ITEM:

MSUNDUZI MUNICIPALITY
OFFICE OF THE CHIEF FINANCIAL OFFICER
2026 -10- 13
P.O. BOX 261
PIETERMARITZBURG 3200

REPORT TO THE MSUNDUZI MUNICIPAL COUNCIL

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FOR NOTING

1st Level: TMC: 19/10/2026
2nd Level: PORTFOLIO COMMITTEE: 21/10/2026
3rd Level: EXCO: 22/10/2026
4th Level: COUNCIL: 28/10/2026
5th Level: MPAC: 05/11/2026

SUBJECT: SECTION 71/52D OF MFMA NO.56 OF 2003 – MONTHLY/QUARTERLY BUDGET STATEMENTS AS AT THE END OF SEPTEMBER 2026

DATE: 13 October 2026

1) PURPOSE

The purpose of the report is to appraise Council concerning Section 71/52D of the MFMA No. 56 of 2003 regarding monthly/quarterly budget statements for the period ending 30 September 2026, report is submitted for noting.

2) BACKGROUND

2.1 In terms of Section 71 of MFMA, the Accounting Officer of the 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 in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month.

a) Actual revenue, per revenue source;
b) Actual expenditure, per vote;
c) Actual capital expenditure, per vote;
d) The amount of any allocations received and actual expenditure on grant allocations excluding expenditure on the equitable share.
e) when necessary, an explanation of—
    i. any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
    ii. any material variances from the service delivery and budget implementation plan; and

f) Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality has approved budget.

In terms of Section 52 (d) of the MFMA, The Mayor of the Municipality must within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality

3) LEGISLATIVE PROVISIONS / POLICIES

3.1 Section 71/52D of the Municipal Finance Management Act No. 56 of 2003

4. FINANCIAL RECOVERY PLAN

N/A

5. MOTIVATION/DISCUSSION

5.1 The MFMA section 71/52D report as per annexure

5.2 The Municipal Budget and Reporting Regulation (MBRR) requires that municipality prepare a report to Council on monthly budget statements.

6. COMMENTS FROM THE RELEVANT BUSINESS UNIT OR COMPONENT OF THE BUSINESS UNIT

N/A

7. IMPLICATIONS:

7.1 FINANCIAL
N/A

7.2 LEGAL
N/A

7.3 COMMUNICATION
N/A

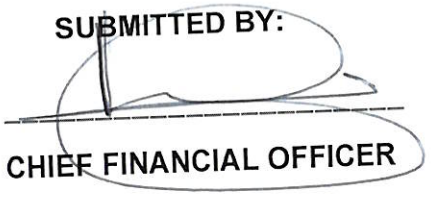
7.4 SERVICE DELIVERY IMPLICATIONS
N/A

7.5 INHERENT RISK(S)
N/A

8. **RECOMMENDATIONS**

Council to note section 71/52D Of MFMA Act No. 56 of 2003

9. **SUBMITTED BY:**



CHIEF FINANCIAL OFFICER

N NGCOBO

DATE: 14/10/2026

ANNEXURES:

MFMA No.56 of 2003 Section 71/52D report.

Msunduzi Municipality

MFMA s71/52D Monthly/Quarterly Report

September 2026 Report
Budget & Treasury Office

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PART 1 – IN YEAR REPORT

1.1 Executive Summary

Legislative Requirements

In terms of Section 71 of the MFMA, the Accounting Officer of the 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 in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month.

- ✓ Actual revenue, per revenue source;
- ✓ Actual expenditure, per vote;
- ✓ Actual capital expenditure, per vote;
- ✓ The amount of any allocations received and actual expenditure on grant allocations excluding expenditure on the equitable share.
- ✓ when necessary, an explanation of—
    - any material variances from the municipality's projected revenue by Source, and from the municipality's expenditure projections per vote;
    - any material variances from the service delivery and budget implementation plan; and
- ✓ Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

In terms of Section 52 (d) of the MFMA, The Mayor of the Municipality must within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

FINANCIAL PERFORMANCE

Revenue: The Year to Date (YTD) actual revenue generated as at the end of September amounted to R2.488 billion while the projected (YTD) budget amounted to R2.578 billion (excluding capital transfers and contribution). This means that the municipality generated little less revenue as at the end of September than projected. The municipality should continue to monitor closely the revenue collection.

The Year to Date (YTD) actual service charges contributed R1.478 billion towards the total municipal revenue basket, which is 59% of the total revenue basket and Transfers and subsidies contributed R416.617 million which is 17% of the total revenue basket.

Revenue from Service Chargers-Electricity, Service Chargers-Water, Sale of Goods and Rendering of Services, Interest Earned from Receivables, Rental from Fixed Asset and Operational Revenue generated the following variances when comparing year to date actual

and year to date budget, -15%; -18%, -94%, -15%, -27% and -34% respectively. The variances from these revenue sources are more than the acceptable variance threshold of 10%.

Overall, as at the end of the first quarter of the 2026/2027 financial year, the municipality generated total revenue of R2.540 billion including capital transfers and contributions against the year-to-date budget of R2.661 billion. However, the municipality must closely monitor the levels of revenue generated and expenditure incurred to mitigate the risk of expenditure exceeding revenue, which create cash flow problems in a long run.

Operating Expenditure: The total actual YTD operating expenditure as at the end of September amounted to R2.325 billion while the YTD budget Operating Expenditure amounted to R2.197 billion.

The operational expenditure is largely defined by bulk purchases (electricity) and employee related costs both accounting 68% of the total operating expenditure incurred for the period ending 30 September 2026. Considering the operating expenditure analysis above, the municipality has introduced cost-cutting measures and invented cost-effective ways of doing business. The municipality must continue with these measures to monitor expenditure.

Overall, the municipality recorded a surplus of R215.317 million which includes capital transfers of R51.791 million as at 30 September 2026.

Capital Expenditure: The YTD actual capital expenditure as at the end of September amounted to R120.084 million, the YTD budgeted capital expenditure was R110.765 million resulting in a variance of 8% when comparing year to date actual and year to date budget.

Underspending in national grants funded projects is a serious cause of concern because under-expenditure on capital projects directly results in a negative impact on service delivery. The municipality holds capex meetings every week on Fridays to discuss progress on capital projects and also to put measures in place to ensure the acceleration of expenditure on capital projects thereby improving on service delivery.

Grants Receipts: The total year to date operational and capital grant receipts for the month of September amounted to R500.939 million that is inclusive of equitable share of R385.736 million, other operating grant of R37.027 million and Capital transfers of R78.176 million.

Consumer Debt: The total YTD consumer debt at the end of September 2026 amounted to R10.535 billion. The municipality's debt is continually increasing which poses a serious threat to the municipality's future sustainability. The municipality must introduce measures to ensure acceptable levels of debt collections and thereby mitigating the risk of cash flow problems in future.

1.4 In-year Budget Statement Tables

Parent Municipality (Msunduzi Municipality Only) Monthly Budget Statements Summary

Table C1 below provides a summary of the overall performance of the Municipality and is unpacked in the sections that follow.

KZN225 Msunduzi - Table C1 Monthly Budget Statement Summary - Q1 First Quarter

Description	2025/26	Budget Year 2026/27							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	-	1 756 098	-	141 461	432 940	438 025	(6 085)	-1%	1 756 098
Service charges	-	6 881 967	-	495 093	1 478 318	1 720 492	(242 174)	-14%	6 881 967
Investment revenue	-	40 696	-	3 696	11 340	10 174	1 166	11%	40 696
Transfers and subsidies - Operational	-	977 181	-	15 764	416 617	244 295	172 322	71%	977 181
Other own revenue	-	656 054	-	69 010	149 231	164 013	(14 782)	-9%	656 054
Total Revenue (excluding capital transfers and contributions)	-	10 311 995	-	725 023	2 488 445	2 577 999	(89 553)	-3%	10 311 995
Employee costs	-	1 912 185	-	142 178	412 456	478 046	(65 591)	-14%	1 912 185
Remuneration of Councillors	-	74 324	-	5 009	15 029	18 581	(3 552)	-19%	74 324
Depreciation, amortisation and impairment	-	336 347	-	28 609	87 712	84 087	3 625	4%	336 347
Interest, Dividends and Rent on Land	-	58 259	-	3 138	30 708	14 565	16 144	111%	58 259
Inventory consumed and bulk purchases	-	4 850 608	-	489 636	1 475 928	1 212 652	263 276	22%	4 850 608
Transfers and subsidies	-	65 138	-	3 458	10 389	16 284	(5 895)	-36%	65 138
Other expenditure	-	1 491 081	-	102 790	292 697	372 770	(80 073)	-21%	1 491 081
Total Expenditure	-	8 787 942	-	774 817	2 324 919	2 196 986	127 933	6%	8 787 942
Surplus/(Deficit)	-	1 524 052	-	(49 794)	163 527	381 013	(217 486)	-57%	1 524 052
Transfers and subsidies - capital (monetary	-	333 309	-	26 247	51 791	83 327	(31 537)	-38%	333 309
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	-	1 857 362	-	(23 546)	215 317	464 340	(249 023)	-54%	1 857 362
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	-	1 857 362	-	(23 546)	215 317	464 340	(249 023)	-54%	1 857 362
Capital expenditure & funds sources									
Capital expenditure	-	443 059	-	43 921	120 084	110 765	9 320	8%	443 059
Capital transfers recognised	-	333 309	-	22 994	59 615	83 327	(23 712)	-28%	333 309
Borrowing	-	33 250	-	7 339	11 009	8 313	2 696	32%	33 250
Internally generated funds	-	76 500	-	13 588	49 460	19 125	30 335	159%	76 500
Total sources of capital funds	-	443 059	-	43 921	120 084	110 765	9 320	8%	443 059
Financial position									
Total current assets	-	5 783 550	-		3 217 104				5 783 550
Total non current assets	-	9 422 476	-		9 300 271				9 422 476
Total current liabilities	-	3 278 468	-		4 150 576				3 278 468
Total non current liabilities	-	1 009 074	-		1 265 127				1 009 074
Community wealth/Equity	-	10 918 483	-		7 101 672				10 918 483
Cash flows									
Net cash from (used) operating	-	2 016 160	-	-	-	504 040	504 040	100%	2 016 160
Net cash from (used) investing	-	(443 059)	-	-	-	(110 765)	(110 765)	100%	(443 059)
Net cash from (used) financing	-	(65 000)	-	-	-	(16 250)	(16 250)	100%	(65 000)
Cash/cash equivalents at the month/year end	-	2 655 724	-	-	-	1 524 648	1 524 648	100%	2 655 724
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	1 012 389	177 785	167 828	157 244	149 578	141 457	888 596	7 839 987	10 534 865
Creditors Age Analysis									
Total Creditors	1 923 040	533 571	(57 695)	(368 465)	1 856 955	-	-	-	3 887 406

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

KZN225 Msunduzi - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q1 First Quarter

Description	Ref	Budget Year 2026/27						
R thousands	1	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional								
Governance and administration		**3 023 187**	**169 308**	**711 994**	**755 797**	(43 802)	-6%	**3 023 187**
Executive and council		2 096	279	699	524	175	33%	2 096
Finance and administration		3 021 091	169 030	711 296	755 273	(43 977)	-6%	3 021 091
Internal audit		–	(1)	(1)	–	(1)		–
Community and public safety		**53 622**	**5 232**	**13 377**	**13 405**	(29)	0%	**53 622**
Community and social services		21 623	2 173	5 002	5 406	(404)	-7%	21 623
Sport and recreation		1 263	5	150	316	(166)	-52%	1 263
Public safety		17 481	1 187	3 152	4 370	(1 218)	-28%	17 481
Housing		13 255	1 867	5 072	3 314	1 758	53%	13 255
Health		–	–	–	–	–		–
Economic and environmental services		**77 768**	**8 459**	**16 740**	**19 442**	(2 702)	-14%	**77 768**
Planning and development		36 899	2 168	5 474	9 225	(3 751)	-41%	36 899
Road transport		20 000	6 258	11 173	5 000	6 173	123%	20 000
Environmental protection		20 869	34	93	5 217	(5 124)	-98%	20 869
Trading services		**7 432 615**	**565 735**	**1 787 821**	**1 858 154**	**(70 333)**	-4%	**7 432 615**
Energy sources		5 182 560	360 823	1 114 554	1 295 640	(181 086)	-14%	5 182 560
Water management		1 532 344	139 071	477 108	383 086	94 022	25%	1 532 344
Waste water management		528 699	49 767	137 885	132 175	5 711	4%	528 699
Waste management		189 012	16 074	58 272	47 253	11 019	23%	189 012
Other	4	**58 112**	**2 536**	**10 304**	**14 528**	**(4 224)**	**-29%**	**58 112**
Total Revenue - Functional	2	**10 645 304**	**751 271**	**2 540 236**	**2 661 326**	**(121 090)**	**-5%**	**10 645 304**
Expenditure - Functional								
Governance and administration		**1 639 953**	**105 804**	**327 043**	**409 988**	(82 945)	-20%	**1 639 953**
Executive and council		253 286	11 153	33 606	63 321	(29 716)	-47%	253 286
Finance and administration		1 357 836	92 763	287 191	339 459	(52 268)	-15%	1 357 836
Internal audit		28 831	1 887	6 246	7 208	(962)	-13%	28 831
Community and public safety		**531 500**	**47 202**	**137 986**	**132 875**	5 111	4%	**531 500**
Community and social services		142 342	12 127	36 912	35 586	1 326	4%	142 342
Sport and recreation		118 171	12 081	34 651	29 543	5 108	17%	118 171
Public safety		203 755	15 395	43 347	50 939	(7 592)	-15%	203 755
Housing		57 354	6 730	20 471	14 338	6 132	43%	57 354
Health		9 877	868	2 606	2 469	137	6%	9 877
Economic and environmental services		**427 474**	**40 103**	**103 358**	**106 868**	(3 511)	-3%	**427 474**
Planning and development		165 999	9 502	26 484	41 500	(15 016)	-36%	165 999
Road transport		227 766	28 083	70 005	56 941	13 063	23%	227 766
Environmental protection		33 708	2 518	6 869	8 427	(1 558)	-18%	33 708
Trading services		**6 133 001**	**572 405**	**1 733 209**	**1 533 250**	**199 959**	13%	**6 133 001**
Energy sources		4 303 668	379 243	1 270 138	1 075 917	194 220	18%	4 303 668
Water management		1 275 878	132 986	300 706	318 969	(18 264)	-6%	1 275 878
Waste water management		427 770	47 613	129 583	106 943	22 641	21%	427 770
Waste management		125 684	12 564	32 783	31 421	1 361	4%	125 684
Other		**56 015**	**9 303**	**23 323**	**14 004**	**9 319**	**67%**	**56 015**
Total Expenditure - Functional	3	**8 787 942**	**774 817**	**2 324 919**	**2 196 986**	**127 933**	6%	**8 787 942**
Surplus/ (Deficit) for the year		**1 857 362**	**(23 546)**	**215 317**	**464 340**	**(249 023)**	**-54%**	**1 857 362**

Table C3 presents the same information as table C2 above, the difference being that it's by Municipal vote.

KZN225 Msunduzi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q1

Vote Description	Ref	Budget Year 2026/27						
R thousands		Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1							
Vote 1 - City Manager		–	(1)	(1)	–	(1)		–
Vote 2 - City Finance		3 004 057	168 652	707 715	751 014	(43 299)	-6%	3 004 057
Vote 3 - Corporate Services		5 088	192	1 362	1 272	90	7%	5 088
Vote 4 - Community Services and Social Equity		565 078	19 712	67 257	141 269	(74 012)	-52%	565 078
Vote 5 - Infrastructure Services		1 792 747	195 236	628 251	448 187	180 065	40%	1 792 747
Vote 6 - Sustainable Development and City Enterprises		104 635	6 656	21 096	26 159	(5 062)	-19%	104 635
Vote 7 - Electricity		5 173 700	360 823	1 114 554	1 293 425	(178 871)	-14%	5 173 700
Total Revenue by Vote	2	**10 645 304**	**751 271**	**2 540 236**	**2 661 326**	**(121 090)**	**-5%**	**10 645 304**
Expenditure by Vote	1							
Vote 1 - City Manager		198 457	13 495	41 236	49 614	(8 378)	-17%	198 457
Vote 2 - City Finance		922 990	50 990	153 878	230 747	(76 870)	-33%	922 990
Vote 3 - Corporate Services		849 368	11 868	57 162	212 342	(155 180)	-73%	849 368
Vote 4 - Community Services and Social Equity		188 905	80 921	219 520	47 226	172 294	365%	188 905
Vote 5 - Infrastructure Services		2 009 144	211 551	509 355	502 286	7 069	1%	2 009 144
Vote 6 - Sustainable Development and City Enterprises		315 418	26 750	73 632	78 854	(5 223)	-7%	315 418
Vote 7 - Electricity		4 303 661	379 242	1 270 136	1 075 915	194 220	18%	4 303 661
Total Expenditure by Vote	2	**8 787 942**	**774 817**	**2 324 919**	**2 196 986**	**127 933**	**6%**	**8 787 942**
Surplus/ (Deficit) for the year	2	**1 857 362**	**(23 546)**	**215 317**	**464 340**	**(249 023)**	**-54%**	**1 857 362**

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 30 September 2026.

KZN225 Msunduzi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter

Description	Budget Year 2026/27						
R thousands	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue							
Exchange Revenue							
Service charges - Electricity	5 138 349	353 353	1 092 478	1 284 587	(192 109)	-15%	5 138 349
Service charges - Water	1 312 183	102 347	268 645	328 046	(59 401)	-18%	1 312 183
Service charges - Waste Water Management	259 014	24 607	73 155	64 754	8 401	13%	259 014
Service charges - Waste management	172 420	14 786	44 040	43 105	935	2%	172 420
Sale of Goods and Rendering of Services	24 269	171	386	6 067	(5 682)	-94%	24 269
Agency services	5 711	532	1 393	1 428	(35)	-2%	5 711
Interest	–			–	–		–
Interest earned from Receivables	383 529	38 666	81 040	95 882	(14 842)	-15%	383 529
Interest from Current and Non Current Assets	40 696	3 696	11 340	10 174	1 166	11%	40 696
Dividends	–			–	–		–
Rent on Land				–	–		–
Rental from Fixed Assets	46 270	2 779	8 402	11 567	(3 165)	-27%	46 270
Licence and permits	3 211	374	1 124	803	321	40%	3 211
Special rating levies				–	–		–
Construction Contract Revenue				–			–
Development Charges				–			–
Operational Revenue	112 961	6 155	18 679	28 240	(9 561)	-34%	112 961
Non-Exchange Revenue				–	–		–
Property rates	1 756 098	141 461	432 940	439 025	(6 085)	-1%	1 756 098
Surcharges and Taxes	–			–	–		–
Fines, penalties and forfeits	12 665	3 687	8 069	3 166	4 903	155%	12 665
Licence and permits	–			–	–		–
Transfers and subsidies - Operational	977 181	15 764	416 617	244 295	172 322	71%	977 181
Interest	67 436	12 100	25 693	16 859	8 834	52%	67 436
Fuel Levy				–	–		–
Operational Revenue				–	–		–
Gains on disposal of Fixed and Intangible Assets				–	–		–
Other Gains		4 546	4 445	–	4 445		–
Discontinued Operations				–	–		–
Total Revenue (excluding capital transfers and contributions)	**10 311 995**	**725 023**	**2 488 445**	**2 577 999**	**(89 553)**	**-3%**	**10 311 995**
Expenditure By Type							
Employee related costs	1 912 185	142 178	412 455	478 046	(65 591)	-14%	1 912 185
Remuneration of councillors	74 324	5 009	15 029	18 581	(3 552)	-19%	74 324
Bulk purchases - electricity	3 623 107	347 215	1 164 954	905 777	259 177	29%	3 623 107
Inventory consumed	1 227 501	142 421	310 974	306 875	4 099	1%	1 227 501
Debt impairment	435 540	9 402	44 676	108 885	(64 209)	-59%	435 540
Depreciation, amortisation and impairment	336 347	28 609	87 712	84 087	3 625	4%	336 347
Interest, Dividends and Rent on Land	58 259	3 138	30 708	14 565	16 144	111%	58 259
Contracted services	853 395	76 043	174 901	213 349	(38 448)	-18%	853 395
Transfers and subsidies	65 138	3 458	10 389	16 284	(5 895)	-36%	65 138
Irrecoverable debts written off	–			–	–		–
Operational costs	202 146	17 288	73 063	50 536	22 526	45%	202 146
Disposal of Fixed and Intangible Assets	–			–	–		–
Other Losses	–	57	57	–	57		–
Total Expenditure	**8 787 942**	**774 817**	**2 324 919**	**2 196 986**	**127 933**	**6%**	**8 787 942**
Surplus/(Deficit)	**1 524 052**	**(49 794)**	**163 527**	**381 013**	**(217 486)**	**-57%**	**1 524 052**
Transfers and subsidies - capital (monetary allocations)	333 309	26 247	51 791	83 327	(31 537)	-38%	333 309
Transfers and subsidies - capital (in-kind)					–		
Surplus/(Deficit) after capital transfers & contributions	**1 857 362**	**(23 546)**	**215 317**	**464 340**	**(249 023)**	**-54%**	**1 857 362**
Income Tax					–		
Surplus/(Deficit) after income tax	**1 857 362**	**(23 546)**	**215 317**	**464 340**	**(249 023)**	**-54%**	**1 857 362**
Share of Surplus/Deficit attributable to Joint Venture					–		
Share of Surplus/Deficit attributable to Minorities					–		
Surplus/(Deficit) attributable to municipality	**1 857 362**	**(23 546)**	**215 317**	**464 340**	**(249 023)**	**-54%**	**1 857 362**
Share of Surplus/Deficit attributable to Associate					–		
Intercompany/Parent subsidiary transactions					–		
Surplus/ (Deficit) for the year	**1 857 362**	**(23 546)**	**215 317**	**464 340**	**(249 023)**	**-54%**	**1 857 362**

Capital Expenditure

Table C5 below reports on the capital expenditure by department (municipal vote) for single year as well as multiyear capital appropriations. The bottom part of the schedule looks at the functional classification of the capital projects.

