MANDENI MUNICIPALITY

KZN291

BUDGET & TREASURY DEPARTMENT

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

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

BUDGET FOR THE PERIOD ENDING 30 SEPTEMBER 2026.

1. PURPOSE

The purpose of the report is to submit to the Mayor the statement of financial performance and implementation of the 2026/27 Budget of the Mandeni Municipality for the period ending 30 SEPTEMBER 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 30 SEPTEMBER 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 - M03 September

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 contributions)	**449 523**	**475 447**	**32 472**	**172 530**	**118 869**	**53 661**	**45%**	**475 447**
Total Expenditure	**487 720**	**504 982**	**34 337**	**103 348**	**130 294**	**(26 946)**	**-21%**	**504 982**
Surplus/(Deficit)	**(38 197)**	**(29 535)**	**(1 865)**	**69 181**	**(11 425)**	**80 607**	**-706%**	**(29 535)**
Transfers and subsidies - capital (monetary allocations)	39 414	55 889	6 189	15 019	13 972	1 047	7%	55 889
Surplus/(Deficit) after capital transfers & contributions	**1 217**	**26 354**	**4 324**	**84 201**	**2 547**	**81 654**	**3206%**	**26 354**
Surplus/ (Deficit) for the year	**1 217**	**26 354**	**4 324**	**84 201**	**2 547**	**81 654**	**3206%**	**26 354**
Capital expenditure & funds sources								
Capital expenditure	**(15 664)**	**117 222**	**7 242**	**23 209**	**29 305**	**(6 097)**	**-21%**	**117 222**
Capital transfers recognised	(8 491)	48 599	4 720	11 737	12 150	(413)	-3%	48 599
Borrowing	–	–	–	–	–	–		–
Internally generated funds	**(7 173)**	**68 623**	**2 521**	**11 472**	**17 156**	**(5 684)**	**-33%**	**68 623**
Total sources of capital funds	**(15 664)**	**117 222**	**7 242**	**23 209**	**29 305**	**(6 097)**	**-21%**	**117 222**
TOTAL BUDGET	472 056	622 204	41 579	126 557	159 600	(33 043)	(0)	622 204

The table above provides an overview of the budget implementation as at 30 September 2026. The actual surplus for the period ending 30 September 2026 reflects an over performance of more than 100%, or R81.7 million, against the budgeted surplus of R2.5 million.

1.1 IN- YEAR BUDGET STATEMENT TABLES

- **Table 1**

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

KZN291 Mandeni - Table C1 Monthly Budget Statement Summary - Q1 First Quarter								
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								
Property rates	65 134	72 620	19 471	35 795	18 155	17 640	97%	72 620
Service charges	101 610	119 683	10 450	29 206	29 928	(722)	-2%	119 683
Investment revenue	11 437	20 000	755	2 559	5 000	(2 441)	-49%	20 000
Transfers and subsidies	255 117	251 336	934	102 683	62 834	39 849	0	251 336
Other own revenue	16 226	11 808	861	2 287	2 952	(665)	-23%	11 808
Total Revenue (excluding capital	**449 523**	**475 447**	**32 472**	**172 530**	**118 869**	**53 661**	**45%**	**475 447**
Employee costs	171 381	171 799	13 874	41 894	42 950	(1 056)	-2%	171 799
Remuneration of Councill	15 775	17 742	1 321	3 964	4 435	(471)	-11%	17 742
Depreciation, amortisatio	42 892	38 641	3 534	10 846	9 660	1 186	12%	38 641
Interest, Dividends and R	527	600	–	–	150	(150)	-100%	600
Inventory consumed and	74 122	80 681	60	15 127	20 170	(5 044)	-25%	80 681
Transfers and subsidies	2 200	2 000	1 025	1 025	500	525	105%	2 000
Other expenditure	180 823	193 520	14 523	30 492	52 429	(21 936)	-42%	193 520
Total Expenditure	**487 720**	**504 982**	**34 337**	**103 348**	**130 294**	**(26 946)**	**-21%**	**504 982**
Surplus/(Deficit)	**(38 197)**	**(29 535)**	**(1 865)**	**69 181**	**(11 425)**	**80 607**	**-706%**	**(29 535)**
Transfers and subsidies - capital (monetary	39 414	55 889	6 189	15 019	13 972	1 047	7%	55 889
Surplus/(Deficit) after capital transfers &	**1 217**	**26 354**	**4 324**	**84 201**	**2 547**	**81 654**	**3206%**	**26 354**
Surplus/ (Deficit) for the year	**1 217**	**26 354**	**4 324**	**84 201**	**2 547**	**81 654**	**3206%**	**26 354**
Capital expenditure & funds sources								
Capital expenditure	**(15 664)**	**117 222**	**7 242**	**23 209**	**29 305**	**(6 097)**	**-21%**	**117 222**
Capital transfers recognis	(8 491)	48 599	4 720	11 737	12 150	(413)	-3%	48 599
Borrowing	–	–	–	–	–	–		–
Internally generated funds	**(7 173)**	**68 623**	**2 521**	**11 472**	**17 156**	**(5 684)**	**-33%**	**68 623**
Total sources of capital	**(15 664)**	**117 222**	**7 242**	**23 209**	**29 305**	**(6 097)**	**-21%**	**117 222**
Financial position								
Total current assets	259 842	183 827		310 091				183 827
Total non current assets	862 229	961 787		874 592				961 787
Total current liabilities	123 295	70 444		101 706				70 444
Total non current liabilitie	26 735	–		26 735				–
Community wealth/Equity	**1 417 761**	**1 075 171**		**1 056 243**				**1 075 171**
Cash flows								
Net cash from (used) ope	(601 728)	51 860	4 064	28 709	22 874	(5 835)	-26%	(82 945)
Net cash from (used) inve	110 528	(134 805)	(7 242)	(23 209)	(33 701)	(10 492)	31%	(134 805)
Net cash from (used) fina	–	(179)	–	16	–	(16)	#DIV/0!	(179)
Cash/cash equivalents	**(359 302)**	**41 123**	**(3 178)**	**137 415**	**113 419**	**(23 996)**	**-21%**	**(86 030)**
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	31 030	18 124	5 139	5 193	4 731	31 299	209 688	307 313
Creditors Age Analysis								
Total Creditors	2 046	–	–	–	–	–	–	2 046
TOTAL BUDGET	472 056	622 204	41 579	126 557	159 600	(33 043)	(0)	622 204

- **Table 2**

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

KZN291 Mandeni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q1 First Quarter

Description	Ref	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	1							%	
Revenue - Functional									
Governance and administra		**330 643**	**338 298**	**20 656**	**139 657**	**84 575**	55 082	65%	**338 298**
Executive and council		–	8 243	–	–	2 061	(2 061)	-100%	8 243
Finance and administration		330 643	330 055	20 656	139 657	82 514	57 143	69%	330 055
Internal audit		–	–	–	–	–	–		–
Community and public safe		**6 718**	**8 619**	**654**	**1 793**	**2 155**	(362)	-17%	**8 619**
Community and social service		5 558	6 001	461	1 372	1 500	(128)	-9%	6 001
Sport and recreation		269	–	–	–	–	–		–
Public safety		892	2 619	194	421	655	(234)	-36%	2 619
Housing		–	–	–	–	–	–		–
Health		–	–	–	–	–	–		–
Economic and environment		**45 940**	**61 077**	**6 662**	**16 178**	**15 269**	909	6%	**61 077**
Planning and development		37 143	46 493	4 207	11 185	11 623	(438)	-4%	46 493
Road transport		8 797	14 584	2 454	4 993	3 646	1 347	37%	14 584
Environmental protection		–	–	–	–	–	–		–
Trading services		**104 302**	**123 342**	**10 688**	**29 921**	**30 843**	**(921)**	-3%	**123 342**
Energy sources		86 080	100 535	9 026	24 713	25 141	(428)	-2%	100 535
Water management		–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–		–
Waste management		18 223	22 807	1 663	5 208	5 702	(494)	-9%	22 807
Other	4	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Revenue - F	2	**487 603**	**531 336**	**38 661**	**187 549**	**132 841**	**54 708**	**41%**	**531 336**
Expenditure - Functional									
Governance and administra		**234 765**	**245 561**	**19 035**	**49 493**	**61 358**	(11 864)	-19%	**245 561**
Executive and council		67 692	70 417	7 950	16 306	17 604	(1 299)	-7%	70 417
Finance and administration		167 073	175 144	11 085	33 188	43 753	(10 566)	-24%	175 144
Internal audit		–	–	–	–	–	–		–
Community and public safe		**60 746**	**54 000**	**4 175**	**12 536**	**13 500**	(964)	-7%	**54 000**
Community and social service		44 615	41 328	3 464	10 665	10 332	334	3%	41 328
Sport and recreation		15 501	10 639	704	1 863	2 660	(797)	-30%	10 639
Public safety		576	1 829	–	–	457	(457)	-100%	1 829
Housing		54	204	8	8	51	(43)	-85%	204
Health		–	–	–	–	–	–		–
Economic and environment		**88 216**	**95 211**	**9 131**	**20 712**	**23 803**	(3 091)	-13%	**95 211**
Planning and development		22 670	25 745	2 452	5 274	6 436	(1 162)	-18%	25 745
Road transport		60 591	64 887	6 260	14 179	16 222	(2 043)	-13%	64 887
Environmental protection		4 955	4 579	419	1 259	1 145	114	10%	4 579
Trading services		**100 876**	**109 579**	**1 996**	**20 607**	**31 476**	**(10 869)**	-35%	**109 579**
Energy sources		81 859	88 362	916	17 697	23 508	(5 810)	-25%	88 362
Water management		–	–	–	–	–	–		–
Waste water management		3 208	3 362	282	866	841	25	3%	3 362
Waste management		15 809	17 855	798	2 044	7 128	(5 084)	-71%	17 855
Other		**176**	**630**	**–**	**–**	**158**	**(158)**	**-100%**	**630**
Total Expenditure	3	**484 779**	**504 982**	**34 337**	**103 348**	**130 294**	**(26 946)**	**-21%**	**504 982**
Surplus/ (Deficit) for the ye		**2 824**	**26 354**	**4 324**	**84 201**	**2 547**	**81 654**	**32.0611**	**26 354**

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) - Q1 First Quarter

Vote Description	Ref	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								%	
Revenue by Vote	1								
Vote 1 - Executive and council		–	8 243	–	–	2 061	(2 061)	-100.0%	8 243
Vote 2 - Finance and administration		330 643	330 055	20 656	139 657	82 514	57 143	69.3%	330 055
Vote 3 - Internal audit		–	–	–	–	–	–		–
Vote 4 - Community and social services		5 578	6 088	462	1 377	1 522	(145)	-9.6%	6 088
Vote 5 - Sport and Recreation		269	–	–	–	–	–		–
Vote 6 - Public safety		871	2 532	192	417	633	(216)	-34.2%	2 532
Vote 7 - Housing		–	–	–	–	–	–		–
Vote 8 - Planning and Development		37 143	46 493	4 207	11 185	11 623	(438)	-3.8%	46 493
Vote 9 - Road transport		8 797	14 584	2 454	4 993	3 646	1 347	36.9%	14 584
Vote 10 - Energy sources		86 080	100 535	9 026	24 713	25 141	(428)	-1.7%	100 535
Vote 11 - Waste Management		18 223	22 807	1 663	5 208	5 702	(494)	-8.7%	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**	**531 336**	**38 661**	**187 549**	**132 841**	**54 708**	**41.2%**	**531 336**
Expenditure by Vote	1								
Vote 1 - Executive and council		67 692	70 417	7 950	16 306	17 604	(1 299)	-7.4%	70 417
Vote 2 - Finance and administration		167 073	175 144	11 085	33 188	43 753	(10 566)	-24.1%	175 144
Vote 3 - Internal audit		–	–	–	–	–	–		–
Vote 4 - Community and social services		44 615	41 863	3 464	10 665	10 466	200	1.9%	41 863
Vote 5 - Sport and Recreation		15 501	10 639	704	1 863	2 660	(797)	-30.0%	10 639
Vote 6 - Public safety		576	1 295	–	–	324	(324)	-100.0%	1 295
Vote 7 - Housing		54	204	8	8	51	(43)	-84.9%	204
Vote 8 - Planning and Development		22 847	26 375	2 452	5 274	6 594	(1 320)	-20.0%	26 375
Vote 9 - Road transport		63 799	68 249	6 542	15 044	17 062	(2 018)	-11.8%	68 249
Vote 10 - Energy sources		81 859	88 362	916	17 697	23 508	(5 810)	-24.7%	88 362
Vote 11 - Waste Management		15 809	17 855	798	2 044	7 128	(5 084)	-71.3%	17 855
Vote 12 - Environmental Protection		4 955	4 579	419	1 259	1 145	114	10.0%	4 579
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–		–
Total Expenditure by Vote	2	**484 779**	**504 982**	**34 337**	**103 348**	**130 294**	**(26 946)**	**-20.7%**	**504 982**
Surplus/ (Deficit) for the year	2	**2 824**	**26 354**	**4 324**	**84 201**	**2 547**	**81 654**	**3206.1%**	**26 354**

Table 4 provides information on the planned revenue and operational expenditures against the actual results for the period ending 30th September 2026
This report analyses each major component under following headings;

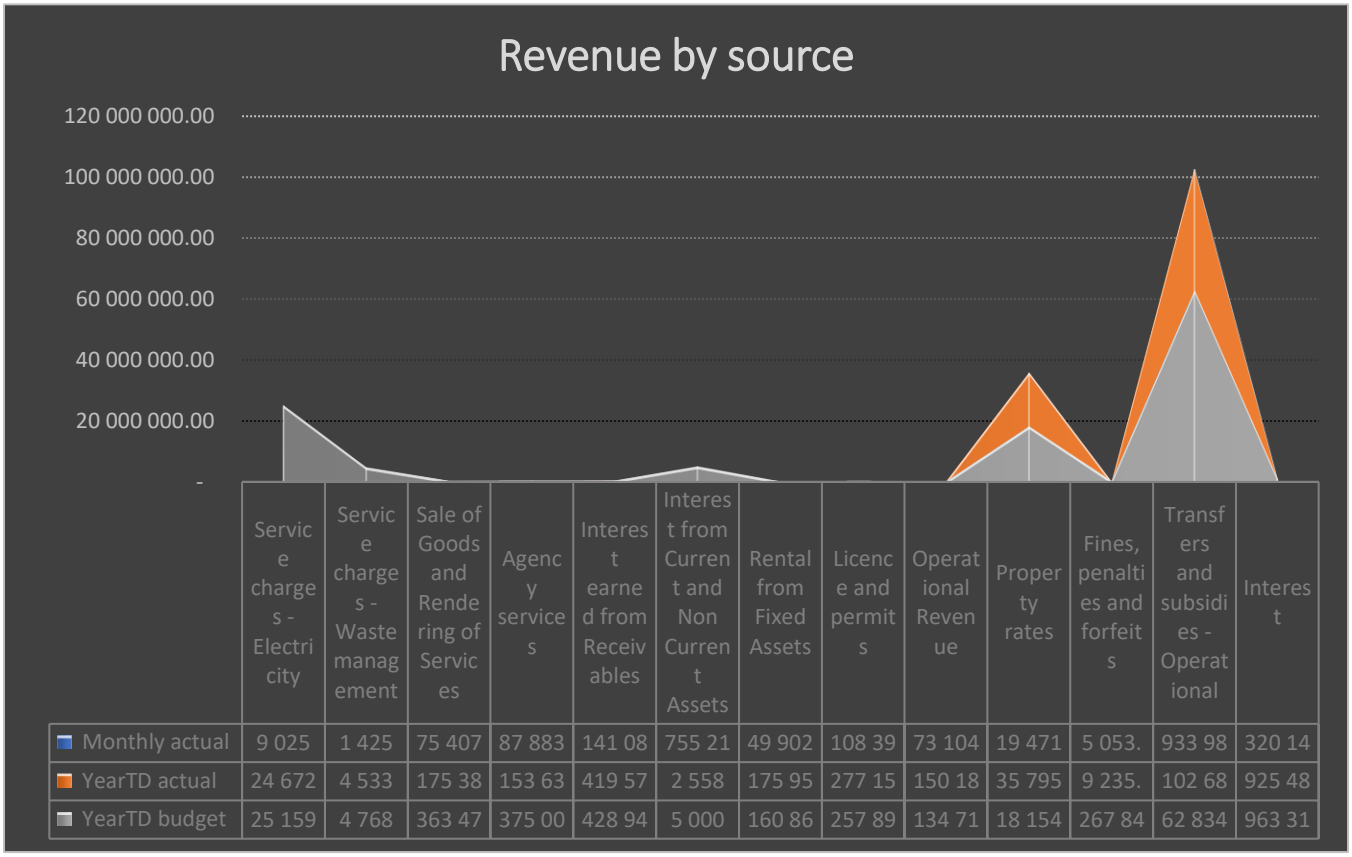
- Revenue by Source
- Operational Expenditure by Type,

