MANDENI MUNICIPALITY

KZN291

BUDGET & TREASURY DEPARTMENT

MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDED AUGUST 2026/27 FINANCIAL YEAR

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2026/27

BUDGET FOR THE PERIOD ENDING 31 AUGUST 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 AUGUST 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 AUGUST is detailed below. The monthly budget statement is divided into the following:

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

1.1 FINANCIAL PERFORMANCE

BUDGET SUMMARY

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M02 August								
Description	2025/26	Budget Year 2026/27						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
Financial Performance								
Total Revenue (excluding capital transfers and	448 189	475 476	29 361	140 058	79 241	60 817	77%	475 476
Total Expenditure	471 682	504 982	38 002	69 011	81 703	(12 692)	-16%	504 982
Surplus/(Deficit)	(23 492)	(29 506)	(8 641)	71 047	(2 462)	73 509	-2985%	(29 506)
Transfers and subsidies - capital (monetary	39 414	55 889	5 602	8 830	9 315	(485)	-5%	55 889
Surplus/(Deficit) after capital transfers &	15 922	26 383	(3 039)	79 877	6 853	73 024	1066%	26 383
Surplus/ (Deficit) for the year	15 922	26 383	(3 039)	79 877	6 853	73 024	1066%	26 383
Capital expenditure & funds sources								
Capital expenditure	(15 664)	117 222	9 477	15 967	19 537	(3 570)	-18%	117 222
Capital transfers recogni	(8 491)	48 599	5 463	7 017	8 100	(1 083)	-13%	48 599
Internally generated fund	(7 173)	68 623	4 014	8 950	11 437	(2 487)	-22%	68 623
Total sources of capital f	(15 664)	117 222	9 477	15 967	19 537	(3 570)	-18%	117 222
Total Budget	**456 017**	**622 204**	**47 479**	**84 978**	**101 240**	**(16 262)**	**(0)**	**622 204**

The table above provides an overview of the budget implementation as at 31 August 2026. The actual surplus for the period ending 31 AUGUST 2026 reflects an under-performance of above -100%, or R79.8 million, against the budgeted surplus of R6.9 million.

Table 1

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

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - M02 August								
	2025/26	Budget Year 2026/27						
Description	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
Financial Performance								
Property rates	65 134	72 620	16 324	16 324	12 103	4 221	35%	72 620
Service charges	101 610	119 711	10 514	18 756	19 947	(1 191)	-6%	119 711
Investment revenue	11 437	20 000	892	1 803	3 333	(1 530)	-46%	20 000
Transfers and subsidies	255 117	251 336	907	101 749	41 889	59 860	0	251 336
Other own revenue	14 892	11 808	725	1 426	1 968	(542)	-28%	11 808
(excluding capital transfers and	448 189	475 476	29 361	140 058	79 241	60 817	77%	475 476
Employee costs	171 381	171 799	14 083	28 021	28 633	(613)	-2%	171 799
Remuneration of Councill	15 775	17 742	1 321	2 643	2 957	(314)	-11%	17 742
Depreciation, amortisatic	42 892	37 437	7 311	7 311	6 440	871	14%	37 437
Interest, Dividends and F	527	600	–	–	100	(100)	-100%	600
Inventory consumed and	74 122	80 681	8 041	15 067	13 447	1 620	12%	80 681
Transfers and subsidies	2 200	–	–	–	333	(333)	-100%	–
Other expenditure	164 784	190 185	7 245	15 970	29 793	(13 823)	-46%	193 389
Total Expenditure	471 682	504 982	38 002	69 011	81 703	(12 692)	-16%	504 982
Surplus/(Deficit)	(23 492)	(29 506)	(8 641)	71 047	(2 462)	73 509	-2985%	(29 506)
Transfers and subsidies - capital (monetary	39 414	55 889	5 602	8 830	9 315	(485)	-5%	55 889
Surplus/(Deficit) after capital transfers &	15 922	26 383	(3 039)	79 877	6 853	73 024	1066%	26 383
Surplus/ (Deficit) for the	15 922	26 383	(3 039)	79 877	6 853	73 024	1066%	26 383
Capital expenditure & funds sources								
Capital expenditure	(15 664)	117 222	9 477	15 967	19 537	(3 570)	-18%	117 222
Capital transfers recogni	(8 491)	48 599	5 463	7 017	8 100	(1 083)	-13%	48 599
Borrowing	–	–	–	–	–	–		–
Internally generated fund	(7 173)	68 623	4 014	8 950	11 437	(2 487)	-22%	68 623
Total sources of capital f	(15 664)	117 222	9 477	15 967	19 537	(3 570)	-18%	117 222
Financial position								
Total current assets	259 842	185 958		303 172				185 958
Total non current assets	862 229	962 991		870 885				962 991
Total current liabilities	123 295	70 415		95 404				70 415
Total non current liabilitie	26 735	–		26 735				–
Community wealth/Equity	**972 041**	**1 078 534**		**1 051 918**				**1 078 534**
Cash flows								
Net cash from (used) op	(601 650)	54 011	(19 265)	30 779	15 249	(15 530)	-102%	(80 794)
Net cash from (used) inv	110 528	(134 805)	(10 899)	(18 362)	(22 468)	(4 105)	18%	(134 805)
Net cash from (used) fina	–	–	–	–	–	–		–
Cash/cash equivalents	**(359 224)**	**43 452**	**(30 164)**	**144 316**	**117 028**	**(27 287)**	**-23%**	**(83 701)**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis								
Total By Income Source	27 546	2 229	5 608	5 038	4 838	39 054	199 833	289 534
Creditors Age Analysis								
Total Creditors	72	–	–	–	–	–	–	72

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

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 August

Description	Ref	2025/26	Current Year 2025/26						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1							%	
Revenue - Functional									
Governance and administratio		**330 643**	**338 298**	**17 529**	**119 000**	**56 383**	62 617	111%	**338 298**
Executive and council		–	8 243	–	–	1 374	(1 374)	-100%	8 243
Finance and administration		330 643	330 055	17 529	119 000	55 009	63 991	116%	330 055
Internal audit		–	–	–	–	–	–		–
Community and public safety		**6 718**	**8 619**	**653**	**1 070**	**1 437**	(367)	-26%	**8 619**
Community and social services		5 558	6 001	495	912	1 000	(88)	-9%	6 001
Sport and recreation		269	–	–	–	–	–		–
Public safety		892	2 619	157	158	436	(278)	-64%	2 619
Housing		–	–	–	–	–	–		–
Health		–	–	–	–	–	–		–
Economic and environmental		**45 940**	**61 077**	**6 028**	**9 585**	**10 179**	(594)	-6%	**61 077**
Planning and development		37 143	46 493	3 678	6 978	7 749	(771)	-10%	46 493
Road transport		8 797	14 584	2 350	2 607	2 431	177	7%	14 584
Environmental protection		–	–	–	–	–	–		–
Trading services		**104 302**	**123 370**	**10 754**	**19 233**	**20 557**	**(1 324)**	-6%	**123 370**
Energy sources		86 080	100 563	9 041	15 687	16 756	(1 069)	-6%	100 563
Water management		–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–		–
Waste management		18 223	22 807	1 713	3 545	3 801	(256)	-7%	22 807
Other	4	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Revenue - Fun	2	**487 603**	**531 364**	**34 963**	**148 888**	**88 556**	**60 332**	**68%**	**531 364**
Expenditure - Functional									
Governance and administratio		**217 392**	**213 270**	**15 526**	**30 458**	**35 746**	(5 287)	-15%	**213 270**
Executive and council		67 692	70 417	4 451	8 355	11 736	(3 381)	-29%	70 417
Finance and administration		149 701	142 853	11 075	22 103	24 009	(1 907)	-8%	142 853
Internal audit		–	–	–	–	–	–		–
Community and public safety		**60 746**	**54 000**	**4 501**	**8 360**	**9 000**	(640)	-7%	**54 000**
Community and social services		44 615	41 328	3 977	7 201	6 888	313	5%	41 328
Sport and recreation		15 501	10 639	524	1 159	1 773	(614)	-35%	10 639
Public safety		576	1 829	–	–	305	(305)	-100%	1 829
Housing		54	204	–	–	34	(34)	-100%	204
Health		–	–	–	–	–	–		–
Economic and environmental		**88 216**	**93 211**	**7 578**	**11 581**	**15 869**	(4 287)	-27%	**93 211**
Planning and development		22 670	23 745	1 491	2 822	4 291	(1 469)	-34%	23 745
Road transport		60 591	64 887	5 670	7 919	10 815	(2 896)	-27%	64 887
Environmental protection		4 955	4 579	417	840	763	77	10%	4 579
Trading services		**100 876**	**109 579**	**10 397**	**18 611**	**20 984**	**(2 373)**	-11%	**109 579**
Energy sources		81 859	88 362	9 028	16 781	15 672	1 110	7%	88 362
Water management		–	–	–	–	–	–		–
Waste water management		3 208	3 362	583	583	560	23	4%	3 362
Waste management		15 809	17 855	786	1 247	4 752	(3 505)	-74%	17 855
Other		**176**	**630**	**–**	**–**	**105**	**(105)**	**-100%**	**630**
Total Expenditure -	**3**	**467 407**	**470 691**	**38 002**	**69 011**	**81 703**	**(12 692)**	**-16%**	**470 691**
Surplus/ (Deficit) for the year		**20 197**	**60 674**	**(3 039)**	**79 877**	**6 853**	**73 024**	**10.6564**	**60 674**

Table 3

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

KZN291 Mandeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August									
Vote Description	Ref	2024/25	Current Year 2025/26						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Revenue by Vote	1								
Vote 1 - Executive and council		–	8 243	–	–	1 374	(1 374)	-100.0%	8 243
Vote 2 - Finance and administration		330 643	330 055	17 529	119 000	55 009	63 991	116.3%	330 055
Vote 3 - Internal audit		–	–	–	–	–	–		–
Vote 4 - Community and social servic		5 578	6 088	497	914	1 015	(100)	-9.9%	6 088
Vote 5 - Sport and Recreation		269	–	–	–	–	–		–
Vote 6 - Public safety		871	2 532	156	156	422	(266)	-63.1%	2 532
Vote 7 - Housing		–	–	–	–	–	–		–
Vote 8 - Planning and Development		37 143	46 493	3 678	6 978	7 749	(771)	-9.9%	46 493
Vote 9 - Road transport		8 797	14 584	2 350	2 607	2 431	177	7.3%	14 584
Vote 10 - Energy sources		86 080	100 563	9 041	15 687	16 756	(1 069)	-6.4%	100 563
Vote 11 - Waste Management		18 223	22 807	1 713	3 545	3 801	(256)	-6.7%	22 807
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	**487 603**	**531 364**	**34 963**	**148 888**	**88 556**	**60 332**	**68.1%**	**531 364**
Expenditure by Vote	1								
Vote 1 - Executive and council		67 692	70 417	4 451	8 355	11 736	(3 381)	-28.8%	70 417
Vote 2 - Finance and administration		149 701	142 853	11 075	22 103	24 009	(1 907)	-7.9%	142 853
Vote 3 - Internal audit		–	–	–	–	–	–		–
Vote 4 - Community and social servic		44 615	41 863	3 977	7 201	6 977	224	3.2%	41 863
Vote 5 - Sport and Recreation		15 501	10 639	524	1 159	1 773	(614)	-34.6%	10 639
Vote 6 - Public safety		576	1 295	–	–	216	(216)	-100.0%	1 295
Vote 7 - Housing		54	204	–	–	34	(34)	-100.0%	204
Vote 8 - Planning and Development		22 847	24 375	1 491	2 822	4 396	(1 574)	-35.8%	24 375
Vote 9 - Road transport		63 799	68 249	6 253	8 502	11 375	(2 873)	-25.3%	68 249
Vote 10 - Energy sources		81 859	88 362	9 028	16 781	15 672	1 110	7.1%	88 362
Vote 11 - Waste Management		15 809	17 855	786	1 247	4 752	(3 505)	-73.8%	17 855
Vote 12 - Environmental Protection		4 955	4 579	417	840	763	77	10.1%	4 579
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–		–
Total Expenditure by Vo	2	**467 407**	**470 691**	**38 002**	**69 011**	**81 703**	**(12 692)**	**-15.5%**	**470 691**
Surplus/ (Deficit) for the	2	**20 197**	**60 674**	**(3 039)**	**79 877**	**6 853**	**73 024**	**1065.6%**	**60 674**

Table 4 provides information on the planned revenue and operational expenditures against the actualresults for the period ending 31 August 2026
This report analyses each major component under following headings;

