Msukaligwa Local Municipality

SECTION 71 MONTHLY REPORT

31 August 2026

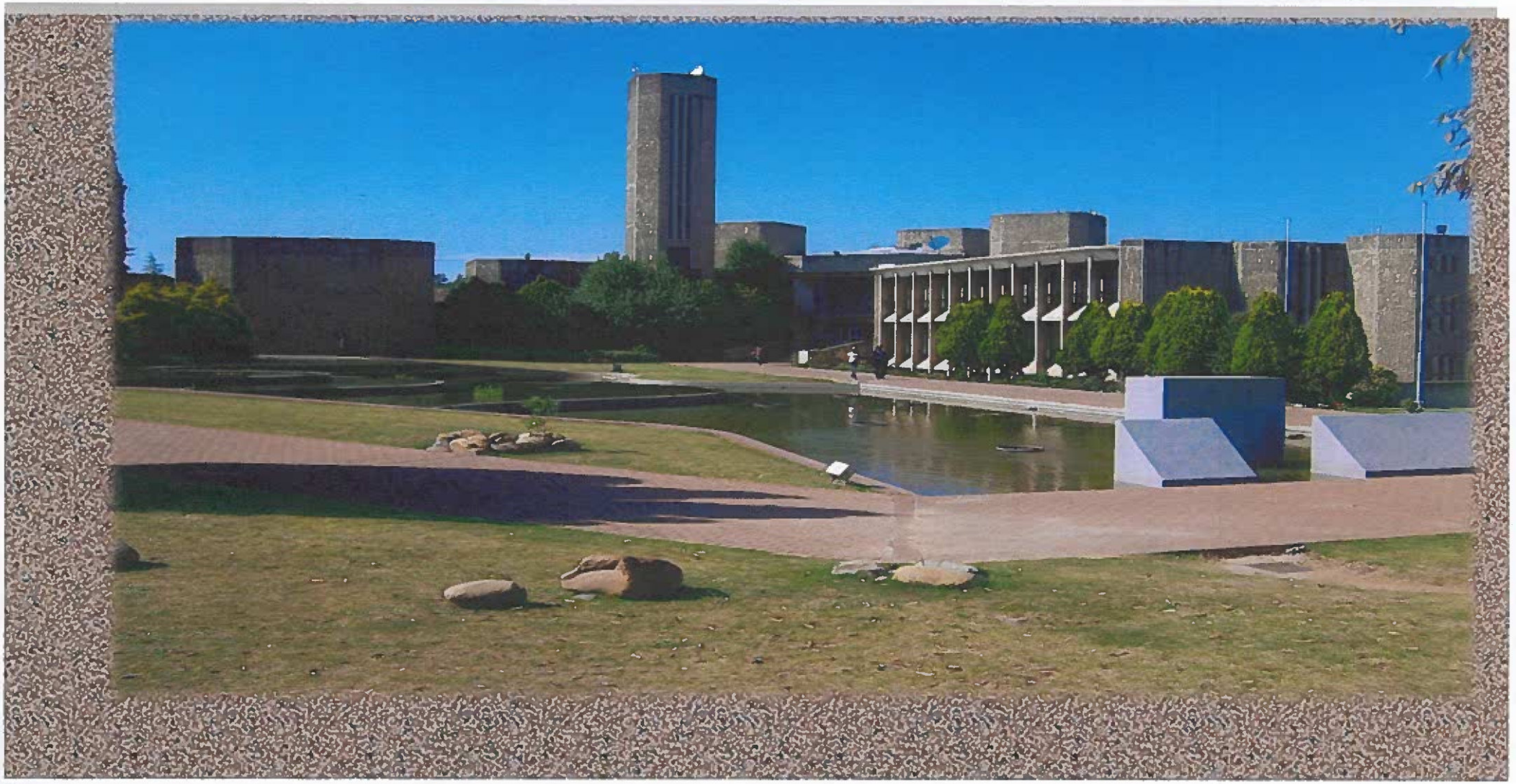


Table of Contents

1. Purpose	
2. Background	
3. Executive summary	
4. Budget performance overview	
4.1 Operating Revenue by Source	
4.2 Operating Expenditure by Type	
4.3 Capital expenditure	
4.4 Cash flows	
5. Debtors' Analysis	
6. Creditors' Analysis	
7. Table C6 – Statement of Financial Position	
8. Investment Portfolio analysis	
9. Allocation and grant receipts and expenditure	
10.Councillor and board member allowances and employee benefits	
11. Overtime schedule	
12. Material variances to the service delivery and budget implementation plan	
13. Capital programme performance	
14. Other Supporting Docuements	
15. Annexure B: Compliance with the conditions for Municipal Debt Relief	
15.1 MFMA Circular 124 – Condition 6.3 (Maintaining the Eskom bulk current account) and Condition 6.12 (Proper Management of Resources	
15.2 MFMA Circular 124 – Condition 6.4 Compliance with a unfunded MTREF Budget	
15.3 MFMA Circular 124 – Condition 6.5 – Cost Reflective Tariffs	
15.4 MFMA Circular 124 – Condition 6.6 - Electricity and Water as collection tool	
15.5 MFMA Circular 124 – Condition 6.7 Average Quarterly collection rate	
15.6 MFMA Circular 124 - Condition 6.8 Completeness of the Revenue Base	
15.7 MFMA Circular 124 – Condition 6.10 Provincial Treasury certification of Municipalities	
15.8 MFMA Circular 124 – Condition 6.11Limitation on Municipality borrowing	
15.9 MFMA Circular 124 – Municipality Compliance Self- A ssessment	
15.10 Municipal Debt Relief Performance across the period of debt relief participation	
16. Water Debt Relief Conditions 7.1- 7.3	
16.1 Condition 7.1 - "Maintaining the bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption that was due and payable during the month being assessed):"	
16.2 Condition 7.2 - Accounting Treatment and mSCOA Reporting	
16.3 Condition 7.3 - Monitor and report on implementation – Section 71 monthly Reporting and FRP	
17. Municipal Manager's quality certification	
18. Recommendations	

List of Tables

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

List of Abbreviations and Acronyms used in the Monthly Budget Statement

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