KZN291 Mandeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter

Description	Ref	2025/26	Budget Year 2026/27						
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	100 608	9 025	24 672	25 159	(487)	-2%	100 608
Service charges - Waste managem		15 475	19 075	1 425	4 534	4 769	(235)	-5%	19 075
Sale of Goods and Rendering of Se		1 462	1 454	75	175	363	(188)	-52%	1 454
Agency services		208	1 500	88	154	375	(221)	-59%	1 500
Interest earned from Receivables		1 625	1 716	141	420	429	(9)	-2%	1 716
Interest from Current and Non Curre		11 437	20 000	755	2 559	5 000	(2 441)	-49%	20 000
Rental from Fixed Assets		652	643	50	176	161	15	9%	643
Licence and permits		735	1 032	108	277	258	19	7%	1 032
Operational Revenue		1 213	539	73	150	135	15	11%	539
Non-Exchange Revenue		–	–	–	–	–	–		–
Property rates		65 134	72 620	19 471	35 795	18 155	17 640	97%	72 620
Surcharges and Taxes		–	–	–	–	–	–		–
Fines, penalties and forfeits		4 306	1 071	5	9	268	(259)	-97%	1 071
Transfers and subsidies - Operatior		255 117	251 336	934	102 683	62 834	39 849	63%	251 336
Interest		3 352	3 853	320	925	963	(38)	-4%	3 853
Gains on disposal of Fixed and Inta		56	–	–	–	–	–		–
Other Gains		2 616	–	–	–	–	–		–
Total Revenue (excluding capital		**449 523**	**475 447**	**32 472**	**172 530**	**118 869**	**53 661**	**45%**	**475 447**
Expenditure By Type									
Employee related costs		171 381	171 799	13 874	41 894	42 950	(1 056)	-2%	171 799
Remuneration of councillors		15 775	17 742	1 321	3 964	4 435	(471)	-11%	17 742
Bulk purchases - electricity		68 758	77 424	–	15 054	19 356	(4 302)	-22%	77 424
Inventory consumed		5 364	3 257	60	73	814	(742)	-91%	3 257
Debt impairment		16 039	29 925	–	–	11 563	(11 563)	-100%	29 925
Depreciation, amortisation and impa		42 892	38 641	3 534	10 846	9 660	1 186	12%	38 641
Interest, Dividends and Rent on Lar		527	600	–	–	150	(150)	-100%	600
Contracted services		79 485	86 462	6 414	12 677	21 616	(8 938)	-41%	86 462
Transfers and subsidies		2 200	2 000	1 025	1 025	500	525	105%	2 000
Irrecoverable debts written off		10 509	7 263	(34)	(76)	1 816	(1 892)	-104%	7 263
Operational costs		70 753	69 270	8 144	17 891	17 285	606	4%	69 270
Disposal of Fixed and Intangible Ass		530	600	–	–	150	(150)	-100%	600
Other Losses		3 508	–	–	–	–	–		–
Total Expenditure		**487 720**	**504 982**	**34 337**	**103 348**	**130 294**	**(26 946)**	**-21%**	**504 982**
Surplus/(Deficit)		**(38 197)**	**(29 535)**	**(1 865)**	**69 181**	**(11 425)**	**80 607**	**(0)**	**(29 535)**
Transfers and subsidies - capital		39 414	55 889	6 189	15 019	13 972	1 047	**0**	55 889
Surplus/(Deficit) after capital		**1 217**	**26 354**	**4 324**	**84 201**	**2 547**	**81 654**	**0**	**26 354**
Income Tax		–	–	–	–	–	–		–
Surplus/(Deficit) after income		**1 217**	**26 354**	**4 324**	**84 201**	**2 547**	**81 654**	**0**	**26 354**
Share of Surplus/Deficit attributa		–	–	–	–	–	–		–
Share of Surplus/Deficit attributa		–	–	–	–	–	–		–
Surplus/(Deficit) attributable to		**1 217**	**26 354**	**4 324**	**84 201**	**2 547**	81 654	0	**26 354**
Share of Surplus/Deficit attributa		–	–	–	–	–	–		–
Intercompany/Parent subsidiary		–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		**1 217**	**26 354**	**4 324**	**84 201**	**2 547**	**81 654**	**0**	**26 354**

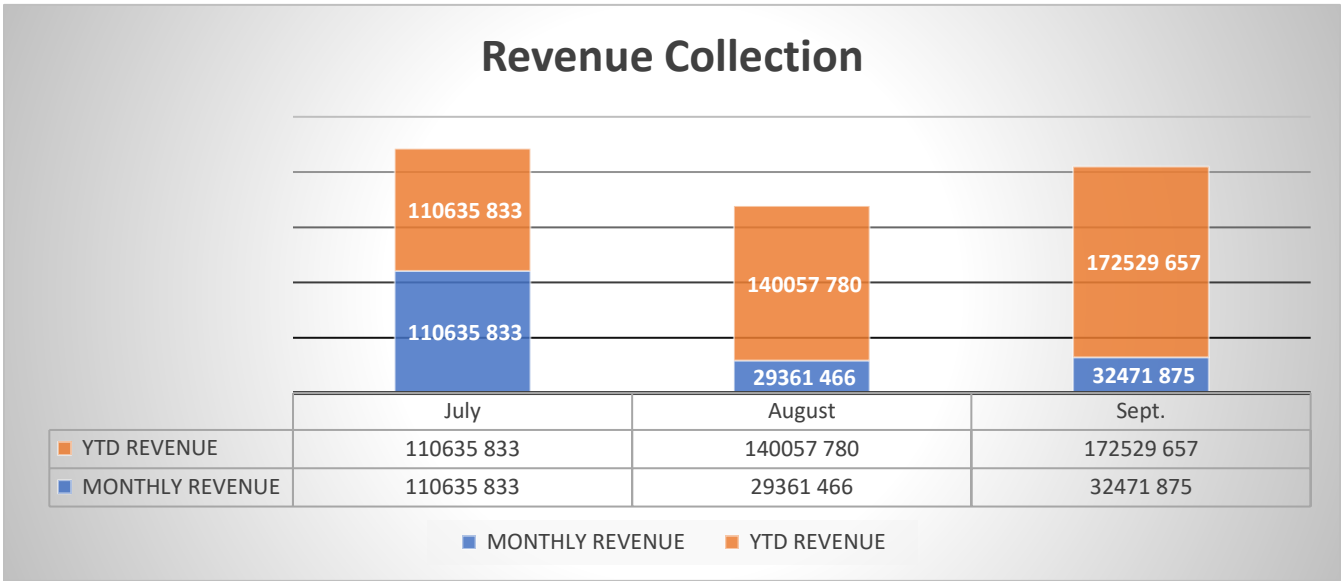
The above revenue and expenditure sources can be graphically presenting in figure 1 and 2 below:

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	Operational Revenue	Property rates	Fines, penalties and forfeits	Transfers and subsidies - Operational	Interest
Monthly actual	9 025	1 425	75 407	87 883	141 08	755 21	49 902	108 39	73 104	19 471	5 053.	933 98	320 14
YearTD actual	24 672	4 533	175 38	153 63	419 57	2 558	175 95	277 15	150 18	35 795	9 235.	102 68	925 48
YearTD budget	25 159	4 768	363 47	375 00	428 94	5 000	160 86	257 89	134 71	18 154	267 84	62 834	963 31

Figure 2



	July	August	Sept.
YTD REVENUE	110635 833	140057 780	172529 657
MONTHLY REVENUE	110635 833	29361 466	32471 875

Revenue:

- The year-to-date (YTD) total revenue amounted to R172.5million for the period ending 30 September 2026, excluding capital conditional grant income. Against a YTD budget of R118.9 million, this represents an overperformance of 45%.
- The municipality has received all Equitable Share trenches during the period which influenced the variance for the Quarter.

EXCHANGE REVENUE

Service Charges: Electricity

- Revenue from electricity service charges is recognized on an invoice basis, with a total of R24.7 million billed against a pro-rata budget of R25.2million, resulting in an underperformance of 2%. Budget in the line item is met.

- The actual cash collected amounted R8.1million for the month ended 30th September 2026.

Service Charges: Refuse

- The revenue billed from Service charges Refuse as of 30th September 2026 is R4.5million against the budgeted income of R4.8million which is under performance by 5percent. The variance is immaterial.

- The actual cash collected amounted R538thousand for the month of 30th September 2026.

Sale of Goods and rendering services

- Sale of Goods and Services amounted to R175thousand, when compared to the year-to-date budget of R363thousand, resulting in an under-performance of R188thousand or 52%**.** The underperformance is mainly attributable to the unpredictable nature of revenue generated from various sources under this vote, including tender document sales, town planning fees, clearance certificates, library fines for overdue books, and building plan fees. These revenue streams depend on the volume of applications, requests, and transactions received during the reporting period, making it difficult to accurately forecast and measure

Agency services

- The agency services receivables amounts to R154thousand compared to the year-to-date budget of R375thousand, reflecting an underperformance of 59%. The variance of R221 thousand is
  The underperformance variance is expected to improve over the course of the financial year, as this revenue stream depends on the income generated and collected by the Municipality through its licensing services. The recent opening of the Driving Licence Testing Centre (DLTC) is expected to contribute towards increased revenue collection as operations progress.

Interest earned from receivables.

- Interest earned from receivables amounts to R420thousand compared to the year-to-date budget of R429thousand, reflecting an underperformance of 2%. The variance is immaterial.

Interest from Current and Non-Current assets

- Interest earned on external investments amounts to R2.6million in comparison with the year-to-date budget of R5million, thus indicating an under performance by R2.4million or 49percent, The underperformance against this line item is attributable to an increase in the value of **internally funded** capital projects. The Municipality continues to prioritise service delivery by allocating resources towards capital projects aimed at improving infrastructure and meeting the needs of its communities.

Rental from fixed assets

- Revenue from the rental of facilities amounted to R176 thousand, compared to the year-to-date budget of R258 thousand, resulting in an underperformance of R15thousand or 9%. The positive variance is mainly attributable to rental income generated from newly constructed mini-factory properties, which have expanded the Municipality's rental revenue base and contributed to improved revenue collection.

Licences and permits.

- Licenses and permits are underperformed by 7%, when compared against YTD budget of R258thousand. The variance of R19thousand is mainly due to the department relying on walk-in customers who require services at the time. Additional contributing factors include network issues within the building and poor connectivity of the eNatis system when customers are present.

Operational Revenue

- The majority of the Council own funded sources are budgeted under this category. The year-to-date performance in Operational Revenue amounts to R150million against a pro-rata budget of R135 million, resulting in an underperformance of R15 thousand or 11%. The positive variance against this line item reflects an overperformance, mainly attributable to revenue generated from the Skills Development Levy and transaction handling fees charged for payments made to third parties. These revenue streams are transaction-based and fluctuate depending on the volume and value of transactions processed, making them difficult to accurately forecast and measure against the budget.

NON-EXHANGE REVENUE

Property Rates

- The year-to-date (YTD) actual revenue for Property Rates amounts to R 35.8million, compared to a YTD budget of R18.2 million, resulting in an over-billing of R17.6 million or 97%. The variance is the result of increase in our Indigent and Pensioners Rebates register.

- The actual cash collected amounted R3.3million for the month ended 30th September 2026.

Fines, Penalties and forfeits

- Fines for the month of 30th September 2026 is underperformed by 97%, amounting to R9 thousand below the pro-rata budget of R268thousand. The variance is mainly attributable to low levels of fine collection during the reporting period. This vote includes library fines charged for overdue books, as well as Public Safety fines issued for municipal by-law violations and other applicable offences. The revenue generated from these sources depends on the number of fines issued and the level of collection during the reporting period.

Transfers & subsidies

- Transfers and subsides recognised operational amounts to R102.8million YTD Actual verses YTD budget of R62.8million, thus indicating an under performance by R39.8thousand or 63percent. 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 R15.0million in comparison with the pro-rata budget of R14 million, thus indicating over performance by R1.0million variance is mainly attributable by expenditure in MIG. *(Detailed report on MIG expenditure has been provided below)*

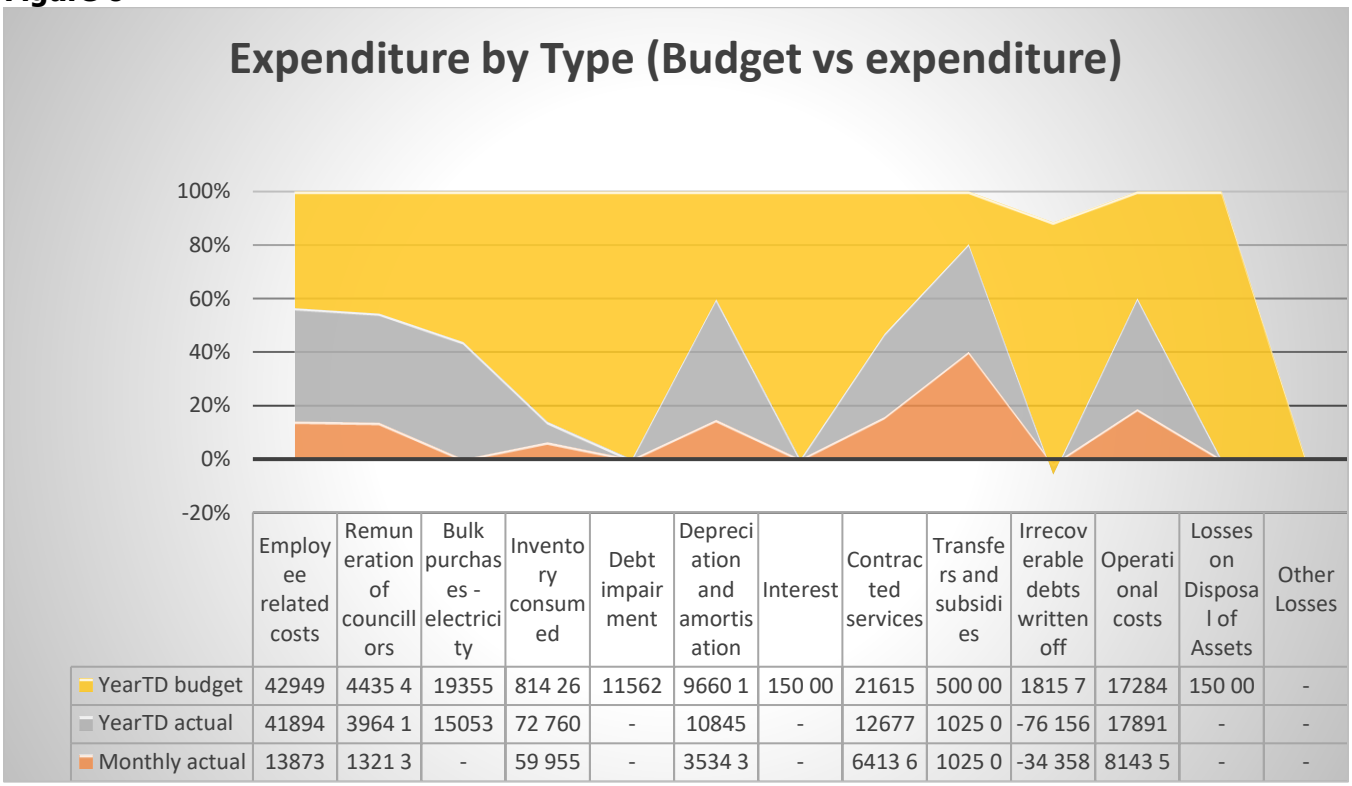
Interest

- Interest earned from non-exchange amounts to R925thousand compared to the year-to-date budget of R963thousand, reflecting an underperformance of 4% or R38thousand. The variance is immaterial.