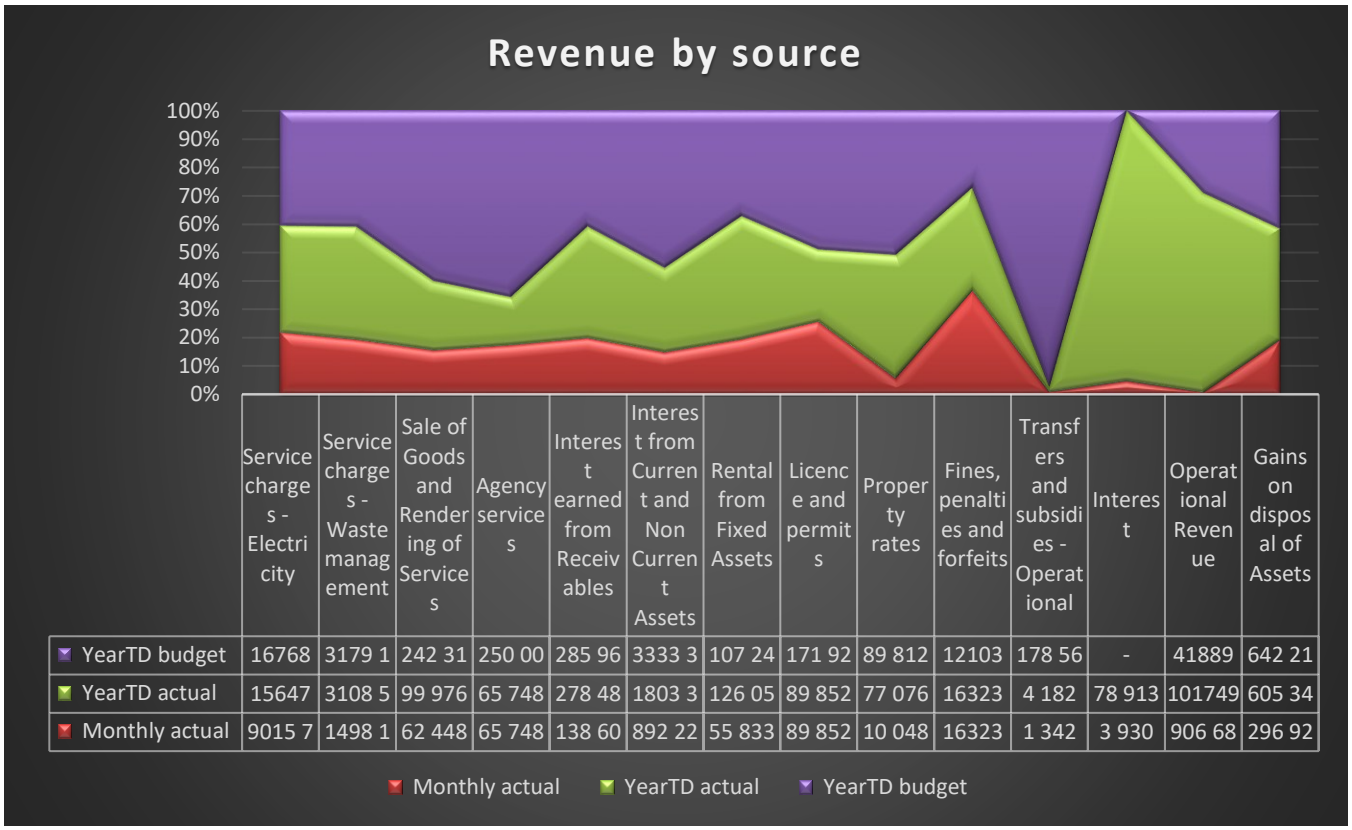
- Revenue by Source
- Operational Expenditure by Type,

KZN291 Mandeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	2024/25	Current Year 2025/26						
R thousands		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue									
Exchange Revenue									
Service charges - Electricity		86 135	100 637	9 016	15 647	16 768	(1 121)	-7%	100 637
Service charges - Water		–	–	–	–	–	–		–
Service charges - Waste Water		–	–	–	–	–	–		–
Service charges - Waste manag		15 475	19 075	1 498	3 109	3 179	(71)	-2%	19 075
Sale of Goods and Rendering c		1 462	1 454	62	100	242	(142)	-59%	1 454
Agency services		208	1 500	66	66	250	(184)	-74%	1 500
Interest		–	–	–	–	–	–		–
Interest earned from Receivable		1 625	1 716	139	278	286	(7)	-3%	1 716
Interest from Current and Non C		11 437	20 000	892	1 803	3 333	(1 530)	-46%	20 000
Rental from Fixed Assets		652	643	56	126	107	19	18%	643
Licence and permits		735	1 032	90	90	172	(82)	-48%	1 032
Operational Revenue		1 213	539	10	77	90	(13)	-14%	539
Non-Exchange Revenue		–	–	–	–	–	–		–
Property rates		65 134	72 620	16 324	16 324	12 103	4 221	35%	72 620
Surcharges and Taxes		–	–	–	–	–	–		–
Fines, penalties and forfeits		4 306	1 071	1	4	179	(174)	-98%	1 071
Licence and permits		0	–	4	79	–	79	#DIV/0!	–
Transfers and subsidies - Oper		255 117	251 336	907	101 749	41 889	59 860	143%	251 336
Interest		3 352	3 853	297	605	642	(37)	-6%	3 853
Gains on disposal of Fixed and		56	–	–	–	–	–		–
Other Gains		1 282	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–		–
Total Revenue (excluding		**448 189**	**475 476**	**29 361**	**140 058**	**79 241**	**60 817**	**77%**	**475 476**
Expenditure By Type									
Employee related costs		171 381	171 799	14 083	28 021	28 633	(613)	-2%	171 799
Remuneration of councillors		15 775	17 742	1 321	2 643	2 957	(314)	-11%	17 742
Bulk purchases - electricity		68 758	77 424	8 028	15 054	12 904	2 150	17%	77 424
Inventory consumed		5 364	3 257	13	13	543	(530)	-98%	3 257
Debt impairment		–	29 925	–	–	2 549	(2 549)	-100%	29 925
Depreciation, amortisation and		42 892	37 437	7 311	7 311	6 440	871	14%	37 437
Interest, Dividends and Rent on		527	600	–	–	100	(100)	-100%	600
Contracted services		79 485	86 462	3 358	6 264	14 410	(8 147)	-57%	86 462
Transfers and subsidies		2 200	–	–	–	333	(333)	-100%	–
Irrecoverable debts written off		10 509	7 263	(42)	(42)	1 210	(1 252)	-103%	7 263
Operational costs		70 753	69 139	3 928	9 748	11 523	(1 776)	-15%	69 139
Disposal of Fixed and Intangible		530	600	–	–	100	(100)	-100%	600
Other Losses		3 508	–	–	–	–	–		–
Total Expenditure		**471 682**	**501 647**	**38 002**	**69 011**	**81 703**	**(12 692)**	**-16%**	**501 647**
Surplus/(Deficit)		**(23 492)**	**(26 172)**	**(8 641)**	**71 047**	**(2 462)**	**73 509**	**(0)**	**(26 172)**
Transfers and subsidies - capital		39 414	55 889	5 602	8 830	9 315	(485)	(0)	55 889
Surplus/(Deficit) after capital		**15 922**	**29 717**	**(3 039)**	**79 877**	**6 853**	**73 024**	**0**	**29 717**
Income Tax		–	–	–	–	–	–		–
Surplus/(Deficit) after income		**15 922**	**29 717**	**(3 039)**	**79 877**	**6 853**	**73 024**	**0**	**29 717**
Share of Surplus/Deficit attribut		–	–	–	–	–	–		–
Share of Surplus/Deficit attribut		–	–	–	–	–	–		–
attributable to municipality		**15 922**	**29 717**	**(3 039)**	**79 877**	**6 853**	73 024	0	**29 717**
Share of Surplus/Deficit attribut		–	–	–	–	–	–		–
Intercompany/Parent subsidiary		–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		**15 922**	**29 717**	**(3 039)**	**79 877**	**6 853**	**73 024**	**0**	**29 717**

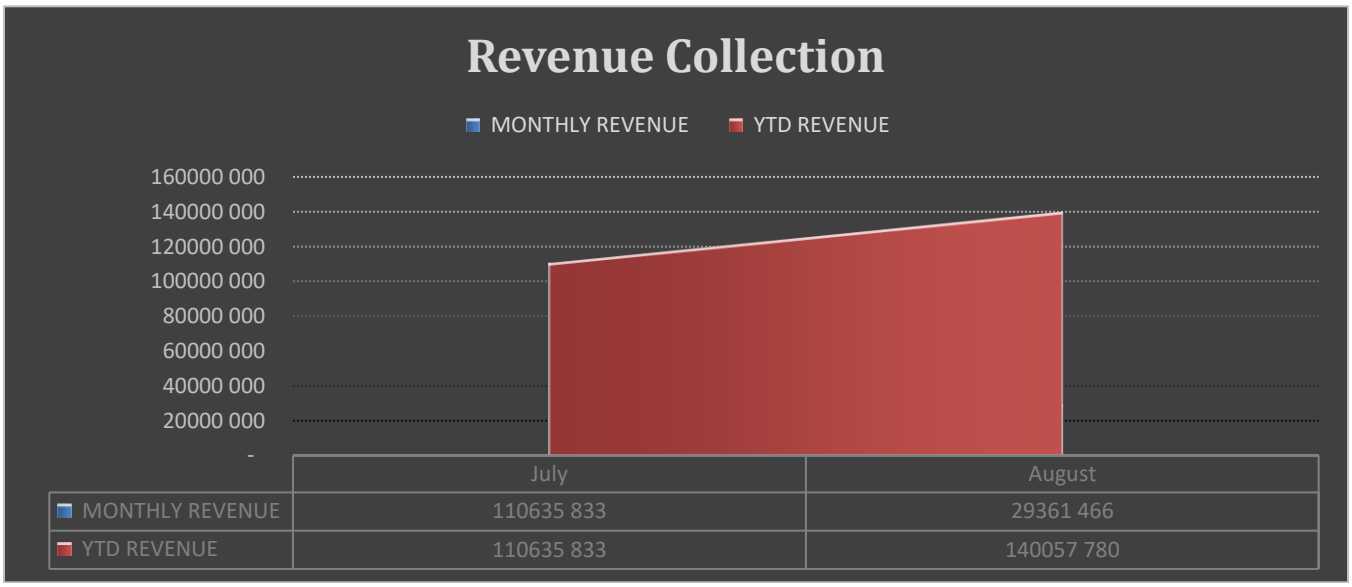
The above revenue and expenditure sources can be graphically presenting in figure 1 and 2 below:

Figure 1



	Service charges - Electricity	Service charges - Waste management	Sale of Goods and Rendering of Services	Agency services	Interest earned from Receivables	Interest from Current and Non Current Assets	Rental from Fixed Assets	Licence and permits	Property rates	Fines, penalties and forfeits	Transfers and subsidies - Operational	Interest	Operational Revenue	Gains on disposal of Assets
YearTD budget	16768	3179 1	242 31	250 00	285 96	3333 3	107 24	171 92	89 812	12103	178 56	-	41889	642 21
YearTD actual	15647	3108 5	99 976	65 748	278 48	1803 3	126 05	89 852	77 076	16323	4 182	78 913	101749	605 34
Monthly actual	9015 7	1498 1	62 448	65 748	138 60	892 22	55 833	89 852	10 048	16323	1 342	3 930	906 68	296 92

Figure 2



	July	August
MONTHLY REVENUE	110635 833	29361 466
YTD REVENUE	110635 833	140057 780

Revenue:

- The year-to-date (YTD) total revenue amounted to R140.1million for the period ending 31 August 2026, excluding capital conditional grant income. Against a YTD budget of R79.2million, this represents an overperformance of 77%.
- The municipality has received the first trench of an Equitable Share of R100.3million during the period.

EXCHANGE REVENUE

Service Charges: Electricity

Revenue from electricity service charges is recognized on an invoice basis, with a total of R15.6 million billed against a pro-rata budget of R16.8million, resulting in an underperformance of -7%. Economic downturn led to a decrease in overall electricity demand as businesses and households reduce consumption.

- The actual cash collected amounted R7.5million for the month ended 31st August 2026.

Service Charges: Refuse

- The revenue billed from Service charges Refuse as of 31st August 2026 is R3.1million against the budgeted income of R3.2million which is a under-performance by -2%. The variance is immaterial.

- The actual cash collected amounted R510thousand for the month of 31st August 2026.

Sale of Goods and rendering services

- Sales of Goods and Services amounted to R100thousand, when compared to the year-to-date budget of R242thousand, resulting in an under-performance of R142thousand or 59%**.** The variance is because most of the items under this vote are difficult to measure in terms of performance, as they include revenues from sources such as tender document sales, town planning fees, clearance certificates, library fines for overdue books, and building plan fees.

Agency services

- Agency services amount to R66 for this month over a pro-rata budget of R250thousand, which is an underperformance by -74percent.

Interest earned from receivables.

- Interest earned from receivables amounts to R278thousand compared to the pro-rata budget of R286thousand, reflecting an underperformance of 3%. The variance of R7 thousand is mainly immaterial.

Interest from Current and Non-Current assets

- Interest earned on external investments amounts to R1.8million in comparison with the pro-rata budget of R3.3million, thus indicating an under performance by R1.5million and or 46percent. The difference is due to the increase in the value for capital projects funded internally.

Rental from fixed assets

- Revenue from the rental of facilities amounted to R126 thousand, compared to the pro-rata budget of R107 thousand, resulting in an over performance by R19thousand or 18%. The positive variance is mainly attributable to newly erected mini-factory properties, which have contributed additional rental income.

License and permits

- License and permits has an under performance of R90thousand or 100% when compared to the pro-rata budget of R172thousand, it is noted that R79thousand revenue collection has been reported under licenses and collection under non-exchange, this needs correction.

Operational Revenue

- The majority of the Council own funded sources are budgeted under this category. The performance in Operational Revenue amounts to R77thousand against a pro-rata budget of R90million, resulting in an underperformance of R13 thousand or 14%. This vote comprises collection charges, insurance refunds, and handling fees, which are not easily measurable monthly.

