Msukaligwa Local Municipality

SECTION 71 MONTHLY REPORT

30 June 2026

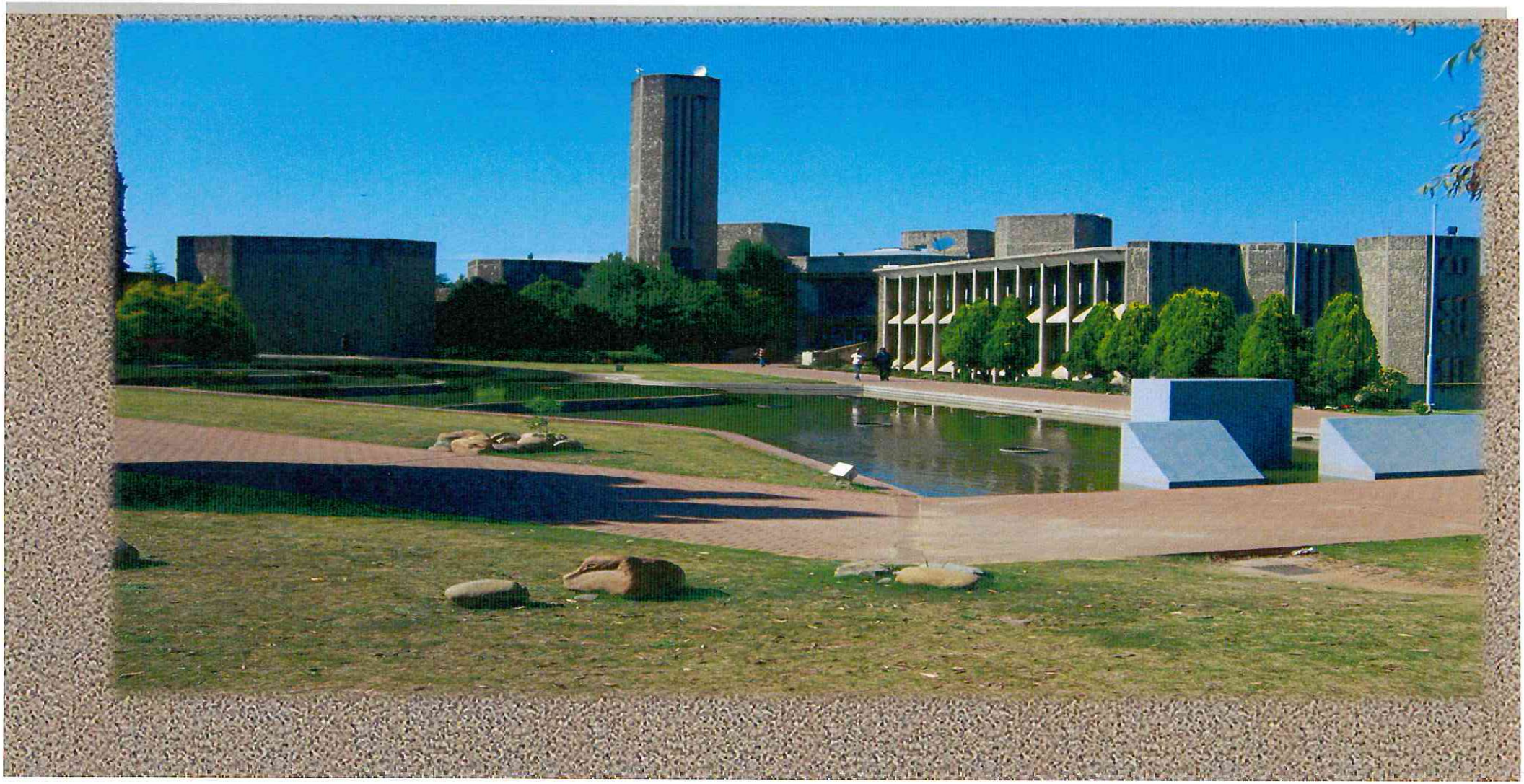


Table of Contents

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. Water Debt Relief Conditions 7.1- 7.3	
16.1 Condition 7.1 - "Maintaining the bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption that was due and payable during the month being assessed):"	
16.2 Condition 7.2 - Accounting Treatment and mSCOA Reporting	
16.3 Condition 7.3 - Monitor and report on implementation – Section 71 monthly Reporting and FRP	
17. Municipal Manager's quality certification	
18. 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 30 June 2026
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 30 June 2026.

1. PURPOSE

The purpose of this report is to present a Section 71/52 M12- June 2026 Monthly/ Quarter 4 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 **30 June 2026** 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.

3. EXECUTIVE SUMMARY

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

Condition 7.3 - Monitor and report on implementation – Section 71 Monthly Reporting and FRP

The municipality assessed the Financial Recovery Plan as at 30 June 2026 and updated progress for each pillar. See below narrative summary.

The municipality is still on the **RESCUE** Phase with a total of 178 key intervention activities were planned across four strategic pillars. As of the latest progress update, 87 activities have been completed, representing 49% of the overall targets, while 91 activities (51%) remain in progress.

Pillar 1: Governance shows steady advancement, with 5 of 23 activities completed and 18 underway, indicating significant ongoing work to strengthen oversight, leadership, and accountability mechanisms.

Pillar 2: Institutional Development has achieved 14 of 32 planned activities, with an equal number (18) still in progress. This demonstrates balanced effort toward capacity building and structural reforms within institutions.

Pillar 3: Financial Management reflects notable progress, having completed 29 of 53 activities, while 24 activities are still being implemented. This suggests active work toward improving financial systems, transparency, and resource management.

Pillar 4: Service Delivery, the largest component, leads in total outputs, with 39 of 70 activities completed and 27 in progress. This highlights significant improvement efforts in frontline services, though substantial work remains to reach full implementation.

Overall, the data indicates that the RESCUE Phase is progressing steadily, with nearly half of the planned interventions already achieved and the remainder at various stages of implementation. Continued focus across all pillars will be essential to sustain momentum and ensure full delivery of the program's objectives.

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	1 262 829	1 262 829	1 242 981	19 848	2%
Expenditure	(1 382 469)	(1 677 590)	(1 677 590)	(1 334 664)	(342 926)	-20%
Total (Surplus/Deficit)	**2 709 222**	**2 940 419**	**(414 761)**	**(91 683)**	**(323 078)**	**-19%**

The year-to-date financial performance reflects an overall favourable position when compared to the approved budget. Revenue collections exceeded the budgeted target, while expenditure remained below the planned level, resulting in a lower-than-budgeted deficit.

Revenue Performance

The adjusted and YTD revenue budget amounted to **R1,242,664 million**, while actual revenue collected was **R1,262,829 million**. This represents a favourable variance of **R 19,848 million**, indicating that revenue collection exceeded the budget by approximately **2%**.

Expenditure Performance

The YTD expenditure budget was **R 1,334,664 million**, compared to actual expenditure of **R 1,677,590 million**. This resulted in expenditure being **R 342,926 million below budget**, representing an underspending of approximately **-20%.**

Overall, Surplus/(Deficit)

The YTD budget projected a **deficit of R 414,761 million**. However, the actual deficit recorded was **R 91,983 million**, resulting in a favourable variance of **R 323,078 million**. This reflects an improvement of about **-19%** against the budgeted position.

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 - M12 June

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	20 953	297 123	258 951	38 172	15%	258 951
Service charges	514 792	608 497	592 309	52 970	569 747	592 309	(22 562)	-4%	608 497
Investment revenue	5 888	5 471	6 461	358	5 804	6 461	(657)	-10%	5 471
Transfers and subsidies - Operational	282 515	294 895	294 895	–	285 986	294 895	(8 909)	-3%	294 895
Other own revenue	110 458	158 940	110 213	13 200	84 321	110 213	(25 892)	-23%	158 940
Total Revenue (excluding capital transfers and contributions)	**1 126 571**	**1 326 753**	**1 262 829**	**87 480**	**1 242 981**	**1 262 829**	**(19 848)**	**-2%**	**1 326 753**
Employee costs	307 361	332 538	353 051	30 796	348 785	353 051	(4 266)		332 538
Remuneration of Councillors	19 293	20 559	19 521	1 579	18 907	19 521	(614)		20 559
Depreciation and amortisation	123 886	128 379	128 379	–	27	128 379	(128 352)		128 379
Interest	116 791	22 041	119 490	9 653	97 306	119 490	(22 184)		22 041
Inventory consumed and bulk purchases	698 982	577 253	739 058	72 507	691 693	739 058	(47 365)		577 253
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	301 988	301 698	318 090	24 089	177 946	317 598	(139 652)	-44%	301 698
Total Expenditure	**1 568 300**	**1 382 469**	**1 677 590**	**138 622**	**1 334 664**	**1 677 098**	**(342 433)**	**-20%**	**1 382 469**
Surplus/(Deficit)	**(441 729)**	**(55 716)**	**(414 761)**	**(51 142)**	**(91 683)**	**(414 269)**	**322 585**	**-78%**	**(55 716)**
Transfers and subsidies - capital (monetary allocations)	241 561	162 093	214 093	9 141	9 141	214 093	(204 952)	-96%	162 093
Transfers and subsidies - capital (in-kind)	1 914	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**(198 254)**	**106 377**	**(200 668)**	**(42 002)**	**(82 543)**	**(200 176)**	**117 633**	**-59%**	**106 377**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(198 254)**	**106 377**	**(200 668)**	**(42 002)**	**(82 543)**	**(200 176)**	**117 633**	**-59%**	**106 377**
Capital expenditure & funds sources									
Capital expenditure	**122 806**	**162 093**	**246 964**	**15 504**	**201 741**	**246 964**	**(45 224)**	**-18%**	**162 093**
Capital transfers recognised	22 720	162 093	214 093	12 950	192 567	214 093	(21 526)	-10%	162 093
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**1 710**	**–**	**32 871**	**2 721**	**9 357**	**32 871**	**(23 514)**	**-72%**	**–**
Total sources of capital funds	**24 430**	**162 093**	**246 964**	**15 671**	**201 925**	**246 964**	**(45 040)**	**-18%**	**162 093**
Financial position									
Total current assets	1 263 677	3 521 306	1 331 316		1 784 075				3 521 306
Total non current assets	2 921 055	8 283 087	3 038 179		3 122 618				8 283 087
Total current liabilities	3 235 915	3 376 767	2 287 723		4 041 481				3 376 767
Total non current liabilities	65 270	81 422	1 432 727		65 270				81 422
Community wealth/Equity	**810 598**	**8 346 204**	**649 045**		**726 887**				**8 346 204**
Cash flows									
Net cash from (used) operating	(904 598)	87 719	247 270	16 818	85 908	2 311 873	2 225 965	96%	121 817
Net cash from (used) investing	–	(162 093)	(246 964)	(13 471)	(44 619)	246 964	291 583	118%	(162 093)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**(845 261)**	**(15 038)**	**43 395**	**47 755**	**100 642**	**2 601 927**	**2 501 285**	**96%**	**–**

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	141 126	8 661	45 937	33 534	65 856	(474)	186 452	1 318 380	1 799 472
Creditors Age Analysis									
Total Creditors	85 250	95 014	816	39 220	(9 145)	35 120	307 816	2 102 482	2 656 574

4. FINANCIAL PERFORMANCE OVERVIEW

4.1 The adjusted and YTD revenue budget amounted to **R1,242,981 million**, while actual revenue collected was **R1,262,829 million**. This represents a favourable variance of **R19,848 million**, indicating that revenue collection exceeded the budget by approximately **2%**.

Operating Revenue by Source

MP302 Msukaligwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June										
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
Revenue										
Exchange Revenue										
Service charges - Electricity		309 951	391 236	347 457	29 811	326 127	347 457	(21 330)	-6%	391 236
Service charges - Water		91 447	90 618	122 822	12 733	128 499	122 822	5 677	5%	90 618
Service charges - Waste Water Management		60 383	67 901	65 273	5 501	62 388	65 273	(2 885)	-4%	67 901
Service charges - Waste management		53 011	58 742	56 756	4 925	52 732	56 756	(4 024)	-7%	58 742
Sale of Goods and Rendering of Services		6 354	11 224	4 437	300	1 631	4 437	(2 806)	-63%	11 224
Agency services		–	–	–	–	–	–	–		–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		31 069	38 133	29 136	10 751	55 772	29 136	26 636	91%	38 133
Interest from Current and Non Current Assets		5 888	5 471	6 461	358	5 804	6 461			5 471
Dividends		–	–	–	–	–	–	–		–
Rent on Land		2	2	2	–	1	2	(0)		2
Rental from Fixed Assets		3 462	3 453	3 749	358	6 159	3 749	2 410	64%	3 453
Licence and permits		48	98	94	14	25	94	(70)	-74%	98
Special rating levies		–	–	–	–	–	–	–		–
Operational Revenue		3 242	44 333	1 534	84	353	1 534	(1 181)	-77%	44 333
Non-Exchange Revenue		–	–	–	–	–	–	–		–
Property rates		212 918	258 951	258 951	20 953	297 123	258 951	38 172	15%	258 951
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		56 029	49 231	60 879	399	4 076	60 879	(56 803)		49 231
Licence and permits		51	–	66	3	8	66	(58)		–
Transfers and subsidies - Operational		282 515	294 895	294 895	–	285 986	294 895	(8 909)		294 895
Interest		8 855	12 466	8 965	3 177	16 296	8 965	7 331		12 466
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		1 347	–	1 351	–	–	1 351	(1 351)	-100%	–
Gains on disposal of Assets		–	–	–	–	–	–	–		–
Other Gains		–	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**1 126 571**	**1 326 753**	**1 262 829**	**89 368**	**1 242 981**	**1 262 829**	**(19 848)**	**-2%**	**1 326 753**

Property Rates

- The Property Rates Reconciliation for the quarter ending 30 June 2026 indicates that the General Valuation Roll and the Municipal Financial System are fully aligned in terms of property numbers and market values, with no variances recorded.