KZN225 Msunduzi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q1 First Quarter

Vote Description	Ref	Budget Year 2026/27						
R thousands	1	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2							
Vote 1 - City Manager		–	–	–	–	–		–
Vote 2 - City Finance		27 000	–	–	6 750	(6 750)	-100%	27 000
Vote 3 - Corporate Services		16 732	–	–	4 183	(4 183)	-100%	16 732
Vote 4 - Community Services and Social Equity		9 000	489	1 316	2 250	(934)	-42%	9 000
Vote 5 - Infrastructure Services		258 374	31 546	85 390	64 593	20 797	32%	258 374
Vote 6 - Sustainable Development and City Enterprises		62 747	–	13 925	15 687	(1 762)	-11%	62 747
Vote 7 - Electricity		52 110	11 552	18 276	13 028	5 248	40%	52 110
Total Capital Multi-year expenditure	4,7	**425 963**	**43 587**	**118 906**	**106 491**	**12 416**	**12%**	**425 963**
Single Year expenditure appropriation	2							
Vote 1 - City Manager		–	–	–	–	–		–
Vote 2 - City Finance		4 000	61	61	1 000	(939)	-94%	4 000
Vote 3 - Corporate Services		–	–	193	–	193		–
Vote 4 - Community Services and Social Equity		–	–	–	–	–		–
Vote 5 - Infrastructure Services		13 000	248	283	3 250	(2 967)	-91%	13 000
Vote 6 - Sustainable Development and City Enterprises		96	24	24	24	0	1%	96
Vote 7 - Electricity		–	–	616	–	616		–
Total Capital single-year expenditure	4	17 096	334	1 178	4 274	**(3 096)**	**-72%**	17 096
Total Capital Expenditure		**443 059**	**43 921**	**120 084**	**110 765**	**9 320**	**8%**	**443 059**
Capital Expenditure - Functional Classification								
Governance and administration		**50 586**	**61**	**255**	**12 646**	(12 392)	-98%	**50 586**
Executive and council			–	–	–	–		–
Finance and administration		50 586	61	255	12 646	(12 392)	-98%	50 586
Internal audit			–	–	–	–		–
Community and public safety		**50 985**	**489**	**15 240**	**12 746**	2 494	20%	**50 985**
Community and social services		13 328	489	1 316	3 332	(2 016)	-61%	13 328
Sport and recreation			–	–	–	–		–
Public safety			–	–	–	–		–
Housing		37 657	–	13 925	9 414	4 510	48%	37 657
Health			–	–	–	–		–
Economic and environmental services		**112 957**	**16 621**	**55 862**	**28 239**	27 622	98%	**112 957**
Planning and development		25 090	16	16	6 273	(6 256)	-100%	25 090
Road transport		87 867	16 605	55 846	21 967	33 879	154%	87 867
Environmental protection			–	–	–	–		–
Trading services		**228 531**	**26 741**	**48 720**	**57 133**	(8 413)	-15%	**228 531**
Energy sources		52 110	11 552	18 892	13 028	5 864	45%	52 110
Water management		96 805	6 526	15 331	24 201	(8 871)	-37%	96 805
Waste water management		76 116	8 663	14 497	19 029	(4 532)	-24%	76 116
Waste management		3 500	–	–	875	(875)	-100%	3 500
Other			8	8	–	8		–
Total Capital Expenditure - Functional Classification	3	**443 059**	**43 921**	**120 084**	**110 765**	**9 320**	**8%**	**443 059**
Funded by:								
National Government		333 013	22 994	45 691	83 253	(37 563)	-45%	333 013
Provincial Government		296	–	13 925	74	13 851	18723%	296
District Municipality						–		
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)						–		
Transfers recognised - capital		**333 309**	**22 994**	**59 615**	**83 327**	**(23 712)**	**-28%**	**333 309**
Borrowing	6	33 250	7 339	11 009	8 313	2 696	32%	33 250
Internally generated funds		76 500	13 588	49 460	19 125	30 335	159%	76 500
Total Capital Funding		**443 059**	**43 921**	**120 084**	**110 765**	**9 320**	**8%**	**443 059**

A detailed analysis of the capital expenditure programme is provided in section 2.7 "Capital Expenditure Programme".

Table C6 displays the financial position of the municipality as at 30 September 2026.

KZN225 Msunduzi - Table C6 Monthly Budget Statement - Financial Position - Q1 First

Description	Ref	Budget Year 2026/27		
		Original Budget	YearTD actual	Full Year Forecast
R thousands	1			
ASSETS				
Current assets				
Cash and cash equivalents		2 655 724	24 123	2 655 724
Short term Investments		–		–
Trade and other receivables from exchange transactions		1 986 734	2 096 576	1 986 734
Receivables from non-exchange transactions		484 474		484 474
Current portion of non-current receivables		–		–
Inventory		656 619	555 248	656 619
VAT Receivable		–		–
Other current assets		–	541 157	–
Total current assets		**5 783 550**	**3 217 104**	**5 783 550**
Non current assets				
Investments		–		–
Investment property		922 392	946 267	922 392
Property, plant and equipment		8 033 161	8 338 905	8 033 161
Biological assets		83 681	503	83 681
Living resources		446		446
Heritage assets		323 218		323 218
Intangible assets		59 578	14 449	59 578
Trade and other receivables from exchange transactions		–		–
Non-current receivables from non-exchange transactions		–		–
Other non-current assets		–	147	–
Total non current assets		**9 422 476**	**9 300 271**	**9 422 476**
TOTAL ASSETS		**15 206 026**	**12 517 375**	**15 206 026**
LIABILITIES				
Current liabilities				
Bank overdraft		–		–
Financial liabilities		68 032	35 059	68 032
Consumer deposits		178 664	181 108	178 664
Trade and other payables from exchange transactions		2 984 441	3 864 082	2 984 441
Trade and other payables from non-exchange transactions		–		–
Provision		47 332	70 327	47 332
VAT Payable		–		–
Other current liabilities		–		–
Total current liabilities		**3 278 468**	**4 150 576**	**3 278 468**
Non current liabilities				
Financial liabilities		315 532		315 532
Provision		44 538		44 538
Long term portion of trade payables		–	280 473	–
Other non-current liabilities		649 005	984 655	649 005
Total non current liabilities		**1 009 074**	**1 265 127**	**1 009 074**
TOTAL LIABILITIES		**4 287 543**	**5 415 704**	**4 287 543**
NET ASSETS	2	**10 918 483**	**7 101 672**	**10 918 483**
COMMUNITY WEALTH/EQUITY				
Accumulated surplus/(deficit)		10 918 483	6 749 280	10 918 483
Reserves and funds		–	352 391	–
Other		–		–
TOTAL COMMUNITY WEALTH/EQUITY	2	**10 918 483**	**7 101 672**	**10 918 483**

Consolidated Budget Tables (With Municipal Entity: Safe City)

KZN225 Msunduzi - Table C1 Consolidated Monthly Budget Statement Summary - Q1 First Quarter

Description	2025/26	Budget Year 2026/27							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	-	1 756 098	-	141 461	432 940	439 025	(6 085)	-1%	1 756 098
Service charges	-	6 881 967	-	495 093	1 478 318	1 720 492	(242 174)	-14%	6 881 967
Investment revenue	-	40 696	-	3 696	11 340	10 174	1 166	11%	40 696
Transfers and subsidies - Operational	-	977 181	-	15 764	416 617	244 295	172 322	71%	977 181
Other own revenue	-	656 054	-	69 010	149 231	164 013	(14 782)	-9%	656 054
Total Revenue (excluding capital transfers and contributions)	-	10 311 995	-	725 023	2 488 445	2 577 999	(89 553)	-3%	10 311 995
Employee costs	-	1 927 197	-	143 261	415 669	481 799	(66 130)	-14%	1 927 197
Remuneration of Councillors	-	74 324	-	5 009	15 029	18 581	(3 552)	-19%	74 324
Depreciation, amortisation and impairment	-	337 072	-	28 659	87 862	84 268	3 594	4%	337 072
Interest, Dividends and Rent on Land	-	58 871	-	3 138	30 708	14 718	15 991	109%	58 871
Inventory consumed and bulk purchases	-	4 850 608	-	439 636	1 475 928	1 212 652	263 276	22%	4 850 608
Transfers and subsidies	-	45 611	-	2 178	6 441	11 403	(4 961)	-44%	45 611
Other expenditure	-	1 494 258	-	102 936	293 280	373 565	(80 285)	-21%	1 494 258
Total Expenditure	-	8 787 942	-	774 817	2 324 919	2 196 986	127 933	6%	8 787 942
Surplus/(Deficit)	-	1 524 052	-	(49 794)	163 527	381 013	(217 486)	-57%	1 524 052
Transfers and subsidies - capital (monetary	-	333 309	-	26 247	51 791	83 327	(31 537)	-38%	333 309
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	-	1 857 362	-	(23 546)	215 317	464 340	(249 023)	-54%	1 857 362
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	-	1 857 362	-	(23 546)	215 317	464 340	(249 023)	-54%	1 857 362
Capital expenditure & funds sources									
Capital expenditure	-	443 059	-	43 921	120 084	110 765	9 320	8%	443 059
Capital transfers recognised	-	333 309	-	22 994	59 615	83 327	(23 712)	-28%	333 309
Borrowing	-	33 250	-	7 339	11 009	8 313	2 696	32%	33 250
Internally generated funds	-	76 500	-	13 588	49 460	19 125	30 335	159%	76 500
Total sources of capital funds	-	443 059	-	43 921	120 084	110 765	9 320	8%	443 059
Financial position									
Total current assets	-	5 789 503	-		3 222 943				5 789 503
Total non current assets	-	9 429 861	-		9 306 146				9 429 861
Total current liabilities	-	3 280 161	-		4 151 721				3 280 161
Total non current liabilities	-	1 009 642	-		1 265 695				1 009 642
Community wealth/Equity	-	10 929 561	-		7 111 672				10 929 561
Cash flows									
Net cash from (used) operating	-	935 067	-	-	-	233 767	233 767	100%	935 067
Net cash from (used) investing	-	(486 559)	-	-	-	(121 640)	(121 640)	100%	(446 559)
Net cash from (used) financing	-	(59 300)	-	-	-	(16 250)	(16 250)	100%	(65 000)
Cash/cash equivalents at the month/year end	-	1 536 830	-	-	-	1 243 499	1 243 499	100%	1 571 130

Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	1 012 389	177 785	167 828	157 244	149 578	141 457	888 596	7 839 987	10 534 865
Creditors Age Analysis									
Total Creditors	1 923 040	533 571	(57 695)	(368 465)	1 856 955	-	-	-	3 887 406

KZN225 Msunduzi - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - Q1 First Quarter

Description	Ref	Budget Year 2026/27						
R thousands	1	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional								
Governance and administration		**3 023 187**	**169 308**	**711 994**	**755 797**	**(43 802)**	**-6%**	**3 023 187**
Executive and council		2 096	279	699	524	175	33%	2 096
Finance and administration		3 021 091	169 030	711 296	755 273	(43 977)	-6%	3 021 091
Internal audit		–	(1)	(1)	–	(1)		–
Community and public safety		**53 622**	**5 232**	**13 377**	**13 405**	**(29)**	**0%**	**53 622**
Community and social services		21 623	2 173	5 002	5 406	(404)	-7%	21 623
Sport and recreation		1 263	5	150	316	(166)	-52%	1 263
Public safety		17 481	1 187	3 152	4 370	(1 218)	-28%	17 481
Housing		13 255	1 867	5 072	3 314	1 758	53%	13 255
Health		–	–	–	–	–		–
Economic and environmental services		**77 768**	**8 459**	**16 740**	**19 442**	**(2 702)**	**-14%**	**77 768**
Planning and development		36 899	2 168	5 474	9 225	(3 751)	-41%	36 899
Road transport		20 000	6 258	11 173	5 000	6 173	123%	20 000
Environmental protection		20 869	34	93	5 217	(5 124)	-98%	20 869
Trading services		**7 432 615**	**565 735**	**1 787 821**	**1 858 154**	**(70 333)**	**-4%**	**7 432 615**
Energy sources		5 182 560	360 823	1 114 554	1 295 640	(181 086)	-14%	5 182 560
Water management		1 532 344	139 071	477 108	383 086	94 022	25%	1 532 344
Waste water management		528 699	49 767	137 885	132 175	5 711	4%	528 699
Waste management		189 012	16 074	58 272	47 253	11 019	23%	189 012
Other	4	**58 112**	**2 536**	**10 304**	**14 528**	**(4 224)**	**-29%**	**58 112**
Total Revenue - Functional	2	**10 645 304**	**751 271**	**2 540 236**	**2 661 326**	**(121 090)**	**-5%**	**10 645 304**
Expenditure - Functional								
Governance and administration		**1 639 953**	**105 804**	**327 043**	**409 988**	**(82 945)**	**-20%**	**1 639 953**
Executive and council		253 286	11 153	33 606	63 321	(29 716)	-47%	253 286
Finance and administration		1 357 836	92 763	287 191	339 459	(52 268)	-15%	1 357 836
Internal audit		28 831	1 887	6 246	7 208	(962)	-13%	28 831
Community and public safety		**531 500**	**47 202**	**137 986**	**132 875**	**5 111**	**4%**	**531 500**
Community and social services		142 342	12 127	36 912	35 586	1 326	4%	142 342
Sport and recreation		118 171	12 081	34 651	29 543	5 108	17%	118 171
Public safety		203 755	15 395	43 347	50 939	(7 592)	-15%	203 755
Housing		57 354	6 730	20 471	14 338	6 132	43%	57 354
Health		9 877	868	2 606	2 469	137	6%	9 877
Economic and environmental services		**427 474**	**40 103**	**103 358**	**106 868**	**(3 511)**	**-3%**	**427 474**
Planning and development		165 999	9 502	26 484	41 500	(15 016)	-36%	165 999
Road transport		227 766	28 083	70 005	56 941	13 063	23%	227 766
Environmental protection		33 708	2 518	6 869	8 427	(1 558)	-18%	33 708
Trading services		**6 133 001**	**572 405**	**1 733 209**	**1 533 250**	**199 959**	**13%**	**6 133 001**
Energy sources		4 303 668	379 243	1 270 138	1 075 917	194 220	18%	4 303 668
Water management		1 275 878	132 986	300 706	318 969	(18 264)	-6%	1 275 878
Waste water management		427 770	47 613	129 583	106 943	22 641	21%	427 770
Waste management		125 684	12 564	32 783	31 421	1 361	4%	125 684
Other		**56 015**	**9 303**	**23 323**	**14 004**	**9 319**	**67%**	**56 015**
Total Expenditure - Functional	3	**8 787 942**	**774 817**	**2 324 919**	**2 196 986**	**127 933**	**6%**	**8 787 942**
Surplus/ (Deficit) for the year		**1 857 362**	**(23 546)**	**215 317**	**464 340**	**(249 023)**	**-54%**	**1 857 362**

KZN225 Msunduzi - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal

Vote Description	Ref	Budget Year 2026/27						
R thousands		Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1							
Vote 1 - City Manager		–	(1)	(1)	–	(1)		–
Vote 2 - City Finance		3 004 057	168 652	707 715	751 014	(43 299)	-6%	3 004 057
Vote 3 - Corporate Services		5 088	192	1 362	1 272	90	7%	5 088
Vote 4 - Community Services and Social Equity		565 078	19 712	67 257	141 269	(74 012)	-52%	565 078
Vote 5 - Infrastructure Services		1 792 747	195 236	628 251	448 187	180 065	40%	1 792 747
Vote 6 - Sustainable Development and City Enterprises		104 635	6 656	21 096	26 159	(5 062)	-19%	104 635
Vote 7 - Electricity		5 173 700	360 823	1 114 554	1 293 425	(178 871)	-14%	5 173 700
Total Revenue by Vote	2	**10 645 304**	**751 271**	**2 540 236**	**2 661 326**	**(121 090)**	**-5%**	**10 645 304**
Expenditure by Vote	1							
Vote 1 - City Manager		198 457	13 495	41 236	49 614	(8 378)	-17%	198 457
Vote 2 - City Finance		922 990	50 990	153 878	230 747	(76 870)	-33%	922 990
Vote 3 - Corporate Services		849 368	11 868	57 162	212 342	(155 180)	-73%	849 368
Vote 4 - Community Services and Social Equity		188 905	80 921	219 520	47 226	172 294	365%	188 905
Vote 5 - Infrastructure Services		2 009 144	211 551	509 355	502 286	7 069	1%	2 009 144
Vote 6 - Sustainable Development and City Enterprises		315 418	26 750	73 632	78 854	(5 223)	-7%	315 418
Vote 7 - Electricity		4 303 661	379 242	1 270 136	1 075 915	194 220	18%	4 303 661
Total Expenditure by Vote	2	**8 787 942**	**774 817**	**2 324 919**	**2 196 986**	**127 933**	**6%**	**8 787 942**
Surplus/ (Deficit) for the year	2	**1 857 362**	**(23 546)**	**215 317**	**464 340**	**(249 023)**	**-54%**	**1 857 362**

KZN225 Msunduzi - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Q

Description	Budget Year 2026/27						
R thousands	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue							
Exchange Revenue							
Service charges - Electricity	5 138 349	353 353	1 092 478	1 284 587	(192 109)	-15%	5 138 349
Service charges - Water	1 312 183	102 347	268 645	328 046	(59 401)	-18%	1 312 183
Service charges - Waste Water Management	259 014	24 607	73 155	64 754	8 401	13%	259 014
Service charges - Waste management	172 420	14 786	44 040	43 105	935	2%	172 420
Sale of Goods and Rendering of Services	24 269	171	386	6 067	(5 682)	-94%	24 269
Agency services	5 711	532	1 393	1 428	(35)	-2%	5 711
Interest	–			–	–		–
Interest earned from Receivables	383 529	38 666	81 040	95 882	(14 842)	-15%	383 529
Interest from Current and Non Current Assets	40 696	3 696	11 340	10 174	1 166	11%	40 696
Dividends	–			–	–		–
Rent on Land				–	–		–
Rental from Fixed Assets	46 270	2 779	8 402	11 567	(3 165)	-27%	46 270
Licence and permits	3 211	374	1 124	803	321	40%	3 211
Special rating levies				–	–		–
Construction Contract Revenue				–			–
Development Charges				–			–
Operational Revenue	112 961	6 155	18 679	28 240	(9 561)	-34%	112 961
Non-Exchange Revenue				–	–		–
Property rates	1 756 098	141 461	432 940	439 025	(6 085)	-1%	1 756 098
Surcharges and Taxes	–			–	–		–
Fines, penalties and forfeits	12 665	3 687	8 069	3 166	4 903	155%	12 665
Licence and permits	–			–	–		–
Transfers and subsidies - Operational	977 181	15 764	416 617	244 295	172 322	71%	977 181
Interest	67 436	12 100	25 693	16 859	8 834	52%	67 436
Fuel Levy				–	–		–
Operational Revenue				–	–		–
Gains on disposal of Fixed and Intangible Assets				–	–		–
Other Gains		4 546	4 445	–	4 445		–
Discontinued Operations				–	–		–
Total Revenue (excluding capital transfers and contributions)	**10 311 995**	**725 023**	**2 488 445**	**2 577 999**	**(89 553)**	**-3%**	**10 311 995**
Expenditure By Type							
Employee related costs	1 927 197	143 261	415 669	481 799	(66 130)	-14%	1 927 197
Remuneration of councillors	74 324	5 009	15 029	18 581	(3 552)	-19%	74 324
Bulk purchases - electricity	3 623 107	347 215	1 164 954	905 777	259 177	29%	3 623 107
Inventory consumed	1 227 501	142 421	310 974	306 875	4 099	1%	1 227 501
Debt impairment	435 540	9 402	44 676	108 885	(64 209)	-59%	435 540
Depreciation, amortisation and impairment	337 072	28 659	87 862	84 268	3 594	4%	337 072
Interest, Dividends and Rent on Land	58 871	3 138	30 708	14 718	15 991	109%	58 871
Contracted services	854 669	76 057	174 969	213 667	(38 698)	-18%	854 669
Transfers and subsidies	45 611	2 178	6 441	11 403	(4 961)	-44%	45 611
Irrecoverable debts written off	–			–	–		–
Operational costs	203 602	17 420	73 577	50 901	22 676	45%	203 602
Disposal of Fixed and Intangible Assets	85			21	(21)	-100%	85
Other Losses	362	57	57	91	(33)	-37%	362
Total Expenditure	**8 787 942**	**774 817**	**2 324 919**	**2 196 986**	**127 933**	**6%**	**8 787 942**
Surplus/(Deficit)	**1 524 052**	**(49 794)**	**163 527**	**381 013**	**(217 486)**	**-57%**	**1 524 052**
Transfers and subsidies - capital (monetary allocations)	333 309	26 247	51 791	83 327	(31 537)	-38%	333 309
Transfers and subsidies - capital (in-kind)					–		
Surplus/(Deficit) after capital transfers & contributions	**1 857 362**	**(23 546)**	**215 317**	**464 340**	**(249 023)**	**-54%**	**1 857 362**
Income Tax					–		
Surplus/(Deficit) after income tax	**1 857 362**	**(23 546)**	**215 317**	**464 340**	**(249 023)**	**-54%**	**1 857 362**
Share of Surplus/Deficit attributable to Joint Venture					–		
Share of Surplus/Deficit attributable to Minorities					–		
Surplus/(Deficit) attributable to municipality	**1 857 362**	**(23 546)**	**215 317**	**464 340**	**(249 023)**	**-54%**	**1 857 362**
Share of Surplus/Deficit attributable to Associate					–		
Intercompany/Parent subsidiary transactions					–		
Surplus/ (Deficit) for the year	**1 857 362**	**(23 546)**	**215 317**	**464 340**	**(249 023)**	**-54%**	**1 857 362**

KZN225 Msunduzi - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - Q1 First Quarter