NON-EXHANGE REVENUE

Property Rates

- The municipality accounts for Property Rates on an invoice basis in line with GRAP requirements.
- The actual revenue for Property Rates amounts to R16.3million, compared to a pro-rata budget of R16.3 million, resulting in an over performance by R12.1million or 35percent. Annual Tariff Escalation, Property Improvements that resulted in an increase property Markert values which reflected on the SV 3 implemented.

- The actual cash collected amounted R6.7million for the month ended 31st August 2026.

Fines, Penalties and forfeits

- Fines for the month of August 2026 underperformed by 98%, amounting to R4thousand against the pro-rata budget of R174. The variance is due to slack in collection. This vote also includes

library fine fees for tardiness.

Licences and permits.

- Licenses and permits actual performance is reported in the line whilst budget is sitting in the other line, and a correction to the vote will be done.

Transfers & subsidies

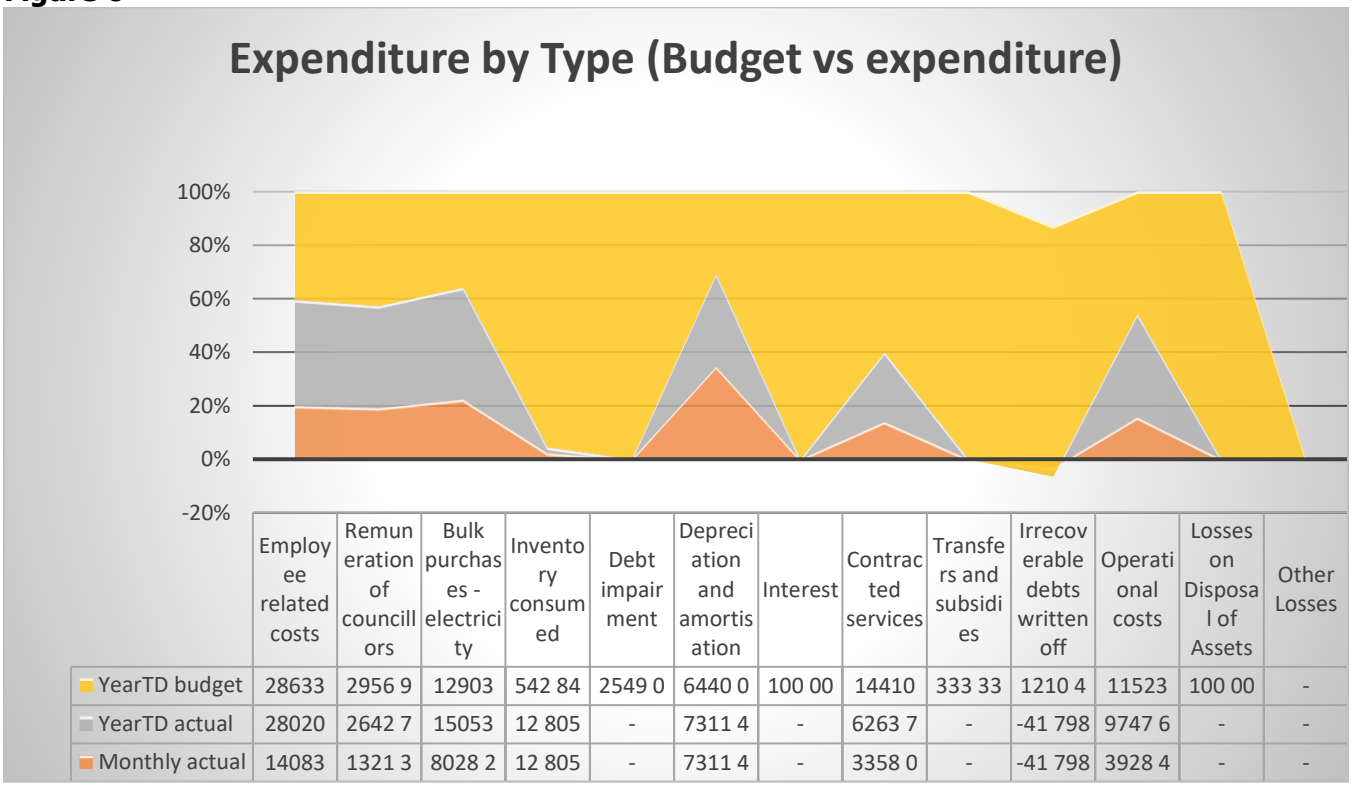
- Transfers and subsides recognised operational amounts to R101.7million against a pro-rata budget of R41.9million, thus indicating an over performance by R59.9million or 143percent. The municipality has received the first tranche of the Equitable Share**,** which is received in three payments during the financial year, while the system allocates the budget over 12 months. As the financial year progresses and the remaining tranches are received, the variance is expected to gradually decrease**.**

- Transfers and subsides capital amounts to R8.9million in comparison with the pro-rata budget of R9.3million, thus indicating under performance by R485thousand variance is mainly attributable by expenditure in MIG. *(Detailed report on MIG expenditure has been provided below)*

Operating Expenditure from 31 August 2026

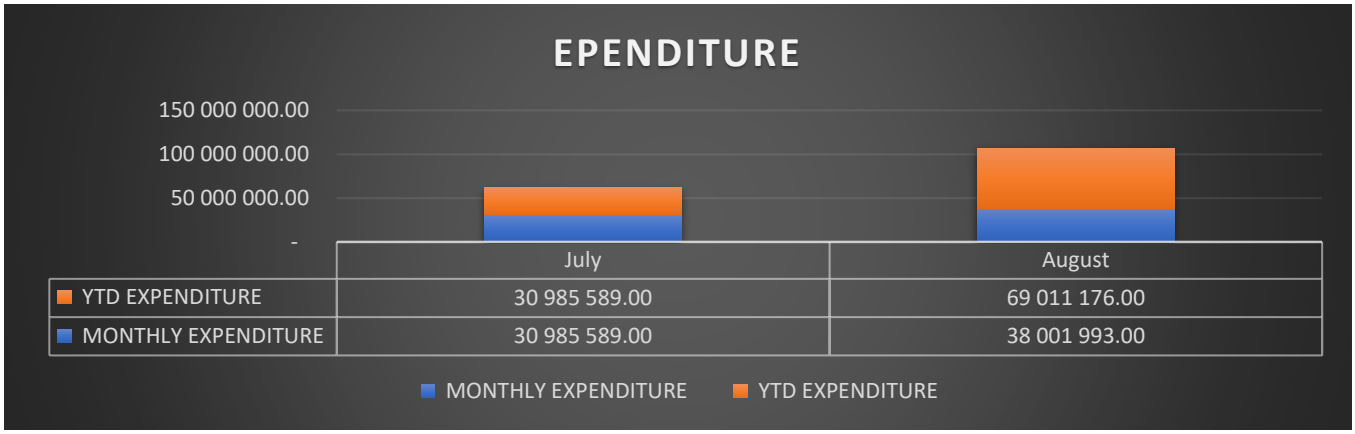
The table below reflects trend of expenditure for the period ended 31 August 2026

Figure 6



	Employee related costs	Remuneration of councillors	Bulk purchases - electricity	Inventory consumed	Debt impairment	Depreciation and amortisation	Interest	Contracted services	Transfers and subsidies	Irrecoverable debts written off	Operational costs	Losses on Disposal of Assets	Other Losses
YearTD budget	28633	2956 9	12903	542 84	2549 0	6440 0	100 00	14410	333 33	1210 4	11523	100 00	-
YearTD actual	28020	2642 7	15053	12 805	-	7311 4	-	6263 7	-	-41 798	9747 6	-	-
Monthly actual	14083	1321 3	8028 2	12 805	-	7311 4	-	3358 0	-	-41 798	3928 4	-	-

Figure 7



	July	August
YTD EXPENDITURE	30 985 589.00	69 011 176.00
MONTHLY EXPENDITURE	30 985 589.00	38 001 993.00

Operating Expenditure:

- The total operational expenditure YTD Actual for the period ending 31st August 2026 amounted to R69.0million against the planned target of R81.7million. As at the end of 31 August the operational expenditure budget has been under spent by -16% or -R12.7million. *Detailed expenditure analysis is below:*

Employee Related Costs

- Employee related costs expenditure for the month of August 2026, amount to R28.0million over a-pro-rata budget of R28.6million, which is under performance by 2percent. the variance is immaterial.

Remuneration of Councilors

- Councilors' allowances pro-rata budget as of 31st August 2026 was under spent by R314thousand or 11percent. when comparing YTD of R3million. The variance is mainly attributable to savings realized during the period.

Bulk Purchases

- The YTD on Bulk purchases amounts to R15.0million which is an over performance when compared to pro-rata budget of R13million. The variance of R2.2million or 17%. The variance is mainly attributable to higher electricity consumption during the period.

Inventory Consumed

- Inventory Consumed are reflecting an underperformance by 98%, when compared to pro-rata budget of R543thousand. 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

- Debt impairment reflects an underperformance by 100%. A journal at year end will be processed.

Depreciation and Asset Impairment

- The YTD expenditure for Depreciation and Asset Impairment is reflecting an over-performance of 14% or R871thousand, the overperformance is due to increase in the number of high value capital projects commissioned during the prior financial year.

Interest

- Finance charges reflect an underperformance by -100percent, this line item is journalized at year-end, in June 2027.

- 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 57% or R8.1million, with year-to-date (YTD) actual expenditure of R6.3 million against a pro-rata budget of R14.4 million. The variance is mainly because most Programmes are expected to incur expenditure towards the latter part of the financial year. This vote includes all contracted and outsourced services procured by the municipality, such as catering, transport, accommodation, and professional services.

Transfers and Subsidies

- Transfers and Subsidies has an underperformance of 100%, The variance is mainly due to this being the early stage of the new financial year, with most projects expected to incur expenditure later in the financial year. As project implementation progresses, expenditure is expected to increase and the variance to gradually decreases.

Irrecoverable debts written off

- Irrecoverable debts written off have underperformed by R1.3million when compared to pro-rata budget of R1.2million, with a reversal transaction reflecting.

Operational Cost

- Other expenditure is underspent by 15% or R1.8million compared to the pro-rata budget of R11.5 million, with an actual year-to-date expenditure amounting to R9.7million. The variance is mainly because most Programmes are expected to incur expenditure towards the latter part of the financial year. This vote includes all services procured by the municipality, such as catering, transport, accommodation, and professional services.

