



# *Msukaligwa Local Municipality*

MULTI-YEAR BUDGET 2025/26 - 2027/28 FINANCIAL YEAR



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**MSUKALIGWA LOCAL MUNICIPALITY MEDIUM TERM REVENUE AND EXPENDITURE  
FRAMEWORK WITH TARIFF AND BUDGET RELATED POLICIES (MTREF) FOR 2025/2026 TO  
2027/2028**

**PART 1 – ANNUAL BUDGET**

**MAYOR'S REPORT**

Honourable Speaker of Council.

Whip of Council

Fellow Members of the Mayoral Committee

Fellow Councillors.

Chairperson of Audit Committee

Chairperson of Risk Management Committee

Municipal Manager & Directors

Officials present.

Esteem Msukaligwa residents

Members of the Public

Members of the media

Madam Speaker, thank you very much for the opportunity provided to me during this Council sitting taking place in the fourth quarter of 2024/2025 financial year.

Madam speaker, I wish to pause for a moment of silence in remembrance of the two employees who passed on during the month of May 2025, Mr. Mafika Simon Nkosi who served as a transversal officer in the Department of Corporate Services under the Office of the Executive Mayor. He was a champion for people living with disabilities and elderly people and he ensured that their programmes are fully implemented.

Mr. Vusi Sipho Nkosi served as a general assistant in the Corporate Services Department under Secretariat & Auxiliary Management, his dedication, and unwavering commitment to his responsibility made a lasting impact on all those who had the privilege of working with him.

Madam Speaker, let me take this opportunity and extend my sincere gratitude to the residents of Msukaligwa, Councillors of our Municipality and Councillors from various Municipalities, Sector department, Church denominations, business organization, non-governmental organizations, Municipal staff, traditional leaders and all stakeholders for your best wishes and

support during my recovery period following the accident. Your kindness, prayers and encouragements are deeply appreciated, and May God bless you all.

Madam Speaker, South Africa continues to celebrate Africa Month through the theme "Building Africa we want through solidarity, Equality and Sustainability"

MAY marks Africa Month – a moment for the continent to pause, reflect and celebrate our unique African identity and cultural expression, Africa Day is celebrated annually to commemorate the founding of the Organization of African Unity (OAU), founded on the 25th of May 1963. South Africa celebrates (31) Years of Democracy but also importantly South Africa is presiding over the G20 countries.

Madam Speaker, the budget public consultative programme commenced from the 22nd of April 2025 up to the 9th of May 2025 in all (19) Wards of our Municipality as part of public participation before the budget gets considered by the Council.

we were engaging the public through participation that certain policies needed to be reviewed to cater the most needy and as well the economic outlook of Msukaligwa population. Policies like indigent policy, tariff policy and property rates have been considered to ease the burden and financial constraint faced by our residents.

With this annual budget, the Municipality has made commitment to upgrading infrastructure and other service delivery essentials.

Madam speaker, the recurrence of illegal connection as well as the aged infrastructure and mushrooming of informal settlements have caused negative damage to our electricity, water and sanitation infrastructure. This has adversely affected the provision of basic services, resulting in increased water and electricity losses and decreasing sales.

Madam speaker as part of this reform, Municipalities must improve cost recovery mechanism, reduce inefficiencies, and ensure that tariffs reflect the true cost of service provision while remaining affordable to vulnerable communities.

Madam speaker, in line with these reforms, the Municipality has implemented measures to improve revenue collection, reduce non-technical losses, and enhance transparency in how we manage and allocate resources.

These changes are essential for the strengthening our Municipality's financial position and ensuring uninterrupted, high-quality services for all residents.

The Municipality has developed a financial recovery plan, and budgeting funding plan as part of the turn-round strategies for electricity, water and sanitations which were adopted by this Council and approved by National Treasury and are currently being implemented.

Madam Speaker, we strongly believe that working together with the sister department, business and community at large we shall see this budget responding the object to the Constitution of South Africa that.

- (1) the objects of local government are-
  - (a) to provide democratic and accountable government for local communities.
  - (b) to ensure the provision of services to communities in a sustainable manner.
  - (c) to promote social and economic development.
  - (d) to promote a safe and healthy environment; and
  - (e) to encourage the involvement of communities and community organization in the matters of local government.

Madam speaker, the Municipality has shown some improvement in revenue collection ranging from 70% to 74%, as a Municipality we would like to thank our communities for their responsibility and encouraging others to do the same to ensure improved delivery service.

#### Capital Expenditure

The Municipality has been allocated R165 million from National Treasury to ensure service delivery.

- (i) Regional Bulk infrastructure Grant R50 million
- (ii) Municipal Infrastructure Grant R63,581 million
- (iii) Water Services Infrastructure Grant R45 million
- (iv) Energy Demand Efficiency Management Grant R4 million
- (v) Integrated National Electrification Programme R2,691 million

Madam Speaker, the current administration remains committed to provision of sustainable basic delivery. The SDBIP documents give full details on the proposed programmes to be implemented to improve the Municipal performance.

Madam speaker, we are going to implement all our 2025/2026 projects which include the following:

1. Upgrade of the existing Ermelo WWTW and installation of new Bulk Sewer Pipeline for Ermelo Extension to the amount of R465 380 238.20. the contractor has been appointed.
2. Construction of 2km paved roads in Weselton – Mabilisa and Magwaza Street, Tax collector to the amount of R22 107 596.61
3. Upgrading of sewer reticulation networks servicing 32, 33 and 34, Ermelo – the progress is at the procurement stage.
4. Construction of Mandela bridge the contractor is on site.

This project shall contribute to the creation of employment opportunities for the residents of these wards mentioned above.

Madam speaker, the public consultation for the draft sets of electoral wards will commence on the 30th of May 2025 at 10:00 in Ella Debruin Hall - Ermelo, I would like to encourage all Councillors, all political parties and members of the public to participate in this process.

Madam speaker, let me take this opportunity to commend all Councillors for representing our communities in making sure that communities are informed about all the activities of Council, and further commend the administration for continuous positive performance in ensuring that services are delivered to our communities.

#### CONCLUSION

Madam speaker, we want to reiterate that this budget will focus on the provision of an uninterrupted supply of basic services by improving the Municipality's infrastructure and most importantly, we want to assure that residents of Msukaligwa Local Municipality that there will be transparency on how this budget is utilized and that there is value for everything we spend on.

May God bless you all.

I thank you.

## Council Resolution

1. The annual budget report for the financial year 2025/26 and the projected outer years 2026/27 and 2027/28, and the multi-year year capital appropriations, **BE NOTED** for the purpose of complying Municipal Finance Management Act, Act 56 of 2003 (MFMA), read in conjunction with Municipal Budget and Reporting Regulations No.32141 (dated 17 April 2009)
2. That Council approves the levying of Property rates in terms of section 14 of the Property rates Act
3. That the tariffs increase for the 2025-26 **BE APPROVED** as follows with effect from 1 July 2025:
  - i. Property rates - 0%
  - ii. Water - 4.3%
  - iii. Sanitation - 4.3%
  - iv. Refuse - 4.3%
  - v. Electricity - 11,32% (On average (depending on the various customer categories), subject to NERSA approval). Except for basic charges
  - vi. All Other Services – 4.3%
4. That Council **NOTES** the contents of National Treasury MFMA Circulars 129 and 130 (attached to the Budget Report) for guiding the budgeting processes leading up to budget approval by the end of May 2025.
5. The annual budget for 2025/26-2027/28 Medium-term Revenue and Expenditure Framework, tabled in accordance with the Municipal Finance Management Act, 2003 (Act 56 of 2003) **BE APPROVED**
6. That Council **NOTES** the content and recommendations of the Mpumalanga Provincial Treasury Budget Assessment outcome
7. That the budget related policies **be APPROVED**
  - i. Tariff policy.
  - ii. Property rates policy
  - iii. Debt collection and credit control policy
  - iv. Provision for debt impairment policy.
  - v. Supply chain management policy.
  - vi. Budget and virement policy
  - vii. Cost containment policy
  - viii. Asset management policy
  - ix. Long-term financial plan
  - x. Insurance policy

- xi. Unclaimed money policy
- xii. Investment of surplus fund policy
- xiii. Disposal of Immovable property policy
- xiv. Fleet management policy.
- xv. Indigent policy
- xvi. Travelling and subsistence policy
- xvii. Creditors payment policy
- xviii. Meter reading policy
- xix. Petty cash policy
- xx. Stores and Inventory Management policy

## **1 EXECUTIVE SUMMARY**

In preparing the budget for the upcoming financial year, it is essential to outline the key budget assumptions that will guide the allocation of resources and the prioritization of projects. These assumptions are based on both internal and external factors that could influence the financial health of Msukaligwa Local Municipality, ensuring that the budget is realistic, achievable, and responsive to the current economic climate.

- Realistically Anticipated Revenues to be Collected
- Projected Revenue for the Current Year Based on Collection Levels to Date
- Actual Revenue Collected in Previous Financial Years
- Audited Annual Financial Statements
- Budget Circular 129 and 130 issued by National Treasury
- 2025/26 Provincial Treasury Budget Assessment Report

### **Economic Outlook**

The National Treasury has revised its 2024 economic growth forecast downwards to 1.1 percent, a reduction from the 1.3 percent projected in the 2024 Budget Review. This revision reflects ongoing economic challenges, which may result in lower-than-expected revenue generation for both national and local governments.

GDP growth is projected to average 1.8 percent from 2025 to 2027, an improvement over the preceding period's average growth rate of 1.2 percent. While this offers some optimism for future economic recovery, the short-term challenges still require careful financial management at the municipal level.

Given these economic projections, municipalities must remain vigilant in ensuring that their financial plans are adaptable and aligned with national economic trends. This includes:

- **Prioritizing cost-effective service delivery:** Ensuring that municipal services remain effective and efficient, despite the constraints imposed by lower economic growth.
- **Enhancing revenue collection:** Focus on improving the revenue value chain, ensuring that billing systems are efficient, and collecting outstanding revenues without compromising on service delivery.

- **Managing expenditure:** Closely monitoring operational and capital expenditures to ensure that they remain within budget while meeting the needs of the community.
- **Diversifying revenue streams:** Identifying alternative sources of revenue, such as partnerships, grants, and other innovative solutions, to lessen the dependency on traditional income sources.

South African economy continues to face significant challenges that are expected to influence both national and local government finances. These include:

1. **Continuous Loadshedding:** Persistent electricity supply interruptions are severely impacting economic productivity, business operations, and household incomes.
2. **High Unemployment Rate:** South Africa's unemployment rate remains a major structural issue, with far-reaching consequences for both household incomes and municipal revenue. As a result the municipality may face challenges in collecting property rates, service charges, and other revenues, as households and businesses alike struggle with financial distress.
3. **Illegal Connections and Cable Theft:** Illegal electricity connections and cable theft continue to drain municipal resources and hinder effective service delivery. Not only do these issues contribute to revenue losses, but they also increase the costs of repairing and replacing stolen or damaged infrastructure. The high levels of theft undermine the sustainability of energy supply and put additional strain on municipalities to maintain services, resulting in a need for robust anti-theft measures and better control systems.

Msukaligwa Local Municipality is highly reliant on grants to fund long-term infrastructure development projects. These grants are provided by National Government serve as a primary source of capital infrastructure needs, such as roads, water supply, sanitation, and electricity provision.

### **ESKOM Debt Relief**

National Treasury is now responsible for overseeing the smart meters grant. This marks a shift in how the grant is managed, as it is now categorized as an indirect grant through a transversal contract. The grant's core objective is to enhance energy efficiency and support the integration of renewable energy. This is seen as essential for improving energy systems and ensuring that consumer needs are met more effectively.

Over the 2025 MTEF (Medium Term Expenditure Framework) period, the grant will continue to support municipal debt relief efforts. This indicates that the grant is being used to help municipalities manage their financial challenges. The focus will initially be on municipalities that are already enrolled in the program. Over time, however, the grant is expected to expand to include more municipalities.

## Challenges Faced by the Municipality in the Compilation of the 2025/26 MTREF

The Municipality's 2025/26 Medium-Term Revenue and Expenditure Framework (MTREF) is being compiled under difficult circumstances. These challenges require not only immediate fiscal responses but also long-term strategic planning to ensure that the municipality's financial sustainability and service delivery are not jeopardized. Below is an in-depth analysis of the key challenges mentioned:

- Unfunded budget
- Theft and Illegal connection
- Land Invasion
- Climate Change
- Poverty
- High rate of unemployment and low economic growth
- Shortages of water source

## OPERATING REVENUE FRAMEWORK

The efficient and effective revenue value chain is crucial for the long-term financial sustainability of a municipality, since Msukaligwa is not grants dependants to fund its operations. This approach is fundamental to achieving the municipality's fiscal goals. As mandated by Section 18(1)(a) of the Municipal Finance Management Act (MFMA), expenditure must be funded by realistically anticipated revenues.

The following macro-economic forecasts must be considered when preparing the 2025/26 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2023 - 2028**

Fiscal year	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimate	Forecast		
CPI Inflation	6.0%	4.4%	4.3%	4.6%	4.4%

Source: National Treasury Budget Review 2025.