Vote Description	Ref	Budget Year 2026/27						
R thousands	1	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2							
Vote 1 - City Manager		–	–	–	–	–		–
Vote 2 - City Finance		27 000	–	–	6 750	(6 750)	-100%	27 000
Vote 3 - Corporate Services		16 732	–	–	4 183	(4 183)	-100%	16 732
Vote 4 - Community Services and Social Equity		9 000	489	1 316	2 250	(934)	-42%	9 000
Vote 5 - Infrastructure Services		258 374	31 546	85 390	64 593	20 797	32%	258 374
Vote 6 - Sustainable Development and City Enterprises		62 747	–	13 925	15 687	(1 762)	-11%	62 747
Vote 7 - Electricity		52 110	11 552	18 276	13 028	5 248	40%	52 110
Total Capital Multi-year expenditure	4,7	**425 963**	**43 587**	**118 906**	**106 491**	**12 416**	**12%**	**425 963**
Single Year expenditure appropriation	2							
Vote 1 - City Manager		–	–	–	–	–		–
Vote 2 - City Finance		4 000	61	61	1 000	(939)	-94%	4 000
Vote 3 - Corporate Services		–	–	193	–	193		–
Vote 4 - Community Services and Social Equity		–	–	–	–	–		–
Vote 5 - Infrastructure Services		13 000	248	283	3 250	(2 967)	-91%	13 000
Vote 6 - Sustainable Development and City Enterprises		96	24	24	24	0	1%	96
Vote 7 - Electricity		–	–	616	–	616		–
Total Capital single-year expenditure	4	17 096	334	1 178	4 274	**(3 096)**	**-72%**	17 096
Total Capital Expenditure		**443 059**	**43 921**	**120 084**	**110 765**	**9 320**	**8%**	**443 059**
Capital Expenditure - Functional Classification								
Governance and administration		**50 586**	**61**	**255**	**12 646**	(12 392)	-98%	**50 586**
Executive and council			–	–	–	–		–
Finance and administration		50 586	61	255	12 646	(12 392)	-98%	50 586
Internal audit			–	–	–	–		–
Community and public safety		**50 985**	**489**	**15 240**	**12 746**	2 494	20%	**50 985**
Community and social services		13 328	489	1 316	3 332	(2 016)	-61%	13 328
Sport and recreation			–	–	–	–		–
Public safety			–	–	–	–		–
Housing		37 657	–	13 925	9 414	4 510	48%	37 657
Health			–	–	–	–		–
Economic and environmental services		**112 957**	**16 621**	**55 862**	**28 239**	27 622	98%	**112 957**
Planning and development		25 090	16	16	6 273	(6 256)	-100%	25 090
Road transport		87 867	16 605	55 846	21 967	33 879	154%	87 867
Environmental protection			–	–	–	–		–
Trading services		**228 531**	**26 741**	**48 720**	**57 133**	(8 413)	-15%	**228 531**
Energy sources		52 110	11 552	18 892	13 028	5 864	45%	52 110
Water management		96 805	6 526	15 331	24 201	(8 871)	-37%	96 805
Waste water management		76 116	8 663	14 497	19 029	(4 532)	-24%	76 116
Waste management		3 500	–	–	875	(875)	-100%	3 500
Other			8	8	–	8		–
Total Capital Expenditure - Functional Classification	3	**443 059**	**43 921**	**120 084**	**110 765**	**9 320**	**8%**	**443 059**
Funded by:								
National Government		333 013	22 994	45 691	83 253	(37 563)	-45%	333 013
Provincial Government		296	–	13 925	74	13 851	18723%	296
District Municipality						–		
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)						–		
Transfers recognised - capital		**333 309**	**22 994**	**59 615**	**83 327**	**(23 712)**	**-28%**	**333 309**
Borrowing	6	33 250	7 339	11 009	8 313	2 696	32%	33 250
Internally generated funds		76 500	13 588	49 460	19 125	30 335	159%	76 500
Total Capital Funding		**443 059**	**43 921**	**120 084**	**110 765**	**9 320**	**8%**	**443 059**

KZN225 Msunduzi - Table C6 Consolidated Monthly Budget Statement - Financial Position -

Description	Ref	Budget Year 2026/27		
R thousands	1	Original Budget	YearTD actual	Full Year Forecast
ASSETS				
Current assets				
Cash and cash equivalents		2 657 085	29 934	2 657 085
Short term Investments		–		–
Trade and other receivables from exchange transactions		1 986 734	2 096 604	1 986 734
Receivables from non-exchange transactions		489 062		489 062
Current portion of non-current receivables		–		–
Inventory		656 619	555 248	656 619
VAT Receivable		–		–
Other current assets		3	541 157	3
Total current assets		**5 789 503**	**3 222 943**	**5 789 503**
Non current assets				
Investments		–		–
Investment property		922 392	946 267	922 392
Property, plant and equipment		8 040 546	8 344 780	8 040 546
Biological assets		83 681	503	83 681
Living resources		446		446
Heritage assets		323 218		323 218
Intangible assets		59 578	14 449	59 578
Trade and other receivables from exchange transactions		–		–
Non-current receivables from non-exchange transactions		–		–
Other non-current assets		–	147	–
Total non current assets		**9 429 861**	**9 306 146**	**9 429 861**
TOTAL ASSETS		**15 219 364**	**12 529 089**	**15 219 364**
LIABILITIES				
Current liabilities				
Bank overdraft		–		–
Financial liabilities		68 032	35 059	68 032
Consumer deposits		178 664	181 108	178 664
Trade and other payables from exchange transactions		2 986 134	3 865 227	2 986 134
Trade and other payables from non-exchange transactions		–		–
Provision		47 332	70 327	47 332
VAT Payable		–		–
Other current liabilities		–		–
Total current liabilities		**3 280 161**	**4 151 721**	**3 280 161**
Non current liabilities				
Financial liabilities		316 100	568	316 100
Provision		44 538		44 538
Long term portion of trade payables		–	280 473	–
Other non-current liabilities		649 005	984 655	649 005
Total non current liabilities		**1 009 642**	**1 265 695**	**1 009 642**
TOTAL LIABILITIES		**4 289 804**	**5 417 416**	**4 289 804**
NET ASSETS	2	**10 929 561**	**7 111 672**	**10 929 561**
COMMUNITY WEALTH/EQUITY				
Accumulated surplus/(deficit)		10 929 561	6 759 281	10 929 561
Reserves and funds		–	352 391	–
Other		–		–
TOTAL COMMUNITY WEALTH/EQUITY	2	**10 929 561**	**7 111 672**	**10 929 561**

PART 2 – SUPPORTING DOCUMENTATION

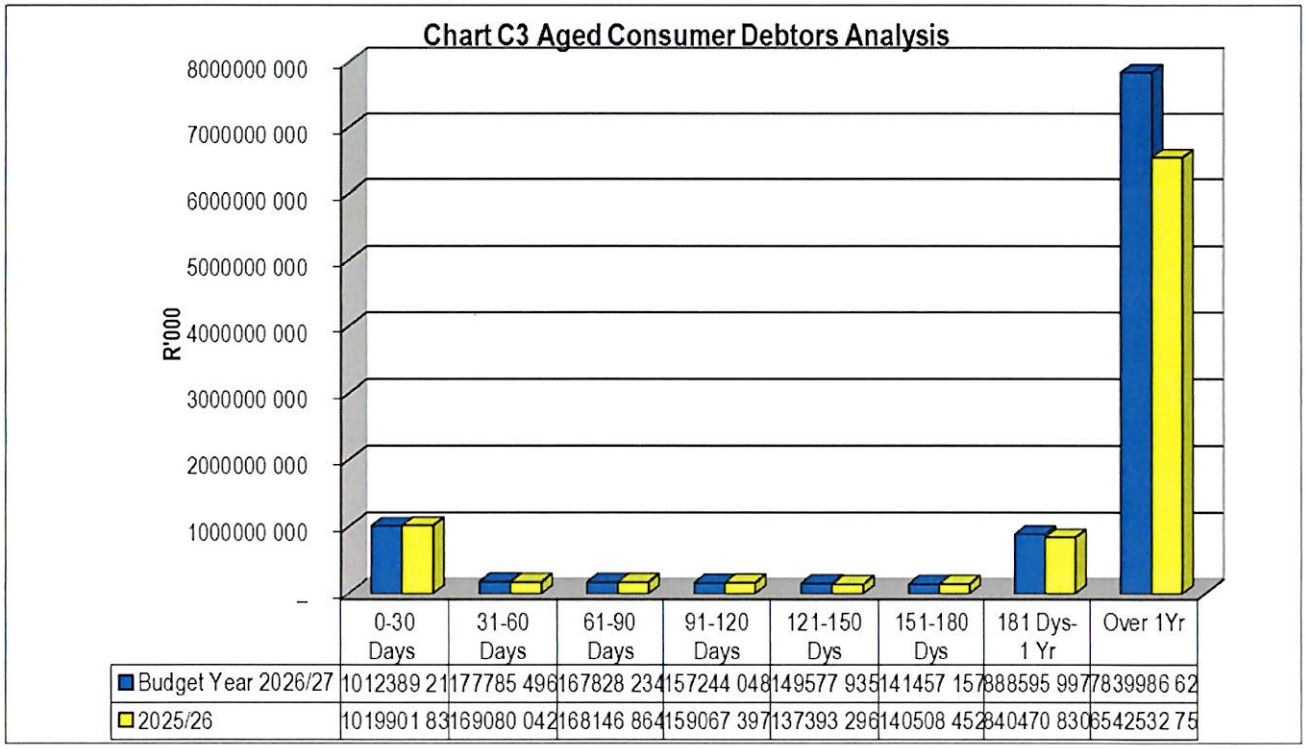
2.1 Debtors Analysis

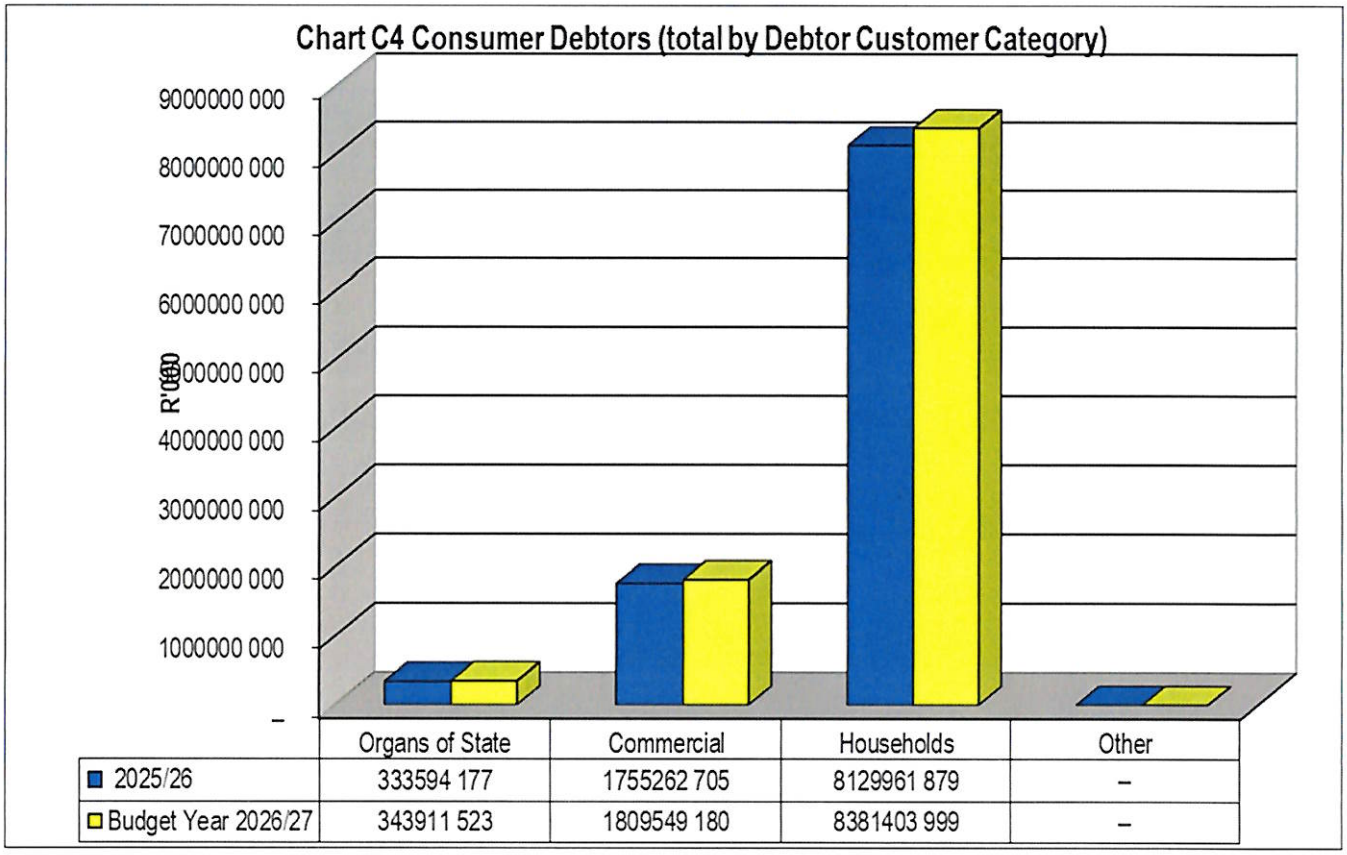
The table presented below summarises the Debtors Age Analysis as at 30 September 2026.

KZN225 Msunduzi - Supporting Table SC2 Monthly Budget Statement - aged debtors - Q1 First Quarter

Description	NT Code	Budget Year 2026/27										
R thousands		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	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1200	185 651	54 032	54 564	49 457	48 886	45 882	289 441	3 253 890	3 981 803	3 687 556	2 714 482
Trade and Other Receivables from Exchange Transactions - Electricity	1300	478 012	13 585	12 593	14 027	10 776	9 208	91 417	495 303	1 124 922	620 731	341 974
Receivables from Non-exchange Transactions - Property Rates	1400	178 641	43 716	32 457	27 514	25 285	25 348	150 253	1 215 577	1 698 791	1 443 977	961 217
Receivables from Exchange Transactions - Waste Water Management	1500	38 856	9 585	8 132	7 902	7 602	7 463	44 363	463 393	587 296	530 723	385 014
Receivables from Exchange Transactions - Waste Management	1600	19 727	5 060	4 818	4 671	4 324	4 280	25 147	252 565	320 591	290 987	205 027
Receivables from Exchange Transactions - Property Rental Debtors	1700	4 001	1 120	1 476	1 148	1 039	1 098	6 235	63 895	80 012	73 414	55 968
Interest on Arrear Debtor Accounts	1810	106 359	50 549	53 574	52 284	51 497	47 979	280 734	1 934 523	2 577 500	2 367 017	1 422 540
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–	
Other	1900	1 142	139	214	241	169	200	1 005	160 841	163 951	162 456	159 084
Total By Income Source	**2000**	**1 012 389**	**177 785**	**167 828**	**157 244**	**149 578**	**141 457**	**888 596**	**7 839 987**	**10 534 865**	**9 176 862**	**6 245 304**
2025/26 - totals only		1 019 902	169 080	168 147	159 067	137 393	140 508	840 471	6 542 533	9 177 101	**7 819 973**	5 137 651
Debtors Age Analysis By Customer Group												
Organs of State	2200	113 079	22 622	6 202	7 273	5 631	6 239	31 366	151 500	343 912	202 008	101 631
Commercial	2300	459 483	22 112	30 416	28 905	24 821	21 590	156 906	1 065 316	1 809 549	1 297 539	796 417
Households	2400	439 828	133 052	131 210	121 067	119 125	113 628	700 324	6 623 171	8 381 404	7 677 314	5 347 256
Other	2500									–	–	
Total By Customer Group	**2600**	**1 012 389**	**177 785**	**167 828**	**157 244**	**149 578**	**141 457**	**888 596**	**7 839 987**	**10 534 865**	**9 176 862**	**6 245 304**

Chart 1: Debtors Age Analysis by Customer Group





	Organs of State	Commercial	Households	Other
2025/26	333594 177	1755262 705	8129961 879	–
Budget Year 2026/27	343911 523	1809549 180	8381403 999	–

The information presented in the chart above reflects an increase in the outstanding debtor's balances when compared to the prior month balance bringing the total outstanding debtors balance to R 10.535 billion.

Total debt owed to the municipality ranked from highest to lowest for current budget year reflects that households owe 80% of the total municipal debt as detailed below:

- ✓ Households 80%
- ✓ Commercial 17%
- ✓ Organs of State 3%

2.2 Creditors Analysis

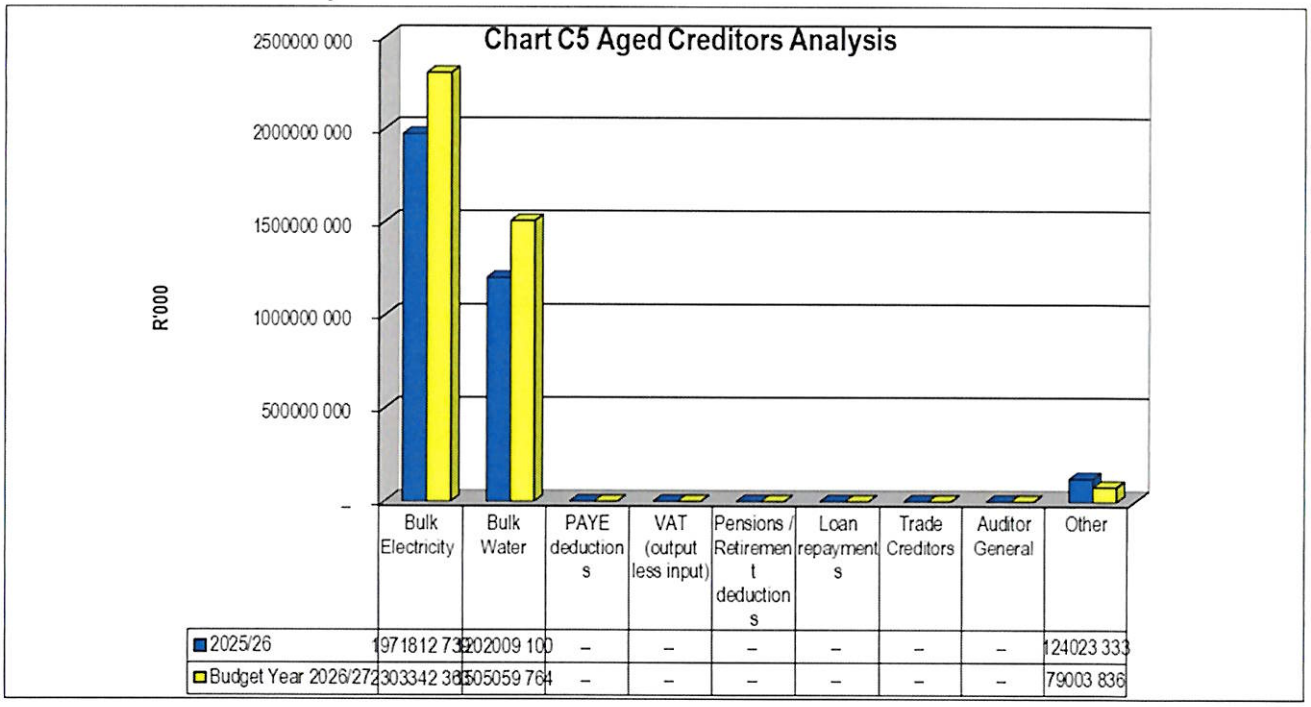
Table SC 4 below presents the aged creditors as at 30 September 2026.

KZN225 Msunduzi - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q1 First Quarter

Description R thousands	NT Code	Budget Year 2026/27						Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	Total	
Creditors Age Analysis By Customer Type								
Bulk Electricity	0100	792 874	470 615	(20 797)	490 104	570 546	**2 303 342**	1 971 813
Bulk Water	0200	1 099 263	52 482	(29 192)	(895 170)	1 277 678	**1 505 060**	1 202 009
PAYE deductions	0300						–	
VAT (output less input)	0400						–	
Pensions / Retirement deductions	0500						–	
Loan repayments	0600						–	
Trade Creditors	0700						–	
Auditor General	0800						–	
Other	0900	30 903	10 473	(7 705)	36 601	8 731	**79 004**	124 023
Medical Aid deductions	0950						–	
Total By Customer Type	1000	**1 923 040**	**533 571**	**(57 695)**	**(368 465)**	**1 856 955**	**3 887 406**	3 297 845

The chart below presents the creditors per their cost driver for the month ending 30 September 2026

Chart 3: Creditors Analysis



2.3 Investment Portfolio Analysis

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

KZN225 Msunduzi - Supporting Table SC16 Monthly Budget Statement - Investment Portfolio - Q1 I

Investments by maturity Name of institution & investment ID	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands					
Municipality					
Municipal Infrastructure Grant	32 414		(21 591)		**10 822**
Unspent Conditional Grant	156 482	25	(19 666)	872	**137 713**
Housing Accreditation	14 765	83	(423)		**14 425**
Municipal Housing Account	77 114	443			**77 557**
Housing Projects Principal-Agent	7 696	20			**7 716**
Compensation Fund (COID)1131010020	32 776	186			**32 962**
Compensation Fund (COID)	24 202				**24 202**
Airport Development Fund	33	0			**33**
Insurance Fund	12 956	73			**13 029**
Vat Recovery on Prov. Grants	1 196	7			**1 203**
Vat Refunds	32 482	186		4 931	**37 600**
Call - General Reserves	120 663				**120 663**
7 Day Notice - General Reserves	58	0			**59**
1 Day Notice - General Reserves	142	1			**143**
Call Account-Loan	58 653	338	(4 220)		**54 771**
Standard	2 528	15			**2 542**
Municipality sub-total	**574 160**	**1 376**	**(45 901)**	**5 804**	**535 439**
Entities					
Entities sub-total	-	-	-	-	-
TOTAL INVESTMENTS AND INTEREST	**574 160**	**1 376**	**(45 901)**	**5 804**	**535 439**

The total consolidated investment balances as at 30 September 2026 amounted to R535.439 million

2.4 Allocation and Grant receipts and Expenditure

Grant Receipts: The total year to date operational and capital grant receipts for the month of September amounted to R500.939 million that is inclusive of equitable share of R385.736 million, Operating transfers of R37.027 million and Capital transfers of R78.176 million.

