Msukaligwa Local Municipality

Section 71 Monthly Financial Report

31 JULY 2025

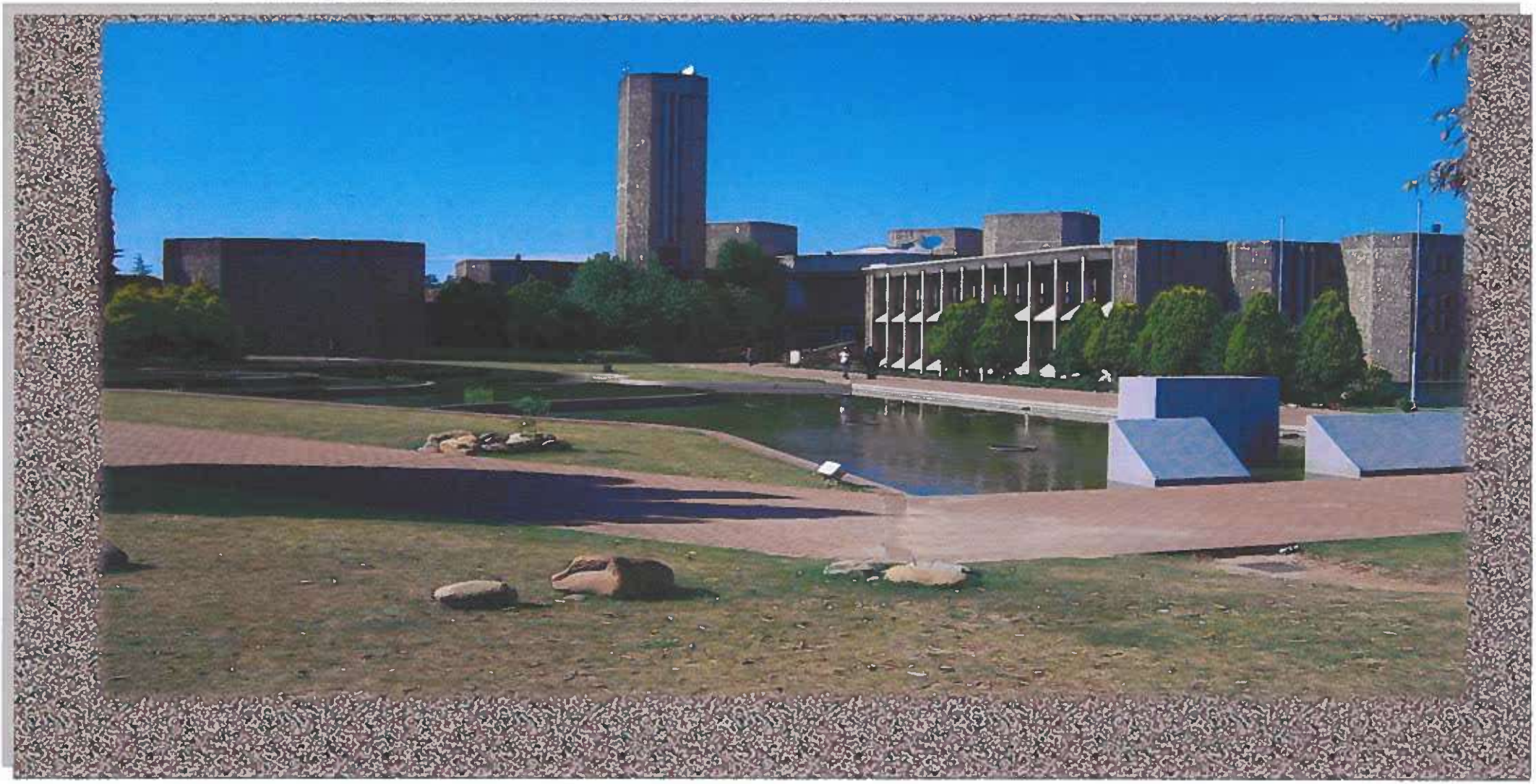


Table of Contents

1. Purpose	
2. Background	
3. Executive summary	
4. Budget performance overview	
4.1 Operating Revenue by Source	
4.2 Operating Expenditure by Type	
4.3 Capital expenditure	
4.4 Cash flows	
5. Debtors' Analysis	
6. Creditors' Analysis	
7. Table C6 – Statement of Financial Position	
8. Investment Portfolio analysis	
9. Allocation and grant receipts and expenditure	
10.Councillor and board member allowances and employee benefits	
11. Overtime schedule	
12. Material variances to the service delivery and budget implementation plan	
13. Capital programme performance	
14. Other Supporting Docuements	
15. Annexure B: Compliance with the conditions for Municipal Debt Relief	
15.1 MFMA Circular 124 – Condition 6.3 (Maintaining the Eskom bulk current account) and Condition 6.12 (Proper Management of Resources	
15.2 MFMA Circular 124 – Condition 6.4 Compliance with a unfunded MTREF Budget	
15.3 MFMA Circular 124 – Condition 6.5 – Cost Reflective Tariffs	
15.4 MFMA Circular 124 – Condition 6.6 - Electricity and Water as collection tool	
15.5 MFMA Circular 124 – Condition 6.7 Average Quarterly collection rate	
15.6 MFMA Circular 124 - Condition 6.8 Completeness of the Revenue Base	
15.7 MFMA Circular 124 – Condition 6.10 Provincial Treasury certification of Municipalities	
15.8 MFMA Circular 124 – Condition 6.11Limitation on Municipality borrowing	
15.9 MFMA Circular 124 – Municipality Compliance Self- A ssessment	
15.10 Municipal Debt Relief Performance across the period of debt relief participation	
16. Municipal Manager's quality certification	
17. Recommendations	

List of Tables

Consolidated summary: Statement of Financial Performance: YTD Budget .....
Consolidated summary: Statement of Financial Performance: Adjusted Budget .....
C4 Financial Performance (Revenue) .....
Table C4 Financial Performance (Expenditure) .....
Summary of YTD Bulk Electricity expenditure .....
Summary of YTD Bulk Water expenditure .....
Summary of outstanding ESKOM debt .....
Summary of outstanding DWS debt .....
Summary of payments per payment date .....
High level summary: Capital Expenditure .....
Supporting Table SC3: Aged Debtors .....
Monthly collection rate .....
Supporting Table SC4: Aged Creditors .....
Supporting Table SC5: Investment portfolio .....
Supporting Table SC6: Transfers and grant receipts .....
Supporting Table SC7(1): Transfers and grant expenditure .....
Summary of expenditure per grant .....
Supporting Table SC7(2) - Expenditure against approved rollovers .....
Supporting Table SC8: Councillor and staff benefits .....
Current YTD Overtime expenditure excl Night-shift allowance .....
Table 19: Detailed capital expenditure report .....

List of Abbreviations and Acronyms used in the Monthly Budget Statement

AFS – Annual Financial Statements
AGSA - Auditor-General of South Africa
BTO - Budget and Treasury Office
CAPEX – Capital Expenditure
CFO - Chief Financial Officer

PART 1: IN-YEAR REPORT FOR THE PERIOD ENDING 31 JULY 2025
TO: THE EXECUTIVE MAYOR
FROM: THE DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE

MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDING 31 JULY 2025

1. PURPOSE

The purpose of this report is to present a Section 71 – M01 report of the MFMA by providing a monthly statement on the implementation of the budget and the financial situation for the municipality for the Month ending **31 July 2025** for consideration and noting.

2. BACKGROUND

A) In terms of Section 71 of the Municipal Finance Management Act 56 of 2003.

(1). The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source;
- (b) actual borrowings;
- (c) actual expenditure, per vote;
- (d) actual capital expenditure, per vote;
- (e) the amount of any allocations received;
- (f) actual expenditure on those allocations, excluding expenditure on –
  - (i) its share of the local government equitable share; and
  - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g) When necessary, an explanation of-
  - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
  - (ii) any material variances from the service delivery and budget implementation plan; and
  - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipalities approved budget.

(2) The statement must include –

- (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and
- (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).

(3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.

(4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1) (e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1) (e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.

B) In terms of the Municipal Finance Management (Act 56 of 2003) Section 52.

3. EXECUTIVE SUMMARY

Section 71 of the Municipal Finance Management Act deals with requirements for a monthly budget and performance assessment report distinctively, of which the objective is finally to report on the financial status of the municipality.

The year-to-date revenue amounts to R 192,887 million against the estimated budget of R 110,563 million resulting in a surplus of R 82,324 million, whilst the year-to-date expenditure incurred amounts to R 137,639 million against estimated budget of R 115,211 million indicating overspending of R 22 million.

Description	2025/26	2025/26	YTD Budget	YTD Actual	Difference Month to date	
	Original	Adjustment budget	Budget	Actual	Actual versus budget	Achieved
	R million	R million	R million	R million	R million	%
Revenue	1 326 753	1 326 753	110 563	192 887	82 324	74%
Expenditure	1 382 469	1 382 529	115 211	137 639	(22 428)	-19%
Total (Surplus/Deficit)	**(55 716)**	**(55 776)**	**(4 648)**	**55 247**	**59 896**	**55%**

In- year Reporting tables

Below is the summary of financial performance, financial position as well as cash and cash equivalent represented by Table C1 below:

MP302 Msukaligwa - Table C1 Monthly Budget Statement Summary - M01 July									
Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	212 918	258 951	258 951	19 836	19 836	21 579	(1 743)	-8%	258 951
Service charges	515 410	608 497	608 497	49 615	49 615	50 708	(1 093)	-2%	527 549
Investment revenue	5 888	5 471	5 471	473	473	456	18	4%	473
Transfers and subsidies - Operational	282 515	294 895	294 895	119 161	119 161	24 575	94 586	0	119 161
Other own revenue	112 910	158 940	158 940	3 801	3 801	13 245	(9 444)	-71%	155 855
Total Revenue (excluding capital transfers and contributions)	**1 129 641**	**1 326 753**	**1 326 753**	**192 887**	**192 887**	**110 563**	**82 324**	**74%**	**1 061 989**
Employee costs	316 650	332 538	332 538	29 360	29 360	27 712	1 649	6%	29 360
Remuneration of Councillors	18 950	20 559	20 559	1 179	1 179	1 713	(534)	-31%	20 559
Depreciation and amortisation	4	128 379	128 379	18 543	18 543	10 698	7 845	73%	128 379
Interest	19 859	22 041	22 041	1 837	1 837	1 837	(0)	-0%	22 041
Inventory consumed and bulk purchases	740 221	577 253	577 253	78 745	78 745	48 104	30 641	64%	193 150
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	329 476	301 698	301 758	7 975	7 975	25 147	(17 171)	-68%	301 758
Total Expenditure	**1 425 160**	**1 382 469**	**1 382 529**	**137 639**	**137 639**	**115 211**	**(22 428)**	**-19%**	**695 247**
Surplus/(Deficit)	**(295 519)**	**(55 716)**	**(55 776)**	**55 247**	**55 247**	**(4 648)**	**59 896**	**55%**	**366 742**
Transfers and subsidies - capital (monetary allocations)	241 403	162 093	162 093	170 822	170 822	13 508	157 314	1165%	162 093
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**(54 116)**	**106 377**	**106 317**	**226 069**	**226 069**	**8 859**	**217 210**	**2452%**	**528 835**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(54 116)**	**106 377**	**106 317**	**226 069**	**226 069**	**8 859**	**217 210**	**2452%**	**528 835**
Capital expenditure & funds sources									
Capital expenditure	**223 268**	**162 093**	**204 833**	**9 480**	**9 480**	**17 069**	**(7 590)**	**-44%**	**168 747**
Capital transfers recognised	203 914	162 093	202 093	9 454	9 454	16 841	(7 387)	-44%	202 093
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	19 354	–	2 740	25	25	228	(203)	-89%	2 740
Total sources of capital funds	**223 268**	**162 093**	**204 833**	**9 480**	**9 480**	**17 069**	**(7 590)**	**-44%**	**204 833**
Financial position									
Total current assets	877 813	1 379 696	1 379 696		1 003 212				1 460 677
Total non current assets	3 028 588	2 967 413	3 010 153		3 038 068				3 038 068
Total current liabilities	2 973 319	2 588 560	2 588 560		3 029 360				2 588 560
Total non current liabilities	80 163	80 163	80 163		80 163				80 163
Community wealth/Equity	818 182	1 674 002	1 674 002		935 043				1 674 002
Cash flows									
Net cash from (used) operating	448 098	175 941	175 941	339 837	339 837	14 662	(325 175)	-2218%	(60 235)
Net cash from (used) investing	(91 649)	(162 093)	(162 093)	(9 412)	(9 412)	(13 508)	(4 095)	30%	(9 412)
Net cash from (used) financing	(1)	–	–	(0)	(0)	–	0	#DIV/0!	–
Cash/cash equivalents at the month/year end	**415 785**	**73 184**	**73 184**	**374 728**	**374 728**	**60 490**	**(314 237)**	**-519%**	**(25 345)**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis									
Total By Income Source	104 779	26 903	27 224	25 766	24 590	22 730	139 987	1 177 212	1 549 190
Creditors Age Analysis									
Total Creditors	976 626	–	–	2 658	1 137 904	2 658	–	10 663	2 130 510