Loss on disposal of assets

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

2. Capital Expenditure

Table C5 Monthly Budget Statement – Capital Expenditure

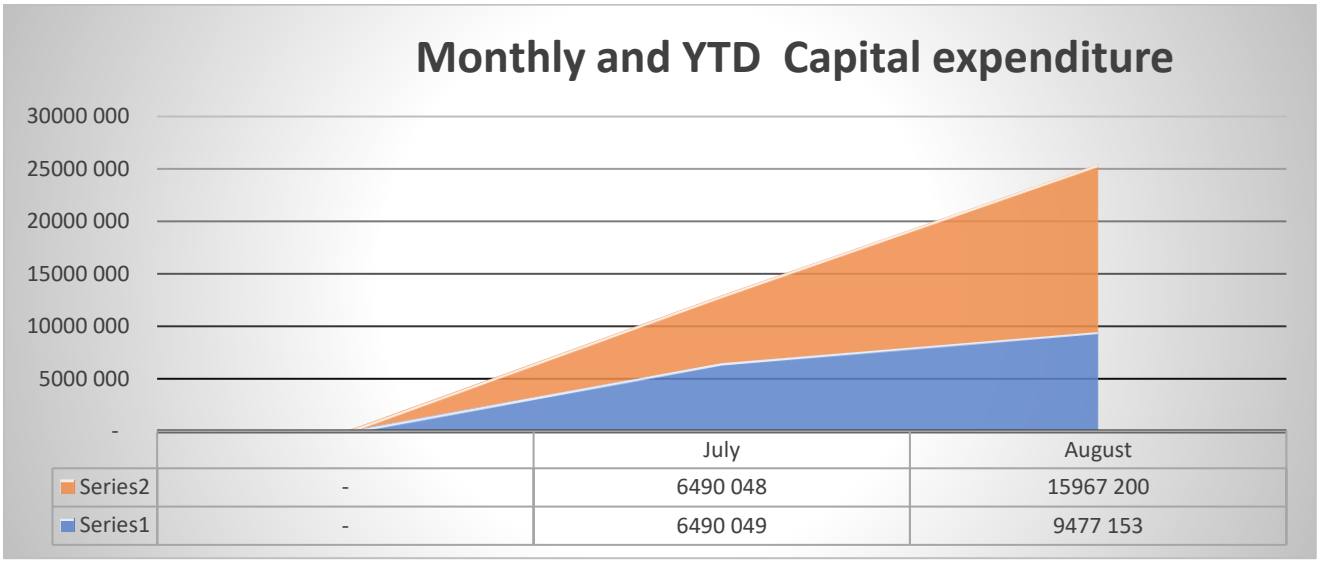
KZN291 Mandeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August									
		2024/25	Current Year 2025/26						
Vote Description	Ref	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1							%	
Multi-Year expenditure appro	2								
Single Year expenditure appr	2								
Vote 1 - Executive and council		20 266	42 699	2 881	6 340	7 117	(777)	-11%	42 699
Vote 2 - Finance and administration		(9 226)	3 652	770	770	609	162	27%	3 652
Vote 3 - Internal audit		–	–	–	–	–	–		–
Vote 4 - Community and social services		10 652	3 403	163	163	567	(404)	-71%	3 403
Vote 5 - Sport and Recreation		(1 066)	28 228	597	1 678	4 705	(3 027)	-64%	28 228
Vote 6 - Public safety		(616)	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–		–
Vote 8 - Planning and Development		(2 808)	7 009	729	1 339	1 168	171	15%	7 009
Vote 9 - Road transport		(31 392)	27 509	4 337	5 677	4 585	1 092	24%	27 509
Vote 10 - Energy sources		(500)	3 544	–	–	591	(591)	-100%	3 544
Vote 11 - Waste Management		(975)	1 178	–	–	196	(196)	-100%	1 178
Vote 12 - Environmental Protection		–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–		–
Total Capital single-year expe	4	(15 664)	117 222	9 477	15 967	19 537	**(3 570)**	**-18%**	117 222
Total Capital Expenditure		**(15 664)**	**117 222**	**9 477**	**15 967**	**19 537**	**(3 570)**	**-18%**	**117 222**
Capital Expenditure - Functional Classification									
Governance and administration		**11 041**	**46 351**	**3 651**	**7 110**	**7 725**	(615)	-8%	**46 351**
Executive and council		20 266	42 699	2 881	6 340	7 117	(777)	-11%	42 699
Finance and administration		(9 226)	3 652	770	770	609	162	27%	3 652
Internal audit		–	–	–	–	–	–		–
Community and public safety		**8 970**	**31 631**	**761**	**1 841**	**5 272**	(3 430)	-65%	**31 631**
Community and social services		1 752	3 099	163	163	516	(353)	-68%	3 099
Sport and recreation		(1 066)	28 228	597	1 678	4 705	(3 027)	-64%	28 228
Public safety		8 284	304	–	–	51	(51)	-100%	304
Housing		–	–	–	–	–	–		–
Health		–	–	–	–	–	–		–
Economic and environmental services		**(35 170)**	**33 648**	**5 065**	**7 016**	**5 608**	1 408	25%	**33 648**
Planning and development		(2 808)	7 009	729	1 339	1 168	171	15%	7 009
Road transport		(32 362)	26 639	4 337	5 677	4 440	1 237	28%	26 639
Environmental protection		–	–	–	–	–	–		–
Trading services		**(505)**	**5 591**	**–**	**–**	**932**	(932)	-100%	**5 591**
Energy sources		(500)	3 544	–	–	591	(591)	-100%	3 544
Water management		–	–	–	–	–	–		–
Waste water management		970	870	–	–	145	(145)	-100%	870
Waste management		(975)	1 178	–	–	196	(196)	-100%	1 178
Other		–	–	–	–	–	–		–
Total Capital Expenditure - Fu	3	**(15 664)**	**117 222**	**9 477**	**15 967**	**19 537**	**(3 570)**	**-18%**	**117 222**
Funded by:									
National Government		(8 067)	46 569	4 801	5 803	7 761	(1 958)	-25%	46 569
Provincial Government		(424)	2 030	661	1 214	338	875	259%	2 030
District Municipality		–	–	–	–	–	–		–
Transfers recognised - capital		**(8 491)**	**48 599**	**5 463**	**7 017**	**8 100**	**(1 083)**	**-13%**	**48 599**
Borrowing	6	–	–	–	–	–	–		–
Internally generated funds		(7 173)	68 623	4 014	8 950	11 437	(2 487)	-22%	68 623
Total Capital Funding		**(15 664)**	**117 222**	**9 477**	**15 967**	**19 537**	**(3 570)**	**-18%**	**117 222**

Capital Expenditure of 31st August 2026:

The capital expenditure budget is R19.5million against YTD actual Capital expenditure amounting to R16million resulting in an under performance of (18%) 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 August 2026



		July	August
Series2	-	6490 048	15967 200
Series1	-	6490 049	9477 153

- Capital grants funded by National Government are actual for R5.8million versus pro-rata Budget of R7.8million, expenditure reported has been underspent by 25%.
- Capital grants funded by Provincial Government under-performed by 259%, which has an expenditure of R1.2million as of 31st August 2026.
- Capital grants funded Internally is R8.9million versus pro-rata Budget of R11.4million variance of 22% reflects an under performance on this item.

2.2 Monthly Budget Statement – expenditure on Repairs and Maintenance

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

Description	Ref	2025/26	Budget Year 2026/27							
R thousands	1	Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**19 795**	**24 964**	**–**	**376**	**476**	**4 161**	3 685	**88.6%**	**24 964**
Roads Infrastructure		7 887	11 096	–	–	–	1 849	1 849	**100.0%**	11 096
Roads		7 752	10 313	–	–	–	1 719	1 719	**100.0%**	10 313
Road Structures		135	609	–	–	–	101	101	**100.0%**	609
Road Furniture		–	174	–	–	–	29	29	**100.0%**	174
Capital Spares		–	–	–	–	–	–	–		–
Storm water Infrastructure		2 829	3 913	–	–	–	652	652	**100.0%**	3 913
Drainage Collection		2 829	3 913	–	–	–	652	652	**100.0%**	3 913
Storm water Conveyance		–	–	–	–	–	–	–		–
Attenuation		–	–	–	–	–	–	–		–
Electrical Infrastructure		2 434	3 035	–	33	35	506	471	**93.1%**	3 035
Power Plants		13	130	–	–	–	22	22	**100.0%**	130
HV Substations		–	–	–	–	–	–	–		–
HV Switching Station		–	–	–	–	–	–	–		–
HV Transmission Conductors		483	696	–	–	–	116	116	**100.0%**	696
MV Substations		54	122	–	19	19	20	1	**5.1%**	122
MV Switching Stations		–	–	–	–	–	–	–		–
MV Networks		201	261	–	–	–	43	43	**100.0%**	261
LV Networks		103	957	–	14	16	159	144	**90.1%**	957
Capital Spares		1 580	870	–	–	–	145	145	**100.0%**	870
Solid Waste Infrastructure		5 276	5 877	–	262	262	980	717	**73.2%**	5 877
Landfill Sites		–	–	–	–	–	–	–		–
Waste Transfer Stations		–	–	–	–	–	–	–		–
Waste Processing Facilities		5 276	5 877	–	262	262	980	717	**73.2%**	5 877
Information and Communication Infrastructure		1 369	1 043	–	80	178	174	(5)	**-2.6%**	1 043
Data Centres		–	–	–	–	–	–	–		–
Core Layers		1 369	1 043	–	80	178	174	(5)	**-2.6%**	1 043
Distribution Layers		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Community Assets		**2 644**	**2 620**	**–**	**2**	**43**	**437**	**393**	**90.1%**	**2 620**
Community Facilities		507	120	–	–	–	20	20	**100.0%**	120
Libraries		337	20	–	–	–	3	3	100.0%	20
Cemeteries/Crematoria		–	–	–	–	–	–	–		–
Police		–	–	–	–	–	–	–		–
Purls		170	100	–	–	–	17	17	100.0%	100
Sport and Recreation Facilities		2 137	2 500	–	2	43	417	373	**89.6%**	2 500
Indoor Facilities		–	–	–	–	–	–	–		–
Outdoor Facilities		2 137	2 500	–	2	43	417	373	89.6%	2 500
Capital Spares		–	–	–	–	–	–	–		–
Other assets		**99**	**250**	**–**	**–**	**–**	**42**	**42**	**100.0%**	**250**
Operational Buildings		99	250	–	–	–	42	42	**100.0%**	250
Municipal Offices		99	250	–	–	–	42	42	100.0%	250
Pay/Enquiry Points		–	–	–	–	–	–	–		–
Machinery and Equipment		**9 557**	**9 113**	**–**	**91**	**148**	**1 519**	**1 371**	90.3%	**9 113**
Machinery and Equipment		9 557	9 113	–	91	148	1 519	1 371	90.3%	9 113
Total Repairs and Maintenance Expenditure	1	**32 095**	**36 947**	**–**	**468**	**667**	**6 158**	**5 491**	**89.2%**	**36 947**

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

4.1 4.1 Municipal Infrastructure Grant (MIG) Funded Projects:

2026/27 Financial Year MIG Allocation	R 43 741 000.00
Less: Total Expenditure (incl. Retention and Surety)	R 7 521 334.23
Balance	R 36 219 665.77
Expenditure as a %	17.2%

Projects that are in the planning stage for MIG and registered

- 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.

Projects that are at tender stage

- Rehabilitation of Quartz Road and Portion of Platinum Road in Ward 4
- Completion of Construction of Community Hall in Wangu Area, Ward 8
- Completion of Rehabilitation of Bumbanani Road in Sundumbili: Ward 13, 14 & 15 - Phase1

Projects under Construction Stage

- Nyoni Taxi Route Phase 4
- Upgrade of Nhlalonhle, Downtown and Khuthala Roads and Stormwater in Ward 14
- Completion of Construction of a Hlomendlini Sportfield - Ward 4
- 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

Completed Projects

- None

4.2. Municipal Internal Funded Projects

Projects that are in the planning stage:

- None

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 Recovery Grant Funded Projects

2025/26 Financial Year MIG Allocation	R 20 000 000.00
Less: Total Expenditure (incl. Retention and Surety)	R 4 087 956.41
Balance	R 15 912 043.59
Expenditure as a %	20.44%

Projects that are in the planning stage:

- None

Projects at tender stage;

- None

Projects under Construction

- 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 R102 to KwaNgqofela in ward 9
- Construction of 1km of Grape vine in ward 11

Completed Projects

- None

5. PROGRESS ON PROJECTS AND EXPENDITURE

5.1 Municipal Infrastructure Grant

a) Completion of Construction of a Hlomendlini Sportfield - Ward 4

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 450 000.00	R 190 532.71
Construction Cost (incl. Retention)	R 5 315 502.98	R 1 505 019.96
TOTALS (Incl. Vat)	**R 5 765 502.98**	**R 1 695 552.67**

Project Details

Name of Consultant: Siyazenzela Consulting
Name of Contractor: Humble Frank Multiservices (Pty) Ltd
Project Commencement Date: June 2026
Contractual Completion Date: October 2026
Revised Completion date: N/A

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 18% (Overall Progress 84%): Site Handover, Site Establishment 100%, Setting Out 100%, Site Clearance 80%, Bulk Earthworks 68%, Layerworks to soccer field 50%, Layerworks to Combo Court 88%, Subsoil Pipes 80%, Access Road / Parking Area 18%, Guardhouse structure 35% and Grandstands 30%.

Challenges: Contractor's performance in the current month of reporting is noted as unsatisfactory as a result of minimal progress being achieved along with minimal visibility of the Contractor on site.

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 278 333.25	R 0
Construction Cost (incl. Retention)	TBC	R 0
TOTALS (Incl. Vat)	**TBC**	**R 0**

Project Details

Name of Consultant: Kukhanya Projects (Pty) Ltd
Name of Contractor: TBC
Project Commencement Date: TBC
Contractual Completion Date: TBC
Revised Completion date: N/A

Project Scope

- Stormwater
  - Clear and grub
  - Excavation for Stormwater and bedding
  - Laying of Stormwater pipes
  - Construction of headwalls
- Remedial works to Concrete chute

- Sidewalk
  - Construction of Subbase layer of G5
  - Prime coat
  - Asphalt base 40mm thick
- Surface Finishers
- Reinstatement works for splay and manhole covers
- Permanent Road Signs

Current Status Overall Construction Progress 0% (overall 94%)

Challenges: N/A

c) Completion of a Sportsfield and Combo Court in Khenana Ward 10 - Phases 1 & 2

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 424 867.42	R 97 922.47
Construction Cost (incl. Retention)	R 6 128 384.24	R 379 500.00
TOTALS (Incl. Vat)	**R 6 553 251.66**	**R 477 422.47**

Project Details

Name of Consultant: Impumelelo Consulting Engineers
Name of Contractor: SM Holding (Pty) Ltd
Project Commencement Date: July 2026
Contractual Completion Date: December 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 15% (Overall 56%): Contractual document Submissions 100%, Site Establishment 100%, Clearing & Grubbing 70%, Setting out of works 90%, Bulk Earthworks10% and Guardhouse 2%

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	TBC	R 0
Construction Cost (incl. Retention)	**TBC**	**R 0**
TOTALS (Incl. Vat)	**TBC**	**R 0**

Project Details

Name of Consultant: GIBB (Pty) LTD
Name of Contractor: TBC
Project Commencement Date: TBC
Contractual Completion Date: TBC
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 0%: (overall 56%)

Challenges: N/A

e) Upgrade of Nhlalonhle, Downtown and Khuthala Roads and Stormwater in Ward 14

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 885 394.69	R 1 885 394.69
Construction Cost (incl. Retention)	R 12 312 111.04	R 10 100 024.06
TOTALS (Incl. Vat)	**R 14 235 323.65**	**R 11 985 418.75**

Project Details

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

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.

Current Status Overall Construction progress 85%: 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) 100%, Stormwater pipe culverts installation 94%, Kerb inlets and Manholes 85%, Headwalls 0%, Kerb and Channel 60%, Asphalt surface layer 90%, Traffic calming (Speed humps) 0%, Road marking 70%, Road signs 0% and Finishing off 0%.

