



Councillors and Employees in Arrear

- Debt outstanding on Councillors as at May is R153,391.26
- Staff Accounts in arrears as at May is R 79,291.31

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 - M11 May												
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		
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	1	-	-	-	-	-	-	-	1	1
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	-	1	-	-	-	-	-	-	-	1	1

- Creditors aged is R 1,305 as of 31st May 2026 under Trade creditors within 30days. This payment relates to MPSA registration which Bank details are not valid. (Age analysis listing attached)

Top 10 Creditors: MAY 2026

Name	Amount
ESKOM HOLDING	R 12 826 517.56
EMALANGENI	R 757 545.60
CCG SYSTEMS	R 184 268.84
BAMBHANANI ENTERPRISE	R 94 852.71
MALUTHULI TRADING	R 167 413.00
EZAMALUNQA	R 1 638 211.07
BIDVEST SERVICES	R 65 089.46
CITY OF CHOICE	R 109 519.87
ILEMBE MUNICIPALITY	R 385 342.12
MBD CONSULTING	R 243 443.50

5. MONTHLY BUDGET STATEMENT - FINANCIAL POSITION

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

KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - M11 May

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	124 099	9 811
Trade and other receivables from exchange transactions		(356)	43 899	30 895	15 413	43 899
Receivables from non-exchange transactions		7 276	44 829	45 510	5 156	44 829
Current portion of non-current receivables		–	–	–	–	–
Inventory		41 639	41 799	42 416	42 110	41 799
VAT		(3 248)	38 224	36 618	759	38 224
Other current assets		225	–	–	225	–
Total current assets		177 463	178 561	217 562	187 762	178 561
Non current assets						
Investments		–	–	–	–	–
Investment property		44 152	41 913	44 152	44 152	41 913
Property, plant and equipment		608 733	761 503	837 609	631 309	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		655 009	805 344	883 806	677 585	805 344
TOTAL ASSETS		832 472	983 905	1 101 368	865 346	983 905
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	169	–
Consumer deposits		–	162	179	90	162
Trade and other payables from exchange transactions		–	46 847	66 114	33 145	46 847
Trade and other payables from non-exchange transactions		–	2 058	(12 058)	36 177	2 058
Provision		–	17 141	9 356	–	17 141
VAT		–	22 133	26 478	3 989	22 133
Other current liabilities		–	–	–	–	–
Total current liabilities		–	88 340	90 068	73 570	88 340
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		–	–	–	–	–
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	25 770	27 321	22 198	25 770
Total non current liabilities		–	25 770	27 321	22 198	25 770
TOTAL LIABILITIES		–	114 110	117 389	7 279	114 110
NET ASSETS	2	832 472	869 795	983 979	858 067	869 795
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		738 186	867 662	957 633	855 837	867 662
Reserves and funds		–	2 133	2 230	2 230	2 133
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	738 186	869 795	959 863	858 067	869 795

RATIOS FOR THE MONTH

Current ratio: The municipality's current assets are (2) 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 :0.33c 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, R3.02c

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: 246.78days it takes the municipality to collect outstanding debt.

Cost coverage: on average the municipality has sustained its existence for the period of 2 months without any grant funding.

Debtors collection rate: as at the 11 months of 2025/26 at 68%

				2 Month
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	1 - 3 Months	Cash and cash equivalents	8 897 942
			Unspent Conditional Grants	39 609 565
			Overdraft	-
			Short Term Investments	115 029 816
			Total Annual Operational Expenditure	504 021 015
2	Current Ratio	1.5 - 2:1		2.55
			Current Assets	187 761 692
			Current Liabilities	73 569 902
3	Remuneration as % of Total Operating Expenditure	25% - 40%		39%
			Employee/personnel related cost	150 005 548
			Councillors Remuneration	14 453 472
			Total Operating Expenditure	419 345 110
			Taxation Expense	-