Property Rates Reconciliation	
Province	MP
District	Gert Sibande District
Type	LM
Municipal Name	Msukaligwa
GV Period	01/04/2026-30/04/2026
Financial Year	2025-2026
Reconciliation Period	Apr-26

Reconciliation Overview

High Level Reconciliation

Propety Categories	# of Properties			Market Values		
Propety Categories	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	26 239	26 239	-	11 262 834 801.00	11 262 834 801.00	-
Industrial	106	106	-	335 790 300.00	335 790 300.00	-
Business and Commercial	836	836	-	3 289 763 200.00	3 289 763 200.00	-
Agricultural	2 246	2 246	-	11 693 259 600.00	11 693 259 600.00	-
Mining	92	92	-	67 270 000.00	67 270 000.00	-
State Owned for Public Purpose	147	147	-	1 307 549 100.00	1 307 549 100.00	-
PSI	688	688	-	123 824 500.00	123 824 500.00	-
PBO	131	131	-	332 211 300.00	332 211 300.00	-
Multi Use	-	-	-	-	-	-
Vacant	3 342	3 342	-	528 736 020.00	528 736 020.00	-
POW	2	2	-	94 700 000.00	94 700 000.00	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
	33 829	33 829	-	29 035 938 821.00	29 035 938 821.00	-

Detailed Reconciliation

Propety Categories	Monthly Billing			Quarterly		
Propety Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	7 094 653	7 094 647	6	21 283 959.51	21 283 940.10	19.40
Industrial	763 439	763 439	-	2 290 316.58	2 290 316.58	-
Business and Commercial	7 508 942	7 508 942	-	22 526 826.09	22 526 826.09	-
Agricultural	2 473 146	2 473 143	3	7 419 437.89	7 419 428.58	9.32
Mining	153 725	153 725	-	461 175.51	461 175.51	-
State Owned for Public Purpose	2 721 086	2 721 086	-	8 163 256.91	8 163 256.91	-
PSI	14 874	14 874	-	44 622.20	44 622.20	-
PBO	4 171	4 171	-	12 513.96	12 513.96	-
Multi Use	-	-	-	-	-	-
Vacant	707 788	707 740	48	2 123 363.89	2 123 219.27	144.61
POW	9 669	9 669	0	29 006.99	29 006.99	0.00
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	R21 451 493.17	R21 451 435.40	R57.78	64 354 479.52	64 354 306.19	173.33

Prepared By Nomusa Zulu Date 2026/06/30

Contatct Details

Signature

Reviewed By GT MAHLANGU Date 2026/06/30

Contatct Details

Signature

Electricity

Description	Original Budget 2025/26	Monthly Budget	Actual billed or received M10 (APRIL)	Actual billed or received M10 (MAY)	Actual billed or received M10 (JUNE)	Difference (Budget vs Actual)	Variance based on pro rata budget
	R	R	R	R	R	R	%
Conventional	273 865 007.50	68 466 251.88	14 639 667.82	19 020 588.00	19 546 337.30	15 259 658.76	22%
Prepaid sales	117 370 717.50	29 342 679.38	9 098 901.18	9 762 095.41	10 264 325.95	217 356.84	1%
Total	**391 235 725.00**	**97 808 931.25**	**23 738 569.00**	**28 782 683.41**	**29 810 663.25**	**15 477 015.59**	**16%**

- **Total revenue** for the first quarter (April–June) amounted to **R 82,33 million**, compared to a pro-rata budget of **R 97,81 million**, resulting in an **underperformance of R 15,48 million (16%)**.
- **Conventional electricity sales** are the primary contributor to the shortfall, generating **R 53,21 million** against a budget of **R 68,47 million**, a negative variance of **R 15,26 million (22%)**.
- **Prepaid electricity sales** performed close to budget, with revenue of **R29,13 million** against a budget of **R 29,34 million**, reflecting a marginal shortfall of **R217,357 (1%)**.
- Revenue collections show a **positive month-on-month trend**, increasing from **R 23,74 million in April** to **R 29,81 million in June**, indicating improving revenue performance despite the cumulative budget shortfall.

Water Management

- **YTD Actual Revenue:** R 128,499 million
- **YTD Budget:** R 122,822 million
- **Favourable Variance:** R 5,677 million (5%)

➢ This indicates that the municipality collected **R 5,677 million more** in water service charge revenue than budgeted by the end of June, representing a **5% positive variance**. This suggests better-than-expected revenue performance for this revenue source during the financial year.

➢ It should be noted that the **Full Year Forecast of R 90,618 million**, which is **lower than the YTD Actual of R 128,499 million**.

Waste water Management

- Revenue from Waste Water Management service charges amounted to **R 62,388 million** against a year-to-date budget of **R 65,273 million**, resulting in an unfavorable variance of **R 2,885 million (4%).**
- The underperformance suggests lower-than-anticipated revenue collection, which may be attributable to reduced consumption, billing inefficiencies, or challenges in debt collection. Management should continue to strengthen revenue enhancement and credit control measures to improve collection levels.

Waste Management

- Revenue from Waste Management service charges amounted to **R 52,732 million** against a year-to-date budget of **R 56,756 million**, resulting in an unfavorable variance of **R 4.024 million (7%)**.

- The underperformance reflects lower-than-budgeted revenue collection, which may be attributable to billing challenges, lower collection rates, or an increase in outstanding consumer debt. Continued implementation of revenue enhancement initiatives and strengthened credit control measures will be important to improve future collection performance.

Sale of Goods and Rendering of Services:

- Significantly below budget by **63%**, requiring investigation into the underlying causes of the shortfall.

Rental from Fixed Assets: Performing exceptionally well, with revenue **64% above budget**.

Licences and Permits (Exchange Revenue): is significantly below budget, achieving only a small portion of the targeted revenue.

Other Operational Revenue (Exchange): shows an underperformance by **77%**, indicating lower-than-anticipated miscellaneous revenue collections.

.

Fines, Penalties and Forfeits: These are significantly below budget, with revenue collections well below expected levels.

Licences and Permits (Non-Exchange Revenue): there's minimal revenue generated and below budget expectations.

Transfers and Operational Subsidies: Shows an underperformance against the year-to-date budget due to lower grant receipts or timing differences in grant allocations.

Interest (Non-Exchange Revenue): Is significantly above budget, contributing positively to overall revenue performance.

Other Operational Revenue (Non-Exchange): No revenue recorded against the budgeted amount, resulting in a full shortfall for the period

Interest from Investments is slightly below budget, but generally in line with expectations.

- **Total Interest earned on Positive bank balances amounts to R 358,086.29 made up of the following banks;**

JUNE BANK INTEREST	
BANK ACCOUNT TYPE	**INTEREST**
CALL ACCOUNT	263 856.18
LICENSING ACCOUNT	26 795.44
PRIMARY ACCOUNT	27 756.51
TRADING SERVICES ACCOUNT	39 678.16
	358 086.29

Interest earned - outstanding debtors

- Interest from outstanding debtors as of as at 30 June amounted to **R 33,251 million.**

4.2 Operating Expenditure by Source

The year-to-date Total expenditure amounts to **R1,334,664 million** which is **-20%** less than the projected budget.

MP302 Msukaligwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June										
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		307 361	332 538	353 051	30 796	348 785	353 051	(4 266)	-1%	332 538
Remuneration of councillors		19 293	20 559	19 521	1 579	18 907	19 521	(614)	-3%	20 559
Bulk purchases - electricity		486 097	460 250	578 050	59 004	554 230	578 050	(23 820)		460 250
Inventory consumed		212 885	117 003	161 008	13 503	137 463	161 008	(23 545)		117 003
Debt impairment		100 669	94 135	94 182	–	179	93 690	(93 510)	-100%	94 135
Depreciation and amortisation		123 886	128 379	128 379	–	27	128 379	(128 352)	-100%	128 379
Interest		116 791	22 041	119 490	9 653	97 306	119 490	(22 184)	-19%	22 041
Contracted services		123 187	124 809	132 701	11 014	83 971	132 701	(48 730)	-37%	124 809
Transfers and subsidies		–	–	–	–	–	–	–		–
Irrecoverable debts written off		–	552	–	–	–	–	–		552
Operational costs		78 131	82 202	91 208	13 075	93 796	91 208	2 589	3%	82 202
Losses on Disposal of Assets		–	–	–	–	–	–	–		–
Other Losses		–	–	–	–	–	–	–		–
Total Expenditure		**1 568 300**	**1 382 469**	**1 677 590**	**138 622**	**1 334 664**	**1 677 098**	**(342 433)**	**-20%**	**1 382 469**

Employee related costs and Councillors Allowances

- Employee-related costs amounted to **R 348,785 million** against a year-to-date budget **of R 353,051 million**, resulting in an underspending of **R 4,266 million (1%).** Overall expenditure remained closely aligned with the adjusted budget, with the slight variance mainly attributable to vacant positions, delayed appointments, and normal savings on personnel-related costs.

- Expenditure on remuneration of councillors amounted to **R 18,907 million** against a year-to-date budget of **R 19,521 million**, resulting in an underspending of **R 614 thousand (3%).** The variance reflects expenditure below the adjusted budget, primarily due to timing differences in remuneration-related payments and/or savings arising from vacancies or lower-than-budgeted allowances.

Debt impairment

- Actual expenditures are consistent with the anticipated collection rate of 75%. Furthermore, the municipality is implementing revenue enhancement strategies to recover outstanding receivables..

- Debt impairment is recognized when and if it is anticipated that cash flows generated by those assets will be insufficient to enable adherence to the financial commitment associated with debt issuance.

- Such determination is made on the basis of three aspects: whether cash flow from operations is projected to be fully applied to servicing debt and whether the commencement of that cash flow is appropriately timed; the timing of maturing principal repayments; and the funding sources (if any) that are being considered to address liquidity shortfalls as they arise.

Depreciation & asset impairment

The actuals expenditure is as per the projected estimate.

Finance charges

Interest is accruing on both Eskom and DWS debts. Nevertheless, the municipality is actively engaging in debt relief initiatives related to these entities to help reduce the overall debt burden.

Bulk purchases – electricity

Below is the summary of the Eskom accounts that were paid in June 2026. Billing for the Ermelo account amounted to R 49 million, and for the Resale accounts amounted to R 7,5 million and were paid in June 2026.

RESALE ACCOUNT FOR MAY 2026 PAID IN JUNE 2026

ACCOUNT NAME	ACCOUNT NUMBER	TOTAL BILLING	VAT AMOUNT	INTEREST	TOTAL DUE	TOTAL AMOUNT	PAYMENT DATE	DUE DATE
BREYTEN KWAZANENELE	8341001579	2 674 967.12	401 245.07	-	3 076 212.19	3 076 212.19	2026/06/18	2026/06/19
LOTHAIR	7296044246	1 180 181.50	177 027.29	-	1 357 208.79	1 357 208.79	2026/06/18	2026/06/19
DAVEL KWADELA	9657898907	1 095 244.22	164 285.63	-	1 259 529.85	1 259 529.85	2026/06/18	2026/06/19
BREYTEN TOWN	9010981110	1 596 814.31	239 522.15	-	1 836 336.46	1 836 336.46	2026/06/18	2026/06/19
ERMELO ACCOUNT	6486432681	35 611 043.61	8 994 614.95	5 341 656.55	49 947 315.11	49 947 315.11		
TOTAL AMOUNT PAID					57 476 602.40	57 476 602.40		

Inventory consumed

- Actuals expenditure is equal to the projected budget amount as at 30 June 2026.

Contracted services

- Payments to contracted services are within normal limits and are **37% lower** than the budgeted amount. The municipality has enhanced its internal systems by insourcing various activities, including the preparation of Annual Financial Statements.

Other expenditures

- Payments made on other expenditures are within the budgeted projection for the quarter ending 30 June 2026

4.3 Capital Expenditure

MP302 Msukaligwa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 JUNE

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital Expenditure - Functional Classification										
Governance and administration		**–**	**–**	**9 000**	**541**	**1 114**	**9 000**	(7 886)	-88%	**–**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		–	–	9 000	541	1 114	9 000	(7 886)	-88%	–
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**(12 823)**	**–**	**–**	**–**	**–**	**–**	–		**–**
Community and social services		(12 823)	–	–	–	–	–	–		–
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**86 062**	**44 540**	**63 570**	**2 263**	**50 966**	**63 570**	(12 604)	-20%	**44 540**
Planning and development		50 092	–	–	–	–	–	–		–
Road transport		35 970	44 540	63 570	2 263	50 966	63 570	(12 604)	-20%	44 540
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**222 587**	**275 646**	**416 359**	**22 761**	**341 476**	**416 359**	(74 882)	-18%	**275 646**
Energy sources		4 593	9 382	26 580	1 002	11 679	26 580	(14 901)	-56%	9 382
Water management		40 941	33 952	69 257	15 041	65 337	69 257	(3 920)	-6%	33 952
Waste water management		177 053	228 478	320 522	6 718	264 461	320 522	(56 061)	-17%	228 478
Waste management		–	3 834	–	–	–	–	–		3 834
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classific	3	**295 826**	**320 186**	**488 929**	**25 566**	**393 556**	**488 929**	**(95 373)**	**-20%**	**320 186**
Funded by:										
National Government		45 318	320 186	423 186	18 889	373 624	423 186	(49 562)	-12%	320 186
Provincial Government		–	–	–	1 775	1 775	–	1 775	#DIV/0!	–
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		**45 318**	**320 186**	**423 186**	**20 664**	**375 399**	**423 186**	**(47 787)**	**-11%**	**320 186**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		3 421	–	65 743	4 902	18 157	65 743	(47 586)	-72%	–
Total Capital Funding		**48 738**	**320 186**	**488 929**	**25 566**	**393 556**	**488 929**	**(95 373)**	**-20%**	**320 186**

Below is the summary DORA allocation and spending per grant(s), as at 30 June 2026.