Section 17(1) of the MFMA requires that the annual budget of the municipality must be in the prescribed format as follows:

- Setting out realistically anticipated revenue for the budget year from each revenue source.
- Appropriating expenditure for the budget year under the different votes of the municipality.
- Setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year.
- Setting out the estimated revenue and expenditure by vote for the current year and actual revenue and expenditure by vote for the financial year.

## OPERATING REVENUE FRAMEWORK

The operational revenue budget of the municipality for 2025/26 amounts to R1.3 billion recording an increase of 9.2 percent from the 2024/25 adjustment budget amount of R1.2 billion. The budget for 2026/27 financial year is projected to be R1.4 billion, recording an increase of 6.5 percent from the 2025/26 and the 2027/28 financial year is projected to be R1.5 billion, recording an increase of 6.6 percent from the 2026/27. The revenue budget is 22.2 percent dependent on operational transfers and 77.8 percent own revenue.

Tariffs for 2025/26 were reviewed and adjusted with the percentage below:

- i. Property rates - 0%
- ii. Water - 4.3%
- iii. Sanitation - 4.3%
- iv. Refuse - 4.3%
- v. Electricity - 11,32% (On average (depending on the various customer categories), subject to NERSA approval). Except for basic charges
- vi. All Other Services – 4.3%

The Municipal's funding model continues to rely on revenue generated from own resources revenue followed by grants. Msukaligwa Local Municipality is not grant dependent, 76% of the budget is funded through own revenue and 24% of the budget is funded through grants.

MP392 Msukaligwa - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charge - Electricity	2	226,685	223,632	258,528	351,451	351,451	351,451	213,639	391,236	435,524	484,825
Service charge - Water	2	64,286	74,235	71,096	86,882	86,882	86,882	68,932	90,618	94,787	98,957
Service charge - Waste Water Management	2	48,774	57,877	60,290	65,102	65,102	65,102	40,061	67,901	71,025	74,150
Service charge - Waste Management	2	40,181	49,300	51,501	56,266	56,266	56,266	34,673	58,742	61,325	64,025
Sale of Goods and Rendering of Services		-	-	6,705	10,761	10,761	10,761	4,939	11,224	11,740	12,257
Agency services		6,001	6,886	-	-	-	-	-	-	-	-
Interest											
Interest earned from Receivables		29,709	37,111	34,885	36,561	36,561	36,561	20,793	38,133	39,887	41,642
Interest earned from Current and Non Current Assets		1,098	4,854	6,053	5,245	5,245	5,245	3,726	5,471	5,722	5,974
Dividends											
Rent on Land					2	2	2	1	2	2	2
Penal from Fixed Assets		2,722	2,921	2,833	3,311	3,311	3,311	2,184	3,453	3,612	3,771
Licence and permits		3,624	3,454	79	94	94	94	30	98	102	107
<b>Operational Revenue</b>		10,333	9,428	28,430	37,139	42,505	42,505	1,360	46,333	46,372	48,412
<b>Non-Exchange Revenue</b>											
Property rates	2	183,826	205,941	203,785	216,442	216,442	216,442	142,035	298,951	270,863	282,781
Surcharge and Taxes											
Fines, penalties and forfeits		4,771	5,704	9,073	5,724	47,201	47,201	(38)	48,231	51,495	53,761
Licences or permits		-	-	-	-	-	-	46	-	-	-
Transfer and subsidies - Operational		511,096	498,253	419,425	281,627	281,627	281,627	202,987	294,885	307,965	321,237
Interest					11,952	11,952	11,952	5,703	12,466	13,039	13,613
Fuel Levy											
Operational Revenue								900	-	-	-
Gains on disposal of Assets			14,388	28,431	-	-	-	118	-	-	-
Other Gains			113,138	43,601	-	-	-	-	-	-	-
<b>Discontinued Operations</b>											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1,143,194</b>	<b>1,306,129</b>	<b>1,226,816</b>	<b>1,168,388</b>	<b>1,215,483</b>	<b>1,215,483</b>	<b>742,898</b>	<b>1,326,753</b>	<b>1,412,892</b>	<b>1,505,514</b>

### **Electricity**

Electricity revenue is projected to increase by 11.3 percent from the adjustment budget of R351.4 million in the 2024/25 financial year to R391.2 million in the 2025/26 financial year.

### **Water**

Water revenue is projected to increase by 4.3 percent from the adjustment budget R86,8 million in the 2024/25 financial year to R90.6 million in the 2025/26 financial year.

### **Wastewater**

Wastewater revenue is projected to increase by 4.3 percent from the adjustment budget of R65.1 million in the 2024/25 financial year to R67.9 million in the 2025/26 financial year

### **Waste**

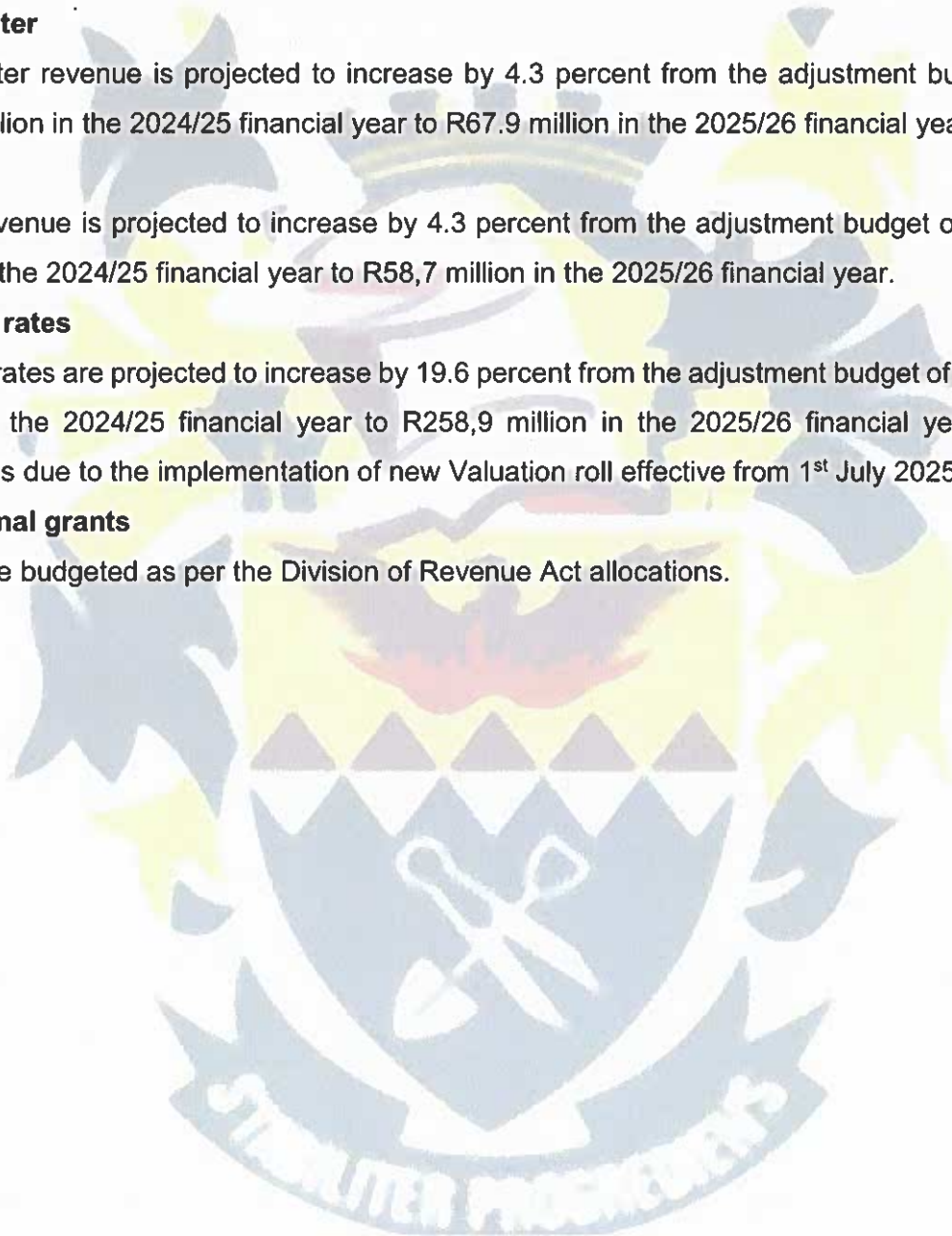
Waste revenue is projected to increase by 4.3 percent from the adjustment budget of R56,2 million in the 2024/25 financial year to R58,7 million in the 2025/26 financial year.

### **Property rates**

Property rates are projected to increase by 19.6 percent from the adjustment budget of R216,4 million in the 2024/25 financial year to R258,9 million in the 2025/26 financial year. The increase is due to the implementation of new Valuation roll effective from 1<sup>st</sup> July 2025.

### **Operational grants**

Grants are budgeted as per the Division of Revenue Act allocations.



## EXPENDITURE ANALYSIS

The operating expenditure increased from the adjusted budget of R1.498 billion in the 2024/25 financial year to R1.543 billion for the 2025/26 financial year. The overall expenditure increased by 0.9 percent or R45.2 million.

MP302 Msukaligwa - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Expenditure</b>											
Employee related costs	2	254,072	272,717	295,962	316,462	316,462	316,462	208,058	332,538	349,431	367,182
Remuneration of councillors		15,489	17,362	18,024	20,450	20,450	20,450	9,605	20,559	20,674	20,794
Bulk purchases - electricity	2	391,566	317,779	401,588	378,783	425,000	425,000	356,267	460,250	494,078	446,647
Inventory consumed	8	29,442	121,725	177,208	92,115	134,000	134,000	35,180	117,003	74,857	-
Debt impairment	3	121,120	148,433	82,104	119,135	104,135	104,135	64	94,135	94,135	94,135
Depreciation and amortisation		137,642	135,028	128,561	145,379	135,379	135,379	-	128,379	128,379	128,379
Interest		87,000	99,032	132,536	29,041	22,041	22,041	-	22,041	22,041	22,041
Contracted services		45,202	61,885	71,290	109,451	133,977	133,977	69,690	124,809	62,628	62,628
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	552	552	552	11	552	552	552
Operational costs		52,817	69,713	101,809	82,335	81,377	81,377	52,592	82,202	42,851	42,851
Losses on disposal of Assets		17,650	14,062	3,832	-	-	-	-	-	-	-
Other Losses		-	4,256	49,714	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>1,152,001</b>	<b>1,261,992</b>	<b>1,482,617</b>	<b>1,293,762</b>	<b>1,373,373</b>	<b>1,373,373</b>	<b>791,466</b>	<b>1,382,469</b>	<b>1,289,637</b>	<b>1,185,210</b>
Surplus/(Deficit)		(6,897)	44,137	(235,891)	(128,142)	(187,978)	(187,978)	18,633	(55,716)	123,258	328,385

### Employee related costs and Remuneration of Councillors

The budget allocation for Employee related costs and Councillors remuneration for the 2025/26 financial year amounts to R336.9 million which equals 25.5 percent of the total operating expenditure. The employee related costs increased by 5.1 percent and remuneration of councillors by 0.5 percent, which is below the 5.01 percent salary and wage increase as per the bargaining council agreement.

Employee-related costs is 26% of the total operating expenditure which is within the National Treasury's norm of 35%. Employee related Costs was calculated at average inflation rate from January to February plus 0,75%. The remuneration of Councillors is as per the determination by the Minister of Co-operative Governance and Traditional Affairs in accordance with the remuneration of Public-Office Bearers.

### **Debt Impairment**

Debt impairment is budgeted at R94.1 million for the 2025/26 financial year which decreased from the adjustment budget R104.1 million in 2024/25 financial year. Debt impairment decreased by 9.6 percent. The assumption is based on the fact that the municipality appointed Debt Collector.

### **Depreciation and Amortisation**

Depreciation and amortisation decreased by 5.2 percent from the adjusted budget of R135.3 million to R128.3 million in the 2025/26 budget year.

### **Bulk purchases**

ESKOM Bulk purchases was increased by 12,74% as per the NERSA guidelines

### **Contracted Services**

Contracted services budget contributes 8 percent to the total Operating expenditure of R1.5 billion.

### **Operating Costs**

The projected budget for Operational costs for the 2025/26 financial year amounts R82.2 million, this is an increase of 2.2 percent from the adjustment budget amount of R80.4 million.