Operating Expenditure of 30 September 2026

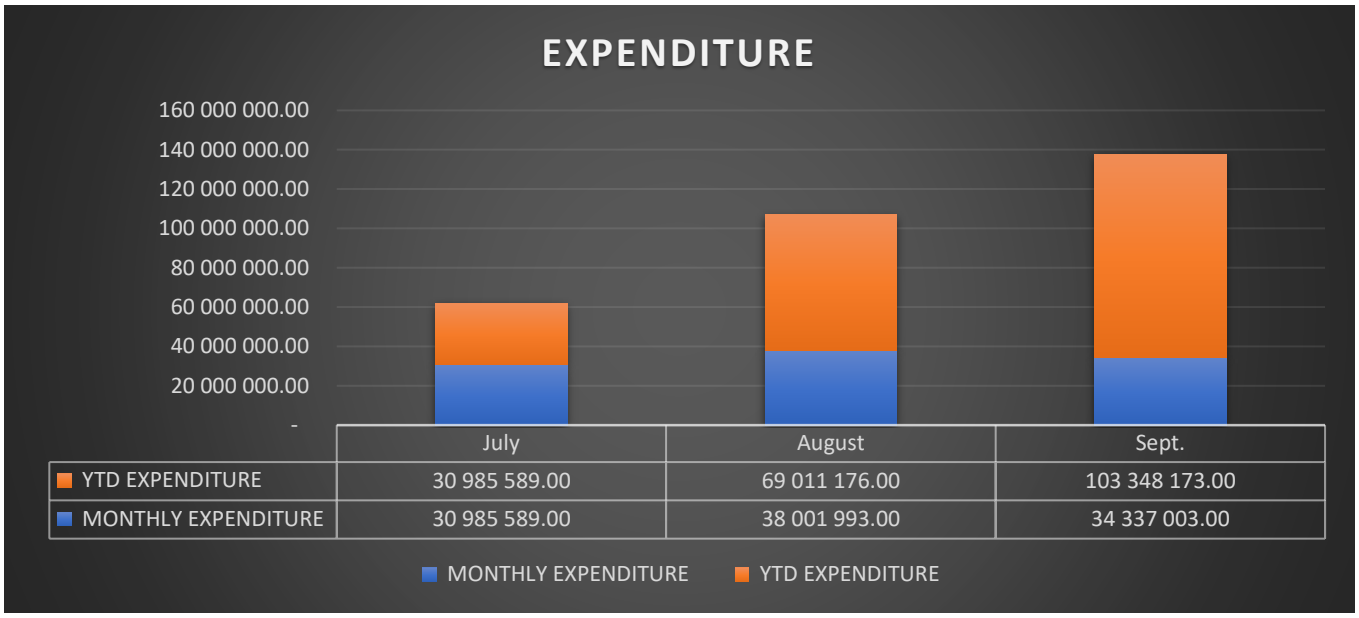
The table below reflects trend of expenditure for the period ended 30 September 2026

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	42949	4435 4	19355	814 26	11562	9660 1	150 00	21615	500 00	1815 7	17284	150 00	-
YearTD actual	41894	3964 1	15053	72 760	-	10845	-	12677	1025 0	-76 156	17891	-	-
Monthly actual	13873	1321 3	-	59 955	-	3534 3	-	6413 6	1025 0	-34 358	8143 5	-	-

Figure 7



Operating Expenditure:

- The total operational expenditure YTD Actual for the period ending 30th September 2026 amounted to R103.3million against the pro-rata target of R130.3million. As at the end of 30 September the operational expenditure budget has been under spent by -21% or -R27million. *Detailed expenditure analysis is below:*

Employee Related Costs

- Employee related cost YTD amounts to R41.9million against a pro-rata budget as of 30th September 2026 of R43million was under spent by R1.0million or 2percent. Employee related variance is immaterial.

Remuneration of Councilors

- Councilors' allowances pro-rata budget as of 30th September 2026 was under spent by R471thousand or 11percent, when comparing YTD of R4million to YTD budget of R4.4million. The variance is mainly attributable to savings realized during the period, which are expected to continue progressing towards year-end.

Bulk Purchases

- The YTD on Bulk purchases amounts to R15.1million which is an under performance when compared to pro-rata budget of R19.4million. The variance of R4.3million or 22% is due to invoice for September 2026 paid in October 2026, in line with the applicable payment cycle. Although payment was made in the following month, no interest charges are expected to be incurred, as the payment was made before the due date of 15 October 2026.

Inventory Consumed

- Inventory Consumed are reflecting an underperformance by 91% or R742thousand, when compared to pro-rata budget of R814thousand. This vote comprises items held in Stores, mainly for maintenance and repairs as well as stationery for the municipality. Performance in this vote is largely demand-driven, as consumption occurs only when requests are made and the need arises.

Debt Impairment

- A variance of 100% underperformance towards Debt Impairment. A journal adjustment for debt impairment will be processed in January during the mid-year assessment period and again in June at the financial year-end to ensure that the impairment provision is appropriately assessed and accurately reflected in the Municipality's financial records.

Depreciation and Asset Impairment

- The YTD for Depreciation and Asset impairment is reflecting an overperformance by 12percent or R1.2million. 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 January 2027.

Contracted Services

- Contracted Services expenditure reflects an underspending of 41% or R8.9 million, with year-to-date (YTD) actual expenditure of R12.7 million against a pro-rata budget of R21.6million. This vote includes all contracted and outsourced services procured by the municipality, such as catering, transport, accommodation, and professional services. The variance is mainly because most Programmes are expected to incur expenditure towards the latter part of the financial year.

Transfers and Subsidies

- Transfers and subsidies has a performance of R1.0million with a different of 105% form the budget amount of R500thousand. The budget allocated to this line item relates to Local Economic Development (LED) programmes, which are implemented once during the financial year. Although the budget is distributed over 12 months for reporting purposes, the expenditure is incurred during the specific month in which the programme takes place. This results in fluctuations in monthly performance, as the full budget allocation may be utilized within a single reporting period.

Irrecoverable debts written off

- Irrecoverable debts written off have underperformed by 104% when compared to pro-rata budget of R.8million. The underperformance variance of 104% is mainly attributable to debts written off as losses during the reporting period, resulting in expenditure exceeding the budgeted allocation for this line item.

Operational Cost

- Other expenditure is underspent by 4% or R606thousand compared to the pro-rata budget of R17.3 million, with actual year-to-date expenditure amounting to R17.9million. The variance is immaterial.

Loss on disposal of assets

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

2. Capital Expenditure

Table C5 Monthly Budget Statement – Capital Expenditure

KZN291 Mandeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q1 First Quarter									
		2025/26	Budget Year 2026/27						
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 appr	2								
Single Year expenditure app	2								
Vote 1 - Executive and council		20 266	42 699	2 461	8 801	10 675	(1 874)	-18%	42 699
Vote 2 - Finance and administration		(9 226)	3 652	–	770	913	(143)	-16%	3 652
Vote 3 - Internal audit		–	–	–	–	–	–		–
Vote 4 - Community and social services		10 652	3 403	–	163	851	(687)	-81%	3 403
Vote 5 - Sport and Recreation		(1 066)	28 228	2 653	4 331	7 057	(2 726)	-39%	28 228
Vote 6 - Public safety		(616)	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–		–
Vote 8 - Planning and Development		(2 808)	7 009	61	1 400	1 752	(353)	-20%	7 009
Vote 9 - Road transport		(31 392)	27 509	2 068	7 744	6 877	867	13%	27 509
Vote 10 - Energy sources		(500)	3 544	–	–	886	(886)	-100%	3 544
Vote 11 - Waste Management		(975)	1 178	–	–	295	(295)	-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 exp	4	(15 664)	117 222	7 242	23 209	29 305	**(6 097)**	**-21%**	117 222
Total Capital Expenditure		**(15 664)**	**117 222**	**7 242**	**23 209**	**29 305**	**(6 097)**	**-21%**	**117 222**
Capital Expenditure - Functional Classification									
Governance and administration		**11 041**	**46 351**	**2 461**	**9 571**	**11 588**	(2 017)	-17%	**46 351**
Executive and council		20 266	42 699	2 461	8 801	10 675	(1 874)	-18%	42 699
Finance and administration		(9 226)	3 652	–	770	913	(143)	-16%	3 652
Internal audit		–	–	–	–	–	–		–
Community and public safety		**8 970**	**31 631**	**2 653**	**4 494**	**7 908**	(3 414)	-43%	**31 631**
Community and social services		1 752	3 099	–	163	775	(611)	-79%	3 099
Sport and recreation		(1 066)	28 228	2 653	4 331	7 057	(2 726)	-39%	28 228
Public safety		8 284	304	–	–	76	(76)	-100%	304
Housing		–	–	–	–	–	–		–
Health		–	–	–	–	–	–		–
Economic and environmental services		**(35 170)**	**33 648**	**2 128**	**9 144**	**8 412**	732	9%	**33 648**
Planning and development		(2 808)	7 009	61	1 400	1 752	(353)	-20%	7 009
Road transport		(32 362)	26 639	2 068	7 744	6 660	1 084	16%	26 639
Environmental protection		–	–	–	–	–	–		–
Trading services		**(505)**	**5 591**	**–**	**–**	**1 398**	(1 398)	-100%	**5 591**
Energy sources		(500)	3 544	–	–	886	(886)	-100%	3 544
Water management		–	–	–	–	–	–		–
Waste water management		970	870	–	–	217	(217)	-100%	870
Waste management		(975)	1 178	–	–	295	(295)	-100%	1 178
Other		–	–	–	–	–	–		–
Total Capital Expenditure - F	3	**(15 664)**	**117 222**	**7 242**	**23 209**	**29 305**	**(6 097)**	**-21%**	**117 222**
Funded by:									
National Government		(8 067)	46 569	4 720	10 523	11 642	(1 119)	-10%	46 569
Provincial Government		(424)	2 030	–	1 214	508	706	139%	2 030
District Municipality		–	–	–	–	–	–		–
Transfers recognised - capital		**(8 491)**	**48 599**	**4 720**	**11 737**	**12 150**	**(413)**	**-3%**	**48 599**
Borrowing	6	–	–	–	–	–	–		–
Internally generated funds		(7 173)	68 623	2 521	11 472	17 156	(5 684)	-33%	68 623
Total Capital Funding		**(15 664)**	**117 222**	**7 242**	**23 209**	**29 305**	**(6 097)**	**-21%**	**117 222**

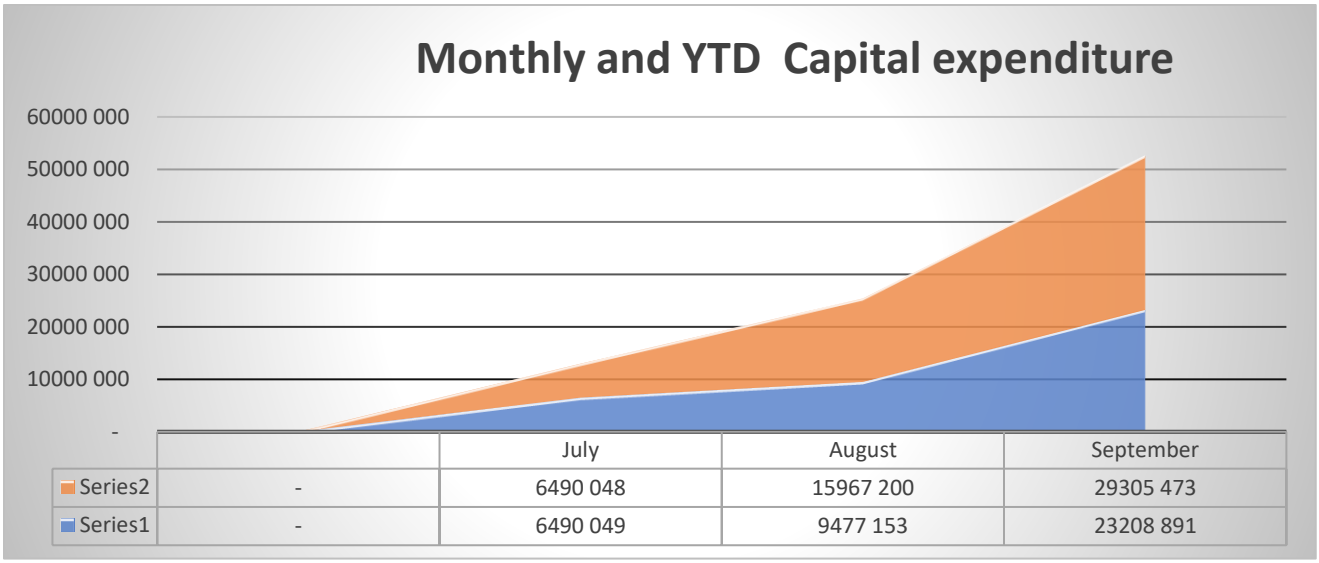
Capital Expenditure of 30th September 2026:

The YTD capital expenditure budget is R23.2million against YTD actual Capital expenditure amounting to R29.3million resulting in an under performance of (21%) 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 30 September 2026



		July	August	September
Series2	-	6490 048	15967 200	29305 473
Series1	-	6490 049	9477 153	23208 891

- Capital grants funded by National Government are actual for R10.5million versus pro-rata Budget of R11.6million, expenditure reported has been underspent by 10%.
- Capital grants funded by Provincial Government overperformed 139%, with an expenditure of R1.2million as of 30th September 2026.
- Capital grants funded Internally is R11.5million versus pro-rata Budget of R17.2million variance of 33% reflects an under expenditure on this item.