Challenges: Contractor has been granted the extension of time, but the project is progressing very slow than anticipated. The contractor is behind the with progress and extension of time has reached its end. No other request for extension of time has been received.

f) Inyoni Housing Development Phase 4

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 2 779 603.23	R 2 248 094.81
Construction Cost (incl. Retention)	R 17 163 908.81	R 11 302 221.77
TOTALS (Incl. Vat)	**R 19 943 512.04**	**R 13 550 316.58**

Project Details

Name of Consultant: BVI Consulting Engineers (Pty) Ltd
Name of Contractor: Zibandlela Trading 10cc
Project Commencement Date: September 2023
Original Completion Date: November 2025.
Revised Completion date: 31 AUGUST 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 61.1%: Contractor has established on site 100%, Bulk Sewer 13.9%, Internal Sewer Retic 62.7%, Taxi Collector 49.2%, Internal Access Roads 52.10%, Bulk Water 56.5%, Internal Water - Retic 52.3%, MR495 0%, Underpass 0%. Performance of the Contractor is noted with minimal improvements in this regard although some 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 but we still await the final approval.

g) Construction of a Sports field in Ward 2, Mandeni

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 601 116.48	R 930 085.07
Construction Cost (incl. Retention)	R 8 846 502.09	R 433 139.63
TOTALS (Incl. Vat)	**R 10 447 618.57**	**R 1 363 224.70**

Project Details

Name of Consultant: Libeko (Pty) LTD
Name of Contractor: Nang-U-Mzamo Retailers
Project Commencement Date: July 2026
Contractual Completion Date: February 2027
Revised Completion date: N/A

Project Scope

- Earthworks for the preparation of the ground surface.
- Construction of the specified layerworks.
- The construction of a sub-surface drainage system, side drains, subsoil drains.
- Soil treatment and grassing.
- The construction of change rooms, ablutions and guardhouse.
- Septic Tank.
- Water and sewer connections (Plumbing).
- The installation of an irrigation system and goal posts.
- Field line marking.
- Soccer pitch.
- Combo court (Netball, basketball, volleyball & tennis marked and with poles).

- Borehole.
- Grandstands.
- Electrical Works.
- Clear View Fencing.
- Installation of high mast lights.
- Finishing off, removal of site establishment and maintenance of the works.

Current Status Overall Construction progress (Overall 13.7%): Contractor busy with Contractual document Submissions 100%, Site Establishment 80%, Clearing and Grubbing 80%, Earthworks for the preparation of the Platform surface 0%, Construction of the Sportsfield layer works 0%, Sub-surface drainage system, side drains, subsoil drains 0%, Soil treatment and Grassing 0%, Change rooms and Ablutions 0%, Septic Tank 0%, Water and sewer connections 0%, Installation of an irrigation system 0%, Clear View Fencing 0%, Goal posts 0%, Field line marking 0%, Combi court (Netball, basketball, volleyball & tennis marked and with poles) 0%, Borehole 0%, Grandstands 0%, Electrical Works 0%, High Mast Lights 0% and Cleaning of site 0%.

H) Construction of a Sportsfield In Mangqakaza, Ward 01 - Mandeni Municipality

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 758 067.17	R 753 365.77
Construction Cost (incl. Retention)	R 10 206 563.33	R 0.00
TOTALS (Incl. Vat)	**R 11 964 630.50**	**R 753 365.77**

Project Details

Name of Consultant: TKQ Consulting Engineers
Name of Contractor: Chashaza (Pty) Ltd
Project Commencement Date: July 2026
Contractual Completion Date: April 2027
Revised Completion date: N/A

Project Scope

- Preliminary and General Works
- Site Establishment and Earthworks
- Sportsfield Formation and Playing Surface Works
- Stormwater Management and Drainage Infrastructure
- Construction of Changeroom and Ablution Facilities
- Construction of Guardhouse Facility
- Structural Works (Including Grandstands and Associated Concrete Works)
- Perimeter Security Fencing and Access Gates
- Construction of Retaining Walls and Erosion Protection Measures
- Potable Water Supply Infrastructure (Including Elevated Water Tank)

- Sewer Reticulation and On-Site Sanitation Systems
- Electrical Works and Sportsfield Lighting
- External Works, Paving and Hard Landscaping
- Final Works, Testing, Commissioning and Handover

Current Status Overall Construction progress 5% : Contractual Obligations 100%, Site Establishment 100% and Setting out of works 100%.

5.2 Municipal Internal Funding

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

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 28 037 966.21	R 19 120 962.13 (Previous FY) R 0.00 (2026/27FY)
2025/26 FY Construction Cost (Including retention)	R 33 500 000.00	R 31 715 689.20 (2025/26FY)
2026/27 FY Construction Cost (Including retention)	R 38 786 389.42	R 4 466 816.87
Total Construction Cost (Including retention)	R 112 455 957.18	R 36 182 506.07
TOTALS (Incl. Vat)	**R 140 493 923.40**	**R 55 303 468.20**

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 30.70% : 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%, Waterproofing 80%, G5 Fill to Surface Bed 100%, Soil Poisoning 100%, Lighting Protection 50%, Concrete to Surface Bed Basement 100%, Soffit to Suspended Slab 66%, Reinforcement - Ground Floor 66%, 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 324 507.39	R 224 910.67
Construction Cost (incl. Retention)	R 6 100 723.15	R 3 454 014.19
TOTALS (Incl. Vat)	**R 6 425 230.54**	**R 3 678 924.60**

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: 27 August 2026

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 80%: Site Establishment 100%, Site Clearance (rubble removal) 100%, Establishment of Temporary Office & Storage Facilities 100, Mechanical Workshop 75%, Extension Building 80%, New Office Block 100%, Canteen 75%, Ablution Building 95%, Washbay 95%, Covered Walkway and Guard House 75%.

Challenges: Contractor's performance has improved with sufficient progress being achieved in the current month of reporting. Project completion within the approved Extension of Time (EOT) remains a critical concern. Remedial works for brickworks, Electrical works, Washbay and layerworks exceeded the anticipated scope of works with multiple works being noted.

5.3 Disaster Recovery Grant

a) Construction of 1.5 km Kwamazitapele gravel road in ward 2

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 1 051 248.66	R 551 487.98
Construction Cost (incl. Retention)	R 4 428 417.77	R 0.00
TOTALS (Incl. Vat)	**R 5 479 666.43**	**R 551 487.98**

Project Details

Name of Consultant: Makhaotse, Narasimulu & Associates (Pty) Ltd
Name of Contractor: Zisayini Trading Enterprise
Project Commencement Date: July 2026
Completion Date: November 2026
Revised Completion Date: N/A

Project Scope:

- Establishment on site.
- Clearing and grubbing of the road reserve.
- Traffic accommodation.
- Earthworks.
- Ripping and compacting of 150 mm of in-situ material.
- Importation, placement, processing and compaction of G5 gravel material.
- Construction of 440 m asphalt pavement including G2 as base layer.
- Kerb and channel construction.
- Installation of stormwater pipes and construction of manholes.
- Stone pitching.
- Installation of reno mattress on the discharge point for chutes.
- Finishing of the road and road reserve.

Current Status Overall Construction progress 5%: Establishment on site 80%, Relocation of Eskom Poles 100%, Clearing and grubbing of the road reserve 0%, Traffic accommodation 0%, Earthworks 0%, Ripping and compacting of 150 mm of in-situ material 0%, G5 gravel material 0%, G2 as base layer 0%, Asphalt (400m) 0%, Kerb and channel 0%, Stormwater pipes 0%, Manholes 0%, Stone pitching 0%, Installation of reno mattress on the discharge point for chutes 0%, Finishing of the road and road reserve 0%.

Challenges: N/A

b) Construction of 1.2 Km of P266 to Emachunwini gravel road in ward 6.

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 577 697.79	R 359 289.23
Construction Cost (incl. Retention)	R 4 409 698.79	R 0.00
TOTALS (Incl. Vat)	**R 5 199 317.56**	**R 359 289.23**

Project Details

Name of Consultant: Morula Consulting Engineering and Project Managers
Name of Contractor: Big O Trading
Project Commencement Date: August 2026
Completion Date: February 2027
Revised Completion Date: N/A

Project Scope:

- Site establishment
- Traffic accommodation
- Overhaul
- Clearing and grubbing
- Mass Earthworks
- Ripping and Compacting roadbed
- Pavement Layers of Gravel Material (G5 andG6)
- Concrete Slab in steep section (200m)
- Concrete lined drains
- Road signs
- Finishing Road and Road Reserve

Current Status Overall Construction progress 8%: Contractual Obligations 100%, Site establishment 50%, Traffic accommodation 0%, Overhaul 0%, Clearing and grubbing 0%, Mass Earthworks 0%, Ripping and Compacting roadbed 0%, Pavement Layers of Gravel Material (G5 0% and G6 0%), Concrete Slab (200m) 0%, Concrete lined drains 0%, Road signs 0%, Finishing Road and Road Reserve 0%

Challenges: The proposed road alignment encroaches upon existing sugarcane fields in several areas.

c) Construction of 1 Km of Carwash to Ngqofela in ward 9

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 443 713.73	R 146 456.24
Construction Cost (incl. Retention)	R 1 765 850.00	R 973 579.31
TOTALS (Incl. Vat)	**R 2 209 563.73**	**R 1 120 035.55**

Project Details

Name of Consultant: Mandaka Engineering Group
Name of Contractor: The Curve Behind 219 Trading
Project Commencement Date: July 2026
Completion Date: October 2026
Revised Completion Date: N/A

Project Scope:

- Site establishment
- Accommodation of Traffic
- Overhaul
- Clearing and grubbing
- Earth Drains
- Mass Earthworks
- Pavement Layers of Gravel Material
- Pipe Culverts and headwalls
- Road signs
- Finishing Road and Road Reserve

Current Status Overall Construction progress 54%: Site establishment 95%, Accommodation of Traffic 100%, Clearing and grubbing 100%, Earth Drains 75%, Mass Earthworks 100%, Pavement Layer G5 73%, Stormwater Pipe Culverts 30%, Headwalls 0%, Road signs 0%, Finishing Road and Road Reserve 0%.

Challenges: N/A

d) Construction of 1km of Grape vine in ward 11

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 577 697.79	R 371 630.00
Construction Cost (incl. Retention)	R 4 264 769.25	R 0.00
TOTALS (Incl. Vat)	**R 4 842 467.04**	**R 371 630.00**

Project Details

Name of Consultant: BVI Consulting Engineers (Pty) Ltd
Name of Contractor: Zhemveloh Enterprise (Pty) Ltd

Project Commencement Date: August 2026
Completion Date: March 2027
Revised Completion Date: N/A

Project Scope:

- Site establishment
- Traffic accommodation
- Road setting out. (1.2km, 3m wide)
- Clearing and grubbing
- Mass Earthworks
- Ripping and Compacting roadbed
- Pavement Layers of Gravel Material (G9, G7 and G4)
- Concrete paved road in steep section (160m)
- Concrete lined drains
- Installation of guardrails
- Galvanized gabion boxes and mattresses
- Road signs
- Finishing Road and Road Reserve

Current Status Overall Construction progress 5%: Contractual Obligations 100%, Site establishment 50%, Traffic accommodation 0%, Road setting out (1.2km, 3m wide) 0%, Clearing and grubbing 0%, Mass Earthworks 0%, Ripping and Compacting roadbed 0%, Pavement Layers of Gravel Material (G9 0%, G7 0% and G4 0%), Concrete paved road (160m) 0%, Concrete lined drains 0%, Installation of guardrails 0%, Galvanized gabion boxes 0% and mattresses 0%, Road signs 0%, and Finishing Road and Road Reserve 0%.

Challenges: N/A

e) Construction of 1 Km of R102 to KwaNgqofela in ward 9

CATEGORY	APPROVED BUDGET	EXPENDITURE
Professional Fees	R 394 789.92	R 92 676.08
Construction Cost (incl. Retention)	R 1 499 266.08	R 834 895.03
TOTALS (Incl. Vat)	**R 1 894 056.0**	**R 927 571.11**

Project Details

Name of Consultant: Mandaka Engineering Group
Name of Contractor: The Curve Behind 219 Trading
Project Commencement Date: July 2026
Completion Date: October 2026

Revised Completion Date: N/A

Project Scope:

- Site establishment
- Accommodation of Traffic
- Overhaul
- Clearing and grubbing
- Drains
- Stormwater water crossing
- Mass Earthworks
- Pavement Layers of Gravel Material
- Road signs
- Finishing Road, Road Reserve, and Treating Old Roads

Current Status Overall Construction progress 60.29%: Site establishment 80%, Accommodation of Traffic 100%, Clearing and grubbing 100%, Drains 54%, Mass Earthworks, 100%, Pavement Layers of Gravel Material G5 65%, Stormwater water crossing 100%, Headwalls 100%, Road signs 0%, and Finishing Road, Road Reserve, and Treating Old Roads 0%.

Challenges: N/A

5.5 Risks/Challenges

- Poor performance of appointed contractors
- Adverse weather conditions
- Failure of appointed contractors to complete identified snag items.