## CAPITAL BUDGET

The capital budget for the Msukaligwa Local Municipality projects, amounting to R162,093,000, is funded through RBIG, WSIG, EESDM, INEP, and MIG

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>	2										
<b>Multi-year expenditure - to be appropriated</b>											
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Finance & Administration		-	-	-	3,700	4,690	4,690	3,396	-	-	-
Vote 03 -		-	-	-	-	-	-	-	-	-	-
Vote 04 - Sport And Recreation		-	-	-	-	-	-	-	-	-	-
Vote 05 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 06 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 07 - Health		-	-	-	-	-	-	-	-	-	-
Vote 08 - Planning And Development		-	-	-	-	-	-	-	-	-	-
Vote 09 - Community & Social Services		-	-	-	-	-	-	-	-	-	-
Vote 10 - Electricity		-	-	(1,990)	-	4,000	4,000	2,591	6,691	10,509	6,803
Vote 11 - Water Management		-	-	1,065	30,000	174,945	174,945	7,351	16,976	45,748	19,328
Vote 12 - Waste Water Management		-	-	15,992	-	16,782	16,782	13,224	107,342	195,631	174,196
Vote 13 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 14 - Road Transport		352	-	13,269	-	37,467	37,467	28,738	22,270	0	1,954
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	352	-	20,336	33,700	237,884	237,884	55,300	153,279	251,688	202,281
<b>Single-year expenditure - to be appropriated</b>	2										
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Finance & Administration		759	-	1,463	2,000	13,200	13,200	11,026	-	-	-
Vote 03 -		-	-	-	-	-	-	-	-	-	-
Vote 04 - Sport And Recreation		193	-	-	-	-	-	-	-	-	-
Vote 05 - Public Safety		1,175	-	-	-	-	-	-	-	-	-
Vote 06 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 07 - Health		-	-	-	-	-	-	-	-	-	-
Vote 08 - Planning And Development		-	-	-	-	-	-	-	-	-	-
Vote 09 - Community & Social Services		464	-	7,574	90,000	91,158	91,158	787	-	-	-
Vote 10 - Electricity		-	-	(812)	6,116	8,827	8,827	2,033	-	-	-
Vote 11 - Water Management		-	-	50,086	-	56,165	56,165	45,065	-	-	4,832
Vote 12 - Waste Water Management		-	-	13,802	-	29,896	29,896	17,785	6,897	-	55,525
Vote 13 - Waste Management		2,147	-	-	-	-	-	-	1,917	4,021	15,043
Vote 14 - Road Transport		292	-	-	67,812	67,812	67,812	-	-	-	0
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		5,031	-	72,113	165,928	267,059	267,059	76,696	8,814	4,021	75,401
<b>Total Capital Expenditure - Vote</b>		5,383	-	100,449	199,628	504,943	504,943	131,997	162,093	255,909	277,682
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		1,052	-	1,463	5,700	17,890	17,890	14,422	-	-	-
Executive and council		-	-	-	5,000	5,990	5,990	3,396	-	-	-
Finance and administration		1,052	-	1,463	700	11,900	11,900	11,026	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		1,832	-	7,574	90,000	91,158	91,158	787	-	-	-
Community and social services		130	-	7,574	-	1,158	1,158	787	-	-	-
Sport and recreation		527	-	-	-	-	-	-	-	-	-
Public safety		1,175	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	90,000	90,000	90,000	-	-	-	-
<b>Economic and environmental services</b>		352	-	13,269	67,812	105,279	105,279	28,738	22,270	0	1,954
Planning and development		-	-	13,269	10,000	47,467	47,467	28,738	22,270	0	1,954
Road transport		352	-	-	57,812	57,812	57,812	-	-	-	0
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		2,147	-	78,143	36,116	290,616	290,616	68,049	139,623	255,909	275,728
Energy sources		-	-	(2,802)	6,116	12,827	12,827	4,624	6,691	10,509	6,803
Water management		-	-	51,151	30,000	231,110	231,110	52,416	16,976	45,748	24,160
Waste water management		-	-	29,794	-	46,679	46,679	31,009	114,239	195,631	229,721
Waste management		2,147	-	-	-	-	-	-	1,917	4,021	15,043
Other		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	5,383	-	100,449	199,628	504,943	504,943	131,997	162,093	255,909	277,682
<b>Funded by:</b>											
National Government		2,147	-	90,540	183,928	467,172	467,172	110,896	162,093	255,909	277,682
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	2,147	-	90,540	183,928	467,172	467,172	110,896	162,093	255,909	277,682
<b>Borrowing</b>	6										
Internally generated funds		3,236	-	9,909	15,700	33,271	33,271	18,830	-	0	0
<b>Total Capital Funding</b>	7	5,383	-	100,449	199,628	500,443	500,443	129,726	162,093	255,909	277,682

The Capital funding for the municipality amounts to R162 million for the 2025/26 financial year.

The capital budget decreased by R298,1 million from the adjusted budget of R460 in the

2024/25 financial year. The capital budget of the Municipality is 100 per cent funded through National Government grants.

MP302 Mankalga - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Re-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Financial Performance</b>										
Property rates	81646	202463	203796	216482	216482	216482	87491	254951	279463	282781
Service charges	394104	407318	443415	559701	559701	559701	404026	604497	642661	721956
Investment income	1036	4054	6053	5245	5245	5245	4734	5471	5722	5974
Transfers and subsidies - Operational	207661	282386	436704	281027	281100	281100	270572	294895	307395	321237
Other own revenue	82008	978575	125550	105585	152367	62347	47192	64940	166251	173966
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>304577</b>	<b>1035997</b>	<b>1265904</b>	<b>1168599</b>	<b>1214915</b>	<b>1214915</b>	<b>354005</b>	<b>1326753</b>	<b>1412092</b>	<b>1506514</b>
Employee costs	244909	265422	295952	316462	316462	316462	263591	332538	349431	367182
Remuneration of councillors	15400	17362	18024	20450	20450	20450	11991	20559	20674	20794
Depreciation and amortisation	181732	184109	128560	145379	135379	135379	4	24379	124379	128379
Interest	87000	47550	132536	29041	22041	22041	4773	22041	22041	22041
Inventory consumed and bulk purchases	262034	260459	425484	470404	559000	559000	475123	571253	568945	486647
Transfers and subsidies	-	-	0	-	-	-	-	-	-	-
Other expenditure	251980	2767737	346309	311472	319589	319589	189122	301638	200106	200166
<b>Total Expenditure</b>	<b>907184</b>	<b>3542639</b>	<b>1416465</b>	<b>1293702</b>	<b>1372921</b>	<b>1372921</b>	<b>904600</b>	<b>1362400</b>	<b>1289637</b>	<b>1185210</b>
<b>Surplus (Deficit)</b>	<b>(60207)</b>	<b>(2466642)</b>	<b>(201364)</b>	<b>(125103)</b>	<b>(158006)</b>	<b>(158006)</b>	<b>29402</b>	<b>(65716)</b>	<b>123255</b>	<b>320305</b>
Transfers and subsidies - capital (municipal allocations)	303435	254040	190364	183924	196372	196372	-	162030	255980	277082
Transfers and subsidies - capital (in-kind)	-	238	15537	-	-	-	-	-	-	-
<b>Surplus (Deficit) after capital transfers &amp; contributions</b>	<b>222426</b>	<b>(2204324)</b>	<b>(35453)</b>	<b>58784</b>	<b>36367</b>	<b>36367</b>	<b>29402</b>	<b>106377</b>	<b>379164</b>	<b>597987</b>
Share of Surplus/Deficit in Distributable Account	-	-	-	-	-	-	-	-	-	-
<b>Surplus (Deficit) for the year</b>	<b>222426</b>	<b>(2204324)</b>	<b>(35453)</b>	<b>58784</b>	<b>36367</b>	<b>36367</b>	<b>29402</b>	<b>106377</b>	<b>379164</b>	<b>597987</b>
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	5343	-	104189	199024	522584	522584	160475	162030	255980	277082
Transfers recognised - capital	2147	-	94241	183924	488972	488972	181736	162030	255980	277082
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	3236	-	9309	6700	33532	33532	19139	-	0	0
<b>Total sources of capital funds</b>	<b>5343</b>	<b>-</b>	<b>104189</b>	<b>199024</b>	<b>522584</b>	<b>522584</b>	<b>160475</b>	<b>162030</b>	<b>255980</b>	<b>277082</b>
<b>Financial position</b>										
Total assets	580054	803616	647001	289527	432101	432101	987913	1343047	420441	505233
Total non-current assets	2717426	2432968	2405320	3128321	3339319	3339319	2966195	2967410	3349338	277082
Total current liabilities	2534035	1283184	3171324	397977	1157101	1157101	2970231	2504500	513785	(2041)
Total non-current liabilities	85544	101244	80060	169114	140020	140020	80163	80163	301627	-
Current assets	1483028	(256990)	1036482	2495562	250125	250125	945453	1471317	3073645	644717
<b>Cash flows</b>										
Net cash from (used) operating	69040	19485	(105409)	174064	188564	184564	304048	95941	162335	51029
Net cash from (used) investing	(2236)	-	(51324)	(199024)	(416703)	(416703)	(59112)	(162030)	(255980)	(277082)
Net cash from (used) financing	-	-	(485)	-	-	-	(1)	-	-	-
Cash and cash equivalents at the year end	71979	29558	(79007)	53181	(168001)	(168003)	284931	73183	(20331)	221415
<b>Cash backing &amp; surplus reconciliation</b>										
Cash and investments available	(33097)	33917	52327	53181	(184922)	(184922)	17582	64802	(142952)	250363
Application of cash and investments	2089182	259237	214003	290584	925183	925183	2565345	1349587	87814	(23301)
Balance - surplus (shortfall)	(212030)	(225320)	(218676)	(237403)	(1110105)	(1110105)	(2427763)	(1284015)	(230785)	82080
<b>Asset management</b>										
Asset register summary (UDM)	2361926	2329020	2329020	3032586	3247584	3287594	-	2401725	3349338	277082
Depreciation	181732	184109	128560	145379	135379	135379	4	24379	124379	128379
Renewal and Upgrading of Existing Assets	454	-	45452	47812	244170	244170	244170	199200	242140	252974
Repairs and Maintenance	20979	35308	139045	59388	86402	86402	-	76427	41246	41286
<b>Free services</b>										
Costs of free basic services provided	19739	10497	10016	1064440	1064440	1064440	-	7973	4300	4636
Revenue costs of free services provided	19089	10943	10353	(20909)	5975	5175	-	18135	18990	18026
<b>Households below minimum service level</b>										
Total	-	-	-	-	-	-	-	-	-	-
Sanitation coverage:	-	-	-	1	1	1	-	-	-	-
Energy	-	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	19	19	19	-	-	-	-

MP302 Msukaligwa - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
<b>Revenue - Functional</b>	1									
<i>Governance and administration</i>		502,049	515,139	710,301	580,244	600,109	600,109	658,855	690,752	721,756
Executive and council		241,446	289,524	442,366	301,638	316,138	316,138	332,928	350,008	366,086
Finance and administration		260,602	225,615	267,935	278,606	283,971	283,971	325,927	340,744	355,670
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		10,465	18,135	15,983	15,837	57,314	57,314	59,779	62,529	65,280
Community and social services		907	929	607	1,167	1,167	1,167	1,217	1,273	1,329
Sport and recreation		160	178	139	330	330	330	344	360	376
Public safety		6,418	7,644	12,206	11,247	52,724	52,724	54,991	57,521	60,052
Housing		2,980	2,597	3,032	3,093	3,093	3,093	3,226	3,375	3,523
Health		-	6,787	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		16,750	123,315	8,858	6,258	5,771	5,771	6,532	6,957	7,269
Planning and development		5,094	5,033	5,149	5,827	5,339	5,339	6,083	6,487	6,778
Road transport		11,656	118,281	3,709	431	431	431	450	470	491
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		680,602	637,576	646,109	749,985	747,929	747,929	763,508	908,383	988,703
Energy sources		256,356	236,782	307,765	366,968	364,168	364,168	407,731	456,288	502,334
Water management		325,434	277,336	182,870	246,102	246,846	246,846	212,918	302,782	330,486
Waste water management		53,758	63,857	96,360	73,058	73,058	73,058	76,200	79,705	83,212
Waste management		45,055	59,601	59,113	63,857	63,857	63,857	66,659	69,608	72,670
Other	4	145	151	161	165	165	165	172	180	188
<b>Total Revenue - Functional</b>	2	1,210,012	1,294,315	1,381,412	1,352,488	1,411,288	1,411,288	1,488,846	1,668,801	1,783,196
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		271,025	2,721,991	436,435	238,562	236,420	236,420	267,513	222,502	229,169
Executive and council		59,773	2,545,341	93,468	73,594	72,970	72,970	87,563	74,432	75,893
Finance and administration		211,252	176,650	342,967	164,968	163,450	163,450	179,951	148,070	153,276
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		119,583	121,471	139,638	136,782	153,408	153,408	149,161	123,800	127,702
Community and social services		61,449	66,615	89,142	74,710	91,643	91,643	88,266	63,612	65,198
Sport and recreation		28,510	22,194	13,717	22,387	22,438	22,438	22,233	22,319	22,958
Public safety		25,220	28,490	31,756	31,777	33,416	33,416	33,418	32,434	33,840
Housing		3,917	4,142	5,090	7,655	5,863	5,863	5,185	5,406	5,678
Health		486	30	(66)	252	48	48	59	29	29
<i>Economic and environmental services</i>		94,358	99,267	123,759	114,170	108,624	108,624	107,226	100,481	102,990
Planning and development		14,996	18,304	48,783	19,379	21,016	21,016	25,475	24,304	25,425
Road transport		79,362	80,962	74,976	94,790	87,608	87,608	81,751	76,177	77,565
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		585,697	585,787	773,204	804,074	871,482	871,482	858,568	842,854	800,216
Energy sources		300,337	336,263	525,405	466,413	547,088	547,088	565,506	575,112	528,984
Water management		160,149	113,217	97,073	127,692	137,408	137,408	122,367	99,039	100,121
Waste water management		61,568	78,321	68,872	159,172	142,815	142,815	129,610	128,486	129,331
Waste management		63,643	57,986	81,853	50,797	44,171	44,171	41,085	40,218	41,780
Other	4	101	75	92	116	116	116	-	-	-
<b>Total Expenditure - Functional</b>	3	1,070,763	3,528,590	1,473,128	1,293,702	1,370,049	1,370,049	1,382,469	1,289,637	1,260,077
<b>Surplus/(Deficit) for the year</b>		139,248	(2,234,275)	(91,716)	58,786	41,239	41,239	106,377	379,164	523,119