Table C2: Monthly Budget Statement – Financial Performance per functional Classification

MP302 Msukaligwa - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Revenue - Functional										
Governance and administration		**555 073**	**658 855**	**658 855**	**140 096**	**140 096**	**54 905**	85 192	155%	**445 088**
Executive and council		316 362	332 928	332 928	119 161	119 161	27 744	91 417	330%	119 161
Finance and administration		238 712	325 927	325 927	20 935	20 935	27 161	(6 225)	-23%	325 927
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**64 846**	**59 779**	**59 779**	**463**	**463**	**4 982**	(4 518)	-91%	**56 832**
Community and social services		997	1 217	1 217	77	77	101	(24)	-24%	1 217
Sport and recreation		139	344	344	9	9	29	(19)	-68%	289
Public safety		59 563	54 991	54 991	42	42	4 583	(4 540)	-99%	54 991
Housing		4 147	3 226	3 226	334	334	269	65	24%	334
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**6 155**	**6 532**	**6 532**	**235**	**235**	**544**	(309)	-57%	**6 532**
Planning and development		6 068	6 083	6 083	214	214	507	(293)	-58%	6 083
Road transport		87	450	450	21	21	37	(17)	-44%	450
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**744 797**	**763 508**	**763 508**	**52 078**	**52 078**	**63 626**	**(11 548)**	-18%	**763 508**
Energy sources		326 736	407 731	407 731	30 259	30 259	33 978	(3 718)	-11%	407 731
Water management		288 342	212 918	212 918	10 391	10 391	17 743	(7 352)	-41%	212 918
Waste water management		68 575	76 200	76 200	6 161	6 161	6 350	(189)	-3%	76 200
Waste management		61 144	66 659	66 659	5 266	5 266	5 555	(289)	-5%	66 659
Other	4	**172**	**172**	**172**	**15**	**15**	**14**	**0**	**2%**	**15**
Total Revenue - Functional	2	**1 371 044**	**1 488 846**	**1 488 846**	**192 887**	**192 887**	**124 070**	**68 816**	**55%**	**1 271 975**
Expenditure - Functional										
Governance and administration		**257 274**	**267 513**	**267 573**	**14 531**	**14 531**	**22 298**	(7 767)	-35%	**255 239**
Executive and council		74 168	87 563	87 593	4 540	4 540	7 299	(2 760)	-38%	87 593
Finance and administration		183 106	179 951	179 981	9 991	9 991	14 999	(5 007)	-33%	167 647
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**168 003**	**149 161**	**149 161**	**10 129**	**10 129**	**12 430**	(2 301)	-19%	**118 450**
Community and social services		74 015	88 266	88 266	5 782	5 782	7 356	(1 573)	-21%	88 266
Sport and recreation		13 445	22 233	22 233	1 219	1 219	1 853	(633)	-34%	14 151
Public safety		75 735	33 418	33 418	2 617	2 617	2 785	(168)	-6%	15 463
Housing		4 808	5 185	5 185	511	511	432	79	18%	511
Health		–	59	59	–	–	5	(5)	-100%	59
Economic and environmental services		**61 022**	**107 226**	**107 226**	**3 656**	**3 656**	**8 936**	(5 279)	-59%	**98 831**
Planning and development		23 078	25 475	25 475	1 691	1 691	2 123	(432)	-20%	17 080
Road transport		37 944	81 751	81 751	1 966	1 966	6 813	(4 847)	-71%	81 751
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**938 766**	**858 568**	**858 568**	**88 933**	**88 933**	**71 547**	**17 386**	24%	**369 309**
Energy sources		663 290	565 506	565 506	79 867	79 867	47 125	32 742	69%	79 867
Water management		194 434	122 367	122 367	3 574	3 574	10 197	(6 624)	-65%	122 367
Waste water management		37 457	129 610	129 610	2 379	2 379	10 801	(8 422)	-78%	125 989
Waste management		43 586	41 085	41 085	3 113	3 113	3 424	(311)	-9%	41 085
Other		**94**	**–**	**–**	**10**	**10**	**–**	**10**	**0%**	**10**
Total Expenditure - Functional	3	**1 425 160**	**1 382 469**	**1 382 529**	**137 639**	**137 639**	**115 211**	**2 049**	**19%**	**841 839**
Surplus/ (Deficit) for the year		**(54 116)**	**106 377**	**106 317**	**55 247**	**55 247**	**8 859**	**66 768**	**55%**	**430 136**

- The table above reflects revenue and expenditure per functional classification, with the overall revenue amounting to R 192,887 million and the expenditure amounting to R 137,639 million. Depreciation and debt impairment have been accounted for on an average basis.

4. FINANCIAL PERFORMANCE OVERVIEW

The municipality recorded a surplus of R 55,247 million as at 31 July 2025.

4.1 Operating Revenue by Source

MP302 Msukaligwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July										
		2024/25	Budget Year 2025/26							
Description R thousands	Ref	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		310 569	391 236	391 236	29 652	29 652	32 603	(2 951)	-9%	391 236
Service charges - Water		91 447	90 618	90 618	9 670	9 670	7 552	2 119	28%	9 670
Service charges - Waste Water Management		60 383	67 901	67 901	5 525	5 525	5 658	(133)	-2%	67 901
Service charges - Waste management		53 011	58 742	58 742	4 768	4 768	4 895	(127)	-3%	58 742
Sale of Goods and Rendering of Services		6 354	11 224	11 224	486	486	935	(449)	-48%	11 224
Agency services		–	–	–	–	–	–	–		–
Interest								–		
Interest earned from Receivables		31 069	38 133	38 133	2 077	2 077	3 178	(1 101)	-35%	38 133
Interest from Current and Non Current Assets		5 888	5 471	5 471	473	473	456	18	4%	473
Dividends								–		
Rent on Land		2	2	2	0	0	0	(0)	-17%	2
ntal from Fixed Assets		3 462	3 453	3 453	297	297	288	9	3%	297
Licence and permits		48	98	98	10	10	8	2	25%	10
Special rating levies								–		
Operational Revenue		3 183	44 333	44 333	115	115	3 694	(3 579)	-97%	44 333
Non-Exchange Revenue								–		
Property rates		212 918	258 951	258 951	19 836	19 836	21 579	(1 743)	-8%	258 951
Surcharges and Taxes								–		
Fines, penalties and forfeits		56 029	49 231	49 231	17	17	4 103	(4 086)	-100%	49 231
Licence and permits		51	–	–	0	0	–	0	#DIV/0!	0
Transfers and subsidies - Operational		282 515	294 895	294 895	119 161	119 161	24 575	94 586	385%	119 161
Interest		8 855	12 466	12 466	638	638	1 039	(400)	-39%	12 466
Fuel Levy								–		
Operational Revenue		1 347	–	–	117	117	–	117	100%	117
Gains on disposal of Assets		1 023	–	–	42	42	–	42	100%	42
Other Gains		1 487	–	–	–	–	–	–		–
Discontinued Operations								–		
Total Revenue (excluding capital transfers and contributions)		**1 129 641**	**1 326 753**	**1 326 753**	**192 887**	**192 887**	**110 563**	**82 324**	**74%**	**1 061 989**

Property Rates

Property Rates for the month ending 31 July 2025 amounted to R19,836 million with an estimated budget of R 21,579 million, this resulted in a slight difference of R1,743 million or (-8%).

The performance of Property rates is within the estimated targeted, the reconciliation of the Valuation roll is out by one property under business which caused by the Multipurpose property has the differences on the property market values.

Property Rates Reconciliation	
Province	Gert Sibande District
District	LM
Type	Msukaligwa
Municipal Name	01/07/2025 - 30/06/2030
GV Period	2025-2030
Financial Year	july
Reconciliation Period	

Reconciliation Overview

High Level Reconciliation

Propety Categories	Rol Properties			Market Values		
	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	26205	26205	0	11 235 445 301,00	11 238 205 201,00	-2 760 000,00
Industrial	106	106	0	339 390 300,00	339 390 300,00	-
Business and Commercial	841	841	0	3 310 151 200,00	3 309 331 200,00	820 000,00
Agricultural	2243	2243	0	11 697 905 600,00	11 697 905 600,00	-
Mining	94	94	0	70 370 000,00	70 370 000,00	-
State Owned for Public Purpose	147	144	3	1 307 549 100,00	1 307 549 100,00	-
PSI	687	687	0	123 823 500,00	123 823 500,00	-
PBO	130	130	0	331 431 300,00	331 431 300,00	-
Multi Use	217	0	217	1 516 019 100,00	-	1 516 019 100,00
Vacant	3371	3371	0	539 498 520,00	539 498 520,00	-
PSW	2	2	0	94 700 000,00	94 700 000,00	-
Municipal	0	0	0	-	-	-
Other	0	0	0	-	-	-
	34043	33823	220	30 566 283 921,00	29 052 204 721,00	1 514 079 200,00

Detailed Reconciliation

Propety Categories	Monthly Billing			Quarterly		
Propety Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	-	7771439,98	-7771439,98	-	7771439,98	-7771439,98
Industrial	-	779047,81	-779047,81	-	779047,81	-779047,81
Business and Commercial	-	7596349,15	-7596349,15	-	7596349,15	-7596349,15
Agricultural	-	2416026,93	-2416026,93	-	2416026,93	-2416026,93
Mining	-	161529,64	-161529,64	-	161529,64	-161529,64
State Owned for Public Purpose	-	3001391,79	-3001391,79	-	3001391,79	-3001391,79
PSI	-	68253,26	-68253,26	-	68253,26	-68253,26
PBO	-	76057,96	-76057,96	-	76057,96	-76057,96
Multi Use	-	0,00	0,00	-	0,00	0,00
Vacant	-	1238382,89	-1238382,89	-	1238382,89	-1238382,89
PSW	-	78261,03	-78261,03	-	78261,03	-78261,03
Municipal	-	0,00	0,00	-	0,00	0,00
Other	-	0,00	0,00	-	0,00	0,00
Total	R0,00	R23 186 740,43	-R23 186 740,43	-	23 186 740,43	- 23 186 740,43

Prepared By	Nomusa Zuhi	Date	08/08/2025
	Contatct Details		
Signature			
Reviewed By	Ntombifuthi Mkhatliphi	Date	08/08/2025
	Contatct Details		
Signature			

Electricity

Description	Original Budget 2025/26	Monthly Budget - M01	Actual billed or received M01	Difference	Variance based on pro rata budget
	R	R	R	R	%
Conventional	273 865 007,50	22 822 083,96	20 756 352,97	2 065 730,98	9%
Prepaid sales	117 370 717,50	9 780 893,13	8 895 579,85	- 885 313,28	-9%
Total	391 235 725,00	32 602 977,08	29 651 932,82	1 180 417,71	4%

The year-to-date revenue generated from the provision of electricity amounts to R 29,651 million with a variance of (9%) less than the projected budget for the Month ending 31 July 2025.

