Msukaligwa Local Municipality

SECTION 71 QUARTERLY REPORT

30 September 2026

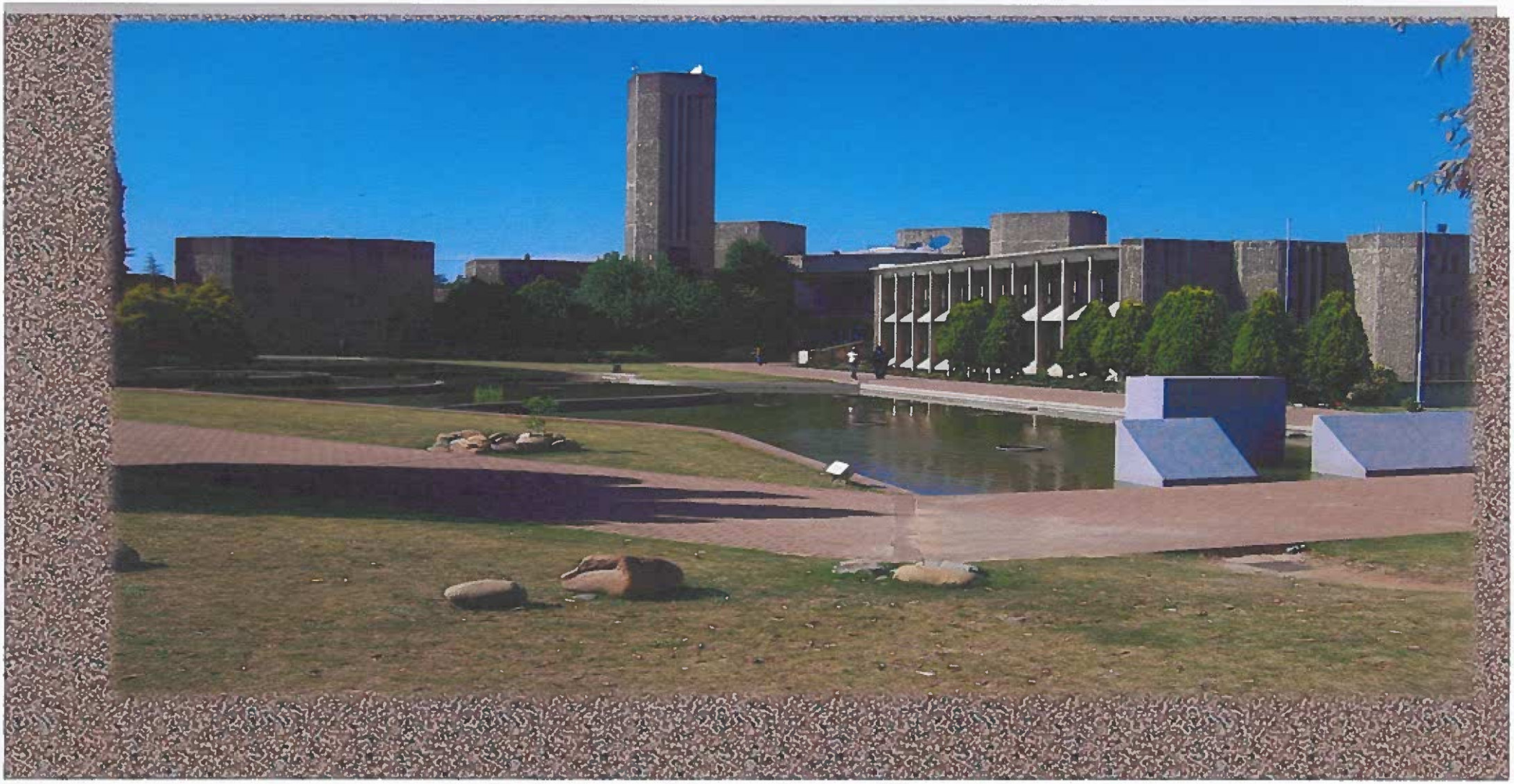


Table of Contents

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	
Councillor and board member allowances and employee benefits	
10. Overtime schedule	
11. Material variances to the service delivery and budget implementation plan	
12. Capital programme performance	
13. Other Supporting Docuements	
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	
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	
15. 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 Quarter's consumption that was due and payable during the Quarter being assessed):"	
16.2 Condition 7.2 - Accounting Treatment and mSCOA Reporting	
16.3 Condition 7.3 - Monitor and report on implementation – Section 71 Quarterly Reporting and FRP	
16. Municipal Manager's quality certification	
17. Recommendations	

List of Tables

Consolidated summary: Statement of Financial Performance: YTD Budget .....
Consolidated summary: Statement of Financial Performance: Adjusted Budget .....
C4 Financial Performance (Revenue) .....
Table C4 Financial Performance (Expenditure) .....
Summary of YTD Bulk Electricity expenditure .....
Summary of YTD Bulk Water expenditure .....
Summary of outstanding ESKOM debt .....
Summary of outstanding DWS debt .....
Summary of payments per payment date .....
High level summary: Capital Expenditure .....
Supporting Table SC3: Aged Debtors .....
Quarterly 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 Quarterly 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 SEPTEMBER 2026
TO: THE EXECUTIVE MAYOR
FROM: THE DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE

MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71/52: IN-YEAR QUARTERLY AND QUARTERLY BUDGET STATEMENT FOR THE PERIOD ENDING 30 September 2026.

1. PURPOSE

The purpose of this report is to present a 71/52 M03- September 2026 Quarterly/Quarterly 1 report of the MFMA by providing a Quarterly statement on the implementation of the budget and the financial situation for the municipality for the Quarter ending **30 September 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 Quarter 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 Quarter and for the financial year up to the end of that Quarter:

- (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 Quarter must, by no later than 10 working days after the end of that Quarter, 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 71/52 of the Municipal Finance Management Act deals with requirements for a Quarterly/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 71/52 Quarterly/Quarterly Reporting and FRP

The municipality remains in the **RESCUE Phase**.

- The municipality has successfully completed **87 out of 178** tasks (49%), with **91 tasks (51%)** presently underway.

- Progress has been observed across all four pillars, with the highest completion percentage in Financial Management **(55%)** and Service Delivery **(56%).** Governance stands at **22%**, indicating a need for more focus, while Institutional Development is at **44%**.

- Overall, the implementation is progressing quite well, although additional efforts are needed to finalize the incomplete interventions and achieve the objectives of the program.

	2026/27	2026/27	YTD Actual	YTD Budget	Differences Quarter to date	
Description	Original	Adjustment budget	Actual	Budget	Actual versus budget	Achieved
	R million	R million	R million	R million	R million	%
Revenue	1 369 493	0	384 920	342 373	42 547	12%
Expenditure	1 913 501	0	405 128	482 256	(77128)	-16%
Total Surplus/Deficit	**(544 009)**	**0**	**(20 208)**	**(139 883)**	**119 675**	

The 2026/27 year-to-date performance indicates that revenue is in excess of the budget whereas expenditure is also considerably above budget, leading to an overall surplus.

Revenue Performance

The 2026/27 financial year-to-date (YTD) revenue collection was better than expected. YTD actual revenue for the Quarter ending 30 September 2026 amounted to **R 384,920 million** while the budgeted amount was **R 342,373 million**. As a result, the difference between the two amounted to **R 42,547 million (12%)**, which indicates that revenue collection is exceeding what was originally anticipated at this point in time.

Expenditure Performance

The year-to-date expenditure totaled **R 405,128 million**, compared to a budget of **R 482,256 million**, leading to an underspending of **R 77,128 million (16%).** This indicates that the municipality is spending within the planned projection.

Surplus/deficit

The Municipality has reported year-to-date deficit, the actual amount of **R 559,695 million** compared to a budget of **R 544,891 million**, resulting in a variance of **R14,804 million**.

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 - M03 September

Description	2025/26	Budget Year 2026/27							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD	YTD %	Full Year Forecast
Financial Performance									
Property rates	257 450	264 325	–	20 242	63 779	66 081	(2 302)	-3%	264 325
Service charges	586 011	670 777	–	53 866	163 919	167 694	(3 775)	-2%	670 777
Investment revenue	6 167	6 681	–	1 037	2 218	1 670	548	33%	6 681
Transfers and subsidies - Operational	295 841	309 427	–	–	125 092	77 357	47 736	0	309 427
Other own revenue	198 943	118 282	–	11 017	29 912	29 571	341	1%	118 282
Total Revenue (excluding capital transfers and contributions)	1 344 412	1 369 493	–	86 163	384 920	342 373	42 547	12%	1 369 493
Employee costs	374 605	365 241	–	31 092	93 137	91 310	1 827	2%	365 241
Remuneration of Councillors	19 298	20 314	–	1 552	4 752	5 079	(326)	-6%	20 314
Depreciation, amortisation and impairment	121 452	132 744	–	–	–	33 186	(33 186)	-100%	132 744
Interest, Dividends and Rent on Land	133 322	173 201	–	13 179	35 502	43 300	(7 798)	-18%	173 201
Inventory consumed and bulk purchases	695 058	813 763	–	64 042	211 222	203 441	7 782	4%	813 763
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	491 060	408 238	–	21 223	60 514	105 940	(45 427)	-43%	408 238
Total Expenditure	1 834 795	1 913 501	–	131 087	405 128	482 256	(77 128)	-16%	1 913 501
Surplus/(Deficit)	(490 383)	(544 009)	–	(44 924)	(20 208)	(139 883)	119 675	-86%	(544 009)
Transfers and subsidies - capital (monetary allocations)	223 173	427 952	–	–	–	106 988	(106 988)	-100%	427 952
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	(267 210)	(116 057)	–	(44 924)	(20 208)	(32 895)	12 687	-39%	(116 057)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	(267 210)	(116 057)	–	(44 924)	(20 208)	(32 895)	12 687	-39%	(116 057)
Capital expenditure & funds sources									
Capital expenditure	299 080	28 433	–	277 491	101 415	162 485	(61 070)	-38%	28 433
Capital transfers recognised	181 121	18 555	–	254 241	97 668	161 116	(63 448)	-39%	18 555
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	4 661	9 878	–	23 118	3 747	2 469	1 277	52%	9 878
Total sources of capital funds	185 782	28 433	–	277 358	101 415	163 585	(62 170)	-38%	28 433
Financial position									
Total current assets	1 160 365	1 776 725	–		1 523 799				1 776 725
Total non current assets	3 014 230	2 815 282	–		3 116 997				2 815 282
Total current liabilities	2 886 867	2 431 469	–		3 321 749				2 431 469
Total non current liabilities	181 901	1 429 971	–		181 901				1 429 971
Community wealth/Equity	837 490	728 054	–		1 092 726				728 054
Cash flows									
Net cash from (used) operating	169 662	483 762	–	(931 598)	415 246	667 009	251 763	38%	453 229
Net cash from (used) investing	299 254	(30 533)	–	(291 456)	(34 201)	109 457	143 658	131%	(30 533)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	(943 765)	496 319	–	(2 115 937)	(1 024 341)	787 239	1 811 580	230%	(982 690)
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	82 691	59 044	47 998	51 129	45 847	34 094	186 891	1 368 012	1 875 706
Creditors Age Analysis									
Total Creditors	101 398	85 205	81 031	144 947	97 005	3 240	264 674	2 076 745	2 854 245

4. FINANCIAL PERFORMANCE OVERVIEW

4.1 For the Quarter ending 30 September 2026, the municipality reported actual YTD revenue collection of **R 384 million**, while projected budgeted revenue was **R 342 million**. This represents a positive variance of **R 42 million**, indicating that revenue collection exceeded the budget by approximately **12%**.