MP302 Msukaligwa - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Revenue by Vote</b>										
Vote 01 - Executive & Council	1	241,446	289,286	435,095	301,637	301,637	301,637	332,928	350,008	366,086
Vote 02 - Finance & Administration		260,602	225,853	275,207	278,606	296,472	298,472	325,927	340,744	355,670
Vote 03 -		-	-	-	-	-	-	-	-	-
Vote 04 - Sport And Recreation		112	125	81	272	272	272	284	297	310
Vote 05 - Public Safety		6,418	7,644	12,206	11,247	52,724	52,724	54,991	57,521	60,052
Vote 06 - Housing		-	-	-	-	-	-	-	-	-
Vote 07 - Health		-	-	-	-	-	-	-	-	-
Vote 08 - Planning And Development		5,293	4,628	5,046	5,877	5,877	5,877	6,130	6,412	6,694
Vote 09 - Community & Social Services		955	7,768	664	1,225	1,225	1,225	1,278	1,336	1,395
Vote 10 - Electricity		256,356	236,782	307,765	366,968	364,168	364,168	407,731	456,288	502,334
Vote 11 - Water Management		325,434	277,336	182,870	246,102	246,846	246,846	212,918	302,782	330,486
Vote 12 - Waste Water Management		53,758	63,857	96,360	73,058	73,058	73,058	76,200	79,705	83,212
Vote 13 - Waste Management		45,055	59,601	59,113	63,857	63,857	63,857	66,659	69,608	72,670
Vote 14 - Road Transport		2,813	248	3,261	3,474	2,987	2,987	3,629	3,920	4,098
Vote 15 - Other		11,770	121,186	3,744	165	165	165	172	180	188
<b>Total Revenue by Vote</b>	<b>2</b>	<b>1,210,012</b>	<b>1,294,315</b>	<b>1,381,412</b>	<b>1,352,488</b>	<b>1,411,288</b>	<b>1,411,288</b>	<b>1,488,846</b>	<b>1,668,801</b>	<b>1,783,196</b>
<b>Expenditure by Vote to be appropriated</b>										
Vote 01 - Executive & Council	1	55,116	2,536,804	79,107	82,524	82,357	82,357	83,488	74,453	76,113
Vote 02 - Finance & Administration		208,542	178,867	273,360	173,823	172,416	172,416	178,671	141,916	146,588
Vote 03 -		-	-	-	-	-	-	-	-	-
Vote 04 - Sport And Recreation		20,440	13,401	5,707	13,053	13,157	13,157	13,326	13,194	13,380
Vote 05 - Public Safety		25,110	28,402	31,687	31,486	33,125	33,125	33,418	32,434	33,840
Vote 06 - Housing		-	-	-	-	-	-	-	-	-
Vote 07 - Health		-	-	-	-	-	-	-	-	-
Vote 08 - Planning And Development		10,372	12,275	15,233	20,905	20,894	20,894	21,883	21,161	22,152
Vote 09 - Community & Social Services		67,762	73,230	103,650	80,410	97,074	97,074	99,073	74,661	76,793
Vote 10 - Electricity		304,561	341,536	531,283	461,311	541,986	541,986	565,506	575,112	528,984
Vote 11 - Water Management		160,657	112,330	96,315	121,670	131,386	131,386	122,367	99,039	100,121
Vote 12 - Waste Water Management		61,457	78,206	68,241	155,196	138,839	138,839	129,610	128,486	129,331
Vote 13 - Waste Management		63,842	57,986	81,853	46,286	39,661	39,661	41,085	40,218	41,780
Vote 14 - Road Transport		82,627	85,038	184,187	94,088	87,194	87,194	81,478	75,810	77,176
Vote 15 - Other		10,477	10,514	2,507	12,949	11,960	11,960	12,563	13,153	13,819
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>1,970,763</b>	<b>3,528,590</b>	<b>1,473,128</b>	<b>1,293,702</b>	<b>1,370,049</b>	<b>1,370,049</b>	<b>1,382,469</b>	<b>1,289,637</b>	<b>1,260,077</b>
<b>Surplus/(Deficit) for the year</b>	<b>2</b>	<b>139,248</b>	<b>(2,234,275)</b>	<b>(91,716)</b>	<b>58,786</b>	<b>41,239</b>	<b>41,239</b>	<b>106,377</b>	<b>379,164</b>	<b>523,119</b>

MP302 Msukaligwa - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	240,824	226,104	258,528	351,451	351,451	351,451	233,120	391,236	435,524	484,825
Service charges - Water	2	64,326	74,237	73,096	86,882	86,882	86,882	69,673	90,618	94,787	98,957
Service charges - Waste Water Management	2	48,774	57,677	60,290	65,102	65,102	65,102	45,045	67,901	71,025	74,150
Service charges - Waste Management	2	40,181	49,300	51,501	56,266	56,266	56,266	39,226	58,742	61,326	64,025
Sale of Goods and Rendering of Services		5,120	5,713	6,706	10,761	10,761	10,761	5,146	11,224	11,740	12,257
Agency services		8,001	6,886	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		23,277	28,108	34,985	36,561	36,561	36,561	23,397	38,133	39,887	41,642
Interest earned from Current and Non Current Assets		1,098	4,854	6,053	5,245	5,245	5,245	3,726	5,471	5,722	5,974
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land	2	2	2	2	2	2	2	1	2	2	2
Rental from Fixed Assets		2,720	2,920	2,832	3,311	3,311	3,311	2,557	3,453	3,612	3,771
Licence and permits		3,686	3,488	-	94	94	94	32	96	102	107
<b>Special rating levies</b>											
Operational Revenue		994	111,902	4,715	37,139	42,506	42,506	1,371	44,333	46,372	48,412
<b>Non-Exchange Revenue</b>											
Property rates	2	181,646	202,863	203,786	216,442	216,442	216,442	160,017	258,951	270,863	282,781
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		4,771	5,704	9,073	5,724	47,201	47,201	(27)	49,231	51,495	53,761
Licences or permits		-	-	-	-	-	-	47	-	-	-
Transfer and subsidies - Operational		307,661	342,395	436,704	281,627	281,140	281,140	202,987	294,895	307,395	321,237
Interest		6,431	9,003	11,394	11,952	11,952	11,952	6,546	12,466	13,039	13,613
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	27,298	-	-	-	1,012	-	-	-
Gains on disposal of Assets		66,966	450	28,431	-	-	-	118	-	-	-
Other Gains		123	4,400	115	-	-	-	-	-	-	-
<b>Discontinued Operations</b>											
Total Revenue (excluding capital transfers and contributions)		906,577	1,035,997	1,215,508	1,168,560	1,214,915	1,214,915	794,189	1,326,753	1,412,892	1,505,514
<b>Expenditure</b>											
Employee related costs	2	248,969	265,422	295,952	316,462	316,462	316,462	208,058	332,538	349,431	367,182
Remuneration of councillors		15,489	17,362	18,024	20,450	20,450	20,450	9,605	20,559	20,674	20,794
Buff. purchases - electricity	2	232,985	244,079	401,588	378,783	425,000	425,000	356,630	460,250	494,078	446,647
Inventory consumed	8	9,049	16,380	73,896	92,115	134,000	134,000	35,372	117,003	74,867	-
Debt impairment	3	121,120	148,238	82,104	119,135	104,135	104,135	64	94,135	94,135	94,135
Depreciation and amortisation		141,732	144,109	92,388	145,379	135,379	135,379	-	128,379	128,379	128,379
Interest		87,000	47,550	132,536	29,041	22,041	22,041	-	22,041	22,041	22,041
Contracted services		54,722	79,261	174,602	109,451	133,977	133,977	75,254	124,809	62,628	62,628
Transfers and subsidies		-	-	0	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	552	552	552	11	552	552	552
Operational costs		41,752	2,528,272	101,809	82,335	81,377	81,377	55,576	82,202	42,851	42,851
Losses on disposal of Assets		18,049	11,134	3,832	-	-	-	-	-	-	-
Other Losses		16,318	831	3,963	-	-	-	-	-	-	-
Total Expenditure		987,184	3,502,639	1,380,692	1,290,792	1,373,373	1,373,373	740,569	1,382,469	1,289,637	1,185,210
Surplus/(Deficit)		(80,607)	(2,466,642)	(165,184)	(122,142)	(158,458)	(158,458)	53,620	(55,716)	123,255	320,305
Transfers and subsidies - capital (monetary allocations)	6	303,435	258,080	150,368	183,928	196,372	196,372	-	162,093	255,909	277,642
Transfers and subsidies - capital (in-kind)	6	-	238	15,537	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		222,828	(2,208,324)	720	58,786	37,915	37,915	53,620	106,377	379,164	597,947
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Income tax		222,828	(2,208,324)	720	58,786	37,915	37,915	53,620	106,377	379,164	597,947
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	7	222,828	(2,208,324)	720	58,786	37,915	37,915	53,620	106,377	379,164	597,947
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	222,828	(2,208,324)	720	58,786	37,915	37,915	53,620	106,377	379,164	597,947

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>	2										
<i>Multi-year expenditure to be appropriated</i>											
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Finance & Administration		-	-	-	3,700	4,690	4,690	3,396	-	-	-
Vote 03 -		-	-	-	-	-	-	-	-	-	-
Vote 04 - Sport And Recreation		-	-	-	-	-	-	-	-	-	-
Vote 05 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 06 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 07 - Health		-	-	-	-	-	-	-	-	-	-
Vote 08 - Planning And Development		-	-	-	-	-	-	-	-	-	-
Vote 09 - Community & Social Services		-	-	-	-	-	-	-	-	-	-
Vote 10 - Electricity		-	-	1,710	-	4,000	4,000	3,249	6,691	10,509	6,803
Vote 11 - Water Management		-	-	1,065	30,000	174,945	174,945	7,351	16,976	45,748	19,328
Vote 12 - Waste Water Management		-	-	15,992	-	16,782	16,782	13,224	107,342	195,631	174,196
Vote 13 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 14 - Road Transport		352	-	13,269	-	37,467	37,467	28,738	22,270	0	1,954
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	352	-	32,936	33,700	237,884	237,884	55,958	153,279	251,888	282,281
<i>Single-year expenditure to be appropriated</i>	2										
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 02 - Finance & Administration		759	-	1,463	2,000	13,200	13,200	11,026	-	-	-
Vote 03 -		-	-	-	-	-	-	-	-	-	-
Vote 04 - Sport And Recreation		193	-	-	-	-	-	-	-	-	-
Vote 05 - Public Safety		1,175	-	-	-	-	-	-	-	-	-
Vote 06 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 07 - Health		-	-	-	-	-	-	-	-	-	-
Vote 08 - Planning And Development		-	-	-	-	-	-	-	-	-	-
Vote 09 - Community & Social Services		464	-	7,574	90,000	91,158	91,158	888	-	-	-
Vote 10 - Electricity		-	-	(812)	6,116	8,827	8,827	2,033	-	-	-
Vote 11 - Water Management		-	-	50,086	-	56,165	56,165	49,991	-	-	4,832
Vote 12 - Waste Water Management		-	-	13,802	-	29,896	29,896	19,764	6,897	-	55,525
Vote 13 - Waste Management		2,147	-	-	-	-	-	-	1,917	4,021	15,043
Vote 14 - Road Transport		292	-	-	67,612	67,612	67,612	-	-	-	0
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		5,031	-	72,113	165,928	287,959	287,959	83,702	8,814	4,021	75,401
<b>Total Capital Expenditure - Vote</b>		5,383	-	104,149	199,628	504,943	504,943	139,660	162,093	255,909	277,682
<b>Capital Expenditure - Functional</b>											
<i>Governance and administration</i>											
Executive and council		1,052	-	1,463	5,700	17,890	17,890	14,422	-	-	-
Finance and administration		1,052	-	1,463	700	11,900	11,900	11,026	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>											
Community and social services		130	-	7,574	-	1,158	1,158	888	-	-	-
Sport and recreation		527	-	-	-	-	-	-	-	-	-
Public safety		1,175	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	90,000	90,000	90,000	-	-	-	-
<i>Economic and environmental services</i>											
Planning and development		352	-	13,269	67,612	105,279	105,279	28,738	22,270	0	1,954
Road transport		352	-	-	57,612	57,612	57,612	-	-	-	0
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>											
Energy sources		-	-	898	6,116	12,827	12,827	5,282	6,691	10,509	6,803
Water management		-	-	51,151	30,000	231,110	231,110	57,342	16,976	45,748	24,160
Waste water management		-	-	29,794	-	46,679	46,679	32,988	114,239	195,631	229,721
Waste management		2,147	-	-	-	-	-	-	1,917	4,021	15,043
<i>Other</i>											
<b>Total Capital Expenditure - Functional</b>	3	5,383	-	104,149	199,628	504,943	504,943	139,660	162,093	255,909	277,682
<b>Funded by:</b>											
National Government		2,147	-	94,241	183,928	467,172	467,172	118,459	162,093	255,909	277,682
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov)		-	-	-	-	-	-	-	-	-	-
Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	2,147	-	94,241	183,928	467,172	467,172	118,459	162,093	255,909	277,682
<b>Borrowing</b>	6										
Internally generated funds		3,236	-	9,909	15,700	33,271	33,271	18,930	-	0	0
<b>Total Capital Funding</b>	7	5,383	-	104,149	199,628	500,443	500,443	137,389	162,093	255,909	277,682