2.2 Monthly Budget Statement – expenditure on Repairs and Maintenance

KZN291 Mandeni - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - Q1 First Quarter

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**	**–**	**1 872**	**2 348**	**6 241**	3 894	**62.4%**	**24 964**
Roads Infrastructure		7 887	11 096	–	1 358	1 358	2 774	1 416	**51.1%**	11 096
Roads		7 752	10 313	–	1 358	1 358	2 578	1 221	**47.3%**	10 313
Road Structures		135	609	–	–	–	152	152	**100.0%**	609
Road Furniture		–	174	–	–	–	43	43	**100.0%**	174
Capital Spares		–	–	–	–	–	–	–		–
Storm water Infrastructure		2 829	3 913	–	183	183	978	795	**81.3%**	3 913
Drainage Collection		2 829	3 913	–	183	183	978	795	**81.3%**	3 913
Storm water Conveyance		–	–	–	–	–	–	–		–
Attenuation		–	–	–	–	–	–	–		–
Electrical Infrastructure		2 434	3 035	–	3	38	759	721	**95.1%**	3 035
Power Plants		13	130	–	–	–	33	33	**100.0%**	130
HV Substations		–	–	–	–	–	–	–		–
HV Switching Station		–	–	–	–	–	–	–		–
HV Transmission Conductors		483	696	–	–	–	174	174	**100.0%**	696
MV Substations		54	122	–	–	19	30	11	**36.7%**	122
MV Switching Stations		–	–	–	–	–	–	–		–
MV Networks		201	261	–	–	–	65	65	**100.0%**	261
LV Networks		103	957	–	3	18	239	221	**92.4%**	957
Capital Spares		1 580	870	–	–	–	217	217	**100.0%**	870
Water Supply Infrastructure		–	–	–	–	–	–	–		–
Dams and Weirs		–	–	–	–	–	–	–		–
Boreholes		–	–	–	–	–	–	–		–
Reservoirs		–	–	–	–	–	–	–		–
Pump Stations		–	–	–	–	–	–	–		–
Water Treatment Works		–	–	–	–	–	–	–		–
Bulk Mains		–	–	–	–	–	–	–		–
Distribution		–	–	–	–	–	–	–		–
Distribution Points		–	–	–	–	–	–	–		–
PRV Stations		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Sanitation Infrastructure		–	–	–	–	–	–	–		–
Pump Station		–	–	–	–	–	–	–		–
Reticulation		–	–	–	–	–	–	–		–
Waste Water Treatment Works		–	–	–	–	–	–	–		–
Outfall Sewers		–	–	–	–	–	–	–		–
Toilet Facilities		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Solid Waste Infrastructure		5 276	5 877	–	284	546	1 469	923	**62.8%**	5 877
Landfill Sites		–	–	–	–	–	–	–		–
Waste Transfer Stations		–	–	–	–	–	–	–		–
Waste Processing Facilities		5 276	5 877	–	284	546	1 469	923	**62.8%**	5 877
Waste Drop-off Points		–	–	–	–	–	–	–		–
Waste Separation Facilities		–	–	–	–	–	–	–		–
Electricity Generation Facilities		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–

Rail Infrastructure	–	–	–	–	–	–	–		–
Rail Lines	–	–	–	–	–	–	–		–
Rail Structures	–	–	–	–	–	–	–		–
Rail Furniture	–	–	–	–	–	–	–		–
Drainage Collection	–	–	–	–	–	–	–		–
Storm water Conveyance	–	–	–	–	–	–	–		–
Attenuation	–	–	–	–	–	–	–		–
MV Substations	–	–	–	–	–	–	–		–
LV Networks	–	–	–	–	–	–	–		–
Capital Spares	–	–	–	–	–	–	–		–
Coastal Infrastructure	–	–	–	–	–	–	–		–
Sand Pumps	–	–	–	–	–	–	–		–
Piers	–	–	–	–	–	–	–		–
Revetments	–	–	–	–	–	–	–		–
Promenades	–	–	–	–	–	–	–		–
Capital Spares	–	–	–	–	–	–	–		–
Information and Communication Infrastructure	1 369	1 043	–	45	223	261	37	**14.3%**	1 043
Data Centres	–	–	–	–	–	–	–		–
Core Layers	1 369	1 043	–	45	223	261	37	**14.3%**	1 043
Distribution Layers	–	–	–	–	–	–	–		–
Capital Spares	–	–	–	–	–	–	–		–
Community Assets	**2 644**	**2 620**	**–**	**89**	**132**	**655**	**523**	**79.8%**	**2 620**
Community Facilities	507	120	–	13	13	30	17	**58.1%**	120
Halls	–	–	–	–	–	–	–		–
Centres	–	–	–	–	–	–	–		–
Crèches	–	–	–	–	–	–	–		–
Clinics/Care Centres	–	–	–	–	–	–	–		–
Fire/Ambulance Stations	–	–	–	–	–	–	–		–
Testing Stations	–	–	–	–	–	–	–		–
Museums	–	–	–	–	–	–	–		–
Galleries	–	–	–	–	–	–	–		–
Theatres	–	–	–	–	–	–	–		–
Libraries	337	20	–	13	13	5	(8)	-151.2%	20
Cemeteries/Crematoria	–	–	–	–	–	–	–		–
Police	–	–	–	–	–	–	–		–
Purls	170	100	–	–	–	25	25	100.0%	100
Public Open Space	–	–	–	–	–	–	–		–
Nature Reserves	–	–	–	–	–	–	–		–
Public Ablution Facilities	–	–	–	–	–	–	–		–
Markets	–	–	–	–	–	–	–		–
Stalls	–	–	–	–	–	–	–		–
Abattoirs	–	–	–	–	–	–	–		–
Airports	–	–	–	–	–	–	–		–
Taxi Ranks/Bus Terminals	–	–	–	–	–	–	–		–
Capital Spares	–	–	–	–	–	–	–		–

Sport and Recreation Facilities		2 137	2 500	–	76	120	625	505	**80.9%**	2 500
Indoor Facilities		–	–	–	–	–	–	–		–
Outdoor Facilities		2 137	2 500	–	76	120	625	505	80.9%	2 500
Capital Spares		–	–	–	–	–	–	–		–
Heritage assets		–	–	–	–	–	–	–		–
Monuments		–	–	–	–	–	–	–		–
Historic Buildings		–	–	–	–	–	–	–		–
Works of Art		–	–	–	–	–	–	–		–
Conservation Areas		–	–	–	–	–	–	–		–
Other Heritage		–	–	–	–	–	–	–		–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Revenue Generating		–	–	–	–	–	–	–		–
Improved Property		–	–	–	–	–	–	–		–
Unimproved Property		–	–	–	–	–	–	–		–
Non-revenue Generating		–	–	–	–	–	–	–		–
Improved Property		–	–	–	–	–	–	–		–
Unimproved Property		–	–	–	–	–	–	–		–
Other assets		**99**	**250**	**–**	**–**	**–**	**62**	**62**	**100.0%**	**250**
Operational Buildings		99	250	–	–	–	62	62	**100.0%**	250
Municipal Offices		99	250	–	–	–	62	62	100.0%	250
Pay/Enquiry Points		–	–	–	–	–	–	–		–
Building Plan Offices		–	–	–	–	–	–	–		–
Workshops		–	–	–	–	–	–	–		–
Yards		–	–	–	–	–	–	–		–
Stores		–	–	–	–	–	–	–		–
Laboratories		–	–	–	–	–	–	–		–
Training Centres		–	–	–	–	–	–	–		–
Manufacturing Plant		–	–	–	–	–	–	–		–
Depots		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Staff Housing		–	–	–	–	–	–	–		–
Social Housing		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Servitudes		–	–	–	–	–	–	–		–
Licences and Rights		–	–	–	–	–	–	–		–
Water Rights		–	–	–	–	–	–	–		–
Effluent Licenses		–	–	–	–	–	–	–		–
Solid Waste Licenses		–	–	–	–	–	–	–		–
Computer Software and Applications		–	–	–	–	–	–	–		–
Load Settlement Software Applications		–	–	–	–	–	–	–		–
Unspecified		–	–	–	–	–	–	–		–
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Computer Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Furniture and Office Equipment		–	–	–	–	–	–	–		–
Machinery and Equipment		**9 557**	**9 113**	**–**	**855**	**1 003**	**2 278**	**1 276**	56.0%	**9 113**
Machinery and Equipment		9 557	9 113	–	855	1 003	2 278	1 276	56.0%	9 113
Transport Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Transport Assets		–	–	–	–	–	–	–		–
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Land		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
		–	–	–	–	–	–			–
Living resources		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Mature		–	–	–	–	–	–	–		–
Policing and Protection		–	–	–	–	–	–	–		–
Zoological plants and animals		–	–	–	–	–	–	–		–
Nature		–	–	–	–	–	–	–		–
Policing and Protection		–	–	–	–	–	–	–		–
Zoological plants and animals		–	–	–	–	–	–	–		–
Total Repairs and Maintenance Expenditure	1	**32 095**	**36 947**	**–**	**2 816**	**3 482**	**9 237**	**5 754**	**62.3%**	**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 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 11 375 639.34
Balance	R 32 365 360.66
Expenditure as a %	26%

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: Bid advertised and closing on the 23rd of October
- Completion of Construction of Community Hall in Wangu Area, Ward 8: Bid advertised and closing on the 9th of October
- Completion of Rehabilitation of Bumbanani Road in Sundumbili: Ward 13, 14 & 15 – Phase 1; Bid advertised and closing on the 9th of October

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 6 677 258.45
Balance	R13 322 741.55
Expenditure as a %	33%

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: 9 June 2026
Contractual Completion Date: 26 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: DE establishment of site due to termination of contract. A withdrawal letter dated **3 September 2026** was received from the contractor, where they clearly stated that they are terminating their contract for this project due to low tendered rates resulting in a potential financial loss. The Employer has accepted the contractor's decision to terminate the contract, effective as of **15 September 2026.** Following the receipt of the withdrawal letter, a site inspection was conducted to verify the measurements

of works and the status of the site, while a cost-to-completion report is being compiled to formally close off the project.

Key Implications of termination and retendering:

I. ***Insufficient budget to complete outstanding scope of work***

a. Increase construction costs due to inflation, material-price increases, labour costs and changes in market conditions.

b. Additional professional fees are due to:

- remeasurement and assessment of completed works;
- preparation/revision of tender documents;
- condition assessments;
- additional site supervision;
- contract administration and close-out.

II. **Proposed Remedial Action**

Conduct a cost-to-complete assessment to determine:

- outstanding works;
- defects/remedial works;
- contractual termination costs;
- current cost of completing the outstanding scope.

Prioritize the essential scope

- Procurement of new contractor to complete scope of work
- The project scope will change to allow for critical works (works that are necessary to make the infrastructure functional and safe) to be implemented within the available budget.

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 2 301 489.34
TOTALS (Incl. Vat)	**R 6 553 251.66**	**R 2 399 411.81**

Project Details
Name of Consultant: Impumelelo Consulting Engineers
Name of Contractor: SM Holding (Pty) Ltd
Project Commencement Date: 3 August 2026
Contractual Completion Date: 17 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 56.70% (Overall 80.95%): Contractual document Submissions 100%, Site Establishment 100%, Clearing & Grubbing 100%, Setting out of works 100%, Bulk Earthworks 60%, Civil works (Stormwater & Sewer), Parking 43%, Combo Court 80&, Soccer Field 70%, Ablution Block 50%, Guardhouse 25% and Grandstand 70%

Challenges: Adverse weather conditions affecting works on site

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 2 102 301.09
Construction Cost (incl. Retention)	R 12 312 111.04	R 10 100 024.06
TOTALS (Incl. Vat)	**R 14 235 323.65**	**R 12 202 325.15**

Project Details

Name of Consultant: Ngeja Consulting Engineers
Name of Contractor: Progressive Choice Trading
Project Commencement Date: **10** October 2025
Contractual Completion Date: **10** July 2026
Revised Completion date: **27** 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 93.4%: 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) 98%, Stormwater pipe culverts installation 94%, Kerb inlets and Manholes 85%, Headwalls 0%, Kerb and Channel 80%, Asphalt surface layer 95%, Traffic calming (Speed humps) 0%, Installation of gabions 80%, Road marking and signs 70% and Finishing off 0%.

Challenges: The contractor did not finish the project within granted extension of time ending on 27 August 2027. The Municipality has imposed penalties on the contract. Adverse weather conditions affecting works on site

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: 17 November 2025.
Revised Completion date: 31 July 2027

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 15.6%, Internal Sewer Retic 62.7%, Taxi Collector 49.2%, Internal Access Roads 58.7%, Bulk Water 71.9%, Internal Water - Retic 53.4%, MR495 0%, Underpass 0%. Performance of the Contractor is noted with minimal improvements in this regard although some works being executed.

Challenges: E.O.T Claim No.2 has been submitted to DOHS for approval, but we still await the final approval. Adverse weather conditions affecting works on site.

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: 27 July 2026
Contractual Completion Date: 29 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 15.9%): Contractor busy with Contractual document Submissions 100%, Site Establishment 90%, Clearing and Grubbing 90%, Earthworks for the preparation of the Platform surface 85%, 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%.

Challenges: There is noticeable slow progress from the contractor which make the contractor to be behind the programme. A notice of non-performance was issued to the contractor by the implementing agent, and the contractor was requested to submit the acceleration plan and the programme. The

recovery plan meeting was held between the client, implementing agent and contractor where the contractor presented their recovery plan. Adverse weather conditions affecting work on site.

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 931 005.56
TOTALS (Incl. Vat)	**R 11 964 630.50**	**R 1 684 371.33**

Project Details

Name of Consultant: TKQ Consulting Engineers
Name of Contractor: Chashaza (Pty) Ltd
Project Commencement Date: 30 July 2026
Contractual Completion Date: 9 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 22% : Contractual Obligations 100%, Site Establishment 100% and Setting out of works 100% and Bulk Earthworks 50%.

Challenges: Delays attributed to adverse weather conditions.

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 11 216 610.88
Total Construction Cost (Including retention)	R 112 455 957.18	R 42 932 300.08
TOTALS (Incl. Vat)	**R 140 493 923.40**	**R 62 053 262.21**

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 31% : 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 8%, Concrete to Surface Bed Basement 100%, Soffit to Suspended Slab 66%, Reinforcement - Ground Floor 66%, Ironmongery 5%, Sewer 25%, Valve Chambers and Manholes 7%, Brickwork to Groundfloor 4%, Electrical works to first floor 11%.

Challenges: Ongoing adverse weather conditions, Hardrock excavations, Space constraints on site for working area and existing site being fully active with traffic and public. Quality of works from local bricklayers resulting in being released due to failure to meet required standards.

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: 23 April 2026
Contractual Completion Date: 27 August 2026
Revised Completion Date: 15 October 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 89%: Site Establishment 100%, Site Clearance (rubble removal) 100%, Establishment of Temporary Office & Storage Facilities 100, Mechanical Workshop 85%, Extension Building 90%, New Office Block 100%, Canteen 100%, Ablution Building 100%, Reconstruction of Washbay 50%, Covered Walkway 95% and Guard House 75%.

Challenges: Ongoing adverse weather conditions

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 922 124.89
Construction Cost (incl. Retention)	R 4 428 417.77	R 435 217.50
TOTALS (Incl. Vat)	**R 5 479 666.43**	**R 1 357 345.39**

Project Details

Name of Consultant: Makhaotse, Narasimulu & Associates (Pty) Ltd
Name of Contractor: Zisayini Trading Enterprise
Project Commencement Date: 14 September 2026
Completion Date: 30 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 31%: Establishment on site 100%, Relocation of Eskom Poles 100%, Clearing and grubbing of the road reserve 80%, Earthworks 40%, Ripping and compacting of 150 mm of in-situ material 10%, 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: There was an issue of WUL application which caused the delay in starting with the construction work by the contractor. The WUL application was received on the 14th of September 2026. Delays attributed to adverse weather conditions.

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 1 527 057.40
TOTALS (Incl. Vat)	**R 5 199 317.56**	**R 1 886 346.63**

Project Details

Name of Consultant: Morula Consulting Engineering and Project Managers
Name of Contractor: Big O Trading
Project Commencement Date: 11 August 2026
Completion Date: 9 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 37%: Contractual Obligations 100%, Site establishment 100%, Traffic accommodation 40%, Overhaul 85%, Clearing and grubbing 100%, Mass Earthworks 85%, Ripping and Compacting roadbed 100%, Pavement Layers of Gravel Material (G5 0% and G6 80%), 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. Delays attributed to adverse weather conditions.

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 1 440 826.88
TOTALS (Incl. Vat)	**R 2 209 563.73**	**R 1 587 283.12**

Project Details

Name of Consultant: Mandaka Engineering Group
Name of Contractor: The Curve Behind 219 Trading
Project Commencement Date: 21 July 2026
Completion Date: 14 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 81.71%: Site establishment 95%, Accommodation of Traffic 100%, Clearing and grubbing 100%, Earth Drains 98%, Mass Earthworks 100%, Pavement Layer G5 100%, Stormwater Pipe Culverts 100%, Headwalls 100%, Road signs 54%, Finishing Road and Road Reserve 20%.