Capital Grants

TYPE of GRANTS	Original allocation	Adjusted allocation /Roll Over	Received to date	Spent to date	Budget Available
MIG	63,581,000.00	-	63,581,000.00	56,517,938.05	7,063,061.95
EEDSM	4,000,000.00	-	5,000,000.00	3,871,857.46	1,128,142.54
WSIG	45,000,000.00	-	45,000,000.00	43,578,218.91	1,421,781.09
RBIG	50,000,000.00	-	100,000,000.00	93,265,116.56	6,734,883.44
INEP	2,691,000.00	-	3,691,000.00	3,200,375.95	490,624.05
MDRG	-	9,140,508.65	9,140,508.65	9,140,508.65	(0.00)
	165,272,000.00	**9,140,508.65**	**226,412,508.65**	**209,574,015.59**	**16,838,493.06**

Operational Grants

TYPE of GRANTS	Original allocation	Roll Over	Received to date	Spent to date	Budget Available
FMG	3,800,000.00	828,203.33	3,800,000.00	2,728,290.23	1,899,913.10
EPWP	1,930,000.00	-	1,352,000.00	2,822,669.34	(892,669.34)
	5,730,000.00	**828,203.33**	**5,152,000.00**	**5,550,959.57**	**1,007,243.76**

4.4 Cash Flows

Bank Balances as at 30 June 2026

JUNE BANK INTEREST		
BANK ACCOUNT TYPE	**BALANCE**	**INTEREST**
CALL ACCOUNT	5 459 448.83	263 856.18
LICENSING ACCOUNT	7 539 369.94	26 795.44
PRIMARY ACCOUNT	10 989 022.04	27 756.51
TRADING SERVICES ACCOUNT	10 202 741.41	39 678.16
	34 190 582.22	**358 086.29**

MP302 Msukaligwa - Table C7 Monthly Budget Statement - Cash Flow - M12 June										
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		271 636	201 982	201 982	16 446	230 795	201 982	28 813	14%	201 982
Service charges		339 144	550 876	525 916	27 648	582 064	525 916	56 148	11%	550 876
Other revenue		4 186	67 651	22 744	4 413	30 741	22 777	7 963	35%	67 651
Transfers and Subsidies - Operational		279 472	294 895	294 895	–	220 656	294 895	(74 239)	-25%	294 895
Transfers and Subsidies - Capital		244 445	162 093	214 093	–	141 930	214 093	(72 163)	-34%	162 093
Interest		–	–	19 924	–	–	19 924	(19 924)	-100%	34 098
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(874 534)	(1 159 402)	(1 001 909)	(31 690)	(1 120 277)	1 001 909	2 122 186	212%	(1 159 402)
Interest		(30 064)	(30 376)	(30 376)	–	–	30 376	30 376	100%	(30 376)
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**234 285**	**87 719**	**247 270**	**16 818**	**85 908**	**2 311 873**	**2 225 965**	**96%**	**121 817**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		246 219	(162 093)	(246 964)	(13 471)	(44 619)	246 964	291 583	118%	(162 093)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**246 219**	**(162 093)**	**(246 964)**	**(13 471)**	**(44 619)**	**246 964**	**291 583**	**118%**	**(162 093)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**480 504**	**(74 374)**	**305**	**3 347**	**41 290**	**2 558 837**			**–**
Cash/cash equivalents at beginning:		59 337	59 336	43 090	44 408	59 352	43 090			59 352
Cash/cash equivalents at month/year end:		539 841	(15 038)	43 395	47 755	100 642	2 601 927			–

- Cash and Cash Equivalents for the month ending 30 June 2026 amounted to a total of **R 34 190 582.22** , see the above breakdown.

5. Debtors age analysis

MP302 Msukaligwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June													
Description	NT Code	Budget Year 2025/26											
		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
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions	1200	29 304	8 204	9 639	9 738	17 363	–	52 631	337 521	464 401	417 254	–	–
Trade and Other Receivables from Exchange Transactions	1300	28 144	1 230	4 589	5 540	9 014	–	30 193	221 408	300 117	266 154	–	–
Receivables from Non-exchange Transactions - Property R	1400	31 990	123	8 806	9 060	17 016	–	49 554	232 395	348 944	308 025	–	–
Receivables from Exchange Transactions - Waste Water M	1500	10 885	53	3 857	4 350	8 020	–	26 337	229 975	283 477	268 682	–	–
Receivables from Exchange Transactions - Waste Manage	1600	9 691	48	3 563	4 010	7 427	–	24 166	231 209	280 114	266 812	–	–
Receivables from Exchange Transactions - Property Renta	1700	515	32	224	179	–	–	–	–	950	179	–	–
Interest on Arrear Debtor Accounts	1810	33 251	4	16 172	4 132	7 851	–	22 431	–	83 841	34 414	–	–
Recoverable unauthorised, irregular, fruitless and wasteful	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	(2 655)	(1 033)	(912)	(3 475)	(834)	(474)	(18 861)	65 872	37 628	42 228	–	–
Total By Income Source	**2000**	**141 126**	**8 661**	**45 937**	**33 534**	**65 856**	**(474)**	**186 452**	**1 318 380**	**1 799 472**	**1 603 748**	**–**	**–**
2024/25 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	6 158	29	2 270	1 898	3 688	(1)	11 310	22 803	48 156	39 699	–	–
Commercial	2300	45 379	330	9 408	7 522	15 413	(325)	28 008	194 107	299 843	244 726	–	–
Households	2400	89 588	8 302	34 260	24 113	46 754	(148)	147 134	1 101 470	1 451 474	1 319 324	–	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	**2600**	**141 126**	**8 661**	**45 937**	**33 534**	**65 856**	**(474)**	**186 452**	**1 318 380**	**1 799 472**	**1 603 748**	**–**	**–**

- The Municipal Debt book has slightly increased from **R 1,732 billion** in April to **R 1,762 billion** in May 2026 and increase to **R 1 766 million** as at 30 June 2026.
- The municipality has implemented Credit Control report on electricity cut-off for the month ending 30 June 2026 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 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.
- On prepaid electricity sales the Municipality has lifted the partial block 75/25% principle due to a change in the financial system until all the data transfer is complete.

5.1 Conventional Meters

5.1.1 Cut-Offs

Towns	Number of Consumers	Cut-Off Amount	Payments	Payment %
Ermelo	91	R 2 261 462.64	R 3 698 006.02	164%
Wesselton	9	R 41 272.97	R 69 985.53	170%
Breyten/Kwazanele	4	R 23 029.43	R 22 549.17	98%
TOTAL	**104**	**R 2 325 765.04**	**R 3 790 540.72**	**163%**

A total of **104 customers** were affected by service cut-offs during the reporting period. The **total cut-off amount** was **R 2,325 million** with **payments received** amounting to **R 3,790 million** representing an **overall recovery rate of 163%**.

5.1.2. Pre-Paid Meters

Towns	Number of Consumers	Cut-Off Amount	Payments	Payment %
Business's	43	R 14 266 020.19	R 227 617.15	2%
TOTAL	**43**	**R 14 266 020.19**	**R 227 617.15**	**2%**

- **90 Days Zero Sale**

This category comprises **indigent and non-indigent consumers** who have **not made any electricity purchases**—either through the **internet, third-party vendors, or municipal offices**—for a **consecutive period of three (3) months**.

The **total number of debtors** in this category is **7,449.**

This trend indicates a potential **non-usage or bypassing of the prepaid electricity system**, which warrants further investigation to determine whether meters are faulty, tampered with, or if consumers are accessing alternative electricity sources.

- **Zero Sale since connection**

This category includes indigent and non-indigent consumers who have never made any electricity purchases—neither online, through third-party vendors, nor at municipal offices—since the installation of their prepaid meters.

The period exceeds three (3) consecutive months, extending up to the date of data extraction from the attached report.

The total number of debtors in this category is **102.**

This situation highlights a serious concern regarding non-activation of newly installed prepaid meters, which may stem from technical faults, illegal connections, or lack of consumer registration. Urgent verification of these connections is recommended.

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

This category refers to indigent and non-indigent consumers who are slow payers, purchasing electricity through online platforms, third-party vendors, or municipal offices, but whose accounts have accumulated arrears exceeding R3,000.00. These accounts have been blocked due to tampering or because their debt levels contravene the provisions of the new Credit Control and Debt Collection Policy.

The total number of debtors in this category is **7.**

This category requires targeted follow-up and enforcement, including physical verification of meters, debt recovery actions, and possible legal intervention where tampering is confirmed.

5.1.3 Tempers

Towns	Number of Debtors	Amount Levied for Tempers	Payments	Payment %
Ermelo	2	R 21 554.80	R 0.00	0%
Wesselton	4	R 61 385.85	R 0.00	0%
Breyten/Kwazanele	1	R 12 277.40	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	**7**	**R 95 218.05**	**R 0.00**	**0%**

5.1.4 The below attached shows the summary of collection by the debt collectors since inception, this amounts to **R 147 780 298.86**

	Quantity	Amount
Whole Book	17645	R1 220 397 771,27
Collected	6496	R147 780 298,86
Percentage of Debt Collected		12,11%
By Category		
Residential	4262	R38 037 425,71
Commercial	1859	R77 876 078,13
Other	153	R19 791 821,07
Government Associated Entity	222	R12 074 973,95
	6496	**R147 780 298,86**

6. Creditors age analysis

MP302 Msukaligwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June 2026											
Description	NT Code	Budget Year 2025/26									Prior year totals for chart
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days -	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	77 040	94 461	89	40 894	(9 000)	36 333	205 032	886 281	**1 331 130**	1 331 130
Bulk Water	0200	4 431	–	–	–	–	–	96 368	1 216 073	**1 316 872**	1 316 872
PAYE deductions	0300	–	–	–	–	–	–	–	–	**–**	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	**–**	–
Pensions / Retirement deductior	0500	–	–	–	–	–	–	–	–	**–**	–
Loan repayments	0600	–	–	–	–	–	–	–	–	**–**	–
Trade Creditors	0700	3 625	553	727	(1 675)	(145)	(1 213)	6 472	129	**8 474**	8 474
Auditor General	0800	–	–	–	–	–	–	–	–	**–**	–
Other	0900	–	–	–	–	–	–	–	–	**–**	–
Medical Aid deductions	0950	–	–	–	–	–	–	–	–	**–**	–
Total By Customer Type	**1000**	**85 097**	**95 014**	**816**	**39 220**	**(9 145)**	**35 120**	**307 873**	**2 102 482**	**2 656 477**	2 656 477

- The total amount owed to creditors as per the age analysis at 30 June 2026 amounts to **R2,656 billion** with top creditors being DWS, Eskom.

Eskom Debt

An amount owed in a Month ending **30 June 2026** amounted to **R 1 330 billion.**

Month	Opening balance	Ermelo 648643281	Davel 9657898907	Breyten 9010981110	KwaZanele 8341001579	Silindile 7296044246	TOTAL
Jul-25	Opening balance	886 281 031.40	1 907 339.28	2 414 701.51	3 562 637.65	1 666 304.01	895 832 013.85
	Billing	58 775 637.94	1 936 192.33	2 719 399.08	3 580 576.55	1 821 559.88	68 833 365.78
	Vat	8 816 345.70	290 428.85	407 909.86	537 086.48	273 233.98	10 325 004.87
	Interest	6 309 512.41	-				6 309 512.41
	Payment	- 62 498 119.48	- 1 907 339.28	- 2 414 701.51	- 3 562 637.65	- 1 666 304.01	- 72 049 101.93
	Adjustment						-
	Opening/Closing balance	**897 684 407.97**	**2 226 621.18**	**3 127 308.94**	**4 117 663.03**	**2 094 793.86**	**909 250 794.98**
Aug-25	Billing	58 495 352.54	1 781 100.49	2 778 302.28	3 753 303.62	1 826 081.05	68 634 139.98
	Vat	8 410 499.13	267 165.07	416 745.34	562 995.54	273 912.16	9 931 317.24
	Interest	6 865 858.27					6 865 858.27
	Payment	- 5 773 327.46	- 2 226 621.18	- 3 127 308.94	- 4 117 663.03	- 2 094 793.86	- 17 339 714.47
	Adjustment	- 2 425 358.32	-	-			- 2 425 358.32
	Opening/Closing balance	**963 257 432.13**	**2 048 265.56**	**3 195 047.62**	**4 316 299.16**	**2 099 993.21**	**974 917 037.68**
Sept-25	Billing	41 257 502.72	1 206 291.08	1 991 311.10	2 654 932.50	1 302 937.16	48 412 974.56
	Vat	6 188 625.41	180 943.66	298 696.67	398 239.88	195 440.57	7 261 946.19
	Interest	5 940 009.50	-	-	-	-	5 940 009.50
	Payment	-	- 2 048 265.56	- 3 195 047.62	- 4 316 299.16	- 2 099 993.21	- 11 659 605.55
	Adjustment	-	-	-	-	-	-
	Opening/Closing balance	**1 016 643 569.76**	**1 387 234.74**	**2 290 007.77**	**3 053 172.38**	**1 498 377.73**	**1 024 872 362.38**
Oct-25	Billing	32 701 259.21	961 270.11	1 593 061.03	2 304 280.07	1 045 793.30	38 605 663.72
	Vat	4 912 861.38	144 190.52	238 959.15	345 642.01	156 869.00	5 798 522.06
	Interest	8 588 144.42	-	-	-	-	8 588 144.42
	Payment	- 9 098 535.28	-	- 2 290 007.77	- 3 053 172.38	-	- 14 441 715.43
	Adjustment	51 150.00	-	-	-	-	51 150.00
	Opening/Closing balance	**1 053 798 449.49**	**2 492 695.37**	**1 832 020.18**	**2 649 922.08**	**2 701 040.03**	**1 063 474 127.15**
Nov-25	Billing	31 416 563.62	923 004.01	1 657 305.08	2 426 864.98	1 040 087.37	37 463 825.06
	Vat	4 712 484.54	138 450.60	248 595.76	364 029.75	156 013.11	5 619 573.76
	Interest	6 715 444.73	-	-	-	-	6 715 444.73
	Payment	- 957 710.28	- 2 492 695.37	- 1 832 020.18	- 2 649 922.08	- 2 701 040.03	- 10 633 387.94
	Adjustment	-	-	-	-	-	-
	Opening/Closing balance	**1 095 685 232.10**	**1 061 454.61**	**1 905 900.84**	**2 790 894.73**	**1 196 100.48**	**1 102 639 582.76**
Dec-25	Billing	32 050 652.43	854 566.59	1 454 932.73	2 225 146.49	992 661.55	37 577 959.79
	Vat	4 807 597.87	128 184.99	218 239.91	333 771.97	148 899.23	5 636 693.97
	Interest	7 787 684.68	-	-	-	-	7 787 684.68
	Payment	- 41 027 246.47	-	- 1 905 900.84	- 2 790 894.73	- 1 196 100.48	- 46 920 142.52
	Adjustment	-		-	-		-
	Opening/Closing balance	**1 099 303 920.61**	**2 044 206.19**	**1 673 172.64**	**2 558 918.46**	**1 141 560.78**	**1 106 721 778.68**
Jan-26	Billing	28 457 013.74	744 661.43	1 331 723.71	1 968 281.30	947 627.19	33 449 307.37
	Vat	4 268 552.06	111 699.21	199 758.56	295 242.20	142 144.08	5 017 396.11
	Interest	9 394 998.43	-	-	-	-	9 394 998.43
	Payment	-	- 2 044 206.19	- 1 673 172.64	- 2 558 918.46	- 1 141 560.78	- 7 417 858.07
	Adjustment	-	-	-	-	-	-
	Opening/Closing balance	**1 141 424 484.84**	**856 360.64**	**1 531 482.27**	**2 263 523.50**	**1 089 771.27**	**1 147 165 622.52**
Feb-26	Billing	29 446 878.33	732 359.31	1 228 470.33	1 863 005.19	974 822.80	34 245 535.96
	Vat	4 417 031.75	109 853.90	496 783.85	580 901.28	146 223.42	5 750 794.20
	Interest	7 403 549.73	-	-	-	-	7 403 549.73
	Payment	- 21 249 521.91	- 856 360.64	- 1 531 482.27	- 2 263 523.50	- 1 089 771.27	- 26 990 659.59
	Adjustment	-	-	2 083 422.00	2 009 670.00	-	4 093 092.00
	Opening/Closing balance	**1 161 442 422.74**	**842 213.21**	**3 808 676.18**	**4 453 576.47**	**1 121 046.22**	**1 171 667 934.82**
Mar-26	Billing	28 513 310.26	784 638.00	1 208 289.12	1 877 072.26	948 603.76	33 331 913.40
	Vat	4 276 996.54	117 695.70	181 243.37	281 560.84	142 290.56	4 999 787.01
	Interest	8 035 688.97	-	-	-	-	8 035 688.97
	Payment	-	-	-	-	-	-
	Adjustment	-	-	-	-	-	-
	Opening/Closing balance	**1 202 268 418.51**	**1 744 546.91**	**5 198 208.67**	**6 612 209.57**	**2 211 940.54**	**1 218 035 324.20**
Apr-26	Billing	30 841 288.00	817 395.41	1 395 610.72	2 164 754.30	1 012 337.20	36 231 385.63
	Vat	4 626 193.21	122 609.31	209 341.61	324 713.15	151 850.58	5 434 707.86
	Interest	9 046 029.97	-	-	-	-	9 046 029.97
	Payment	- 31 178 882.74	- 842 213.21	- 5 198 208.67	- 6 612 209.57	- 1 121 046.22	- 44 952 560.41
	Adjustment	-	-	-		-	-
	Opening/Closing balance	**1 215 603 046.95**	**1 842 338.42**	**1 604 952.33**	**2 489 467.45**	**2 255 082.10**	**1 223 794 887.25**
May-26	Billing	35 611 043.61	1 095 244.22	1 596 814.31	2 674 967.12	1 180 181.90	42 158 251.16
	Vat	5 341 656.55	164 286.63	239 522.15	401 245.07	177 027.29	6 323 737.69
	Interest	8 994 614.95	-	-	-	-	8 994 614.95
	Payment	- 11 267 459.81	- 902 333.70	-	-	- 1 090 894.34	- 13 260 687.85
	Adjustment	-	-	-	-	-	-
	Opening/Closing balance	**1 254 282 902.25**	**2 199 535.57**	**3 441 288.79**	**5 565 679.64**	**2 521 396.95**	**1 268 010 803.20**
Jun-26	Billing	48 711 556.80	1 565 886.57	2 158 027.25	3 550 970.35	1 652 250.07	57 638 691.04
	Vat	7 306 733.52	234 882.99	323 704.09	532 645.55	247 837.51	8 645 803.66
	Interest	9 652 659.29	-	-	-	-	9 652 659.29
	Payment	-	- 2 199 535.57	- 3 441 288.79	- 5 565 679.64	- 2 521 396.95	- 13 727 900.95
	Adjustment	-	-	-	-	-	-
	Opening/Closing balance	**1 319 953 851.86**	**1 800 769.56**	**2 481 731.34**	**4 083 615.90**	**1 900 087.58**	**1 330 220 056.24**