Operating Revenue by Source

MP302 Msukaligwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD budget	YTD	YTD %	Full Year
Revenue										
Exchange Revenue										
Service charges - Electricity		322 174	378 955	–	29 465	90 339	94 739	(4 400)	-5%	378 955
Service charges - Water		138 034	152 133	–	13 564	41 246	38 033	3 213	8%	152 133
Service charges - Waste Water Management		67 572	67 493	–	5 738	17 030	16 873	157	1%	67 493
Service charges - Waste management		58 231	72 197	–	5 100	15 304	18 049	(2 745)	-15%	72 197
Sale of Goods and Rendering of Services		1 642	4 589	–	287	1 389	1 147	241	21%	4 589
Agency services		–	–	–	–	–	–	–		–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		30 997	23 337	–	4 837	14 002	5 834	8 168	140%	23 337
Interest from Current and Non Current Assets		6 167	6 681	–	1 037	2 218	1 670	548	33%	6 681
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		2 925	9 425	–	341	1 093	2 356	(1 264)	-54%	9 425
Licence and permits		25	97	–	10	28	24	4	14%	97
Special rating levies		–	–	–	–	–	–	–		–
Construction Contract Revenue		–	–	–	–	–	–			–
Development Charges		–	–	–	–	–	–			–
Operational Revenue		410	3 415	–	121	373	854	(481)	-56%	3 415
Non-Exchange Revenue		–	–	–	–	–	–	–		–
Property rates		257 450	264 325	–	20 242	63 779	66 081	(2 302)	-3%	264 325
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		61 547	67 237	–	236	749	16 809	(16 060)	-96%	67 237
Licence and permits		8	68	–	1	10	17	(7)	-40%	68
Transfers and subsidies - Operational		295 841	309 427	–	–	125 092	77 357	47 736	62%	309 427
Interest		16 582	10 113	–	5 186	12 268	2 528	9 740	385%	10 113
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Fixed and Intangible Assets		1 116	–	–	–	–	–	–		–
Other Gains		83 693	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		1 344 412	1 369 493	–	86 163	384 920	342 373	42 547	12%	1 369 493

Property Rates

- The Property Rates Reconciliation for the first quarter M03 ending 30 September 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	01/07/2026-31/07/2026
Financial Year	2026-2027
Reconciliation Period	Jul-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	26255	26255	0	11 275 384 801.00	11 275 384 801.00	-
Industrial	106	106	0	335 790 300.00	335 790 300.00	-
Business and Commercial	840	840	0	3 291 813 200.00	3 291 813 200.00	-
Agricultural	2246	2246	0	11 693 259 600.00	11 693 259 600.00	-
Mining	92	92	0	67 270 000.00	67 270 000.00	-
State Owned for Public Purpose	147	147	0	1 307 549 100.00	1 307 549 100.00	-
PSI	688	688	0	123 824 500.00	123 824 500.00	-
PBO	128	128	0	328 921 300.00	328 921 300.00	-
Multi Use	0	0	0	-	-	-
Vacant	3327	3327	0	524 591 020.00	524 591 020.00	-
TOA	2	2	0	94 700 000.00	94 700 000.00	-
Municipal	0	0	0	-	-	-
Other	0	0	0	-	-	-
	33831	33831	0	29 043 103 821.00	29 043 103 821.00	-

Prepared By	Nomusa Zulu	Date	31/07/2026
	Contatct Details		
Signature			
Reviewed By	GT Mahlangu	Date	2026/07/31
	Contatct Details		
Signature			

Property Rates Reconciliation

Province	MP
District	Gert Sibande District
Type	LM
Municipal Name	Msukaligwa
GV Period	01/08/2026-31/08/2026
Financial Year	2026-2027
Reconciliation Period	Aug-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	26266	26266	0	11 285 694 801.00	11 285 694 801.00	-
Industrial	106	106	0	335 790 300.00	335 790 300.00	-
Business and Commercial	842	842	0	3 284 083 200.00	3 284 083 200.00	-
Agricultural	2247	2247	0	11 681 869 600.00	11 681 869 600.00	-
Mining	92	92	0	67 270 000.00	67 270 000.00	-
State Owned for Public Purpose	147	147	0	1 307 549 100.00	1 307 549 100.00	-
PSI	688	688	0	123 824 500.00	123 824 500.00	-
PBO	128	128	0	328 921 300.00	328 921 300.00	-
Multi Use	0	0	0	-	-	-
Vacant	3315	3315	0	520 881 020.00	520 881 020.00	-
TOA	2	2	0	94 700 000.00	94 700 000.00	-
Municipal	0	0	0	-	-	-
Other	0	0	0	-	-	-
	33833	33833	0	29 030 583 821.00	29 030 583 821.00	-

Prepared By	Nomusa Zulu	Date	31/08/2026
	Contatct Details		
Signature			
Reviewed By	GT Mahlangu	Date	
	Contatct Details		
Signature			

Property Rates Reconciliation

Province	MP
District	Gert Sibande District
Type	LM
Municipal Name	Msukaligwa
GV Period	01/09/2026-30/09/2026
Financial Year	2026-2027
Reconciliation Period	Sept-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	26266	26266	0	11 285 694 801.00	11 285 694 801.00	-
Industrial	106	106	0	335 790 300.00	335 790 300.00	-
Business and Commercial	842	842	0	3 284 083 200.00	3 284 083 200.00	-
Agricultural	2247	2247	0	11 681 869 600.00	11 681 869 600.00	-
Mining	92	92	0	67 270 000.00	67 270 000.00	-
State Owned for Public Purpose	147	147	0	1 307 549 100.00	1 307 549 100.00	-
PSI	688	688	0	123 824 500.00	123 824 500.00	-
PBO	128	128	0	328 921 300.00	328 921 300.00	-
Multi Use	0	0	0	-	-	-
Vacant	3315	3315	0	520 881 020.00	520 881 020.00	-
TOA	2	2	0	94 700 000.00	94 700 000.00	-
Municipal	0	0	0	-	-	-
Other	0	0	0	-	-	-
	33833	33833	0	29 030 583 821.00	29 030 583 821.00	-

Prepared By	Nomusa Zulu	Date	30/09/2026
	Contatct Details		
Signature			
Reviewed By	GT Mahlangu	Date	2026/09/30
	Contatct Details		
Signature			

- **Electricity**

Description	Original Budget 2026/27	Monthly Budget	Actual billed or received M03 (September)	Difference (Budget vs Actual)
	R	R	R	R
Conventional	265 268 547.60	22 105 712.30	27 331 032.64	(5 225 320.34)
Prepaid sales	115 452 383.34	9 473 876.70	11 158 929.92	(1 685 053.22)
Total	**380 720 930.94**	**31 579 589.00**	**38 489 962.56**	**0.00**

In September 2026 (M03), the total billed and received revenue was **R 38,489 million**, compared to a Quarterly budget of **R 31,580 million**, resulting in an unfavorable variance of **R 6,91 million.**

- **Conventional revenue** reached R **27,331 million**, against a budget of **R 22,106 million**, reflecting an unfavorable variance of **R 5,225 million.**
- **Prepaid sales** totaled **R11,158 million**, in comparison to a budget of **R 9,474 million**, leading to an unfavorable variance of **R 1,685 million**.

Water revenue for the year to date is R41,246 million versus the year-to-date budget R38,033 which exceeded the budgeted projection by R 3,2 million (8%).

Wastewater Management for the year to date is R17, 030 million versus the budget R16,873 which exceed the budget by R157 thousand (1%)

Waste Management for the year to date is R15,304 million versus the budget R18,049 million which was also slightly below the projected budget with R 2,745 thousand (15%)

Across these four revenue streams combined, actual revenue was approximately **R55 million**, against a combined budget of **R55,898 million**, resulting in an overall shortfall of approximately **R 503 thousand.**

Interest revenue - Interest earned from receivables amounted to **R14,002 million for year to date**. Other interest income from non-current assets amounted to **R 2 218 thousand** for the year to date. These amounts should be checked to confirm whether they are due to timing or once-off transactions.

Fines and penalties were significantly below budget - Only **R 749 thousand** was collected against a budget of **R16,809 million**, resulting in a shortfall of **R16,060 million**. This requires management attention.

4.2 Operating Expenditure by Source

The year-to-date Total expenditure amounts to **R 405 million** which is **16% less than the projected budget**

MP302 Msukaligwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure By Type										
Employee related costs		374 605	365 241	–	31 092	93 137	91 310	1 827	2%	365 241
Remuneration of councillors		19 298	20 314	–	1 552	4 752	5 079	(326)	-6%	20 314
Bulk purchases - electricity		538 353	630 132	–	58 487	202 631	157 533	45 098	29%	630 132
Inventory consumed		156 705	183 631	–	5 554	8 591	45 908	(37 317)	-81%	183 631
Debt impairment		152 711	167 177	–	–	–	41 794	(41 794)	-100%	167 177
Depreciation, amortisation and i		121 452	132 744	–	–	–	33 186	(33 186)	-100%	132 744
Interest, Dividends and Rent on		133 322	173 201	–	13 179	35 502	43 300	(7 798)	-18%	173 201
Contracted services		177 818	139 412	–	9 496	33 150	38 646	(5 496)	-14%	139 412
Transfers and subsidies		–	–	–	–	–	–	–		–
Irrecoverable debts written off		7 420	–	–	–	–	–	–		–
Operational costs		153 110	101 649	–	11 726	27 364	25 500	1 864	7%	101 649
Disposal of Fixed and Intangible		–	–	–	–	–	–	–		–
Other Losses		–	–	–	–	–	–	–		–
Total Expenditure		1 834 795	1 913 501	–	131 087	405 128	482 256	(77 128)	-16%	1 913 501

- **Bulk electricity purchases** - Expenditure for the year to date amounted to **R 202,631 million** compared with a budget of **R 157,533 million**, resulting in an overspending of **R45,098 million**.
- **Inventory costs** - Inventory consumed amounted to **R 8,5 million** against a budget of **R45,908 million**, resulting in an unfavourable variance of **R 37 million**.
- **Interest expenditure** - Interest incurred on overdue accounts (DWS and ESKOM) amounted to **R 35,502 million**, compared with a budget of **R43,300 million**, resulting in under spending of **R 7,7 million.**
- **Employee costs** - Employee-related costs were **R 93,137 million** against a budget of **R 91,310 million**, showing only a small overspending of **R1,8 million. This amount includes Councillors Remuneration.**
- **Contracted services** - Contracted services were **R5,496 million below budget**, while operational costs were **R 1,864 million above budget**. Debt impairment and depreciation had no expenditure recorded in September, resulting in variances of **R41,794 million and R33,186 million**, respectively.

Bulk purchases – electricity

Msukaligwa has 5 resale/distribution accounts as listed below

		ESKOM 2627					
MONTH	OPENING BALANCE	ERMELO 6486432681	DAVEL 9657898907	BREYTEN 9010981110	KWAZANELE 8341001579	SILINDILE 7296044246	TOTAL
	Opening 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
	Billing	61 227 168.37	1 973 033.30	2 601 173.97	4 037 866.29	2 044 381.80	71 883 623.73
	VAT	9 184 075.26	295 955.00	390 176.10	605 679.94	306 657.27	10 782 543.57
26-Jul	Interest	10 182 970.10					10 182 970.10
	Payment	40 825 995.77	1 800 769.56	2 481 731.34	4 083 615.90	1 900 087.58	51 092 200.15
	Adjustment						
	Opening balance	1 359 722 069.82	2 268 988.30	2 991 350.07	4 643 546.23	2 351 039.07	1 371 976 993.49
	Billing	61 273 490.56	2 022 485.14	2 599 363.23	4 264 457.89	2 100 827.33	72 260 624.15
	VAT	9 191 023.58	303 272.27	389 904.48	639 668.68	315 124.10	10 838 993.11
26-Aug	Interest	12 140 779.93					12 140 779.93
	Payment		2 268 988.30	2 991 350.07	4 643 546.23	2 351 039.07	12 254 923.67
	Adjustment						
	Opening balance	1 442 327 363.89	2 325 757.41	2 989 267.71	4 904 126.57	2 415 951.43	1 479 472 314.35
	Billing	49 709 158.13	1 524 153.79	2 137 082.72	3 444 047.85	1 672 770.08	58 487 212.57
	VAT	7 456 373.72	228 623.07	320 562.41	516 607.18	250 915.51	8 773 081.89
26-Sept	Interest	10 968 339.90	22 206.21	28 669.22	47 160.23		11 066 375.56
	Payment						
	Adjustment						
	Opening/Closing balance	1 510 461 235.64	4 100 840.98	5 475 582.06	8 911 941.83	4 339 637.02	1 533 289 237.53

Payments were made as follow:

No payments were done for September M03.