Challenges: Delays attributed to adverse weather conditions.

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 184 920.00
TOTALS (Incl. Vat)	**R 4 842 467.04**	**R 556 550.00**

Project Details

Name of Consultant: BVI Consulting Engineers (Pty) Ltd
Name of Contractor: Zhemveloh Enterprise (Pty) Ltd
Project Commencement Date: 5 August 2026
Completion Date: 5 February 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 10%: Contractual Obligations 100%, Site establishment 100%, Traffic accommodation 10%, Road setting out (1.2km, 3m wide) 100%, Clearing and grubbing 10%, Mass Earthworks 10%, 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: Delays attributed to adverse weather conditions.

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 1 131 103.94
TOTALS (Incl. Vat)	**R 1 894 056.0**	**R 1 223 780.02**

Project Details

Name of Consultant: Mandaka Engineering Group
Name of Contractor: The Curve Behind 219 Trading
Project Commencement Date: 21 July 2026
Completion Date: 14 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 81.14%: Site establishment 100%, Accommodation of Traffic 100%, Clearing and grubbing 100%, Drains 100%, Mass Earthworks, 100%, Pavement Layers of Gravel Material G5 98%, Stormwater water crossing 100%, Headwalls 100%, Road signs 15%, and Finishing of Road Reserve and Treating Old Roads 55%.

Challenges: Delays attributed to adverse weather conditions.

5.4 Division of Revenue Act on Grants Receipts

KZN291 Mandeni - Supporting Schedule SC18 Monthly Budget Statement - Transfers and Grant Receipts - Q1 First Quarter										
Description	Ref	2025/26	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
RECEIPTS	1,2									
Operating										
National Government										
Monetary Allocations								41 059	#DIV/0!	
EPWP Incentive	_	1 714	1 524	–	–	381	381	–	0.0%	1 524
Finance Manage	_	1 900	2 000	–	–	2 000	500	1 500	300.0%	2 000
Local Governme	_	244 198	240 637	–	–	100 265	60 159	40 106	66.7%	240 637
Municipal Infrast	_	–	2 187	–	–	–	547	(547)	-100.0%	2 187
Local Governme	_	–	–	–	–	–	–	–	0.0%	–
								(3 741)	#DIV/0!	
*KwaZulu-Natal_*	_	–	–	–	–	–	–	(1 247)	-100.0%	–
								–		
*KwaZulu-Natal_*	_	5 425	4 988	–	–	–	1 247	(1 247)	-100.0%	4 988
								–		
KwaZulu-Natal	_	5 425	4 988	-	-	-	1 247	(1 247)	-100.0%	4 988
Total Operating		253 237	251 336	-	-	102 646	62 834	39 812	63.4%	251 336
KwaZulu-Natal_Capacity Building and Other_Specify (Add grant description)_ Receipts	_	5 425	4 988	-	-	-	1 247	(1 247)	-100.0%	4 988
Monetary Allocations								–		
*KwaZulu-Natal_*	_	5 425	4 988	–	–	–	1 247	(1 247)	-100.0%	4 988
								–		
Total Monetary		5 425	4 988	-	-	-	1 247	(1 247)	-100.0%	4 988
Total Operating		5 425	4 988	-	-	-	1 247	75 883	6085.2%	4 988
District Municipalities										
Municipal Infrastructure Grant (MIG)	_	48 228	41 554	-	10 000	23 000	10 388	12 612	121.4%	41 553 950
Municipal Disast	_	20 000	–	–	–	–	–	–	0.0%	–
Municipal Infra	_	48 228 000	41 553 950	-	10 000 000	23 000 000	10 388 487	12 612	121.4%	41 553 950
Municipal Disa	_	20 000	-	-	-	-	-			-
Municipal Infra	_	48 228	41 554	-	10 000	23 000	10 388	12611513	1.21398939	41 554
Municipal Disaster Recovery Grant	_	20 000	–	–	–	–	–	0	0	–
Municipal Infrastructure Grant (MIG)	_	48 228	41 554	-	10 000	23 000	10 388	12611513	1.21398939	41 554
Municipal Disaster Recovery Grant	_	20 000	–	–	–	–	–	0	0	–
Municipal Infrast	_	48 228	41 554	–	10 000	23 000	10 388	12611513	1.21398939	41 554
Municipal Disast	_	20 000	–	–	–	–	–	0	0	–
*KwaZulu-Natal_*	_	1 000	2 335	–	–	–	(584)	583752	-1	2 335
*KwaZulu-Natal_*	_	1 000	2 335	–	–	–	(584)	583752	-1	2 335
KwaZulu-Natal	_	1 000	2 335	-	-	-	(584)	583752	-1	2 335
Total Capital/N		70 228	46 224	-	10 000	23 000	9 221			46 224
KwaZulu-Natal_Infrastructure_Infrastructure_RECEIPTS	_	1 000	2 335	-	-	-	(584)	583752	-1	2 335
Monetary Allocations										
*KwaZulu-Natal_*	_	1 000	2 335	–	–	–	(584)	583752	-1	2 335
*KwaZulu-Natal_*	_	8 458	–	–	1 313	–	–	0	0	–
Total Monetary		9 458	2 335	-	1 313	-	(584)			2 335
KwaZulu-Natal_DC 29 - Ilembe_Infrastructure_Specify (Add grant description)_ RECEIPTS	_	8 458	–	–	1 313	–	–	0	0	–
Other transfers										
KwaZulu-Natal	_	8 458	-	-	1 313	-	-	0	0	-
Total Capital/P		17 916	2 335	-	2 627	-	(584)			2 335
KwaZulu-Natal_DC 29 - Ilembe_Infrastructure_ Specify (Add grant description) _RECEIPTS	_	8 458	-	-	1 313	-	-	0	0	-
Monetary Allocations										
*KwaZulu-Natal_*	_	8 458	–	–	1 313	–	–	0	0	–
Total Monetary Allocations		8 458	-	-	1 313	-	-			-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-			-
Total Capital/District Municipa		8 458	-	-	1 313	-	-			-
Other Grant Providers										
Total Allocatio		-	-	-	-	-	-			-
Total Capital/O		-	-	-	-	-	-			-
Total Capital	5	96 603	48 559	-	13 940	23 000	8 637			48 559
TOTAL RECE		144 831	90 113	-	23 940	46 000	19 026			90 113

Grant Receipts Analysis

The total operational YTD grant receipts as at 30th September is R102.6 million, which has been allocated as follows:

- Equitable Share receipts of R100.3million is received as first tranche by the municipality.
- FMG receipt of R2 million received by the municipality.
- EPWP receipts of R381thousand received as first payment to the municipality
- The Library grant, no payment has been received by the municipality in this quarter of reporting

The total capital YTD grant receipts as at 30th September 2026 are R24.3million which has been allocated as follows:

- MIG receipt of R 23million as of September 2026.
- EDTEA Grant, no receipts for this grant.
- Disaster recovery Grant, the Grant has R18.5million rollover grant for the 2026/27 financial year.
- RBIG for Ilembe received R1.5million as of 30th September 2026.

5.4 Division of Revenue Act on Grants Expenditure

KZN291 Mandeni - Supporting Schedule SC19 Monthly Budget Statement - Expenditure on Transfers and Grants - Q1 First Quarter

Description	Ref	2025/26	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
EXPENDITURE	1									
Operating										
National Government										
Monetary Allocations										
Expanded Public Works Progran	_	1 714	1 524	–	189	557	381	176	46.2%	1 524
Local Government Financial Mar	_	1 900	2 000	–	149	264	500	(236)	-47.3%	2 000
Municipal Infrastructure Grant	_	2 697	2 187	–	189	417	547	(130)	-23.8%	2 187
Municipal Infrastructure Grant	_	–	–	–	–	–	–	–	0.0%	–
0	_	–	–	–	–	–	–	–	0.0%	–
								0.0%		
KwaZulu-Natal	_	4 825	4 988	-	527	1 237	1 428	(66)	-5.3%	4 988
KwaZulu-Natal	_	4 825	4 988	-	407	1 181	1 247	(66)	-5.3%	4 988
KwaZulu-Natal	_	4 825	4 988	-	407	1 181	1 247	(66)	-5.3%	4 988
KwaZulu-Natal	_	4 825	4 988	-	407	1 181	1 247	(66)	-5.3%	4 988
KwaZulu-Natal	_	4 825	4 988	–	407	1 181	1 247	(66)	-5.3%	4 988
								–		
Total Monetary Allocations		4 825	4 988	-	407	1 181	1 247	(66)	-5.3%	4 988
Total Provincial Government		4 825	4 988	-	407	1 181	1 247	(66)	-5.3%	4 988
Total Operating/Other Grant F		-	-	-	-	-	-	-		-
Municipal Disaster Recovery	_	6 032	12 000	-	2 261	4 427	3 000	1 427	0	12 000
Municipal Infrastructure Grant	_	32 661	41 554	-	3 168	9 197	10 388	-1191893	-0.114732107	41 554
Municipal Infrastructure Grant	_	-	-	-	-	-	-	0	0	-
Grant	_	-	-	-	-	-	-	0	0	-
Municipal Infrastructure Grant	_			–	–	–	–	(1 192)	-11.5%	41 554
Municipal Infrastructure Grant	_			–	–	–	–	(1 192)	-11.5%	41 554
KwaZulu-Natal	_	234	2 335	-	761	1 396	584	812	1.391207225	2 335
KwaZulu-Natal	_	234	2 335	-	761	1 396	584	812	0	2 335
KwaZulu-Natal	_	234	2 335	-	761	1 396	584	812120	1.391207225	2 335
KwaZulu-Natal	_	234	2 335	-	761	1 396	584	812120	1.391207225	2 335
KwaZulu-Natal	_	234	2 335	–	761	1 396	584	812	139.1%	2 335
								–		
Total Monetary Allocations		234	2 335	-	761	1 396	584	812		2 335
Total Provincial Government		234	2 335	-	761	1 396	584	812		2 335
District Municipalities										
Ilembe-Infrastructure	_	8 458	-	-	-	-	-	0	0	-
KwaZulu-Natal-DC 29 - Ilembe-	_	8 458	–	–	–	–	–	–	0.0%	–
KwaZulu-Natal-DC 29 - Ilembe-	_	8 458	–	–	–	–	–	–	0.0%	–
KwaZulu-Natal-DC 29 - Ilemb	_	8 458	-	-	-	-	-	-	-	-
KwaZulu-Natal-DC 29 - Ilembe-Infrastructure	_	8 458	-	-	-	-	-	0	0	-
Other transfers/grants [insert description]								–		
								–		
Total Allocations In-kind		-	-	-	-	-	-	-		-
Total Capital/District Municipalities		8 458	-	-	-	-	-	-		-
Other Grant Providers										
Monetary Allocations										
								–		
Total Monetary Allocations		-	-	-	-	-	-	-		-
Allocations In-kind										
								–		
Total Allocations In-kind		-	-	-	-	-	-	-		-
Total Capital/Other Grant Pro		-	-	-	-	-	-	-		-
Total capital expenditure of T		17 151	2 335	-	761	1 396	584	(1 572)		85 443
TOTAL EXPENDITURE OF TRA		23 183	14 335	-	3 021	5 822	3 584	(145)		97 443

Grant Expenditure Analysis

The total operational YTD grant receipts as at 30th September 2026 are R 19.1million, which has been allocated as follows:

- EPWP Grant**:** a balance of -R175thousand, as of 30th September 2026, with an expenditure of R556thousamd.
- FMG Grant: a balance of R1.7million as of 31st September 2026, with an expenditure of R263thousand.
- Provincial Libraries Grant: with a negative balance of -R1.2million as of 30th September 2026. The municipality still waits for grant transfer.
- MIG Grant: with a balance of R26.3million as of 30th September 2026, with an expenditure of R9.6million.
- RBIG Grant: with a R0 balance as of 30th September 2026, with an expenditure of R1.5million
- Sport Grant: no expenditure recorded in the new financial year to date.
- Title Deeds Restoration Grant: with a balance of R84thousand as of 30th September 2026 which expenditure is R188thousand.
- Disaster relief Grant: a balance of R14.1 million as of 30th September 2026, with an expenditure of R4.4million.
- EDTEA Grant: with a negative balance of -R630thousand as of 30th September 2026, with an expenditure of R1.4million.

3. Debtors Age Analysis

Table SC3 Monthly Budget Statement_ Debtors Age Analysis

KZN291 Mandeni - Supporting Table SC2 Monthly Budget Statement - aged debtors - Q1 First Quarter

Description		Budget Year 2026/27											
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	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Rec	1200	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Rec	1300	3 216	992	559	572	611	366	3 177	2 968	12 462	7 695	–	–
Receivables from No	1400	25 625	15 291	(241)	2 893	2 964	2 810	18 974	108 127	176 443	135 768	–	–
Receivables from Ex	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Ex	1600	1 686	1 367	1 312	1 192	1 168	1 099	6 173	62 714	76 711	72 347	–	–
Receivables from Ex	1700	18	39	36	19	15	15	59	109	311	218	–	–
Interest on Arrear De	1810	485	435	443	462	435	441	2 916	35 770	41 385	40 022	–	–
Recoverable unautho	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	–	–	–	–	–	–	–	–	–	–	–	–
Total By Income So	**2000**	**31 030**	**18 124**	**2 108**	**5 139**	**5 193**	**4 731**	**31 299**	**209 688**	**307 313**	**256 050**	**–**	**–**
2025/26 - totals only										–	**–**		
Debtors Age Analysis By Customer Group													
Organs of State	2200	24 875	13 291	237	3 265	1 781	1 650	12 784	38 668	96 553	58 149	–	–
Commercial	2300	2 625	1 153	288	318	591	383	2 341	19 264	26 962	22 896	–	–
Households	2400	3 481	3 676	1 582	1 556	2 821	2 699	16 174	151 756	183 745	175 005	–	–
Other	2500	49	5	–	–	–	–	–	–	54	–	–	–
Total By Customer	**2600**	**31 030**	**18 124**	**2 108**	**5 139**	**5 193**	**4 731**	**31 299**	**209 688**	**307 313**	**256 050**	**–**	**–**

The total Consumer debtors outstanding as 30th September 2026 is **R 307.3 million**

- Debt book indicates 1% increase from to 1st July 2026 with R270.3million to September 2026 with R307.3million; within a Quarter the debt book has accumulated a 13% increase.
- **Debtors collection rate of September 2026 is 48%**

SECTION 71 DEBTORS COLLECTION RATE SEPTEMBER 2026		
	GROSS DEBTORS OPENING BALANCE	273,955,094.08
	ADD: BILLED REVENUE	64,122,396.19
	LESS:GROSS DEBTORS CLOSING BALANCE	307,205,644.45
		30,871,845.82
	LESS: BAD DEBT WRITTEN OFF	
		30,871,845.82
	DIVIDE: BILLED REVENUE	64,122,396.19
		0.48
	RATE	**48%**

Billing for September include annual billing for Ithala Industrial Estate and Provincial Public Works, hence Debtors Collection Rate decreased to 48%

DEBTORS COLLECTION RATE ON HISTORICAL DEBT SEPTEMBER 2026			
	RECEIPTS SEPTEMBER 2026	11,938,068.27	
	DIVIDE	317,858,801.58	
	OPENING BALANCE SEPTEMBER 2026	288,647,969.43	
	ADD BILLED REVENUE SEPTEMBER 2026	29,210,832.15	
	RATE	**0.04**	
		0.04%	

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

The growing municipal debt book is a cause for concern, with management focusing on data collection and cleansing as part of a broader strategy to enhance debt collection. By the end of the current financial year (2026/2027), the database is expected to reflect an accurate view of outstanding debts. Management plans to implement a debt collection strategy that includes engaging a third-party debt collection service, targeting debts older than 90 days (excluding government debt). To encourage timely payments, the Municipality is exploring the possibility of offering discounts to prompt-paying consumers.