DWS Debt

As at **30 June 2026**, the municipality owes Department of Water and Sanitation an amount of **R 1,316 billion.**

Client:	Msukaligwa Local Municipality	**Prepared by:**	Nompumelelo Mashaja
Year end:	30 June 2026	**Date:**	06-Jul-26
Subject:	Bulk Purchases - Water	**Reviewed by:**	S Nkosi
Period ending	30 June 2026	**Date:**	30-Jun-26
		Final Review by:	
		Date:	

DWAF ACCOUNTS MOVEMENTS FOR THE YEAR AS PER INVOICES

ACCOUNTS	Opening Balance	Amount Excl	VAT Amount	Interest	Payments	Adjustment	Creditors	Statement Balance	difference
20029265 NRWI	496 490 053.53	-	-	-	(9 592 335.99)	(1 100 572.73)	**485 797 144.81**	485 797 144.81	-
20029265 CMA	-	-	-	-	-	-	**-**	-	-
20028765 NRWI	198 876.96	-	-	-	-	-	**198 876.96**	198 876.96	-
20028765 CMA	100 885.98	71 270.83	-	11 970.44	-	-	**184 127.25**	383 004.25	- 198 877.00
20031984 NRWI	41 908 198.74	37 648 084.39	5 591 299.66	21 119.94	-	(67 278 353.12)	**17 890 349.61**	845 313.27	17 045 036.34
20031984 CMA	-	-	-	-	-	-	**-**	-	-
20033982 NRWI	336 243 385.67	-	-	-	-	-	**336 243 385.67**	332 688 081.26	3 555 304.41
20033982CMA	-	-	-	-	-	3 555 304.41	**3 555 304.41**	3 555 304.41	-
20037906 NWRI	111 607.71	9 464.40	-	11 017.79	-	-	**132 089.90**	132.00	131 957.90
20037906 CMA	-	4 762.80	-	714.42	-	-	**5 477.22**	-	5 477.22
21070010 NWRI	1 554 885.56	-	-	-	-	-	**1 554 885.56**	1 554 885.56	-
21070010 CMA	726.35	279.90	-	34.96	-	-	**1 041.21**	1 041.21	-
20014912 NRWI	139 334 230.26	-	-	-	-	-	**139 334 230.26**	136 334 230.26	-
20014912 CMA	24 356.99	- 3 343.25	-	1 536.55	-	-	**22 550.29**	22 550.29	-
20056412 NWRI	18 558 912.46	1 761 108.00	262 711.80	-	-	-	**20 582 732.26**	20 582 732.26	-
20056412 CMA	3 732.00	3 732.00	-	325.49	-	-	**7 789.49**	7 789.49	-
20059491 NRWI	104 074 973.83	15 986 124.00	2 362 882.10	12 225 190.47	-	- 4 768 367.65	**129 880 802.75**	129 880 802.75	-
20059491 CMA	233 313.02	89 903.88	-	29 755.64	-	- 11 206.74	**341 765.80**	341 765.80	-
20059482 NRWI	141 998 117.60	23 135 565.73	3 451 228.50	16 887 435.83	-	- 6 572 360.14	**178 899 987.52**	178 899 987.52	-
20059482 CMA	127 232.05	49 027.05	-	16 226.64	-	- 6 111.41	**186 374.33**	186 374.36	- 0.03
TOTAL DWS	**1 280 963 488.71**	**78 755 979.73**	**11 668 122.06**	**29 205 328.17**	**- 9 592 335.99**	**- 76 181 667.38**	**1 314 818 915.30**	**1 316 872 195.00**	**20 538 898.84**

7. Table C6 – Statement of Financial Position

MP302 Msukaligwa - Table C6 Monthly Budget Statement - Financial Position - M12 JUNE

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		44 141	(236 154)	(115 611)	813 004	(236 154)
Trade and other receivables from exchange transactions		595 971	3 586 834	688 434	1 017 644	3 586 834
Receivables from non-exchange transactions		105 693	585 867	236 334	394 896	585 867
Current portion of non-current receivables		(5)	–	–	(5)	–
Inventory		21 452	(84 496)	(138 901)	98 926	(84 496)
VAT		572 860	1 110 163	784 452	743 499	1 110 163
Other current assets		741 159	11 036	–	740 449	11 036
Total current assets		**2 081 270**	**4 973 250**	**1 454 709**	**3 808 413**	**4 973 250**
Non current assets						
Investments		–	–	–	–	–
Investment property		157 167	329 278	344 208	157 167	329 278
Property, plant and equipment		5 498 748	16 221 535	5 727 499	5 892 304	16 221 535
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		175	175	175	175	175
Intangible assets		5	536	11	5	536
Trade and other receivables from exchange transactions		–	–	–	(546)	–
Non-current receivables from non-exchange transactions		–	–	–	(147)	–
Other non-current assets		–	–	–	–	–
Total non current assets		**5 656 096**	**16 551 524**	**6 071 892**	**6 048 958**	**16 551 524**
TOTAL ASSETS		**7 737 365**	**21 524 774**	**7 526 601**	**9 857 371**	**21 524 774**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		23 181	43 190	21 827	24 353	43 190
Trade and other payables from exchange transactions		4 697 946	1 971 178	1 923 067	5 653 159	1 971 178
Trade and other payables from non-exchange transactions		(56 733)	1 189 600	–	261 827	1 189 600
Provision		–	70 946	5 129	–	70 946
VAT		747 658	517 771	1 461 187	953 977	517 771
Other current liabilities		–	–	–	–	–
Total current liabilities		**5 412 052**	**3 792 685**	**3 411 210**	**6 893 316**	**3 792 685**
Non current liabilities						
Financial liabilities		2 948	3 905	3 206	2 948	3 905
Provision		124 583	135 545	124 583	124 583	135 545
Long term portion of trade payables		–	–	2 576 664	–	–
Other non-current liabilities		61	9 745	78 897	61	9 745
Total non current liabilities		**127 592**	**149 194**	**2 783 350**	**127 592**	**149 194**
TOTAL LIABILITIES		**5 539 644**	**3 941 879**	**6 194 560**	**7 020 908**	**3 941 879**
NET ASSETS	2	**2 197 721**	**17 582 895**	**1 332 041**	**2 836 463**	**17 582 895**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		(606 912)	17 532 217	1 281 364	(710 136)	17 532 217
Reserves and funds		(439 438)	–	–	(439 438)	–
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	**(1 046 350)**	**17 532 217**	**1 281 364**	**(1 149 575)**	**17 532 217**

8. Investment Portfolio analysis

MP302 Msukaligwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q4 Fourth Quarter

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment Yrs/Months	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 (4)	Investment Top Up	Closing Balance
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 did not receive any grants as at 30 June 2026

Grants received 2025-26

	Votes	Jul-25	Aug-25	Sept-25	Oct-24	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Received to date
MIG	3704761022OZZZZZZWM	35 451 000.00			14 340 000.00		8 000 000.00			5 790 000.00				63 581 000.00
RBIG	3104763072OZZZZZZWM		15 000 000.00			30 000 000.00	-			55 000 000.00				100 000 000.00
EEDSM	3201763012OZZZZZZWM		1 600 000.00			800 000.00	-		1 600 000.00	1 000 000.00				5 000 000.00
MDRG	3501761132OZZZZZZWM						-							-
WSIG	3112761092OZZZZZZWM	15 000 000.00			20 000 000.00		-			10 000 000.00				45 000 000.00
INEP	3201761012OZZZZZZWM	1 210 000.00					538 000.00			1 943 000.00				3 691 000.00
TOTAL CAPITAL		**51 661 000.00**	**16 600 000.00**	-	**34 340 000.00**	**30 800 000.00**	**8 538 000.00**	-	**1 600 000.00**	**73 733 000.00**	-			**217 272 000.00**
LGSETA	3704763092OZZZZZZWM	740 519.72			137 029.26			136 587.22		195 551.72				1 209 687.92
EPWP	3606763022OZZZZZZWM		483 000.00				869 000.00							1 352 000.00
Equitable share	36061179100EQZZZZZHC	119 161 000.00					95 329 000.00			71 496 000.00				285 986 000.00
FMG	3704763042OZZZZZZWM		3 800 000.00				-							3 800 000.00
Total Operational		**119 901 519.72**	**4 283 000.00**	-	-	-	**96 198 000.00**	-	-	**71 496 000.00**	-			**291 878 519.72**
Total grant receipts		**171 562 519.72**	**20 883 000.00**	-	**34 340 000.00**	**30 800 000.00**	**104 736 000.00**	-	**1 600 000.00**	**145 229 000.00**	-			**509 150 519.72**

10. Remuneration of Councilor section 56/57 and Officials

EMPLOYEE COST FINANCIAL IMPLICATION

- The tear to date expense in salaries amounts to **R 597 million** for the month ending 30 June 2026,
- Total salary cost in respect of the month ending 30 June 2026 is summarized per salary company as in the table below:

MP302 Msukaligwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q4 Fourth Quarter										
		2024/25	Budget Year 2025/26							
nary of Employee and Councillor remune	Ref	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		12 885	11 784	12 275	1 048	12 682	12 275	407	3%	11 784
Pension and UIF Contributions		1 914	1 915	1 827	159	1 819	1 827	(8)	0%	1 915
Medical Aid Contributions		178	346	238	17	223	238	(15)	-6%	346
Motor Vehicle Allowance		–	–	194	196	2 324	194	2 129	1095%	–
Cellphone Allowance		1 607	2 019	2 117	137	1 613	2 117	(504)	-24%	2 019
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		2 708	4 494	2 869	21	246	2 869	(2 623)	-91%	4 494
Sub Total - Councillors		**19 293**	**20 559**	**19 521**	**1 579**	**18 907**	**19 521**	**(614)**	**-3%**	**20 559**
% increase	4		**6.6%**	**1.2%**						**6.6%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		6 843	8 039	8 039	–	4 387	8 039	(3 652)	-45%	8 039
Pension and UIF Contributions		1 138	1 373	1 373	–	682	1 373	(691)	-50%	1 373
Medical Aid Contributions		277	153	153	–	250	153	97	64%	153
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	43	105	–	–	105	(105)	-100%	43
Motor Vehicle Allowance		1 499	1 215	1 215	–	1 298	1 215	83	7%	1 215
Cellphone Allowance		196	144	231	–	143	231	(89)	-38%	144
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		461	–	–	–	–	–	–		–
Payments in lieu of leave		121	–	–	–	–	–	–		–
Long service awards		15	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		77	25	25	–	17	25	(9)	-34%	25
In kind benefits		10	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**10 638**	**10 992**	**11 141**	**–**	**6 776**	**11 141**	**(4 365)**	**-39%**	**10 992**
% increase	4		**3.3%**	**4.7%**						**3.3%**
Other Municipal Staff										
Basic Salaries and Wages		273 834	309 043	327 924	28 171	330 419	327 924	2 496	1%	309 043
Pension and UIF Contributions		61 034	61 771	65 545	6 174	72 675	65 545	7 130	11%	61 771
Medical Aid Contributions		23 405	24 745	26 257	2 350	25 993	26 257	(265)	-1%	24 745
Overtime		58 581	32 933	34 945	4 370	53 080	34 945	18 136	52%	32 933
Performance Bonus		21 808	22 821	24 215	3 703	26 416	24 215	2 201	9%	22 821
Motor Vehicle Allowance		16 954	21 696	23 022	1 473	16 196	23 022	(6 826)	-30%	21 696
Cellphone Allowance		1 559	1 056	1 121	153	1 721	1 121	600	53%	1 056
Housing Allowances		738	1 619	1 717	82	901	1 717	(816)	-48%	1 619
Other benefits and allowances		26 018	13 417	14 237	2 119	25 880	14 237	11 643	82%	13 417
Payments in lieu of leave		1 313	2 519	2 672	37	924	2 672	(1 748)	-65%	2 519
Long service awards		4 759	7 027	7 456	431	4 182	7 456	(3 274)	-44%	7 027
Post-retirement benefit obligations	2	(6 997)	6 161	6 538	(207)	37 249	6 538	30 711	470%	6 161
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		1 794	3 380	4 202	454	2 168	4 202	(2 034)	-48%	3 380
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		**484 800**	**508 188**	**539 851**	**49 310**	**597 804**	**539 851**	**57 952**	**11%**	**508 188**
% increase	4		**4.8%**	**11.4%**						**4.8%**
Total Parent Municipality		**514 730**	**539 740**	**570 513**	**50 888**	**623 487**	**570 514**	**52 973**	**9%**	**539 740**

11. Municipal ratios

MP302 Msukaligwa - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q4 Fourth Quarter								
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		8.0%	11.6%	16.0%	8.0%	2.2%	
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		-443.8%	18.1%	156.5%	-514.8%	18.1%	
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%	
Liquidity								
Current Ratio	Current assets/current liabilities	1	38.5%	131.1%	42.6%	55.2%	131.1%	
Liquidity Ratio	Monetary Assets/Current Liabilities		0.8%	-6.2%	-3.4%	11.8%	-6.2%	
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		85.8%	0.0%	0.0%	0.0%	0.0%	
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						
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		29.5%	26.2%	29.1%	31.0%	26.2%	
Repairs & Maintenance	R&M/Total Revenue - capital revenue		1.2%	0.8%	0.4%	0.0%	0.8%	
Interest & Depreciation	I&D/Total Revenue - capital revenue		27.0%	14.5%	26.0%	10.0%	2.8%	
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							

- The municipality is experiencing significant liquidity challenges, evidenced by a **current ratio of 87%** and a **liquidity ratio of 2.05%.**

- While employee-related expenses remain largely within acceptable parameters, the municipality's dependence on short-term creditors and inadequately backed cash reserves poses a substantial risk to its financial sustainability. Therefore, management actions aimed at enhancing cash flow, improving debtor recovery, and ensuring compliance with MFMA payment obligations are essential.