ESKOM ACCOUNTS FOR JULY 2026 PAID IN AUGUST						
ACCOUNT	CURRENT BILLING	VAT	INTEREST	TOTAL DUE	PAYMENT	PAYMENT DATE
9657898907 (DAVEL KWADELA)	1 973 033.30	295 955.00		2 268 988.30	2 268 988.30	2026/08/13
9010981110 (BREYTEN TOWN)	2 601 173.97	390 176.10		2 991 350.07	2 991 350.07	2026/08/13
8341001579 (BREYTEN KWAZANELE)	4 037 866.29	605 679.94		4 643 546.23	4 643 546.23	2026/08/13
7296044246 (LOTHAIR SILINDILE)	2 044 381.80	306 657.27		2 351 039.07	2 351 039.07	2026/08/13
6486432681 (ERMELO)	61 227 168.37	9 184 075.26	10 182 970.10	80 594 213.73		
	71 883 623.73	10 782 543.57	10 182 970.10	92 849 137.40		

ESKOM ACCOUNTS FOR AUGUST 2026 PAID IN SEPTEMBER						
ACCOUNT	CURRENT BILLING	VAT	INTEREST	TOTAL DUE	PAYMENT	PAYMENT DATE
9657898907 (DAVEL KWADELA)	2 022 485.14	303 272.27		2 325 857.91	2 325 857.91	2026/09/18
9010981110 (BREYTEN TOWN)	2 599 363.23	389 904.48		2 989 267.71	2 989 267.71	2026/09/18
8341001579 (BREYTEN KWAZANELE)	4 264 457.89	639 668.68		4 904 126.57	4 904 126.57	2026/09/18
7296044246 (LOTHAIR SILINDILE)	2 100 827.33	315 124.10		2 415 951.43	2 415 951.43	2026/09/18
6486432681 (ERMELO)	61 273 490.56	9 191 023.58	12 140 779.93	82 605 294.07		
	72 260 624.15	10 838 993.11	12 140 779.93	95 240 497.69		

ESKOM ACCOUNTS FOR SEPTEMBER 2026 WITH NO PAYMENT						
ACCOUNT	CURRENT BILLING	VAT	INTEREST	TOTAL DUE	PAYMENT	PAYMENT DATE
9657898907 (DAVEL KWADELA)	1 524 153.79	228 623.07	22 206.21	2 325 857.91		2026/09/18
9010981110 (BREYTEN TOWN)	2 137 082.72	320 562.41	28 669.22	2 989 267.71		2026/09/18
8341001579 (BREYTEN KWAZANELE)	3 444 047.85	516 607.18	47 160.23	4 904 126.57		2026/09/18
7296044246 (LOTHAIR SILINDILE)	1 672 770.08	250 915.51		2 415 951.43		2026/09/18
6486432681 (ERMELO)	49 709 158.13	7 456 373.72	10 968 339.90	68 133 871.75		
	58 487 212.57	8 773 081.89	11 066 375.56	80 769 075.37		

4.3 Capital Expenditure

MP302 Msukaligwa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

Vote Description	Ref	2025/26	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Capital Expenditure - Functional Classification										
Governance and administration		3 679	–	–	4 336	1 313	–	1 313	#DIV/0!	–
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		3 679	–	–	4 336	1 313	–	1 313	#DIV/0!	–
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		7 551	–	–	–	2 392	18 636	(16 244)	-87%	–
Community and social services		7 551	–	–	–	2 392	18 636	(16 244)	-87%	–
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		54 407	6 000	–	25 702	9 954	6 319	3 635	58%	6 000
Planning and development		–	–	–	–	–	–	–		–
Road transport		54 407	6 000	–	25 702	9 954	6 319	3 635	58%	6 000
Environmental protection		–	–	–	–	–	–	–		–
Trading services		233 617	22 433	–	247 628	87 756	138 630	(50 874)	-37%	22 433
Energy sources		3 971	16 000	–	7 946	2 825	6 100	(3 275)	-54%	16 000
Water management		40 262	3 878	–	93 930	64 725	73 876	(9 151)	-12%	3 878
Waste water management		189 383	–	–	145 752	20 206	58 015	(37 809)	-65%	–
Waste management		–	2 555	–	–	–	639	(639)	-100%	2 555
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	299 254	28 433	–	277 666	101 415	163 585	(62 170)	-38%	28 433
Funded by:										
National Government		181 121	18 555	–	254 241	97 668	161 116	(63 448)	-39%	18 555
Provincial Government		–	–	–	–	–	–	–		–
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		181 121	18 555	–	254 241	97 668	161 116	(63 448)	-39%	18 555
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		4 661	9 878	–	23 118	3 747	2 469	1 277	52%	9 878
Total Capital Funding		185 782	28 433	–	277 358	101 415	163 585	(62 170)	-38%	28 433

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

CAPITAL GRANTS SPENDING									
TYPE of GRANTS	Original allocation	Adjusted allocation /Roll Over	Adjustment	Revised Allocation	Received to date	Spent to date	Remaining on amount received	Spending% Against allocation	spending% against Receipts
MIG	R 73 686 000.00	R 0.00	R 0.00	R 73 686 000.00	R 42 823 000.00	R 35 304 767.07	R 7 518 232.93	48%	82%
EEDSM	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	0%	0%
WSIG	R 59 850 000.00	R 0.00	R 0.00	R 59 850 000.00	R 40 000 000.00	R 8 747 094.69	R 31 252 905.31	15%	22%
RBIG	R 280 000 000.00	R 0.00	R 0.00	R 280 000 000.00	R 140 000 000.00	R 28 099 036.95	R 111 900 963.05	10%	0%
INEP	R 18 100 000.00	R 0.00	R 0.00	R 18 100 000.00	R 7 000 000.00	R 3 232 673.34	R 3 767 326.66	18%	0%
MDRG	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	0%	0%
	R 431 636 000.00	R 0.00	R 0.00	R 431 636 000.00	R 229 823 000.00	R 75 383 572.05	R 154 439 427.95	17.46%	32.80%

OPERATIONAL GRANTS SPENDING									
TYPE of GRANTS	Original allocation	Roll Over	Adjustment	Revised Allocation	Received to date	Spent to date	Remaining on amount received	Spending% Against allocation	spending% against Receipts
FMG	R 3 800 000.00		R 0.00	R 3 800 000.00	R 3 800 000.00	R 2 590 969.05	R 1 209 030.95	68%	68%
EPWP	R 3 738 000.00		R 0.00	R 3 738 000.00	R 685 000.00	R 801 063.90	-R 116 063.90	-17%	117%
	R 7 538 000.00	R 0.00	R 0.00	R 7 538 000.00	R 4 485 000.00	R 3 392 032.95	R 1 092 967.05	45.00%	76%

4.4 Cash Flows

Bank Balances as of 30 September 2026

SEPTEMBER BANK BALANCE AND INTEREST		
BANK ACCOUNT TYPE	BALANCE	INTEREST
CALL ACCOUNT	213 013 133.58	900 740.66
LICENSING ACCOUNT	5 432 848.39	36 509.75
PRIMARY ACCOUNT	13 019 671.44	35 869.02
TRADING SERVICES ACCOUNT	3 094 361.46	64 016.82
	234 560 014.87	**1 037 136.25**

- Cash and Cash Equivalents for the quarter ending 30 September 2026 amounted to a total of **R 234 560 014.87** see the above breakdown.

5. Debtors age analysis

MP302 Msukaligwa - Supporting Table SC2 Monthly Budget Statement - aged debtors - M03 September

Description	NT Code	Budget Year 2026/27											
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	16 866	14 891	14 155	14 637	17 701	8 596	53 187	356 917	496 950	451 038	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	24 529	11 892	7 751	6 579	5 453	3 564	28 897	244 012	332 668	288 505	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	19 778	13 669	10 705	10 179	8 641	8 039	52 492	246 057	369 561	325 408	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	6 462	4 909	4 864	5 389	3 876	3 706	25 407	238 070	292 683	276 448	-	-
Receivables from Exchange Transactions - Waste Management	1600	5 747	4 522	4 562	4 905	3 497	3 355	23 442	240 683	290 713	275 882	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	341	281	305	242	178	181	143	-	1 671	744	-	-
Interest on Arrear Debtor Accounts	1810	10 045	9 793	9 406	10 887	9 074	8 943	23 254	6 724	88 126	58 882	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(1 068)	(914)	(3 749)	(1 688)	(2 573)	(2 291)	(19 932)	35 549	3 335	9 066	-	-
Total By Income Source	2000	82 691	59 044	47 998	51 129	45 847	34 094	186 891	1 368 012	1 875 706	1 685 973	-	-
2025/26 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	3 998	3 471	2 747	2 284	2 071	1 920	12 746	26 363	55 600	45 384	-	-
Commercial	2300	32 559	17 611	9 624	9 668	7 463	6 120	33 042	185 098	301 185	241 391	-	-
Households	2400	45 559	37 577	35 564	39 177	36 312	26 054	141 103	1 156 551	1 517 897	1 399 197	-	-
Other	2500	575	385	63	-	-	-	-	-	1 024	-	-	-
Total By Customer Group	2600	82 691	59 044	47 998	51 129	45 847	34 094	186 891	1 368 012	1 875 706	1 685 973	-	-

- The Municipal Debt book as of 30 September 2026 amounted to **R 1,875 billion**

6. Creditors age analysis

MP302 Msukaligwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description	NT Code	Budget Year 2026/27									Prior year totals for chart (same period)
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	79 576	82 605	80 594	65 671	94 461	1 050	235 076	872 893	1 511 926	1 511 926
Bulk Water	0200	3 169	-	-	78 123	1 482	955	29 880	1 203 786	1 317 396	1 317 396
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	18 644	2 600	436	1 153	1 062	1 235	(282)	66	24 915	24 915
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	9	-	-	-	-	-	-	-	9	9
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	101 398	85 205	81 031	144 947	97 005	3 240	264 674	2 076 745	2 854 245	2 854 245

- The total amount owed to creditors as per the age analysis on 30 September 2026 amounts to **R2,854 billion** with top creditors being DWS, Eskom.

Eskom Debt

The amount owed in a Quarter ending **30 September 2026** amounted to **R 1, 510 billion.**

		ESKOM 2627					
MONTH	OPENING BALANCE	ERMELO 6486432681	DAVEL 9657898907	BREYTEN 9010981110	KWAZANELE 8341001579	SILINDILE 7296044246	TOTAL
	Opening 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**
	Billing	61 227 168.37	1 973 033.30	2 601 173.97	4 037 866.29	2 044 381.80	**71 883 623.73**
	VAT	9 184 075.26	295 955.00	390 176.10	605 679.94	306 657.27	**10 782 543.57**
26-Jul	Interest	10 182 970.10					**10 182 970.10**
	Payment	40 825 995.77	1 800 769.56	2 481 731.34	4 083 615.90	1 900 087.58	**51 092 200.15**
	Adjustment						
	Opening balance	**1 359 722 069.82**	**2 268 988.30**	**2 991 350.07**	**4 643 546.23**	**2 351 039.07**	**1 371 976 993.49**
	Billing	61 273 490.56	2 022 485.14	2 599 363.23	4 264 457.89	2 100 827.33	**72 260 624.15**
	VAT	9 191 023.58	303 272.27	389 904.48	639 668.68	315 124.10	**10 838 993.11**
26-Aug	Interest	12 140 779.93					**12 140 779.93**
	Payment		2 268 988.30	2 991 350.07	4 643 546.23	2 351 039.07	**12 254 923.67**
	Adjustment						
	Opening balance	**1 442 327 363.89**	**2 325 757.41**	**2 989 267.71**	**4 904 126.57**	**2 415 951.43**	**1 479 472 314.35**
	Billing	49 709 158.13	1 524 153.79	2 137 082.72	3 444 047.85	1 672 770.08	**58 487 212.57**
	VAT	7 456 373.72	228 623.07	320 562.41	516 607.18	250 915.51	**8 773 081.89**
26-Sept	Interest	10 968 339.90	22 206.21	28 669.22	47 160.23		**11 066 375.56**
	Payment						
	Adjustment						
	Opening/Closing balance	**1 510 461 235.64**	**4 100 840.98**	**5 475 582.06**	**8 911 941.83**	**4 339 637.02**	**1 533 289 237.53**

DWS Debt

As of **30 September 2026**, the municipality owes Department of Water and Sanitation an amount of **R 1,321 billion.**

Client:	Msukaligwa Local Municipality	Prepared by:	Nompumelelo Mashaja
Year end:	30 June 2027	Date:	06-Oct-26
Subject:	Bulk Purchases - Water	Reviewed by:	S Nkosi
Period ending	2026/09/30	Date:	06-Oct-26
		Final Review by:	
		Date:	

DWAF ACCOUNTS MOVEMENTS FOR THE YEAR AS PER INVOICES									
ACCOUNTS	Opening Balance	Amount Excl	VAT Amount	Interest	Interest reversal	Payments	Adjustment	Creditors	Statement Balance
20029265 NRWI	496 490 053.53	-	-	-			-	496 490 053.53	485 797 144.81
20029265 CMA	-	-	-	-		-	-	-	1 100 572.73
20028765 NRWI	389 483.42	12 958.33	-	-		-	-	402 441.75	198 876.96
20028765 CMA	-	-	-	-		-	-	-	389 483.42
20031984 NRWI	852 524.96	-	-	14 423.38		-	-	866 948.34	852 524.27
20031984 CMA	-	-	-	-		-	-	-	-
20033982 NRWI	332 688 081.26	-	-	-		-	-	332 688 081.26	332 688 080.26
20033982CMA	-	-	-	-		-	-	-	3 555 304.41
20037906 NWRI	132 949.80	1 720.80	-	-		-	-	134 670.60	132 949.40
20037906 CMA	-	-	-	-		-	-	-	-
21070010 NWRI	1 556 255.45	93.30	-	-		-	-	1 556 348.75	1 556 255.45
21070010 CMA	-	-	-	-		-	-	-	-
20014912 NRWI	141 702 116.79	984 094.44	146 836.18	-		-	-	142 833 047.41	141 706 116.78
20014912 CMA	281 645.87	-	-	-		-	-	281 645.87	281 645.87
20056412 NWRI	22 653 715.65	635 248.00	94 785.00	-		-	-	22 725 319.67	22 725 319.67
20056412 CMA	47 559.24	1 244.00	-	-		-	-	48 803.24	47 559.24
20059491 NRWI	138 299 635.06	-	-	1 964 808.50	-	-	-	140 264 443.56	138 299 634.83
20059491 CMA	761 080.13	-	-	-	-	-	-	761 080.13	761 080.13
20059482 NRWI	191 144 144.62	-	-	2 582 311.66	-	- 9 605 868.96	-	184 120 587.32	191 144 144.62
20059482 CMA	415 037.88	-	-	-	-	-	-	415 037.88	415 037.88
TOTAL DWS	1 327 414 283.66	1 635 358.87	241 621.18	4 561 543.54	-	- 9 605 868.96	-	1 323 588 509.32	1 321 651 730.73