Revenue generated from electricity provision consists of conventional and prepaid electricity. Conventional electricity revenue amounted to R 20,756 million, which is 9% less than the budgeted projection.

The pre-paid electricity sold in amounted to R 8,895 million, 9% less than the budgeted projection.

Water Management

The year-to-date Billing and sales for provision of water services for the amounts to R 9,670 million with a projected budget of R 7,552 the variance there of is a surplus of R 2,119 million.

Waste water Management

The year-to-date revenue figures for Wastewater Management services amount to R 5,525 million with a budgeted projection of R 5,658 million, is gives us a variance of -R133 thousand or (-2%).

Waste Management

The year-to-date revenue figures for Waste Management services amount to R 4,768 million with a budgeted projection of R 4,895 million, is gives us a variance of -R 127 thousand or (-3%).

Rental of Facilities

The year to date Revenue generated from rental of facilities amounts to R 297 thousand with a budget projection of R 288 thousand. The variance amounts to a positive balance of R 9 thousand.

Interest earned on investment

Total Interest earned on Positive bank balances amounts to R 473 443.92 made up of Primary Bank R 119 727.14,Call Account R 320 427.99, Traffic fines account R 20 482.19 and the Trading Services Account R 12 806.60 respectively

Interest earned - outstanding debtors

Interest earned from Ourstanding debtors as at 31 July amounts of R 3,178 million (-35%) for the month. This results from increasing of the debtor's book due to non-payment of debtors.

Fines, Penalties and Forfeits

Cash generated from traffic fines issued has with R17 thousand for the month ending 31 July 2025, due to fines issued not yet recorded on the financial system.

Licence and permits

No revenue was generated for issuing fines and permits in July 2025..

4.2 Operating Expenditure by Source

The year to date Total expenditure amounts to R 137,639 million which is 19% more than the projected budget for the month.

MP302 Msukaligwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July										
Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure By Type										
Employee related costs		316 650	332 538	332 538	29 360	29 360	27 712	1 649	6%	29 360
Remuneration of councillors		18 950	20 559	20 559	1 179	1 179	1 713	(534)	-31%	20 559
Bulk purchases - electricity		518 770	460 250	460 250	76 147	76 147	38 354	37 793	99%	76 147
Inventory consumed		221 451	117 003	117 003	2 599	2 599	9 750	(7 152)	-73%	117 003
Debt impairment		146 693	94 135	94 135	7 845	7 845	7 845	(0)	0%	94 135
Depreciation and amortisation		4	128 379	128 379	10 698	10 698	10 698	(0)	0%	128 379
Interest		19 859	22 041	22 041	1 837	1 837	1 837	(0)	0%	22 041
Contracted services		112 247	124 809	124 899	5 176	5 176	10 408	(5 232)	-50%	124 899
Transfers and subsidies		–	–	–	–	–	–	–		–
Irrecoverable debts written off		11	552	552	–	–	46	(46)	-100%	552
Operational costs		70 288	82 202	82 172	2 799	2 799	6 848	(4 049)	-59%	82 172
Losses on Disposal of Assets		–	–	–	–	–	–	–		–
Other Losses		238	–	–	–	–	–	–		–
Total Expenditure		1 425 160	1 382 469	1 382 529	137 639	137 639	115 211	22 428	19%	695 247

Employee related costs and Councillors Allowances

Employee related costs for the month ending 31 July 2025 amounts to R29,360 million,which is 6% more than the projected budget.

Debt impairment

The actuals expenditure is as per the projected collection rate of 75% however municipality is implementing Revenue Enhancement strategies to ensure collection on outstanding debtors.

Depreciation & asset impairment

The actuals expenditure is as per the projected estimate.

Finance charges

Interest charged on Eskom debt

Bulk purchases – electricity

This expenditure relates to Eskom. Based on consumption on Municipal controlled area

Bulk Purchases Water

No invoices provided to date

Inventory consumed

Actuals expenditure is equal to the projected budget amount as at 31 July 2025..

Contracted services

Payments made to contracted services is at within the norm and are 50% less than budgeted amount, the municipality has strengthened its internal systems by insourcing some of the activities including the preparation of Annual Financial Statements internally.

Other expenditures

Payments made on other expenditures are within the budgeted projection for the month ending 31 July 2025.

4.3 Capital Expenditure

- Capital expenditure from own funding for the year ending 31 July 2025 amounted to R 25 thousand.

MP302 Msukaligwa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital Expenditure - Functional Classification										
Governance and administration		14 736	–	2 740	25	25	228	(203)	-89%	2 740
Executive and council		3 684	–	–	–	–	–	–		–
Finance and administration		11 052	–	2 740	25	25	228	(203)	-89%	2 740
Internal audit								–		
Community and public safety		997	–	–	–	–	–	–		–
Community and social services		997	–	–	–	–	–	–		–
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing								–		
Health		–	–	–	–	–	–	–		–
Economic and environmental services		34 864	22 270	22 270	1 284	1 284	1 856	(572)	-31%	22 270
Planning and development		34 864	22 270	22 270	1 284	1 284	1 856	(572)	-31%	22 270
Road transport		–	–	–	–	–	–	–		–
Environmental protection								–		
Trading services		172 671	139 823	179 823	8 171	8 171	14 985	(6 815)	-45%	179 823
Energy sources		10 254	6 691	6 691	–	–	558	(558)	-100%	6 691
Water management		120 670	16 976	56 976	3 914	3 914	4 748	(834)	-18%	56 976
Waste water management		41 747	114 239	114 239	4 256	4 256	9 520	(5 263)	-55%	114 239
Waste management		–	1 917	1 917	–	–	160	(160)	-100%	1 917
Other								–		
Total Capital Expenditure - Functional Classification	3	223 268	162 093	204 833	9 480	9 480	17 069	(7 590)	-44%	204 833
Funded by:										
National Government		199 888	162 093	202 093	9 454	9 454	16 841	(7 387)	-44%	202 093
Provincial Government		4 027	–	–	–	–	–	–		–
District Municipality								–		
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		203 914	162 093	202 093	9 454	9 454	16 841	(7 387)	-44%	202 093
Borrowing	6							–		
Internally generated funds		19 354	–	2 740	25	25	228	(203)	-89%	2 740
Total Capital Funding		223 268	162 093	204 833	9 480	9 480	17 069	(7 590)	-44%	204 833

4.4 Cash Flows

Bank Balances as at 31 July 2025

BANK ACCOUNT BALANCES JULY 2025

BANK ACCOUNT TYPE	BALANCE	INTEREST
CALL ACCOUNT	143 946 067,64	320 427,99
LICENSING ACCOUNT	5 737 874,84	20 482,19
PRIMARY ACCOUNT	6 555 972,32	119 727,14
TRADING SERVICES ACCOUNT	3 048 023,02	12 806,60
TOTAL	**159 287 937,82**	**473 443,92**

- Cash and Cash Equivalents for the month ending 31 July 2025 amounted to a total of R 159,287 million, see the above breakdown.

:P302 Msukaligwa - Table C7 Monthly Budget Statement - Cash Flow - M01 July

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		83 803	201 982	201 982	13 915	13 915	16 832	(2 917)	-17%	201 982
Service charges		146 373	550 876	550 876	40 329	40 329	45 906	(5 577)	-12%	550 876
Other revenue		209 374	118 896	118 896	171 019	171 019	9 908	161 111	1626%	171 019
Transfers and Subsidies - Operational		101 180	297 769	297 769	119 902	119 902	24 814	95 088	383%	119 902
Transfers and Subsidies - Capital		46 881	162 093	162 093	51 661	51 661	13 508	38 153	282%	51 661
Interest		4 393	34 103	34 103	1 039	1 039	2 842	(1 803)	-63%	34 103
Dividends								–		
Payments										
Suppliers and employees		(123 906)	(1 159 402)	(1 159 402)	(273 467)	(58 028)	(96 617)	(38 589)	40%	(1 159 402)
Interest		–	(30 376)	(30 376)	–	–	(2 531)	(2 531)	100%	(30 376)
Transfers and Subsidies								–		
NET CASH FROM/(USED) OPERATING ACTIVITIES		448 098	175 941	175 941	124 397	339 837	14 662	(325 175)	-2218%	(60 235)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		905	0	0	42	42	0	42	16834484%	42
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
ayments										
Capital assets		(92 553)	(162 093)	(162 093)	(9 454)	(9 454)	(13 508)	(4 053)	30%	(9 454)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(91 649)	(162 093)	(162 093)	(9 412)	(9 412)	(13 508)	(4 095)	30%	(9 412)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing								–		
Increase (decrease) in consumer deposits		(1)	–	–	(0)	(0)	–	(0)	#DIV/0!	–
Payments										
Repayment of borrowing								–		
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1)	–	–	(0)	(0)	–	0	#DIV/0!	–
NET INCREASE/ (DECREASE) IN CASH HELD		356 448	13 848	13 848	114 985	330 425	1 154			(69 648)
Cash/cash equivalents at beginning:		59 336	59 336	59 336	44 303	44 303	59 336			44 303
Cash/cash equivalents at month/year end:		415 785	73 184	73 184	159 288	374 728	60 490			(25 345)

5. Debtors age analysis

MP302 Msukaligwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July													
Description		Budget Year 2025/26											
R thousands	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	19 185	5 435	5 553	5 867	5 905	4 424	31 153	217 198	294 720	264 546	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	31 019	4 291	5 830	4 289	3 807	3 646	19 968	144 771	217 621	176 481	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	27 613	6 203	5 868	5 562	5 387	5 259	29 739	160 047	245 677	205 994	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	9 476	3 599	3 160	3 065	3 031	3 014	17 557	151 802	194 704	178 469	–	–
Receivables from Exchange Transactions - Waste Management	1600	8 441	3 463	3 095	3 047	2 759	2 743	16 111	150 347	190 006	175 007	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1810	6 734	3 534	3 493	3 436	3 374	3 315	20 485	292 601	336 972	323 210	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	2 310	378	225	500	329	328	4 974	60 447	69 490	66 577	–	–
Total By Income Source	2000	104 779	26 903	27 224	25 766	24 590	22 730	139 987	1 177 212	1 549 190	1 390 284	–	–
2024/25 - totals only		95 349	25 336	23 846	25 107	23 258	21 760	126 143	1 006 078	1 346 877	1 202 346	0	0
Debtors Age Analysis By Customer Group													
Organs of State	2200	13 899	2 880	2 758	2 595	2 469	2 265	13 840	47 933	88 639	69 102	–	–
Commercial	2300	35 012	5 452	5 215	4 872	4 535	4 403	24 380	204 021	287 890	242 211	–	–
Households	2400	53 156	17 748	18 555	17 573	16 926	15 438	96 720	895 488	1 131 602	1 042 144	–	–
Other	2500	2 712	823	697	726	660	624	5 047	29 770	41 058	36 827	–	–
Total By Customer Group	2600	104 779	26 903	27 224	25 766	24 590	22 730	139 987	1 177 212	1 549 190	1 390 284	–	–

- The Municipal Debt book amounted to R1 ,528,077 billion in June 2025 and has increased to R 1,549,190 billion in July 2025.
- The municipality has implemented Credit Control report on electricity cut-off for the month ending 31 July 2025 in terms of Section 64 of the Municipal Finance Management Act, Act 56 of 2003 read with Section 95 of the Municipal Systems Act of 2000;
- The collection rate on the cut-off percentage for July 2025
- The municipality has implemented the BLOCKED METERS. Indigent and non-indigent consumers in this category are slow payers hence their consumer accounts have reached an unacceptable level inconsistent with the new Credit Control and Debt Collection Policy.