PART 1: IN-YEAR REPORT FOR THE PERIOD ENDING 31 AUGUST 2026
TO: THE EXECUTIVE MAYOR
FROM: THE DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE

MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDING 31 August 2026.

1. PURPOSE

The purpose of this report is to present a Section 71 M02- August 2026 Monthly report of the MFMA by providing a monthly statement on the implementation of the budget and the financial situation for the municipality for the Month ending **31 August 2026** for consideration and noting.

2. BACKGROUND

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

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

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

(2) The statement must include –

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

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

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

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

3. EXECUTIVE SUMMARY

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

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

The municipality 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.

Description	2026/27	2026/27	YTD Budget	YTD Actual	Difference Month to date	
	Original	Adjustment budget	Budget	Actual	Actual versus budget	Achieved
	R million	R million	R million	R million	R million	%
Revenue	1 369 493	1 369 493	226 452	298 334	(71 882)	-32%
Expenditure	1 910 989	1 910 989	318 439	261 361	57 078	-18%
Total (Surplus/Deficit)	**(541 496)**	**(541 496)**	**544 891**	**559 695**	**(14 804)**	**-50%**

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 deficit.

Revenue Performance

The 2026/27 financial year-to-date (YTD) revenue collection was better than expected. YTD actual revenue for the month ending 31 August 2026 amounted to **R 298,334 million** while the budgeted amount was **R 226,452 million**. As a result, the difference between the two amounted to **R 71,882 million (32%),** 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 261,361 million**, compared to a budget of **R 318,439 million**, leading to an underspending of **R 57,78 million (18%).** This indicates that the municipality is spending within the planned projection.