KZN225 Msunduzi - Supporting Schedule SC18 Monthly Budget Statement - Transfers and Grant Receipts - Q1 First Quarter

Description	Ref	Budget Year 2026/27						
R thousands		Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS	1,2							
Operating								
National Government								
Monetary Allocations								
Local Government Equitable Share		925 767		385 736	231 442	154 294	67%	925 767
Expanded Public Works Programme Integrated Grant		2 096		524	524	–		2 096
Local Government Financial Management Grant		2 200		2 200	550	1 650	300%	2 200
Municipal Infrastructure Grant		10 586		1 915	2 646	(732)	-28%	10 586
Neighborhood Development Grant		15 090		10 934	3 773	7 162	190%	15 090
Municipal Water Infrastructure Grant [Schedule 5B]				17 000	–	17 000		–
Public Transport Network Grant		6 000		3 389	1 500	1 889	126%	6 000
Integrated National Electrification Programme Grant (INEP)				200	–	200		–
Neigborhood					–	–		–
Total Monetary Allocations		961 739	-	421 898	240 435	181 463	75%	961 739
Total Operating/National Government		961 739	-	421 898	240 435	181 463	75%	961 739
Provincial Government						–		
Monetary Allocations						–		
Community Library Service and Provincialsation Library-OPERATING		14 102			3 526	(3 526)	-100%	14 102
Municipal Employment Initiative - OPERATING						–		–
Tatham Art Gallery-OPERATING		590			148	(148)	-100%	590
Greater Edendale Development Iniatative-OPERATING						–		–
Operation Dlulisumlando-OPERATING						–		–
SETA- Bursaries for Non Employees- OPERATING			396	865		865		–
Total Monetary Allocations		15 442	396	865	3 673	(2 808)	-76%	15 442
Total Operating/Provincial Government		15 442	396	865	3 673	(2 808)	-76%	15 442
Total Operating	5	977 181	396	422 763	244 108	178 656	73%	977 181
Capital								
National Government								
Monetary Allocations								
Energy Efficiency and Demand Side Management Grant					–	-		–
Integrated National Electrification Programme (Municipal Grant) [Schedu		8 860		3 660	2 215	1 445	65%	8 860
Municipal Disaster Recovery Grant					–	–		–
Municipal Disaster Relief Grant					–	–		–
Municipal Infrastructure Grant		235 263		48 085	58 816	(10 730)	-18%	235 263
Neighbourhood Development Partnership Grant		24 850		8 000	6 213	1 788	29%	24 850
Public Transport Network Grant		14 000		3 411	3 500	(89)	-3%	14 000
Water Services Infrastructure Grant		80 000		15 000	20 000	(5 000)	-25%	80 000
Other capital transfers/grants [insert desc]					–	-		–
Total Monetary Allocations		362 973	-	78 156	90 743	(12 587)	-14%	362 973
Total Capital/National Government		362 973	-	78 156	90 743	(12 587)	-14%	362 973
Provincial Government								
Monetary Allocations								
Greater Edendale Development Iniatative-CAPITAL			19	19		19		–
Youth Enterprise Park-CAPITAL						–		–
Provincial Government:		200			50	(50)	-100%	200
Arts and Culture-Museum Subsidies - Tatham Art Gallery		96			24	(24)	-100%	96
Total Monetary Allocations		296	19	19	74	(55)	-74%	296
Total Capital/Other Grant Providers		-	-	-	-			-
Total Capital	5	363 269	19	78 176	90 817	(12 642)	-14%	363 269
TOTAL RECEIPTS OF TRANSFERS AND GRANTS		1 340 450	415	500 939	334 925	166 014	50%	1 340 450

Grants Expenditure: The YTD actual grant expenditure as at the end of September 2026 amounted to R468.407 million, and YTD budget was R334.925 million resulting in an over expenditure of R133.482 million

KZN225 Msunduzi - Supporting Schedule SC19 Monthly Budget Statement - Expenditure on Transfers and Grants - Q1 First Quarter

Description	Budget Year 2026/27						
R thousands	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE							
Operating							
National Government							
Monetary Allocations							
Local Government Equitable Share	925 767	–	385 736	231 442	154 294	67%	925 767
Expanded Public Works Programme Integrated Grant	2 096	279	699	524	175	33%	2 096
Local Government Financial Management Grant	2 200	236	476	550	(74)	-13%	2 200
Municipal Infrastructure Grant	10 586	141	2 084	2 646	(562)	-21%	10 586
Neighborhood Development Grant	15 090			3 773	(3 773)	-100%	15 090
Municipal Water Infrastructure Grant [Schedule 5B]		10 550	21 250	–	21 250		–
Public Transport Network Grant	6 000	2 409	2 425	1 500	925	62%	6 000
Neigborhood				–	–		–
Total Monetary Allocations	961 739	13 615	412 671	240 435	172 236	72%	961 739
Total National Government	961 739	13 615	412 671	240 435	172 236	72%	961 739
Provincial Government					–		
Monetary Allocations					–		
Housing Accreditation -OPERATING		423	722		722		–
Housing Projects -OPERATING					–		–
Community Library Service and Provincialsation Library-OPERATING	14 102	847	1 902	3 526	(1 623)	-46%	14 102
Municipal Employment Initiative - OPERATING					–		–
Tatham Art Gallery-OPERATING	590	51	153	148	6	4%	590
Greater Edendale Development Iniatative-OPERATING					–		–
Operation Dlulisumlando-OPERATING					–		–
SETA- Bursaries for Non Employees- OPERATING		150	407		407		–
INEP:AH:GRANT -OPERATING		15	99		99		–
Operating Neighbourhood Development Partnership		662	662		662		–
Provincial Government	750				–		750
Total Monetary Allocations	15 442	2 148	3 946	3 673	273	7%	15 442
Total Provincial Government	15 442	2 148	3 946	3 673	273	7%	15 442
District Municipalities							
Total Operating/Other Grant Providers	-	-	-	-	-		-
Total operating expenditure of Transfers and Grants	977 181	15 764	416 617	244 108	172 509	71%	977 181
Capital							
National Government							
Monetary Allocations							
Energy Efficiency and Demand Side Management Grant				–	–		–
Integrated National Electrification Programme (Municipal Grant) [Schedule	8 860	2 068	4 618	2 215	2 403	109%	8 860
Municipal Disaster Recovery Grant				–	–		–
Municipal Disaster Relief Grant				–	–		–
Municipal Infrastructure Grant	235 263	22 324	40 944	58 816	(17 872)	-30%	235 263
Neighbourhood Development Partnership Grant	24 850			6 213	(6 213)	-100%	24 850
Public Transport Network Grant	14 000			3 500	(3 500)	-100%	14 000
Water Services Infrastructure Grant	80 000	1 474	5 847	20 000	(14 153)	-71%	80 000
Other capital transfers/grants [insert desc]				–	–		–
Total Monetary Allocations	362 973	25 866	51 409	90 743	(39 334)	-43%	362 973
Total National Government	362 973	25 866	51 409	90 743	(39 334)	-43%	362 973
Provincial Government							
Monetary Allocations							
Municipal Disaster Relief Grant-CAPITAL		381	381		381		–
Community Library Service and Provincialsation Library-CAPITAL					–		–
Provincial Government:	200			50	(50)	-100%	200
Arts and Culture-Museum Subsidies - Tatham Art Gallery	96			24	(24)	-100%	96
Total Monetary Allocations	296	381	381	74	307	415%	296
Total Provincial Government	296	381	381	74	307	415%	296
Total capital expenditure of Transfers and Grants	363 269	26 247	51 791	90 817	(39 027)	-43%	363 269
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	1 340 450	42 011	468 407	334 925	133 482	40%	1 340 450

Councillor and Board Member and Employee Benefits

Councillor Allowances

KZN225 Msunduzi - Supporting Table SC22 Monthly Budget Statement - councillor and staff benefits - Q1 First Quarter

Summary of Employee and Councillor remuneration	Ref	Budget Year 2026/27						
		Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	B						D
Councillors (Political Office Bearers plus Other)								
Allowances and Service Related Benefits								
Basic Salary		4 114	3 960	11 888	1 028	10 859	1056%	4 114
Cell phone Allowance		1 060	313	940	265	675	255%	1 060
Housing Allowance		9 207	18	53	2 302	(2 249)	-98%	9 207
In-kind Benefits			20	20	–	20		–
Motor Vehicle Allowance		120			30	(30)	-100%	120
Travelling Allowance		46 433	251	754	11 608	(10 855)	-94%	46 433
Use of Personal Facilities		–			–	–		–
Total Allowances and Service Related Benefits		60 934	4 562	13 655	15 234	(1 579)	10%	60 934
Social Contributions								
Medial Aid Benefits		9 484	186	560	2 371	(1 811)	-76%	9 484
Pension Fund Contributions		3 906	255	763	977	(213)	-22%	3 906
Total Social Contributions		13 390	440	1 324	3 348	(2 024)	-60%	13 390
Total Councillors		74 324	5 003	14 978	18 581	(3 603)	-19%	74 324
% increase	4							
Senior Managers of the Municipality	2							
Salaries and Allowances								
Basic Salary		197 350	988	2 979	49 338	(46 358)	-94%	197 350
Bonuses					–	–		–
Allowance						–		
Accommodation, Travel and Incidental					–	–		–
Cellular and Telephone	3	157	13	38	39	(1)	-2%	157
Housing Benefits	3	245	15	45	61	(16)	-27%	245
Non-pensionable					–	–		–
Travel or Motor Vehicle	3	2 333	110	315	583	(268)	-46%	2 333
Voluntary Work					–			–
Total Allowance		2 735	138	398	684	(285)	42%	2 735
Service Related Benefits								
Acting	3	361			90	(90)	-100%	361
Total Service Related Benefits		361	–	–	90	(90)	-100%	361
Total Salaries and Allowances		200 446	1 126	3 378	50 111	(46 734)	93%	200 446
Social Contributions								
Bargaining Council		1			0	(0)	-100%	1
Group Life Insurance					–	–		–
Medical		276	23	69	69	(0)	0%	276
Pension		1 014	162	485	254	232	91%	1 014
Unemployment Insurance		232			58	(58)	-100%	232
Total Social Contributions		1 524	185	554	381	173	45%	1 524
Post retirement Benefit	6							
Medical					–	–		–
Other Benefits			0	0	–	0		–
Pension					–	–		–
Total Post-retirement Benefit		–	0	0	–	0		–
Costs Capitalised to PPE					–	–		–
Sub Total - Senior Managers of Municipality		201 970	1 311	3 932	50 492	(46 560)	92%	201 970
% increase	4							
Other Municipal Staff								
Salaries and Allowances								
Basic Salary		1 047 544	96 069	282 994	261 886	21 108	8%	1 047 544
Bonuses		93 110			23 277	(23 277)	-100%	93 110
Allowance								
Cellular and Telephone	3	7 909	577	1 718	1 977	(259)	-13%	7 909
Housing Benefits	3	6 332	367	1 118	1 583	(465)	-29%	6 332
Non-pensionable		388			97	(97)	-100%	388
Travel or Motor Vehicle	3	67 374	3 031	7 009	16 843	(9 835)	-58%	67 374
Voluntary Work					–	–		–
Total Allowance		82 002	3 975	9 844	20 501	(10 656)	52%	82 002
Service Related Benefits								
Acting	3	17 033			4 258	(4 258)	-100%	17 033
Bonus	3	–	72	637	–	637		–
Leave Pay	3	17 507			4 377	(4 377)	-100%	17 507
Lifeguard/Duty Squads					–	–		–
Long Service Award		28 526	1 108	10 987	7 132	3 856	54%	28 526
Overtime		93 159	12 523	24 674	23 290	1 384	6%	93 159
Scarcity	3	15 125			3 781	(3 781)	-100%	15 125
Standby Allowance	3	59 644			14 911	(14 911)	-100%	59 644
Tools Allowance	3	81			20	(20)	-100%	81
Uniform/Special/Protective Clothing	3	259			65	(65)	-100%	259
Total Service Related Benefits		231 335	13 703	36 298	57 834	(21 536)	37%	231 335
Total Salaries and Allowances		1 453 991	113 747	329 136	361 498	(34 361)	9%	1 453 991
Social Contributions								
Bargaining Council		781			195	(195)	-100%	781
Group Life Insurance		24 918			6 229	(6 229)	-100%	24 918
Medical		218 397	8 717	26 008	54 599	(28 593)	-52%	218 397
Pension		12 127	16 748	49 895	3 032	46 863	1546%	12 127
Unemployment Insurance					–	–		–
Total Social Contributions		256 224	25 465	75 901	64 056	11 845	18%	256 224
Post retirement Benefit	6							
Medical					–	–		–
Other Benefits			1 655	3 485	–	3 485		–
Pension					–	–		–
Total Post-retirement Benefit		–	1 655	3 485	–	3 485		–
Costs Capitalised to PPE					–	–		–
Sub Total - Other Municipal Staff		1 710 215	140 867	408 523	427 554	(19 031)	-4%	1 710 215
% increase	4							
Total Parent Municipality		1 986 509	147 181	427 433	496 627	(69 194)	-14%	1 986 509
Board Members of Entities								
Salaries and Allowances								
Basic Salary		419	284	433	105	328	313%	419
Allowance								
Total Salaries and Allowances		419	284	433	105	328	313%	419
Social Contributions								
Total Social Contributions		–	–	–	–	–		–
Sub Total - Board Members of Entities		419	284	433	105	328	313%	419
% increase	4							
Senior Managers of Entities								
Salaries and Allowances								
Basic Salary		952			238	(238)	-100%	952
Bonuses					–	–		–
Allowance								
Accommodation, Travel and Incidental					–	–		–
Cellular and Telephone	3	13			3	(3)	-100%	13
Housing Benefits	3				–	–		–
Non-pensionable					–	–		–
Travel or Motor Vehicle	3	37			9	(9)	-100%	37
Voluntary Work					–	–		–
Total Allowance		50	–	–	12	(12)	-100%	50
Service Related Benefits								
Total Service Related Benefits		–	–	–	–	–		–
Total Salaries and Allowances		1 002	–	–	251	(251)		1 002
Medical		41			10	(10)	-100%	41
Total Social Contributions		41	–	–	10	(10)	-100%	41
Sub Total - Senior Managers of Entities		1 043	–	–	261	(261)	-100%	1 043
Other Staff of Entities								
Salaries and Allowances								
Basic Salary		10 789	566	2 213	2 697	(484)	-18%	10 789
Allowance								
Accommodation, Travel and Incidental					–	–		–
Cellular and Telephone	3	131	10	31	33	(2)	-6%	131
Housing Benefits	3				–	–		–
Non-pensionable					–	–		–
Travel or Motor Vehicle	3	119	8	25	30	(5)	-16%	119
Voluntary Work					–	–		–
Total Allowance		250	18	56	62	(7)	-11%	250
Service Related Benefits								
Overtime		514	80	103	128	(26)	-20%	514
Total Service Related Benefits		514	80	103	128	(26)	-20%	514
Total Salaries and Allowances		11 553	664	2 372	2 888	(516)	-18%	11 553
Social Contributions								
Medical		1 276	83	242	319	(77)	-24%	1 276
Pension		721	53	168	180	(12)	-7%	721
Unemployment Insurance					–	–		–
Total Social Contributions		1 997	135	410	499	(90)	-18%	1 997
Sub Total - Other Staff of Entities		13 550	799	2 781	3 387	(606)	-18%	13 550
Total Municipal Entities		15 012	1 083	3 215	3 753	(539)	-14%	15 012
TOTAL SALARY, ALLOWANCES & BENEFITS		2 001 522	148 264	430 648	500 380	(69 733)	-14%	2 001 522
TOTAL MANAGERS AND STAFF	5,7	1 927 197	143 261	415 669	481 799	(66 130)	-14%	1 927 197

The expenditure on councillor allowances year to date actual as at the end of September 2026 amounted to R14.978 million. The year-to-date budget for councillor's allowance amounted to R18.851 million.

Employee Benefits

The total consolidated year to date actual salaries expenditure as at 30 September 2026 amounted to R415.669 million, against the year-to-date budget of R481.799 million.

The detailed staff benefits report is contained in the s66 report

2.5 Parent Municipality Financial Performance

REVENUE AND EXPENDITURE ANALYSIS

The financial performance section analyses material variances between the actual targets as at year to date and the budget for the same period. This report analyses each major component under following headings;

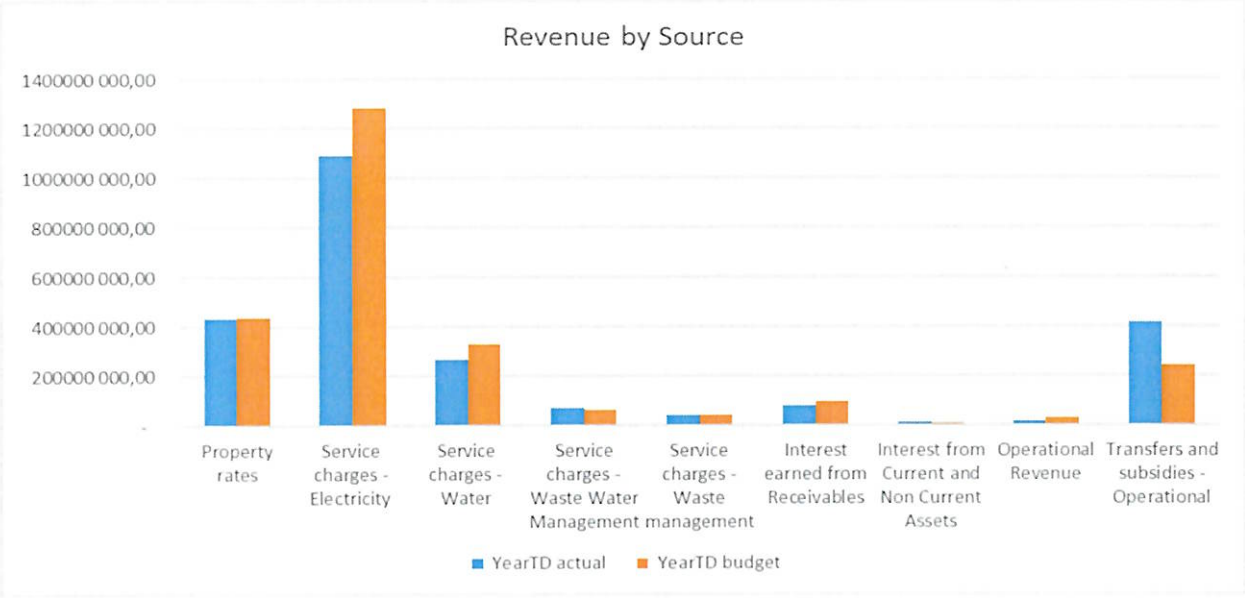
- ✓ Revenue by Source and
- ✓ Operational Expenditure by Type

2.5.1 FINANCIAL PERFORMANCE

REVENUE ANALYSIS

Chart 4: Revenue Analysis

The chart below presents the twelfth month's year to date actual revenue movements against the year-to-date budget's movements by source of revenue.



Service Charges – Electricity Revenue: This is a major revenue source of the Municipality; contributing 44% of the total operating revenue basket as at 30 September 2026. The year-to-date actual revenue earned from electricity service charges amounted to R1.092 billion and the year-to-date budget amounted to 1.285 billion.

Property Rates: This is the second largest revenue source of the Municipality; contributing 17% of the total operating revenue basket as at 30 September 2026. The year-to-date actual revenue earned from property rates slightly under performed by -1% when compared to the Year to Date (YTD) Budget.

Service Charges - Water revenue: The revenue earned from Water charges shared 11% of the YTD actual revenue, there is an under-performance of -18% when comparing YTD actual to YTD Budget.

Service charges - Waste Water Management: The revenue earned from Waste Water Management service charges shared 3% of the YTD actual revenue and reflects an over performance of 13% when comparing the YTD actual revenue to the YTD budget.

Service charges - Waste management: The revenue earned from refuse service charges shared 2% of the YTD actual revenue, reflects a variance of 2% when comparing the YTD actual revenue to the YTD budget.

Transfers recognised – Operational is made up of all operational grants funding mainly from the National & Provincial Government Departments, the largest of these being the equitable share.

Interest earned from Receivables: This revenue source reflects a variance of -15% when comparing the YTD actual revenue to the YTD budget and this is because there is an improvement on the actual customer payments being received due to intensified Operation Qoqimali project. This has resulted in less interest being charged on customer accounts.