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

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

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

The municipality has adopted the revenue enhancement strategy. This is being implemented. This strategy is a

process that is mainly supported by external stakeholders. Its impact will be assessed going forward. At this point in time, it is important that an opportunity is given for its support.

Debt outstanding on Councillors as at September 2026 is **R124,368.27**, 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 September 2026 is **R83,494.59**, 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
000080021	ISITHEBE	80021	SOUTH POINT (PTY) LTD	RATE/REFUSE	R253 650.82
001000039	SUNDUMBILI	00039	BUILD IT	RATE/REFUSE	R1 230 242.50
006600020	ISITHEBE	00020	UBA CO OP SUGAR MILLING CO. LTD	RATE/REFUSE	R2 021 352.71
000080522	ISITHEBE	80522	CRANBURN FARMS (PTY) LTD	RATE/REFUSE	R963 025.42
008002441	MANDENI	02441	SHABANGU INVESTMENT PROPERTIES PROPRIETA	RATE/REFUSE	R580 914.24
009911761	MANDENI	11761	MZIMELA (GUESTHOUSE)	RATE/REFUSE	R480 257.01
006600531	NEWARK	00531	LUTCHMAN & 6 OTHERS	RATE/REFUSE	R300 261.77
000080104	INYONI	80104	DEEPVALE SUGAR EST (PTY) LTD	RATE/REFUSE	R296 963.07
001135100	SUNDUMBILI	35100	ANKANET PROPRIETARY LTD	RATE/REFUSE	R267 159.50
001026400	SUNDUMBILI	26400	IGIGI CENTRE CC	RATE/REFUSE	R208 056.97
000080194	SUNDUMBILI	80194	MVEL'ENHLE FARMING CC	RATE/REFUSE	R153 505.29
004001332	MANDENI	01332	VODACOM BS27674 MANDINI SOUTH	RATE/REFUSE	R137 733.23
000800821	ISITHEBE	00821	KREESON INVESTMENTS	RATE/REFUSE	R113 379.16
000080022	AMATIKULU	80022	FREDERICA SUGAR ESTATE (PTY) LTD	RATE/REFUSE	R95 113.83
008600081	MANDENI	00081	GINGINDLOVU LODGE	RATE/REFUSE	R95 113.83
005100017	TUGELA MOUTH	00017	DUELCO INV 118 (PTY) LTD (M A EASTMAN)	RATE/REFUSE	R94 432.96
008700192	MANDENI	00192	VIC REDDY CONSTRUCTION	RATE/REFUSE	R89 856.62
001033100	SUNDUMBILI	33100	NATIONAL SORGHAM BREWERIES	RATE/REFUSE	R85 793.51
006603012	NEWARK	03012	SNS CONCRETE PRODUCTS PROPRIETARY	RATE/REFUSE	R84 991.94
009907881	MANDENI	07881	KINDOC EIENDOMME (PTY) LTD	RATE/REFUSE	R82 616.84
TOTAL					**R7 634 421.22**

DISCONNECTIONS SEPTEMBER 2026						
NO.	ACCOUNT NO.	TOWN	ADDRESS	NAME	DEBT TYPE	AMOUNT R
1	008908221	MANDENI	2 TEKWANE	DLAMINI	RATE/REFUSE	R61 241.97
2	009902161	MANDENI	19 FRE ROAD	SHANGE	RATE/REFUSE	R38 642.13
3	002200612	MANDENI	2 RICHARDS	NGUBANE	RATE/REFUSE	R7 380.57
4	009908211	MANDENI	82 PATRYS ROADS	GUMEDE	RATE/REFUSE	R81 137.59
5	009600241	MANDENI	7 IMPUNZI	BRITS	RATE/REFUSE	R126 484.46
6	009901471	MANDENI	7 FARROW ROAD	NTSHANGASE	RATE/REFUSE	R7 471.86
7	009702121	MANDENI	42 IMPUNZI ROAD	NZIMANDE	RATE/REFUSE	R35 966.71
8	009701331	MANDENI	22 KUDU	THABETHE	RATE/REFUSE	R3 465.25
9	009001702	MANDENI	22 IMPALA	FRUIN FAIZEL	RATE/REFUSE	R15 801.76
10	009903001	MANDENI	17 TALBOT RD	DUBE	RATE/REFUSE	R26 562.65
11	009903601	MANDENI	17 SANDPIPER RD	MWANDLA	RATE/REFUSE	R45 067.96
12	008005871	MANDENI	16 PLOVER	BOTES	RATE/REFUSE	R12 353.49
13	009902561	MANDENI	5 WATSON ROAD	ZUNGU	RATE/REFUSE	R16 499.92
14	009800611	MANDENI	40 IMPUNZI ROAD	MOOLMAN	RATE/REFUSE	R15 932.40
15	009907542	MANDENI	3 GAZELLE PLACE	SOMTSEWU	RATE/REFUSE	R31 274.36
16	009981921	MANDENI	29 KUDU ROAD	RAMCHURAN	RATE/REFUSE	R6 037.93
17	009301131	MANDENI	26 IMPUNZI ROAD	PILLAY	RATE/REFUSE	R21 053.65
18	008800871	MANDENI	23 OHARA ROAD	XULU	RATE/REFUSE	R22 989.19
19	002900931	MANDENI	22 IMPUNZI ROAD	ZIBANE	RATE/REFUSE	R5 256.80
20	008800041	MANDENI	20 ANDERSON ROAD	MSWELI	RATE/REFUSE	R47 424.76
21	008803721	MANDENI	11 WHIMBREL ROAD	MKHIZE	RATE/REFUSE	R32 271.03
22	009904491	MANDENI	11 PATRYS ROAD	MTHEMBU	RATE/REFUSE	R369 454.68
23	009200441	MANDENI	1 MIMOSA PLACE	MZIMELA	RATE/REFUSE	R15 175.54
24	009910591	MANDENI	1 BEGONIA ROAD	MANZINI	RATE/REFUSE	R10 568.66
25	009908461	MANDENI	40 INYATHI ROAD	MTHEMBU	RATE/REFUSE	R27 387.61
26	009601081	MANDENI	20 IMPUNZI ROAD	KHUMALO	RATE/REFUSE	R6 447.56
27	009900611	MANDENI	9 RICHRDS CIRCLE	NAIDOO	RATE/REFUSE	R33 045.23
28	009908931	MANDENI	25 DUBE ROAD	NDLOVU	RATE/REFUSE	R4 725.77
29	009903071	MANDENI	31 TALBOT ROAD	MBUYISA	RATE/REFUSE	R42 831.73
30	008907042	MANDENI	5 DUBE ROAD	RADEBE	RATE/REFUSE	R201 091.03
31	009910101	MANDENI	16 ACACIA AVENUE	MDLETSHE	RATE/REFUSE	R43 665.67
32	009910281	MANDENI	2 ERICA	MADUNA	RATE/REFUSE	R32 184.49
33	008907042	MANDENI	5 DUBE ROAD	RADEBE	RATE/REFUSE	R201 091.03
34	009701121	MANDENI	23 INYALA	LIAO	RATE/REFUSE	R77 099.06
35	009800801	MANDENI	25 INYALA	MATHONSI	RATE/REFUSE	R31 677.30
36	008800681	MANDENI	28 ANDERSON	MSEZANE	RATE/REFUSE	R4 417.74
37	009906971	MANDENI	11 INYALA	JOUBERT	RATE/REFUSE	R9 064.11
38	009900691	MANDENI	1 RICHARDS CIRCLE	MPHILI	RATE/REFUSE	R8 441.12
39	009701331	MANDENI	22 KUDU	THABETHE	RATE/REFUSE	R3 465.25
40	009903771	MANDENI	9 TROGON	MANYEPHISA	RATE/REFUSE	R20 134.07
41	009901251	MANDENI	18 FARROW	GASA	RATE/REFUSE	R30 631.58
42	009401651	MANDENI	10 TROGON RD	NGCOBO	RATE/REFUSE	R53 528.88
43	008004671	MANDENI	13 IMPUNZI RD	MAKHOBA	RATE/REFUSE	R65 136.15
44	009908461	MANDENI	40 INYATHI	MTHEMBU,NGEI	RATE/REFUSE	R26 206.94
45	009906241	MANDENI	23 KUDU	MBATHA	RATE/REFUSE	R21 675.40
46	009910331	MANDENI	ERF1033	HERBST	RATE/REFUSE	R65 611.93
47	009907711	MANDENI	32 KUDU	MANQELE	RATE/REFUSE	R18 259.92
48	002100622	MANDENI	1 PLOVER	NAIDU	RATE/REFUSE	R4 263.20
49	009981311	MANDENI	16 KUDU	NGCOBO	RATE/REFUSE	R13 941.91
50	009933821	MANDENI	1OROBIN PLACE	SITHOLE	RATE/REFUSE	R26 494.65
51	002401262	MANDENI	64 ANDERSON RD	KHUMALO	RATE/REFUSE	R11 610.13
52	009800421	MANDENI	48 IMPUNZI	YENGWA	RATE/REFUSE	R16 023.74
					TOTAL	R2 155 668.52

Figure 9

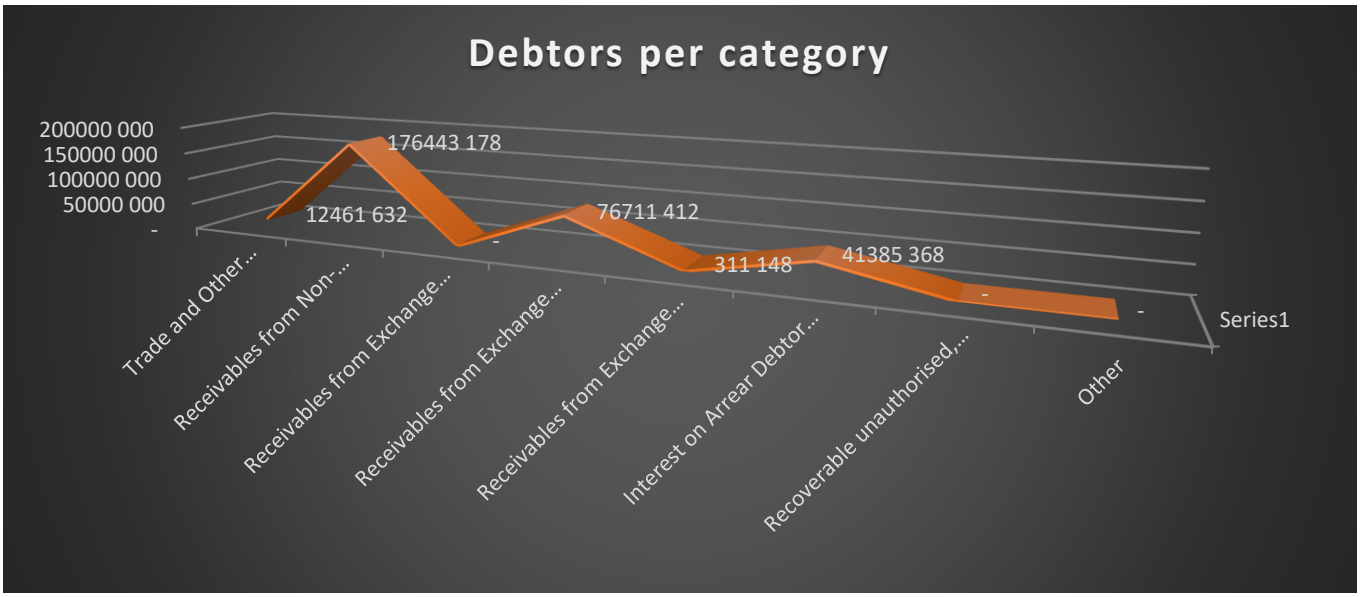
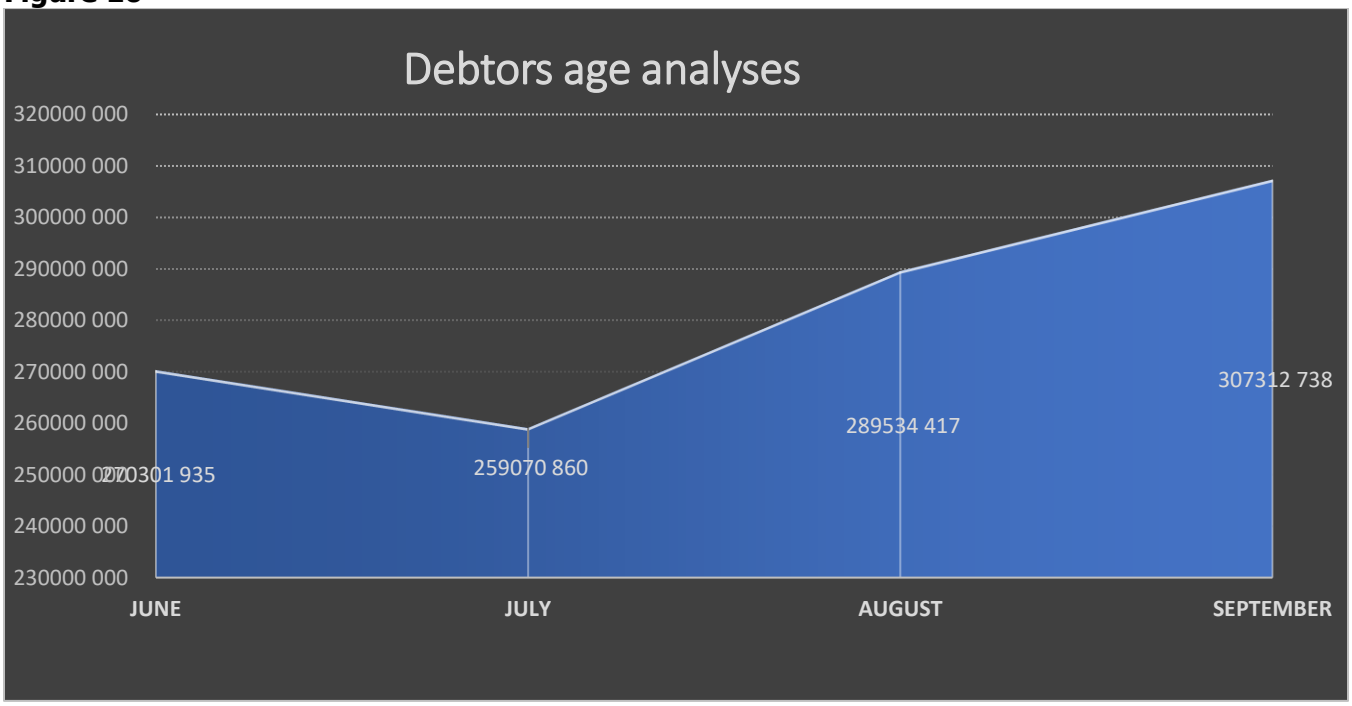
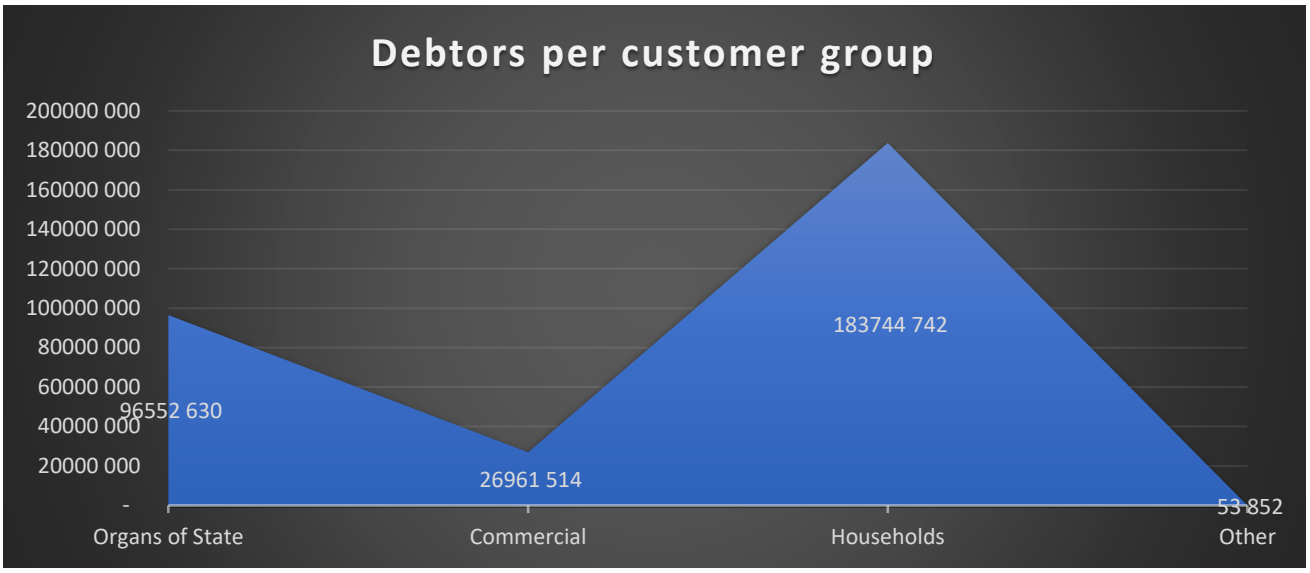