Surplus/deficit

The Municipality has reported year-to-date surplus, 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 - M02 August									
Description	2025/26	Budget Year 2026/27							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	257 446	264 325	–	21 466	43 537	44 054	(517)	-1%	264 325
Service charges	585 948	670 777	–	55 395	110 053	111 796	(1 744)	-2%	670 777
Investment revenue	6 167	6 681	–	835	1 181	1 113	68	6%	6 681
Transfers and subsidies - Operational	295 841	309 427	–	–	124 669	51 571	73 098	0	309 427
Other own revenue	205 650	118 282	–	9 126	18 894	17 917	978	5%	118 282
Total Revenue (excluding capital transfers and contributions)	**1 351 052**	**1 369 493**	**–**	**86 822**	**298 334**	**226 452**	**71 882**	**32%**	**1 369 493**
Employee costs	374 605	365 241	–	31 574	62 144	60 873	1 271	2%	365 241
Remuneration of Councillors	19 298	20 314	–	1 581	3 201	3 386	(185)	-5%	20 314
Depreciation, amortisation and impairment	121 452	132 744	–	–	–	22 124	(22 124)	-100%	132 744
Interest, Dividends and Rent on Land	133 322	173 201	–	12 141	22 324	28 867	(6 543)	-23%	173 201
Inventory consumed and bulk purchases	695 058	813 763	–	74 809	147 111	135 627	11 484	8%	813 763
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	473 487	405 725	–	19 997	26 581	67 562	(40 980)	-61%	405 725
Total Expenditure	**1 817 222**	**1 910 989**	**–**	**140 102**	**261 361**	**318 439**	**(57 078)**	**-18%**	**1 910 989**
Surplus/(Deficit)	**(466 170)**	**(541 496)**	**–**	**(53 280)**	**36 973**	**(91 987)**	**128 960**	**-140%**	**(541 496)**
Transfers and subsidies - capital (monetary allocations)	223 173	427 952	–	–	–	71 325	(71 325)	-100%	427 952
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**(242 997)**	**(113 545)**	**–**	**(53 280)**	**36 973**	**(20 662)**	**57 635**	**-279%**	**(113 545)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(242 997)**	**(113 545)**	**–**	**(53 280)**	**36 973**	**(20 662)**	**57 635**	**-279%**	**(113 545)**
Capital expenditure & funds sources									
Capital expenditure	**293 416**	**30 533**	**–**	**15 150**	**(183 362)**	**72 238**	**(255 600)**	**-354%**	**30 533**
Capital transfers recognised	175 457	20 655	–	12 059	(163 858)	71 325	(235 183)	-330%	20 655
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**4 661**	**9 878**	**–**	**3 090**	**(19 371)**	**1 646**	**(21 017)**	**-1277%**	**9 878**
Total sources of capital funds	**180 118**	**30 533**	**–**	**15 150**	**(183 229)**	**72 972**	**(256 200)**	**-351%**	**30 533**
Financial position									
Total current assets	1 170 236	1 776 725	–		1 395 232				1 776 725
Total non current assets	3 001 027	2 817 382	–		3 144 723				2 817 382
Total current liabilities	2 880 109	2 433 569	–		3 360 492				2 433 569
Total non current liabilities	181 901	1 429 971	–		181 451				1 429 971
Community wealth/Equity	**846 681**	**730 567**	**–**		**1 146 418**				**730 567**
Cash flows									
Net cash from (used) operating	(1 581 749)	483 762	–	(8 063)	(2 037 667)	444 553	2 482 220	558%	453 229
Net cash from (used) investing	293 591	(30 533)	–	(15 150)	257 255	72 972	(184 284)	-253%	(30 533)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**(2 700 839)**	**496 319**	**–**	**(23 213)**	**(4 078 680)**	**560 615**	**4 639 295**	**828%**	**(1 875 573)**
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	(4 939)	80 895	57 478	59 105	44 391	32 578	211 568	1 351 686	1 832 763
Creditors Age Analysis									
Total Creditors	97 958	81 086	145 927	96 803	3 240	2 146	334 758	2 015 557	2 777 474

4. FINANCIAL PERFORMANCE OVERVIEW

4.1 For the month ending 31 August 2026, the municipality reported actual YTD revenue collection of **R 298 million**, while projected budgeted revenue was **R 226 million**. This represents a positive variance of **R 71 million**, indicating that revenue collection exceeded the budget by approximately **32%**.

Operating Revenue by Source

MP302 Msukaligwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August										
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
Revenue										
Exchange Revenue										
Service charges - Electricity		322 150	378 955	–	30 774	60 875	63 159	(2 285)	-4%	378 955
Service charges - Water		138 009	152 133	–	14 001	27 682	25 355	2 326	9%	152 133
Service charges - Waste Water Management		67 565	67 493	–	5 507	11 292	11 249	44	0%	67 493
Service charges - Waste management		58 224	72 197	–	5 113	10 204	12 033	(1 829)	-15%	72 197
Sale of Goods and Rendering of Services		1 642	4 589	–	251	1 102	765	337	44%	4 589
Agency services		–	–	–	–	–	–	–		–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		37 580	23 337	–	4 623	9 165	3 723	5 443	146%	23 337
Interest from Current and Non Current Assets		6 167	6 681	–	835	1 181	1 113	68	6%	6 681
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		2 933	9 425	–	349	752	1 571	(819)	-52%	9 425
Licence and permits		25	97	–	14	18	16	2	12%	97
Special rating levies		–	–	–	–	–	–	–		–
Construction Contract Revenue		–	–	–	–	–	–			–
Development Charges		–	–	–	–	–	–			–
Operational Revenue		410	3 415	–	128	252	569	(317)	-56%	3 415
Non-Exchange Revenue		–	–	–	–	–	–	–		–
Property rates		257 446	264 325	–	21 466	43 537	44 054	(517)	-1%	264 325
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		61 547	67 237	–	112	513	11 206	(10 693)	-95%	67 237
Licence and permits		8	68	–	6	9	11	(2)	-20%	68
Transfers and subsidies - Operational		295 841	309 427	–	–	124 669	51 571	73 098	142%	309 427
Interest		16 698	10 113	–	3 643	7 082	56	7 027	12660%	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)		1 351 052	1 369 493	–	86 822	298 334	226 452	71 882	32%	1 369 493