3. Debtors Age Analysis

Table SC3 Monthly Budget Statement_ Debtors Age Analysis

KZN291 Mandeni - Supporting Table SC2 Monthly Budget Statement - aged debtors - M02 August											
Description		Current Year 2025/26									
R thousands	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
Debtors Age Analysis By Income Source											
Trade and Other Receiva	1200	–	–	–	–	–	–	–	–	–	–
Trade and Other Receiva	1300	2 289	709	716	636	443	487	3 073	2 938	11 293	7 578
Receivables from Non-ex	1400	23 156	(360)	2 887	3 234	2 974	2 797	26 915	98 960	160 563	134 880
Receivables from Exchar	1500	–	–	–	–	–	–	–	–	–	–
Receivables from Exchar	1600	1 625	1 398	1 278	1 243	1 153	1 105	6 165	62 310	76 277	71 976
Receivables from Exchar	1700	40	39	30	44	26	15	32	111	337	229
Interest on Arrear Debtor	1810	436	444	477	451	442	434	2 869	35 514	41 065	39 708
Recoverable unauthorise	1820	–	–	–	–	–	–	–	–	–	–
Other	1900	–	–	–	–	–	–	–	–	–	–
Total By Income Sourc	**2000**	**27 546**	**2 229**	**5 387**	**5 608**	**5 038**	**4 838**	**39 054**	**199 833**	**289 534**	**254 372**
2024/25 - totals only										–	**–**
Debtors Age Analysis By Customer Group											
Organs of State	2200	20 519	282	3 283	1 863	1 691	1 708	20 104	30 410	79 860	55 776
Commercial	2300	3 158	371	472	673	479	383	2 584	19 203	27 323	23 322
Households	2400	3 842	1 578	1 631	3 072	2 868	2 747	16 367	150 220	182 326	175 275
Other	2500	27	(1)	–	–	–	–	–	–	26	–
Total By Customer Grc	**2600**	**27 546**	**2 229**	**5 387**	**5 608**	**5 038**	**4 838**	**39 054**	**199 833**	**289 534**	**254 372**

The total Consumer debtors outstanding as 31st August 2026 is **R 289.5 million**

- **Debtors collection rate of AUGUST 2026 is 44%**

	43.89
Gross Debtors closing balance	288 647 969
Gross Debtors opeining balance	273 955 094
Bad debts written Off	
Billed Revenue	26 183 508

	3 871.87
Gross debtors	288 647 969.43
Bad debts Provision	10 897 243.40
Billed Revenue	26 183 508.04

The culture of non-payment by ordinary households due to poor databases 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 constant focus on data collection and cleansing as part of a broader strategy to enhance debt collection. Management has implemented a debt collection strategy that includes engaging a third-party debt collection service, targeting debts older than 90 days (excluding government debt). The Municipal attorneys are currently at an inception stages of collection, the letters of demands have been served, hance other debtors have signed an acknowledgement of debt and undertaking to pay, The Management is looking forward to institute legal proceeding against all debtors who remain indebted to the Municipality without any signed acknowledgements of debt.

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.

Debt outstanding on Councillors as at August 2026 is **R132,310.18**, it should be noted that we have since issued letters of demand to all affected Councillors in line with Regulation 9 of the 2023 Regulations on the Code of Conduct for Councillors which is aligned to Item 14 of the Actual Code of Conduct for Councillors as per Schedule 7 of the Local Government Municipal Structures Act No. 117 of 1998 as amended, as well as Council Resolution C141 of 29 June 2023.

Debt outstanding on Staff Accounts as at August 2026 is **R88,087.88** deductions in this regard are ensured monthly.

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**
002155800/1	SUNDUMBILI B	1558	ZIKALALA	RATE/REFUSE	R47 712.36
002193700/1	SUNDUMBILI B	1937	DLUDLU	RATE/REFUSE	R62 958.71
002010002/1	SUNDUMBILI B	100	ZUNGU	RATE/REFUSE	R38 511.94
002045200/1	SUNDUMBILI B	452	MTHETHWA	RATE/REFUSE	R40 505.85
002058300/1	SUNDUMBILI B	583	RE-INFORCING STEEL	RATE/REFUSE	R89 073.55
002151100/1	SUNDUMBILI B	511	XABA	RATE/REFUSE	R26 981.66
001019500/1	SUNDUMBILI B	195	BUTHELEZI	RATE/REFUSE	R82 708.15
002138200/1	SUNDUMBILI B	382	KHOZA	RATE/REFUSE	R33 991.05
002163800/1	SUNDUMBILI B	638	MAKHOBA	RATE/REFUSE	R54 237.47
002195000/1	SUNDUMBILI B	950	MAPHUMULO	RATE/REFUSE	R18 427.40
002112900/1	SUNDUMBILI B	129	MZIMELA	RATE/REFUSE	R39 126.16
002190100/1	SUNDUMBILI B	901	NGCOBO	RATE/REFUSE	R49 120.10
009907651/1	SUNDUMBILI B	076	MATYILA	RATE/REFUSE	R12 674.23
002077800/1	SUNDUMBILI B	778	MCHUNU	RATE/REFUSE	R30 489.26
002021400/1	SUNDUMBILI B	214	MHLONGO	RATE/REFUSE	R29 714.62
002247100/1	SUNDUMBILI B	471	XULU	RATE/REFUSE	R28 723.15
002068900/1	SUNDUMBILI B	689	SIBISI	RATE/REFUSE	R78 793.45
002146100/1	SUNDUMBILI B	461	MDLETSHE	RATE/REFUSE	R101 223.19
001011822/1	SUNDUMBILI B	118	PHAKHATI	RATE/REFUSE	R54 965.20
002003702/1	SUNDUMBILI B	037	SOTHONDOSHE	RATE/REFUSE	R46 151.27
TOTAL					**R966 088.77**

DISCONNECTIONS AUGUST 2026						
NO.	**ACCOUNT NO.**	**TOWN**	**ADDRESS**	**NAME**	**DEBT TYPE**	**AMOUNT R**
1	009903100	MANDENI	17 TALBOT RD	DUBE	RATE/REFUSE	R26 225.86
2	009900691	MANDENI	1 RICHARDS CIRCLE	MPHILI	RATE/REFUSE	R8 178.43
3	008007861	MANDENI	1 SUNDANCE	MEMELA	RATE/REFUSE	R5 178.96
4	009901177	MANDENI	10 CYCAD	MZIMELA	RATE/REFUSE	R694 229.91
5	009907381	MANDENI	10 ORIBI	ASSOCIATED SPINNERS	RATE/REFUSE	R13 363.30
6	009903301	MANDENI	10 STRATTEN	NSELE	RATE/REFUSE	R22 425.32
7	009904491	MANDENI	11 PATRYS	MTHEMBU	RATE/REFUSE	R36 634.61
8	008061317	MANDENI	17 KARAMI FLATS	DHLODHLO	RATE/REFUSE	R4 993.77
9	009903581	MANDENI	13 WHIMBREL	DLUDLA	RATE/REFUSE	R50 202.27
10	009801162	MANDENI	14 IMPUNZI	MBONAMBI	RATE/REFUSE	R32 277.04
11	002901742	MANDENI	14 INYALA RD	MSWELI	RATE/REFUSE	R56 267.04
12	009907801	MANDENI	SITHOLE	14 KUDU	RATE/REFUSE	R29 251.64
13	009904261	MANDENI	14 TEKWANE	ZONDI	RATE/REFUSE	R17 683.19
14	008701281	MANDENI	15 PARTYS	MPANZA	RATE/REFUSE	R30 767.82
15	008005871	MANDENI	16 PLOVER	BOTES	RATE/REFUSE	R12 084.16
16	009903601	MANDENI	17 SANDPIPER	MWANDLA	RATE/REFUSE	R44 743.11
17	009101441	MANDENI	2 DUBE	NYAWO	RATE/REFUSE	R6 028.90
18	002200612	MANDENI	2 RICHARDS	NGUBANE	RATE/REFUSE	R7 119.67
19	009903781	MANDENI	7 TROGON	DLAMINI	RATE/REFUSE	R10 627.88
20	009901471	MANDENI	7 FARROW	NTSHANGASE	RATE/REFUSE	R7 210.81
21	008900571	MANDENI	35 KUDU	ZUNGU	RATE/REFUSE	R11 400.06
22	002400802	MANDENI	34 FARROW RD	SINGH	RATE/REFUSE	R4 525.79
23	009910421	MANDENI	3 ARUM PLACE	SIBIYA	RATE/REFUSE	R70 773.37
24	009701331	MANDENI	22 KUDU	THABETHE	RATE/REFUSE	R3 211.01
25	009908741	MANDENI	10 DUBE ROAD	GUMEDE	RATE/REFUSE	R2 774.50
26	008400631	MANDENI	22 TEKWANE	XULU	RATE/REFUSE	R8 336.38
27	009980381	MANDENI	22 UMDONI	ZONDI	RATE/REFUSE	R5 089.26
28	008800871	MANDENI	23 OHARA	XULU	RATE/REFUSE	R22 701.80
29	008300671	MANDENI	6 IMPALA	SOKHULU	RATE/REFUSE	R44 610.36
30	009900821	MANDENI	60 ANDERSON	THABETHE	RATE/REFUSE	R45 766.23
31	009902701	MANDENI	60 GREIG	MKHWANAZI	RATE/REFUSE	R30 461.72
32	002401262	MANDENI	64 ANDERSON	KHUMALO	RATE/REFUSE	R14 219.07
33	009909122	MANDENI	7 DUBE	VENTER	RATE/REFUSE	R4 608.39
34	009911761	MANDENI	8 CYCAD	MZIMELA	RATE/REFUSE	R560 299.18
35	009200251	MANDENI	8 DUIKER	GOBA	RATE/REFUSE	R6 093.99
36	009401621	MANDENI	8 RICHARDS	DLAMINI	RATE/REFUSE	R39 248.73
37	004005232	MANDENI	8 WHIMBREL	ZHANG	RATE/REFUSE	R5 538.26
38	009908011	MANDENI	81 PATRYS	DLAMINI	RATE/REFUSE	R18 941.90
39	009908211	MANDENI	82 PATRYS	GUMEDE	RATE/REFUSE	R80 751.53
40	009900611	MANDENI	9 RICHARDS	NAIDOO	RATE/REFUSE	R327 240.77
41	009910601	MANDENI	3 BEGONIA	MKHWANAZI	RATE/REFUSE	R16 970.27
42	009910241	MANDENI	3 ERICA	QHOSHA	RATE/REFUSE	R44 042.58
43	009908132	MANDENI	35 IMPUNZI	MEMELA	RATE/REFUSE	R7 571.33
44	008801111	MANDENI	35 OHARA	SITHOLE	RATE/REFUSE	R10 393.08
45	008803671	MANDENI	35 TROGON	SINDICICH	RATE/REFUSE	R11 008.56
46	009800421	MANDENI	48 IMPUNZI	YENGWA	RATE/REFUSE	R16 632.47
47	009910611	MANDENI	5 BEGONIA	MKHWANAZI	RATE/REFUSE	R28 275.76
48	009400821	MANDENI	5 IMPUNZI	MPOFU/CELE	RATE/REFUSE	R3 856.01
49	002500882	MANDENI	5 PHILLIP	OLDHAM PROPERTIES	RATE/REFUSE	R15 324.55
					TOTAL	**R2 576 160.60**