5.1 Conventional Meters

5.1.1 Cut-Offs

Attached hereto as **Annexure "A"** is a detailed Credit Control and Debt Collection report on cut-offs in the Msukaligwa Municipality which affected the following areas;

Towns	Number of Consumers	Cut-Off Amount	Payments	Payment %
Ermelo	48	R 849 479.59	R 901 705.05	106%
Wesselton	2	R 2 769.87	R 3 181.64	114%
Breyten/Kwazanele	2	R 9 052.04	R 9 433.71	104%
TOTAL	**52**	**R 861 301.50**	**R 914 320.40**	**106%**

- **Pre-Paid Meters**

Attached hereto as Annexure **"B"** is a detailed report on the categories of process flow of pre-paid meters within the Msukaligwa Municipality which negatively affected the following areas;

Towns	Number of Consumers	Cut-Off Amount	Payments	Payment %
Ermelo (Ext 18)	101	R 11 248 308.88	R 262 154.33	2%
Wesselton		R	R	
Breyten/Kwazanele				
TOTAL	**101**	**R 11 248 308,88**	**R 262 154.33**	**2%**

- **90 Days Zero Sale**

  Indigent and non-indigent consumers in this category did not make any electricity purchases either by internet, third party vendors or at the municipal offices for a consecutive three (3) months period. The total number of debtors is **5 978.**

- **Zero Sale since connection**

  Indigent and non-indigent consumers in this category did not make any electricity purchases either by internet, third party vendors or at the municipal offices for a consecutive period in excess of three (3) months from the date of pre-paid meter installation to date extraction of the attached report. The total number of debtors is **141.**

- **Blocked Pre-paid meters for tempering or amounts in excess of R3000.00**

  Indigent and non-indigent consumers in this category are slow payers either by internet, at the third-party vendors or at the municipal offices but their consumer accounts have reached an unacceptable level inconsistent with the new Credit Control and Debt Collection Policy. The total number of debtors is **38.**

5.1.2 Tempers

The table below is a detailed Credit Control and Debt Collection report on the degree of electricity theft that have negatively crippled the Msukaligwa Municipality in the following areas;

Towns	Number of Debtors	Amount Levied for Tempers	Payments	Payment %
Ermelo	38	R 564 746.60	R 211 740.75	37.49%
Wesselton	0	R 0.00	R 0.00	0%
Breyten/Kwazanele	0	R 0.00	R 0.00	0%
Davel/Kwadela	0	R 0.00	R 0.00	0%
Lothair/Silindile	0	R 0.00	R 0.00	0%
TOTAL	**38**	**R 564 746.60**	**R 211 740.75**	**37.49%**

5.1.3 The non-payment of the consumers indicated above resulted to the increase in the municipal debt book.

5.1.4 The below attached shows the summary of collection by the debt collectors since inception, this amounts to **R 91 619 301.31.**

	Quantity	Amount
Whole Book	17645	R920 698 325,06
Collected	6474	R91 619 301,32
Percentage of Debt Collected		9,95%
By Category		
Residential	4251	R23 582 049,80
Commercial	1851	R48 280 805,51
Other	152	R12 270 328,54
Government Associated Entity	220	R7 486 117,47
	6474	**R91 619 301,32**

6. Creditors age analysis

MP302 Msukaligwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

Description	NT Code	Budget Year 2025/26								
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	894 918	–	–	–	14 371	–	–	–	909 289
Bulk Water	0200	69 600	–	–	2 658	1 123 533	2 658	–	10 663	1 209 112
PAYE deductions	0300									–
VAT (output less input)	0400									–
Pensions / Retirement deductions	0500									–
Loan repayments	0600									–
Trade Creditors	0700	12 108	–	–	–	–	–	–	–	12 108
Auditor General	0800									–
Other	0900									–
Medical Aid deductions	0950									–
Total By Customer Type	**1000**	**976 626**	**–**	**–**	**2 658**	**1 137 904**	**2 658**	**–**	**10 663**	**2 130 510**

- The total amount owed to creditors as per the age analysis at 31 July 2025 amounts to R2,130 billion with top creditors being DWS, Eskom and LL Security Services.

TOP TEN CREDITORS FOR JULY 2025

SUPPLIER NUMBER	SUPPLIER NAME	AMOUNT
ED270	DEPARTMENT OF WATER & SANITATION 20029265	1 209 112 310,63
EE265	ESKOM NEW	909 289 086,27
EL225	LL SECURITY SERVICES	3 992 355,01
EC159	CONLOG	1 342 050,00
EI166	IFA LETHU TECHNOLOGIES CC	944 250,07
EE272	EMALANGENI TECHNOLOGIES PTY (LTD)	681 651,56
EM516	MMN ENGINEERING & PROJECTS	672 439,63
EN457	NUNGU TRADING	536 894,08
EC119	CONSOLIDATED AFRICAN TECHNOLOGIES (PTY) LTD	510 300,10
EC247	CIGICELL PTY LTD	382 419,84
EZ683	Z MHLONGO & KHUMALO INC	346 650,00
EL500	LUKHBROS	298 965,32
ET243	TMN KGOMO	296 609,30
EB171	BUSINESS CONNEXION	265 993,56
EL188	L GUZANA INC ATTORNEYS	252 836,47
EA650	ALGAMATED LEBONE PTY LTD	244 472,80
ES459	SIBUSISOSETHU ENTERPRISE	240 000,00
ET322	TRY EASY ELECTRICAL SOLUTIONS PTY LTD	148 522,50
EH148	HABOFADE TRADING AND PROJECTS	147 347,90
ET354	TMT SERVICES SUPPLIES (PTY) LTD	146 768,75
EG130	GERT SIBANDE DISTRICT MUNICIPALITY	143 310,84
EM544	MSKS PROJECTS AND LOGISTICS (PTY) LTD	134 226,86
EC258	VERICO NETWORK(PTY) LTD /COMPUSOL	110 262,00
EH6	HARDIE TYRES PTY LTD	75 846,04
EV86	VODACOM	36 963,78
ET356	THE GIFTED ONE PTY LTD	29 806,00
EV110	VISUAL REVENUE MANAGEMENT PTY LTD	29 302,00
EB249	BLAQSELLENCE TRADING AND PROJECTS PTY LTD	29 000,00
ES 201	SHOBOLO ESTHETIC	26 730,00
EI164	INZALO UTILITY MANAGEMENT	21 524,72
E0250	OLEGGLE TRAVEL	10 098,00
EF125	FRAUDCHECK (PTY)LTD	5 517,86
ER124	RURAL DEVELOPMENT AND LAND REFORM	3 886,00
ED268	DEPARTMENT OF JUSTICE AND CONSTITUTIONAL DEVELOPME	1 200,00
TOTAL		**2 130 509 597,89**

Eskom Debt

An amount owed in a Month ending **JULY 2025** amount to **R 897 684 407.97**

ESKOM PAYMENT SCHEDULE 2425					
PERIOD	**BALANCE**	**CURRENT BILLING**	**ARRANGEMENT**	**PAYAMENT**	**TOTAL OUTSTANDING**
OPENING BALANCE	R 886,281,031				
Jul-25	R 886,281,031	73,901,496.05	-	62,498,119.48	897,684,407.97
Aug-25					

DWS Debt

Total debt in month ending **JULY 2025** amounts to **R 1 209 112 310.63**

- There is no amount agreed upon yet as the negotiation are still going on between Msukaligwa and the Department of Water affairs.
- The meeting between Msukaligwa local Municipality and DWS has been a success was held on the 16 of October 2024 online where payment agreement was discussed
- There is an account that is still outstanding DWS is insisting that they have already adjusted
- The CFO requested Mr Lutendo to send the information on disputed account and asked that the disputed account should be resolved
- DWS promised to resolve the current issue, the communication will sent via emails and the matter will be escalated to their CFO
- DWS will submit again in December the new proposal of the payment plan.

7. Table C6 – Statement of Financial Position

MP302 Msukaligwa - Table C6 Monthly Budget Statement - Financial Position - M01 July						
Description	Ref	2024/25	Budget Year 2025/26			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		44 303	64 812	64 812	144 547	144 547
Trade and other receivables from exchange transactions		318 685	434 583	434 583	334 591	434 583
Receivables from non-exchange transactions		105 646	113 341	113 341	110 156	113 341
Current portion of non-current receivables		–	–	–	–	–
Inventory		17 193	31 775	31 775	8 577	31 775
VAT		382 407	726 743	726 743	395 652	726 743
Other current assets		9 580	8 442	8 442	9 688	9 688
Total current assets		877 813	1 379 696	1 379 696	1 003 212	1 460 677
Non current assets						
Investments		–	–	–	–	–
Investment property		164 639	164 639	164 639	164 639	164 639
Property, plant and equipment		2 863 784	2 802 589	2 845 329	2 873 243	2 873 243
Biological assets						
Living and non-living resources						
Heritage assets		175	175	175	175	175
Intangible assets		11	11	11	11	11
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets						
Total non current assets		3 028 588	2 967 413	3 010 153	3 038 068	3 038 068
TOTAL ASSETS		3 906 401	4 347 110	4 389 850	4 041 279	4 498 745
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		23 883	21 660	21 660	23 961	21 660
Trade and other payables from exchange transactions		2 369 816	1 909 497	1 909 497	2 365 924	1 909 497
Trade and other payables from non-exchange transactions		11 118	159 832	159 832	63 315	159 832
Provision		75 611	70 946	70 946	75 730	70 946
VAT		492 891	426 625	426 625	500 430	426 625
Other current liabilities		–	–	–	–	–
Total current liabilities		2 973 319	2 588 560	2 588 560	3 029 360	2 588 560
Non current liabilities						
Financial liabilities		2 646	2 646	2 646	2 646	2 646
Provision		77 518	77 518	77 518	77 518	77 518
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		80 163	80 163	80 163	80 163	80 163
TOTAL LIABILITIES		3 053 483	2 668 723	2 668 723	3 109 524	2 668 723
NET ASSETS	2	852 919	1 678 387	1 721 127	931 756	1 830 022
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		818 182	1 674 002	1 674 002	935 043	1 674 002
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	818 182	1 674 002	1 674 002	935 043	1 674 002

8. Investment Portfolio analysis

MP302 Msukaligwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (-)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Municipality sub-total										-	-	-	-	-
Entities														
Entities sub-total										-	-	-	-	-
TOTAL INVESTMENTS AND INTEREST	2									-	-	-	-	-

The municipality does not have long-term investments.

9. Allocation and Grant Receipts

The Municipality received the following grants during the month ending 31 July 2025; MIG, WSIG, INEP and the Equitable share. See table below.