Property Rates

- The Property Rates Reconciliation for the month ending 31 August 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	01/08/2026-31/08/2026
Financial Year	2025-2026
Reconciliation Period	26-Aug

Reconciliation Overview

High Level Reconciliation

Propety Categories	# of Properties			Market Values		
Propety Categories	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	26 266	26 266	-	11 285 694 801.00	11 285 694 801.00	-
Industrial	106	106	-	335 790 300.00	335 790 300.00	-
Business and Commercial	842	842	-	3 284 083 200.00	3 284 083 200.00	-
Agricultural	2 247	2 247	-	11 681 869 600.00	11 681 869 600.00	-
Mining	92	92	-	67 270 000.00	67 270 000.00	-
State Owned for Public Purpose	147	147	-	1 307 549 100.00	1 307 549 100.00	-
PSI	688	688	-	123 824 500.00	123 824 500.00	-
PBO	128	128	-	328 921 300.00	328 921 300.00	-
Multi Use	-	-	-	-	-	-
Vacant	3 315	3 315	-	520 881 020.00	520 881 020.00	-
POW	2	2	-	94 700 000.00	94 700 000.00	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
	33 833	33 833	-	29 030 583 821.00	29 030 583 821.00	-

Detailed Reconciliation

Propety Categories	Monthly Billing			Quarterly		
Propety Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	7 362 725	7 362 727	-2	22 088 176.15	22 088 180.99	-4.84
Industrial	789 395	789 395	0	2 368 184.83	2 368 184.29	0.54
Business and Commercial	7 750 755	7 750 754	0	23 252 264.06	23 252 263.36	0.71
Agricultural	2 484 070	2 484 070	0	7 452 211.00	7 452 211.44	-0.44
Mining	158 950	158 952	-2	476 849.76	476 854.86	-5.1
State Owned for Public Purpose	2 754 784	2 754 784	0	8 264 351.26	8 264 352.61	-1.35
PSI	15 448	15 448	0	46 343.77	46 344.67	-0.9
PBO	4 079	4 079	-	12 236.70	12 236.70	-
Multi Use	-	-	-	-	-	-
Vacant	726 354	726 355	0	2 179 063.15	2 179 064.52	-1.37
POW	9 998	9 998	-	29 993.13	29 993.13	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	R22 056 557.94	R22 056 562.19	-R4.25	66 169 673.81	66 169 686.56	-12.74

Prepared By Nomusa Zulu — Date 8/31/2026

Contatct Details

Signature _____

Reviewed By GT MAHLANGU — Date 8/31/2026

Contatct Details

Signature _____

- **Electricity**

Description	Original Budget 2026/27	Monthly Budget	Actual billed or received M02 (August)	Difference (Budget vs Actual)	Variance based on pro rata budget
	R	R	R	R	%
Conventional	265 268 547.60	22 105 712.30	21 541 613.80	564 098.50	3%
Prepaid sales	113 686 520.40	9 473 876.70	9 232 120.20	241 756.50	3%
Total	**378 955 068.00**	**31 579 589.00**	**30 773 734.00**	**805 855.00**	**3%**

In August 2026 (M02), the total billed and received revenue was **R 30,774 million**, compared to a monthly budget of **R 31,580 million**, resulting in an unfavorable variance of **R 806 thousand (3%).**

- **Conventional revenue** reached R **21,542 million**, against a budget of **R 22,106 million**, reflecting an unfavorable variance of **R 564 thousand (3%).**
- **Prepaid sales** totaled **R 9,232 million**, in comparison to a budget of **R 9,474 million**, leading to an unfavorable variance of **R 242 thousand (3%)**.