RECONCILIATION							
	Amount Excl VAT	VAT	Interest	Interest reversal	Payments/credits	Adjustment	Creditor
Opening Balance as at 30 June 2025	1 327 414 283.66						1 279 408 602.62
DWS Movements for Current year	1 635 358.87	241 621.18	4 561 543.54	-	- 9 605 868.96	-	- 3 167 345.36
Less payments	-	-					
Grand Total	1 329 049 642.53	241 621.18	4 561 543.54	-	9 605 868.96	-	1 276 241 257.25

7. Table C6 – Statement of Financial Position

MP302 Msukaligwa - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2025/26	Budget Year 2026/27			
		Audited	Original	Adjusted	YearTD actual	Full Year
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		32 082	499 744	–	235 683	499 744
Short term Investments		–	–	–	–	–
Trade and other receivables from exchange transactions		887 383	399 668	–	1 010 755	399 668
Receivables from non-exchange transactions		235 474	197 507	–	262 983	197 507
Current portion of non-current receivables		–	–	–	–	–
Inventory		54 242	19 310	–	59 958	19 310
VAT Receivable		(44 223)	660 496	–	(44 212)	660 496
Other current assets		(4 593)	–	–	(1 369)	–
Total current assets		**1 160 365**	**1 776 725**	**–**	**1 523 799**	**1 776 725**
Non current assets						
Investments		–	–	–	–	–
Investment property		173 077	172 104	–	173 077	172 104
Property, plant and equipment		2 840 041	2 642 998	–	2 941 924	2 642 998
Biological assets		–	–	–	–	–
Living resources		–	–	–	–	–
Heritage assets		175	175	–	175	175
Intangible assets		3	5	–	3	5
Trade and other receivables from exchange transactions		660	–	–	1 390	–
Non-current receivables from non-exchange transactions		275	–	–	429	–
Other non-current assets		–	–	–	–	–
Total non current assets		**3 014 230**	**2 815 282**	**–**	**3 116 997**	**2 815 282**
TOTAL ASSETS		**4 174 595**	**4 592 007**	**–**	**4 640 796**	**4 592 007**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		1 699	–	–	1 699	–
Consumer deposits		30 129	24 401	–	30 309	24 401
Trade and other payables from exchange transactions		2 805 578	1 659 473	–	2 980 775	1 659 473
Trade and other payables from non-exchange transactions		90 708	679 536	–	350 214	679 536
Provision		9 621	–	–	9 621	–
VAT Payable		(56 210)	68 059	–	(56 210)	68 059
Other current liabilities		5 342	–	–	5 342	–
Total current liabilities		**2 886 867**	**2 431 469**	**–**	**3 321 749**	**2 431 469**
Non current liabilities						
Financial liabilities		(1 545)	450	–	(1 545)	450
Provision		86 075	62 292	–	86 075	62 292
Long term portion of trade payables		–	1 288 332	–	–	1 288 332
Other non-current liabilities		97 370	78 897	–	97 370	78 897
Total non current liabilities		**181 901**	**1 429 971**	**–**	**181 901**	**1 429 971**
TOTAL LIABILITIES		**3 068 768**	**3 861 440**	**–**	**3 503 650**	**3 861 440**
NET ASSETS	2	**1 105 827**	**730 567**	**–**	**1 137 146**	**730 567**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		929 553	728 054	–	1 184 789	728 054
Reserves and funds		(92 063)	–	–	(92 063)	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**837 490**	**728 054**	**–**	**1 092 726**	**728 054**

8. Investment Portfolio analysis

MP302 Maukaligwa - Supporting Table SC16 Monthly Budget Statement - investment Portfolio - M02 August

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
														-
														-
														-
														-
														-
														-
Municipality sub-total										-	-	-	-	-
Entities														
														-
														-
														-
														-
														-
														-
Entities sub-total										-	-	-	-	-
TOTAL INVESTMENTS AND INTEREST	2									-	-	-	-	-

The municipality does not have long-term investments

9. Allocation and Grant Receipts

The Municipality received the grants reflected on the table below as of 30 September 2026

Grants received 2026-27					
	Votes	Jul-26	Aug-26	Sept-26	Received to date
MIG	D0001/IL07048/F0791/X146/R0290/001/CONTRA	18 097 000.00		24 726 000.00	42 823 000.00
RBIG	D0001/IL07076/F0798/X141/R0291/001/CONTRA		140 000 000.00	-	140 000 000.00
EEDSM	D0001/IL08797/F09682/X032/R0291/001/CONTRA			-	-
MDRG	D0001/IL103463/F09679/X045/R0291/001/CONTRA				-
WSIG	D0001/IL07096/F0803/X141/R0291/001/CONTRA	40 000 000.00			40 000 000.00
INEP	D0001/IL07028/F0786/X032/R0291/001/CONTRA		7 000 000.00		7 000 000.00
TOTAL CAPITAL		**58 097 000.00**	**147 000 000.00**	**24 726 000.00**	**229 823 000.00**
EPWP	D0001/IL08801/F1169/X096/R0291/001/CONTRA		685 000.00		685 000.00
Equitable share	D0001/IR02344/F0041/X044/R0290/001/3606	124 669 000.00			124 669 000.00
FMG	D0001/IL08833/F1177/X049/R0291/001/CONTRA		3 800 000.00		3 800 000.00
Total Operational		**124 669 000.00**	**4 485 000.00**	**-**	**129 154 000.00**
Total grant receipts		**182 766 000.00**	**151 485 000.00**	**24 726 000.00**	**358 977 000.00**

The municipality received the following grants for the first quarter ending on 30 September 2026 (M03).

- LGSETA – **R 715 thousand**
- EPWP – **R 685 thousand**
- FMG – **R 3,8 million**
- INEP – **R 7 million**
- RBIG – **R 140 million**
- MIG – **R 42 million**

10. **Remuneration of Councilor section 56/57 and Officials**

EMPLOYEE COST FINANCIAL IMPLICATION

- The year-to-date expense in salaries amounts to **R 97,877 million** for the Quarter ending 30 September 2026,
- Total salary cost in respect of the Quarter ending 30 September 2026 is summarized per salary company as in the table below:

MP302 Msukaligwa - Supporting Table SC22 Monthly Budget Statement - councillor and staff benefits - M03 September

Summary of Employee and Councillor remuneration R thousands	Ref	2025/26 Audited	Budget Year 2026/27 Original	Adjusted	Monthly actual	YearTD actual	YearTD budget	YTD	YTD %	Full Year
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Allowances and Service Related Benefits										
Basic Salary		12 682	13 242	-	1 030	3 148	3 311	(162)	-5%	13 242
Cellphone Allowance		1 613	1 629	-	130	407	407	(0)	0%	1 629
Housing Allowance		-	-	-	-	-	-	-		-
In-kind Benefits		140	-	-	-	-	-	-		-
Market Related Non-pensionable Allowance		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		2 324	2 730	-	189	582	682	(101)	-15%	2 730
Office-bearer Allowance		-	-	-	-	-	-	-		-
Out of pocket Expenses		250	-	-	2	25	-	25	#DIV/0!	-
Travelling Allowance		246	477	-	21	63	119	(56)	-47%	477
Use of Personal Facilities		-	-	-	-	-	-	-		-
Total Allowances and Service Related Benefits		**17 256**	**18 078**	**-**	**1 378**	**4 225**	**4 519**	**(294)**	**-7%**	**18 078**
Social Contributions										
Medical Aid Benefits		223	330	-	18	53	82	(30)	-36%	330
Pension Fund Contributions		1 819	1 907	-	155	474	477	(3)	-1%	1 907
Total Social Contributions		**2 042**	**2 237**	**-**	**174**	**527**	**559**	**(32)**	**-6%**	**2 237**
Total Councillors		**19 298**	**20 314**	**-**	**1 552**	**4 752**	**5 079**	**(326)**	**-6%**	**20 314**
% increase	4									
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		8 171	4 973	-	-	1 478	1 243	235	19%	4 973
Bonuses		-	-	-	-	-	-	-		-
Allowance								-		
Accommodation, Travel and Incidental		-	-	-	16	16	-	16	#DIV/0!	-
Cellular and Telephone	3	162	157	-	-	30	39	(9)	-24%	157
Housing Benefits	3	-	-	-	-	-	-	-		-
Non-pensionable		-	-	-	-	-	-	-		-
Travel or Motor Vehicle	3	1 330	1 498	-	-	239	374	(135)	-36%	1 498
Voluntary Work		-	-	-	-	-	-	-		-
Total Allowance		**1 491**	**1 655**	**-**	**16**	**285**	**414**	**(129)**	**-31%**	**1 655**
Service Related Benefits										
Acting	3	730	-	-	-	57	-	57	#DIV/0!	-
Bonus	3	-	-	-	-	-	-	-		-
Danger Allowance	3	-	-	-	-	-	-	-		-
Entertainment	3	-	-	-	-	-	-	-		-
Fire Brigade		-	-	-	-	-	-	-		-
In-kind Benefits	3	88	-	-	-	-	-	-		-
Leave Pay	3	-	-	-	-	-	-	-		-
Lifeguard/Duty Squads		-	-	-	-	-	-	-		-
Long Service Award		-	-	-	-	-	-	-		-
Overtime		-	-	-	-	-	-	-		-
Scarcity	3	-	-	-	-	-	-	-		-
Standby Allowance	3	-	-	-	-	-	-	-		-
Tools Allowance	3	-	-	-	-	-	-	-		-
Uniform/Special/Protective Clothing	3	-	-	-	-	-	-	-		-
Leave gratuity		-	-	-	-	-	-	-		-
Long Term Service Award		-	-	-	-	-	-	-		-
Total Service Related Benefits		**818**	**-**	**-**	**-**	**57**	**-**	**57**	#DIV/0!	**-**
Total Salaries and Allowances		**10 480**	**6 628**	**-**	**16**	**1 829**	**1 657**	**163**	**10%**	**6 628**
Social Contributions										
Bargaining Council		-	-	-	-	-	-	-		-
Group Life Insurance		9	14	-	-	3	4	(1)	-16%	14
Medical		237	281	-	-	46	70	(24)	-34%	281
Pension		691	770	-	-	175	192	(17)	-9%	770
Unemployment Insurance		12	13	-	-	2	3	(1)	-37%	13
Total Social Contributions		**949**	**1 079**	**-**	**-**	**227**	**270**	**(43)**	**-16%**	**1 079**
Post-retirement Benefit	6									
Medical		-	-	-	-	-	-	-		-
Other Benefits		-	-	-	-	-	-	-		-
Pension		-	-	-	-	-	-	-		-
Total **Post-retirement Benefit**		-	-	-	-	-	-	-		-
Costs Capitalised to PPE		-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		**11 429**	**7 707**	**-**	**16**	**2 057**	**1 927**	**129**	**6%**	**7 707**
% increase	4									
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		204 253	218 244	-	18 481	54 682	54 561	121	0%	218 244
Bonuses		-	-	-	-	-	-	-		-
Allowance										
Accommodation, Travel and Incidental		-	-	-	-	-	-	-		-
Cellular and Telephone	3	1 235	1 354	-	109	328	338	(11)	-3%	1 354
Housing Benefits	3	662	731	-	61	181	183	(2)	-1%	731
Non-pensionable		-	-	-	-	-	-	-		-
Travel or Motor Vehicle	3	10 561	12 898	-	902	2 792	3 225	(432)	-13%	12 898
Voluntary Work		-	-	-	-	-	-	-		-
Total Allowance		**12 457**	**14 982**	**-**	**1 072**	**3 301**	**3 746**	**(445)**	**-12%**	**14 982**
Service Related Benefits										
Acting	3	1 129	1 199	-	114	249	300	(50)	-17%	1 199
Bonus	3	16 848	14 723	-	1 678	4 433	3 681	752	20%	14 723
Danger Allowance	3	299	-	-	25	75	-	75	#DIV/0!	-
Entertainment	3	-	-	-	-	-	-	-		-
Fire Brigade		-	-	-	-	-	-	-		-
In-kind Benefits	3	-	-	-	-	-	-	-		-
Leave Pay	3	3 181	648	-	32	465	162	303	187%	648
Lifeguard Duty Squads		-	-	-	-	-	-	-		-
Long Service Award		5 056	1 584	-	19	807	396	411	104%	1 584
Overtime		27 374	28 366	-	2 630	7 075	7 091	(17)	0%	28 366
Scarcity	3	-	-	-	-	-	-	-		-
Standby Allowance	3	11 443	12 776	-	1 126	3 577	3 194	383	12%	12 776
Tools Allowance	3	-	-	-	-	-	-	-		-
Uniform/Special/Protective Clothing	3	-	-	-	-	-	-	-		-
Leave gratuity		-	-	-	-	-	-	-		-
Long Term Service Award		-	-	-	-	-	-	-		-
Total Service Related Benefits		**65 330**	**59 296**	**-**	**5 622**	**16 681**	**14 824**	**1 857**	**13%**	**59 296**
Total Salaries and Allowances		**282 041**	**292 523**	**-**	**25 975**	**74 664**	**73 131**	**1 533**	**2%**	**292 523**
Social Contributions										
Bargaining Council		107	113	-	10	29	28	0	1%	113
Group Life Insurance		3 748	4 021	-	338	1 009	1 005	4	0%	4 021
Medical		15 880	17 667	-	1 432	4 260	4 417	(157)	-4%	17 667
Pension		39 295	41 565	-	3 485	10 417	10 391	25	0%	41 565
Unemployment Insurance		1 541	1 645	-	135	400	411	(11)	-3%	1 645
Total Social Contributions		**60 572**	**65 011**	**-**	**5 401**	**16 114**	**16 253**	**(139)**	**-1%**	**65 011**
Post-retirement Benefit	6									
Medical		20 423	-	-	500	300	-	300	#DIV/0!	-
Other Benefits		-	-	-	-	-	-	-		-
Pension		-	-	-	-	-	-	-		-
Total **Post-retirement Benefit**		**20 423**	**-**	**-**	**500**	**300**	**-**	**300**		**-**
Costs Capitalised to PPE		-	-	-	-	-	-	-		-
Sub Total - Other Municipal Staff		**363 036**	**357 534**	**-**	**31 877**	**91 078**	**89 383**	**1 694**		**357 534**
% increase	4									
Total Parent Municipality		**393 763**	**385 555**	**-**	**32 044**	**97 877**	**96 389**	**1 488**	**2%**	**385 555**