Grants received 2025-26			
	Votes	**Jul-25**	**Received to date**
MIG	3704761022OZZZZZZZWM	35 451 000,00	35 451 000,00
RBIG	3104763072OZZZZZZZWM		-
EEDSM	3201763012OZZZZZZZWM		-
MDRG	3501761132OZZZZZZZWM		-
WSIG	3112761092OZZZZZZZWM	15 000 000,00	15 000 000,00
INEP	3201761012OZZZZZZZWM	1 210 000,00	1 210 000,00
TOTAL CAPITAL		**51 661 000,00**	**51 661 000,00**
LGSETA	3704763092OZZZZZZZWM	740 519,72	740 519,72
EPWP	3606763023OZZZZZZZWM		-
Equitable share	36061179100EQZZZZZHO	119 161 000,00	119 161 000,00
FMG	3704763042OZZZZZZZWM		-
Total Operational		**119 901 519,72**	**119 901 519,72**
Total grant receipts		**171 562 519,72**	**171 562 519,72**

10. Remuneration of Councilor section 56/57 and Officials

EMPLOYEE COST FINANCIAL IMPLICATION

- The expense in salaries is an amount of **R 30,539** million for the month ending 31 July 2025,
- Total salary cost in respect of the month ending 31 July 2025 is summarized per salary company as in the table below:

MP302 Msukaligwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July										
		2024/25	Budget Year 2025/26							
Summary of Employee and Councillor remuneratio R thousands	Ref	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4 414	4 122	4 122	–	–	344	(344)	-100%	4 122
Pension and UIF Contributions		1 914	1 915	1 915	151	151	160	(9)	-6%	1 915
Medical Aid Contributions		178	346	346	19	19	29	(10)	-35%	346
Motor Vehicle Allowance		–	–	–	–	–	–	–		–
Cellphone Allowance		1 607	2 019	2 019	137	137	168	(31)	-19%	2 019
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		10 836	12 157	12 157	873	873	1 013	(140)	-14%	12 157
Sub Total - Councillors		18 950	20 559	20 559	1 179	1 179	1 713	(534)	-31%	20 559
% increase	4		8,5%	8,5%						8,5%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4 569	6 828	6 828	336	336	569	(233)	-41%	6 828
Pension and UIF Contributions		718	1 154	1 154	52	52	96	(44)	-46%	1 154
Medical Aid Contributions		212	153	153	16	16	13	3	27%	16
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	43	43	–	–	4	(4)	-100%	43
Motor Vehicle Allowance		1 254	964	964	99	99	80	19	23%	99
Cellphone Allowance		166	36	36	13	13	3	10	333%	13
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		56	–	–	11	11	–	11	#DIV/0!	11
Payments in lieu of leave		121	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2							–		
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		17	25	25	–	–	2	(2)	-100%	25
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		7 113	9 204	9 204	527	527	767	(240)	-31%	8 190
% increase	4		29,4%	29,4%						15,1%
Other Municipal Staff										
Basic Salaries and Wages		176 142	203 408	203 408	17 055	17 055	16 951	104	1%	17 055
Pension and UIF Contributions		38 709	39 204	39 204	3 646	3 646	3 267	378	12%	3 646
Medical Aid Contributions		14 569	15 840	15 840	1 286	1 286	1 320	(34)	-3%	15 840
Overtime		30 553	17 511	17 511	2 586	2 586	1 459	1 127	77%	2 586
Performance Bonus		14 442	14 581	14 581	1 245	1 245	1 215	30	2%	1 245
Motor Vehicle Allowance		11 503	13 803	13 803	955	955	1 150	(195)	-17%	13 803
Cellphone Allowance		1 164	846	846	93	93	71	22	31%	93
Housing Allowances		579	988	988	49	49	82	(33)	-40%	988
Other benefits and allowances		14 369	7 039	7 039	1 320	1 320	587	734	125%	1 320
Payments in lieu of leave		1 313	1 259	1 259	90	90	105	(15)	-14%	1 259
Long service awards		2 395	3 513	3 513	150	150	293	(142)	-49%	3 513
Post-retirement benefit obligations	2	2 581	3 081	3 081	203	203	257	(54)	-21%	3 081
Entertainment								–		
Scarcity								–		
Acting and post related allowance		1 219	2 259	2 259	156	156	188	(33)	-17%	2 259
In kind benefits								–		
Sub Total - Other Municipal Staff		309 537	323 334	323 334	28 834	28 834	26 945	1 889	7%	66 689
% increase	4		4,5%	4,5%						-78,5%
Total Parent Municipality		335 599	353 096	353 096	30 539	30 539	29 425	1 114	4%	95 437

11. Overtime Schedule

The schedule below shows a breakdown of overtime spent by each section for the month ending 31 July 2025.

OVERTIME REPORT: 1 JULY 2025 - 31 JULY 2025

Section	Votenumber	Budget	Year to date Budget	YTD Movement 2025	Unspend Bud	Percentage spent year to date	Comments
		R		R	R	%	
Technical services							
Public works	31022110360PRMRCZZWM	532 662,00	44 388,50	50 016,88	482 645,12	113%	
Technical dep	31032110360PRMRCZZWM	-	-	-	-	#DIV/0!	
Sewerage Network	31122110360WWMRCZZWM	2 189 295,00	182 441,25	223 091,67	1 966 203,33	10%	
Sewerage Purification	31132110360WWMRCZZWM	416 395,00	34 699,58	146 363,17	270 031,83	35%	
Water	31222110360WTMRCZZWM	1 969 225,00	164 102,08	342 789,11	1 626 435,89	17%	
Water	31232110360WTMRCZZWM	1 191 341,00	99 278,42	141 935,46	1 049 405,54	12%	
Electricity	32012110360ELMRCZZWM	3 046 943,00	253 911,92	603 492,35	2 443 450,65	20%	
	Sub Total	**9 345 861**	**778 822**	**1 507 689**	**7 838 172**	**84%**	
Community services							
Workshop	31062110360PRMRCZZWM	332 143,00	27 678,58	82 937,80	249 205,20	75%	
Fire	33022110360PRMRCZZWM	232 063,00	19 338,58	113 330,23	118 732,77	51%	
Disaster	33032110360PRMRCZZWM	-	-	-	-	0%	
Licensing	33042110360PRMRCZZWM	-	-	-	-	0%	
Traffic	33052110360PRMRCZZWM	198 964,00	16 580,33	58 269,84	140 694,16	71%	
Cemetary	34022110360PRMRCZZWM	389 483,00	32 456,92	22 752,09	366 730,91	94%	
Parks and Grounds	34042110360PRMRCZZWM	379 504,00	31 625,33	16 923,34	362 580,66	96%	
Libraries	34052110360PRMRCZZWM	-	-	-	-	0%	
Sports and Recreation	34072110360PRMRCZZWM	-	-	-	-	0%	
Sports field general	34082110360PRMRCZZWM	57 890,00	4 824,17	7 899,51	49 990,49	86%	
Golf Course	34092110360PRMRCZZWM	-	-	-	-	0%	
Waste mangement	34102110360WSMRCZZWM	2 292 085,00	191 007,08	322 156,21	1 969 928,79	86%	
	Sub Total	**3 882 132**	**323 511**	**624 269**	**3 257 863**	**84%**	
Planning & Development							
Housing	34112110360PRMRCZZWM	-	-	-	-	0%	
Corporate services							
Civic centre	35022110360PRMRCZZHO	314 634,00	26 219,50	39 404,21	275 229,79	87%	
Administration	35032110360PRMRCZZHO	59 390,00	4 949,17	3 249,68	56 140,32	95%	
Human Resources	35042110360PRMRCZZHO	-	-	-	-	0%	
ICT	35062110360PRMRCZZHO	-	-	-	-	0%	
	Sub Total	**374 024**	**31 169**	**42 654**	**331 370**	**89%**	
Municipal manager	36012110360PRMRCZZHO	-	-		-	0%	
CALL centre	36072110360PRMRCZZHO	17 631,00	1 469,25	10 913,08	6 717,92	38%	
	36062110360EPMRCZZHO	242 485,00	20 207,08	23 695,71	218 789,29	90%	
	Sub Total	**260 116**	**21 676**	**34 609**	**225 507**	**87%**	
Finance							
Stores	37032110360PRMRCZZWM	26 117,00	2 176,42	566,64	2 743,06	11%	
BTO	37042110360PRMRCZZHO	139 515,00	11 626,25	18 666,16	120 848,84	87%	
Credit control	37052110360PRMRCZZHO	-	-	-	-	0%	
		165 632	**13 803**	**19 233**	**123 592**	**75%**	
	Totals	**14 027 765**	**1 168 980**	**2 228 453**	**11 776 505**	**84%**	
	Overtime overspent/ Saving on budget for period 31 July 2025				**2 228 453,14**	**Spent to date**	
					11 776 504,56	**Saving**	

12. Municipal ratios

MP302 Msukaligwa - Supporting Table SC2 Monthly Budget Statement - performance indicators - M01 July							
Description of financial indicator	Basis of calculation	Ref	2024/25	Budget Year 2025/26			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		1,4%	10,9%	10,9%	0,0%	6,1%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0,0%	0,0%	0,0%	0,0%	0,0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		291,3%	123,8%	123,8%	260,1%	123,8%
Gearing	Long Term Borrowing/ Funds & Reserves		0,0%	0,0%	0,0%	0,0%	0,0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	29,5%	53,3%	53,3%	33,1%	56,4%
Liquidity Ratio	Monetary Assets/Current Liabilities		1,5%	2,5%	2,5%	4,8%	5,6%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		38,4%	41,9%	41,9%	235,6%	52,5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0,0%	0,0%	0,0%	0,0%	0,0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2	0,0%	0,0%	0,0%	0,0%	0,0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		28,0%	25,1%	25,1%	15,2%	2,8%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		8,5%	5,8%	5,7%	0,8%	6,7%
Interest & Depreciation	I&D/Total Revenue - capital revenue		1,8%	11,3%	11,3%	0,0%	4,0%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

13. Capital Programme Performance

CAPITAL GRANTS SPENDING

TYPE of GRANTS	Original allocation	Adjusted allocation /Roll Over	Adjustment	Revised Allocation	Received to date	Spent to date	Remaining on budget	Remaining on amount received	Spending% Against allocation	spending% against Receipts
MIG	R 63 581 000,00	R 0,00	R 0,00	R 63 581 000,00	R 35 451 000,00	R 473 044,87	R 63 107 955,13	R 34 977 955,13	1%	1%
EEDSM	R 4 000 000,00	R 0,00	R 0,00	R 4 000 000,00	R 0,00	R 0,00	R 4 000 000,00	R 0,00	0%	#DIV/0!
WSIG	R 45 000 000,00	R 0,00	R 0,00	R 45 000 000,00	R 15 000 000,00	R 0,00	R 45 000 000,00	R 15 000 000,00	0%	0%
RBIG	R 50 000 000,00	R 0,00	R 0,00	R 50 000 000,00	R 0,00	R 0,00	R 50 000 000,00	R 0,00	0%	#DIV/0!
INEP	R 2 691 000,00	R 0,00	R 0,00	R 2 691 000,00	R 1 210 000,00	R 0,00	R 2 691 000,00	R 1 210 000,00	0%	0%
MDRG	R 0,00	R 9 140 508,65	R 0,00	R 9 140 508,65	R 0,00	R 0,00	R 9 140 508,65	R 0,00	0%	#DIV/0!
	R 165 272 000,00	**R 9 140 508,65**	**R 0,00**	**R 174 412 508,65**	**R 51 661 000,00**	**R 473 044,87**	**R 173 939 463,78**	**R 51 187 955,13**	**0,27%**	**0,92%**

OPERATIONAL GRANTS SPENDING

TYPE of GRANTS	Original allocation	Roll Over	Adjustment	Revised Allocation	Received to date	Spent to date	Remaining on budget	Remaining on amount received	Spending% Against allocation	spending% against Receipts
FMG	R 3 800 000,00	R 0,00	R 0,00	R 3 800 000,00	R 0,00	R 33 717,36	R 3 766 282,64	-R 33 717,36	1%	#DIV/0!
EPWP	R 1 930 000,00	R 0,00	R 0,00	R 1 930 000,00	R 0,00	R 244 420,00	R 0,00	R 0,00	13%	#DIV/0!
	R 5 730 000,00	**R 0,00**	**R 0,00**	**R 5 730 000,00**	**R 0,00**	**R 278 137,36**	**R 5 451 862,64**	**-R 33 717,36**	**4,85%**	**#DIV/0!**

Unspent Capital 2025/26	R 51 187 955,13
Unspent Operational grants 2025/26	-R 33 717,36
	R 51 154 237,77