4	Contracted Services % of Total Operating Expenditure	2% - 5%		16%
			Contracted Services	68 376 496
			Total Operating Expenditure	419 345 110
			Taxation Expense	

1	Collection Rate	95%		68%
			Gross Debtors closing balance	294 059 336
			Gross Debtors opening balance	257 884 837
			Bad debts written Off	11 320 330
			Billed Revenue	147 591 250

2	Bad Debts Written-off as % of Provision for Bad Debt	100%		0%
			Consumer Debtors Bad debts written off	
			Consumer Debtors Current bad debt Provision	200 669 456

3	Net Debtors Days	30 days		231 days
			Gross debtors	294 059 336
			Bad debts Provision	200 669 456
			Billed Revenue	147 591 250

6. MONTHLY BUDGET STATEMENT -CASH FLOW

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

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - M11 May										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(52 915)	49 972	49 993	3 289	88 671	45 827	42 844	93%	49 972
Service charges		(63 799)	98 454	106 665	1 418	24 731	97 776	(73 045)	-75%	98 454
Other revenue		8 768	26 748	27 243	270	3 889	24 973	(21 084)	-84%	26 748
Transfers and Subsidies - Operational		473 369	254 956	255 448	(189)	193 407	234 161	(40 754)	-17%	254 956
Transfers and Subsidies - Capital		129 770	46 017	67 017	-	68 228	61 432	6 796	11%	46 017
Interest		-	25 232	25 232	-	-	23 129	(23 129)	-100%	25 232
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		-	(436 031)	(455 741)	(37 649)	(305 811)	(387 085)	(81 274)	21%	(436 031)
Interest		-	(3 050)	(3 050)	-	-	(2 796)	(2 796)	100%	(3 050)
Transfers and Subsidies		-	-	(2 350)	-	-	2 154	2 154	100%	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		495 194	62 299	70 457	(32 861)	73 115	99 572	26 457	27%	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		(12 695)	(144 685)	(140 261)	(5 061)	(80 915)	(128 573)	(47 658)	37%	(144 685)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(12 695)	(144 685)	(140 261)	(5 061)	(80 915)	(128 573)	(47 658)	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		482 499	(82 386)	(69 804)	(37 922)	(7 799)	(29 001)			-
Cash/cash equivalents at beginning:		230 188	92 208	131 927	-	131 899	131 927			131 899
Cash/cash equivalents at month/year end:		712 687	9 822	62 123	(37 922)	124 099	102 927			-

The net decrease in cash for the period ending 31 May 2026 is R7.8million. The municipality opened the financial year with cash and cash equivalents of – R131.9 million as per the audited AFS and closed the month of May with a balance of R124.1million.

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 93% or R88.7million of the collected revenue in C7-as of 31st May 2026.
- Service Charges: Electricity and Refuse cash receipt are under collected by 25% or R24.7million from the revenue budget of R97.8million as of 31st May 2026.
- Other Revenue collected form VAT refunds received as of 31 May totals R24.6million, and Revenue receipt of R3.9million.
- Government grants received YTD total of R261.6million as of 31st May 2026 which includes Government grant Capital of R68.2million.
- Interest earned on external investments amounts to R10.9million in comparison with the pro-rata budget of R22.9million which is an under performance of 52%.

Payments


- Suppliers and employees for cash outflows of R305.8million.
- Finance charges reflect underperformance by 100 percent.
- Capital Assets of R80.9million with VAT for the month of 31st May 2026 shows an under-performance of 37%.