MP302 Msukaligwa - Supporting Table SC22 Monthly Budget Statement - councillor and staff benefits - M03 September

Summary of Employee and Councillor remuneration	Ref	2026/26	Budget Year 2026/27							
		Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD budget	YTD	YTD %	Full Year
R thousands	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Allowances and Service Related Benefits										
Basic Salary		12 682	13 242	–	1 033	3 148	3 311	(162)	-5%	13 242
Cell phone Allowance		1 613	1 629	–	133	407	407	(0)	0%	1 629
Housing Allowance		–	–	–	–	–	–	–		–
In-kind Benefits		140	–	–	–	–	–	–		–
Market Related Non-pensionable Allowance		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		2 324	2 730	–	189	582	682	(101)	-15%	2 730
Office-bearer Allowance		–	–	–	–	–	–	–		–
Out of pocket Expenses		250	–	–	2	25	–	25	#DIV/0!	–
Travelling Allowance		246	477	–	21	63	119	(56)	-47%	477
Use of Personal Facilities		–	–	–	–	–	–	–		–
Total Allowances and Service Related Benefits		17 256	18 078	-	1 378	4 225	4 519	(294)	-7%	18 078
Social Contributions										
Medial Aid Benefits		223	330	–	18	53	82	(30)	-36%	330
Pension Fund Contributons		1 819	1 907	–	156	474	477	(3)	-1%	1 907
Total Social Contributions		2 042	2 237	-	174	527	559	(32)	-6%	2 237
Total Councillors		19 298	20 314	-	1 552	4 752	5 079	(326)	-6%	20 314
% increase	4									
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		8 171	4 973	–	–	1 478	1 243	235	19%	4 973
Bonuses		–	–	–	–	–	–	–		–
Allowance								–		
Accommodation, Travel and Incidental		–	–	–	16	16	–	16	#DIV/0!	–
Cellular and Telephone	3	162	157	–	–	30	39	(9)	-24%	157
Housing Benefits	3	–	–	–	–	–	–	–		–
Non-pensionable		–	–	–	–	–	–	–		–
Travel or Motor Vehicle	3	1 330	1 498	–	–	239	374	(135)	-36%	1 498
Voluntary Work		–	–	–	–	–	–	–		–
Total Allowance		1 491	1 655	-	16	285	414	(129)	-31%	1 655
Service Related Benefits										
Acting	3	730	–	–	–	57	–	57	#DIV/0!	–
Bonus	3	–	–	–	–	–	–	–		–
Danger Allowance	3	–	–	–	–	–	–	–		–
Entertainment	3	–	–	–	–	–	–	–		–
Fire Bagade		–	–	–	–	–	–	–		–
In-kind Benefits	3	88	–	–	–	–	–	–		–
Leave Pay	3	–	–	–	–	–	–	–		–
Lifeguard/Duty Squads		–	–	–	–	–	–	–		–
Long Service Award		–	–	–	–	–	–	–		–
Overtime		–	–	–	–	–	–	–		–
Scarcity	3	–	–	–	–	–	–	–		–
Standby Allowance	3	–	–	–	–	–	–	–		–
Tools Allowance	3	–	–	–	–	–	–	–		–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–		–
Leave gratuity		–	–	–	–	–	–	–		–
Long Term Service Award		–	–	–	–	–	–	–		–
Total Service Related Benefits		818	-	-	-	57	-	57	#DIV/0!	-
Total Salaries and Allowances		10 480	6 628	-	16	1 820	1 657	163	10%	6 628
Social Contributions										
Bargaining Council		–	–	–	–	–	–	–		–
Group Life Insurance		9	14	–	–	3	4	(1)	-16%	14
Medical		237	281	–	–	46	70	(24)	-34%	281
Pension		691	770	–	–	175	192	(17)	-9%	770
Unemployment Insurance		12	13	–	–	2	3	(1)	-37%	13
Total Social Contributions		949	1 079	-	-	227	270	(43)	-16%	1 079
Post-retirement Benefit	6									
Medical		–	–	–	–	–	–	–		–
Other Benefits		–	–	–	–	–	–	–		–
Pension		–	–	–	–	–	–	–		–
Total Post-retirement Benefit		-	-	-	-	-	-	-		-
Costs Capitalised to PPE		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		11 429	7 707	-	16	2 047	1 927	120	6%	7 707
% increase	4									
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		204 253	218 244	–	18 481	54 682	54 561	121	0%	218 244
Bonuses		–	–	–	–	–	–	–		–
Allowance										
Accommodation, Travel and Incidental		–	–	–	–	–	–	–		–
Cellular and Telephone	3	1 235	1 354	–	109	328	338	(11)	-3%	1 354
Housing Benefits	3	662	731	–	61	181	183	(2)	-1%	731
Non-pensionable		–	–	–	–	–	–	–		–
Travel or Motor Vehicle	3	10 561	12 898	–	902	2 792	3 225	(432)	-13%	12 898
Voluntary Work		–	–	–	–	–	–	–		–
Total Allowance		12 457	14 982	-	1 072	3 301	3 748	(445)	-12%	14 982
Service Related Benefits										
Acting	3	1 129	1 199	–	114	249	300	(50)	-17%	1 199
Bonus	3	16 848	14 723	–	1 678	4 433	3 681	752	20%	14 723
Danger Allowance	3	299	–	–	25	75	–	75	#DIV/0!	–
Entertainment	3	–	–	–	–	–	–	–		–
Fire Bagade		–	–	–	–	–	–	–		–
In-kind Benefits	3	–	–	–	–	–	–	–		–
Leave Pay	3	3 181	648	–	32	465	162	303	187%	648
Lifeguard/Duty Squads		–	–	–	–	–	–	–		–
Long Service Award		5 056	1 584	–	19	807	396	411	104%	1 584
Overtime		27 374	28 366	–	2 630	7 075	7 091	(17)	0%	28 366
Scarcity	3	–	–	–	–	–	–	–		–
Standby Allowance	3	11 443	12 776	–	1 124	3 577	3 194	383	12%	12 776
Tools Allowance	3	–	–	–	–	–	–	–		–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–		–
Leave gratuity		–	–	–	–	–	–	–		–
Long Term Service Award		–	–	–	–	–	–	–		–
Total Service Related Benefits		65 330	89 296	-	5 622	16 681	14 824	1 857	13%	89 296
Total Salaries and Allowances		282 041	292 823	-	28 175	74 664	73 131	1 533	2%	292 823
Social Contributions										
Bargaining Council		107	113	–	10	29	28	0	1%	113
Group Life Insurance		3 748	4 021	–	338	1 009	1 005	4	0%	4 021
Medical		15 880	17 687	–	1 432	4 260	4 417	(157)	-4%	17 687
Pension		39 295	41 565	–	3 485	10 417	10 391	25	0%	41 565
Unemployment Insurance		1 541	1 645	–	136	400	411	(11)	-3%	1 645
Total Social Contributions		60 572	65 011	-	5 401	16 114	16 253	(138)	-1%	65 011
Post-retirement Benefit	6									
Medical		20 423	–	–	500	300	–	300	#DIV/0!	–
Other Benefits		–	–	–	–	–	–	–		–
Pension		–	–	–	–	–	–	–		–
Total Post-retirement Benefit		20 423	-	-	500	300	-	300		-
Costs Capitalised to PPE		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		363 035	357 834	-	31 077	91 078	89 383	1 694		357 834
% increase	4									
Total Parent Municipality		393 763	386 656	-	32 644	97 877	96 369	1 488	2%	386 656

11. Municipal ratios

MP302 Msukaligwa - Supporting Table SC6 Monthly Budget Statement - Performance Indicators - M03 September

Description of financial indicator	Basis of calculation	Ref	2025/26 Audited Outcome	Budget Year 2026/27 Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		7.3%	16.0%	0.0%	8.8%	10.1%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax		357.5%	332.2%	0.0%	313.8%	332.2%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	40.2%	73.1%	0.0%	45.9%	73.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		1.1%	20.6%	0.0%	7.1%	20.6%
Revenue Management							
Annual Debtors Collection Rate	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		83.2%	43.6%	0.0%	331.0%	43.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors >		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		27.9%	26.7%	0.0%	24.2%	26.7%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		3.3%	0.8%	0.0%	0.2%	0.8%
Interest & Depreciation	I&D/Total Revenue - capital revenue		19.0%	22.3%	0.0%	9.2%	14.1%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue						
iii. Cost coverage	(Available cash + Investments)/monthly fixed						

- The municipality is experiencing significant liquidity challenges, evidenced by a **current ratio of 45.9%** and a **liquidity ratio of 7.1%.**
- 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 amount received	Spending% Against allocation	spending% against Receipts
MIG	R 73 686 000.00	R 0.00	R 0.00	R 73 686 000.00	R 42 823 000.00	R 35 304 767.07	R 7 518 232.93	48%	82%
EEDSM	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	0%	0%
WSIG	R 59 850 000.00	R 0.00	R 0.00	R 59 850 000.00	R 40 000 000.00	R 8 747 094.69	R 31 252 905.31	15%	22%
RBIG	R 280 000 000.00	R 0.00	R 0.00	R 280 000 000.00	R 140 000 000.00	R 28 099 036.95	R 111 900 963.05	10%	0%
INEP	R 18 100 000.00	R 0.00	R 0.00	R 18 100 000.00	R 7 000 000.00	R 3 232 673.34	R 3 767 326.66	18%	0%
MDRG	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	0%	0%
	R 431 636 000.00	**R 0.00**	**R 0.00**	**R 431 636 000.00**	**R 229 823 000.00**	**R 75 383 572.05**	**R 154 439 427.95**	**17.46%**	**32.80%**

OPERATIONAL GRANTS SPENDING									
TYPE of GRANTS	Original allocation	Roll Over	Adjustment	Revised Allocation	Received to date	Spent to date	Remaining on amount received	Spending% Against allocation	spending% against Receipts
FMG	R 3 800 000.00		R 0.00	R 3 800 000.00	R 3 800 000.00	R 2 590 969.05	R 1 209 030.95	68%	68%
EPWP	R 3 738 000.00		R 0.00	R 3 738 000.00	R 685 000.00	R 801 063.90	-R 116 063.90	-17%	117%
	R 7 538 000.00	**R 0.00**	**R 0.00**	**R 7 538 000.00**	**R 4 485 000.00**	**R 3 392 032.95**	**R 1 092 967.05**	**45.00%**	**76%**