The table above reflects the year-to-date spending on capital and operational grants, for the month ending 30 June 2025 the municipality spent on the following grants:

Capital Grants

MIG R 473 thousand

Operational Grants

FMG R 33 thousand
EPWP R 244 thousand

14. Other supporting documents
Indigent Household Information

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

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

Description	Ref	As Per Debt Relief Application	Current Year - 2025/2026			2025/2026 - Monthly Monitoring											
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12
Indigent Household service targets	1																
Water *(Include All indigent households also in Eskom supplied areas)*																	
Indigent HH's with piped water inside dwelling			11 000		11 000	3 052											
Indigent HH's with piped water inside yard (but not in dwelling)																	
Indigent HH's using public tap (at least min service level)	2																
Indigent HH's with other water supply (at least min service level)	4																
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		-	11 000	-	11 000	3 052	-	-	-	-	-	-	-	-	-	-	-
Indigent HH's using public tap (< min service level)	3																
Indigent HH's with other water supply (< min service level)	4																
Indigent HH's with No water supply																	
Total no. of Indigent HH's receiving Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	5	-	11 000	-	11 000	3 052	-	-	-	-	-	-	-	-	-	-	-
Status of Water meters :																	
Number of Indigent HH's with prepaid Water						-											
Number of Indigent HH's with conventional metered Water						3 052	-	-	-	-	-	-	-	-	-	-	-
Number of Indigent HH's NOT metered currently - Water						-	-	-	-	-	-	-	-	-	-	-	-
Number of Indigent HH's with NO Water supply - No metering						-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	10	-	-	-	-	3 052	-	-	-	-	-	-	-	-	-	-	-
Status of unlimited supply of Water :																	
Number of Indigent HH's with conventional metered Water - where the municipality is *NOT physically restricting Water to the National free basic limit of 6 kilolitres per household per month*																	
Number of Indigent HH's NOT metered currently receiving unlimited supply - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households receiving unlimited supply - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's **billed for consumption above the 6 kilolitres**	11																
Energy *(Include All indigent households also in Eskom supplied areas)*																	
Indigent HH's with Electricity (at least min service level)																	
Indigent HH's with Electricity - prepaid (min service level)																	
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indigent HH's with Electricity (< min service level)																	
Indigent HH's with Electricity - prepaid (< min service level)																	
Indigent HH's with other energy sources																	
Total no. of Indigent HH's receiving Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Status of Electricity meters :																	
Number of Indigent HH's with prepaid Electricity			5 460			3 052											
Number of Indigent HH's with conventional metered Electricity						-	-	-	-	-	-	-	-	-	-	-	-
Number of Indigent HH's NOT metered currently - Electricity						-	-	-	-	-	-	-	-	-	-	-	-
Number of Indigent HH's with other energy sources - No metering		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	12	-	5 460	-	-	3 052	-	-	-	-	-	-	-	-	-	-	-
Status of unlimited supply of Electricity :																	
Number of Indigent HH's with conventional metered Electricity - where the municipality is *NOT physically restricting Electricity to the National free basic limit of 50kwh per household per month*																	
Number of Indigent HH's NOT metered currently receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's **billed for consumption above the 50 kwh**	13																
Number of ALL Households receiving Free Basic Services (including registered Indigent Households)	7																
Water (6 kilolitres per household per month)						3 052											
Electricity/other energy (50kwh per household per month)						3 052											
Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)																	
Water (6 kilolitres per household per month)						73											
Electricity/other energy (50kwh per household per month)						89											
Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)																	
Water (6 kilolitres per household per month)																	
Electricity/other energy (50kwh per household per month)																	
Total cost of FBS Water and Electricity provided to ALL Households	8	-	-	-	-	161	-	-	-	-	-	-	-	-	-	-	-
Highest level of free service provided per household (ALL Households)																	
Property rates (R value threshold)																	
Water (kilolitres per household per month)			1 407 057			73											
Sanitation (kilolitres per household per month)			3 220 611			80											
Sanitation (Rand per household per month)			3 220 611			97											
Electricity (kwh per household per month)			5 460			88											
Refuse (average litres per week)			3 426 737			162											
Revenue cost of subsidised services provided to ALL Households (R'000)	9																
Residential Category - Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)	14(a)																
PSI Category - Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)	14(b)																
Additional Subsidies - Property rates exemptions, reductions and rebates in excess of section 17 of MPRA)																	
Water (in excess of 6 kilolitres per indigent household per month)	15																
Sanitation (in excess of free sanitation service to indigent households)	16																
Electricity/other energy (in excess of 88 kwh per indigent household per month)																	
Refuse (in excess of one removal a week for indigent households)																	
Municipal Housing - rental rebates																	
Housing - top structure subsidies	6																
Other																	
Total revenue cost of subsidised services provided		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

References
1 Include services provided by another entity; e.g. Eskom
2 Stand distance <= 200m from dwelling
3 Stand distance > 200m from dwelling
4 Borehole, spring, rain-water tank etc
5 Must agree to total number of registered indigent households in municipal area (formal and informal settlements receiving services must be included)
6 Include value of subsidy provided by municipality above provincial subsidy level
7 Show number of households receiving at least these levels of services completely free (formal and informal settlements must be included)
8 Must reflect the cost to the municipality of providing the Free Basic Service (Water and Electricity) to ALL Households
9 Reflect the cost of free or subsidised services in excess to the National policy that are not funded from the Free Basic Services component of the Equitable Share
10 The total number of registered HH's reported on rows 19 & 24 must be the same
11 Of the Total number of registered indigents HH's receiving unlimited supply of Water reported on row 27, provide number of these indigent HH's that are issued with a monthly bill for the consumption above the 6 kilolitres FBS water
12 The total number of registered HH's reported on rows 36 & 44 must be the same
13 Of the Total number of registered indigents HH's receiving unlimited supply of Electricity reported on row 51, provide number of these indigent HH's that are issued with a monthly bill for consumption above 50 kwh FBS electricity
*14 (a) Impermissables on Residential Properties - (15000 * Number of Residential properties) - Provide the actual rand value not to be billed*
*14 (b) Impermissables on Public Service Infrastructure (PSI) - (30% * Property Market Value * Number of PSI Properties) - Provide the actual rand value not to be billed*
15 (a) Free Water to indigent HH's exceeding the 6 kilolitres FBS water
15 (b) Free Water to any HH's that is not indigent
16 If the Municipality provides unlimited free basic water to any indigent and / or any other household - it must also account for the related unlimited sanitation

Annexure A: C-schedules

Table C3 – Unauthorized Expenditure

The table below depicts all departments spent withing their allocated budgets as at 31 July 2025.

MP302 Msukaligwa - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

Vote Description	Ref	2024/25	Budget Year 2025/26								
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
Expenditure by Vote	1										
Vote 01 - Executive & Council		73 877	83 488	83 518	5 653	5 653	6 960	(1 307)	-18,8%	72 998	Saving
Vote 02 - Finance & Administration		178 262	178 671	178 701	7 972	7 972	14 892	(6 919)	-46,5%	176 487	Saving
Vote 03 -		–	–	–	–	–	–	–		–	Saving
Vote 04 - Sport And Recreation		4 631	13 326	13 326	239	239	1 111	(872)	-78,5%	13 326	Saving
Vote 05 - Public Safety		75 699	33 418	33 418	2 617	2 617	2 785	(168)	-6,0%	15 463	Saving
Vote 06 - Housing		–	–	–	–	–	–	–		–	Saving
Vote 07 - Health		–	–	–	–	–	–	–		–	Saving
Vote 08 - Planning And Development		14 905	21 883	21 883	1 283	1 283	1 824	(541)	-29,7%	15 023	Saving
Vote 09 - Community & Social Services		79 287	99 073	99 073	6 745	6 745	8 256	(1 511)	-18,3%	90 991	Saving
Vote 10 - Electricity		672 409	565 506	565 506	80 799	80 799	47 125	33 674	71,5%	80 799	Saving
Vote 11 - Water Management		193 082	122 367	122 367	3 574	3 574	10 197	(6 623)	-65,0%	122 367	Saving
Vote 12 - Waste Water Management		35 748	129 610	129 610	2 379	2 379	10 801	(8 422)	-78,0%	125 989	Saving
Vote 13 - Waste Management		43 586	41 085	41 085	3 113	3 113	3 424	(311)	-9,1%	41 085	Saving
Vote 14 - Road Transport		51 868	81 478	81 478	2 843	2 843	6 790	(3 947)	-58,1%	72 511	Saving
Vote 15 - Other		1 807	12 563	12 563	42	42	1 047	(1 004)	-95,9%	12 563	Saving
Total Expenditure by Vote	2	1 425 160	1 382 469	1 382 529	117 260	117 260	115 211	2 049	1,8%	839 603	Saving
Surplus/ (Deficit) for the year	2	(54 116)	106 377	106 317	75 627	75 627	8 859	66 768	753,6%	342 177	Saving

15. Annexure B: Compliance with the conditions for Municipal Debt Relief

15.1 MFMA Circular 124 – Condition 6.3 (Maintaining the Eskom bulk current account) and Condition 6.12 (Proper Management of Resources)

Below is a list of eskom accounts **paid in July 2025**, kindly note that the accounts listed below are for April and May 2025 (big Account) and June 2025 Resale Accounts. The municiaplity was unable to pay the Eskom Ermelo account, however an account to reinferce funds in this regard was opened and the balance as at 31 July 2025 amounts to **R 3,048 million**.

The eskom debt to date for the Ermelo account amounts to **R897 million**

ESKOM ACCOUNTS

ACCOUNT NAME	ACCOUNT NUMBER	INVOICE NUMBER	TOTAL BILLING	VAT AMOUNT	INTEREST AMOUNT	TOTAL DUE
ESKOM NEW	6486432681	648445531468	23 704 992,71	3 555 748,90	4 305 558,32	31 566 299,93
ESKOM NEW	6486432681	648815929549	26 897 234,39	4 034 585,16	4 772 921,09	35 704 740,64
TOTAL AMOUNT PAID			**50 602 227,10**	**7 590 334,06**	**9 078 479,41**	**67 271 040,57**

RESALE ACCOUNTS FOR JULY 2025

ACCOUNT NAME	ACCOUNT NUMBER	TOTAL BILLING	VAT AMOUNT	INTEREST	TOTAL DUE	TOTAL PAID	PAYMENT DATE
BREYTEN KWAZANELE	8341001579	3 580 576,55	537 086,48	-	4 117 663,03	4 117 663,03	2025/08/08
LOTHAIR	7296044246	1 821 559,88	273 233,98	-	2 094 793,86	2 094 793,86	2025/08/08
DAVEL KWADELA	9657898907	1 936 192,23	290 428,65	-	2 226 620,88	2 226 620,88	2025/08/08
BREYTEN TOWN	9010981110	2 719 399,08	407 909,08	-	3 127 308,16	3 127 308,16	2025/08/08
TOTAL AMOUNT PAID						11 566 385,93	

The total amount woed to DWS as at 31 July 2025 is **R 1,209 billion,** no payments were made in the month due to the municipality not receiving invoices requested from the department.