Water revenue exceeded the budgeted projection by R 1,03 million (10%).

Wastewater Management was slightly below the budget by R117 thousand (2%)

Waste Management was also slightly below the projected budget with R 904 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 **R4,623 million**. Other interest income from non-current assets amounted to **R 835 thousand** for the month. 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 112 thousand** was collected against a budget of **R5,603 million**, resulting in a shortfall of **R5, 491 million**. This requires management attention.

4.2 Operating Expenditure by Source

The year-to-date Total expenditure amounts to **R 261 million** which is **18% less than the projected budget**

MP302 Msukaligwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August										
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	–	31 574	62 144	60 873	1 271	2%	365 241
Remuneration of councillors		19 298	20 314	–	1 581	3 201	3 386	(185)	-5%	20 314
Bulk purchases - electricity		538 353	630 132	–	72 261	144 144	105 022	39 122	37%	630 132
Inventory consumed		156 705	183 631	–	2 549	2 967	30 605	(27 639)	-90%	183 631
Debt impairment		152 711	167 177	–	–	–	27 863	(27 863)	-100%	167 177
Depreciation, amortisation and impairment		121 452	132 744	–	–	–	22 124	(22 124)	-100%	132 744
Interest, Dividends and Rent on Land		133 322	173 201	–	12 141	22 324	28 867	(6 543)	-23%	173 201
Contracted services		157 730	134 448	–	6 372	6 708	22 455	(15 747)	-70%	134 448
Transfers and subsidies		–	–	–	–	–	–	–		–
Irrecoverable debts written off		7 420	–	–	–	–	–	–		–
Operational costs		155 625	104 100	–	13 625	19 873	17 244	2 630	15%	104 100
Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–		–
Other Losses		–	–	–	–	–	–	–		–
Total Expenditure		–	1 910 989	–	140 102	261 361	318 439	(57 078)	-18%	1 910 989
Surplus/(Deficit)		–	(541 496)	–	(53 280)	36 973	(91 987)	128 960	(0)	(541 496)

- **Bulk electricity purchases -** Expenditure for the month amounted to **R 72,261 million** compared with a budget of **R 52,511 million**, resulting in an overspending of **R19,750 million**.
- **Inventory costs -** Inventory consumed amounted to **R 2,5 million** against a budget of **R15,303 million**, resulting in an unfavourable variance of **R 12 million**.
- **Interest expenditure -** Interest incurred on overdue accounts (DWS and ESKOM) amounted to **R 12,141 million**, compared with a budget of **R14,433 million**, resulting in under spending of **R 2,2 million.**
- **Employee costs -** Employee-related costs were **R 33,155 million** against a budget of **R 32,130 million**, showing only a small overspending of **R1,2 million. This amount includes Councillors Remuneration.**
- **Some expenditure items were below budget -** Contracted services were **R6,372 million below budget**, while operational costs were **R 13,625 million below budget**. Debt impairment and depreciation had no expenditure recorded in August, resulting in variances of **R13,931 million and R11,062 million**, respectively.

4.3 Capital Expenditure

MP302 Msukaligwa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

Vote Description R thousands	Ref 1	2025/26 Audited	Budget Year 2026/27 Original	Adjusted	Monthly	YearTD	YearTD	YTD	YTD %	Full Year
Capital Expenditure - Functional Classification										
Governance and administration		3 679	-	-	656	(3 023)	-	(3 023)	#DIV/0!	-
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		3 679	-	-	656	(3 023)	-	(3 023)	#DIV/0!	-
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		1 888	-	-	-	568	1 553	(985)	-63%	-
Community and social services		1 888	-	-	-	568	1 553	(985)	-63%	-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		54 407	6 000	-	-	(19 517)	2 453	(21 969)	-896%	6 000
Planning and development		-	-	-	-	-	-	-		-
Road transport		54 407	6 000	-	-	(19 517)	2 453	(21 969)	-896%	6 000
Environmental protection		-	-	-	-	-	-	-		-
Trading services		233 617	24 533	-	14 493	(161 565)	68 966	(230 531)	-334%	24 533
Energy sources		3 971	18 100	-	2 768	(5 137)	3 017	(8 153)	-270%	18 100
Water management		40 262	3 878	-	7 798	(29 205)	26 847	(56 052)	-209%	3 878
Waste water management		189 383	-	-	3 928	(127 223)	38 677	(165 900)	-429%	-
Waste management		-	2 555	-	-	-	426	(426)	-100%	2 555
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	293 591	30 533	-	15 150	(183 536)	72 972	(256 508)	-352%	30 533
Funded by:										
National Government		175 457	20 655	-	12 059	(163 858)	71 325	(235 183)	-330%	20 655
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov		-	-	-	-	-	-	-		-
Transfers recognised - capital		175 457	20 655	-	12 059	(163 858)	71 325	(235 183)	-330%	20 655
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		4 661	9 878	-	3 090	(19 371)	1 646	(21 017)	-1277%	9 878
Total Capital Funding		180 118	30 533	-	15 150	(183 229)	72 972	(256 200)	-351%	30 533