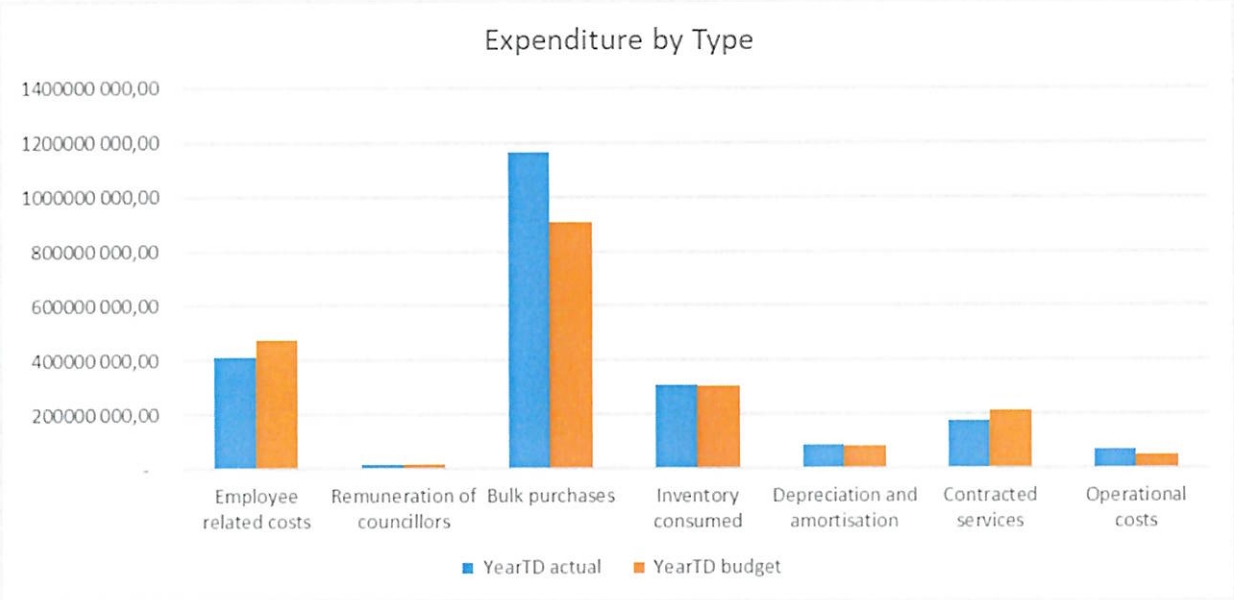
Rental from Fixed Assets: This revenue source has underperformed by -94% and the reason for underperformance is that annual leases are billed once a year and reviewed after three years, with no annual budget-linked escalation. Monthly leases have varying annual escalations, not linked to budget increases the electoral commission lease of R193,949,05 was terminated with no new leases added no lease adjustments have been made in the past two months, which may significantly reduce budgeted rental income.

Operational Revenue: Revenue earned from this source is less than what was projected with a variance of -34% due to low collection on advertising bins account.

OPERATIONAL EXPENDITURE ANALYSIS

The chart below presents the second month's year to date operational expenditure movements against the year-to-date budget movements by type

Chart 5: Expenditure by Type



Employee Related Costs: There is variance of -14% in respect of actual YTD expenditure on employee related costs against the YTD budget. This is due to post that are vacant and yet to be filled. A detailed line item and business unit analysis of the employee related cost is contained in the MFMA S66 report on staff benefits.

Operational costs: The YTD actual amounted to R73.063 million while the year-to-date budget was to R50.536 million resulting in an over expenditure of R22.526 million when comparing year to date actual against year-to-date budget. The over expenditure is due to Interdepartmental charges accounts that were under budgeted. This will be adjusted during mid -year budget.

Interest: The Finance charges have 111% variance when comparing the YTD actual and YTD budget.

Contracted Services: YTD actual for contracted services amounted to R174.901 million, whilst the budgeted year to date was R213.349 million, resulting in a variance of -R38.448 million. This line item comprises of various subline that are funded by Council and Grants. Variances are due to appointment of service providers and contractors that are underway. Fast - track appointment of contractors.

Bulk purchases - electricity: This is a major cost driver of the Municipality contributing 50% of the total actual YTD operating expenditure basket. There was a variance of 29% for this expenditure driver when comparing year to date actual and year to date budget. The increase is due to winter tariff charges by Eskom.

Inventory Consumed: YTD actual figure for inventory consumed for the third month of the year amounted to R310.974 million, which is inclusive of water bulk purchases of R268.549 million.

Debt impairment: This cost driver has underperformed by -59%. The debt impairment for the month of August has not been processed yet, as the 2025/ 26 financial statements were being finalised for submission to AG.

2.6 Municipal Entity Financial Performance

- Table F1 Monthly Budget Statement Summary - M03 September

Description	2025/26	Current Year 2026/27							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	–	–	–	–	–	–	–		–
Service charges	–	–	–	–	–	–	–		–
Investment revenue	–	–	–	–	–	–	–		–
Transfers recognised - operational	–	–	–	–	–	–	–		–
Other own revenue	17 669	18 968	–	36	4 439	4 742	(0)	-6%	–
Total Revenue (excluding capital transfers and contributions)	**17 669**	**18 968**	**–**	**36**	**4 439**	**4 742**	**(303)**	**-6%**	**–**
Employee costs	12 501	15 012	–	1 083	3 215	3 772	(557)	-15%	–
Remuneration of Board Members	–	–	–	–	–	–	–		–
Depreciation, amortisation and impairment	676	725	–	50	150	181	(31)	-17%	–
Interest	–	612	–	–	–	153	(153)	-100%	–
Inventory consumed and bulk purchases	–	–	–	–	–	–	–		–
Transfers and grants	–	–	–	–	–	–	–		–
Other expenditure	1 561	3 177	–	146	583	757	(175)	-23%	–
Total Expenditure	**14 738**	**19 527**	**–**	**1 279**	**3 948**	**4 863**	**(916)**	**-19%**	**–**
Surplus/(Deficit)	**2 931**	**(559)**	**–**	**(1 244)**	**491**	**(121)**	**613**	**-505%**	**–**
Transfers and subsidies - capital (monetary allocations)	–	–	–	–	–	–	–		–
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**2 931**	**(559)**	**–**	**(1 244)**	**491**	**(121)**	**613**	**-505%**	**–**
Income Tax	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**2 931**	**(559)**	**–**	**(1 244)**	**491**	**(121)**	**613**	**-505%**	**–**
Capital expenditure & funds sources									
Capital expenditure	–	–	–	–	–	–	–		–
Transfers recognised - capital	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	–	–	–	–	–	–	–		–
Total sources of capital funds	–	–	–	–	–	–	–		–
Financial position									
Total current assets	10 797	5 953	–		5 839				5 953
Total non current assets	5 737	7 386	–		5 875				7 386
Total current liabilities	2 299	1 693	–		1 145				1 693
Total non current liabilities	–	568	–		568				568
Community wealth/Equity	**14 234**	**11 077**	**–**		**10 001**				**11 077**
Cash flows									
Net cash from (used) operating	3 999	(2 783)	–	(1 194)	642	62	579	926%	–
Net cash from (used) investing	(314)	(580)	–	–	–	(145)	145	-100%	–
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the year end	5 789	2 426	–	(1 194)	642	5 706	(5 065)	-89%	–
Debtors & creditors analysis	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**	**Total**
Debtors Age Analysis									
Total By Income Source	–	–	–	–	–	–	–	0%	–
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	0%	–

2.7 Capital Programme Performance

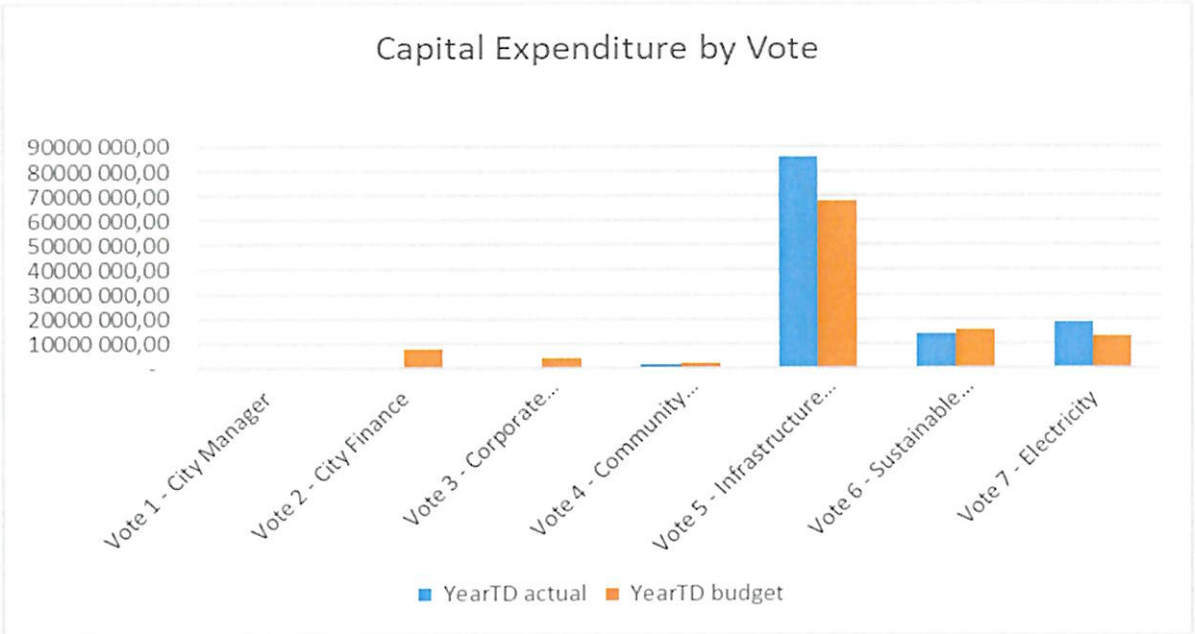
This next section looks at the performance of the capital expenditure programme. This performance is illustrated in the table that follow.

KZN225 Msunduzi - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - Q1 First Quarter

Month	Budget Year 2026/27						
R thousands	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
Monthly expenditure performance trend							
July	54 488	21 702	21 702	54 488	32 786	60.2%	3%
August	54 488	54 461	76 164	108 976	32 812	30.1%	12%
September	54 488	43 921	120 084	163 464	43 380	26.5%	18%
October	54 488			217 952	-		
November	54 488			272 440	-		
December	54 488			326 928	-		
January	54 488			381 416	-		
February	54 488			435 904	-		
March	54 488			490 392	-		
April	54 488			544 880	-		
May	54 488			599 368	-		
June	54 488			653 856	-		
Total Capital expenditure	653 856	120 084					

The Total Year to Date Actual Capital Expenditure as at the end of September 2026 amounted to R120.084 million.

Chart 5: Capital Expenditure by Vote



KZN225 Msunduzi - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - 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	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		-	85 250	-	10 078	15 274	21 313	6 038	28%	85 250
Roads Infrastructure		-	15 500	-	-	-	3 875	3 875	100%	15 500
Roads			15 500				3 875	3 875	100%	15 500
Storm water Infrastructure		-	-	-	-	-	-	-		-
Electrical Infrastructure		-	49 750	-	9 547	13 672	12 438	(1 234)	-10%	49 750
Power Plants								-		
HV Substations			49 750		9 547	13 672	12 438	(1 234)	-10%	49 750
Water Supply Infrastructure		-	20 000	-	530	1 602	5 000	3 398	68%	20 000
Dams and Weirs								-		
Boreholes								-		
Reservoirs			20 000		530	1 602	5 000	3 398	68%	20 000
Community Assets		-	13 232	-	489	1 316	3 308	1 992	60%	13 232
Community Facilities		-	13 232	-	489	1 316	3 308	1 992	60%	13 232
Halls			13 232		489	1 316	3 308	1 992	60%	13 232
Other assets		-	-	-	-	13 925	-	(13 925)		-
Operational Buildings		-	-	-	-	-	-	-		-
Housing		-	-	-	-	13 925	-	(13 925)		-
Staff Housing								-		
Social Housing					-	13 925		(13 925)		
Capital Spares								-		
Computer Equipment		-	-	-	-	-	-	-		-
Computer Equipment								-		
Furniture and Office Equipment		-	45 786	-	334	562	11 446	10 884	95%	45 786
Furniture and Office Equipment			45 786		334	562	11 446	10 884	95%	45 786
Machinery and Equipment		-	47 753	-	-	-	11 938	11 938	100%	47 753
Machinery and Equipment			47 753				11 938	11 938	100%	47 753
Transport Assets		-	-	-	-	616	-	(616)		-
Transport Assets					-	616		(616)		
Land		-	-	-	-	-	-	-		-
Land								-		
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals								-		
Living resources		-	-	-	-	-	-	-		-
Immature		-	-	-	-	-	-	-		-
Total Capital Expenditure on new assets	1	-	192 021	-	10 901	31 692	48 005	16 313	34%	192 021

KZN225 Msunduzi - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - Q1 First Quarter

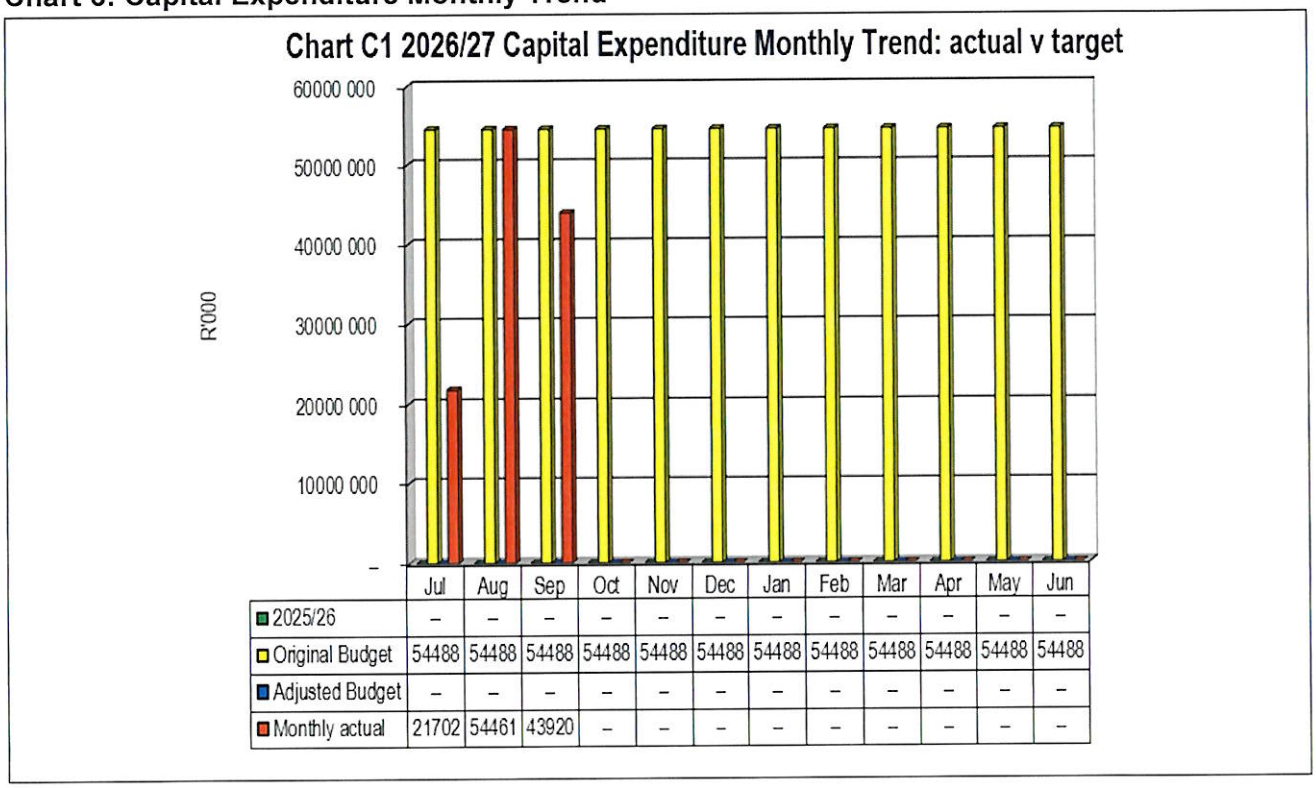
Description	Ref	2025/26	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		–	10 000	–	12 799	49 329	2 500	(46 829)	-1873%	10 000
Roads Infrastructure		–	–	–	12 799	49 329	–	(49 329)		–
Roads					12 799	49 329		(49 329)		
Storm water Infrastructure		–	–	–	–	–	–	–		–
Electrical Infrastructure		–	–	–	–	–	–	–		–
Water Supply Infrastructure		–	10 000	–	–	–	2 500	2 500	100%	10 000
Dams and Weirs								–		
Boreholes								–		
Reservoirs			10 000				2 500	2 500	100%	10 000
Sanitation Infrastructure		–	–	–	–	–	–	–		–
Solid Waste Infrastructure		–	–	–	–	–	–	–		–
Rail Infrastructure		–	–	–	–	–	–	–		–
Coastal Infrastructure		–	–	–	–	–	–	–		–
Information and Communication Infrastructure		–	–	–	–	–	–	–		–
Community Assets		–	–	–	–	–	–	–		–
Community Facilities		–	–	–	–	–	–	–		–
Sport and Recreation Facilities		–	–	–	–	–	–	–		–
Indoor Facilities								–		
Outdoor Facilities								–		
Capital Spares								–		
Heritage assets		–	–	–	–	–	–	–		–
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Improved Property								–		
Unimproved Property								–		
Non-revenue Generating		–	–	–	–	–	–	–		–
Improved Property								–		
Unimproved Property								–		
Other assets		–	–	–	–	–	–	–		–
Operational Buildings		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets								–		
Intangible Assets		–	–	–	–	–	–	–		–
Servitudes								–		
Licences and Rights		–	–	–	–	–	–	–		–
Computer Equipment		–	–	–	–	–	–	–		–
Computer Equipment								–		
Furniture and Office Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment								–		
Machinery and Equipment		–	–	–	–	–	–	–		–
Machinery and Equipment								–		
Transport Assets		–	–	–	–	–	–	–		–
Transport Assets								–		
Land		–	–	–	–	–	–	–		–
Land								–		
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals								–		
Living resources		–	–	–	–	–	–	–		–
Mature		–	–	–	–	–	–	–		–
Immature		–	–	–	–	–	–	–		–
Total Capital Expenditure on renewal of existing assets	1	–	10 000	–	12 799	49 329	2 500	(46 829)	-1873%	10 000

KZN225 Msunduzi - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - 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	1								%	
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		–	**229 538**	–	**20 221**	**39 063**	**57 385**	18 322	32%	**229 538**
Roads Infrastructure		–	84 257	–	3 450	5 786	21 064	15 278	73%	84 257
Roads			84 257		3 450	5 786	21 064	15 278	73%	84 257
Storm water Infrastructure		–	–	–	–	–	–	–		–
Electrical Infrastructure		–	2 360	–	2 005	4 604	590	(4 014)	-680%	2 360
Power Plants			2 360		2 005	4 604	590	(4 014)	-680%	2 360
Water Supply Infrastructure		–	103 950	–	7 160	17 392	25 988	8 595	33%	103 950
Dams and Weirs								–		
Boreholes								–		
Reservoirs			103 950		7 160	17 392	25 988	8 595	33%	103 950
Pump Stations								–		
Sanitation Infrastructure		–	38 971	–	7 606	11 281	9 743	(1 538)	-16%	38 971
Pump Station								–		
Reticulation			38 971		7 606	11 281	9 743	(1 538)	-16%	38 971
Solid Waste Infrastructure		–	–	–	–	–	–	–		–
Rail Infrastructure		–	–	–	–	–	–	–		–
Coastal Infrastructure		–	–	–	–	–	–	–		–
Information and Communication Infrastructure		–	–	–	–	–	–	–		–
Community Assets		–	–	–	–	–	–	–		–
Community Facilities		–	–	–	–	–	–	–		–
Sport and Recreation Facilities		–	–	–	–	–	–	–		–
Indoor Facilities								–		
Outdoor Facilities								–		
Capital Spares								–		
Heritage assets		–	–	–	–	–	–	–		–
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Other assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets								–		
Intangible Assets		–	–	–	–	–	–	–		–
Servitudes								–		
Licences and Rights		–	–	–	–	–	–	–		–
Computer Equipment		–	–	–	–	–	–	–		–
Computer Equipment								–		
Furniture and Office Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment								–		
Machinery and Equipment		–	–	–	–	–	–	–		–
Machinery and Equipment								–		
Transport Assets		–	**11 500**	–	–	–	**2 875**	**2 875**	100%	**11 500**
Transport Assets			11 500				2 875	2 875	100%	11 500
Land		–	–	–	–	–	–	–		–
Land								–		
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals								–		
Living resources		–	–	–	–	–	–	–		–
Mature		–	–	–	–	–	–	–		–
Immature		–	–	–	–	–	–	–		–
Total Capital Expenditure on upgrading of existing assets	1	–	**241 038**	–	**20 221**	**39 063**	**60 260**	**21 197**	35%	**241 038**

The chart below displays monthly trends of the Capital Expenditure and targets.

Chart 6: Capital Expenditure Monthly Trend

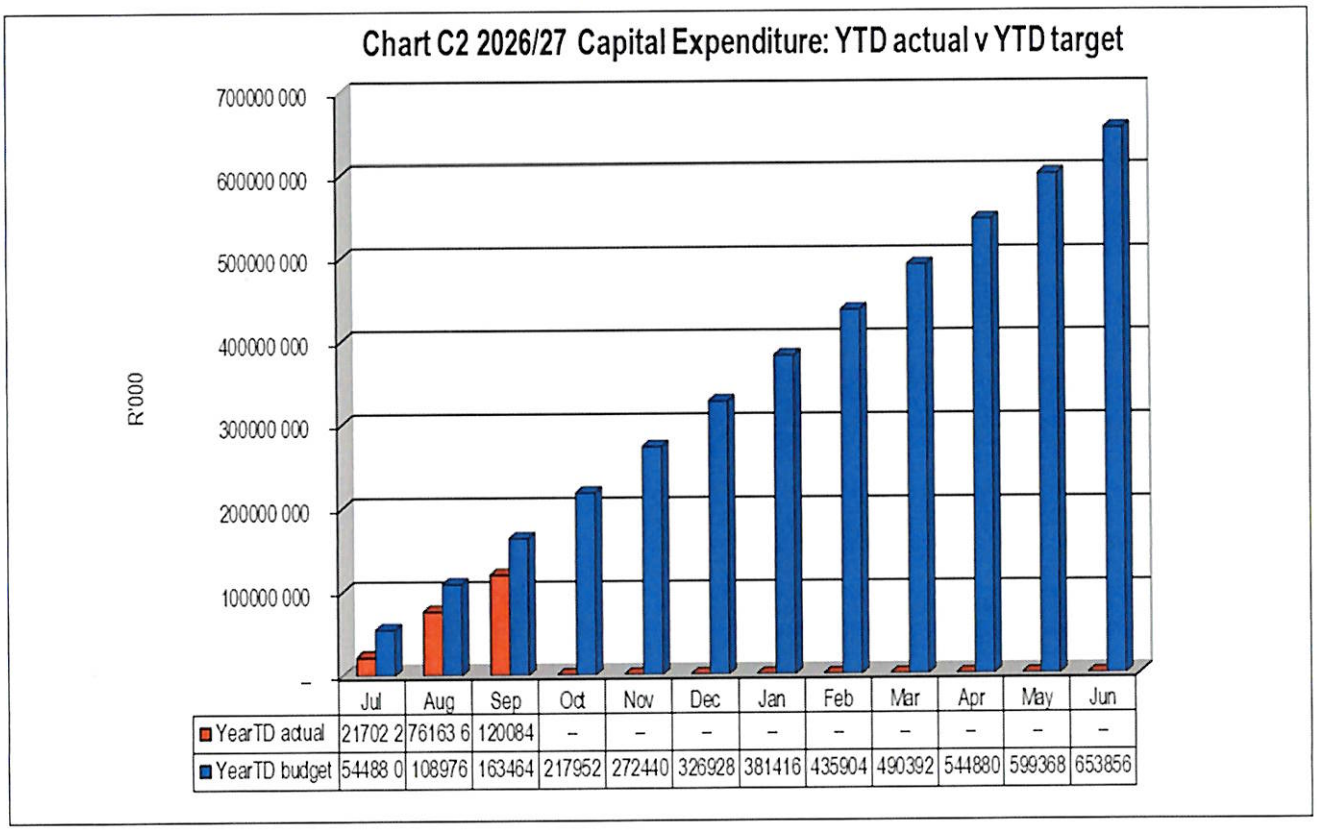


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2025/26	–	–	–	–	–	–	–	–	–	–	–	–
Original Budget	54488	54488	54488	54488	54488	54488	54488	54488	54488	54488	54488	54488
Adjusted Budget	–	–	–	–	–	–	–	–	–	–	–	–
Monthly actual	21702	54461	43920	–	–	–	–	–	–	–	–	–

The Original Budget stipulates the budget for the year. The monthly actual figures stipulate a monthly trend.