MP302 Msukaligwa - Table A6 Budgeted Financial Position

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents		(33,897)	33,917	52,327	53,140	(184,922)	(184,922)	137,582	64,812	(142,962)	258,963
Trade and other receivables from exchange transactions	1	144,906	167,043	241,332	148,216	567,370	567,370	364,645	434,583	443,575	24,739
Receivables from non-exchange transactions	1	19,752	65,152	89,358	93,085	94,567	94,567	108,387	113,341	125,183	226,445
Current portion of non-current receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	13,004	23,589	(4,915)	(4,915)	(4,915)	(4,915)	(5,289)	(4,915)	(4,915)	(4,915)
VAT		424,861	502,821	300,457	-	-	-	332,765	726,743	-	-
Other current assets		11,429	11,094	8,442	-	-	-	9,822	8,442	-	-
<b>Total current assets</b>		<b>580,054</b>	<b>803,616</b>	<b>687,001</b>	<b>289,527</b>	<b>472,101</b>	<b>472,101</b>	<b>947,913</b>	<b>1,343,007</b>	<b>420,881</b>	<b>505,233</b>
<b>Non current assets</b>											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		180,113	181,143	164,639	181,143	170,191	170,191	164,639	164,639	198,192	-
Property, plant and equipment	3	2,537,476	2,651,634	2,640,496	2,942,968	3,168,687	3,168,687	2,801,370	2,802,589	3,151,015	277,682
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		175	175	175	175	175	175	175	175	191	-
Intangible assets		62	16	11	16	5	5	11	11	-	-
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>2,717,826</b>	<b>2,832,968</b>	<b>2,805,320</b>	<b>3,124,321</b>	<b>3,339,059</b>	<b>3,339,059</b>	<b>2,966,195</b>	<b>2,967,413</b>	<b>3,349,398</b>	<b>277,682</b>
<b>TOTAL ASSETS</b>		<b>3,297,880</b>	<b>3,636,584</b>	<b>3,492,321</b>	<b>3,413,848</b>	<b>3,811,160</b>	<b>3,811,160</b>	<b>3,914,108</b>	<b>4,310,420</b>	<b>3,770,279</b>	<b>782,915</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		-	-	-	-	-	-	-	-	-	-
Consumer deposits		19,244	20,450	21,660	20,450	21,660	21,660	23,440	21,660	22,375	-
Trade and other payables from exchange transactions	4	2,125,985	779,740	2,601,286	376,827	1,086,746	1,086,746	2,117,139	1,909,497	490,710	(22,041)
Trade and other payables from non-exchange transactions	5	1,338	44,724	54,450	700	49,295	49,295	264,258	159,832	700	-
Provision		65,212	66,664	67,303	-	-	-	72,295	70,946	-	-
VAT		322,317	371,606	426,625	-	-	-	493,099	426,625	-	-
Other current liabilities		-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>2,534,095</b>	<b>1,283,184</b>	<b>3,171,324</b>	<b>397,977</b>	<b>1,157,701</b>	<b>1,157,701</b>	<b>2,970,231</b>	<b>2,588,560</b>	<b>513,785</b>	<b>(22,041)</b>
<b>Non current liabilities</b>											
Financial liabilities	6	1,223	43	2,646	-	(2,406)	(2,406)	2,646	2,646	-	-
Provision	7	84,321	101,240	77,415	168,114	143,027	143,027	77,518	77,518	301,627	-
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		-	-	-	-	-	-	-	-	-	-
<b>Total non current liabilities</b>		<b>85,544</b>	<b>101,284</b>	<b>80,060</b>	<b>168,114</b>	<b>140,620</b>	<b>140,620</b>	<b>80,163</b>	<b>80,163</b>	<b>301,627</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>2,619,639</b>	<b>1,384,467</b>	<b>3,251,385</b>	<b>566,091</b>	<b>1,298,321</b>	<b>1,298,321</b>	<b>3,050,395</b>	<b>2,668,723</b>	<b>815,412</b>	<b>(22,041)</b>
<b>NET ASSETS</b>		<b>678,242</b>	<b>2,252,117</b>	<b>240,937</b>	<b>2,847,757</b>	<b>2,512,838</b>	<b>2,512,838</b>	<b>863,714</b>	<b>1,641,697</b>	<b>2,954,868</b>	<b>804,955</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated surplus/(deficit)	8	1,483,878	(2,166,990)	1,036,442	2,895,552	2,550,465	2,550,465	945,453	1,678,387	3,073,665	884,737
Reserves and funds	9	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	10	<b>1,483,878</b>	<b>(2,166,990)</b>	<b>1,036,442</b>	<b>2,895,552</b>	<b>2,550,465</b>	<b>2,550,465</b>	<b>945,453</b>	<b>1,678,387</b>	<b>3,073,665</b>	<b>884,737</b>

MP302 Mankalga - Table A7 Budgeted Cash Flows

R thousand	Description	Ref	2021/22			2022/23			2023/24			2023/26 Medium Term Revenue & Expenditure		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>														
Receipts														
	Property rates		-	-	-	245,063	245,063	245,063	27,922	201,962	199,450	212,086		
	Service charges		-	-	-	462,050	462,050	462,050	75,758	550,876	490,687	699,186		
	Other revenue		6,001	6,886	1,525	99,920	99,920	99,920	53,632	118,896	60,182	29,329		
	Transfers and Subsidies - Operational	1	-	4,000	2,401	281,627	281,627	281,627	104,980	297,789	307,406	313,730		
	Transfers and Subsidies - Capital	1	-	6,300	14,500	163,928	196,428	196,428	46,997	162,093	256,111	277,562		
	Interest		33	-	-	5,245	5,245	5,245	1,964	34,103	48,817	41,642		
	Dividends		-	-	-	-	-	-	-	-	-	-		
Payments														
	Suppliers and employees		61,907	2,499	(124,325)	(1,034,729)	(1,034,729)	(1,034,729)	(9,229)	(1,159,402)	(1,158,454)	(1,032,186)		
	Interest		-	-	-	(29,041)	(29,041)	(29,041)	-	(30,378)	(31,774)	(22,041)		
	Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-		
	<b>NET CASH FROM/USED IN OPERATING ACTIVITIES</b>		<b>69,846</b>	<b>19,885</b>	<b>(185,899)</b>	<b>174,864</b>	<b>188,564</b>	<b>188,564</b>	<b>364,844</b>	<b>176,941</b>	<b>162,295</b>	<b>219,429</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>														
Receipts														
	Proceeds on disposal of PPE		-	-	-	-	-	-	778	0	0	0		
	Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-		
	Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-		
Payments														
	Capital assets		(3,234)	-	(51,328)	(199,628)	(416,703)	(416,703)	(58,891)	(162,093)	(235,609)	(277,562)		
	<b>NET CASH FROM/USED IN INVESTING ACTIVITIES</b>		<b>(3,234)</b>	<b>-</b>	<b>(51,328)</b>	<b>(199,628)</b>	<b>(416,703)</b>	<b>(416,703)</b>	<b>(58,112)</b>	<b>(162,093)</b>	<b>(235,609)</b>	<b>(277,562)</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>														
Receipts														
	Short term loans		-	-	-	-	-	-	-	-	-	-		
	Borrowing long term financing		-	-	-	-	-	-	-	-	-	-		
	Increase (decrease) in consumer deposits		-	-	(485)	-	-	-	(1)	-	-	-		
Payments														
	Repayment of borrowings		-	-	(485)	-	-	-	(1)	-	-	-		
	<b>NET CASH FROM/USED IN FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>(485)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>		
	<b>NET INCREASE / (DECREASE) IN CASH HELD</b>		<b>65,894</b>	<b>19,885</b>	<b>(157,712)</b>	<b>(25,564)</b>	<b>(228,139)</b>	<b>(228,139)</b>	<b>344,931</b>	<b>13,848</b>	<b>(93,514)</b>	<b>241,747</b>		
	Cash/cash equivalents at the year begin:	2	6,178	9,674	78,785	78,785	99,336	99,336	-	99,336	73,143	(26,331)		
	Cash/cash equivalents at the year end:	2	<b>71,972</b>	<b>29,559</b>	<b>(79,007)</b>	<b>53,141</b>	<b>(168,803)</b>	<b>(168,803)</b>	<b>244,931</b>	<b>73,183</b>	<b>(29,331)</b>	<b>221,419</b>		



Line Type	Classification	2021/22	2022/23	2023/24	Current Year 2023/24			2023/24 Medium Term Review & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Agroforestry</b>	Opening balance - Agricultural	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Agricultural	-	-	-	-	-	-	-	-	-	-
	Adjustments - Agricultural	-	-	-	-	-	-	-	-	-	-
	Issues - Agricultural	-	-	-	-	-	-	-	-	-	-
	Write Off - Agricultural	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Agricultural	-	-	-	-	-	-	-	-	-	-
<b>Agroforestry Total</b>		-	-	-	-	-	-	-	-	-	-
<b>Consumables Standard Rated</b>	Opening balance - Consumables Standard Rated	26,064	13,034	23,580	(4,919)	(4,919)	(4,919)	(4,919)	(4,919)	(4,919)	(4,919)
	Acquisitions - Consumables Standard Rated	93,303	27,736	47,387	92,116	134,061	134,001	42,743	117,052	74,867	-
	Adjustments - Consumables Standard Rated	(9,049)	(16,386)	(73,886)	(92,116)	(134,000)	(134,000)	(35,372)	(117,000)	(74,867)	-
	Issues - Consumables Standard Rated	-	-	-	-	-	-	-	-	-	-
	Write Off - Consumables Standard Rated	(14,380)	(764)	(1,919)	-	-	-	-	-	-	-
	Correction of Prior period errors - Consumables Standard Rated	-	-	-	-	-	-	-	-	-	-
<b>Consumables Standard Rated Total</b>		13,004	23,580	(4,919)	(4,919)	(4,919)	2,462	(4,919)	(4,919)	(4,919)	
<b>Consumables Zero Rated</b>	Opening balance - Consumables Zero Rated	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Consumables Zero Rated	-	-	-	-	-	-	-	-	-	-
	Adjustments - Consumables Zero Rated	-	-	-	-	-	-	-	-	-	-
	Issues - Consumables Zero Rated	-	-	-	-	-	-	-	-	-	-
	Write Off - Consumables Zero Rated	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Consumables Zero Rated	-	-	-	-	-	-	-	-	-	-
<b>Consumables Zero Rated Total</b>		-	-	-	-	-	-	-	-	-	-
<b>Finished Goods</b>	Opening balance - Finished Goods	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Finished Goods	-	-	-	-	-	-	-	-	-	-
	Adjustments - Finished Goods	-	-	-	-	-	-	-	-	-	-
	Issues - Finished Goods	-	-	-	-	-	-	-	-	-	-
	Write Off - Finished Goods	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Finished Goods	-	-	-	-	-	-	-	-	-	-
<b>Finished Goods Total</b>		-	-	-	-	-	-	-	-	-	-
<b>Housing Stock</b>	Opening balance - Housing Stock	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Housing Stock	-	-	-	-	-	-	-	-	-	-
	Sales - Housing Stock	-	-	-	-	-	-	-	-	-	-
	Transfer - Housing Stock	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Housing Stock	-	-	-	-	-	-	-	-	-	-
<b>Housing Stock Total</b>		-	-	-	-	-	-	-	-	-	-
<b>Land</b>	Opening balance - Land	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Land	-	-	-	-	-	-	-	-	-	-
	Sales - Land	-	-	-	-	-	-	-	-	-	-
	Adjustments - Land	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Land	-	-	-	-	-	-	-	-	-	-
	Transfer - Land	-	-	-	-	-	-	-	-	-	-
<b>Land Total</b>		-	-	-	-	-	-	-	-	-	-
<b>Materials and Supplies</b>	Opening balance - Materials and Supplies	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Materials and Supplies	-	-	-	-	-	-	-	-	-	-
	Adjustments - Materials and Supplies	-	-	-	-	-	-	-	-	-	-
	Issues - Materials and Supplies	-	-	-	-	-	-	-	-	-	-
	Write Off - Materials and Supplies	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Materials and Supplies	-	-	-	-	-	-	-	-	-	-
<b>Materials and Supplies Total</b>		-	-	-	-	-	-	-	-	-	-
<b>Water</b>	Opening balance - Water	-	-	-	-	-	-	20	-	-	-
	Acquisitions - Water bulk purchases	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Water natural sources	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Water treatment works	-	-	-	-	-	-	-	-	-	-
	Billed Authorized Consumption Saled Metered Consumption Free Basic Water	-	-	-	-	-	-	-	-	-	-
	Billed Authorized Consumption Saled Metered Consumption Revenue Water	-	-	-	-	-	-	-	-	-	-
	Billed Authorized Consumption Saled Metered Consumption Subsidised Water	-	-	-	-	-	-	-	-	-	-
	Billed Authorized Consumption Saled Unmetered Consumption Free Basic Water	-	-	-	-	-	-	-	-	-	-
	Billed Authorized Consumption Saled Unmetered Consumption Revenue Water	-	-	-	-	-	-	-	-	-	-
	Billed Authorized Consumption Saled Unmetered Consumption Subsidised Water	-	-	-	-	-	-	-	-	-	-
	Debt Transfer and Management Errors	-	-	-	-	-	-	-	-	-	-
	Non-revenue Water	-	-	-	-	-	-	-	-	-	-
	Unavailable Annual Real Losses	-	-	-	-	-	-	-	-	-	-
	Unbilled Authorized Consumption/Unbilled Metered Consumption	-	-	-	-	-	-	-	-	-	-
	Unbilled Authorized Consumption/Unbilled Unmetered Consumption	-	-	-	-	-	-	-	-	-	-
	Water Losses Apparent Losses Customer Meter Reasonable	-	-	-	-	-	-	-	-	-	-
	Water Losses Apparent Losses Unauthorized Consumption	-	-	-	-	-	-	-	-	-	-
	Water Losses Real Losses Leakage and Overflows at Storage Tanks/Reservoirs	-	-	-	-	-	-	-	-	-	-
	Water Losses Real Losses Leakage on Service Connections up to the point of Customer Meter	-	-	-	-	-	-	-	-	-	-
	Water Losses Real Losses Leakage on Transmission and Distribution Mains	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Water	-	-	-	-	-	-	-	-	-	-
<b>Water Total</b>		-	-	-	-	-	-	20	-	-	-
<b>Work in progress</b>	Opening balance - WP	-	-	-	-	-	-	-	-	-	-
	Materials - WP	-	-	-	-	-	-	-	-	-	-
	Transfer - WP	-	-	-	-	-	-	-	-	-	-
<b>Work in progress Total</b>		-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>		13,004	23,580	(4,919)	(4,919)	(4,919)	(4,919)	2,462	(4,919)	(4,919)	(4,919)