<u>The statement below reflect a balance of R3, 048 million in the Trading services account (Account opend for reifencing fund for the debt relief)</u>



BOST3 501106
*MSUKALIGWA LOCAL MUNICIPALITY
90 KERK AND TAUTE ST
ERMELO
2351

P O Box 1153
Johannesburg 2000
Street Address Commercial Account Services Customers
4 First Place, 6th Floor, Bankcity
Universal Branch Code 250655
fnb.co.za
Lost Cards 087-575-9406
Account Enquiries 087-736-2247
Fraud 087-575-9444
Relationship Manager Mmaleta Kebele
(087) 736-1077

Customer VAT Registration Number Not Provided
Bank VAT Registration Number 4210102051

Public Sector Cheque Account : 63143810413
Tax Invoice/Statement Number : 3
Statement Period : 30 June 2025 to 31 July 2025
Statement Date : 31 July 2025

Statement Balances		Bank Charges		Interest Rate	
Opening Balance	3,035,331.42 Cr	Service Fees	115.00 Dr	Credit Rate**	5.00%
Closing Balance	3,048,023.02 Cr	Cash Deposit Fees	0.00	Debit Rate (Non-NCA)	12.75%
#Inclusive of VAT @ 15.00%	15.00 Dr	Cash Handling Fees	0.00		
Total VAT (ZAR)	15.00 Dr	Other Fees	0.00		

Transactions in RAND (ZAR)

Date	Description	Amount	Balance	Accrued Bank Charges
03 Jul	Cr Int rate 5.00000	0.00	3,035,331.42 Cr	
31 Jul	Int On Credit Balance	12,806.60 Cr	3,048,138.02 Cr	
31 Jul	#Service Fees	115.00	3,048,023.02 Cr	
	Closing Balance		3,048,023.02 Cr	

Turnover for Statement Period

No. Credit Transactions 1	12,806.60 Cr
No. Debit Transactions 1	115.00 Dr

Please contact us within 30 days from your statement date, should you wish to query an entry on this statement (incl. card transactions done during this statement period, but not yet reflecting). Should we not hear from you, we will assume that you have received the statement and that it is correct.

For more information on your Pricing Option, please contact us or visit our website.
**For the latest Credit Rates on product, please go to fnb.co.za

First National Bank - a division of FirstRand Bank Limited. Registration Number 1929/001225/06. An Authorised Financial Services and Credit Provider (NCRCP20).
On 30 May 2025, the Prime Lending Rate changed to 10.75%. This may impact the rate on any of your credit facilities.

15.2 MFMA Circular 124 – Condition 6.4 Compliance with a unfunded MTREF Budget.

The municipality has approved an unfunded Budget of R 1,284 billion deficit for the 2025-26 Financial year.

15.3 MFMA Circula 124 – Condition 6.5 – Cost Reflective Tariffs

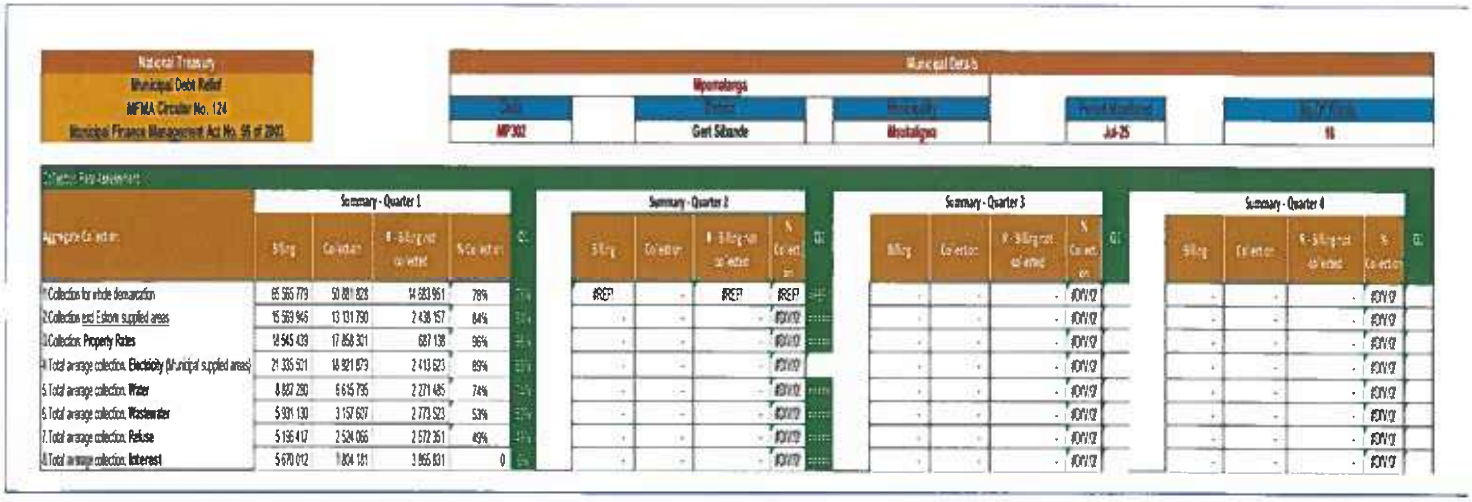
The municipality has submitted cost of supply to NERSA for approval, in order to implement the cost reflective tariffs.

15.4 MFMA Circular 124 – Condition 6.6 - Electricity and Water as collection tool



- Collection rate for Electricity for the month ending 31 July 2025 is 89%
- Colectrin rate for Water for the month ending 31 July 2025 is 74%

15.5 MFMA Circular 124 – Condition 6.7 Average Quarterly collection rate



1.Collection for whole demarcation	89%
2.Collection excl Eskom supplied areas	84%
3.Collection: Property Rates	96%
4.Total average collection: Electricity (Municipal supplied areas)	89%
5.Total average collection: Water	74%
6.Total average collection: Wastewater	53%
7.Total average collection: Refuse	49%
8.Total average collection: Interest	32%

15.6 MFMA Circular 124 - Condition 6.8 Completeness of the Revenue Base

- Municipality has done monthly reconciliation for GVR and Financial system and adjust all variances accordingly.
- Quarterly reconciliation has been sbumitted to Provincial Treasury
- Property rates New General Valuation Roll
  - ✓ Residential - 2,759,900.00 the variacne is under investigation, this was encountered after the municipality implemented the new General Valuation on system , however it will be rectified after the billing process for August 2025.
  - ✓ Business - 820,000.00 the variance is still being investigated and it will be rectified after the billing process for August 2025.
  - ✓ Multi use -1,516,019,100.00 Varience has been noted, what is reflected on the GV was not included on the System

Property Rates Reconciliation

Province	Gert Sibande District
District	LM
Type	Msukaligwa
Municipal Name	01/07/2025 - 30/06/2030
GV Period	2025-2030
Financial Year	july
Reconciliation Period	

Reconciliation Overview

High Level Reconciliation

Propety Categories	# of Properties			Market Values		
	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	26205	26205	0	11 235 445 301,00	11 238 205 201,00	-2 759 900,00
Industrial	106	106	0	339 390 300,00	339 390 300,00	-
Business and Commercial	841	841	0	3 310 151 200,00	3 309 331 200,00	820 000,00
Agricultural	2243	2243	0	11 697 905 600,00	11 697 905 600,00	-
Mining	94	94	0	70 370 000,00	70 370 000,00	-
State Owned for Public Purpose	147	144	3	1 307 549 100,00	1 307 549 100,00	-
PSI	687	687	0	123 823 500,00	123 823 500,00	-
PSO	130	130	0	331 431 300,00	331 431 300,00	-
Multi Use	217	0	217	1 516 019 100,00	-	1 516 019 100,00
Vacant	3371	3371	0	539 498 520,00	539 498 520,00	-
PSW	2	2	0	94 700 000,00	94 700 000,00	-
Municipal	0	0	0	-	-	-
Other	0	0	0	-	-	-
	34043	33823	220	30 566 283 921,00	29 052 204 721,00	1 514 079 200,00

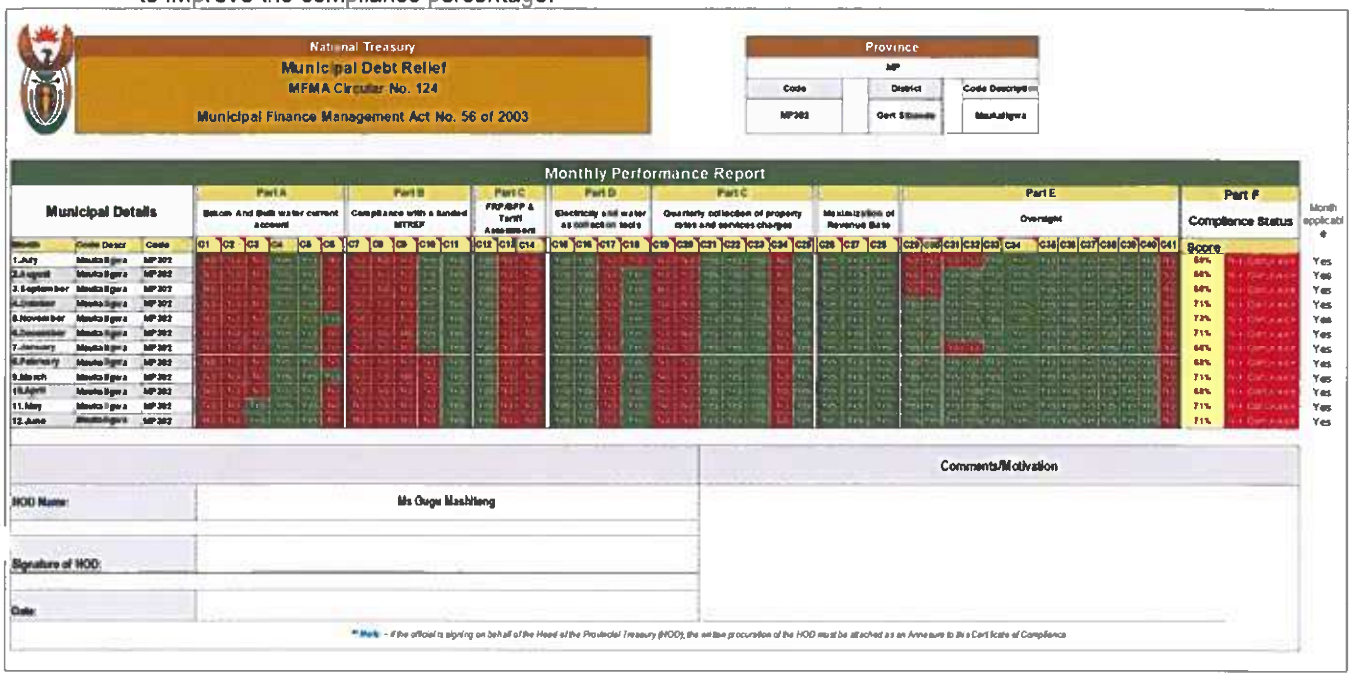
Detailed Reconciliation

Propety Categories	Monthly Billing			Quarterly		
Propety Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	11 235 445 301,00	7771439,98	11227673861,02	33 706 335 903,00	7771439,98	33698564463,02
Industrial	339 390 300,00	779047,81	338611252,19	1 018 170 900,00	779047,81	1017391852,19
Business and Commercial	3 310 151 200,00	7596349,15	3302554850,85	9 930 453 600,00	7596349,15	9922857250,85
Agricultural	11 697 905 600,00	2416026,93	11695489573,07	35 093 716 800,00	2416026,93	35091300773,07
Mining	70 370 000,00	161529,64	70208470,36	211 110 000,00	161529,64	210948470,36
State Owned for Public Purpose	1 307 549 100,00	3001391,79	1304547708,21	3 922 647 300,00	3001391,79	3919645908,21
PSI	123 823 500,00	68253,26	123755246,74	371 470 500,00	68253,26	371402246,74
PSO	331 431 300,00	76057,96	331355242,04	994 293 900,00	76057,96	994217842,04
Multi Use	1 516 019 100,00	0,00	1516019100,00	4 548 057 300,00	0,00	4548057300,00
Vacant	539 498 520,00	1238382,89	538260137,11	1 618 495 560,00	1238382,89	1617257177,11
PSW	94 700 000,00	78261,03	94621738,97	284 100 000,00	78261,03	284021738,97
Municipal	-	0,00	0,00	-	0,00	0,00
Other	-	0,00	0,00	-	0,00	0,00
Total	R30 566 283 921,00	R23 186 740,43	R30 543 097 180,57	91 698 851 763,00	23 186 740,43	91 675 665 022,57

Prepared By	Nomusa Zulu	Date	
	Contact Details		
Signature			
Reviewed By		Date	
	Contact Details		
Signature			

15.7 MFMA Circular 124 – Condition 6.10 Provincial Treasury certification of Municipalities

- Municipality receives the Condition of Compliance certificate monthly, with the condition of non-compliance.
- The municipality has actioned and consider all non-compliance findings for the month of June 2025 with the intention to improve the compliance percentage.