Above is a list of grants spending on grants as at 30 September 2026

Capital Grants spending

- MIG – **R35 million**
- WSIG – **R8.7 million**
- RBIG – **R28 million**
- INEP – **R 3,2 million**

Operational grants

- FMG – **R 2,5 million**
- EPWP – **R 801 thousand**

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 2023/24			2023/2024 - Monthly Reporting											
		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	3 494	3 408	3 410				3410					
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	3 494	3 408	3 410	-	-	-	3 410	-	-	-	-	-
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	3 494	3 408	3 410	-	-	-	3 410	-	-	-	-	-
Status of Water meters :																	
Number of Indigent HH's with prepaid Water						-	-	-	-	-	-	-	-	-	-	-	-
Number of Indigent HH's with conventional metered Water						3 494	3 408	3 410	-	-	-	3 410	-	-	-	-	-
Number of Indigent HH's NOT metered currently - Water						-	-	-	-	-	-	-	-	-	-	-	-
Number of Indigent HH's with NO Water supply - No metering		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	10	-	-	-	-	3 494	3 408	3 410	-	-	-	3 410	-	-	-	-	-
Status of unlimited supply of Water :																	
Number of Indigent HH's with *conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month*																	
Number of Indigent HH's NOT metered currently receiving unlimited supply - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households receiving unlimited supply - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's **billed for consumption above the 6 kilolitres**	11																
Energy *(Include All Indigent households also in Eskom supplied areas)*																	
Indigent HH's with Electricity (at least min service level)																	
Indigent HH's with Electricity - prepaid (min service level)																	
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indigent HH's with Electricity (< min service level)																	
Indigent HH's with Electricity - prepaid (< min service level)																	
Indigent HH's with other energy sources																	
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Status of Electricity meters :																	
Number of Indigent HH's with prepaid Electricity			5 460			3 494	3 408	3 410	-	-	-	3 410	-	-	-	-	-
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 source(s) - No metering		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	12	-	5 460	-	-	3 494	3 408	3 410	-	-	-	3 410	-	-	-	-	-
Status of unlimited supply of Electricity :																	
Number of Indigent HH's with *conventional metered Electricity - where the municipality is NOT physically restricting Electricity to the national free basic limit of 50 kWh per household per month*																	
Number of Indigent HH's NOT metered currently receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - 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)						3 494	3 408	3 410	-	-	-	3 410	-	-	-	-	-
Electricity/other energy (50kwh per household per month)						3 494	3 408	3 410	-	-	-	3 410	-	-	-	-	-
Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)																	
Water (6 kilolitres per household per month)						73	73	73									
Electricity/other energy (50kwh per household per month)						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	-	-	-	-	-	-	-	-	-
Highest level of free service provided per household (ALL Households)																	
Property rates (R value threshold)																	
Water (kilolitres per household per month)			1 407 057			73	73	73									
Sanitation (kilolitres per household per month)			3 230 611			80	80	80									
Sanitation (Rand per household per month)			3 230 611			97	97	97									
Electricity (kwh per household per month)			5 460			88	88	88									
Refuse (average litres per week)			3 428 737			162	162	162									
Revenue cost of subsidised services provided for ALL Households (R'000)	5																
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 to owners 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)	15																
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 September 2026.

MP302 Msukaligwa - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September											
Vote Description	Ref	2025/26	Budget Year 2026/27								
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	Comment
Expenditure by Vote	1										
Vote 1 - Executive and Council		85 294	92 207	–	6 499	17 652	23 093	(5 441)	-23.6%	92 207	Saving
Vote 2 - Finance & Administration		219 743	187 107	–	16 463	56 527	50 616	5 911	11.7%	187 107	Saving
Vote 3 - [NAME OF VOTE 3]		–	–	–	–	–	–	–		–	
Vote 4 - Sports and Recreation		2 747	12 263	–	247	573	3 066	(2 493)	-81.3%	12 263	Saving
Vote 5 - Public Safety		82 776	35 700	–	3 113	8 587	8 925	(338)	-3.8%	35 700	Saving
Vote 6 - Housing		5 416	5 487	–	445	1 489	1 372	117	8.5%	5 487	Saving
Vote 7 - Health		–	13	–	–	–	3	(3)	-100.0%	13	Saving
Vote 8 - Planning and Economic Development		16 073	19 681	–	1 170	3 752	4 920	(1 168)	-23.7%	19 681	Saving
Vote 9 - Community and Social Services		101 998	117 387	–	8 581	21 007	29 347	(8 339)	-28.4%	117 387	Saving
Vote 10 - Electricity		903 129	874 095	–	78 169	256 611	218 524	38 087	17.4%	874 095	Saving
Vote 11 - Water Management		246 202	340 424	–	6 793	13 292	85 106	(71 814)	-84.4%	340 424	Saving
Vote 12 - Waste Water Management		41 234	89 266	–	2 969	7 885	22 316	(14 432)	-64.7%	89 266	Saving
Vote 13 - Waste Management		61 133	57 092	–	3 308	8 861	14 273	(5 412)	-37.9%	57 092	Saving
Vote 14 - Road Transport		67 908	81 665	–	3 209	8 587	20 416	(11 829)	-57.9%	81 665	Saving
Vote 15 - Other		–	–	–	–	–	–	–		–	
Total Expenditure by Vote	2	1 833 653	1 912 386	–	130 966	404 823	481 977	(77 155)	-16.0%	1 912 386	Saving

The expenditure for year to date is R404 million versus the budget of R481 million, which have a surplus of R12,714 thousand.

Overtime schedule as per financial system report.
The overtime schedule below indicates overall spending incurred by the municipality as of 30 September 2026, the departments that have overspend are as follows:

- The department of the Municipal manager overspend with 63.09 %.
- The department of Finance overspend with 29.35 %.
- The department of technical services with 24.13 %.
- The other departments are below 22 %.

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 Municipality paid an amount of **R 12,5** for August 2026 towards the Eskom resale accounts towards the Resale accounts.
- The year to date debt accounts to **R 1,510 billion.**

ESKOM 2627							
MONTH	OPENING BALANCE	ERMELO 6486432681	DAVEL 9657898907	BREYTEN 9010981110	KWAZANELE 8341001579	SILINDILE 7296044246	TOTAL
	Opening 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
	Billing	61 227 168.37	1 973 033.30	2 601 173.97	4 037 866.29	2 044 381.80	71 883 623.73
	VAT	9 184 075.26	295 955.00	390 176.10	605 679.94	306 657.27	10 782 543.57
26-Jul	Interest	10 182 970.10					10 182 970.10
	Payment	40 825 995.77	1 800 769.56	2 481 731.34	4 083 615.90	1 900 087.58	51 092 200.15
	Adjustment						
	Opening balance	1 359 722 069.82	2 268 988.30	2 991 350.07	4 643 546.23	2 351 039.07	1 371 976 993.49
	Billing	61 273 490.56	2 022 485.14	2 599 363.23	4 264 457.89	2 100 827.33	72 260 624.15
	VAT	9 191 023.58	303 272.27	389 904.48	639 668.68	315 124.10	10 838 993.11
26-Aug	Interest	12 140 779.93					12 140 779.93
	Payment		2 268 988.30	2 991 350.07	4 643 546.23	2 351 039.07	12 254 923.67
	Adjustment						
	Opening balance	1 442 327 363.89	2 325 757.41	2 989 267.71	4 904 126.57	2 415 951.43	1 479 472 314.35
	Billing	49 709 158.13	1 524 153.79	2 137 082.72	3 444 047.85	1 672 770.08	58 487 212.57
	VAT	7 456 373.72	228 623.07	320 562.41	516 607.18	250 915.51	8 773 081.89
26-Sept	Interest	10 968 339.90	22 206.21	28 669.22	47 160.23		11 066 375.56
	Payment						
	Adjustment						
	Opening/Closing balance	1 510 461 235.64	4 100 840.98	5 475 582.06	8 911 941.83	4 339 637.02	1 533 289 237.53

The total amount owed to DWS as at 30 September is **R 1,321 billion.**

Client:	Msukaligwa Local Municipality	Prepared by:	Nompumelelo Mashaja
Year end:	30 June 2027	Date:	06-Oct-26
Subject:	Bulk Purchases - Water	Reviewed by:	S Nkosi
Period ending	2026/09/30	Date:	06-Oct-26
		Final Review by:	
		Date:	