MP302 Msukaligwa - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	71,979	29,558	(79,007)	53,141	(168,803)	(168,803)	244,901	73,183	(20,331)	221,415
Other current investments > 90 days		(105,876)	4,359	131,334	0	(16,118)	(16,118)	(107,349)	(8,371)	(122,631)	37,547
Non current investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>(33,897)</b>	<b>33,917</b>	<b>52,327</b>	<b>53,140</b>	<b>(184,922)</b>	<b>(184,922)</b>	<b>137,552</b>	<b>64,812</b>	<b>(142,962)</b>	<b>258,963</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		1,338	44,724	54,450	700	49,295	49,295	264,258	159,832	700	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(102,544)	(131,215)	126,356	-	-	-	100,295	(300,121)	-	-
Other working capital requirements	3	2,125,137	779,054	2,601,023	289,804	875,888	875,888	2,068,497	1,418,251	87,114	(233,128)
Other provisions		65,212	66,664	67,303	-	-	-	72,295	70,946	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>2,048,142</b>	<b>756,237</b>	<b>2,845,133</b>	<b>290,504</b>	<b>925,183</b>	<b>925,183</b>	<b>2,565,345</b>	<b>1,348,907</b>	<b>87,814</b>	<b>(233,128)</b>
<b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>(2,123,839)</b>	<b>(725,319)</b>	<b>(2,796,806)</b>	<b>(237,363)</b>	<b>(1,110,105)</b>	<b>(1,116,105)</b>	<b>(2,427,793)</b>	<b>(1,284,095)</b>	<b>(230,776)</b>	<b>492,090</b>
<b>Creditors transferred to Debt Relief - Non-Current portion</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>(2,123,839)</b>	<b>(725,319)</b>	<b>(2,796,806)</b>	<b>(237,363)</b>	<b>(1,110,105)</b>	<b>(1,116,105)</b>	<b>(2,427,793)</b>	<b>(1,284,095)</b>	<b>(230,776)</b>	<b>492,090</b>



MP302 Muskalgwa - Table A0 Asset Management

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	4,919	--	58,697	111,816	232,834	232,834	22,693	53,769	34,706
Roads Infrastructure		--	--	112	10,000	19,376	19,376	--	--	--
Storm water Infrastructure		--	--	--	--	--	--	--	--	--
Electrical Infrastructure		--	--	(812)	6,110	10,711	10,711	4,000	4,000	--
Water Supply Infrastructure		--	--	38,861	--	93,876	93,876	16,976	45,748	4,832
Sanitation Infrastructure		--	--	17,296	--	961	961	--	--	4,832
Solid Waste Infrastructure		--	--	3,240	--	--	--	--	--	--
Rail Infrastructure		--	--	--	--	--	--	--	--	--
Coastal Infrastructure		--	--	--	--	--	--	--	--	--
Information and Communication Infrastructure		--	--	--	--	--	--	--	--	--
Infrastructure		--	--	58,697	16,116	124,844	124,844	20,976	49,748	8,664
Community Facilities		--	--	--	--	--	--	--	--	--
Sport and Recreation Facilities		--	--	--	--	--	--	--	--	--
Community Assets		--	--	--	--	--	--	--	--	--
Heritage Assets		--	--	--	--	--	--	--	--	--
Revenue Generating		--	--	--	--	--	--	--	--	--
Non-revenue Generating		--	--	--	--	--	--	--	--	--
Investment properties		--	--	--	--	--	--	--	--	--
Operational Buildings		--	--	--	--	--	--	--	--	--
Housing		--	--	--	--	--	--	--	--	--
Other Assets		--	--	--	--	--	--	--	--	--
Biological or Cultivated Assets		--	--	--	--	--	--	--	--	--
Services		--	--	--	--	--	--	--	--	--
Licences and Rights		--	--	--	--	--	--	--	--	--
Intangible Assets		--	--	--	--	--	--	--	--	--
Computer Equipment		759	--	--	3,000	3,990	3,990	--	--	--
Furniture and Office Equipment		149	--	--	2,000	2,000	2,000	--	--	--
Machinery and Equipment		678	--	--	--	--	--	--	--	--
Transport Assets		3,445	--	--	90,700	101,900	101,900	1,917	4,021	15,043
Land		--	--	--	--	--	--	--	--	--
Zoo's, Marine and Non-biological Animals		--	--	--	--	--	--	--	--	--
Mature		--	--	--	--	--	--	--	--	--
Immature		--	--	--	--	--	--	--	--	--
Living Resources		--	--	--	--	--	--	--	--	--
<b>Total Renewal of Existing Assets</b>	2	464	--	5,474	57,612	156,667	156,667	40,784	72,140	50,327
Roads Infrastructure		--	--	--	57,612	57,612	57,612	--	--	--
Storm water Infrastructure		--	--	--	--	--	--	--	--	--
Electrical Infrastructure		--	--	1,710	--	2,116	2,116	2,991	8,509	6,803
Water Supply Infrastructure		--	--	--	--	94,697	94,697	--	--	19,328
Sanitation Infrastructure		--	--	--	--	1,084	1,084	38,103	65,631	24,196
Solid Waste Infrastructure		--	--	--	--	--	--	--	--	--
Rail Infrastructure		--	--	--	--	--	--	--	--	--
Coastal Infrastructure		--	--	--	--	--	--	--	--	--
Information and Communication Infrastructure		--	--	--	--	--	--	--	--	--
Infrastructure		--	--	1,710	57,612	155,709	155,709	40,784	72,140	50,327
Community Facilities		--	--	2,301	--	1,158	1,158	--	--	--
Sport and Recreation Facilities		--	--	--	--	--	--	--	--	--
Community Assets		--	--	2,301	--	1,158	1,158	--	--	--
Heritage Assets		--	--	--	--	--	--	--	--	--
Revenue Generating		--	--	--	--	--	--	--	--	--
Non-revenue Generating		--	--	--	--	--	--	--	--	--
Investment properties		--	--	--	--	--	--	--	--	--
Operational Buildings		--	--	--	--	--	--	--	--	--
Housing		--	--	--	--	--	--	--	--	--
Other Assets		--	--	--	--	--	--	--	--	--
Biological or Cultivated Assets		--	--	--	--	--	--	--	--	--
Services		--	--	--	--	--	--	--	--	--
Licences and Rights		--	--	--	--	--	--	--	--	--
Intangible Assets		--	--	--	--	--	--	--	--	--
Computer Equipment		150	--	1,463	--	--	--	--	--	--
Furniture and Office Equipment		333	--	--	--	--	--	--	--	--
Machinery and Equipment		--	--	--	--	--	--	--	--	--
Transport Assets		--	--	--	--	--	--	--	--	--
Land		--	--	--	--	--	--	--	--	--
Zoo's, Marine and Non-biological Animals		--	--	--	--	--	--	--	--	--
Mature		--	--	--	--	--	--	--	--	--
Immature		--	--	--	--	--	--	--	--	--
Living Resources		--	--	--	--	--	--	--	--	--
<b>Total Upgrading of Existing Assets</b>	6	--	--	39,977	30,000	115,242	115,242	98,408	130,000	202,647
Roads Infrastructure		--	--	13,156	--	24,463	24,463	22,270	--	1,954
Storm water Infrastructure		--	--	--	--	--	--	50,000	130,000	150,000
Electrical Infrastructure		--	--	--	--	--	--	--	--	--
Water Supply Infrastructure		--	--	12,290	30,000	46,165	46,165	--	--	--
Sanitation Infrastructure		--	--	9,258	--	44,614	44,614	26,136	--	50,663
Solid Waste Infrastructure		--	--	--	--	--	--	--	--	--
Rail Infrastructure		--	--	--	--	--	--	--	--	--
Coastal Infrastructure		--	--	--	--	--	--	--	--	--
Information and Communication Infrastructure		--	--	3,124	--	--	--	--	--	--
Infrastructure		--	--	37,628	30,000	115,242	115,242	98,408	130,000	202,647
Community Facilities		--	--	--	--	--	--	--	--	--
Sport and Recreation Facilities		--	--	--	--	--	--	--	--	--
Community Assets		--	--	--	--	--	--	--	--	--
Heritage Assets		--	--	--	--	--	--	--	--	--
Revenue Generating		--	--	--	--	--	--	--	--	--
Non-revenue Generating		--	--	--	--	--	--	--	--	--
Investment properties		--	--	--	--	--	--	--	--	--
Operational Buildings		--	--	2,149	--	--	--	--	--	--
Housing		--	--	--	--	--	--	--	--	--
Other Assets		--	--	2,149	--	--	--	--	--	--
Biological or Cultivated Assets		--	--	--	--	--	--	--	--	--
Services		--	--	--	--	--	--	--	--	--
Licences and Rights		--	--	--	--	--	--	--	--	--
Intangible Assets		--	--	--	--	--	--	--	--	--
Computer Equipment		--	--	--	--	--	--	--	--	--
Furniture and Office Equipment		--	--	--	--	--	--	--	--	--
Machinery and Equipment		--	--	--	--	--	--	--	--	--
Transport Assets		--	--	--	--	--	--	--	--	--
Land		--	--	--	--	--	--	--	--	--
Zoo's, Marine and Non-biological Animals		--	--	--	--	--	--	--	--	--
Mature		--	--	--	--	--	--	--	--	--
Immature		--	--	--	--	--	--	--	--	--
Living Resources		--	--	--	--	--	--	--	--	--
<b>Total Capital Expenditure</b>	4	5,383	--	104,148	199,628	504,843	504,843	162,093	253,909	277,682
Roads Infrastructure		--	--	13,268	67,612	101,651	101,651	22,270	--	1,954
Storm water Infrastructure		--	--	--	--	--	--	50,000	130,000	150,000
Electrical Infrastructure		--	--	896	6,116	12,827	12,827	6,991	10,509	6,803
Water Supply Infrastructure		--	--	51,151	30,000	234,738	234,738	16,976	45,748	24,160
Sanitation Infrastructure		--	--	26,554	--	46,679	46,679	64,239	65,631	79,721
Solid Waste Infrastructure		--	--	3,240	--	--	--	--	--	--
Rail Infrastructure		--	--	--	--	--	--	--	--	--
Coastal Infrastructure		--	--	--	--	--	--	--	--	--
Information and Communication Infrastructure		--	--	3,124	--	--	--	--	--	--
Infrastructure		--	--	98,238	103,828	395,895	395,895	160,176	251,888	262,638
Community Facilities		--	--	2,301	--	1,158	1,158	--	--	--
Sport and Recreation Facilities		--	--	--	--	--	--	--	--	--
Community Assets		--	--	2,301	--	1,158	1,158	--	--	--
Heritage Assets		--	--	--	--	--	--	--	--	--
Revenue Generating		--	--	--	--	--	--	--	--	--
Non-revenue Generating		--	--	--	--	--	--	--	--	--
Investment properties		--	--	--	--	--	--	--	--	--
Operational Buildings		--	--	2,149	--	--	--	--	--	--
Housing		--	--	--	--	--	--	--	--	--
Other Assets		--	--	2,149	--	--	--	--	--	--
Biological or Cultivated Assets		--	--	--	--	--	--	--	--	--
Services		--	--	--	--	--	--	--	--	--
Licences and Rights		--	--	--	--	--	--	--	--	--
Intangible Assets		--	--	--	--	--	--	--	--	--
Computer Equipment		759	--	1,463	3,000	3,990	3,990	--	--	--
Furniture and Office Equipment		279	--	--	2,000	2,000	2,000	--	--	--
Machinery and Equipment		909	--	--	--	--	--	--	--	--
Transport Assets		3,445	--	--	90,700	101,900	101,900	1,917	4,021	15,043
Land		--	--	--	--	--	--	--	--	--
Zoo's, Marine and Non-biological Animals		--	--	--	--	--	--	--	--	--
Mature		--	--	--	--	--	--	--	--	--
Immature		--	--	--	--	--	--	--	--	--
Living Resources		--	--	--	--	--	--	--	--	--
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		5,383	--	104,148	199,628	504,843	504,843	162,093	253,909	277,682