Below is the summary DORA allocation and spending per grant(s), as at 31 August 2026.

CAPITAL GRANTS SPENDING

TYPE of GRANTS	Original allocation	Adjusted allocation /Roll Over	Adjustment	Revised Allocation	Received to date	Spent to date	Remaining on budget	Remaining on amount received	Spending% Against allocation	spending% against Receipts
MIG	R 73 686 000.00	R 0.00	R 0.00	R 73 686 000.00	R 18 097 000.00	R 8 247 698.38	R 65 438 301.63	R 9 849 301.63	11%	46%
EEDSM	R 0.00	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 5 381 135.01	R 54 468 864.99	R 34 618 864.99	9%	13%
RBIG	R 280 000 000.00	R 0.00	R 0.00	R 280 000 000.00	R 0.00	R 9 842 959.60	R 270 157 040.40	-R 9 842 959.60	4%	0%
INEP	R 18 100 000.00	R 0.00	R 0.00	R 18 100 000.00	R 0.00	R 0.00	R 18 100 000.00	R 0.00	0%	0%
MDRG	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	#DIV/0!	#DIV/0!
	R 431 636 000.00	R 0.00	R 0.00	R 431 636 000.00	R 58 097 000.00	R 23 471 792.98	R 408 164 207.02	R 34 625 207.02	5.44%	40.40%

OPERATIONAL GRANTS SPENDING

TYPE of GRANTS	Original allocation	Roll Over	Adjustment	Revised Allocation	Received to date	Spent to date	Remaining on budget	Remaining on amount received	Spending% Against allocation	spending% against Receipts
FMG	R 3 800 000.00		R 0.00	R 3 800 000.00	R 0.00	R 42 513.36	R 3 757 486.64	-R 42 513.36	1%	#DIV/0!
EPWP			R 0.00		R 0.00	R 0.00	R 0.00	R 0.00	#DIV/0!	#DIV/0!
	R 3 800 000.00	R 0.00	R 0.00	R 3 800 000.00	R 0.00	R 42 513.36	R 3 757 486.64	-R 42 513.36	1.12%	#DIV/0!

Unspent Capital 2025/26	R 34 625 207.02
Unspent Operational grants 2025/26	-R 42 513.36
	R 34 582 693.66

4.4 Cash Flows

Bank Balances as at 31 August 2026

AUGUST BANK BALANCE AND INTEREST		
BANK ACCOUNT TYPE	BALANCE	INTEREST
CALL ACCOUNT	219 309 635.92	638 217.55
LICENSING ACCOUNT	9 224 541.18	32 297.77
PRIMARY ACCOUNT	9 752 950.43	92 479.51
TRADING SERVICES ACCOUNT	18 030 464.64	72 067.78
	256 317 592.17	**835 062.61**

- Cash and Cash Equivalents for the month ending 31 August 2026 amounted to a total of **R 256 317 592.17** see the above breakdown.

5. Debtors age analysis

MP302 Msukaligwa - Supporting Table SC2 Monthly Budget Statement - aged debtors - M02 August