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

Province
MP

Code	District	Code Description
MP302	Gert Sibande	Msukaligwa

Monthly Performance Report

Municipal Details			Part A						Part B					Part C			Part D				Part C								Part C			Part E															Part F	Month applicable
			Before And Both water current account						Compliance with a funded MTREF					FRP/BFP & Tariff Assessment			Electricity and water as collection rate				Quarterly collection of property rates and services charges								Maximization of Revenue Rate			Oversight															Compliance Status	
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C9	C9	C10	C11	C12	C13	C14	C16	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	
1.July	Msukaligwa	MP302																																									84%	Yes
2.August	Msukaligwa	MP302																																								84%	Yes
3.September	Msukaligwa	MP302																																							84%	Yes
4.October	Msukaligwa	MP302																																								71%	Yes
5.November	Msukaligwa	MP302																																									73%	Yes
6.December	Msukaligwa	MP302																																								71%	Yes
7.January	Msukaligwa	MP302																																									84%	Yes
8.February	Msukaligwa	MP302																																								68%	Yes
9.March	Msukaligwa	MP302																																									71%	Yes
10.April	Msukaligwa	MP302																																								68%	Yes
11.May	Msukaligwa	MP302																																									71%	Yes
12.June	Msukaligwa	MP302																																								71%	Yes

		Comments/Motivation
HOD Name:	Ms Ouga Mashiteng	
Signature of HOD:		
Date:		

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

15.8 MFMA Circular 124 – Condition 6.11 Limitation on Municipality borrowing

- The Municipality does not have any borrowings as at 31 July 2025.

15.9 MFMA Circular 124 – Municipal Compliance Self-Assessment

- See the table below for self-assessment report

Annexure A2 - Monthly

National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Mphumalanga Provincial Treasury

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period	Jul 25
National Financial Year	2025/26
Demarcation Code of Municipality being assessed	MP302
District	Gert Sibande
Demarcation Description	Msukaligwa

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

Municipal Debt Relief Conditions (Monthly reporting)

Condition			Choose from drop down list	Notes/Comments
	6.1 - 6.12	**Maintaining the Eskom and bulk water current account** –		
	6.12.2	Has the municipality paid its *bulk water current account* within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? *Note - refer condition 6.12.2*	Yes	
	6.12.2	Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://fguploadportal.treasury.gov.za?	Yes	
	6.12.2	Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes	
	6.3.1	Has the municipality paid its *Eskom bulk current account* within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? *Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of MT approval of the application.*	Yes	
	6.3.2 6.3.3	Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://fguploadportal.treasury.gov.za?	Yes	
	6.3.4	Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Select	
	6.4	**Compliance with a funded MTREF** – *(choose from drop down list the MTREF assessed)*	2025/26 Adopted MTREF	
	6.4.1	Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?	No	
	6.4.1	Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes	
	6.4.1	Has the municipality made adequate provision for debt impairment *(considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget)* on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes	
		Note - for example, if the municipality during the preceding 12 months only managed to collect 90 per cent of its revenue (eho property rates), the provision for debt impairment aligning with the historic collection trend should align to 90 per cent of the 2025/26 MTREF revenue projections (eho propert rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as "No"		
	6.4.1	Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes	
		Note - if the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as "No"		
	6.4.2	*If the municipality's MTREF is not funded*, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	There is an FRP	
		Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assess whether the existing FRP incorporates / will give effect to a funded MTREF - if not, the FRP requires strengthening		
	6.4.2	*If the municipality's MTREF is not funded and it has an FRP per the legislative framework*, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? *Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.*	Yes	
	6.4.2	Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (of the FRP strategy) and related seasonal trends *(for example higher winter Eskom tariffs, lower January collection rates, etc ?)*	No	The municipality does not have winter tariffs, approval of cost reflective tariffs will be aling with the Budget Funding Plan strategy which will consider the winter tariffs and increase revenue collection on Electricity
	6.5	Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes	
	6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, implemented, through its by-laws and budget related policies that:		
	6.6.1	the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	
	6.6.2	the municipality disconnects electricity services and/or block the purchasing of pre paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes	
	6.6.3	the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? *Note - In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.*	Yes	
	6.6.4	If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? *Note - the municipality's monthly MFMA s 71 statement must include as part of the narratives the indigent information in the required NT format*	Yes	

19	6.6	*Supporting evidence: The National Treasury and/or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6*		
	6.7	**Maintain a minimum average quarterly collection of property rates and services charges –**		
20	6.7.1	- Has the municipality achieved a minimum of *80 per cent average quarterly collection* of property rates and service charges with effect from 01 April 2023 and *85 per cent average quarterly collection* with effect from 01 April 2024 during any quarter demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	No	Municipality is under collection due to the illegal connection and distribution loss
		Note: although the norm and standard for collection (6.6) SAA (section 7(2)) is a 95 per cent there's old municipalities under the debt relief support will be exempted for the first two years from adhering to this norm		
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, **has the municipality demonstrated to the satisfaction of National Treasury the following :**		
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	No	Municipality is in progress to enforce or procure restriction tool and smart meters on the whole Municipal area
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	Yes	Engineering department cannot restrict water supply on the Eskom supplied area, the municipality doesnot supply portable water on the farms
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	Yes	Cashflow challenges and Eskom bill and interest charge on the outstanding amount
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes	
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes	
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set out in 6.7.3 and 6.7.4?	Yes	
	6.8	**Municipality's Completeness of the revenue base –**		
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes	
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? *Note – monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement*	Yes	
28	6.8.2	- For the latest ending Quarter - Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://guploadportal.treasury.gov.za?	Yes	
	6.9	**Monitor and report on implementation –**		
29	6.9.1	- **MFMA section 71 reporting** – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes	
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? *Note - condition 6.9.2 has a typing error and must refer to 6.9.1*	Yes	
31	6.9.3	- **Municipalities with financial recovery plans (FRP)** – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	Yes	
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://guploadportal.treasury.gov.za?	Yes	
		Note: a municipality with a FRP may, on benefit from the Municipal Debt Support programme, if its FRP progress report was submitted to both the Provincial Executive and MFRS		

	6.10	*Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 7A of the MFMA with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless*		
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes	
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://gouploadportal.treasury.gov.za? *Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate*	Yes	
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	Yes	
		Note - if the PT failed to address the failure such non compliance will be considered as non compliance by the municipality in terms of paragraph 6.1.1		
36	6.11	**Limitation on municipality borrowing powers** - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	No	
		Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. It confirms that MFMA Circular No. 124 regulation 6.11 (limitation on municipality borrowing powers) will only be enforced in relation to new long term loans entered into after the effective date of debt relief approval as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for cash flow budgeting purposes are not considered within the ambit of this condition		
	6.12	For the duration of the Municipal Debt Relief (to ensure proper management of resources)		
37	6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month, and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	Yes	
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	Yes	
		Note - Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3)		
39		*Supporting evidence* - Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue	Yes	
40	6.13	**Accounting Treatment** - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury Office of the Accountant General issued for Municipal Debt Relief to date? *Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA*	Yes	
41	6.14	**NERSA License** - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	Yes	
		Note - By applying for Municipal Debt Relief as set out in paragraph 3 of MFMA Circular no. 124 the council of a municipality must during the duration of the Municipal Debt Relief programme fully to comply with any condition of the Relief agrees to apply to NERSA to revise the municipality's license in terms of section 19 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act 2000 and Electricity Regulation Act, 2006 (in terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies always relation to the municipality's arrears that are the subject of municipal debt relief, etc		

PT: HOD/ MT / MM Name: MR M. Kunene

Signature of HOD/ MT/ MM:

Date: 14/8/2025

***Note – If the official is signing on behalf of the Head of the Provincial Treasury (HOD) / Municipal Manager, the written procuration of the HOD / MM must be attached as an Annexure to this Certificate of Compliance*

***Note – The Signed Certificate to be uploaded on Gomuni must not include comments column - comments need to be incorporated into the related PT report*

National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Province		
MP		
Code	District	Code Description
MP302	Gert Sibande	Msukaligwa

Monthly Performance Report

Municipal Details			Part A						Part B					Part C			Part D				Part C																Part E														Part F	
			Eskom And Bulk water current account						Compliance with a funded MTREF					FRP/BFP & Tariff Assessment			Electricity and water as collection tools				Quarterly collection of property rates and services charges																Maximization of Revenue Base				Overnight														Compliance Status	
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Month applicable
1.July	Msukaligwa	MP302											N/A																																	83%	Yes
2.August	Msukaligwa	MP302																																											0%	Yes
3.September	Msukaligwa	MP302																																											0%	Yes
4.October	Msukaligwa	MP302																																											0%	Yes
5.November	Msukaligwa	MP302																																											0%	Yes
6.December	Msukaligwa	MP302																																											0%	Yes
7.January	Msukaligwa	MP302																																											0%	Yes
8.February	Msukaligwa	MP302																																											0%	Yes
9.March	Msukaligwa	MP302																																											0%	Yes
10.April	Msukaligwa	MP302																																											0%	Yes
11.May	Msukaligwa	MP302																																											0%	Yes
12.June	Msukaligwa	MP302																																											0%	Yes

	Comments/Motivation
HOD Name:	MR M. Kumene
Signature of HOD:	
Date:	14/8/2025

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

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

National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Province		
MP		
Code	District	Code Description
MP302	Gert Sibande	Msukaligwa

Monthly Performance Report

Municipal Details			Part A						Part B					Part C			Part D				Part C																Part E														Scoring and Rating	
			Eskom And Bulk water current account						Compliance with a funded MTREF					FRP/BFP & Tariff Assessment			Electricity and water as collection tools				Quarterly collection of property rates and services charges																Maximization of Revenue Base				Overnight															
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating
1.July	Msukaligwa	MP302																																										71%	Moderate compliance
2.August	Msukaligwa	MP302																																										71%	Moderate compliance
3.September	Msukaligwa	MP302																																										78%	Moderate compliance
4.October	Msukaligwa	MP302																																										78%	Moderate compliance
5.November	Msukaligwa	MP302																																										78%	Moderate compliance
6.December	Msukaligwa	MP302																																										78%	Moderate compliance
7.January	Msukaligwa	MP302																																										73%	Moderate compliance
8.February	Msukaligwa	MP302																																										70%	Moderate compliance
9.March	Msukaligwa	MP302																																										70%	Moderate compliance
10.April	Msukaligwa	MP302																																										78%	Moderate compliance
11.May	Msukaligwa	MP302																																										95%	Above Moderate
12.June	Msukaligwa	MP302																																											88%	Above Moderate

	Comments/Motivation
HOD Name:	
Signature of HOD:	
Date:	

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

16. Municipal Managers Quality Certification

QUALITY CERTIFICATE

MP 302 MSUKALIGWA LOCAL MUNICIPALITY

I, **M. KUNENE**, the Municipal Manager of Msukaligwa Local Municipality, hereby certify that the monthly budget statement report and supporting documentation for submission of the **M01 Section 71 Monthly Report** ending **31 July 2025,** has been prepared in accordance with the Municipal management act and the regulations made under the Act.

Municipal Manager of Msukaligwa Local Municipality

Name: **MR. M. KUNENE**

Position: **Municipal Manager: MP 302 Msukaligwa local municipality**

Signature: 

Date: 14/8/2025