ASSET REGISTER SUMMARY - PPE (NDV)		5	2,361,926	2,329,020	2,329,632	3,032,596	3,230,033	3,230,033	2,491,725	3,349,398	277,682
Roads Infrastructure			535,850	517,964	537,915	601,330	566,253	566,253	566,185	583,730	1,954
Storm water Infrastructure			1,600	2,007	2,007	-	-	-	2,007	-	-
Electrical Infrastructure			300,737	292,353	275,601	310,879	317,591	317,591	262,292	343,956	6,803
Water Supply Infrastructure			504,390	514,879	526,872	931,485	1,091,223	1,091,223	543,848	1,032,077	24,160
Sanitation Infrastructure			467,896	452,274	449,889	514,802	561,481	561,481	564,128	758,884	229,721
Solid Waste Infrastructure			5,823	6,783	10,129	6,783	6,783	6,783	10,129	7,421	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	3,124	3,998	3,998	3,998	3,124	4,374	-
<b>Infrastructure</b>			<b>1,816,296</b>	<b>1,788,260</b>	<b>1,805,537</b>	<b>2,369,277</b>	<b>2,547,328</b>	<b>2,547,328</b>	<b>1,965,713</b>	<b>2,730,442</b>	<b>262,638</b>
Community Assets			122,771	111,209	28,258	335,027	336,185	336,185	28,258	366,550	-
Heritage Assets			175	175	175	175	175	175	175	191	-
Investment properties			180,113	181,143	184,639	181,143	170,191	170,191	184,639	198,192	-
Other Assets			48,939	48,939	124,539	5,565	5,565	5,565	124,539	-	-
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Intangible Assets			62	16	11	16	5	5	11	-	-
Computer Equipment			2,920	3,998	5,259	3,000	7,990	7,990	5,259	-	-
Furniture and Office Equipment			10,748	8,393	10,471	4,827	4,827	4,827	10,471	3,093	-
Machinery and Equipment			2,788	2,466	2,043	2,466	2,466	2,466	2,043	2,698	-
Transport Assets			41,783	40,400	42,879	131,100	155,300	155,300	44,596	48,223	15,043
Land			135,285	148,022	148,022	-	-	-	148,022	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Living Resources			-	-	-	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (NDV)</b>		<b>5</b>	<b>2,361,926</b>	<b>2,329,020</b>	<b>2,329,632</b>	<b>3,032,596</b>	<b>3,230,033</b>	<b>3,230,033</b>	<b>2,491,725</b>	<b>3,349,398</b>	<b>277,682</b>
<b>EXPENDITURE OTHER ITEMS</b>			<b>182,711</b>	<b>179,417</b>	<b>231,433</b>	<b>204,778</b>	<b>221,733</b>	<b>221,733</b>	<b>204,806</b>	<b>169,626</b>	<b>169,626</b>
Depreciation		7	141,732	144,106	92,368	145,379	135,379	135,379	128,379	128,379	128,379
<b>Repairs and Maintenance by Asset Class</b>		<b>3</b>	<b>20,979</b>	<b>35,308</b>	<b>139,045</b>	<b>59,398</b>	<b>86,354</b>	<b>86,354</b>	<b>76,427</b>	<b>41,246</b>	<b>41,246</b>
Roads Infrastructure			2,578	1,156	6,435	10,369	9,636	9,636	9,636	4,618	4,618
Storm water Infrastructure			-	-	-	602	0	0	0	0	0
Electrical Infrastructure			7,438	12,924	32,132	6,022	17,022	17,022	13,022	6,511	6,511
Water Supply Infrastructure			2,481	6,957	12,162	9,224	16,719	16,719	12,719	6,359	6,359
Sanitation Infrastructure			348	185	297	447	447	447	447	447	447
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>			<b>12,845</b>	<b>21,206</b>	<b>51,025</b>	<b>26,664</b>	<b>43,823</b>	<b>43,823</b>	<b>35,823</b>	<b>18,135</b>	<b>18,135</b>
Community Facilities			189	975	2,528	3,559	11,219	11,219	9,219	4,610	4,610
Sport and Recreation Facilities			-	-	-	-	-	-	-	-	-
Community Assets			189	975	2,528	3,559	11,219	11,219	9,219	4,610	4,610
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Operational Buildings			319	213	945	6,853	4,853	4,853	4,853	2,426	2,426
Housing			-	-	-	-	-	-	-	-	-
Other Assets			319	213	945	6,853	4,853	4,853	4,853	2,426	2,426
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			-	-	-	-	-	-	-	-	-
Intangible Assets			-	-	-	-	-	-	-	-	-
Computer Equipment			-	-	-	5,000	-	-	-	-	-
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-
Machinery and Equipment			4,083	7,483	9,718	11,689	20,183	20,183	20,238	10,118	10,118
Transport Assets			3,542	5,431	74,828	5,654	6,296	6,296	6,296	3,958	5,958
Land			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Mature			-	-	-	-	-	-	-	-	-
Immature			-	-	-	-	-	-	-	-	-
Living Resources			-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>			<b>182,711</b>	<b>179,417</b>	<b>231,433</b>	<b>204,778</b>	<b>221,733</b>	<b>221,733</b>	<b>204,806</b>	<b>169,626</b>	<b>169,626</b>
Renewal and upgrading of Existing Assets as % of total capex			8.6%	0.0%	43.6%	44.0%	53.9%	53.9%	85.9%	79.0%	91.1%
Renewal and upgrading of Existing Assets as % of deprec			0.3%	0.0%	49.2%	60.4%	201.0%	201.0%	108.4%	157.5%	197.1%
R&M as a % of PPE & Investment Property			0.9%	1.5%	6.0%	2.0%	2.7%	2.7%	3.1%	1.2%	14.9%
Renewal and upgrading and R&M as a % of PPE and Investment Property			0.9%	1.5%	7.9%	4.9%	11.1%	11.1%	8.7%	7.3%	106.0%

## **Part 2**

### **SUPPORTING DOCUMENTS**

#### **OVERVIEW OF ANNUAL BUDGET PROCESS**

The budget process for 2025/26 started 10 months before the start of the 2025/26 financial year after the approval of the process plan and budget timetable before the 31<sup>st</sup> of August 2024. The Draft multi-year budget for 2025/26 to 2027/28 was tabled before Council on the 28<sup>th</sup> March 2025 in terms of the Section 16 (2) of MFMA for consultation.

After the approval of the budget for consultation in March 2025 the budget was made public in the Municipal Website and social media by the Accounting Officer for communities to make inputs in terms of section 17 of the MFMA. The annual budget was submitted National Treasury and Mpumalanga Provincial Treasury in electronic formats. The annual budget and supporting documentation were submitted in specified Schedule A and included all the required tables, charts and explanatory information. Community inputs submitted in all wards were considered by the Executive Mayor in terms of section 23(2) of the MFMA.

#### **IDP AND BUDGET TIMETABLE**

The Budget preparation was guided by the priorities in terms of the IDP, the IDP determines and prioritises the needs of the community. The review of the IDP focuses on the measurable performance indicators and targets. These targets informed the preparation of the Annual Budget as well as Service Delivery Budget and Implementation Plan.

The key strategic performance areas in terms of the IDP are as follows:

- Basic Service Delivery
- Municipal Institutional Transformation and Organisational Development
- Local Economic Development
- Municipal Financial Viability and Management
- Public Participation and Good Governance
- Spatial Planning and Rational

#### **ALIGNMENT WITH NATIONAL AND PROVINCIAL PRIORITIES**

The municipal priorities are aligned with the National and Provincial priorities, which are as follows:

- Infrastructure Development
- Economic Transformation
- Social Transformation
- Financial Management

- Institutional Development

The performance agreements of Municipal Manager and Head of Departments are aligned to the National and Provincial priorities.

### **OVERVIEW OF BUDGET RELATED POLICIES**

The budget related policies are reviewed annually for public participation before the final approval by Council.

### **BUDGET ASSUMPTION**

The municipality considered Division of Revenue Bill, Circular 129 and 130, as well as NERSA guidelines in terms of electricity increases in preparation of the Annual Budget.

<b>Category</b>	<b>Assumption</b>
<b>Revenue Growth</b>	4,3% increase in service charges(Electricity 12,32)
<b>Tariff Adjustments</b>	In line with CPI (estimated at 4.3%)(Property rates 0%)
<b>Inflation Rate (CPI)</b>	4.3%
<b>Salary Increases</b>	6%
<b>Collection Rate</b>	75%
<b>Bulk Purchases (Electricity, Water)</b>	11,32% increase
<b>Grant Funding</b>	As per DORA allocations
<b>Capital Projects</b>	Prioritized and funded based on IDP
<b>Depreciation &amp; Asset Replacement</b>	Budgeted per GRAP requirements

### **Challenges Faced by the Municipality in the Compilation of the 2025/26 MTREF**

The Municipality's 2025/26 Medium-Term Revenue and Expenditure Framework (MTREF) is being compiled under difficult circumstances. These challenges require not only immediate fiscal responses but also long-term strategic planning to ensure that the municipality's financial sustainability and service delivery are not jeopardized. Below is an in-depth analysis of the key challenges mentioned:

- Unfunded budget
- Theft and Illegal connection
- Land Invasion
- Climate Change
- Poverty
- High rate of unemployment and low economic growth
- Shortages of water source

## EXPENDITURE ON GRANTS ALLOCATION

All the grants are allocated in terms of Division of Revenue Bill, as per SA18, SA19 and SA20

MP302 Msukaligwa - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		207,210	235,289	411,229	278,469	277,982	277,982	294,895	307,395	321,237
Local Government Equitable Share		199,442	227,520	403,584	270,341	270,341	270,341	285,986	300,145	313,730
Expanded Public Works Programme Integrated G		1,986	1,766	1,511	1,285	1,285	1,285	1,930	-	-
Local Government Financial Management Grant		3,000	3,000	3,000	3,800	3,800	3,800	3,800	3,800	3,900
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		2,782	3,003	3,135	3,043	2,556	2,556	3,179	3,450	3,607
<b>Provincial Government:</b>		-	-	7,208	-	-	-	-	-	-
Capacity Building and Other Grants		-	-	7,208	-	-	-	-	-	-
<b>District Municipality:</b>		-	6,787	-	-	-	-	-	-	-
Specify (Add grant description)		-	6,787	-	-	-	-	-	-	-
<b>Other grant providers:</b>		452	311	18,287	3,159	3,159	3,159	-	-	-
Education Training and Development Practices SETA		452	311	2,028	3,159	3,159	3,159	-	-	-
State Information Technology Agency (SITA)		-	-	16,239	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	207,661	242,386	436,704	281,627	281,140	281,140	294,895	307,395	321,237
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		303,435	255,867	148,454	183,928	196,372	196,372	162,093	255,909	277,682
Energy Efficiency and Demand Side Management Grant		-	4,000	7,000	4,000	1,200	1,200	4,000	4,000	-
Integrated National Electrification Programme Grant		10,000	-	6,800	2,116	2,116	2,116	2,691	6,509	6,803
Municipal Disaster Relief Grant		-	-	6,420	-	14,500	14,500	-	-	-
Municipal Infrastructure Grant		92,856	117,052	85,356	87,812	78,556	78,556	105,402	115,400	120,879
Regional Bulk Infrastructure Grant		200,579	134,814	42,877	90,000	100,000	100,000	50,000	130,000	150,000
<b>Provincial Government:</b>		-	-	1,212	-	-	-	-	-	-
Capacity Building and Other Grants		-	-	1,212	-	-	-	-	-	-
Infrastructure Grant		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	2,214	703	-	-	-	-	-	-
Specify (Add grant description)		-	2,214	703	-	-	-	-	-	-
<b>Other grant providers:</b>		-	238	15,537	-	-	-	-	-	-
Unspecified		-	238	15,537	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	303,435	258,318	165,805	183,928	196,372	196,372	162,093	255,909	277,682
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		511,096	500,704	602,609	465,556	477,513	477,513	456,988	563,304	598,919

## EMPLOYEES SALARIES AND COUNCILLORS ALLOWANCE BENEFITS

Salary benefits payable to Municipal employees and Councillors are detailed in table SA22 and SA23.