Figure 9

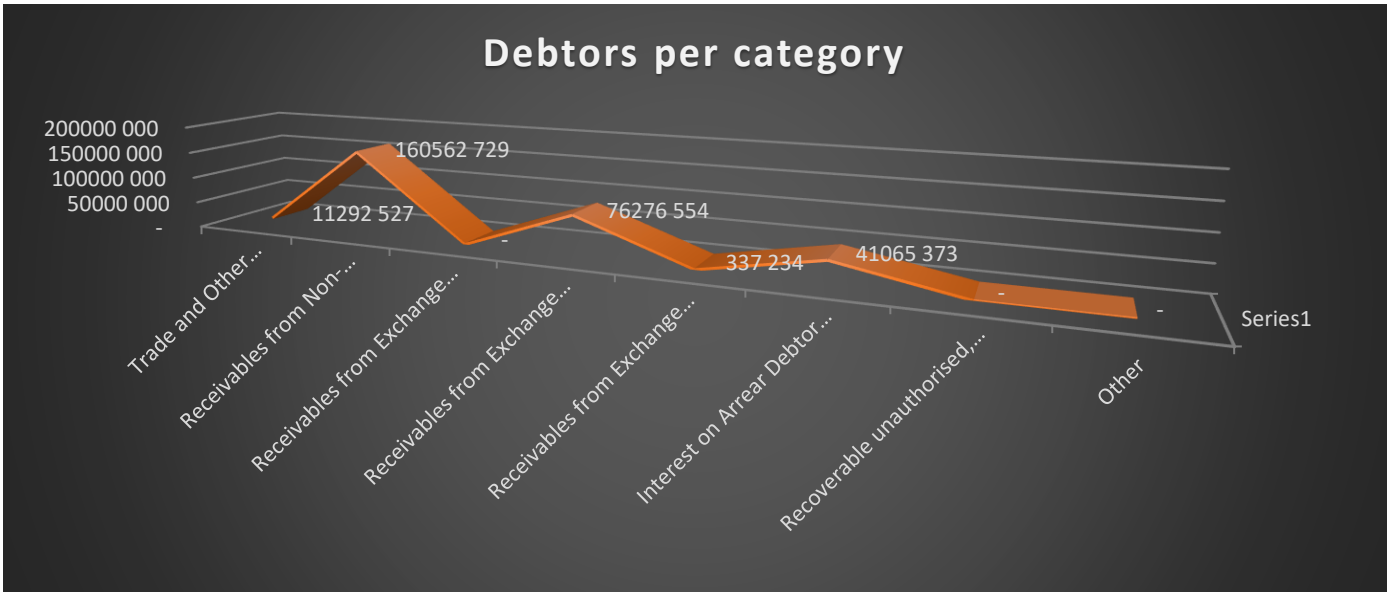
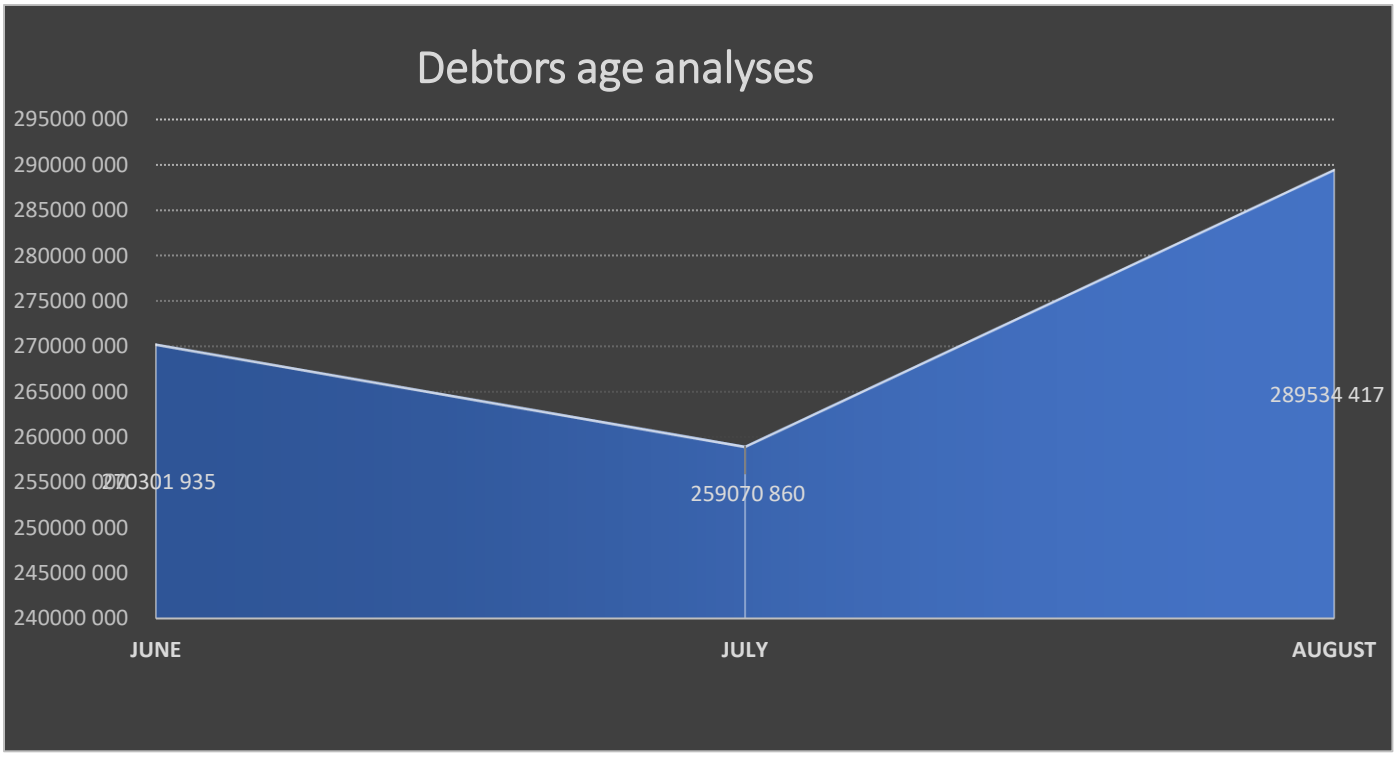
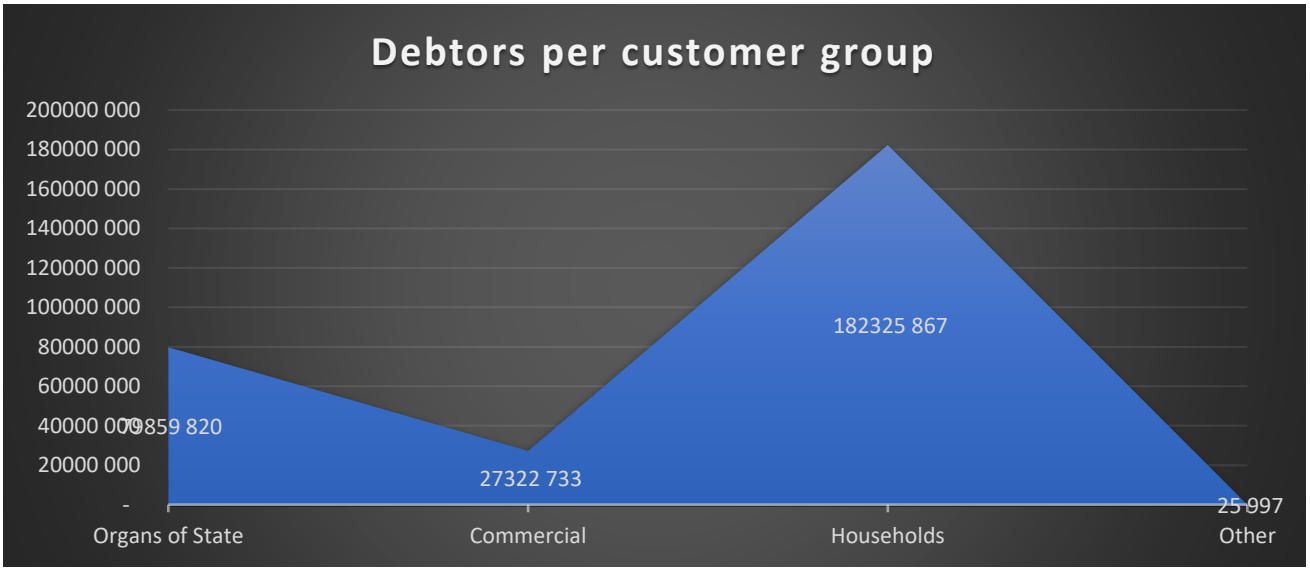


Figure 10



The municipal debtors have reduced from R270.3 million to R289.5million that is from June 2026 until August 2026. This decrease 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 Auguust 2026**



Councilors and Employees in Arrear

- Debt outstanding on Councilors as at August is R132,310.18
- Staff Accounts in arrears as at June is R 88,087.88

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

4. CREDITOR'S AGE ANALYSIS

Table SC4 Monthly Budget Statement_ Creditors Age Analysis

KZN291 Mandeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August											
Description	NT Code	Current Year 2025/26									Prior year totals for chart (same period)
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	–	–	–	–	–	–	–	–	–	–
Bulk Water	0200	–	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductio	0500	–	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	48	–	–	–	–	–	–	–	48	48
Auditor General	0800	–	–	–	–	–	–	–	–	–	–
Other	0900	25	–	–	–	–	–	–	–	25	25
Medical Aid deductions	0950	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	**1000**	72	–	–	–	–	–	–	–	72	72

Creditors Age analyses: The Creditors Age Analysis reflected a closing balance of R72thousand as at 31 August 2026,

5. MONTHLY BUDGET STATEMENT - FINANCIAL POSITION
Table C6 displays the financial position of the municipality as at 31st August2026

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

Description	Ref	2025/26	Budget Year 2026/27			
		Audited	Original	Adjusted	YearTD actual	Full Year
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		113 202	43 452	–	144 316	43 452
Short term Investments		–	–	–	–	–
Trade and other receivables from exchange transactions		235 068	46 190	–	237 260	46 190
Receivables from non-exchange transactions		(130 681)	30 618	–	(120 029)	30 618
Current portion of non-current receivables		–	–	–	–	–
Inventory		37 721	43 188	–	37 746	43 188
VAT Receivable		4 306	22 511	–	3 654	22 511
Other current assets		225	–	–	225	–
Total current assets		**259 842**	**185 958**	**–**	**303 172**	**185 958**
Non current assets						
Investments		–	–	–	–	–
Investment property		45 434	44 152	–	45 434	44 152
Property, plant and equipment		814 671	916 794	–	823 327	916 794
Biological assets		–	–	–	–	–
Living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		2 124	2 045	–	2 124	2 045
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**862 229**	**962 991**	**–**	**870 885**	**962 991**
TOTAL ASSETS		**1 122 071**	**1 148 949**	**–**	**1 174 057**	**1 148 949**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		10 835	–	–	10 835	–
Consumer deposits		301	179	–	315	179
Trade and other payables from exchange transactions		62 291	43 413	–	28 903	43 413
Trade and other payables from non-exchange transactions		32 444	2 370	–	36 750	2 370
Provision		4 703	–	–	4 703	–
VAT Payable		11 239	16 357	–	12 416	16 357
Other current liabilities		1 482	8 097	–	1 482	8 097
Total current liabilities		**123 295**	**70 415**	**–**	**95 404**	**70 415**
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		–	–	–	–	–
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		26 735	–	–	26 735	–
Total non current liabilities		**26 735**	**–**	**–**	**26 735**	**–**
TOTAL LIABILITIES		**150 029**	**70 415**	**–**	**122 139**	**70 415**
NET ASSETS	2	**972 041**	**1 078 534**	**–**	**1 051 918**	**1 078 534**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1 415 476	1 076 304	–	1 049 634	1 076 304
Reserves and funds		2 285	2 230	–	2 285	2 230
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**1 417 761**	**1 078 534**	**–**	**1 051 918**	**1 078 534**

RATIOS FOR THE MONTH

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

The ratio measures short-term liquidity, that is, the extent to which the current liabilities can be paid from current assets. The higher the ratio, the healthier the situation is. The ratio of 3.17:0.31c 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, R3.17c

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 44%.

Collection days: 3872days it takes the municipality to collect outstanding debt.

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

Debtors collection rate: as at the 2nd month of 2026/27 at 44**%**

	3 Month
Cash and cash equivalents	1 835 788
Unspent Conditional Grants	35 051 380
Overdraft	-
Short Term Investments	142 266 835
Total Annual Operational Expenditure	501 647 438

	3.18
Current Assets	303 172 202
Current Liabilities	95 404 057

	43.89
Gross Debtors closing balance	288 647 969
Gross Debtors opeining balance	273 955 094
Bad debts written Off	
Billed Revenue	26 183 508

11 490 633.04

	-
Consumer Debtors Bad debts written off	

Consumer Debtors Current bad debt Provision	10 897 243.40

	3 871.87
Gross debtors	288 647 969.43
Bad debts Provision	10 897 243.40
Billed Revenue	26 183 508.04

	4773%
Cash and cash Equivalents	1 835 788
Bank Overdraft	-
Short Term Investment	142 266 835
Long Term Investment	-
Unspent Grants	35 051 380
Net Assets	1 051 918 238
Share Premium	
Share Capital	
Revaluation Reserve	
Fair Value Adjustment Reserve	
Accumulated Surplus	1 049 633 522

6. MONTHLY BUDGET STATEMENT -CASH FLOW

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

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	Ref	2025/26	Budget Year 2026/27							
R thousands	1	Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(104 412)	50 834	–	1 701	13 867	8 472	5 395	64%	50 834
Service charges		(30 742)	121 121	–	993	2 769	20 187	(17 418)	-86%	121 121
Other revenue		(343)	37 544	–	255	507	6 257	(5 750)	-92%	37 544
Transfers and Subsidies - Operational		–	251 336	–	2 381	102 646	41 889	60 757	145%	251 336
Transfers and Subsidies - Capital		–	43 889	–	–	8 915	7 315	1 600	22%	43 889
Interest		–	23 376	–	–	–	3 896	(3 896)	-100%	23 376
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(466 154)	(473 489)	–	(24 595)	(97 924)	(73 001)	24 923	-34%	(608 294)
Finance charges		–	(600)	–	–	–	(100)	(100)	100%	(600)
Transfers and Subsidies		–	–	–	–	–	333	333	100%	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**(601 650)**	**54 011**	**–**	**(19 265)**	**30 780**	**15 249**	**(15 531)**	**-102%**	**(80 794)**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Insurance Refund - Capital		–	–	–	–	–	–	–		–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		110 528	(134 805)	–	(10 899)	(18 362)	(22 468)	(4 105)	-21%	(134 805)
Retention (Capital)		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**110 528**	**(134 805)**	**–**	**(10 899)**	**(18 362)**	**(22 468)**	**(4 105)**	**18%**	**(134 805)**
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		**(491 123)**	**(80 794)**	**–**	**(30 164)**	**12 418**	**(7 218)**			**(215 600)**
Cash/cash equivalents at beginning:		131 899	124 247	–	–	131 899	124 247			131 899
Cash/cash equivalents at month/year end:		(359 224)	43 452	–	(30 164)	144 317	117 028			(83 701)

The net increase in cash for the period ending 31 August 2026 is R12.4million. The municipality opened the financial year with cash and cash equivalents of R131.9 million as per the AFS audited and closed the month of August with a balance of R144.3million.

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 64% or R5.4million of the collected revenue in C7-as of 31st August 2026.
- Service Charges: Electricity and Refuse cash receipt are under collected by 86% or R17.4million from the revenue budget of R20.2million as of 31st August 2026.
- Other Revenue collected form VAT refunds received as of 31st August totals R6.3million, and Revenue receipt of R507thousand.
- Government grants received YTD total of R111.6million as of 31st August 2026 which includes Government grant Capital of R8.9million.
- Interest earned on external investments amounts to R1.8million in comparison with the pro-rata budget of R3.3million which is an under performance of 46%.