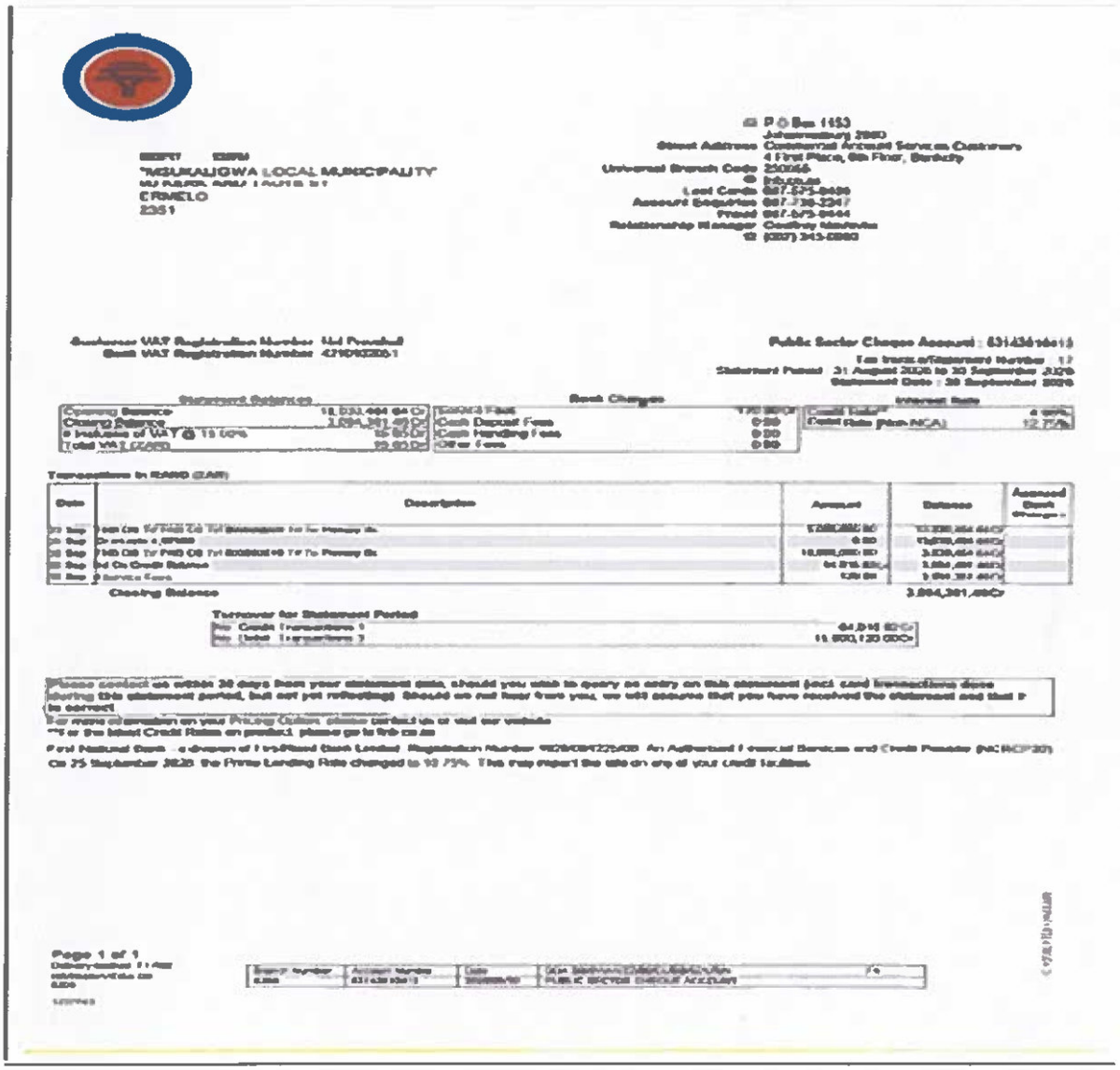
DWAF ACCOUNTS MOVEMENTS FOR THE YEAR AS PER INVOICES

ACCOUNTS	Opening Balance	Amount Excl	VAT Amount	Interest	Interest reversal	Payments	Adjustment	Creditors	Statement Balance
20029265 NRWI	496 490 053.53	-	-	-			-	496 490 053.53	485 797 144.81
20029265 CMA	-	-	-	-		-	-	-	1 100 572.73
20028765 NRWI	389 483.42	12 958.33	-	-		-	-	402 441.75	198 876.96
20028765 CMA	-	-	-	-		-	-	-	389 483.42
20031984 NRWI	852 524.96	-	-	14 423.38		-	-	866 948.34	852 524.27
20031984 CMA	-	-	-	-		-	-	-	-
20033982 NRWI	332 688 081.26	-	-	-		-	-	332 688 081.26	332 688 080.26
20033982CMA	-	-	-	-		-	-	-	3 555 304.41
20037906 NWRI	132 949.80	1 720.80	-	-		-	-	134 670.60	132 949.40
20037906 CMA	-	-	-	-		-	-	-	-
21070010 NWRI	1 556 255.45	93.30	-	-		-	-	1 556 348.75	1 556 255.45
21070010 CMA	-	-	-	-		-	-	-	-
20014912 NRWI	141 702 116.79	984 094.44	146 836.18	-		-	-	142 833 047.41	141 706 116.78
20014912 CMA	281 645.87	-	-	-		-	-	281 645.87	281 645.87
20056412 NWRI	22 653 715.65	635 248.00	94 785.00	-		-	-	22 725 319.67	22 725 319.67
20056412 CMA	47 569.24	1 244.00	-	-		-	-	48 803.24	47 569.24
20059491 NRWI	138 299 635.06	-	-	1 964 808.50	-	-	-	140 264 443.56	138 299 634.83
20059491 CMA	761 080.13	-	-	-	-	-	-	761 080.13	761 080.13
20059482 NRWI	191 144 144.62	-	-	2 582 311.66	-	- 9 605 868.96	-	184 120 587.32	191 144 144.62
20059482 CMA	415 037.88	-	-	-	-	-	-	415 037.88	415 037.88
TOTAL DWS	1 327 414 283.66	1 635 358.87	241 621.18	4 561 543.54	-	- 9 605 868.96	-	1 323 588 509.32	1 321 651 730.73

RECONCILIATION

	Amount Excl VAT	VAT	Interest	Interest reversal	Payments/credits	Adjustment	Creditor
Opening Balance as at 30 June 2025	1 327 414 283.66						1 279 408 602.62
DWS Movements for Current year	1 635 358.87	241 621.18	4 561 543.54	-	- 9 605 868.96	-	- 3 167 345.36
Less payments	-	-					
Grand Total	1 329 049 642.53	241 621.18	4 561 543.54	-	9 605 868.96	-	1 276 241 257.25

The statement below reflect a balance of R 3 094 361.46 million in the Trading services account (Account opened for ring-fencing fund for the debt relief)



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

The municipality has approved an unfunded Budget of R 1,7 billion deficit for the 2026/27 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

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

- The Property Rates Reconciliation for the first quarter M03 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	01/07/2026-31/07/2026
Financial Year	2026-2027
Reconciliation Period	Jul-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	26255	26255	0	11 275 384 801.00	11 275 384 801.00	-
Industrial	106	106	0	335 790 300.00	335 790 300.00	-
Business and Commercial	840	840	0	3 291 813 200.00	3 291 813 200.00	-
Agricultural	2246	2246	0	11 693 259 600.00	11 693 259 600.00	-
Mining	92	92	0	67 270 000.00	67 270 000.00	-
State Owned for Public Purpose	147	147	0	1 307 549 100.00	1 307 549 100.00	-
PSI	688	688	0	123 824 500.00	123 824 500.00	-
PBO	128	128	0	328 921 300.00	328 921 300.00	-
Multi Use	0	0	0	-	-	-
Vacant	3327	3327	0	524 591 020.00	524 591 020.00	-
TOA	2	2	0	94 700 000.00	94 700 000.00	-
Municipal	0	0	0	-	-	-
Other	0	0	0	-	-	-
	33831	33831	0	29 043 103 821.00	29 043 103 821.00	-

Prepared By Nomusa Zulu — Date 31/07/2026

Contatct Details

Signature

Reviewed By GT Mahlangu — Date 2026/07/31

Contatct Details

Signature

Property Rates Reconciliation	
Province	MP
District	Gert Sibande District
Type	LM
Municipal Name	Msukaligwa
GV Period	01/08/2026-31/08/2026
Financial Year	2026-2027
Reconciliation Period	Aug-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	26266	26266	0	11 285 694 801.00	11 285 694 801.00	-
Industrial	106	106	0	335 790 300.00	335 790 300.00	-
Business and Commercial	842	842	0	3 284 083 200.00	3 284 083 200.00	-
Agricultural	2247	2247	0	11 681 869 600.00	11 681 869 600.00	-
Mining	92	92	0	67 270 000.00	67 270 000.00	-
State Owned for Public Purpose	147	147	0	1 307 549 100.00	1 307 549 100.00	-
PSI	688	688	0	123 824 500.00	123 824 500.00	-
PBO	128	128	0	328 921 300.00	328 921 300.00	-
Multi Use	0	0	0	-	-	-
Vacant	3315	3315	0	520 881 020.00	520 881 020.00	-
TOA	2	2	0	94 700 000.00	94 700 000.00	-
Municipal	0	0	0	-	-	-
Other	0	0	0	-	-	-
	33833	33833	0	29 030 583 821.00	29 030 583 821.00	-

Prepared By Nomusa Zulu — Date 31/08/2026

Contatct Details

Signature

Reviewed By GT Mahlangu — Date

Contatct Details

Signature

Property Rates Reconciliation	
Province	MP
District	Gert Sibande District
Type	LM
Municipal Name	Msukaligwa
GV Period	01/09/2026-30/09/2026
Financial Year	2026-2027
Reconciliation Period	Sept-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	26266	26266	0		11 285 694 801.00	11 285 694 801.00	-
Industrial	106	106	0		335 790 300.00	335 790 300.00	-
Business and Commercial	842	842	0		3 284 083 200.00	3 284 083 200.00	-
Agricultural	2247	2247	0		11 681 869 600.00	11 681 869 600.00	-
Mining	92	92	0		67 270 000.00	67 270 000.00	-
State Owned for Public Purpose	147	147	0		1 307 549 100.00	1 307 549 100.00	-
PSI	688	688	0		123 824 500.00	123 824 500.00	-
PBO	128	128	0		328 921 300.00	328 921 300.00	-
Multi Use	0	0	0		-	-	-
Vacant	3315	3315	0		520 881 020.00	520 881 020.00	-
TOA	2	2	0		94 700 000.00	94 700 000.00	-
Municipal	0	0	0		-	-	-
Other	0	0	0		-	-	-
	33833	33833	0		29 030 583 821.00	29 030 583 821.00	-

Prepared By	Nomusa Zulu	Date	30/09/2026
	Contatct Details		
Signature			
Reviewed By	GT Mahlangu	Date	2026/09/30
	Contatct Details		
Signature			

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

- Municipality receives the Condition of Compliance certificate Quarterly, with the condition of non-compliance.
- The municipality has actioned and consider all non-compliance findings for the Quarter of September 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 September 2026

15.9 MFMA Circular 124 – Municipal Compliance Self-Assessment

- See the table below for self-assessment report

Annexure A 2 - Monthly

National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Mpumalanga Provincial Treasury

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period	Aug'26	
National Financial Year	2026/27	
Demarcation Code of Municipality being assessed	MP302	
District	Gert Sibande	
Demarcation Description	Msukaligwa	

I, Mashawa Kunene, 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 –** *(current account for the purpose of the Eskom means the account for a single metering point)*		
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 http://goMuniportal.treasury.gov.za?	No	
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	
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 "Nersmers" (March 2023) and / or subsequent current account(s) up to the date of MTapproval of the application.*	No	
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://goMuniportal.treasury.gov.za?	No	
6	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	No	
7	6.4	**Compliance with a funded MTREF –** *(choose from drop down list the MTREF assessed)*	2026/27 Annual MTREF	
8	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?	No	
9	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	
10	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 (less property rates), the provision for debt impairment aligning with the future collection trend should also be 40 per cent of the 2026/27 MTREF revenue (less property rates). The municipality must use the debt impairment to balance the budget and there is no cash alignment between the provision for such with the actual collection of revenue. The Provincial Treasury must respond to this item as "n/a".		
11	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 cash alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as "n/a".		
12	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 - If the municipality has an FRP to accurate budget funding plan and not funded, however the FRP of the municipality will be the existing FRP incorporated will give effect to a funded MTREF, then the FRP answer shall be yes.		
13	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	
14	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 align 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	
15	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?**	No	

	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?	Select	
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?	Select	
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.	Select	
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	Select	
	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?	No	
		Note – although the minimum standard for collection (MFMA Circular no. 72 and 8 per cent threshold, municipalities under the debt relief scheme will be encouraged to improve collection planning 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 the National Treasury that –		
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;	not yet the end of a quarte	
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	Yes	
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	Yes	
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes	
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes	
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes	
	6.8	Municipality's Completeness of the revenue base –		
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes	
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? Note – monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s 71 statement	N/a	
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://lg.ploadportal.treasury.gov.za?	Yes	
	6.9	Monitor and report on implementation –		
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes	
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? Note – condition 6.9.2 has a trigger over and must trigger 6.9.1	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://lg.ploadportal.treasury.gov.za?	Yes	
		Note – a municipality will only qualify for the "Debt Relief Compliance" status if its FRP progress report was submitted timeously in terms of section 71 of the MFMA.		
	6.10	Provincial Treasury Note – Provincial Treasury confirmation of municipal compliance – in terms of section 5 and 71 of the LGTA, with effect from 01 April 2023, duly allocated municipalities may not benefit from Municipal Debt Relief (MDR) unless		
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes	
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lg.ploadportal.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?	Select	
		Note – the PT failed to address a future such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1		

36	6.11	**Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?**	No	
		Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. All conditions that MFMA Circular No. 124 contains in 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 45. Short-term borrowings, including making use of an overdraft for emergency 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.5.3		
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 benefits (e.g. interest suppression, etc.) and alignment with mSCOA.*	Yes	
41	6.14	**NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?**	Yes	
		Note: By applying for Municipal Debt Relief as set out in paragraph 3 of MFMA Circular no. 124, the council of a municipality shall, during the duration of the Municipal Debt Relief agreement (s), to satisfy each and any condition of the Relief, agree to apply to NERSA to revise 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 processed by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, and any the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of agreement(s) under support to Eskom, Eskom will have the right to enforce its credit control and debt collection policies also in relation to the municipality's services that are the subject of the municipal debt relief, etc.		

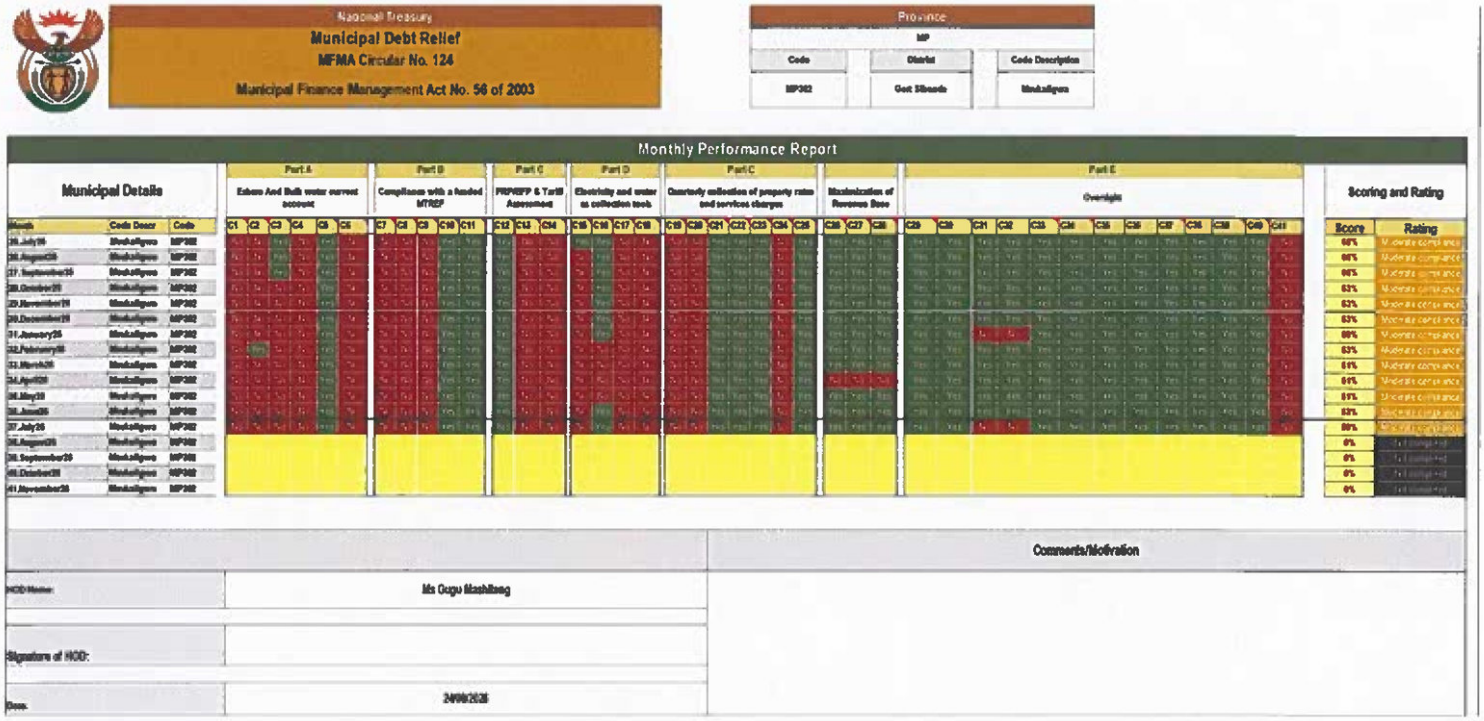
PT: HOD/ NT / MM Name: _____

Signature of HOD/ NT/ MM: _____

Date: _____

***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 the Certificate of Compliance*

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



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

Province		
MP		
Code	District	Code Description
MP302	Gert Sibande	Msukaligwa

Monthly Performance Report

Municipal Details			Part A: 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	Yes	Yes	No	No	No	No	No	No	Yes	No	33%	Not Compliant
12. June 2026	Msukaligwa	MP302	No	No	No	No	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	No	Yes	Yes	No	44%	Not Compliant
13.July 2026	Msukaligwa	MP302	No	No	No	No	N/A	N/A	No	Yes	No	No	No	No	No	No	No	No	No	No	17%	Not Compliant