Figure 10



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

- **Total Outstanding Debtors from September 2026**



Councilors and Employees in Arrear

- Debt outstanding on Councilors as at September is R124,368.27
- Staff Accounts in arrears as at September is R 83,494.59

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 - Q1 First Quarter											
Description	NT Code	Budget Year 2026/27									Prior year totals for chart
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days -	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 ded	0500	–	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	506	–	–	–	–	–	–	–	**506**	506
Auditor General	0800	–	–	–	–	–	–	–	–	–	–
Other	0900	1 540	–	–	–	–	–	–	–	**1 540**	1 540
Medical Aid deductions	0950	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	**1000**	**2 046**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2 046**	2 046

Creditors Age analyses: The Creditors Age Analysis reflected a closing balance of R2.0 million as at 30 September 2026,

5. MONTHLY BUDGET STATEMENT - FINANCIAL POSITION
Table C6 displays the financial position of the municipality as at 30th September 2026

KZN291 Mandeni - Table C6 Monthly Budget Statement - Financial Position - Q1 First Quarter

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	41 302	–	137 415	41 302
Short term Investments		–	–	–	–	–
Trade and other receivables from exchange transactions		235 068	46 190	–	238 410	46 190
Receivables from non-exchange transactions		(130 681)	30 618	–	(106 168)	30 618
Current portion of non-current receivables		–	–	–	–	–
Inventory		37 721	43 188	–	37 774	43 188
VAT Receivable		4 306	22 531	–	2 435	22 531
Other current assets		225	–	–	225	–
Total current assets		**259 842**	**183 827**	**–**	**310 091**	**183 827**
Non current assets						
Investments		–	–	–	–	–
Investment property		45 434	44 152	–	45 434	44 152
Property, plant and equipment		814 671	915 591	–	827 034	915 591
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**	**961 787**	**–**	**874 592**	**961 787**
TOTAL ASSETS		**1 122 071**	**1 145 614**	**–**	**1 184 683**	**1 145 614**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		10 835	–	–	10 835	–
Consumer deposits		301	179	–	317	179
Trade and other payables from exchange transactions		62 291	43 414	–	30 494	43 414
Trade and other payables from non-exchange transactions		32 444	2 370	–	41 314	2 370
Provision		4 703	–	–	4 703	–
VAT Payable		11 239	16 384	–	12 561	16 384
Other current liabilities		1 482	8 097	–	1 482	8 097
Total current liabilities		**123 295**	**70 444**	**–**	**101 706**	**70 444**
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**	**70 444**	**–**	**128 440**	**70 444**
NET ASSETS	2	**972 041**	**1 075 171**	**–**	**1 056 243**	**1 075 171**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1 415 476	1 072 941	–	1 053 958	1 072 941
Reserves and funds		2 285	2 230	–	2 285	2 230
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**1 417 761**	**1 075 171**	**–**	**1 056 243**	**1 075 171**

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 3.05:0.32c is favorable as it is above the norm of 1:1 normally set for municipalities. This indicates that there is sufficient cash to meet creditor obligations.

Liquidity ratio: The cash and cash equivalents are the current liabilities, R3.05c

Creditors' system efficiency: 100 percent of the creditors outstanding are less than 30 days.

Creditor's payment: it takes the municipality 13 days to pay its creditors.

Outstanding debtors: billing far exceeds the collection on outstanding debt at the rate of 96%.

Collection days: 1685days it takes the municipality to collect outstanding debt.

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

Debtors collection rate: as at 3rd month of 2026/27 at 48**%**

B. Debtors Management				
1	Collection Rate	95%		48%
			Gross Debtors closing balance	307 205 644
			Gross Debtors opeining balance	273 955 094
			Bad debts written Off	
			Billed Revenue	64 122 396
2	Bad Debts Written-off as % of Provision for Bad Debt	100%		0%
			Consumer Debtors Bad debts written off	
			Consumer Debtors Current bad debt Provision	10 897 243
3	Net Debtors Days	30 days		1 687 days
			Gross debtors	307 205 644
			Bad debts Provision	10 897 243
			Billed Revenue	64 122 396

A. Asset Management/Utilisation				
1	Capital Expenditure to Total Expenditure	10% - 20%		18%
			Total Operating Expenditure	103 348 173
			Taxation Expense	
			Total Capital Expenditure	23 208 891
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	0%		0%
			PPE, Investment Property and Intangible Impairment	-
			PPE at carrying value	827 034 089
			Investment at carrying value	45 434 000
			Intangible Assets at carrying value	2 123 913
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	8%		0%
			Total Repairs and Maintenance Expenditure	3 482 379
			PPE at carrying value	827 034 089
			Investment Property at Carrying value	45 434 000
D. Expenditure Management				
1	Creditors Payment Period (Trade Creditors)	30 days		13 days
			Trade Creditors	2 045 634
			Contracted Services	12 677 384
			Repairs and Maintenance	3 482 379
			General expenses	17 891 190
			Bulk Purchases	15 053 936
			Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)*	7 241 691

2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	0%		0%
			Irregular, Fruitless and Wasteful and Unauthorised Expenditure	-
			Total Operating Expenditure	103 348 173
			Taxation Expense	-
3	Remuneration as % of Total Operating Expenditure	25% - 40%		44%
			Employee/personnel related cost	41 894 203
			Councillors Remuneration	3 964 103
			Total Operating Expenditure	103 348 173
			Taxation Expense	-
4	Contracted Services % of Total Operating Expenditure	2% - 5%		12%
			Contracted Services	12 677 384
			Total Operating Expenditure	103 348 173
			Taxation Expense	
C. Liquidity Management				
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	1 - 3 Months		2 Month
			Cash and cash equivalents	2 310 933
			Unspent Conditional Grants	40 199 591
			Overdraft	-
			Short Term Investments	134 971 777
			Total Annual Operational Expenditure	504 981 965
2	Current Ratio	1.5 - 2:1		3.05
			Current Assets	310 090 977
			Current Liabilities	101 705 792

6. MONTHLY BUDGET STATEMENT -CASH FLOW

Table C7 below display the Cash Flow Statement for the period ending 30th September 2026

KZN291 Mandeni - Table C7 Monthly Budget Statement - Cash Flow - Q1 First Quarter

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		(104 457)	50 834	–	10 446	23 647	12 708	10 939	86%	50 834
Service charges		(30 775)	121 121	–	1 736	5 385	30 280	(24 895)	-82%	121 121
Other revenue		(343)	37 544	–	366	873	9 386	(8 513)	-91%	37 544
Transfers and Subsidies - Operational		–	251 336	–	–	102 646	62 834	39 812	63%	251 336
Transfers and Subsidies - Capital		–	43 889	–	11 313	20 228	10 972	9 256	84%	43 889
Interest		–	23 376	–	–	2 559	5 844	(3 285)	-56%	23 376
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(466 154)	(473 639)	–	(19 797)	(126 629)	(109 501)	17 128	-16%	(608 445)
Finance charges		–	(600)	–	–	–	(150)	(150)	100%	(600)
Transfers and Subsidies		–	(2 000)	–	–	–	500	500	100%	(2 000)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**(601 728)**	**51 860**	**–**	**4 064**	**28 709**	**22 874**	**(5 835)**	**-26%**	**(82 945)**
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)	–	(7 242)	(23 209)	(33 701)	(10 492)	31%	(134 805)
Retention (Capital)		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**110 528**	**(134 805)**	**–**	**(7 242)**	**(23 209)**	**(33 701)**	**(10 492)**	**31%**	**(134 805)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	(179)	–	–	16	–	16	#DIV/0!	(179)
Payments										
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(179)**	**–**	**–**	**16**	**–**	**(16)**	**#DIV/0!**	**(179)**
NET INCREASE/ (DECREASE) IN CASH HELD		**(491 201)**	**(83 124)**	**–**	**(3 178)**	**5 516**	**(10 828)**			**(217 929)**
Cash/cash equivalents at beginning:		131 899	124 247	–	–	131 899	124 247			131 899
Cash/cash equivalents at month/year end:		(359 302)	41 123	–	(3 178)	137 415	113 419			(86 030)

The increase in cash for the period ending 30 September 2026 is R5.5million. The municipality opened the financial year with cash and cash equivalents of R131.9 million as per the audited AFS and closed the month of September with a balance of R137.4million.

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 186% or R10.9million of the collected revenue in C7-as of 30th September 2026.
- Service Charges: Electricity and Refuse cash receipt are under collected by -86% or R24.9million from the revenue budget of R30.2million as of 30th September 2026.
- Other Revenue collected form VAT refunds received as of 30th September totals R8.5million, and Revenue receipt of R873thousand.
- Government grants received YTD total of R122.9million as of 30th September 2026 which includes Government grant Capital of R20.2million.
- Interest earned on external investments amounts to R2.6million in comparison with the pro-rata budget of R5million which is an under performance of ~~54~~ 49%.

Payments

- Suppliers and employees for cash outflows of R126.9million.
- Finance charges reflect underperformance by 100 percent.
- Capital Assets of R7.2million for the month of 30th September 2026 shows an under-performance of -21%.

6.1. BANK RECONCILIATION STATEMENT AS AT SEPTEMBER 2026

Mandeni Municipality

BANK RECONCILIATION STATEMENT FOR SEPTEMBER 2026			
Main Account :52940480587			
Opening FNB Bank Balance as on SEPTEMBER 2026		**1 835 787.73**	**1 835 787.73**
PLUS: Deposits Banked		15 124 839.41	
PLUS: Interest received		16 193.79	
PLUS: Transfers In		17 698 113.13	
PLUS:Interest received From Call 1		216 296.16	
PLUS:Unpaid		22 472.65	
PLUS: MATURED INVESTMENTS		-	
PLUS: SARS REFUND		2 127 719.61	
PLUS: GRANTS RECEIVED		10 000 000.00	
Total Deposits		**45 205 634.75**	**45 205 634.75**
Less:Total payments	-	**44 730 488.98**	- **44 730 488.98**
LESS: EFT Payments	-	33 889 582.79	
LESS: Bank Charges	-	21 947.25	
LESS: Transfers Out	-	10 000 000.00	
LESS: NEW INVESTMENTS		-	
LESS: Debit Orders	-	818 958.94	
Closing FNB Bank Balance as on 30 SEPTEMBER 2026			**2 310 933.50**
Cashbook Reconciliation for 30 SEPTEMBER 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 SEPT 2026-D0001/IA09567/F0001/X049/R0099/001/FIN		809 778 354.66	
Less:Cashbook Balance as on 1 SEPT 2026-D0001/IA09850/F0001/X049/R0099/001/FIN	-	808 072 840.96	
Corrections to be made (JNL CR)			
Corrections to be made (JNL DR)		4 277.71	
PLUS: Deposits Banked for SEPT 2026		15 147 312.06	
LESS: EFT Payments for SEPT 2026	-	34 062 157.28	
PLUS:AUGUST Outstanding Payments cleared		15 173.99	
Less: Bank Charges to date	-	320 304.79	
PLUS: Grant received		10 000 000.00	
Less : New investment		-	
PLUS: Interest received to date		425 370.80	
PLUS:Interest received From Call 1-SEPTEMBER 2026		216 296.16	
PLUS MATURED INVESTMENT		-	
PLUS :SARS REFUND		2 127 719.61	
PLUS :TRANSFER IN		17 698 113.13	
LESS:TRANSFER OUT	-	10 000 000.00	
LESS: Debit Orders for -SEPTEMBER 2026	-	818 958.94	
Closing Cashbook Balance as on 30 SEPTEMBER 2026		**2 138 356.15**	**2 138 356.15**
			172 574.49
Reconciling Items	**Amount**		
ADD: Journal Debits - on Cashbook not on Bank Statement		172 574.49	
ADJUSTED MONTH END CASHBOOK BALANCE- 30 SEPTEMBER 2026			**2 310 930.64**
MONTH END BALANCE PER BANK STATEMENT- 30 SEPTEMBER 2026			**2 310 933.50**
DIFFERENCE			**2.86**

6.2. MONTHLY BUDGET STATEMENT- INVESTMENT PORTFOLIO

The following information presents the short-term investments balances broken down per investment type as of 30th September 2026

INVESTMENT REGISTER FOR SEPTEMBER 2026

Name of grant	Bank account number	INTEREST RATES	Opening Balance as at 2026/09/01	Re-Investments	Expenditure	interest	bank charges	Closing Balance as at 2026/09/30	TOTAL INTEREST EARNED TO DATE
		%	R	R	R	R	R	R	R
call 1-internal grant	61294217372	7.20	47 883 945.21	-	12 716 296.16	216 296.16	-	35 383 945.21	971 813.24
Call account 2 - HOUSING	62028673219	7.20	2 306 637.01	-		11 656.42	-	2 318 293.43	34 423.29
Call account 3-MIG	62812286400	7.20	20 188 154.06	10 000 000.00	2 937 491.30	94 314.55		27 344 977.31	283 104.91
Call account 5-TMT	62113325882	7.20	563 613.80	-		2 848.18	-	566 461.98	8 580.47
Call account 6-INEP / EDTEA	62527527462	7.20	142 166.71	-	-	718.42	-	142 885.13	7 527.82
Call account 7-AR	62538203449	7.20	3 596 432.76	-	-	17 735.83	-	3 614 168.59	57 131.55
Call account 8- Title Deed	62812286963	7.20	1 103 638.84	-	-	5 442.60	-	1 109 081.44	17 440.34
Call account 9-Disaster Recovery	63048438097	7.20	16 674 910.29	-	2 260 621.83	77 675.23	-	14 491 963.69	265 605.99
FNB-INVESTMENTS	76212973286	7.60	50 000 000.00	-	312 328.77	16 193.79		50 000 000.00	832 876.71
TOTAL			132 278 432.45	10 000 000.00	17 914 409.29	442 881.18	-	134 971 776.78	2 558 510.99

Investment register closing balance: The opening balance brought forward was R132.3 million, with interest earned of R 443thousand for the month ended September 2026. Withdrawals and expenditure for the period totalled R27.9million. The closing balance at the end of September 2026 amounted to R135million. The total interest accrued for the period July 2026 to September 2026 amounts to R2.6million.

An amount of R50 million was invested with FNB which is based on interest rates that were offered at the beginning of the month of July 2026, this will assist the municipality to generate more interest on it reserves.