- The municipality has just met its short-term obligations, by showing an improvement on paying its creditors within prescribe time current liabilities.

- Outstanding Debtors are higher than annual revenue, which is concerning of non-payment of municipal accounts and has a negative impact which affects cashflows and service delivery.

12. 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 63 581 000.00	R 63 581 000.00	R 0.00	R 0.00	100%	100%
EEDSM	R 4 000 000.00	R 0.00	R 1 000 000.00	R 5 000 000.00	R 5 000 000.00	R 5 000 000.00	R 0.00	R 0.00	100%	100%
WSIG	R 45 000 000.00	R 0.00	R 0.00	R 45 000 000.00	R 45 000 000.00	R 45 000 000.00	R 0.00	R 0.00	100%	100%
RBIG	R 50 000 000.00	R 0.00	R 50 000 000.00	R 100 000 000.00	R 100 000 000.00	R 100 000 000.00	R 0.00	R 0.00	100%	100%
INEP	R 2 691 000.00	R 0.00	R 1 000 000.00	R 3 691 000.00	R 3 691 000.00	R 3 691 000.00	R 0.00	R 0.00	100%	100%
MDRG	R 0.00	R 9 140 508.65	R 0.00	R 9 140 508.65	R 9 140 508.65	R 9 140 508.65	R 0.00	R 0.00	100%	100%
	R 165 272 000.00	**R 9 140 508.65**	**R 0.00**	**R 226 412 508.65**	**R 226 412 508.65**	**R 226 412 508.65**	**R 0.00**	**R 0.00**	**100.00%**	**100.00%**

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 828 203.33	R 0.00	R 4 628 203.33	R 3 800 000.00	R 4 628 203.33	R 0.00	-R 828 203.33	100%	122%
EPWP	R 1 930 000.00	R 0.00	R 0.00	R 1 930 000.00	R 1 352 000.00	R 2 822 669.34	-R 892 669.34	-R 1 470 669.34	146%	209%
	R 5 730 000.00	**R 828 203.33**	**R 0.00**	**R 6 558 203.33**	**R 5 152 000.00**	**R 7 450 872.67**	-R 892 669.34	**-R 2 298 872.67**	**113.61%**	145%

Unspent Capital 2025/26	R 0.00
Unspent Operational grants 2025/26	R 0.00
	R -

All capital and Operational grants show a spending of 100% as at 30 June 2026

13. 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	3 370	3 392	3 351	3 473	3 390	3410	3 361	3 456	3 340	3 369	
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	3 370	3 392	3 351	3 473	3 390	3 410	3 361	3 456	3 340	3 369	–
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	3 370	3 392	3 351	3 473	3 390	3 410	3 361	3 456	3 340	3 369	–
Status of Water meters :																	
Number of Indigent HH's with prepaid Water						–	–	–	–	–	–	–	–	–	–	–	
Number of Indigent HH's with conventional metered Water						3 052	3 370	3 392	3 351	3 473	3 390	3 410	3 361	3 456	3 340	3 369	–
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	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Status of unlimited supply of Water :						3 052	3 370	3 392	3 351	3 473	3 390	3 410	3 361	3 456	3 340	3 369	–
Number of Indigent HH's with conventional metered Water - where the municipality is *NOT physcally 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	3 370	3 392	3 351	3 473	3 390	3 410	3 361	3 456	3 340	3 369	–
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	3 370	3 392	3 351	3 473	3 390	3 410	3 361	3 456	3 340	3 369	–
Status of unlimited supply of Electricity :																	
Number of Indigent HH's with conventional metered Electricity - where the municipality is *NOT physcally 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 Service *(Including registered Indigent Households)*	7																
Water (6 kilolitres per household per month)						3 052	3 370	3 392	3 351	3 473	3 390	3 410	3 361	3 456	3 340	3 369	–
Electricity/other energy (50kwh per household per month)						3 052	3 370	3 392	3 351	3 473	3 390	3 410	3 361	3 456	3 340	3 369	–
Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)																	
Water (6 kilolitres per household per month)						73	73	73	73	73	73	73	73	73	73	73	
Electricity/other energy (50kwh per household per month)						88	88	88	88	88	88	88	88	88	88	88	
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	161	161	161	161	161	161	161	161	161	161	–
Highest level of free service provided per household (ALL Households)																	
Property rates (R value threshold)			1 407 057			73	73	72 9	73	73	73	73	73	73	73	73	
Water (kilolitres per household per month)			3 220 611			80	80	80	80	80	80	80	80	80	80	80	
Sanitation (kilolitres per household per month)			3 220 611			97	97	97	97	97	97	97	97	97	97	97	
Sanitation (Rand per household per month)			5 460			88	88	88	88	88	88	88	88	88	88	88	
Electricity (kwh per household per month)			3 426 737			162	162	162	162	162	162	162	162	162	162	162	
Refuse (average litres per week)																	
Revenue cost of subsidised services provided for ALL Households (R'000)	9																
Residential Category : Property rates **(tariff adjustment) (impermissable values per section 17 of MPRA)**	14(a)																
PSI Category : Property rates **(tariff adjustment) (impermissable values per section 17 of MPRA)**	14(b)																
Additional Subsidies: Property rates exemptions, reductions and rebates **in excess of section 17 of MPRA)**																	
Water **(in excess of 6 kilolitres per indigent household per month)**	15																
Sanitation **(in excess of free sanitation service to indigent households)**	16																
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**																	
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		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Annexure A: C-schedules

Table C3 – Unauthorized Expenditure

The table below depicts all departments spent within their allocated budgets as at 30 June 2026.

MP302 Msukaligwa - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June											
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	COMMENTS
Expenditure by Vote	1										
Vote 1 - Executive and Council		84 627	84 367	82 318	5 786	66 449	82 318	(15 869)	-19.3%	84 367	Savings
Vote 2 - Finance & Administration		174 614	186 666	206 744	18 269	161 434	206 744	(45 310)	-21.9%	186 666	Savings
Vote 3 - [NAME OF VOTE 3]		–	–	–	–	–	–	–		–	
Vote 4 - Sports and Recreation		5 488	13 326	13 424	221	2 650	13 424	(10 773)	-80.3%	13 326	Savings
Vote 5 - Public Safety		33 547	44 997	46 075	3 115	32 438	45 582	(13 145)	-28.8%	44 997	Savings
Vote 6 - Housing		4 274	5 185	5 500	488	5 370	5 500	(130)	-2.4%	5 185	Savings
Vote 7 - Health		–	12	12	–	–	12	(12)	-100.0%	12	Savings
Vote 8 - Planning and Economic Development		14 727	8 850	9 982	1 787	15 874	9 982	5 892	59.0%	8 850	Savings
Vote 9 - Community and Social Services		79 364	47 526	50 135	4 116	50 394	50 135	259	0.5%	47 526	Savings
Vote 10 - Electricity		652 738	565 506	800 089	78 551	720 000	800 090	(80 090)	-10.0%	565 506	Savings
Vote 11 - Water Management		293 976	122 617	146 410	12 528	117 719	146 410	(28 692)	-19.6%	122 617	Savings
Vote 12 - Waste Water Management		38 713	129 610	129 600	2 553	39 278	129 600	(90 322)	-69.7%	129 610	Savings
Vote 13 - Waste Management		70 384	41 085	44 075	3 285	33 976	44 075	(10 099)	-22.9%	41 085	Savings
Vote 14 - Road Transport		90 017	75 303	86 293	3 256	38 209	86 293	(48 084)	-55.7%	75 303	Savings
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–	
Total Expenditure by Vote	2	**1 542 469**	**1 325 051**	**1 620 658**	**133 956**	**1 283 792**	**1 620 165**	**(336 374)**	**-20.8%**	**1 325 051**	
Surplus/ (Deficit) for the year	2	**(173 880)**	**163 130**	**(144 410)**	**(37 335)**	**(31 679)**	**(143 425)**	**111 746**	**-77.9%**	**163 130**	Savings

Overtime schedule as per Financial System report.

The Overtime schedule below indicates overall spending incurred by the municipality as at 30 June 2026, the departments that have over spend are as follows:

- **Technical Services – R 3,6 million** overspending
- **Community Services – R 3,8 million** overspending
- **Municipal Managers Office (Call Centre) – R 72 thousand** overspending

OVERTIME REPORT: 1 JULY 2025 - 30 June 2026

Section	Votenumber	Sage Accounts	Budget	Year to date Budget	YTD Movement 2026	Unspend Bud	Percentage spent year to date	Comments
			R		R	R	%	
Technical services								
Public works	3102211036OPRMRCZZWM	O0001/IE03969/F2496/X116/R0290/001/3102	565 204.62	565 204.62	1 310 997.24	-745 792.62	-132%	
Technical dep	3103211036OPRMRCZZWM	O0001/IE03969/F2496/X116/R0290/001/3103	9 796.02	9 796.02	-	0.00	0%	
Sewerage Network	3112211036OWWMRCZZWM	O0001/IE03969/F0931/X139/R0290/001/3112	2 323 048.50	2 323 048.50	1 964 575.84	358 472.66	15%	
Sewerage Purification	3113211036OWWMRCZZWM	O0001/IE03969/F0931/X139/R0290/001/3113	441 834.37	441 834.37	1 757 223.91	-1 315 389.54	-298%	
Water	3122211036OWTMRCZZWM	O0001/IE03969/F0932/X146/R0290/001/3122	2 089 533.47	2 089 533.47	1 981 628.25	107 905.22	5%	
Water	3123211036OWTMRCZZWM	O0001/IE03969/F0932/X148/R0290/001/3123	1 264 125.17	1 264 125.17	1 320 688.54	-56 563.37	-4%	
Electricity	3201211036OELMRCZZWM	O0001/IE03969/F0928/X032/R0290/001/3201	3 233 093.93	3 233 093.93	5 210 959.22	-1 977 865.29	-61%	
	Sub Total		**9 926 636.08**	**9 926 636.08**	**13 546 073.00**	**- 3 629 232.94**	-37%	
Community services								
Workshop	3106211036OPRMRCZZWM	O0001/IE03969/F2496/X050/R0290/001/3106	352 435.05	352 435.05	553 158.62	-200 723.57	-57%	
Fire	3302211036OPRMRCZZWM	O0001/IE03969/F2496/X109/R0290/001/3302	246 240.73	246 240.73	1 155 463.71	-909 222.98	-369%	
Disaster	3303211036OPRMRCZZWM	O0001/IE03969/F2496/X019/R0290/001/3303	137 475.38	137 475.38	-	0.00	0%	
Licensing	3304211036OPRMRCZZWM		-	0.00	-	0.00	0%	
Traffic	3305211036OPRMRCZZWM	O0001/IE03969/F2496/X153/R0290/001/3305	211 119.57	211 119.57	786 188.96	-575 069.39	-272%	
Cemetary	3402211036OPRMRCZZWM	O0001/IE03969/F2496/X004/R0290/001/3402	413 278.20	413 278.20	436 872.20	-23 594.00	-6%	
Parks and Grounds	3404211036OPRMRCZZWM	O0001/IE03969/F2496/X123/R0290/001/3404	402 689.54	402 689.54	901 484.36	-498 794.82	-124%	
Libraries	3405211036OPRMRCZZWM	O0001/IE03969/F2496/X007/R0290/001/3405	22 551.43	22 551.43	129 606.97	-107 055.54	-475%	
Sports and Recreation	3407211036OPRMRCZZWM	O0001/IE03969/F2496/X124/R0290/001/3407	38 941.10	38 941.10	85 454.60	-46 513.50	-119%	
Sports field general	3408211036OPRMRCZZWM	O0001/IE03969/F2496/X124/R0290/001/3408	61 426.75	61 426.75	46 507.65	14 919.10	24%	
Golf Course	3409211036OPRMRCZZWM		11 963.83	11 963.83	-	0.00	0%	
Waste mangement	3410211036OWSMRCZZWM	O0001/IE03969/F0930/X132/R0290/001/3410	2 432 118.39	2 432 118.39	3 940 640.27	-1 508 521.88	-62%	
	Sub Total		**4 330 239.97**	**4 330 239.97**	**8 035 377.34**	**- 3 854 576.58**	-89%	
Planning & Development								
Housing	3411211036OPRMRCZZWM	O0001/IE03969/F2496/X077/R0290/001/3411		**0**	**7 800.10**	-	0%	
Corporate services								
Civic centre	3502211036OPRMRCZZHO	O0001/IE03969/F2496/X006/R0290/001/3502	333 856.35	333 856.35	702 032.30	86 362.30	26%	
Administration	3503211036OPRMRCZZHO	O0001/IE03969/F2496/X046/R0290/001/3503	81 726.54	81 726.54	31 931.70	40 653.54	50%	
Human Resources	3504211036OPRMRCZZHO		-	-	-	-	0%	
ICT	3506211036OPRMRCZZHO		-		-	-	0%	
	Sub Total		**415 582.89**	**415 582.89**	**741 764.10**	**127 015.84**	31%	
Municipal manager	3601211036OPRMRCZZHO	O0001/IE03969/F2496/X045/R0290/001/3601	9 124.35	9 124.35		-	0%	
CALL centre	3607211036OPRMRCZZHO	O0001/IE03969/F2496/X065/R0290/001/3607	357 030.65	357 030.65	224 854.61	211 034.71	59%	
	3606211036OEPMRCZZHO	O0001/IE03969/F2496/X044/R0290/001/3606	17 631.00	17 631.00	115 620.58	-72 756.76	-413%	
	Sub Total		**383 786.00**	**383 786.00**	**340 475.19**	**138 277.95**	36%	
Finance								
Stores	3703211036OPRMRCZZWM	O0001/IE03969/F2496/X058/R0290/001/3703	27 712.60	27 712.60	4 401.10	15 283.18	55%	
BTO	3704211036OPRMRCZZHO	O0001/IE03969/F2496/X049/R0290/001/3704	148 038.57	148 038.57	146 164.59	66 405.24	45%	
Credit control	3705211036OPRMRCZZHO	O0001/IE03969/F2496/X049/R0290/001/3705	55 624.68	55 624.68	150 047.95	-3 734.64	0%	
			231 375.85	**231 375.85**	**300 613.64**	**77 953.78**	34%	
	Totals		**15 287 620.79**	**15 287 620.79**	**22 964 303.27**	**- 7 140 561.95**	-47%	

Overtime overspent/ Saving on budget for period 30 November 2025 15 287 620.79

22 964 303.27 Spent to date

-7 676 682.48 Saving

14. 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)

- The Eskom invoices reflect a billed amount of **R 49,947,315.11** for June 2026 payments made Resale accounts anounted to **R 7 million**.