Payments

- Suppliers and employees for cash outflows of R97.9million.
- Finance charges reflect underperformance by 100 percent.
- Transfers and Subsidies underperformance by 100 percent.
- Capital Assets of R18.4million with VAT for the month of 31st August 2026 shows an under-performance of 21%.

6.1. BANK RECONCILIATION STATEMENT AS AT AUGUST 2026

Mandeni Municipality

BANK RECONCILIATION STATEMENT FOR AUGUST 2026			
Main Account :52940480587			
Opening FNB Bank Balance as on AUGUST 2026		**11 128 705.43**	**11 128 705.43**
PLUS: Deposits Banked		12 820 397.60	
PLUS: Interest received		40 344.20	
PLUS: Transfers In		16 761 769.89	
PLUS:Interest received From Call 1		285 991.61	
PLUS:Unpaid		80 085.07	
PLUS: MATURED INVESTMENTS		-	
PLUS: SARS REFUND		5 681 948.24	
PLUS: GRANTS RECEIVED		-	
Total Deposits		**35 670 536.61**	**35 670 536.61**
Less:Total payments	-	**44 963 454.31**	- **44 963 454.31**
LESS: EFT Payments	-	43 676 936.08	
LESS: Bank Charges	-	21 730.69	
LESS: Transfers Out	-	597 775.00	
LESS: NEW INVESTMENTS		-	
LESS: Debit Orders	-	667 012.54	
Closing FNB Bank Balance as on 31 AUGUST 2026			**1 835 787.73**
Cashbook Reconciliation for 31 AUGUST 2026			
OPENING BALANCE 1/07/2026		677 424 344.51	
OPENING BALANCE 1/07/2026		16 298 905.02	
OPENING BALANCE 1/07/2026	-	689 201 731.22	
OPENING BALANCE 1/07/2026-INTEREST		345 364.13	
OPENING BALANCE-1/7/2026 -BANK CHARGES	-	254 040.68	
TOTAL OPENING BALANCE 1/07/2026		**4 612 841.76**	
Cashbook Balance as on 1 AUG 2026-D0001/IA09567/F0001/X049/R0099/001/FIN		775 015 778.94	
Less:Cashbook Balance as on 1 AUG 2026-D0001/IA09850/F0001/X049/R0099/001/FIN	-	764 632 997.77	
Corrections to be made (JNL CR)			
Corrections to be made (JNL DR)		-	
PLUS: Deposits Banked for AUG 2026		12 900 482.67	
LESS: EFT Payments for AUG 2026	-	43 046 950.33	
PLUS:July Outstanding Payments Not cleared		4 277.71	
Less: Bank Charges to date	-	298 357.54	
PLUS: Grant received		-	
Less : New investment		-	
PLUS: Interest received to date		409 177.01	
PLUS:Interest received From Call 1-AUGUST 2026		285 991.61	
PLUS MATURED INVESTMENT		-	
PLUS :SARS REFUND		5 681 948.24	
PLUS :TRANSFER IN		16 761 769.89	
LESS:TRANSFER OUT	-	597 775.00	
LESS: Debit Orders for -AUGUST 2026	-	667 012.54	
Closing Cashbook Balance as on 31 AUGUST 2026		**1 816 332.89**	**1 816 332.89**
			19 451.70
Reconciling Items	**Amount**		
ADD: Journal Debits - on Cashbook not on Bank Statement		19 451.70	
ADJUSTED MONTH END CASHBOOK BALANCE- 31 AUGUST 2026			**1 835 784.59**
MONTH END BALANCE PER BANK STATEMENT- 31 AUGUST 2026			**1 835 787.73**
DIFFERENCE			**3.14**

6.2. MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO

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

INVESTMENT REGISTER FOR AUGUST 2026

Name of grant	Bank account number	INTEREST RATES	Opening Balance as at 2026/08/01	Re-Investments	Expenditure	interest	bank charges	Closing Balance as at 2026/08/31	TOTAL INTEREST EARNED TO DATE
		%	R	R	R	R	R	R	R
call 1-internal grant	61294217372	7.20	57 883 945.21	-	10 285 991.61	285 991.61	-	47 883 945.21	755 517.08
Call account 2 - HOUSING	62028673219	7.20	2 295 039.21	-		11 597.80	-	2 306 637.01	22 766.87
Call account 3-MIG	62812286400	7.20	22 947 175.35	569 539.00	3 435 708.53	107 148.24		20 188 154.06	188 790.36
Call account 5-TMT	62113325882	7.20	560 779.94	-		2 833.86	-	563 613.80	5 732.29
Call account 6-INEP / EDTEA	62527527462	7.20	775 135.32	-	635 354.92	2 386.31	-	142 166.71	6 809.40
Call account 7-AR	62538203449	7.20	3 913 187.61	-	336 475.00	19 720.15	-	3 596 432.76	39 395.72
Call account 8- Title Deed	62812286963	7.20	1 257 678.50	28 236.00	188 240.00	5 964.34	-	1 103 638.84	11 997.74
Call account 9-Disaster Recovery	63048438097	7.20	18 747 405.01	-	2 165 991.44	93 496.72	-	16 674 910.29	187 930.76
FNB-INVESTMENTS	76212973286	7.60	50 000 000.00	-	322 739.73	-		50 000 000.00	520 547.94
FNB-MAIN BANK	52940480587		-			40 344.20			63 812.88
TOTAL			158 380 346.15	597 775.00	16 711 286.50		-	142 266 834.65	1 803 301.04

Investment register closing balance: The opening balance brought forward was R158.4 million, with interest earned of R495thousand for the month ended August 2026. Withdrawals and expenditure for the period totalled R17.3 million. The closing balance at the end of August 2026 amounted to R142.3million. The total interest accrued for the period 31 August 2026, R1.8million.

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

KZN291 Mandeni - Supporting Table SC22 Monthly Budget Statement - councillor and staff benefits - M02 August

Summary of Employee and Councillor remuneration R thousands	Ref	2025/26 Audited	Budget Year 2026/27 Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Allowances and Service Related Benefits										
Basic Salary		13 672	14 906	–	1 145	2 291	2 484	(194)	-8%	14 906
Cell phone Allowance		1 503	1 826	–	126	252	304	(52)	-17%	1 826
Housing Allowance		126	280	–	11	21	47	(26)	-55%	280
In-kind Benefits		–	–	–	–	–	–	–		–
Market Related Non-pensionable Allowance		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		474	730	–	39	79	122	(43)	-35%	730
Office-bearer Allowance		–	–	–	–	–	–	–		–
Out of pocket Expenses		–	–	–	–	–	–	–		–
Travelling Allowance		–	–	–	–	–	–	–		–
Use of Personal Facilities		–	–	–	–	–	–	–		–
Total Allowances and Service Related Benefits		**15 775**	**17 742**	**-**	**1 321**	**2 643**	**2 957**	**(314)**	-11%	**17 742**
Social Contributions										
Medial Aid Benefits		–	–	–	–	–	–	–		–
Pension Fund Contributions		–	–	–	–	–	–	–		–
Total Social Contributions		**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Total Councillors		**15 775**	**17 742**	**-**	**1 321**	**2 643**	**2 957**	**(314)**	-11%	**17 742**
% increase	4									
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		8 681	6 555	–	644	1 280	1 092	187	17%	6 555
Bonuses		739	415	–	–	–	69	(69)	-100%	415
Allowance								–		
Accommodation, Travel and Incidental		–	–	–	–	–	–	–		–
Cellular and Telephone	3	260	292	–	15	30	49	(19)	-38%	292
Housing Benefits	3	170	304	–	14	28	51	(22)	-44%	304
Non-pensionable		240	504	–	–	–	84	(84)	-100%	504
Travel or Motor Vehicle	3	716	962	–	72	143	160	(17)	-11%	962
Voluntary Work		–	–	–	–	–	–			–
Total Allowance		**1 386**	**2 062**	**-**	**101**	**202**	**344**	**(142)**	-41%	**2 062**
Total Salaries and Allowances		**10 806**	**9 032**	**-**	**745**	**1 481**	**1 505**	**(24)**	-2%	**9 032**
Social Contributions										
Bargaining Council		2	2	–	0	0	0	0	5%	2
Group Life Insurance		–	–	–	–	–	–	–		–
Medical		177	198	–	–	–	33	(33)	-100%	198
Pension		–	–	–	–	–	–	–		–
Unemployment Insurance		–	11	–	–	–	2	(2)	-100%	11
Total Social Contributions		**179**	**211**	**-**	**0**	**0**	**35**	**(35)**	-99%	**211**
Post-retirement Benefit	6									
Medical		4 364	4 199	–	–	–	700	(700)	-100%	4 199
Other Benefits		–	–	–	–	–	–	–		–
Pension		–	–	–	–	–	–	–		–
Total Post-retirement Benefit		**4 364**	**4 199**	**-**	**-**	**-**	**700**	**(700)**	-100%	**4 199**
Costs Capitalised to PPE		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**15 349**	**13 442**	**-**	**745**	**1 482**	**2 240**	**(759)**	-34%	**13 442**

Other Municipal Staff										
Salaries and Allowances										
Basic Salary		106 576	103 676	–	9 258	18 405	17 279	1 125	7%	103 676
Bonuses		–	–	–	–	–	–	–		–
Allowance										
Accommodation, Travel and Incidental		–	–	–	–	–	–	–		–
Cellular and Telephone	3	809	872	–	67	133	145	(12)	-8%	872
Housing Benefits	3	341	424	–	30	60	71	(11)	-15%	424
Non-pensionable		–	–	–	–	–	–	–		–
Travel or Motor Vehicle	3	5 067	5 709	–	419	838	951	(114)	-12%	5 709
Voluntary Work		–	–	–	–	–	–	–		–
Total Allowance		**6 216**	**7 004**	**-**	**516**	**1 031**	**1 167**	**(137)**	-12%	**7 004**
Service Related Benefits										
Acting	3	–	–	–	–	–	–	–		–
Bonus	3	8 789	6 574	–	689	1 385	1 096	289	26%	6 574
Danger Allowance	3	–	–	–	–	–	–	–		–
Entertainment	3	–	–	–	–	–	–	–		–
Fire Brigade		–	–	–	–	–	–	–		–
In-kind Benefits	3	–	–	–	–	–	–	–		–
Leave Pay	3	3 125	3 559	–	125	269	593	(324)	-55%	3 559
Lifeguard/Duty Squads		–	–	–	–	–	–	–		–
Long Service Award		(190)	1 558	–	115	163	260	(96)	-37%	1 558
Overtime		3 552	3 449	–	266	559	575	(15)	-3%	3 449
Scarcity	3	–	–	–	–	–	–	–		–
Standby Allowance	3	2 611	1 966	–	170	330	328	3	1%	1 966
Tools Allowance	3	–	–	–	–	–	–	–		–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–		–
Leave gratuity		–	–	–	–	–	–	–		–
Long Term Service Award		–	–	–	–	–	–	–		–
Total Service Related Benefits		**17 888**	**17 106**	**-**	**1 366**	**2 706**	**2 851**	**(144)**	-5%	**17 106**
Total Salaries and Allowances		**130 680**	**127 786**	**-**	**11 140**	**22 142**	**21 298**	**844**	4%	**127 786**
Social Contributions										
Bargaining Council		98	85	–	9	17	14	3	21%	85
Group Life Insurance		–	349	–	–	–	58	(58)	-100%	349
Medical		8 474	8 308	–	722	1 449	1 385	64	5%	8 308
Pension		15 937	17 138	–	1 413	2 818	2 856	(38)	-1%	17 138
Unemployment Insurance		683	793	–	56	112	132	(20)	-15%	793
Total Social Contributions		**25 192**	**26 673**	**-**	**2 199**	**4 397**	**4 445**	**(49)**	-1%	**26 673**
Post-retirement Benefit	6									
Medical		(441)	–	–	–	–	–	–		–
Other Benefits		–	–	–	–	–	–	–		–
Pension		601	3 898	–	–	–	650	(650)	-100%	3 898
Total Post-retirement Benefit		**161**	**3 898**	**-**	**-**	**-**	**650**	**(650)**		**3 898**
Costs Capitalised to PPE		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		**156 032**	**158 357**	**-**	**13 339**	**26 539**	**26 393**	**146**		**158 357**
% increase	4									
Total Parent Municipality		**187 156**	**189 541**	**-**	**15 405**	**30 663**	**31 590**	**(927)**	-3%	**189 541**

8. External Loan

NONE

9. Performance Indicators

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - Performance Indicators - M02 August

Description of financial indicator	Basis of calculation	Ref	2025/26	Budget Year 2026/27			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.1%	7.6%	0.0%	10.6%	3.7%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax		9.3%	4.2%	0.0%	9.8%	4.2%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	210.7%	264.1%	0.0%	317.8%	264.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		91.8%	61.7%	0.0%	151.3%	61.7%
Revenue Management							
Annual Debtors Collection Rate	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		23.3%	16.2%	0.0%	83.9%	16.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors >		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		38.2%	36.1%	0.0%	20.0%	36.1%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		7.2%	7.8%	0.0%	0.5%	7.8%
Interest & Depreciation	I&D/Total Revenue - capital revenue		9.7%	8.0%	0.0%	5.2%	3.9%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue						
iii. Cost coverage	(Available cash + Investments)/monthly fixed						

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QUALITY CERTIFICATE

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

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

- **Monthly Budget Statements**

for the month of **August 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 **22 September 2026**