PT: HOD/ NT / MM Name:	Ms Gugu Mashiteng
Signature of PT: HOD/ NT/ MM:	
Date:	24/08/2026

NOTE – If the decision is signing on behalf of the Head of the Provincial Treasury (HOD), the written proclamation of the HOD must be attached as an Annexure to this Certificate of Compliance.



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

Legend	
100%	Complied
60-80%	Moderate Compliance
0-59%	Not Compliant

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 Quarter's consumption that was due and payable during the Quarter being assessed):"

The municipality did m=not make any payments towards the DWS account in the Quarter Ending 30 September 2026

16.2 Condition 7.2 - Accounting Treatment and mSCOA Reporting

The municipality has approved the Budget Funding Plan for the 2027-26 financial year which will be updated on a Quarterly basis and progress thereof will be reported on.

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

The municipality remains in the **RESCUE** Phase.

- The municipality has successfully completed 87 out of 178 tasks (49%), with 91 tasks (51%) presently underway.
- Progress has been observed across all four pillars, with the highest completion percentage in Financial Management (55%) and Service Delivery (56%). Governance stands at 22%, indicating a need for more focus, while Institutional Development is at 44%.
- Overall, the implementation is progressing quite well, although additional efforts are needed to finalize the incomplete interventions and achieve the objectives of the program.

Annexure 02 - Monthly

Department of Water and Sanitation 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	**Sep-25**
National Financial Year	**2026/27**
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)

Choose from drop down list

Condition				Notes/Comments
	7.1	**Maintaining the bulk water current account –**		
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.*	Yes, fully paid	
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)?	Yes	
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://lguploadportal.treasury.gov.za by the 10th working day of the month following the invoice date (in PDF format)?	Yes	
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)?	Yes	
	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?	Yes	
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: _____

Signature of PT: HOD/ NT/ MM: _____

Date: _____

National Treasury

Water Debt Relief

Water Debt Relief Guideline

Municipal Finance Management Act No. 56 of 2003

Legend	
	Compliant
60-99%	Moderate Compliance
	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	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	Msukaligwa	MP302	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes	Yes	78%	Moderate compliance
14.August 2026	Msukaligwa	MP302	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes	72%	Moderate compliance
15.September 2026	Msukaligwa	MP302	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes	72%	Moderate compliance

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	Month
National Financial Year	2023/24
Demarcation Code of Municipality being assessed	MP326
District	Gert Sibande
Demarcation Description	Mkhondo

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

Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop down list

Note/Comments

Section A: Participating municipal water and bulk water supply entities (municipal entities)

A.1.2.a	Has the municipality paid its bulk water current account payment within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? *Note: refer to section A.1.2*	No
A.1.2.b	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 dedicated upload portal https://mfmadebtrelief.treasury.gov.za ?	Does not have function
A.1.2.c	Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the municipal system as per the mSCOA data string and the relevant section 41(2) MFMA statement of the Water Board and/or Water Trading Entity?	Does not have function
A.1.3	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 agreement means the total Eskom charges for the billing period plus any 1 (one) subsequent billing period that may be due as a result of a payment arrangement of "new arrears" (bucket 2 and 3 as subsequent current as counted up to the date of the submission of the application.*	Yes
A.1.3.a A.1.3.b	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 dedicated upload Portal https://mfmadebtrelief.treasury.gov.za ?	Yes
A.1.4	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

Section B: Municipalities with a funded MTREF

B.1.1	Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines *Note: Refer to Annexure A3 - Budget Funding Assessment Framework* ?	Please Answer YN/P
B.1.2	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
B.1.3	Has the municipality made adequate provision for debt impairment (including 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

Section C: Municipalities with an unfunded MTREF

C.1.1	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
C.1.2	If the municipality's MTREF is not funded , has a tabled and adopted a credible budget funding Plan as part of the MTREF budget (refer item 9.1 of MFMA Budget Circular No. 122, 09 December 2022)?	There is an FBP
C.1.3	If the municipality's MTREF is not funded and it has as per the legislative framework , does the existing FBP incorporate a credible Budget Funding Plan (with the FBP also effecting a funded MTREF over the period of the FBP) 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 it is municipality's who are not over or "Red" in terms of Part 3b criteria of the Framework*	Yes
C.1.4	Does the municipality's annual and monthly cashflow projection 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 is reflective of the municipality's budget revenue plan strategy (as the FBP strategy) and related seasonal trends (i.e. summer holiday months, lower consumption rates, etc.)?	No
C.1.5	Cash collection tariffs – (including metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 94 and item 9.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submission with effect the tabling of the 2024/25 MTREF?	No

Section D: Municipalities with a funded or unfunded MTREF

D.1.1	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: 1st, to property rates, thereafter to water, wastewater, refuse removal and fully to electricity ?	Yes
D.1.2	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
D.1.3	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 both restricting/interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water*	Yes
D.1.4	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 subsidised free electricity and water limits of 50 kilowatt electricity and 6 kilolitres water, respectively ? *Note: the municipality's monthly 50 kwh + 6 kl limited input supply as part of the municipal indigent policy must be aligned to the input limits of the indigent subsidised free basic electricity and water limits as approved in the municipality's indigent policy.*	Yes

Section E: Municipalities with a funded or unfunded MTREF

E.1.1	Has the municipality achieved a minimum of 85 per cent average quarterly collection of property rates and service charges with effect from 01 April 2022 and 87 per cent average quarterly collection with effect from 01 April 2023 during any quarter demonstrated in the MFMA s 71 monthly and quarterly statement(s) and mSCOA data string) uploaded via the Dashboard Upload Portal?	No

Section F: Municipalities with a funded or unfunded MTREF

F.1.1.a	* The underperformance directly relates to clearly identified areas where the municipality does not have authority as a collection lead and that the average quarterly collection of the municipality (excluding these identified areas) equals the required quarterly average collection set out in paragraph 6.1.1	No
F.1.1.b	* The municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	Yes
F.1.1.c	* The municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	Yes
F.1.2	The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual site by site basis, considered turning off the debt of its customers, which is normal credit control process?	Yes
F.1.4	Has the municipality adopted a policy to forbid any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter ?	Yes
F.1.5	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 6.2 and 6.4?	Yes

Section G: Municipalities with a funded or unfunded MTREF

G.1.1	Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system correctly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
G.1.1	If the response in G 1.1 is "no", has the municipality demonstrated the steps taken to correct the variances identified? *Note: recently, progress agreed the action plan in order to rectify the variances identified in the report and/or reconciliation (i.e. the full GV roll is uploaded*	Yes
G.1.2	Per the latest ending Quarter Has the municipality submitted its completed billing system, GVR and/or valuation Roll reconciliation required in terms of paragraph 6.2.1 to the National Treasury quarterly (refer MFMA Circulars no. 94, 98, 107 and 108) to the updated portal on https://mfmadebtrelief.treasury.gov.za ?	Yes

Section H: Municipalities with a funded or unfunded MTREF

H.1.1	MFMA section 71 reporting – has the municipal council and senior management team continued to promote and enforce accountability for the implementation of the municipality's funded budget and budget funding Plan where relevant?	Yes
H.1.2	If progress to show in terms of paragraph 6.3.1, is the entity interruption support from the narrative supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? *Note: questions G 1.2 has a supporting mscoa and report code to it.*	No
H.1.3	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
H.1.4	If the municipality has an FRP, with effect from 01 April 2021, 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's Municipal Financial Recovery Service (MFRS) remotely via the dedicated upload Portal https://mfmadebtrelief.treasury.gov.za ?	Yes

Section I: Municipalities with a funded or unfunded MTREF

I.1.1	Has the relevant Provincial Treasury (delegated) / National Treasury (non delegated) monthly monitored the municipality's compliance to terms of the conditions?	Yes
I.1.2	Has the Head of the relevant Provincial Treasury (delegated) / National Treasury (non delegated) confirmed the municipality's compliance to these conditions, to the National Treasury's satisfaction, as envisaged in the conditions for graduation detailed in (refer paragraph 6.1.1 to 6.1.5 of MFMA Circular no. 124) and promptly uploaded the compliance certificate via the dedicated upload Portal https://mfmadebtrelief.treasury.gov.za *Note: refer to section D of the Framework and the Annexure A1 under the conditions for graduation*	Yes
I.1.3	Has the Provincial Treasury failed to rectify any provincial treasury non compliance with any of the conditions for graduation (refer paragraph 6.1.1 to 6.1.5 of MFMA Circular no. 124) within one month of the non compliance occurring?	No

Section J: Municipalities with a funded or unfunded MTREF

J.1.1	Limitation on municipality borrowing powers – has the municipality borrowed since its initial or any subsequent benefit in terms of the municipal debt support programme ?	No

Section K: Municipalities with a funded or unfunded MTREF

K.1.1.a	Has the municipality appropriated and ring fenced in a sub account in its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any months and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation ?	No
K.1.1.b	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 promptly with both current account before it applied the revenue in the sub account for any other purpose ?	No

Section L: Municipalities with a funded or unfunded MTREF

L.1.1	Supporting evidence – has the municipality submitted a copy of the monthly bank statement at its ring fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s 71 statutes reported revenue	No
L.1.2	Supporting Treasuries – has the municipality fully accounted for and correctly reported on the write off of its Eskom arrear debt (debt owing as on 31 March 2023) as per any written instruction of the National Treasury (Office of the Accountant General) dated for Municipal Debt Relief as date? *Note: Eskom accounts are classified as a interest bearing loan, and therefore not included in the municipality's debtors accounts*	Yes
L.1.3	*MFMA Circular – has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?*	No

PT: Head of Dept / MFMA Name:

Signature of entity and date:

National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Province		
MP		
Code	District	Code Description
MP302	Gert Sibande	Msukaligwa

Monthly Performance Report

Municipal Details			Part A						Part B				Part C			Part D				Part C							Part C			Part E														Scoring and Rating	
			Eskom And Both water current account						Compliance with a funded MTREF				FR/MFP & Tariff Assessment			Electricity and water as collection tools				Quarterly collection of property rates and services charges							Minimization of Revenue Base			Oversight														Scoring and Rating	
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating
1.July	Msukaligwa	MP302																																									85%	
2.August	Msukaligwa	MP302																																									0%	
3.September	Msukaligwa	MP302																																									73%	
4.October	Msukaligwa	MP302																																									0%	
5.November	Msukaligwa	MP302																																									0%	
6.December	Msukaligwa	MP302																																									0%	
7.January	Msukaligwa	MP302																																									0%	
8.February	Msukaligwa	MP302																																									0%	
9.March	Msukaligwa	MP302																																									0%	
10.April	Msukaligwa	MP302																																									0%	
11.May	Msukaligwa	MP302																																									0%	
12.June	Msukaligwa	MP302																																									0%	

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 Monthly Report for September 2026 – M03** has been prepared in accordance with the Municipal management act and the regulations made under the Act.

Municipal Manager of Msukaligwa Local Municipality

Name: **MR. M. KUNENE**

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

Signature: 

Date: 2026/10/8