The chart below, on the other hand, tracks the capital expenditure's cumulative balances budget versus actual.

Chart 7: Capital Expenditure: YTD Actual vs. YTD Target

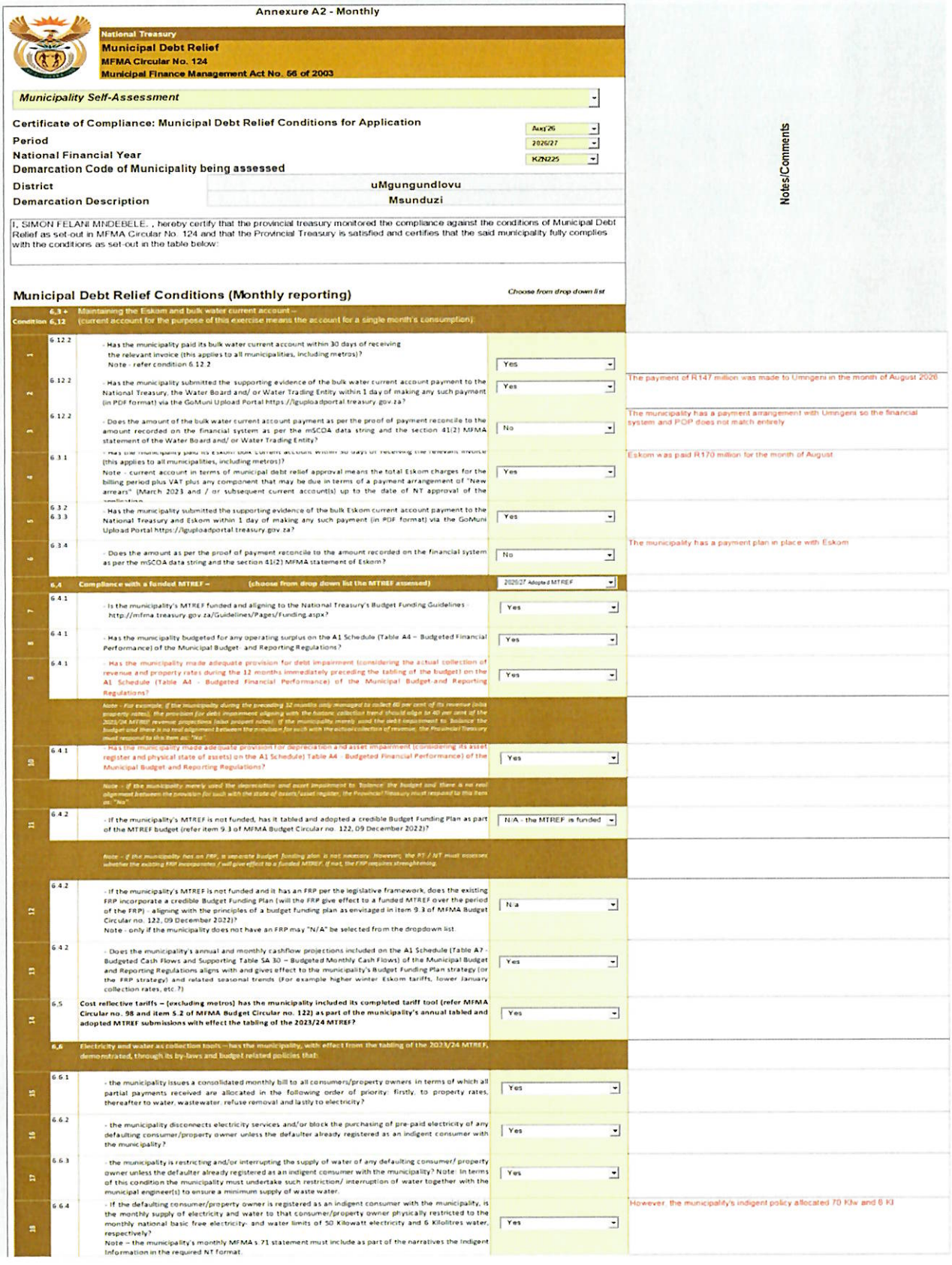


In Year report of Municipal Entities is attached to the Municipality's in-year report

The municipal entity's report for the month ending 30 September 2026 is attached.

2.8 Annexure B: Compliance with the conditions for Municipal Debt Relief

2.8.1 MFMA Circular 124 – Municipality Compliance Self-Assessment



Annexure A2 - Monthly

National Treasury
Municipal Debt Relief
MFMA Circular No. 124
Municipal Finance Management Act No. 56 of 2003

Municipality Self-Assessment

Certificate of Compliance: Municipal Debt Relief Conditions for Application		
Period	Aug'26	
National Financial Year	2026/27	
Demarcation Code of Municipality being assessed	KZN225	
District	uMgungundlovu	
Demarcation Description	Msunduzi	

I, SIMON FELANI MNDEBELE, , hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below:

Municipal Debt Relief Conditions (Monthly reporting)

			Choose from drop down list	Notes/Comments
	Condition 6.3 + 6.12	**Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption):**		
1	6.12.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? Note - refer condition 6.12.2	Yes	
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	Yes	The payment of R147 million was made to Umngeni in the month of August 2026
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	No	The municipality has a payment arrangement with Umngeni so the financial system and POP does not match entirely
4	6.3.1	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application	Yes	Eskom was paid R170 million for the month of August
5	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	Yes	
6	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	No	The municipality has a payment plan in place with Eskom
	6.4	**Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)**	2026/27 Adopted MTREF	
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?	Yes	
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes	
9	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes	
		Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".		
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes	
		Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".		
11	6.4.2	- If the municipality's MTREF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	N/A - the MTREF is funded	
		Note - If the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF, if not, the FRP requires strengthening.		
12	6.4.2	- If the municipality's MTREF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.	N/a	
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.?)	Yes	
14	6.5	**Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?**	Yes	
	6.6	**Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:**		
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes	
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.	Yes	
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.	Yes	However, the municipality's indigent policy allocated 70 Kw and 6 Kl

	6.6	**Supporting evidence: The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.**		
	6.7	**Maintain a minimum average quarterly collection of property rates and services charges –**		
19	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?		
		Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.		
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following :	Select	
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1	Yes	
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?		
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	Yes	
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes	
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes	
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?		
	6.8	**Municipality's Completeness of the revenue base –**		
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?		The reconciliation between the GVR and the billing system (SAP) is performed monthly and are aligned. The variances identified are caused by the section 78 amendments of the GVR that are processed during that specific month as
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement		
28	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za?		We are awaiting for the updated NT recon tool from MFIP as it is currently being adjusted to suit Msunduzi Municipality's rating categories
	6.9	**Monitor and report on implementation –**		
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?		
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? Note - condition 6.9.2 has a typing error and must refer to 6.9.1		
31	6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?		
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?		
		Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.		
	6.10	***Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:***		
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?		
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate		
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?		
		Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.		
36	6.11	**Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?**		
		Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.		
	6.12	**For the duration of the Municipal Debt Relief (to ensure proper management of resources):**		
37	6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?		The municipality does not have a ring fenced Primary account - sub account
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?		However, there is no seperate ring fenced bank account. The municipality currently has a payment plan in place for bulk water and Eskom and is compliant with plan.

		Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).		
39		Supporting evidence: Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.		
40	6,13	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.		Yes the municipality received the 1/3 approval of the debt relief and is included in the 2025/2026 AFS
41	6,14	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?		
		Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.		

2.8.2 Municipal Debt Relief Performance across the period of debt relief participation

The table below shows the municipality's overall relief compliance across the months of its debt relief participation since the National Treasury debt relief approval effective date of 1 November 2023:

National Treasury
Municipal Debt Relief
MFMA Circular No. 124
Municipal Finance Management Act No. 56 of 2003

Province		
KZN		
Code	District	Code Description
KZN225	uMgungundlovu	Msunduzi

Monthly Performance Report

Municipal Details			Part A				Part B				Part C		Part D	Part E			Part F												Scoring and Rating	
			Eskom And Bulk water current account				Compliance with a funded MTREF				FBS/PPS & Tariff Assessment		Electricity and water collection rate	Quarterly collection of property rates and service charges			Maximization of Revenue Base		Oversight											
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating
25-July25	Msunduzi	KZN225	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	84%	Minor Problems
26-August25	Msunduzi	KZN225	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	88%	Minor Problems
27-September25	Msunduzi	KZN225	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	88%	Minor Problems
28-October25	Msunduzi	KZN225	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	88%	Minor Problems
29-November25	Msunduzi	KZN225	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	88%	Minor Problems
30-December25	Msunduzi	KZN225																																								0%	Not completed
31-January26	Msunduzi	KZN225																																								0%	Not completed
32-February26	Msunduzi	KZN225																																								0%	Not completed
33-March26	Msunduzi	KZN225																																								0%	Not completed
34-April26	Msunduzi	KZN225																																								0%	Not completed
35-May26	Msunduzi	KZN225																																								0%	Not completed
36-June26	Msunduzi	KZN225																																								0%	Not completed
37-July26	Msunduzi	KZN225																																								0%	Not completed
38-August26	Msunduzi	KZN225																																								0%	Not completed
39-September26	Msunduzi	KZN225																																								0%	Not completed
40-October26	Msunduzi	KZN225																																								0%	Not completed
41-November26	Msunduzi	KZN225																																								0%	Not completed

		Comments/Motivation
HOD Name:	Mr S.F Mndebele	
Signature of HOD:		
Date	2025/12/10	

** Note - if the official is signing on behalf of the Head of the Provincial Treasury (HOD), the written proclamation of the HOD must be attached as an Annexure to this Certificate of Compliance

The municipality has paid an amount of R147 million to Umngeni. The Eskom account was paid an amount of R170 million for the month August 2026. It is imperative that the non-compliance issues as raised by National Treasury is addressed as matter of urgency with a decisive implementation strategy and stringent monitoring thereof. Achieving 100% compliance is possible, provided that all parties come to the table and work as a collective to achieve this. Revenue collection must remain a key focus point, whilst a tangible solution must be sought for the interrupting or restricting of water supply.

2.8.3 The National Treasury Debt Relief Compliance Assessment

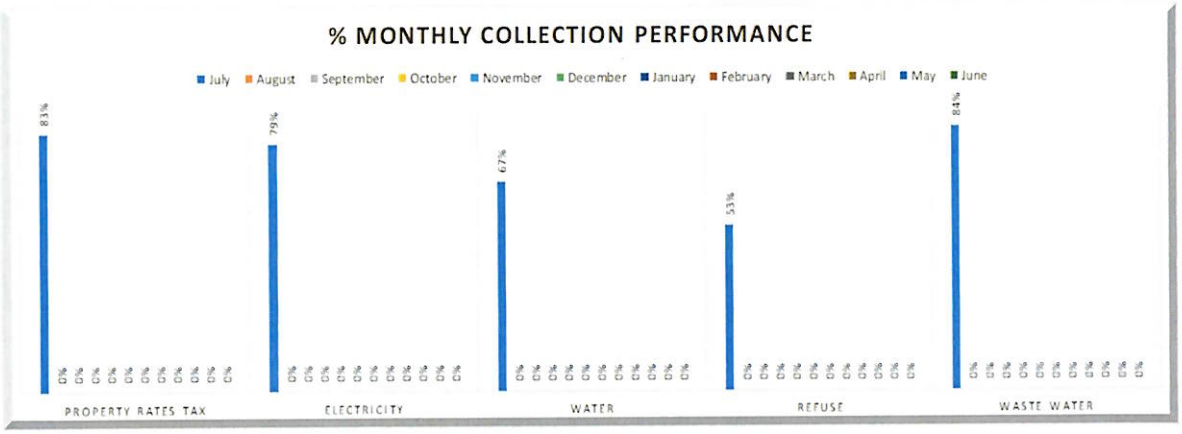
The latest National Treasury debt relief compliance certificate and non-compliance report issued to the municipality for the month of July 2026 is attached to this S71 report.

- Condition 6.2 – Application-based supported by Council's resolution
- Condition 6.3 – Maintaining the Eskom current account
- Condition 6.4 – A funded MTREF
- Condition 6.5 – Cost reflective tariffs
- Condition 6.6 – Electricity and water as collection tools
- Conditions 6.7 – Maintain a minimum average quarterly collection of property rates and services charges
- Condition 6.8 – Completeness of the revenue base
- Condition 6.9 – Monitor and report on compliance
- Condition 6.10 – National Treasury certification of municipal compliance

- Condition 6.11 -Limitation on Municipal borrowing powers
- Condition 6.12 – Proper management of resources and Condition 6.13 Accounting Treatment

2.8.4 MFMA Circular 124 – Condition 6.6 (Electricity and Water as Collection Tools) & Condition 6.7 (Maintain a minimum of average quarterly collection of property rates and services charges)

2.8.4.1 Monthly / Quarterly collection per ward



National Treasury
Municipal Debt Relief
MFMA Circular No. 124
Municipal Finance Management Act No. 56 of 2003

Municipal Details

Kwazulu Natal

Code	District	Municipality	Period Monitored	No. Of Wards
KZN225		Msunduzi	January	3

Collection Rate Assessment

Aggregate Collection	Summary - Quarter 1				Q1	Summary - Quarter 2				Q2	Summary - Quarter 3				Q1	Summary - Quarter 4				Q1
	Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection	
1 Collection for whole demarcation	678 434 918	525 982 438	152 452 180	78%	78%	-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	
2 Collection excl Eskom supplied areas	678 434 918	525 982 438	152 452 180	78%	78%	-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	
3 Collection Property Rates	143 472 063	119 725 150	24 746 904	83%	83%	-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	
4 Total average collection Electricity (Municipal supplied areas)	399 727 339	316 997 812	82 729 526	79%	79%	-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	
5 Total average collection Water	96 788 675	64 719 077	32 049 598	67%	67%	-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	
6 Total average collection Wastewater	13 855 678	7 305 097	6 550 581	53%	53%	-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	
7 Total average collection Refuse	19 101 360	16 123 059	2 978 301	84%	84%	-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	
8 Total average collection Interest	5 599 513	2 112 243	3 387 270	38%	0%	-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	

2.8.4.2 Monthly – Restriction of Free Basic Services to Indigent Households

National Treasury
Municipal Debt Relief
MFMA Circular No. 124
Municipal Finance Management Act No. 56 of 2003

Municipal Debt Relief - Monthly Reporting - Indigent Households Information (MFMA Circular 124 (Condition 6.6))
Instruction - complete only with information of the current households registered as indigent with the municipality (Do NOT include the information of all households unless explicitly stated otherwise)

Description	Ref	As PerDebt Relief Application	Current Year: 2026/2027			2026/2027 - Monthly Monitoring										
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12
Indigent Household service Users	1																
Water: (Include All Indigent households also in Eskom supplied areas)																	
Indigent HH's with piped water inside dwelling																	
Indigent HH's with piped water inside yard (but not in dwelling)																	
Indigent HH's using public tap (standpipes or service level)	2																
Indigent HH's with other water supply (standpipes or service level)	4																
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indigent HH's using public tap (<min service level)	3																
Indigent HH's with other water supply (<min service level)	4																
Indigent HH's with No water supply																	
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Status of Water meters:																	
Number of Indigent HH's with shared Water						5 659	5 959	6 150	-	-	-	-	-	-	-	-	-
Number of Indigent HH's with conventional metered Water																	
Number of Indigent HH's NOT metered currently - Water																	
Number of Indigent HH's with NO water supply - No metering																	
Total number of registered indigent households	10	-	-	-	-	5 659	5 959	6 150	-	-	-	-	-	-	-	-	-
Status of unlimited supply of Water:																	
Number of Indigent HH's with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month						-											
Number of Indigent HH's NOT metered currently receiving unlimited supply - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households receiving unlimited supply - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply - Does the number of HH's billed for consumption above the 6 kilolitres	11					-											
Energy: (Include All Indigent households also in Eskom supplied areas)																	
Indigent HH's with Electricity - (standpipes or service level)																	
Indigent HH's with Electricity - grouped (<min service level)																	
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indigent HH's with Electricity (<min service level)																	
Indigent HH's with Electricity - grouped (<min service level)																	
Indigent HH's with other energy sources																	
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Status of Electricity meters																	
Number of Indigent HH's with shared Electricity						396	421	429	-	-	-	-	-	-	-	-	-
Number of Indigent HH's with conventional metered Electricity						3 080	3 089	3 097	-	-	-	-	-	-	-	-	-
Number of Indigent HH's NOT metered currently - Electricity																	
Number of Indigent HH's with other energy sources - No metering																	
Total number of registered indigent households	12	-	-	-	-	3 476	3 490	3 526	-	-	-	-	-	-	-	-	-
Status of unlimited supply of Electricity:																	
Number of Indigent HH's with conventional metered Electricity - where the municipality is NOT physically restricting Electricity to the national free basic limit of 50 kwh per household per month																	
Number of Indigent HH's NOT metered currently receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - Does the Number of HH's billed for consumption above the 50 kwh	13					-											
Number of ALL Households receiving Free Basic Service (including registered Indigent Households)	7																
Water: (6 kilolitres per household per month)						5 659	5 930	5 738	-	-	-	-	-	-	-	-	-
Electricity/other energy: (50kwh per household per month)						3 476	3 490	3 510	-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)																	
Water: (6 kilolitres per household per month)						174	174	174	-	-	-	-	-	-	-	-	-
Electricity/other energy: (50kwh per household per month)						169	169	169	-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)																	
Water: (6 kilolitres per household per month)																	
Electricity/other energy: (50kwh per household per month)																	
Total cost of FBS Water and Electricity provided to ALL Households	8	-	-	-	-	343	343	343	-	-	-	-	-	-	-	-	-
Highest level of free service provided per household (ALL Households)																	
Property rates (R value threshold)																	
Water: (kilolitres per household per month)						6	6	6	-	-	-	-	-	-	-	-	-
Sanitation: (kilolitres per household per month)						-	-	-	-	-	-	-	-	-	-	-	-
Sanitation: (Rand per household per month)						351	351	351	-	-	-	-	-	-	-	-	-
Electricity: (kwh per household per month)						50	50	50	-	-	-	-	-	-	-	-	-
Refuse: (service time per week)						1	1	1	-	-	-	-	-	-	-	-	-
Revenue cost of subsidised services provided to ALL Households (R'000)	9																
Residential Category - Property rates (tariff adjustment) - impermissable values per section 17 of MPRA)	14(a)																
PSI Category - Property rates (tariff adjustment) - impermissable values per section 17 of MPRA)	14(b)																
Additional Subsidies Property rates exemptions, reductions and rebates in excess of section 17 of MPRA																	
Water: (in excess of 6 kilolitres per indigent household per month)	15					-	-	-									
Sanitation: (in excess of free sanitation service to indigent households)	16					-	-	-									
Electricity/other energy: (in excess of 50 kwh per indigent household per month)						20	20	20	-	-	-	-	-	-	-	-	-
Refuse: (in excess of one removal a week for indigent households)						-	-	-									
Municipal Housing - rental rebates																	
Housing - top structure subsidies	6																
Other																	
Total revenue cost of subsidised services provided		-	-	-	-	20	20	20	-	-	-	-	-	-	-	-	-

2.8.5 MFMA Circular 124 – Condition 6.8 (Completeness of the revenue base)

Property Rates Reconciliation	
Province	KZN
District	Msunduzi
Type	LM
Municipal Name	Msunduzi
GV Period	01/07/2020 - 30/06/2025
Financial Year	2025/2026
Reconciliation Period	Quarter 2

Reconciliation Overview

High Level Reconciliation

	No. of Properties			Market Values		
Propety Categories	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	71459	71462	-3	57 362 898 161,00	57 352 626 021,00	10 272 140,00
Industrial	1141	1140	1	5 005 386 611,00	5 005 386 611,00	-
Business and Comr	3578	3580	-2	19 855 122 259,00	19 882 557 399,00	(27 435 140,00)
Agricultural	89	90	-1	294 741 000,00	294 741 000,00	-
Mining	3	3	0	24 716 000,00	24 716 000,00	-
State Owned for Pu	436	443	-7	5 590 556 000,00	5 609 556 000,00	(19 000 000,00)
PSI	128	127	1	100 344 000,00	100 344 000,00	-
PBO	104	104	0	921 175 000,00	921 175 000,00	-
Multi Use	37	38	-1	-	-	-
Vacant	5176	5167	9	1 801 811 939,00	1 804 570 939,00	(2 759 000,00)
POW	0	0	0	-	-	-
Municipal	9347	9485	-138	4 157 310 000,00	4 137 182 000,00	20 128 000,00
Other	1029	1558	-529	718 080 050,00	699 286 050,00	18 794 000,00
	92527	**93197**	**-670**	**95 832 141 020,00**	**95 832 141 020,00**	**-**

Detailed Reconciliation

	Monthly Billing			Quarterly		
Propety Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	76 838 100	76 938 236	- 100 136	230 514 300,66	230 814 708,11	- 300 407,45
Industrial	12 012 928	12 012 928	-	36 038 783,60	36 038 783,60	-
Business and Comr	47 652 293	47 656 078	- 3 784	142 956 880,26	142 968 233,39	- 11 353,12
Agricultural	98 247	98 247	-	294 741,00	294 741,00	-
Mining	59 318	59 318	-	177 955,20	177 955,20	-
State Owned for Pu	13 417 334	13 443 281	- 25 946	40 252 003,20	40 329 841,70	- 77 838,50
PSI	23 414	33 448	- 10 034	70 240,80	100 344,00	- 30 103,20
PBO	-	-	-	-	-	-
Multi Use	-	-	-	-	-	-
Vacant	4 459 485	4 466 340	- 6 856	13 378 453,65	13 399 021,22	- 20 567,57
POW	-	-	-	-	-	-
Municipal	9 977 544	5 016 634	4 960 910	29 932 632,00	15 049 902,00	14 882 730,00
Other	-	936 930	- 936 930	-	2 810 789,05	- 2 810 789,05
Total	**R164 538 663,46**	**R160 661 439,76**	**R3 877 223,70**	**493 615 990,37**	**481 984 319,27**	**11 631 671,10**

On the compilation of the S71 report, the GRV report for September reconciliation had not been finalised, but it will be uploaded to GoMuni as soon as it is finalised.