MP302 Msukaligwa - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		2,994	679	11,931	4,122	4,122	4,122	4,122	4,122	4,122
Pension and UIF Contributions		1,422	1,534	1,669	1,822	1,822	1,822	1,915	2,012	2,114
Medical Aid Contributions		156	84	152	329	329	329	346	363	382
Motor Vehicle Allowance										
Cellphone Allowance		1,541	1,414	1,596	2,019	2,019	2,019	2,019	2,019	2,019
Housing Allowances										
Other benefits and allowances		9,377	13,651	2,676	12,157	12,157	12,157	12,157	12,157	12,157
<b>Sub Total - Councillors</b>	4	<b>15,489</b>	<b>17,382</b>	<b>18,024</b>	<b>20,450</b>	<b>20,450</b>	<b>20,450</b>	<b>20,559</b>	<b>20,674</b>	<b>20,794</b>
<b>% Increase</b>			<b>12.1%</b>	<b>3.8%</b>	<b>13.5%</b>	-	-	<b>0.5%</b>	<b>0.6%</b>	<b>0.6%</b>
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		5,157	5,932	5,395	6,498	6,498	6,498	6,828	7,175	7,539
Pension and UIF Contributions		449	585	783	1,091	1,098	1,098	1,154	1,213	1,274
Medical Aid Contributions		57	104	265	146	146	146	153	161	169
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	57	41	41	41	43	45	48
Motor Vehicle Allowance	3	456	757	1,296	769	918	918	964	1,013	1,065
Cellphone Allowance	3	-	-	-	34	34	34	36	38	40
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	24	24	24	25	26	28
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>	4	<b>6,119</b>	<b>7,378</b>	<b>7,796</b>	<b>8,603</b>	<b>8,759</b>	<b>8,759</b>	<b>9,204</b>	<b>9,671</b>	<b>10,162</b>
<b>% Increase</b>			<b>20.6%</b>	<b>5.7%</b>	<b>10.4%</b>	<b>1.8%</b>	-	<b>5.1%</b>	<b>5.1%</b>	<b>5.1%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		135,391	142,082	164,576	193,574	193,574	193,574	203,408	213,741	224,599
Pension and UIF Contributions		30,091	32,821	35,113	37,316	37,309	37,309	39,204	41,196	43,289
Medical Aid Contributions		12,487	13,171	13,864	15,074	15,074	15,074	15,840	16,645	17,490
Overtime		25,505	26,234	29,238	16,664	16,664	16,664	17,511	18,400	19,335
Performance Bonus		10,880	11,847	13,157	13,876	13,876	13,876	14,581	15,322	16,100
Motor Vehicle Allowance	3	10,945	10,731	11,359	13,284	13,136	13,136	13,803	14,504	15,241
Cellphone Allowance	3	222	934	924	805	805	805	846	889	934
Housing Allowances	3	660	486	533	940	940	940	988	1,038	1,091
Other benefits and allowances	3	11,171	11,261	12,263	6,699	6,699	6,699	7,039	7,397	7,773
Payments in lieu of leave		481	2,306	2,709	1,198	1,198	1,198	1,259	1,323	1,390
Long service awards		1,167	2,285	2,819	3,344	3,344	3,344	3,513	3,692	3,879
Post-retirement benefit obligations	6	2,610	2,548	573	2,932	2,932	2,932	3,081	3,237	3,402
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		1,239	1,339	1,028	2,150	2,150	2,150	2,259	2,374	2,495
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>	4	<b>242,849</b>	<b>258,044</b>	<b>288,156</b>	<b>307,858</b>	<b>307,702</b>	<b>307,702</b>	<b>323,334</b>	<b>339,759</b>	<b>357,019</b>
<b>% Increase</b>			<b>6.3%</b>	<b>11.7%</b>	<b>6.8%</b>	<b>(0.1%)</b>	-	<b>5.1%</b>	<b>5.1%</b>	<b>5.1%</b>
<b>Total Parent Municipality</b>		<b>264,458</b>	<b>282,784</b>	<b>313,978</b>	<b>336,910</b>	<b>336,910</b>	<b>336,910</b>	<b>353,096</b>	<b>370,104</b>	<b>387,976</b>
			<b>6.9%</b>	<b>11.0%</b>	<b>7.3%</b>	<b>0.0%</b>	-	<b>4.8%</b>	<b>4.8%</b>	<b>4.8%</b>

## **ANNUAL BUDGET AND SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN(SDBIP)**

SDBIP detailed the implementation of municipal service delivery and its annual budget of which is measurable on annual basis, which constitute revenue to be collected by source and operational and capital expenditure by vote. The SDBIP give effects to the implementation of IDP and budget in terms of financial and non-financial performance indicators.

## **CONTRACTS HAVING FUTURE BUDGETARY IMPLICATION**

The municipality appointed First National Bank in 2025/2026 financial year, for banking services for the period of 5 years.

## **LEGISLATION COMPLIANCE STATUS**

The municipal complies to the following legislations:

- Municipal Finance Management Act
- Property Rates Act
- Municipal Systems Act
- Municipal Structures Act
- Public Office Bearers Act
- Division of Revenue Act
- Supply Chain Management Regulations

## **FUNCTIONAL GOVERNANCE STRUCTURES**

- Council
- Municipal Public Accounts Committee
- Audit Committee
- Internal Audit Unit
- Risk Management Committee
- Section 79 Committees

## **BUDGET RELATED POLICIES**

Tariff policy.

- ii. Property rates policy
- iii. Debt collection and credit control policy
- iv. Provision for debt impairment policy.
- v. Supply chain management policy.
- vi. Budget and virement policy
- vii. Cost containment policy
- viii. Asset management policy
- ix. Long-term financial plan
- x. Insurance policy
- xi. Unclaimed money policy
- xii. Investment of surplus fund policy

- xiii. Disposal of Immovable property policy
- xiv. Fleet management policy.
- xv. Indigent policy
- xvi. Travelling and subsistence policy
- xvii. Creditors payment policy
- xviii. Meter reading policy
- xix. Petty cash policy
- xx. Stores and Inventory Management policy

## FUNDING PLAN

MP302 Msukaligwa LM - Table A4 Budgeted Financial Performance (revenue and expenditure)																					
Description	Ref	Current Year 2024/25				2025 Medium Term Provisions & Capabilities			Funding Plan '2025/26				REVISED MTREF BUDGET 2025/26				OUTER YEARS FORECAST				
		Added Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2027/28	Funding Plan 2025/26 Q1	Funding Plan 2025/26 Q2	Funding Plan 2025/26 Q3	Funding Plan 2025/26 Q4	Actual Funding Plan 2025/26	Budget Year 2025/26 Q1	Budget Year 2025/26 Q2	Budget Year 2025/26 Q3	Budget Year 2025/26 Q4	Budget Year +1 2026/27	Budget Year +2 2027/28	Budget Year +3 2028/29	Budget Year +4 2029/30
<b>Revenue</b>																					
Exchange Revenue	2	-	-	-	-	-	-	-													
Service charges - Electricity	2	19 337	361 451	351 081	381 451	381 236	435 524	484 025	4 082	4 082	4 082	4 082	16 247	289 237	420 585	488 887	482 848	453 385	562 686	538 548	538 438
Service charges - Water	2	56 432	89 842	86 880	87 882	87 816	96 787	96 867	4 082	4 082	4 082	4 082	16 247	84 680	98 848	103 819	107 081	112 858	116 878	134 700	152 871
Service charges - Waste Water Management	2	16 913	61 182	65 180	61 182	61 901	71 025	71 150	4 082	4 082	4 082	4 082	16 247	71 083	79 888	78 211	82 273	88 886	82 821	108 882	127 764
Service charges - Waste Management	2	7 458	56 286	58 288	56 286	54 742	61 325	64 428	4 082	4 082	4 082	4 082	16 247	62 882	65 348	65 686	72 148	78 198	81 896	88 767	117 838
Sale of Goods and Rendering of Services	2	7 040	10 751	10 751	10 751	11 224	11 740	12 257	4 082	4 082	4 082	4 082	16 247	11 224	11 740	12 257	12 257	11 740	12 257	12 257	12 257
Agency services		-	-	-	-	-	-	-													
Interest		578	-	-	-	-	-	-													
Interest earned from Receivables		1 150	36 561	36 561	36 561	38 123	38 867	41 642						38 123	38 867	41 642	41 642	38 867	41 642	41 642	41 642
Interest earned from Current and Non-Current Assets		3 541	5 245	5 245	5 245	5 471	5 722	5 974						5 471	5 722	5 974	5 974	5 722	5 974	5 974	5 974
Dividends		-	-	-	-	-	-	-													
Rent on Land		142	2	2	2	2	2	2						2	2	2	2	2	2	2	2
Rent on Fuel Assets		217	3 311	3 311	3 311	3 492	3 612	3 771						3 492	3 612	3 771	3 771	3 612	3 771	3 771	3 771
License and permits		1 063	84	84	84	88	102	107						88	102	107	107	102	107	107	107
Special rating income	2	42 881	-	-	-	-	-	-													
Operational Revenue		805	37 138	42 105	42 505	44 833	46 377	48 412						44 833	46 377	48 412	48 412	46 377	48 412	48 412	48 412
Non-Exchange Revenue		-	-	-	-	-	-	-													
Property rates		219 842	219 842	219 842	219 842	228 851	229 840	232 781	14 236	14 236	14 236	14 236	56 952	273 189	285 181	297 619	311 250	322 511	345 429	408 676	479 726
Surcharges and Fines		-	-	-	-	-	-	-													
Fees penalties and fines		5 724	47 201	47 201	47 201	49 231	51 485	53 761						48 231	51 485	53 761	53 761	51 485	53 761	53 761	53 761
License and permits		-	-	-	-	-	-	-													
Transfer and subsidies - Operations		281 627	281 627	281 627	281 627	294 885	307 385	321 237						294 885	307 385	321 237	321 237	307 385	321 237	321 237	321 237
Interest		11 952	11 952	11 952	11 952	12 486	13 028	13 613						12 486	13 028	13 613	13 613	13 028	13 613	13 613	13 613
Fuel levy		-	-	-	-	-	-	-													
Operational Revenue		-	-	-	-	-	-	-													
Gain on disposal of Assets		-	-	-	-	-	-	-													
Other Gains		-	-	-	-	-	-	-													
Operational Operations		-	-	-	-	-	-	-													
<b>Total Revenue (excluding capital transfers and receivables)</b>		117 387	1 161 588	1 219 483	1 215 483	1 226 754	1 419 892	1 569 614	20 487	20 486	20 486	20 486	121 048	1 087 228	1 442 872	1 635 998	1 566 484	1 647 828	1 638 648	1 772 781	1 881 916
<b>Expenditure By Type</b>																					
Employee related costs	2	88 796	316 482	316 482	316 482	322 516	348 111	367 182	(800)	(800)	(800)	(800)	(7 400)	321 836	348 851	366 587	385 982	346 791	384 542	361 807	359 262
Remuneration of councillors		7 184	28 458	28 458	28 458	29 558	32 674	36 794						29 558	29 674	29 794	29 794	28 458	29 794	29 794	29 794
Other equipment	3	27 308	178 783	425 008	425 008	489 258	494 873	446 847						489 258	484 878	446 847	446 847	484 878	446 847	446 847	446 847
Operation & asset impairment	7	68 805	82 115	134 808	134 808	117 802	74 887	74 887						117 802	74 887	74 887	74 887	74 887	74 887	74 887	74 887
Finance charges	2	3 066	119 136	164 133	164 133	94 136	94 136	94 136						94 136	94 136	94 136	94 136	94 136	94 136	94 136	94 136
B&A purchase	2	44 277	145 378	135 378	135 378	128 378	128 378	128 378						128 378	128 378	128 378	128 378	128 378	128 378	128 378	128 378
Other purchase	2	5 538	20 641	22 641	22 641	22 641	22 641	22 641						22 641	22 641	22 641	22 641	22 641	22 641	22 641	22 641
Contracted services		8 822	148 451	133 877	133 877	124 888	82 828	82 828						124 888	82 828	82 828	82 828	82 828	82 828	82 828	82 828
Transfer and subsidies		246	-	-	-	-	-	-													
Other expenditure	4.5	17 823	552	552	552	562	562	562						562	562	562	562	552	562	562	562
Lease		-	-	-	-	-	-	-													
<b>Total Expenditure</b>		182 833	1 253 782	1 223 873	1 223 873	1 267 488	1 399 637	1 411 218	(800)	(800)	(800)	(800)	(7 400)	1 281 863	1 293 607	1 344 638	1 384 618	1 388 997	1 392 978	1 379 938	1 377 206
<b>Surplus/(Deficit)</b>		(24 688)	(125 142)	(107 378)	(107 378)	(140 734)	220 255	220 255	21 687	21 686	21 686	21 686	121 340	(21 636)	(14 344)	351 360	251 880	258 830	268 850	402 843	504 710

**MANAGER'S QUALITY CERTIFICATE**

I, **Maqhawe Kunene**, municipal manager of Msukaligwa Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act, and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan (IDP) of the municipality.

Print Name: Mr M. KUNENE

Municipal Manager of Msukaligwa Local Municipality

Signature 

Date 30 MAY 2025