RESALE ACCOUNT FOR MAY 2026 PAID IN JUNE 2026

ACCOUNT NAME	ACCOUNT NUMBER	TOTAL BILLING	VAT AMOUNT	INTEREST	TOTAL DUE	TOTAL AMOUNT	PAYMENT DATE	DUE DATE
BREYTEN KWAZANENELE	8341001579	2674967.12	401245.07	-	3076212.19	3076212.19	2026/06/18	2026/06/19
LOTHAIR	7296044246	1180181.50	177027.29	-	1357208.79	1357208.79	2026/06/18	2026/06/19
DAVEL KWADELA	9657898907	1095244.22	164285.63	-	1259529.85	1259529.85	2026/06/18	2026/06/19
BREYTEN TOWN	9010981110	1596814.31	239522.15	-	1836336.46	1836336.46	2026/06/18	2026/06/19
ERMELO ACCOUNT	6486432681	35611043.61	8994614.95	5341656.55	49947315.11	49947315.11		
TOTAL AMOUNT PAID					57476602.40	57476602.40		

Month	Opening balance	Ermelo 648643281	Davel 9657898907	Breyten 9010981110	KwaZanele 8341001579	Silindile 7296044246	TOTAL
Jul-25	Opening balance	886 281 031.40	1 907 339.28	2 414 701.51	3 562 637.65	1 666 304.01	895 832 013.85
	Billing	58 775 637.94	1 936 192.33	2 719 399.08	3 580 576.55	1 821 559.88	68 833 365.78
	Vat	8 816 345.70	290 428.85	407 909.86	537 086.48	273 233.98	10 325 004.87
	Interest	6 309 512.41	-				6 309 512.41
	Payment	- 62 498 119.48	- 1 907 339.28	- 2 414 701.51	- 3 562 637.65	- 1 666 304.01	- 72 049 101.93
	Adjustment						-
	Opening/Closing balance	**897 684 407.97**	**2 226 621.18**	**3 127 308.94**	**4 117 663.03**	**2 094 793.86**	**909 250 794.98**
Aug-25	Billing	58 495 352.54	1 781 100.49	2 778 302.28	3 753 303.62	1 826 081.05	68 634 139.98
	Vat	8 410 499.13	267 165.07	416 745.34	562 995.54	273 912.16	9 931 317.24
	Interest	6 865 858.27					6 865 858.27
	Payment	- 5 773 327.46	- 2 226 621.18	- 3 127 308.94	- 4 117 663.03	- 2 094 793.86	- 17 339 714.47
	Adjustment	- 2 425 358.32	-	-			- 2 425 358.32
	Opening/Closing balance	**963 257 432.13**	**2 048 265.56**	**3 195 047.62**	**4 316 299.16**	**2 099 993.21**	**974 917 037.68**
Sept-25	Billing	41 257 502.72	1 206 291.08	1 991 311.10	2 654 932.50	1 302 937.16	48 412 974.56
	Vat	6 188 625.41	180 943.66	298 696.67	398 239.88	195 440.57	7 261 946.19
	Interest	5 940 009.50	-	-	-	-	5 940 009.50
	Payment	-	- 2 048 265.56	- 3 195 047.62	- 4 316 299.16	- 2 099 993.21	- 11 659 605.55
	Adjustment	-	-	-	-	-	-
	Opening/Closing balance	**1 016 643 569.76**	**1 387 234.74**	**2 290 007.77**	**3 053 172.38**	**1 498 377.73**	**1 024 872 362.38**
Oct-25	Billing	32 701 259.21	961 270.11	1 593 061.03	2 304 280.07	1 045 793.30	38 605 663.72
	Vat	4 912 861.38	144 190.52	238 959.15	345 642.01	156 869.00	5 798 522.06
	Interest	8 588 144.42	-	-	-	-	8 588 144.42
	Payment	- 9 098 535.28	-	- 2 290 007.77	- 3 053 172.38	-	- 14 441 715.43
	Adjustment	51 150.00	-	-	-	-	51 150.00
	Opening/Closing balance	**1 053 798 449.49**	**2 492 695.37**	**1 832 020.18**	**2 649 922.08**	**2 701 040.03**	**1 063 474 127.15**
Nov-25	Billing	31 416 563.62	923 004.01	1 657 305.08	2 426 864.98	1 040 087.37	37 463 825.06
	Vat	4 712 484.54	138 450.60	248 595.76	364 029.75	156 013.11	5 619 573.76
	Interest	6 715 444.73	-	-	-	-	6 715 444.73
	Payment	- 957 710.28	- 2 492 695.37	- 1 832 020.18	- 2 649 922.08	- 2 701 040.03	- 10 633 387.94
	Adjustment	-	-	-	-	-	-
	Opening/Closing balance	**1 095 685 232.10**	**1 061 454.61**	**1 905 900.84**	**2 790 894.73**	**1 196 100.48**	**1 102 639 582.76**
Dec-25	Billing	32 050 652.43	854 566.59	1 454 932.73	2 225 146.49	992 661.55	37 577 959.79
	Vat	4 807 597.87	128 184.99	218 239.91	333 771.97	148 899.23	5 636 693.97
	Interest	7 787 684.68	-	-	-	-	7 787 684.68
	Payment	- 41 027 246.47	-	- 1 905 900.84	- 2 790 894.73	- 1 196 100.48	- 46 920 142.52
	Adjustment	-		-	-		-
	Opening/Closing balance	**1 099 303 920.61**	**2 044 206.19**	**1 673 172.64**	**2 558 918.46**	**1 141 560.78**	**1 106 721 778.68**
Jan-26	Billing	28 457 013.74	744 661.43	1 331 723.71	1 968 281.30	947 627.19	33 449 307.37
	Vat	4 268 552.06	111 699.21	199 758.56	295 242.20	142 144.08	5 017 396.11
	Interest	9 394 998.43	-	-	-	-	9 394 998.43
	Payment	-	- 2 044 206.19	- 1 673 172.64	- 2 558 918.46	- 1 141 560.78	- 7 417 858.07
	Adjustment	-	-	-	-	-	-
	Opening/Closing balance	**1 141 424 484.84**	**856 360.64**	**1 531 482.27**	**2 263 523.50**	**1 089 771.27**	**1 147 165 622.52**
Feb-26	Billing	29 446 878.33	732 359.31	1 228 470.33	1 863 005.19	974 822.80	34 245 535.96
	Vat	4 417 031.75	109 853.90	496 783.85	580 901.28	146 223.42	5 750 794.20
	Interest	7 403 549.73	-	-	-	-	7 403 549.73
	Payment	- 21 249 521.91	- 856 360.64	- 1 531 482.27	- 2 263 523.50	- 1 089 771.27	- 26 990 659.59
	Adjustment	-	-	2 083 422.00	2 009 670.00	-	4 093 092.00
	Opening/Closing balance	**1 161 442 422.74**	**842 213.21**	**3 808 676.18**	**4 453 576.47**	**1 121 046.22**	**1 171 667 934.82**
Mar-26	Billing	28 513 310.26	784 638.00	1 208 289.12	1 877 072.26	948 603.76	33 331 913.40
	Vat	4 276 996.54	117 695.70	181 243.37	281 560.84	142 290.56	4 999 787.01
	Interest	8 035 688.97	-	-	-	-	8 035 688.97
	Payment	-	-	-	-	-	-
	Adjustment	-	-	-	-	-	-
	Opening/Closing balance	**1 202 268 418.51**	**1 744 546.91**	**5 198 208.67**	**6 612 209.57**	**2 211 940.54**	**1 218 035 324.20**
Apr-26	Billing	30 841 288.00	817 395.41	1 395 610.72	2 164 754.30	1 012 337.20	36 231 385.63
	Vat	4 626 193.21	122 609.31	209 341.61	324 713.15	151 850.58	5 434 707.86
	Interest	9 046 029.97	-	-	-	-	9 046 029.97
	Payment	- 31 178 882.74	- 842 213.21	- 5 198 208.67	- 6 612 209.57	- 1 121 046.22	- 44 952 560.41
	Adjustment	-	-	-		-	-
	Opening/Closing balance	**1 215 603 046.95**	**1 842 338.42**	**1 604 952.33**	**2 489 467.45**	**2 255 082.10**	**1 223 794 887.25**
May-26	Billing	35 611 043.61	1 095 244.22	1 596 814.31	2 674 967.12	1 180 181.90	42 158 251.16
	Vat	5 341 656.55	164 286.63	239 522.15	401 245.07	177 027.29	6 323 737.69
	Interest	8 994 614.95	-	-	-	-	8 994 614.95
	Payment	- 11 267 459.81	- 902 333.70	-	-	- 1 090 894.34	- 13 260 687.85
	Adjustment	-	-	-	-	-	-
	Opening/Closing balance	**1 254 282 902.25**	**2 199 535.57**	**3 441 288.79**	**5 565 679.64**	**2 521 396.95**	**1 268 010 803.20**
Jun-26	Billing	48 711 556.80	1 565 886.57	2 158 027.25	3 550 970.35	1 652 250.07	57 638 691.04
	Vat	7 306 733.52	234 882.99	323 704.09	532 645.55	247 837.51	8 645 803.66
	Interest	9 652 659.29	-	-	-	-	9 652 659.29
	Payment	-	- 2 199 535.57	- 3 441 288.79	- 5 565 679.64	- 2 521 396.95	- 13 727 900.95
	Adjustment	-	-	-	-	-	-
	Opening/Closing balance	**1 319 953 851.86**	**1 800 769.56**	**2 481 731.34**	**4 083 615.90**	**1 900 087.58**	**1 330 220 056.24**

The total amount owed to DWS as at 30 June 2026 is **R 1,316 million.**

Client:	Msukaligwa Local Municipality	**Prepared by:**	Nompumelelo Mashaja
Year end:	30 June 2026	**Date:**	06-Jul-26
Subject:	Bulk Purchases - Water	**Reviewed by:**	S Nkosi
Period ending	30 June 2026	**Date:**	30-Jun-26
		Final Review by:	
		Date:	

DWAF ACCOUNTS MOVEMENTS FOR THE YEAR AS PER INVOICES

ACCOUNTS	Opening Balance	Amount Excl	VAT Amount	Interest	Payments	Adjustment	Creditors	Statement Balance	difference
20029265 NRWI	496 490 053.53	-	-	-	(9 592 335.99)	(1 100 572.73)	**485 797 144.81**	485 797 144.81	-
20029265 CMA	-	-	-	-	-	-	**-**	-	-
20028765 NRWI	198 876.96	-	-	-	-	-	**198 876.96**	198 876.96	-
20028765 CMA	100 885.98	71 270.83	-	11 970.44	-	-	**184 127.25**	383 004.25	- 198 877.00
20031984 NRWI	41 908 198.74	37 648 084.39	5 591 299.66	21 119.94	-	(67 278 353.12)	**17 890 349.61**	845 313.27	17 045 036.34
20031984 CMA	-	-	-	-	-	-	**-**	-	-
20033982 NRWI	336 243 385.67	-	-	-	-	-	**336 243 385.67**	332 688 081.26	3 555 304.41
20033982CMA	-	-	-	-	-	3 555 304.41	**3 555 304.41**	3 555 304.41	-
20037906 NWRI	111 607.71	9 464.40	-	11 017.79	-	-	**132 089.90**	132.00	131 957.90
20037906 CMA	-	4 762.80	-	714.42	-	-	**5 477.22**	-	5 477.22
21070010 NWRI	1 554 885.56	-	-	-	-	-	**1 554 885.56**	1 554 885.56	-
21070010 CMA	726.35	279.90	-	34.96	-	-	**1 041.21**	1 041.21	-
20014912 NRWI	139 334 230.26	-	-	-	-	-	**139 334 230.26**	136 334 230.26	-
20014912 CMA	24 356.99	- 3 343.25	-	1 536.55	-	-	**22 550.29**	22 550.29	-
20056412 NWRI	18 558 912.46	1 761 108.00	262 711.80	-	-	-	**20 582 732.26**	20 582 732.26	-
20056412 CMA	3 732.00	3 732.00	-	325.49	-	-	**7 789.49**	7 789.49	-
20059491 NRWI	104 074 973.83	15 986 124.00	2 362 882.10	12 225 190.47	-	- 4 768 367.65	**129 880 802.75**	129 880 802.75	-
20059491 CMA	233 313.02	89 903.88	-	29 755.64	-	- 11 206.74	**341 765.80**	341 765.80	-
20059482 NRWI	141 998 117.60	23 135 565.73	3 451 228.50	16 887 435.83	-	- 6 572 360.14	**178 899 987.52**	178 899 987.52	-
20059482 CMA	127 232.05	49 027.05	-	16 226.64	-	- 6 111.41	**186 374.33**	186 374.36	- 0.03
TOTAL DWS	**1 280 963 488.71**	**78 755 979.73**	**11 668 122.06**	**29 205 328.17**	**- 9 592 335.99**	**- 76 181 667.38**	**1 314 818 915.30**	**1 316 872 195.00**	**20 538 898.84**

The statement below reflect a balance of R 10,202,741 million in the Trading services account (Account opened for ring-fencing fund for the debt relief)

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 Geoffrey Mavhivha
(087) 345-0990

BBBT14 547581
"MSUKALIGWA LOCAL MUNICIPALITY
90 KERK AND TAUTE ST
ERMELO
2351

Customer VAT Registration Number Not Provided
Bank VAT Registration Number 4210102051

Public Sector Cheque Account : 63143810413
Tax Invoice/Statement Number : 14
Statement Period : 31 May 2026 to 30 June 2026
Statement Date : 30 June 2026

Statement Balances

Opening Balance	10,163,179.25 Cr
Closing Balance	10,202,741.41 Cr
# Inclusive of VAT @ 15.00%	15.00 Dr
Total VAT (ZAR)	15.00 Dr

Bank Charges

Service Fees	115.00 Dr
Cash Deposit Fees	0.00
Cash Handling Fees	0.00
Other Fees	0.00

Interest Rate

Credit Rate**	4.75%
Debit Rate (Non-NCA)	12.50%

Transactions in RAND (ZAR)

Date	Description	Amount	Balance	Accrued Bank Charges
30 Jun	Int On Credit Balance	39,678.16 Cr	10,202,856.41 Cr	
30 Jun	#Service Fees	115.00	10,202,741.41 Cr	

Closing Balance **10,202,741.41 Cr**

Turnover for Statement Period

No. Credit Transactions 1	39,678.16 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 29 May 2026, the Prime Lending Rate changed to 10.50%. This may impact the rate on any of your credit facilities.