2.8.6 MFMA Circular 124 – Conditions 6.3 (Maintaining the Eskom bulk current account) and Conditions 6.12 (Proper management of resources)

i) Indicated below is the Eskom Bulk current account invoices

Eskom

ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

MSUNDUZI MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
PO BOX 399
PIETERMARITZBURG
3200

EASTERN REGION
PRIVATE BAG X16 Westville 3630

CONTACT CENTRE: (0860) 037566Sharrca
FAX NO: 0862 437 566
E-MAIL: KwaZuluNatal@eskom.co.za
WEB: WWW.ESKOM.CO.ZA

YOUR ACCOUNT NO	9455522022
SECURITY HELD	1.83
BILLING DATE	2026-09-03
TAX INVOICE NO	945770456488
ACCOUNT MONTH	AUGUST 2026
CURRENT DUE DATE	2026-10-03
VAT REG NO	4600107835

Eskom

CUSTOMER SELF SERVICE WEBSITE
Provincial email listed below

EASTERN REGION
PRIVATE BAG X16 Westville 3630

DIRECT DEPOSIT DETAIL
BANK: First National Bank
BRANCH CODE:
BANK ACC NO: 50850143295

TAX INVOICE

E-MAIL: Shomala.dhanilal@msunduzi.gov.za

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE		R	1,329.28
TRANSMISSION NETWORK CAPACITY		R	3,870,200.00
DIST. NETWORK CAPACITY CHARGE		R	6,549,000.00
NETWORK DEMAND CHARGE		R	3,058,691.55
URBAN LOW VOLTAGE SUBSIDY		R	899,100.00
ANCILLARY SERVICE (ALL)		R	553,080.40
GENERATOR CAPACITY CHARGE		R	3,633,400.00
LEGACY CHARGE (ALL)		R	31,553,236.73
ENERGY CHARGE (OFF)	59,455,167.00	R	68,094,002.78
ENERGY CHARGE (PEAK)	22,957,533.00	R	157,754,983.76
ENERGY CHARGE (STD)	55,857,401.00	R	95,963,014.92
SERVICE CHARGE		R	76,772.74
ELECTRIFICATION AND RURAL SUBS (ALL)		R	7,563,374.47
TOTAL CHARGES FOR BILLING PERIOD		R	379,570,186.61

MSUNDUZI MUNICIPALITY
FINANCE - CREDITORS
15 SEP 2026
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ACCOUNT SUMMARY FOR AUGUST 2026

BALANCE BROUGHT FORWARD	(Due Date 2026-09-04)	R	1,938,826,805.52
PAYMENT(S) RECEIVED	Electronic Payments - 2026-08-06	R	-50,000,000.00
PAYMENT(S) RECEIVED	Electronic Payments - 2026-08-19	R	-50,000,000.00
PAYMENT(S) RECEIVED	Electronic Payments - 2026-08-25	R	-50,000,000.00
PAYMENT(S) RECEIVED	Electronic Payments - 2026-08-31	R	-20,797,404.67
PAYMENT(S) RECEIVED	Electronic Payments - 2026-09-02	R	-120,000,000.00
TOTAL CHARGES FOR BILLING PERIOD		R	379,570,186.61
ADJUSTMENT	Interest on overdue payment arrangement debt	R	1,288,869.29
ADJUSTMENT	Interest on overdue account	R	5,161,870.21
ADJUSTMENT	WHEELING/3RD PARTY WHEELING CHARGES	R	-1,527,836.19
ADJUSTMENT	Interest on overdue account	R	6,832,608.40
PAYMENT ARRANGEMENT	[illegible] o/s R 103,987,022.69)	R	20,797,404.79
VAT RAISED ON ITEMS AT 15%		R	66,706,352.66

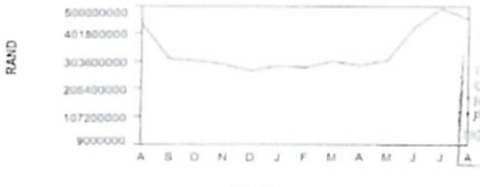
INFRASTRUCTURE SERVICES BUSINESS UNIT
LB KANJILE (MW) CERTIFY THE FOLLOWING
* THE SERVICE HAS BEEN RENDERED SATISFACTORILY
* GOODS/SERVICES WERE IN ACCORDANCE WITH SPECIFICATION
* THERE WERE NO SHORTFALLS
* CHARGES, TARIFFS AND RATES CHARGED AS PER CONTRACT
* NECESSARY SUPPORTING DOCUMENTATION ATTACHED
* PAYEE ENTITLED TO THE PAYMENT
SIGNATURE:
DESIGNATION: MANAGER CUSTOMER SERVICES
DATE: 11/09/2026

CURRENT	TOTAL DUE		
470,586,467.29		R	2,116,858,856.52

ARREARS

>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS
692,100,723.50	440,350,715.34	0.00	513,820,950.39

Total outstanding debt must be settled immediately, subject to disconnection without further notice



PAGE RUN NO	EE 1
BILL GROUP	0145863860
BILL PAGE	1 OF 3

ACCOUNT NO / REFERENCE NO

NAME
MSUNDUZI MUNICIPALITY

FAX NUMBER

pay 7100 10 0010

2721570019455522024

>>>>>> 9207 2945 5522 0227

Pay

easypay

TOTAL AMOUNT DUE
2,116,858,856.52

PAYMENT ARRANGEMENT

INSTALMENT
20,797,404.79

ARREARS (Due Immediately)
1,646,272,389.23

DUE DATE (For Current Amount)
2026-10-03

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

Eskom

EASTERN REGION
PRIVATE BAG X18 Westville 3630

CONTACT CENTRE: (0860) 037566Sharecs
FAX NO: 0862 437 566
E-MAIL: KwaZuluNatal@eskom.co.za
WEB: WWW.ESKOM.CO.ZA

MSUNDUZI MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
PO BOX 399
PIETERMARITZBURG
3200

YOUR ACCOUNT NO	9455522022
BILLING DATE	2026-09-03
TAX INVOICE NO	9457704564488
ACCOUNT MONTH	AUGUST 2026
CURRENT DUE DATE	2026-10-03
VAT REG NO	4600107835
NOTIFIED MAX DEMAND	190,000.00
UTILISED CAPACITY	190,000.00

CONSUMPTION DETAILS (2026-08-01 - 2026-08-31)

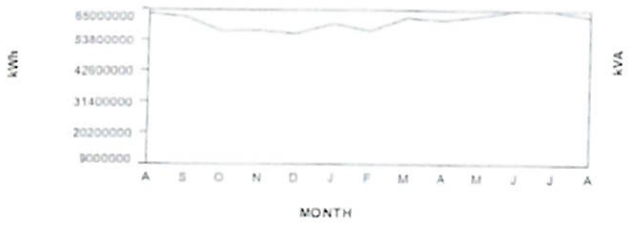
ENERGY CONSUMPTION OFF PEAK kWH	27,898,696.80
ENERGY CONSUMPTION STD kWh	25,071,324.00
ENERGY CONSUMPTION PEAK kWh	9,791,968.80
ENERGY CONSUMPTION ALL kWh	62,761,989.60
DEMAND CONSUMPTION - OFF PEAK	101,008.08
DEMAND CONSUMPTION - STD	126,271.66
DEMAND CONSUMPTION - PEAK	112,599.18
DEMAND READING - KW/KVA	126,271.66
REACTIVE ENERGY - OFF PEAK	3,511,713.60
REACTIVE ENERGY - STD	4,002,525.60
REACTIVE ENERGY - PEAK	1,338,060.00

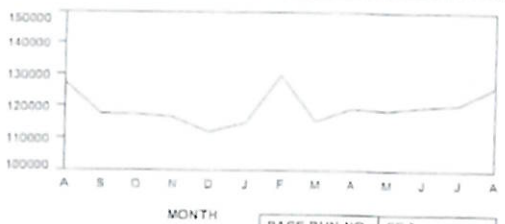
PREMISE ID NUMBER 9455522085 TARIFF NAME: Municflex

0880864 INTERVAL 190MVA MEGAFLX MSUNDUZI SUB HULETT & MASONS

Administration Charge @ R21.44 per day for 31 days	R	664.64
TX Network Capacity Charge 190,000 kVa @ R10.46 : = R10.46/kVA	R	1,987,400.00
Network Capacity Charge 190,000 kVA @ R17.70 : = R17.70/kVA	R	3,363,000.00
Network Demand Charge 126,271.67 kVA @ R10.46 : = R10.46 /kVA	R	1,320,801.67
Urban Low Voltage Subsidy 190,000 kVa @ R2.43 : = R2.43/kVA	R	461,700.00
Ancillary Service Charge 62,761,990 kWh @ R0.004 /kWh	R	251,047.96
Generator Capacity Charge 190,000 kVa @ R9.82 : = R9.82/kVA	R	1,865,800.00
Legacy Charge 62,761,989.6 kWh @ R0.2282 /kWh	R	14,322,286.03
High Season Off Peak Energy Charge 27,898,697 kWh @ R1.1453 /kWh	R	31,952,377.67
High Season Peak Energy Charge 9,791,969 kWh @ R6.8716 /kWh	R	67,286,494.18
High Season Standard Energy Charge 25,071,324 kWh @ R1.718 /kWh	R	43,072,534.63
Service Charge @ R1,238.27 per day for 31 days	R	38,386.37
Electrification and Rural Subsidy 62,761,990 kWh @ R0.0547 /kWh	R	3,433,080.85
TOTAL CHARGES	R	**169,355,574.00**

MSUNDUZI MUNICIPALITY
FINANCE - CREDITORS
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BILL GROUP	0145368360
BILL PAGE	2 OF 3

Eskom

EASTERN REGION
PRIVATE BAG X16 Westville 3630

CONTACT CENTRE: (0860) 037566Shareca
FAX NO: 0862 437 566
E-MAIL: KwaZuluNatal@eskom.co.za
WEB: WWW.ESKOM.CO.ZA

MSUNDUZI MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
PO BOX 399
PIETERMARITZBURG
3200

YOUR ACCOUNT NO	9455522022
BILLING DATE	2026-09-03
TAX INVOICE NO	945770456488
ACCOUNT MONTH	AUGUST 2026
CURRENT DUE DATE	2026-10-03
VAT REG NO	4600107835
NOTIFIED MAX DEMAND	180,000.00
UTILISED CAPACITY	180,000.00

CONSUMPTION DETAILS (2026-08-01 - 2026-08-31)

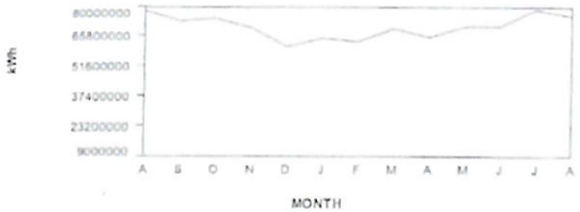
ENERGY CONSUMPTION OFF PEAK kWH	31,556,469.60
ENERGY CONSUMPTION STD kWh	30,786,078.80
ENERGY CONSUMPTION PEAK kWh	13,165,563.60
ENERGY CONSUMPTION ALL kWh	75,508,110.00
DEMAND CONSUMPTION - OFF PEAK	134,847.12
DEMAND CONSUMPTION - STD	159,778.00
DEMAND CONSUMPTION - PEAK	166,146.26
DEMAND READING - KW/KVA	166,146.26
REACTIVE ENERGY - OFF PEAK	1,044,007.20
REACTIVE ENERGY - STD	3,367,461.60
REACTIVE ENERGY - PEAK	1,545,062.40

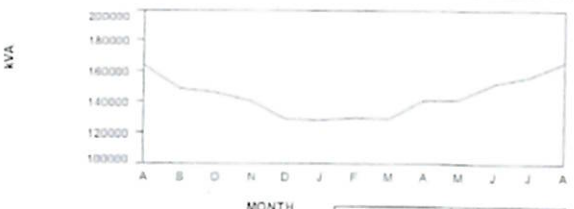
PREMISE ID NUMBER 9455522227 **TARIFF NAME:** Municflex

06808 65 145 MVA INTERVAL 132KV MERSEY MSUNDUZI

Administration Charge @ R21.44 per day for 31 days	R	664.64
TX Network Capacity Charge 180,000 kVa @ R10.46 : = R10.46/kVA	R	1,882,800.00
Network Capacity Charge 180,000 kVA @ R17.70 : = R17.70/kVA	R	3,186,000.00
Network Demand Charge 166,146.26 kVA @ R10.46 : = R10.46 /kVA	R	1,737,889.88
Urban Low Voltage Subsidy 180,000 kVa @ R2.43 : = R2.43/kVA	R	437,400.00
Ancillary Service Charge 75,508,110 kWh @ R0.004 /kWh	R	302,032.44
Generator Capacity Charge 180,000 kVa @ R9.82 : = R9.82/kVA	R	1,767,600.00
Legacy Charge 75,508,110 kWh @ R0.2282 /kWh	R	17,230,950.70
High Season Off Peak Energy Charge 31,556,470 kWh @ R1.1453 /kWh	R	36,141,825.09
High Season Peak Energy Charge 13,165,564 kWh @ R6.8716 /kWh	R	90,488,489.58
High Season Standard Energy Charge 30,786,077 kWh @ R1.718 /kWh	R	52,890,480.29
Service Charge @ R1,238.27 per day for 31 days	R	38,386.37
Electrification and Rural Subsidy 75,508,110 kWh @ R0.0547 /kWh	R	4,130,293.62
TOTAL CHARGES	R	**210,214,612.61**

MSUNDUZI MUNICIPALITY
FINANCE - CREDITORS
15 SEP 2026
RECEIVED





PAGE RUN NO	EE 3
BILL GROUP	0145368360
BILL PAGE	3 OF 3

ii) Indicated below is the municipality's proof of payment of the Eskom Bulk current account.

Below is August proof of payment for Eskom. The municipality has paid an amount of R170 million in September.

NOTIFICATION OF PAYMENT

To Whom It May Concern:

First National Bank hereby confirms that the following payment instruction has been received:

Date Actioned	: 2026/09/02
Time Actioned	: 15:52:53
Trace ID	: PPVSZXVQ
Payer Details	
Payment From	: THE MSUNDUZI MUNICIPALITY
Cur/Amount	: 120,000,000.00
Payee Details	
Recipient/Account No	: . . 143295
Name	: Eskom Holdings
Bank	: FNB/RMB
Branch Code	: 255005
Reference	: RN050926F11001

END OF NOTIFICATION

To authenticate this Payment Notification, please visit the First National Bank website at fnb.co.za, select the "Verify Payments" link and follow the on-screen instructions.

Our customer (the payer) has requested First National Bank Limited to send this notification of payment to you. Should you have any queries regarding the contents of this notice, please contact the payer. First National Bank Limited does not guarantee or warrant the accuracy and integrity of the information and data transmitted electronically and we accept no liability whatsoever for any loss, expense, claim or damage, whether direct, indirect or consequential, arising from the transmission of the information and data.

First National Bank A division of FirstRand Bank Limited. An Authorised Financial Services and Credit Provider (NCRCP20)

NOTIFICATION OF PAYMENT

To Whom It May Concern:

First National Bank hereby confirms that the following payment instruction has been received:

Date Actioned	: 2026/09/18
Time Actioned	: 15:22:00
Trace ID	: SWSJY7XQ
Payer Details	
Payment From	: THE MSUNDUZI MUNICIPALITY
Cur/Amount	: 50,000,000.00
Payee Details	
Recipient/Account No	: . . 143295
Name	: Eskom Holdings
Bank	: FNB/RMB
Branch Code	: 255005
Reference	: RN400926F11001

END OF NOTIFICATION

To authenticate this Payment Notification, please visit the First National Bank website at fnb.co.za, select the "Verify Payments" link and follow the on-screen instructions.

Our customer (the payer) has requested First National Bank Limited to send this notification of payment to you. Should you have any queries regarding the contents of this notice, please contact the payer. First National Bank Limited does not guarantee or warrant the accuracy and integrity of the information and data transmitted electronically and we accept no liability whatsoever for any loss, expense, claim or damage, whether direct, indirect or consequential, arising from the transmission of the information and data.

First National Bank A division of FirstRand Bank Limited. An Authorised Financial Services and Credit Provider (NCRCP20)

NOTIFICATION OF PAYMENT

To Whom It May Concern:

First National Bank hereby confirms that the following payment instruction has been received:

Date Actioned	: 2026/09/30
Time Actioned	: 14:07:07
Trace ID	: SKWCL2ZQ

Payer Details

Payment From	: THE MSUNDUZI MUNICIPALITY
Cur/Amount	: 20,797,404.67

Payee Details

Recipient/Account No	: . . 143295
Name	: Eskom Holdings
Bank	: FNB/RMB
Branch Code	: 255005
Reference	: RN580926F11001

END OF NOTIFICATION

To authenticate this Payment Notification, please visit the First National Bank website at fnb.co.za, select the "Verify Payments" link and follow the on-screen instructions.

Our customer (the payer) has requested First National Bank Limited to send this notification of payment to you. Should you have any queries regarding the contents of this notice, please contact the payer. First National Bank Limited does not guarantee or warrant the accuracy and integrity of the information and data transmitted electronically and we accept no liability whatsoever for any loss, expense, claim or damage, whether direct, indirect or consequential, arising from the transmission of the information and data.

First National Bank A division of FirstRand Bank Limited. An Authorised Financial Services and Credit Provider (NCRCP20)

NOTIFICATION OF PAYMENT

To Whom It May Concern:

First National Bank hereby confirms that the following payment instruction has been received:

Date Actioned	: 2026/09/30
Time Actioned	: 15:39:12
Trace ID	: VXRF92ZQ

Payer Details

Payment From	: THE MSUNDUZI MUNICIPALITY
Cur/Amount	: 99,999,999.99

Payee Details

Recipient/Account No	: . . 143295
Name	: Eskom Holdings
Bank	: FNB/RMB
Branch Code	: 255005
Reference	: RN610926F11001

END OF NOTIFICATION

To authenticate this Payment Notification, please visit the First National Bank website at fnb.co.za, select the "Verify Payments" link and follow the on-screen instructions.

Our customer (the payer) has requested First National Bank Limited to send this notification of payment to you. Should you have any queries regarding the contents of this notice, please contact the payer. First National Bank Limited does not guarantee or warrant the accuracy and integrity of the information and data transmitted electronically and we accept no liability whatsoever for any loss, expense, claim or damage, whether direct, indirect or consequential, arising from the transmission of the information and data.