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	(2 153)	16 127	13 744	19 494	9 331	9 243	56 026	350 018	471 831	444 112	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	(1 353)	24 075	7 739	6 452	4 094	5 339	29 358	229 051	304 756	274 295	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	(383)	20 443	11 775	9 656	8 341	8 833	53 096	244 106	355 867	324 033	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	(328)	6 760	4 688	4 079	3 742	4 284	26 864	236 705	286 793	275 674	–	–
Receivables from Exchange Transactions - Waste Management	1600	(283)	5 787	4 255	3 695	3 431	3 945	24 447	237 582	282 859	273 100	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	(76)	304	256	208	183	144	–	–	1 018	534	–	–
Interest on Arrear Debtor Accounts	1810	(9)	9 549	16 740	16 385	16 131	4 124	26 174	3 831	92 926	66 645	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	(355)	(2 150)	(1 719)	(864)	(862)	(3 334)	(4 397)	50 394	36 713	40 937	–	–
Total By Income Source	2000	(4 939)	80 895	57 478	59 105	44 391	32 578	211 568	1 351 686	1 832 763	1 699 329	–	–
2025/26 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(5)	3 802	2 906	2 502	2 265	1 862	12 947	24 871	51 150	44 447	–	–
Commercial	2300	(331)	33 368	14 488	11 315	8 805	7 194	44 029	191 408	310 276	262 751	–	–
Households	2400	(4 516)	43 609	40 084	45 287	33 321	23 522	154 592	1 135 407	1 471 307	1 392 130	–	–
Other	2500	(87)	117	–	–	–	–	–	–	31	–	–	–
Total By Customer Group	2600	(4 939)	80 895	57 478	59 105	44 391	32 578	211 568	1 351 686	1 832 763	1 699 329	–	–

- The Municipal Debt book as at 31 August 2026 amounted to **R 1,832 billion**

6. Creditors age analysis

MP302 Msukaligwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

Description	NT Code	Budget Year 2026/27									Prior year totals for chart
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days -	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	95 240	80 594	65 671	94 259	1 050	15	306 906	812 090	1 455 825	1 455 825
Bulk Water	0200	–	–	78 123	1 482	955	2 057	28 193	1 203 417	1 314 227	1 314 227
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	2 718	492	2 133	1 062	1 235	74	(341)	51	7 423	7 423
Auditor General	0800	–	–	–	–	–	–	–	–	–	–
Other	0900	–	–	–	–	–	–	–	–	–	–
Medical Aid deductions	0950	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	1000	97 958	81 086	145 927	96 803	3 240	2 146	334 758	2 015 557	2 777 474	2 777 474

- The total amount owed to creditors as per the age analysis on 31 August 2026 amounts to **R2,777 billion** with top creditors being DWS, Eskom.

Eskom Debt

An amount owed in a Month ending **31 August 2026** amounted to **R 1, 454 billion.**

ESKOM 2026-27

Month	Opening balance	Ermelo 648643281	Davel 9657898907	Breyten 9010981110	KwaZanele 8341001579	Silindile 7296044246	TOTAL
Jul-26	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
	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	-	-	-	-	-	-
Aug-25	**Opening/Closing 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	4 264 546.23	2 100 827.33	72 260 712.49
	Vat	9 191 023.58	303 372.77	389 904.48	639 668.68	315 124.10	10 839 093.61
	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/Closing balance	**1 442 327 363.89**	**2 325 857.91**	**2 989 267.71**	**4 904 214.91**	**2 415 951.43**	**1 454 962 655.85**

DWS Debt

As at **31 August 2026**, the municipality owes Department of Water and Sanitation an amount of **R 1,365 billion.**

Client:	Msukaligwa Local Municipality	Prepared by:	Nompumelelo Mashaja
Year end:	30 June 2027	Date:	31-Aug-26
Subject:	Bulk Purchases - Water	Reviewed by:	S Nkosi
Period ending	31 August 2026	Date:	30-Jun-27
		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	485 797 144.6
20029265 CMA	-	-	-	-		-	-	-	1 100 572.7
20028765 NRWI	389 483.42	6 479.17	-	-		-	-	395 962.59	198 876.9
20028765 CMA	-	-	-	-		-	-	-	389 483.4
20031984 NRWI	41 908 198.74	-	-	7 211.69		-	-	41 915 410.43	852 524.2
20031984 CMA	-	-	-	-		-	-	-	-
20033982 NRWI	336 243 385.67	-	-	-		-	-	336 243 385.67	332 688 080.2
20033982CMA	-	-	-	-		-	-	-	3 555 304.4
20037906 NWRI	132 949.80	860.40	-	-		-	-	133 810.20	132 949.4
20037906 CMA	-	-	-	-		-	-	-	-
21070010 NWRI	1 556 255.45	46.65	-	-		-	-	1 556 302.10	1 556 255.4
21070010 CMA	-	-	-	-		-	-	-	-
20014912 NRWI	141 702 116.79	448 246.87	66 882.67	-		-	-	142 217 246.33	141 706 116.7
20014912 CMA	281 645.87	-	-	-		-	-	281 645.87	281 645.8
20056412 NWRI	22 653 715.65	317 624.00	47 392.50	-		-	-	22 725 319.67	22 725 319.6
20056412 CMA	47 559.24	622.00	-	-		-	-	48 181.24	47 559.2
20059491 NRWI	138 299 635.06	-	-	982 404.25	-	-	-	139 282 039.31	138 299 634.8
20059491 CMA	761 080.13	-	-	-	-	-	-	761 080.13	761 080.1
20059482 NRWI	191 144 144.62	-	-	1 291 155.83	-	- 9 605 868.96	-	182 829 431.49	191 144 144.6
20059482 CMA	415 037.88	-	-	-	-	-	-	415 037.88	415 037.8
TOTAL DWS	1 372 025 261.85	773 879.09	114 275.17	2 280 771.77	-	- 9 605 868.96	-	1 365 294 906.43	1 321 651 730.7