6.1. BANK RECONCILIATION STATEMENT AS AT MAY 2026

 Mandeni Municipality		
BANK RECONCILIATION STATEMENT FOR MAY 2026		
Main Account :52940480587		
Opening FNB Bank Balance as on MAY 2026	1 713 770.88	1 713 770.88
PLUS: Deposits Banked	12 901 189.23	
PLUS: Interest received	29 851.25	
PLUS: Transfers In	36 963 774.60	
PLUS:Interest received From Call 1	154 788.29	
PLUS:Unpaid	7 000.00	
PLUS: MATURED INVESTMENTS	30 351 092.48	
PLUS: SARS REFUND	1 924 353.88	
PLUS: GRANTS RECEIVED		
Total Deposits	82 332 049.73	82 332 049.73
Less:Total payments	- 75 147 878.34	- 75 147 878.34
LESS: EFT Payments	- 49 438 853.81	
LESS: Bank Charges	- 20 984.90	
LESS: Transfers Out	- 25 000 000.00	
LESS: NEW INVESTMENTS	-	
LESS: Debit Orders	- 688 039.63	
Closing FNB Bank Balance as on 31 MAY 2026		8 897 942.27
Cashbook Reconciliation for 31 MAY 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 MAY 2026-D0001/IA09567/F0001/X049/R0099/001/FIN	586 237 943.70	
Less:Cashbook Balance as on 1 MAY 2026-D0001/IA09850/F0001/X049/R0099/001/FIN	- 601 108 323.24	
Corrections to be made (JNL CR)	-	
Corrections to be made (JNL DR)	- 15 293.21	
PLUS: Deposits Banked for MAY 2026	12 836 935.63	
LESS: EFT Payments for MAY 2026	- 49 239 075.61	
Less: Bank Charges to date	- 232 752.41	
PLUS: Grant received	-	
Less : New investment	-	
PLUS: Interest received to date	313 158.64	
PLUS:Interest received From Call 1-MAY 2026	154 788.29	
PLUS MATURED INVESTMENT	30 351 092.48	
PLUS :SARS REFUND	1 924 353.88	
PLUS :TRANSFER IN	36 963 774.60	
LESS:TRANSFER OUT	- 25 000 000.00	
LESS: Debit Orders for -MAY 2026	- 688 039.63	
Closing Cashbook Balance as on 31 MAY 2026	8 797 468.33	8 797 468.33
		100 474.02
Reconciling Items	Amount	
ADD: Journal Debits - on Cashbook not on Bank Statement	100 474.02	
ADJUSTED MONTH END CASHBOOK BALANCE- 31 MAY 2026		8 897 942.35
MONTH END BALANCE PER BANK STATEMENT- 31 MAY 2026		8 897 942.27
DIFFERENCE		0.08

6.2. MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO

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

 INVESTMENT REGISTER FOR MAY 2026								
Name of grant	INTEREST RATES	Opening Balance as at	Re-Investments	Expenditure	interest	bank charges	Closing Balance as at	TOTAL INTEREST EARNED TO DATE
		2026/04/01					2026/05/31	
	%	R	R	R	R	R	R	R
call 1-internal grant	7.20	31 541 547.95	25 000 000.00	34 654 788.29	154 788.29	-	22 041 547.95	2 369 226.65
Call account 2 - HOUSING	7.20	2 261 960.20	-	-	10 243.89	-	2 272 204.09	117 966.75
Call account 3-MIG	7.20	19 253 201.24	-	1 257 021.34	91 563.23	-	18 087 743.13	733 015.39
Call account 5-TMT	7.20	578 976.06	3 800.00	-	2 736.29	57.60	585 454.75	30 371.09
Call account 6-INEP / EDTEA	7.20	1 004 744.44	-	-	4 864.06	-	1 009 608.50	9 608.50
Call account 7-AR	7.20	36 889.74	-	-	179.34	-	37 069.08	100 386.67
Call account 8- Title Deed	7.20	1 754 780.68	0.02	-	8 531.12	-	1 763 311.82	102 162.29
Call account 9-Disaster Recovery	7.20	20 343 657.08	-	1 206 753.26	95 972.37	-	19 232 876.19	358 376.54
NEDBANK	7.87	-	-	-	-	-	-	1 117 029.92
ABSA BANK	7.92	-	-	-	-	-	-	3 992 547.95
ABSA BANK	6.65	30 175 167.12	-	30 175 167.12	60 474.35	-	-	895 530.84
NEDBANK	7.15	50 000 000.00	-	-	303 630.14	-	50 000 000.00	793 356.17
FNB-MAIN BANK		-	-	-	29 851.25	-	-	313 158.64
TOTAL		156 950 924.51	25 003 800.02	(67 293 730.01)	762 834.33	(57.60)	115 029 815.51	10 932 737.40