Delivery Method: FI 802
NG/EM/WV/DDA DB
8206

Branch Number	Account Number	Date	DDA DB/PIA/CZ/OD/CL/BB/LS/UR/N	FN
8206	63143810413	30/06/26	PUBLIC SECTOR CHEQUE ACCOUNT	

1246510

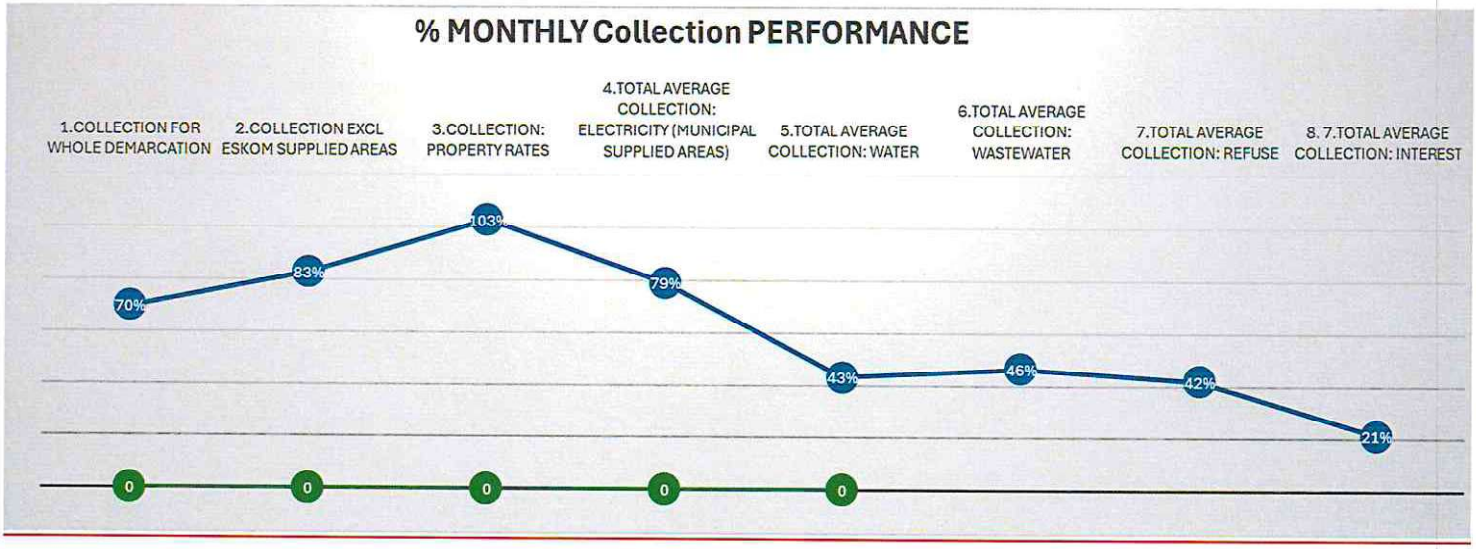
15.2 MFMA Circular 124 – Condition 6.4 Compliance with a unfunded MTREF Budget.

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 30 April 2026 is 83%
- Colectrin rate for Water for the month ending 30 April is 43%

15.5 MFMA Circular 124 – Condition 6.7 Average Quarterly collection rate

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

Municipal Details							
Mpumalanga							
Code		District		Municipality		Period Monitored	No.Of Wards
MP302		Gert Sibande		Msukaligwa		Feb-26	18

Collection Rate Assessment

Aggregate Collection	Summary - Quarter 1				Q1	Summary - Quarter 2				Q2	Summary - Quarter 3				Q1	Summary - Quarter 4				Q1
	Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	208 726 723	150 152 790	58 573 933	72%	72%	213 436 990	154 655 979	58 781 011	72%	72%	137 403 763	92 914 373	44 489 389	68%	68%	-	-	-	#DIV/0!	
2.Collection excl Eskom supplied areas	46 082 870	39 323 785	6 759 086	85%	85%	42 645 668	39 312 453	3 333 215	92%	92%	28 379 892	23 813 061	4 566 831	84%	84%	-	-	-	#DIV/0!	
3.Collection: Property Rates	57 380 219	53 493 179	3 887 040	93%	93%	60 681 183	56 961 770	3 719 413	94%	94%	39 084 249	34 966 209	4 118 040	89%	89%	-	-	-	#DIV/0!	
4.Total average collection: Electricity	68 990 075	57 825 361	11 164 714	84%	84%	69 060 817	59 072 797	9 988 020	86%	86%	42 724 417	34 961 216	7 763 201	82%	82%	-	-	-	#DIV/0!	
5.Total average collection: Water	32 605 029	17 722 084	14 882 945	54%	54%	35 696 588	17 913 299	17 783 289	50%	50%	22 912 292	10 784 123	12 128 169	47%	47%	-	-	-	#DIV/0!	
6.Total average collection: Wastewater	18 720 614	9 385 698	9 334 916	50%	50%	18 476 677	9 888 287	8 588 390	54%	54%	12 604 659	5 960 426	6 644 232	47%	47%	-	-	-	#DIV/0!	
7.Total average collection: Refuse	16 071 844	7 199 732	8 872 112	45%	45%	15 942 912	7 473 750	8 469 162	47%	47%	10 868 579	4 392 836	6 475 742	40%	40%	-	-	-	#DIV/0!	
8.Total average collection: Interest	14 958 941	4 526 735	10 432 206	30%	0%	13 578 813	3 346 077	10 232 736	25%	25%	9 209 567	1 849 562	7 360 005	20%	20%	-	-	-	#DIV/0!	

1.Collection for whole demarcation	66%
2.Collection excl Eskom supplied areas	84%
3.Collection: Property Rates	89%
4.Total average collection: Electricity (Municipal supplied areas)	82%
5.Total average collection: Water	47%
6.Total average collection: Wastewater	47%
7.Total average collection: Refuse	40%
8.Total average collection: Interest	20%

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

- The Property Rates Reconciliation for June 2026 indicates that the General Valuation Roll and the Municipal Financial System are fully aligned in terms of property numbers and market values, with no variances recorded.

Property Rates Reconciliation	
Province	MP
District	Gert Sibande District
Type	LM
Municipal Name	Msukaligwa
GV Period	01/04/2026-30/04/2026
Financial Year	2025-2026
Reconciliation Period	Apr-26

Reconciliation Overview

High Level Reconciliation

Propety Categories	# of Properties			Market Values		
Propety Categories	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	26 239	26 239	-	11 262 834 801.00	11 262 834 801.00	-
Industrial	106	106	-	335 790 300.00	335 790 300.00	-
Business and Commercial	836	836	-	3 289 763 200.00	3 289 763 200.00	-
Agricultural	2 246	2 246	-	11 693 259 600.00	11 693 259 600.00	-
Mining	92	92	-	67 270 000.00	67 270 000.00	-
State Owned for Public Purpose	147	147	-	1 307 549 100.00	1 307 549 100.00	-
PSI	688	688	-	123 824 500.00	123 824 500.00	-
PBO	131	131	-	332 211 300.00	332 211 300.00	-
Multi Use	-	-	-	-	-	-
Vacant	3 342	3 342	-	528 736 020.00	528 736 020.00	-
POW	2	2	-	94 700 000.00	94 700 000.00	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
	33 829	33 829	-	29 035 938 821.00	29 035 938 821.00	-

Detailed Reconciliation

Propety Categories	Monthly Billing			Quarterly		
Propety Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	7 094 653	7 094 647	6	21 283 959.51	21 283 940.10	19.40
Industrial	763 439	763 439	-	2 290 316.58	2 290 316.58	-
Business and Commercial	7 508 942	7 508 942	-	22 526 826.09	22 526 826.09	-
Agricultural	2 473 146	2 473 143	3	7 419 437.89	7 419 428.58	9.32
Mining	153 725	153 725	-	461 175.51	461 175.51	-
State Owned for Public Purpose	2 721 086	2 721 086	-	8 163 256.91	8 163 256.91	-
PSI	14 874	14 874	-	44 622.20	44 622.20	-
PBO	4 171	4 171	-	12 513.96	12 513.96	-
Multi Use	-	-	-	-	-	-
Vacant	707 788	707 740	48	2 123 363.89	2 123 219.27	144.61
POW	9 669	9 669	0	29 006.99	29 006.99	0.00
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	R21 451 493.17	R21 451 435.40	R57.78	64 354 479.52	64 354 306.19	173.33

Prepared By	Nomusa Zulu	Date	2026/06/30
Signature	Contatct Details		
Reviewed By	GT MAHLANGU	Date	2026/06/30
Signature	Contatct Details		

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 April 2026 with the intention to improve the compliance percentage.

15.8 MFMA Circular 124 – Condition 6.11 Limitation on Municipality borrowing

- The Municipality does not have any borrowings as at 30 April 2026

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

Municipality Self-Assessment

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period	Jun'26	
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
	6.3 + 6.12	**Maintaining the Eskom and bulk water current account** – *(refer to section 6.12 of this circular meaning the account for a single month's consumption)*		
1	6.12.2	- Has the municipality paid its ***bulk water current account*** within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? ***Note** - refer condition 6.12 .2*	No	
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	No	The municipality did not make any payments to DWS in June
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	No	The municipality did not make any payments to DWS in June
4	6.3.1	- Has the municipality paid its ***Eskom bulk current account*** within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? ***Note** - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.*	No	The municipality only paid for resale accounts in June
5	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	No	The municipality only paid for resale accounts in June, and POP was submitted to PT and NT
6	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes	The amounts paid for resale accounts balances with amounts captured on the financial system
	6.4	**Compliance with a funded MTREF** – *(choose from drop down list the MTREF assessed)*	2025/26 Main Adjustment MTREF	
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?	Yes	
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes	
9	6.4.1	- Has the municipality made adequate provision for debt impairment *(considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget)* on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes	
		Note - For example: If the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (who property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 percent of the 2024/25 MTREF revenue (who property rates) budget. If the municipality merely used the debt impairment to balance the budget and there is no correlation between the provision for such with the actual collection of revenue, the provincial treasury must respond to this item as "No".		
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment *(considering its asset register and physical state of assets)* on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes	
		Note - If the municipality merely used the depreciation and asset impairment to "balance" the budget and there is no real alignment between the provision for such with the state of assets/asset register the Provincial Treasury must respond to this item as "No".		
11	6.4.2	- ***If the municipality's MTREF is not funded***, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	Yes	
		Note - While municipalities do not have a separate budget funding plan is not necessary. However, the BT / BT must scrutinise whether the existing FRP in any manner will give effect to funded MTREF - if not, the FRP will no longer be valid.		
12	6.4.2	- ***If the municipality's MTREF is not funded and it has an FRP per the legislative framework***, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? *Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.*	Yes	
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends *(For example higher winter Eskom tariffs, lower January collection rates, etc.?)*	Yes	
14	6.5	**Cost reflective tariffs** – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes	
	6.6	**Electricity and water as collection tools** – has the municipality, with effect from the tabling of the 2023/24 MTREF, *demonstrated, through its by-laws and budget related policies* that:		
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes	
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.	No	
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? *Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the indigent information in the required NT format.*	Yes	

	6.6	*Supporting evidence: The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6*		
	6.7	**Maintain a minimum average quarterly collection of property rates and services charges –**		
19	6.7.1	- Has the municipality achieved a minimum of *80 per cent average quarterly collection* of property rates and service charges **with effect from 01 April 2023** and *85 per cent average quarterly collection* **with effect from 01 April 2024** during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	Yes	
		Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm		
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, **has the municipality demonstrated to the satisfaction of National Treasury the following :**		
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;	6.7.1 = Yes	
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	6.7.1 = Yes	
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?	6.7.1 = Yes	
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	No	
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?	No	
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?	No	
	6.8	**Municipality's Completeness of the revenue base –**	Yes	
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?	N/a	
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://liguploadportal.treasury.gov.za?		
	6.9	**Monitor and report on implementation –**	No	
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?	No	
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://liguploadportal.treasury.gov.za?		
		Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS		
	6.10	*Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:*	Yes	
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://liguploadportal.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?	No	
		Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.		

36	6.11	**Limitation on municipality borrowing powers** - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?		
		Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124, condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition		
	6.12	For the duration of the Municipal Debt Relief (to ensure proper management of resources):		
37	6.12.1	- has the municipality **apportioned and ring-fenced in a sub-account** to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) **the component of the** Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	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?	No	
		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.*	No	N/A, Debt Relief Programme is still in progress
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 that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.		