As at the end of September 2026 the Investment has already generated the interest of R832,876.71.

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

KZN291 Mandeni - Supporting Table SC22 Monthly Budget Statement - councillor and staff benefits - Q1 First Quarter

Summary of Employee and Councillor remuneration	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited	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	3 436	3 726	(290)	-8%	14 906
Cell phone Allowance		1 503	1 826	–	126	378	457	(79)	-17%	1 826
Housing Allowance		126	280	–	11	32	70	(38)	-55%	280
In-kind Benefits		–	–	–	–	–	–	–		–
Market Related Non-pensionable Allowance		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		474	730	–	39	118	183	(64)	-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**	**3 964**	**4 435**	**(471)**	-11%	**17 742**
Social Contributions										
Medial Aid Benefits		–	–	–	–	–	–	–		–
Pension Fund Contributions		–	–	–	–	–	–	–		–
Total Social Contributions		**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Total Councillors		**15 775**	**17 742**	**-**	**1 321**	**3 964**	**4 435**	**(471)**	-11%	**17 742**
% increase	4									
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		8 681	6 555	–	667	1 947	1 639	308	19%	6 555
Bonuses		739	415	–	–	–	104	(104)	-100%	415
Allowance								–		
Accommodation, Travel and Incidental		–	–	–	–	–	–	–		–
Cellular and Telephone	3	260	292	–	15	45	73	(28)	-38%	292
Housing Benefits	3	170	304	–	14	43	76	(33)	-44%	304
Non-pensionable		240	504	–	–	–	126	(126)	-100%	504
Travel or Motor Vehicle	3	716	962	–	72	215	241	(26)	-11%	962
Voluntary Work		–	–	–	–	–	–			–
Total Allowance		**1 386**	**2 062**	**-**	**101**	**302**	**516**	**(213)**	-41%	**2 062**
Service Related Benefits										
Acting	3	–	–	–	–	–	–	–		–
Bonus	3	–	–	–	–	–	–	–		–
Danger Allowance	3	–	–	–	–	–	–	–		–
Entertainment	3	–	–	–	–	–	–	–		–
Fire Brigade		–	–	–	–	–	–	–		–
In-kind Benefits	3	–	–	–	–	–	–	–		–
Leave Pay	3	–	–	–	–	–	–	–		–
Lifeguard/Duty Squads		–	–	–	–	–	–	–		–
Long Service Award		–	–	–	–	–	–	–		–
Overtime		–	–	–	–	–	–	–		–
Scarcity	3	–	–	–	–	–	–	–		–
Standby Allowance	3	–	–	–	–	–	–	–		–
Tools Allowance	3	–	–	–	–	–	–	–		–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–		–
Leave gratuity		–	–	–	–	–	–	–		–
Long Term Service Award		–	–	–	–	–	–	–		–
Total Service Related Benefits		**-**	**-**	**-**	**-**	**-**	**-**	**–**		**-**
Total Salaries and Allowances		**10 806**	**9 032**	**-**	**768**	**2 249**	**2 258**	**(9)**	0%	**9 032**
Social Contributions										
Bargaining Council		2	2	–	0	0	0	0	5%	2
Group Life Insurance		–	–	–	–	–	–	–		–
Medical		177	198	–	–	–	50	(50)	-100%	198
Pension		–	–	–	–	–	–	–		–
Unemployment Insurance		–	11	–	–	–	3	(3)	-100%	11
Total Social Contributions		**179**	**211**	**-**	**0**	**0**	**53**	**(52)**	-99%	**211**
Post-retirement Benefit	6									
Medical		4 364	4 199	–	–	–	1 050	(1 050)	-100%	4 199
Other Benefits		–	–	–	–	–	–	–		–
Pension		–	–	–	–	–	–	–		–
Total Post-retirement Benefit		**4 364**	**4 199**	**-**	**-**	**-**	**1 050**	**(1 050)**	-100%	**4 199**
Costs Capitalised to PPE		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**15 349**	**13 442**	**-**	**768**	**2 250**	**3 361**	**(1 111)**	-33%	**13 442**

Other Municipal Staff										
Salaries and Allowances										
Basic Salary		106 576	103 676	–	9 279	27 684	25 919	1 765	7%	103 676
Bonuses		–	–	–	–	–	–	–		–
Allowance										
Accommodation, Travel and Incidental		–	–	–	–	–	–	–		–
Cellular and Telephone	3	809	872	–	67	201	218	(17)	-8%	872
Housing Benefits	3	341	424	–	30	90	106	(16)	-15%	424
Non-pensionable		–	–	–	–	–	–	–		–
Travel or Motor Vehicle	3	5 067	5 709	–	419	1 257	1 427	(171)	-12%	5 709
Voluntary Work		–	–	–	–	–	–	–		–
Total Allowance		**6 216**	**7 004**	**-**	**516**	**1 547**	**1 751**	**(204)**	-12%	**7 004**
Service Related Benefits										
Acting	3	–	–	–	–	–	–	–		–
Bonus	3	8 789	6 574	–	731	2 115	1 644	472	29%	6 574
Danger Allowance	3	–	–	–	–	–	–	–		–
Entertainment	3	–	–	–	–	–	–	–		–
Fire Brigade		–	–	–	–	–	–	–		–
In-kind Benefits	3	–	–	–	–	–	–	–		–
Leave Pay	3	3 125	3 559	–	60	329	890	(561)	-63%	3 559
Lifeguard/Duty Squads		–	–	–	–	–	–	–		–
Long Service Award		(190)	1 558	–	24	187	390	(203)	-52%	1 558
Overtime		3 552	3 449	–	166	726	862	(136)	-16%	3 449
Scarcity	3	–	–	–	–	–	–	–		–
Standby Allowance	3	2 611	1 966	–	126	457	492	(35)	-7%	1 966
Tools Allowance	3	–	–	–	–	–	–	–		–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–		–
Leave gratuity		–	–	–	–	–	–	–		–
Long Term Service Award		–	–	–	–	–	–	–		–
Total Service Related Benefits		**17 888**	**17 106**	**-**	**1 107**	**3 813**	**4 276**	**(463)**	-11%	**17 106**
Total Salaries and Allowances		**130 680**	**127 786**	**-**	**10 902**	**33 044**	**31 946**	**1 098**	3%	**127 786**
Social Contributions										
Bargaining Council		98	85	–	9	26	21	4	21%	85
Group Life Insurance		–	349	–	–	–	87	(87)	-100%	349
Medical		8 474	8 308	–	725	2 173	2 077	96	5%	8 308
Pension		15 937	17 138	–	1 414	4 232	4 285	(52)	-1%	17 138
Unemployment Insurance		683	793	–	56	169	198	(29)	-15%	793
Total Social Contributions		**25 192**	**26 673**	**-**	**2 203**	**6 600**	**6 668**	**(68)**	-1%	**26 673**
Post-retirement Benefit	6									
Medical		(441)	–	–	–	–	–	–		–
Other Benefits		–	–	–	–	–	–	–		–
Pension		601	3 898	–	–	–	975	(975)	-100%	3 898
Total Post-retirement Benefit		**161**	**3 898**	**-**	**-**	**-**	**975**	**(975)**		**3 898**
Costs Capitalised to PPE		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		**156 032**	**158 357**	**-**	**13 106**	**39 644**	**39 589**	**55**		**158 357**
% increase	4									
Total Parent Municipality		**187 156**	**189 541**	**-**	**15 195**	**45 858**	**47 385**	**(1 527)**	-3%	**189 541**

8. MONTHLY BUDGET STATEMENT MATERIAL VARIANCE EXPLAINATIONS

KZN291 Mandeni - Supporting Table SC7 Material variance explanations - Q1 First Quarter

Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective
1	0			
	Exchange Revenue			
	Service charges - Electricity	-2%	The variance is immaterial in the line vote.	
	Service charges - Water		N/A	
	Service charges - Waste Water Management		N/A	
	Service charges - Waste management	-5%	The variance is immaterial in the line vote.	
	Sale of Goods and Rendering of Services	-52%	The underperformance is mainly attributable to the unpredictable nature of revenue generated from various sources under this vote, including tender document sales, town planning fees, clearance certificates, library fines for overdue books, and building plan fees. These revenue streams depend on	
	Agency services	-59%	The underpermance variance is expected to improve over the course of the financial year, as this revenue stream depends on the income generated and collected by the Municipality through its licensing services.The recent opening of the Driving Licence Testing Centre (DLTC) is expected to contribute towards increased revenue collection as operations progress.	
	Interest			
	Interest earned from Receivables	-2%	The variance is immaterial in the line vote.	
	Interest from Current and Non Current Assets	-49%	The underperformance against this line item is attributable to an increase in the value of **internally funded** capital projects. The Municipality continues to prioritise service delivery by allocating resources towards capital projects aimed at improving infrastructure and meeting the needs of its communities.	
	Dividends			
	Rent on Land		N/A	
	Rental from Fixed Assets	9%	The positive variance is mainly attributable to rental income generated from newly constructed mini-factory properties, which have expanded the Municipality's rental revenue base and contributed to improved revenue collection.	
	Licence and permits	-25%	This line vote needs to be corrected, as the variance is showing under-performance whilst the In actual fact, we have an overcollection; however, a portion of the revenue is currently reflected under Non-exchange licensing vote, which makes the collection under this specific vote appear lower than	
	Special rating levies			
	Construction Contract Revenue		N/A	
	Development Charges			
	Operational Revenue	11%	The positive variance against this line item reflects an overperformance, mainly attributable to revenue generated from the Skills Development Levy and transaction handling fees charged for payments made to third parties. These revenue streams are transaction-based and fluctuate depending on the volume and value of transactions processed, making them difficult to accurately forecast and measure against the budget.	
	Non-Exchange Revenue		N/A	
	Property rates	97%	The variance is the result of increase in our Indigent and Pensioners Rebates register.	
	Surcharges and Taxes		N/A	
	Fines, penalties and forfeits	-97%	The variance is mainly attributable to low levels of fine collection during the reporting period. This vote includes library fines charged for overdue books, as well as Public Safety fines issued for municipal by-law violations and other applicable offences. The revenue generated from these sources depends on the number of fines issued and the level of collection during the reporting period.	
	Licence and permits	#DIV/0!	The variance is nil, as no budget has been allocated to this vote. However, the licensing and permits revenue reflected under the above-mentioned vote requires correction to ensure that the budget linkage and variance reporting accurately reflect the actual revenue collected.	
	Transfers and subsidies - Operational	63%	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.	
	Interest	-4%	The variance is immaterial in the line vote.	
	Fuel Levy			
	Operational Revenue			
	Gains on disposal of Fixed and Intangible Assets			
	Other Gains			
	Discontinued Operations			

2	0			
	Expenditure By Type			
	Employee related costs	-2%	The variance is immaterial in the line vote	
	Remuneration of councillors	-11%	The variance is mainly attributable to savings realised during the reporting period, resulting in expenditure below the budgeted amount.	
	Bulk purchases - electricity	-22%	The variance in the Vote is due to the invoice for September 2026 was paid in October 2026, in line with the applicable payment cycle. Although payment was made in the following month, no interest charges are expected to be incurred, as the payment was made before the due date of	
	Inventory consumed	-91%	The variance to the vote comprises items held in Stores, primarily for maintenance and repairs, as well as stationery used by the Municipality. Expenditure under this vote is largely demand-driven, as items are issued based on departmental requests and operational requirements.	
	Debt impairment	-100%	A journal adjustment for debt impairment will be processed in January during the mid-year assessment period and again in June at the financial year-end to ensure that the impairment provision is appropriately assessed and accurately reflected in the Municipality's financial records.	
	Depreciation, amortisation and impairment	12%	The overperformance is due to increase in the number of high value capital projects commissioned during the prior financial year	
	Interest, Dividends and Rent on Land	-100%	The underperformance in interest, dividends and rent on land will be reviewed and adjusted at year-end to ensure that the actual revenue is	
	Contracted services	-41%	The variance is mainly because most Programmes are expected to incur expenditure towards the latter part of the financial year.	
	Transfers and subsidies	105%	The budget allocated to this line item relates to Local Economic Development (LED) programmes, which are implemented once during the financial year. Although the budget is distributed over 12 months for reporting purposes, the expenditure is incurred during the specific month in which the programme takes place. This results in fluctuations in monthly performance, as the full budget allocation may be utilised within a single reporting period.	
	Irrecoverable debts written off	-104%	The underperformance variance of 104% is mainly attributable to debts written off as losses during the reporting period, resulting in expenditure exceeding the budgeted allocation for this line item.	
	Operational costs	4%	The variance is immaterial in the line vote	
	Disposal of Fixed and Intangible Assets	-100%	The underperformance variance of 100% is attributable to the fact that the planned disposal has not yet taken place and is expected to be undertaken at a later stage. Consequently, no expenditure or activity has been recorded against this line item during the reporting period.	
	Other Losses			

3	**Capital Expenditure**			
	National Government	-10%	MIG projects under-peromed by 10%, however the Capex report form PMU shows that there are no challenges to the project.	
	Provincial Government	139%	The overperformance against this line item is mainly attributable to the timing of expenditure, as the costs were incurred within a single reporting period, while the budget is spread evenly over 12 months. This results in expenditure exceeding the pro-rata budget for the period, although the overall annual budget may still be sufficient to cover the costs.	
	Internally generated funds	-33%	The underperformance is due to the fact that, certain projects have challenges, like not finishing on time, and or slow progress due to weather conditions.	
4	**Financial Position**			
	COMMUNITY WEALTH/EQUITY			
	Accumulated surplus/(deficit)	1 053 958		
	Reserves and funds	2 285		
	Other	–		
	TOTAL COMMUNITY WEALTH/EQUITY	1 056 243	The net Wealth balances to the NET Assets	
5	**Cash Flow**			
	NET INCREASE/ (DECREASE) IN CASH HEL	5 516	The municipality has maintain a net increase in the Cashflow.	
	Cash/cash equivalents at beginning:	131 899		
	Cash/cash equivalents at month/year end:	137 415		
	Measureable performance			
	Collection rate	48%	The variance 47% in the collection when compared to the 95% NORM, The rates collection rate of 48% is mainly attributable to challenges in collecting outstanding debt from consumers, which continue to place pressure on the Municipality's revenue collection performance. due to poor payment by consumers, the inclusion of Provincial Public Works and Ithala annual billing leads to lower collection ratio.	
	Cash -cost coverge ratio	2months	The collection rate remains within the 1–3-month range. However, the Municipality continues to explore strategies to improve rates collection and strengthen its cash flow position. The decline in interest revenue is mainly attributable to reduced interest earned on external investments, as available funds have decreased due to significant financial commitments. The Municipality will continue to monitor its cash flow and implement measures to improve revenue collection and maintain adequate liquidity.	
	Current ratio	3.05	The rate is still within 1.5-2.1 Norm,	
	Creditors payment period	13days	This rate is still within 30days Norm	
7	**Municipal Entities**			
	N/A			

9. External Loan

NONE

10. PERFORMANCE INDICATOR

KZN291 Mandeni - Supporting Table SC6 Monthly Budget Statement - Performance Indicators - Q1 First Quarter

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%	7.8%	0.0%	3.4%	3.6%
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%	4.3%	0.0%	10.4%	4.3%
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%	261.0%	0.0%	304.9%	261.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		91.8%	58.6%	0.0%	135.1%	58.6%
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%	76.8%	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		38.1%	36.1%	0.0%	24.3%	36.1%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		7.1%	7.8%	0.0%	2.0%	7.8%
Interest & Depreciation	I&D/Total Revenue - capital revenue		9.7%	8.3%	0.0%	2.0%	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 **September 2026** has been prepared in accordance with the Municipal Finance Management Act and regulations under that Act.

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

Municipal manager of Mandeni Municipality (KZN 291)

Signature_____

Date **15 October 2026**