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

KZN291 Mandeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May										
Summary of Employee and Councillor remuneration	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		13 079	14 319	14 319	1 145	-	13 126	(13 126)	-100%	14 319
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		452	702	702	39	-	643	(643)	-100%	702
Cellphone Allowance		1 493	1 754	1 754	126	-	1 608	(1 608)	-100%	1 754
Housing Allowances		126	269	269	11	-	246	(246)	-100%	269
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		15 151	17 043	17 043	1 321	-	15 623	(15 623)	-100%	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	506	-	5 777	(5 777)	-100%	5 833
Pension and UIF Contributions		-	11	11	-	-	10	(10)	-100%	11
Medical Aid Contributions		268	153	191	-	-	175	(175)	-100%	153
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		570	399	399	-	-	366	(366)	-100%	399
Motor Vehicle Allowance		716	909	909	60	-	833	(833)	-100%	909
Cellphone Allowance		342	281	281	15	-	258	(258)	-100%	281
Housing Allowances		170	292	292	14	-	268	(268)	-100%	292
Other benefits and allowances		482	485	485	0	-	445	(445)	-100%	485
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	5 617	3 923	3 923	-	-	3 596	(3 596)	-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	595	-	11 727	(11 727)	-100%	12 285
% increase	4		-27.4%	-24.4%						-27.4%
Other Municipal Staff										
Basic Salaries and Wages		96 503	105 238	100 927	9 051	-	92 517	(92 517)	-100%	105 238
Pension and UIF Contributions		15 787	17 150	17 603	1 409	-	16 136	(16 136)	-100%	17 150
Medical Aid Contributions		7 748	7 271	7 983	730	-	7 317	(7 317)	-100%	7 271
Overtime		4 129	3 191	3 982	248	-	3 651	(3 651)	-100%	3 191
Performance Bonus		8 019	5 711	6 031	879	-	5 529	(5 529)	-100%	5 711
Motor Vehicle Allowance		4 999	6 161	6 170	435	-	5 656	(5 656)	-100%	6 161
Cellphone Allowance		758	832	837	68	-	768	(768)	-100%	832
Housing Allowances		340	405	407	29	-	373	(373)	-100%	405
Other benefits and allowances		2 185	1 052	1 973	171	-	1 808	(1 808)	-100%	1 052
Payments in lieu of leave		3 327	2 798	3 386	-	-	3 104	(3 104)	-100%	2 798
Long service awards		439	1 498	1 498	25	-	1 373	(1 373)	-100%	1 498
Post-retirement benefit obligations	2	(1 123)	4 310	4 310	-	-	3 951	(3 951)	-100%	4 310
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		143 111	155 617	155 108	13 046	-	142 183	(142 183)	-100%	155 617
% increase	4		8.7%	8.4%						8.7%
Total Parent Municipality		175 181	184 944	184 944	14 963	-	169 532	(169 532)	-100%	184 944
Unpaid salary, allowances & benefits in arrears:			<i>E 001</i>	<i>E 001</i>						<i>E 001</i>

8. External Loan

NONE

9. Performance Indicators

KZN291 Mandeni - Supporting Table SC2 Monthly Budget Statement - performance indicators - M11 May							
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		0.0%	8.6%	8.5%	10.7%	8.6%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	0.0%	202.1%	241.6%	255.2%	202.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		0.0%	11.1%	69.0%	168.7%	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		1.7%	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%	35.2%	36.9%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		5.6%	6.6%	6.5%	5.7%	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 **May 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 **15 May 2026**