PT: HOD/ NT / MM Name: MR M KUNENE

Signature of HOD/ NT/ MM: P.P

Date: 10-Jul-26

***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 incoporated 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	ode Descripti
MP302	Gert Sibande	Msukaligwa

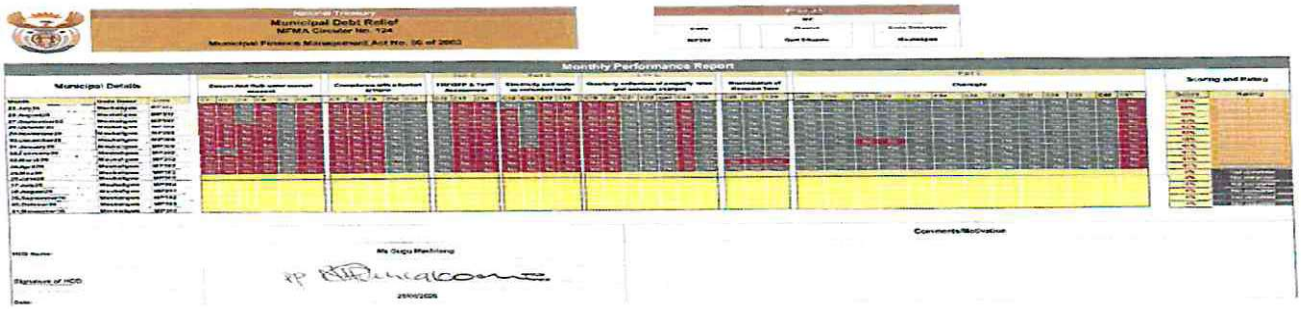
Monthly Performance Report

Municipal Details			Part A						Part B					Part C			Part D				Part C							Maximization of Revenue Base			Part E																					Part F		Month applicable
			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										Oversight																					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		
1.July	Msukaligwa	MP302	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	N/A	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	93%	Non Compliance	Yes
2.August	Msukaligwa	MP302	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	93%	Non Compliance	Yes
3.September	Msukaligwa	MP302	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	85%	Non Compliance	Yes
4.October	Msukaligwa	MP302	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance	Yes
5.November	Msukaligwa	MP302	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance	Yes
6.December	Msukaligwa	MP302	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance	Yes
7.January	Msukaligwa	MP302	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance	Yes
8.February	Msukaligwa	MP302	No	No	No	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Non Compliance	Yes
9.March	Msukaligwa	MP302	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance	Yes
10.April	Msukaligwa	MP302	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	78%	Non Compliance	Yes
11.May	Msukaligwa	MP302	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	No	N/A	N/A	N/A	Yes	Yes	No	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	83%	Non Compliance	Yes
12.June	Msukaligwa	MP302	No	No	No	No		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	N/A	N/A	N/A	No	No	No	Yes	N/A	Yes	No	No	Yes	Yes	Yes	No	Yes	Yes	No	Yes	No	No	63%	Non Compliance	Yes

		Comments/Motivation
HOD Name:	MR. M. KUNENE	
Signature of HOD:		
Date:	10-Jul-26	

** 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

Water Debt Relief

Water Debt Relief Guideline

Municipal Finance Management Act No. 56 of 2003

Legend	
[illegible]	Complied
85-99%	Moderate Compliance
[illegible]	Not Compliant

Monthly Performance Report

Municipal Details			Part A: Bulk water current account				Part B: Accounting Treatment and mSCOA Reporting				Part C: Monitor and report on implementation							Part D: FRPs & Implementation progress			Scoring and Rating	
Month	Code Description	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	Score	Rating
1.July 2025	Msukaligwa	MP302	No	No	No	No	N/A	N/A	No	No	No	Yes	No	No	No	No	No	No	Yes	Yes	28%	Not Compliant
2.August 2025	Msukaligwa	MP302	No	No	No	No	N/A	N/A	No	No	No	Yes	No	No	No	No	No	No	Yes	Yes	28%	Not Compliant
3.September 2025	Msukaligwa	MP302	No	No	No	No	N/A	N/A	Yes	Yes	No	Yes	No	No	No	No	No	No	Yes	Yes	39%	Not Compliant
4.October 2025	Msukaligwa	MP302	No	No	No	No	N/A	N/A	Yes	Yes	No	Yes	No	No	No	No	No	No	Yes	Yes	39%	Not Compliant
5.November 2025	Msukaligwa	MP302	No	No	No	No	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	No	Yes	Yes	Yes	50%	Not Compliant
6.December 2025	Msukaligwa	MP302	No	No	No	No	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	No	Yes	Yes	Yes	50%	Not Compliant
7.January 2026	Msukaligwa	MP302	No	No	No	No	N/A	N/A	Yes	Yes	No	No	No	No	No	No	No	No	No	Yes	28%	Not Compliant
8.February 2026	Msukaligwa	MP302	No	Yes	Yes	No	N/A	N/A	No	Yes	No	No	No	No	No	No	No	Yes	Yes	Yes	44%	Not Compliant
9.March 2026	Msukaligwa	MP302	No	No	No	No	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	No	Yes	Yes	Yes	50%	Not Compliant
10.April 2026	Msukaligwa	MP302	No	No	No	No	N/A	N/A	No	Yes	Yes	Yes	No	No	No	No	No	Yes	Yes	Yes	44%	Not Compliant
11. May 2026	Msukaligwa	MP302	No	No	No	No	N/A	N/A	No	Yes	No	No	No	No	No	No	No	No	Yes	No	22%	Not Compliant
12. June 2026	Complete demarcation Code above	Search																			0%	Not Compliant

PT: HOD/ NT / MM Name:	Ms Gugu Mashiteng
Signature of PT: HOD/ NT/ MM:	pp [signature]
Date:	25/06/2026

16. WATER DEBT RELIEF CONDITIONS

16.1 Condition 7.1 - "Maintaining the bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption that was due and payable during the month being assessed):"

The Municipality did not comply with this condition for the month ending 30 April 2026, however funds have been ring-fenced to assist in complying with the condition.

16.2 Condition 7.2 - Accounting Treatment and mSCOA Reporting

Due to advice from National Treasury, the Municipality has revised its budget funding plan and is in the process of updating the template recently provided by NT on a monthly basis.

16.3 Condition 7.3 - Monitor and report on implementation – Section 71 monthly Reporting and FRP

The municipality assessed the Financial Recovery Plan as at 30 April 2026 and updated progress for each pillar.

The municipality is still on the RESCUE Phase with a total of 178 key intervention activities planned across four strategic pillars. As of the latest progress update, 87 activities have been completed, representing 49% of the overall targets, while 91 activities (51%) remain in progress.

Pillar 1: Governance shows steady advancement, with 5 of 23 activities completed and 18 underway, indicating significant ongoing work to strengthen oversight, leadership, and accountability mechanisms.

Pillar 2: Institutional Development has achieved 14 of 32 planned activities, with an equal number (18) still in progress. This demonstrates balanced effort toward capacity building and structural reforms within institutions.

Pillar 3: Financial Management reflects notable progress, having completed 29 of 53 activities, while 24 activities are still being implemented. This suggests active work toward improving financial systems, transparency, and resource management.

Pillar 4: Service Delivery, the largest component, leads in total outputs, with 39 of 70 activities completed and 27 in progress. This highlights significant improvement efforts in frontline services, though substantial work remains to reach full implementation.

16.4 Water Debt Relief Self-Assessment Checklist

Annexure 02 - Monthly

Department of Water and Sanition and National Treasury
Water Debt Relief
Water Debt Relief Guideline
Municipal Finance Management Act No. 56 of 2003

National Treasury

Certificate of Compliance: Water Debt Relief Conditions

Period	**Jun-26**
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 municipality's compliance against the conditions of Municipal Debt Relief as set-out in the **Water Debt Relief Guideline** 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:

Water Debt Relief Conditions (Monthly reporting)

Condition			***Choose from drop down list***	**Notes/Comments**
	7.1	**Maintaining the bulk water current account –** current account in the purpose of this exercise means the account for a single months consumption that was due and payable during the month being assessed		
1	7.1.	- 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 7.1.*	No or only partial payment	The municipality did not make any payments to DWS in June 2026
2	7.1.1	- Has the municipality submitted the supporting evidence of the bulk water current account payment(s) to the relevant Water Board (WB) and/ or Water Trading Entity (WTE) and / or Water User Association (WUA)within 1 day of making any such payment (in PDF format)?	No	The municipality did not make any payments to DWS in June 2026
3	7.1.2	- Has the municipality submitted the **consolidated** proof of payments to the respective bulk suppliers to the National Treasury GoMuni Upload portal https://guploadportal.treasury.gov.za by the 10th working day of the month following the invoice date (in PDF format)?	No	The municipality did not make any payments to DWS in June 2026
4	7.1.2	- 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 (WB) and/ or Water Trading Entity (WTE) and / or Water User Association (WUA)?	No	The municipality did not make any payments to DWS in June 2026
	7.2	**Accounting Treatment and mSCOA Reporting**		
5	7.2.1	**Accounting Treatment** - has the municipality fully accounted for and correctly reported on the write-off of its Water arrear debt (debt existing as on 30 September 2024) as per any written instruction of the National Treasury: Office of the Accountant General and NT: CD: Local Government Budget Analysis issued for Water Debt Relief to date?	N/A (No write-off yet)	
6	7.2.1	Did the municipality account for any related benefit (e.g. interest suppression, etc.) and does such align with mSCOA?	N/A (No benefit yet)	
	7.3	**Monitor and report on implementation –**		
7	7.3.1	**MFMA section 71 reporting –** has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the Water Debt Relief Conditions as part of the implementation of the municipality's funded budget (and Budget Funding Plan where relevant)?	Yes	
8	7.3.1.1	Does the municipality's MFMA section 71 statement for the month being assessed include the municipality's water debt relief compliance self-assessment (signed by the Municipal Manager) - in the format of the Water Debt Relief compliance certificate (Annexure 02 of the Water Debt Relief Guideline)?	Yes	
	7.3.1	**Does the municipality's MFMA section 71 statement for the month being assessed -**		
9	7.3.1.2	**Part A:** include the municipality's progress against its approved funded budget?	Yes	
10	7.3.1.2	**Part B:** If the municipality's budget was assessed as unfunded by any of the Treasuries, the municipality include the progress against approved Budget Funding Plan?	Yes	
11	7.3.1.2	- Does the municipality's progress report envisaged in **Part A and B** above clearly demonstrate that the municipality is achieving the required Water Debt Relief compliance?	Incomplete reporting	
12	7.3.1.3	- Include the municipality's water losses (both in Rand value and kilolitres) for the month being assessed? (MFMA Circular 71)	No	
13	7.3.1.3	- Include the municipality's energy losses (both in Rand value and kilowatt hours) for the month being assessed? (MFMA Circular 71)	No	
14	7.3.1.3	- **If the municipality is unable to calculate and report on its water and/or energy losses, did the municipality make any progress in terms of its loss calculation/ reporting strategy towards *calculating and reporting on such losses?***	No	
15	7.3.1.3	- Include the *progress made to reduce* the municipality's reported water and/ or energy losses against its water-and energy losses reduction strategy?	No	
		Municipalities with financial recovery plans (FRP)		
16	7.3.1.2	- **Municipalities with financial recovery plans (FRP) –** if the municipality has a FRP as envisaged in the prevailing local government legislative framework: Did the municipality's FRP progress report during the month being assessed, explicitly include the municipality's progress against those components of the FRP aimed to achieve water debt relief compliance as part of achieving a funded budget?	Yes	
17	7.3.1.2	- **Municipalities with financial recovery plans (FRP) –** Was the municipality's FRP progress report during the month being assessed, submitted to the relevant Provincial Executive?	Yes	
18	7.3.2	- If progress is slow in terms of paragraph 7.3.1, is the municipal council and senior management team's 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?	Yes	

PT: HOD/ NT / MM Name: MR M KUNENE

Signature of PT: HOD/ NT/ MM: P.P

Date: 10-Jul-26

***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 incoporated into the related PT report*

National Treasury

Water Debt Relief
Water Debt Relief Guideline
Municipal Finance Management Act No. 56 of 2003

Legend	
100%	Complied
60-99%	Moderate Compliance
0-59%	Not Compliant

Monthly Performance Report

Municipal Details			Part A				Part B				Part C							Part D			Scoring and Rating	
			Bulk water current account				Accounting Treatment and mSCOA Reporting				Monitor and report on implementation							FRPs & Implementation progress				
Month	Code Description	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	Score	Rating
1.July 2025	Msukaligwa	MP302	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	89%	Moderate compliance
2.August 2025	Msukaligwa	MP302	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	89%	Moderate compliance
3.September 2025	Msukaligwa	MP302	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	89%	Moderate compliance
4.October 2025	Msukaligwa	MP302	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	89%	Moderate compliance
5.November 2025	Msukaligwa	MP302	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	89%	Moderate compliance
6.December 2025	Msukaligwa	MP302	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	94%	Moderate compliance
7.January 2026	Msukaligwa	MP302	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	94%	Moderate compliance
8.February 2026	Msukaligwa	MP302	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	94%	Moderate compliance
9.March 2026	Msukaligwa	MP302	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	94%	Moderate compliance
10.April 2026	Msukaligwa	MP302	No	No	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	89%	Moderate compliance
11. May 2026	Msukaligwa	MP302	No	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	78%	Moderate compliance
12. June 2026	Msukaligwa	MP302	No	No	No	No	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	No	Yes	Yes	Yes	50%	Not Compliant
13.July 2026	Complete demarcation Code ab	Search																			0%	Not Compliant
14.August 2026	Complete demarcation Code ab	Search																			0%	Not Compliant
15.September 2026	Complete demarcation Code ab	Search																			0%	Not Compliant
16.October 2026	Complete demarcation Code ab	Search																			0%	Not Compliant
17.November 2026	Complete demarcation Code ab	Search																			0%	Not Compliant
18.December 2026	Complete demarcation Code ab	Search																			0%	Not Compliant
19. January 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
20.February 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
21.March 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
22.April 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
23.May 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
24.June 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
25.July 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
26.August 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
27.September 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
28.October 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
29.November 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
30.December 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
31.January 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
32.February 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
33.March 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
34.April 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
35.May 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
36.June 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
37.July 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
38.August 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
39.September 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
40.October 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
41.November 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
42.December 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
43.January 2029	Complete demarcation Code ab	Search																			0%	Not Compliant
44.February 2029	Complete demarcation Code ab	Search																			0%	Not Compliant
45.March 2029	Complete demarcation Code ab	Search																			0%	Not Compliant
46.April 2029	Complete demarcation Code ab	Search																			0%	Not Compliant
47.May 2029	Complete demarcation Code ab	Search																			0%	Not Compliant
48.June 2029	Complete demarcation Code ab	Search																			0%	Not Compliant

PT: HOD/ NT / MM Name:	MR M.KUNENE
Signature of PT: HOD/ NT/ MM:	P.P
Date:	10-Jun-26

** 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

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 budget statement report and supporting documentation for submission of the **Section 71/52 Monthly/Quarterly Report for June 2026 – M12** 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: P.P _____

Date: _____