First National Bank A division of FirstRand Bank Limited. An Authorised Financial Services and Credit Provider (NCRCP20)

iii) Below is Eskom September reconciliation

	Msunduzi Municipality
	Creditors reconciliation
Date	30.09.2026
Financial Year	2026/2027
Prepared by	MANISHA NAIDOO
Vendor name	ESKOM HOLDINGS
Statement	Aug-26
GL ACCOUNT	1600000000

BALANCE AS PER VENDOR STATEMENT	2 116 858 856,52
Less : Payments made to supplier but not reflected on vendor statement	-170 797 404,66

Date	Payment Reference number	Amount
18.09.2026		50 000 000,00
30.09.2026		20 797 404,67
30.09.2026		99 999 999,99

Less : Invoices that appear on vendor statement but not captured on SAP system	0,00

Date	Invoice number	Amount

Less : Credit note/s submitted and captured but not reflected on vendor statement	0,00

Date	Credit Note number	Amount

Add : Invoices submitted and captured on SAP system but not reflected on vendor statement	980 710,07

Date	Invoice	Amount
	AS PER ATTACHED	980 710,07

Add / Less : Other (eg. Unallocated payment; adjustments reflected on vendor statement)	356 300 201,17

Date	Decription	Amount
	ACCRUAL OF INTEREST CHARGED AUG 26	-13 283 347,90
	BALANCE OF PAYMENT ARRANGEMENT	103 987 022,69
	DEBT RELIEF WRITE OFF	84 550 329,61
	RECOGNITION OF ESKOM DEBT RELIEF	-253 702 506,51
	ACCRUAL FOR AUG INVOICE	434 748 703,28

BALANCE INPUT CALCULATED BY PERFORMING THE RECONCILIATION	2 303 342 363,10
BALANCE AS PER CREDITORS LEDGER/AGE ANALYSIS	2 303 342 363,10
DIFFERENCE	0,00

Siganture by preparer: MANISHA NAIDOO

Date: 2-Oct-26

Checked by: Supervisor

Date : 2-Oct-26

Comments

Checked by: Creditors manager 02/10/26

Date :

Comments

iv) Below is the invoice/statement for Umngeni

UMNGENI-UTHUKELA WATER · AMANZI

Improving Quality of Life and Enhancing Sustainable Economic Development

STATEMENT OF ACCOUNTS

MSUNDUZI MUNICIPALITY
3RD FLOOR, PROFESSOR NYEMBEZI CENTRE
CHURCH STREET 341
PIETERMARITZBURG
3200

VAT Registration No. 4960102673
Physical Address 310 Burger Street, Pietermaritzburg, 3201
Postal Address P.O. Box 9, Pietermaritzburg, 3200

VAT Registration No.	4600107835	**Contact Person**	Siphosethu Nkala
Business Partner Number	6001664	**Phone**	035 902 1040
Statement Date	31/07/2026	**Email**	customerservices@uuw.co.za
Statement No:	73913	**Website**	www.umngeni-uthukela.co.za

Contract Account Number	Documents Numbers	Description	Consumption volume(Kl)	Tariff(R)	Amount(R)
				BALANCE B/F	**1 436 924 071,14**
				RECEIPTS	**98 012 573,27-**
				DEBITS	**0,00**
				CREDITS	**0,00**
				BALANCE	**1 338 911 497,87**
10012020	000300061148	Water	51 234	12,2950	629 922,04
10012020	000300061148	MBWS	51 234	0,2510	12 859,73
10012020	000300061148	WRC	51 234	0,0837	4 288,29
10012020	000300061148	CUC	51 234	0,0000	0,00
10016001	000300061149	Water	2 514 267	12,2950	30 912 912,80
10016001	000300061149	MBWS	2 514 267	0,2510	631 081,01
10016001	000300061149	WRC	2 514 267	0,0837	210 444,15
10016001	000300061149	CUC	2 514 267	0,0000	0,00
10016005	000300061150	Water	1 227 752	12,2950	15 095 210,84
10016005	000300061150	MBWS	1 227 752	0,2510	308 165,75
10016005	000300061150	WRC	1 227 752	0,0837	102 762,84
10016005	000300061150	CUC	1 227 752	0,0000	0,00
11000276	000300061152	Water	68 082	12,2950	837 068,19
11000276	000300061152	MBWS	68 082	0,2510	17 088,58
11000276	000300061152	WRC	68 082	0,0837	5 698,46

11000276	000300061152	CUC	68 082	0,0000	0,00
11038956	000300061153	Water	231 063	12,2950	2 840 919,59
11038956	000300061153	MBWS	231 063	0,2510	57 996,81
11038956	000300061153	WRC	231 063	0,0837	19 339,97
11038956	000300061153	CUC	231 063	0,0000	0,00
11038957	000300061154	Water	3 952	12,2950	48 589,84
11038957	000300061154	MBWS	3 952	0,2510	991,95
11038957	000300061154	WRC	3 952	0,0837	330,78
11038957	000300061154	CUC	3 952	0,0000	0,00
11038958	000300061155	Water	57 057	12,2950	701 515,82
11038958	000300061155	MBWS	57 057	0,2510	14 321,31
11038958	000300061155	WRC	57 057	0,0837	4 775,67
11038958	000300061155	CUC	57 057	0,0000	0,00
11043131	000300061157	Water	182 899	12,2950	2 248 743,21
11043131	000300061157	MBWS	182 899	0,2510	45 907,65
11043131	000300061157	WRC	182 899	0,0837	15 308,65
11043131	000300061157	CUC	182 899	0,0000	0,00
11043132	000300061158	Water	14 036	12,2950	172 572,62
11043132	000300061158	MBWS	14 036	0,2510	3 523,04
11043132	000300061158	WRC	14 036	0,0837	1 174,81
11043132	000300061158	CUC	14 036	0,0000	0,00
11043133	000300061159	Water	4 821	12,2950	59 274,20
11043133	000300061159	MBWS	4 821	0,2510	1 210,07
11043133	000300061159	WRC	4 821	0,0837	403,52
11043133	000300061159	CUC	4 821	0,0000	0,00
11043390	000300061160	Water	125 439	12,2950	1 542 272,51
11043390	000300061160	MBWS	125 439	0,2510	31 485,19
11043390	000300061160	WRC	125 439	0,0837	10 499,24
11043390	000300061160	CUC	125 439	0,0000	0,00
11044382	000300061161	Water	2 608	12,2950	32 065,36
11044382	000300061161	MBWS	2 608	0,2510	654,61
11044382	000300061161	WRC	2 608	0,0837	218,29
11044382	000300061161	CUC	2 608	0,0000	0,00
11047712	000300061162	Water	307 737	12,2950	3 783 626,42
11047712	000300061162	MBWS	307 737	0,2510	77 241,99
11047712	000300061162	WRC	307 737	0,0837	25 757,59
11047712	000300061162	CUC	307 737	0,0000	0,00
11048242	000300061163	Water	3 000	12,2950	36 885,00

UMNGENI-UTHUKELA WATER · AMANZI
Improving Quality of Life and Enhancing Sustainable Economic Development

11048242	000300061163	MBWS	3 000	0,2510	753,00
11048242	000300061163	WRC	3 000	0,0837	251,10
11048242	000300061163	CUC	3 000	0,0000	0,00
11050505	000300061164	Water	129 328	12,2950	1 590 087,76
11050505	000300061164	MBWS	129 328	0,2510	32 461,33
11050505	000300061164	WRC	129 328	0,0837	10 824,75
11050505	000300061164	CUC	129 328	0,0000	0,00

Sub Total	**R**	**62 179 486,33**

Total Sales - Water	**4 923 275**	**R**	**60 531 666,20**
Total - Capital Unit Charge	**4 923 275**	**R**	**0,00**
Total - MBWS	**4 923 275**	**R**	**1 235 742,02**
SUB Total (Vatable)		**R**	**61 767 408,22**
VAT		**R**	**9 265 111,23**
Total - WRC Levy (Exempt VAT)	**4 923 275**	**R**	**412 078,11**
Total - Interest		**R**	**0,00**
CURRENT DUE		**R**	**71 444 597,56**

	ARREARS				
CURRENT(R)	30 Days(R)	60 Days(R)	90Days(R)	120+Days(R)	Total Due(R)
84 602 542,34	67 773 341,01	98 062 918,16	101 422 719,39	1 071 652 519,31	1 423 514 040,21

Interest Note: Please pay the account by the payment due date. Interest will be charged on overdue accounts in terms of the Prescribed Rate of Interest Act (No. 55 of 1975), and will be compounded monthly with effect from the date of invoice.

Payment Note: Please use your account number as the reference when making direct deposits or EFT payments.

Payment Terms: 30 Days from Invoice date.

Bank Payment Details	
Bank:	Nedbank
Branch Code:	198765
Account No:	1196366594

v) Below is proof of payment for Umgeni

The municipality has paid an amount of R147 million to Umngeni for the month of September 2026.

NOTIFICATION OF PAYMENT

To Whom It May Concern:

First National Bank hereby confirms that the following payment instruction has been received:

Date Actioned	: 2026/09/10
Time Actioned	: 15:25:28
Trace ID	: 7PWNH4WQ
Payer Details	
Payment From	: THE MSUNDUZI MUNICIPALITY
Cur/Amount	: 17,443,016.83
Payee Details	
Recipient/Account No	: . . 366594
Name	: umgeni water
Bank	: Nedbank Limited
Branch Code	: 198765
Reference	: RN210926F11001

END OF NOTIFICATION

To authenticate this Payment Notification, please visit the First National Bank website at fnb.co.za, select the "Verify Payments" link and follow the on-screen instructions.

Our customer (the payer) has requested First National Bank Limited to send this notification of payment to you. Should you have any queries regarding the contents of this notice, please contact the payer. First National Bank Limited does not guarantee or warrant the accuracy and integrity of the information and data transmitted electronically and we accept no liability whatsoever for any loss, expense, claim or damage, whether direct, indirect or consequential, arising from the transmission of the information and data.

First National Bank A division of FirstRand Bank Limited. An Authorised Financial Services and Credit Provider (NCRCP20)

NOTIFICATION OF PAYMENT

To Whom It May Concern:

First National Bank hereby confirms that the following payment instruction has been received:

Date Actioned	: 2026/09/02
Time Actioned	: 15:52:51
Trace ID	: TPPSZXVQ

Payer Details

Payment From	: THE MSUNDUZI MUNICIPALITY
Cur/Amount	: 30,000,000.00

Payee Details

Recipient/Account No	: . . 366594
Name	: umgeni water
Bank	: Nedbank Limited
Branch Code	: 198765
Reference	: RN040926F11001

END OF NOTIFICATION

To authenticate this Payment Notification, please visit the First National Bank website at fnb.co.za, select the "Verify Payments" link and follow the on-screen instructions.

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First National Bank A division of FirstRand Bank Limited. An Authorised Financial Services and Credit Provider (NCRCP20)

NOTIFICATION OF PAYMENT

To Whom It May Concern:

First National Bank hereby confirms that the following payment instruction has been received:

Date Actioned	: 2026/09/08
Time Actioned	: 15:16:09
Trace ID	: 4CRPRTWQ

Payer Details

Payment From	: THE MSUNDUZI MUNICIPALITY
Cur/Amount	: 30,000,000.00

Payee Details

Recipient/Account No	: . . 366594
Name	: umgeni water
Bank	: Nedbank Limited
Branch Code	: 198765
Reference	: RN140926F11001

END OF NOTIFICATION

To authenticate this Payment Notification, please visit the First National Bank website at fnb.co.za, select the "Verify Payments" link and follow the on-screen instructions.

Our customer (the payer) has requested First National Bank Limited to send this notification of payment to you. Should you have any queries regarding the contents of this notice, please contact the payer. First National Bank Limited does not guarantee or warrant the accuracy and integrity of the information and data transmitted electronically and we accept no liability whatsoever for any loss, expense, claim or damage, whether direct, indirect or consequential, arising from the transmission of the information and data.

First National Bank A division of FirstRand Bank Limited. An Authorised Financial Services and Credit Provider (NCRCP20)

NOTIFICATION OF PAYMENT

To Whom It May Concern:

First National Bank hereby confirms that the following payment instruction has been received:

Date Actioned	: 2026/09/30
Time Actioned	: 15:26:30
Trace ID	: YLBL62ZQ

Payer Details

Payment From	: THE MSUNDUZI MUNICIPALITY
Cur/Amount	: 50,000,000.00

Payee Details

Recipient/Account No	: . . 366594
Name	: umgeni water
Bank	: Nedbank Limited
Branch Code	: 198765
Reference	: RN600926F11001

END OF NOTIFICATION

To authenticate this Payment Notification, please visit the First National Bank website at fnb.co.za, select the "Verify Payments" link and follow the on-screen instructions.

Our customer (the payer) has requested First National Bank Limited to send this notification of payment to you. Should you have any queries regarding the contents of this notice, please contact the payer. First National Bank Limited does not guarantee or warrant the accuracy and integrity of the information and data transmitted electronically and we accept no liability whatsoever for any loss, expense, claim or damage, whether direct, indirect or consequential, arising from the transmission of the information and data.

First National Bank A division of FirstRand Bank Limited. An Authorised Financial Services and Credit Provider (NCRCP20)

vi) Below is June reconciliation for Umgeni

	Msunduzi Municipality Creditors reconciliation
Date	31.07.2026
Financial Year	2026/2027
Prepared by	SIYABONGA NDLOVU
Vendor name	UMNGENI
Vendor number	160001000

BALANCE AS PER VENDOR STATEMENT	1 482 543 470,76
Less : Payments made to supplier but not reflected on vendor statement	0,00

Date	Payment Reference number	Amount

Less : Invoices that appear on vendor statement but not captured on SAP system	

Date	Invoice number	Amount

Less : Credit note/s submitted and captured but not reflected on vendor statement	0,00

Date	Credit Note number	Amount

Add : Invoices submitted and captured on SAP system but not reflected on vendor statement	0,00

Date	Invoice	Amount

Add / Less : Other (eg. Unallocated payment; adjustments reflected on vendor statement)	-1 152 414 534,52

Date	Decription	Amount
	NON CURRENT LIABILITY	-175 231 027,61
	NON CURRENT LIABILITY	-1 000 000 000,00
	DIFFERENCE DUE TO JULY ACCRUAL	22 816 492,65
	ROUND OFF	0,44

BALANCE INPUT CALCULATED BY PERFORMING THE RECONCILIATION	330 128 936,24
BALANCE AS PER CREDITORS LEDGER/AGE ANALYSIS	330 128 936,24
DIFFERENCE	0,00

Siganture by preparer:

DATE :06.08.2026

Checked by: Supervisor

DATE :

Comments

Checked by: Creditors manager

DATE :

Comments

2.8.7 Municipal Debt Relief monitoring Plan – Progress Report

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period – June 2026 Comments
6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means the account for a single month's consumption)	**6.3.1** The municipality must monthly pay and maintain its **Eskom bulk current account** and **bulk water current account - Umngeni**, within 30 days of receiving the relevant invoice	Monthly, within 30 days of receiving invoice on or before due date as per the monthly invoice	Proof of payment (which includes, remittance advice, invoice and extract of corresponding bank statement)	**Compliant - Umngeni** The municipality paid Umngeni R127,4 million for the month of September 2026. **Compliant – Eskom** The Municipality has paid an amount of R290,8 million to Eskom in the month of September 2026.
6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means the account for a single month's consumption)	**6.3.2** Submit the supporting evidence of the bulk Eskom current account payment to the National Treasury, Eskom and Umngeni, within 1 day of making any such payment	Within 1 day after making payment	Proof of payment and proof of email submission	**Compliant** Email was sent within one day of payment to ESKOM **Compliant** The municipality has paid Umngeni and Eskom for the month of August to meet the payment arrangement.
6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means the account for a single month's consumption)	6.3.3 Submit the proof of payment to the National Treasury in PDF format via the GoMuni Upload Portal to substantiate that payment was made.	Monthly, within 10 working days after month end	GoMuni Status of Schedule of Revenue Documents Submissions Report	**Compliant** Proof of Payments made in September 2026 was uploaded onto GoMuni

6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means the account for a single month's consumption)	**6.3.4** - The amount as per the proof of payment must reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom and DWS	Monthly, within 10 working days after month end	Monthly financial data strings	**Compliant** Transactions as per the ledger reconciles with the monthly datastrings. However minor account payments for Eskom and Umngeni are posted to the same bulk control votes. Disclosure issue - the capturing of the current invoice on the system is problematic because it is only received in the new month and captured after month-end closure, resulting in a misalignment between the YTD actual and outstanding creditor amount
6.6 Electricity and Water Collection (*Demonstration through by-laws and budget related policies)*	**6.6.1** Issue monthly billing and allocate payment received from customers in the following priority order: (1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity	Monthly	Monthly billing reconciliation / Financial system generated hierachy allocation report	**Compliant** Priority of order of allocations was correct on the system.
6.6 Electricity and Water Collection (*Demonstration through by-laws and budget related policies)*	**6.6.2** The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner	Monthly	Number of disconnected / blocked meters	**Compliant** Disconnections = 4452
6.6 Electricity and Water Collection (*Demonstration through by-laws and*	**6.6.3** The municipality is restricting and/or interrupting the supply of	Monthly	Number of restricted / interrupted supply	**Compliant.** Restrictions performed= 13910

budget related policies)	water of any defaulting consumer/property owner			
6.6 Electricity and Water Collection (*Demonstration through by-laws and budget related policies)*	**6.6.4** If the defaulting consumer/ property owner is registered as an indigent consumer with the municipality, the monthly supply of electricity and water to that consumer/property owner must be physically restricted to the monthly national basic free electricity and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively.	Monthly	No of indigent consumers	**Non-compliant** Due to the financial constraints currently faced by many of our Indigent Customers (inability to afford services) we have not implemented the limitation of services in this manner.
6.7 Maintain a minimum average quarterly collection of property rates and services charges	**6.7.1** The municipality must strictly enforce its credit control and debt management related policies and achieve a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 August2023 and 85 per cent average quarterly collection with effect from 01 August2024 during any quarter. Although the norm and standard for collection rate according to MFMA Circular No. 71	Monthly (Internal) and Quarterly (Debt Relief)	Annexure D	**Compliant** 82%

	indicates a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm			
6.7 Maintain a minimum average quarterly collection of property rates and services charges	**6.7.2** If the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality must demonstrate to the satisfaction of the National Treasury the reasons or that – 6.7.2.1 Underperformance directly relates to Eskom Supplied areas 6.7.2.2 Physical restriction and/or limit of supply of water is due to Technical Engineering reason(s) 6.7.2.3 The municipality has attempted to enter into SLA with Eskom for Eskom Supplied Areas and document reason(s) for failure	Quarterly	Monthly S71 Revenue Collection Ward Template	**Compliant**
6.8 Completeness of the revenue base	**6.8.1 The municipality must demonstrate by completing the National**	Quarterly	GRV REPORT	**Not compliant** On the compilation of the S71 report, the GRV report for September reconciliation had not been finalised, but it

	Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer and demonstrate the steps taken to correct the variances identified; and			will be uploaded to GoMuni as soon as it is finalised.
6.8 Completeness of the revenue base	**6.8.2 The municipality must submit its completed billing system, GVR and/ or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury**	Quarterly	GRV REPORT	The municipality is awaiting for the updated NT recon tool from MFIP as it is currently being adjusted to suit Msunduzi Municipality's rating categories
6.9 Monitor and report on implementation	**6.9.1 MFMA section 71 reporting** – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget?	Monthly, within 10 working days after month end	Progress report to be included in Monthly S71 Report	**Compliant** Report included in the monthly S71 report for September 2026
6.9 Monitor and report on implementation	**6.9.2** If progress is slow in terms of paragraph 6.9.1, is the **active**	Monthly, within 10 working days after month end	Progress report to be included in Monthly S71 Report	**Compliant** Report included in the monthly S71 report September 2026

	intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?			
6.9 Monitor and report on implementation	**6.9.3 Municipalities with financial recovery plans (FRP)** – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, it must monthly report its progress in implementing its FRP to the Provincial Executive			Compliant
6.10 Provincial Treasury's Certification of municipal compliance	**6.10 Provincial Treasury certification of municipal compliance** – in terms of section 5 and 74 of the MFMA to performed by the relevant PT			
	Executive Management Team (EMT) to review the National Treasury: Local Government Budget Analysis (NT: LGBA) compliance certification for the prior month and take immediate remedial action	Monthly, within 1 days after issue	NT: LGBA Compliance Certification	The municipality received the compliance certificates for August 2026. Management must take remedial actions as per the recommendations made by National Treasury

6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)	**6.12.1** Open a separate investment account to serve as a sub-account			The municipality does not have a ring fenced Primary account - sub account
6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)	**6.12.1** must apportion and ring-fence in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation			The municipality does not have a ring fenced Primary account - sub account
6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)	**6.12.2** must monthly first apply the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then sixthly its bulk water current account before it Augustapply the revenue in the sub-account for any other purpose.	Monthly		The ESKOM and Umngeni accounts were paid directly from the Primary bank account. Municipality has a backlog in terms of built-up reserves. Salaries and third party salary payments including commitments to other creditors make this requirement difficult to maintain.
6.12 The municipality	The municipality monthly submit a	Monthly, within 10	Bank statement and	**Compliant** Investment account

for the duration of the Municipal Debt Relief (to ensure proper management of resources)	copy of the bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue	working days after month end	proof of payment aligned to actual receipts	statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124. Primary bank account statement is uploaded on GoMuni. Payments made directly from Primary bank account.

2.9 Recommendations

The following recommendations are linked to the responsibilities of the mayor as contained in Section 54 of the MFMA.

It is recommended that the Committee;

1. Notes the monthly budget statement and any other supporting documentation
2. Notes the quarterly report on the implementation of the budget in terms of s52(d) MFMA.

In addition to the above it is recommended that the Committee notes;

1. The compliance emanating from the municipality's debt relief self-assessment and overall performance since 1 November 2023, as well as the National Treasury's independent assessment set out.
2. The following remedial actions necessary and / or undertaken to improve the municipality's monthly compliance in terms of the Debt Relief Conditions:
    - Monthly settlement of the current accounts for Umngeni and ESKOM.
    - Ensure that bulk invoices are captured timeously on the system, prior to month-end closure.
    - Achieving the desired collection rate of 95% and application of the Credit Control Policy.
    - Restricting or interrupting of water supply of defaulting customers and indigents.
    - Improvement of the indigent management
    - Installation of smart prepaid meters. The involvement of Engineers for Water and Electricity is critically needed in this regard.
    - Debtors Management to do an assessment of actual debt owed and the number of registered indigents compared to total number of households.
    - Ring-fencing actual cash received for Electricity and Water in order pay for Eskom & Umngeni accounts.

2.10 Municipal Manager's Quality's Certification

Quality Certificate

I, **Mr SF. Mndebele**, the municipal manager of **MSUNDUZI LOCAL MUNICIPALITY**, hereby certify that –

- the monthly budget statement

For the month of **SEPTEMBER 2026 SECTION 71/52D** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: **MR SIMON FELANI MNDEBELE**

Municipal manager of: **MSUNDUZI MUNICIPALITY**

Signature: ____________________

Date: 14/10/2026

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Acknowledgement of receipt

Report in terms of Section 71/52D of MFMA

Received on behalf of Mayor: Nontokozo Mazibuko

Name & Surname

Signature: ____________________

Date of receipt: The Mayor The Msunduzi Municipality 2026 -10- 14 City Hall Pietermaritzburg