RECONCILIATION

	Amount Excl VAT	VAT	Interest	interest reversal	Payments/credits	Adjustment	Creditor
Opening Balance as at 30 June 2025	1 372 025 261.85						1 279 408 602.62
DWS Movements for Current year	773 879.09	114 275.17	2 280 771.77	-	- 9 605 868.96	-	- 6 436 942.94
Less payments	-	-					
Grand Total	1 372 799 140.94	114 275.17	2 280 771.77	-	9 605 868.96	-	1 272 971 659.68

7. Table C6 – Statement of Financial Position

MP302 Msukaligwa - Table C6 Monthly Budget Statement - Financial Position - M02 August						
Description	Ref	2025/26	Budget Year 2026/27			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		38 203	499 744	–	265 442	499 744
Short term Investments		–	–	–	–	–
Trade and other receivables from exchange transactions		872 914	399 668	–	845 909	399 668
Receivables from non-exchange transactions		235 219	197 507	–	255 705	197 507
Current portion of non-current receivables		–	–	–	–	–
Inventory		54 242	19 310	–	57 457	19 310
VAT Receivable		(44 223)	660 496	–	(44 220)	660 496
Other current assets		13 881	–	–	14 939	–
Total current assets		**1 170 236**	**1 776 725**	**–**	**1 395 232**	**1 776 725**
Non current assets						
Investments		–	–	–	–	–
Investment property		173 077	172 104	–	173 077	172 104
Property, plant and equipment		2 834 378	2 645 098	–	2 975 510	2 645 098
Biological assets		–	–	–	–	–
Living resources		–	–	–	–	–
Heritage assets		175	175	–	175	175
Intangible assets		3	5	–	3	5
Trade and other receivables from exchange transactions		(4 154)	–	–	(3 581)	–
Non-current receivables from non-exchange transactions		(2 450)	–	–	(460)	–
Other non-current assets		–	–	–	–	–
Total non current assets		**3 001 027**	**2 817 382**	**–**	**3 144 723**	**2 817 382**
TOTAL ASSETS		**4 171 263**	**4 594 107**	**–**	**4 539 955**	**4 594 107**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		1 699	–	–	2 149	–
Consumer deposits		26 565	24 401	–	26 652	24 401
Trade and other payables from exchange transactions		2 802 394	1 661 573	–	3 055 449	1 661 573
Trade and other payables from non-exchange transaction		90 699	679 536	–	317 489	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		**2 880 109**	**2 433 569**	**–**	**3 360 492**	**2 433 569**
Non current liabilities						
Financial liabilities		(1 545)	450	–	(1 995)	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**	**–**	**181 451**	**1 429 971**
TOTAL LIABILITIES		**3 062 010**	**3 863 540**	**–**	**3 541 943**	**3 863 540**
NET ASSETS	2	**1 109 253**	**730 567**	**–**	**998 012**	**730 567**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		938 744	730 567	–	1 238 481	730 567
Reserves and funds		(92 063)	–	–	(92 063)	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**846 681**	**730 567**	**–**	**1 146 418**	**730 567**

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 at 31 August 2026

Grants received 2026-27				
	Votes	**Jul-26**	**Aug-26**	**Received to date**
MIG	D0001/IL07048/F0791/X146/R0290/001/CONTRA	18 097 000.00		18 097 000.00
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**	**205 097 000.00**
LGSETA	D0001/IL16416/F2706/X051/R0291/001/CONTRA	7 905.27	715 537.50	723 442.77
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
otal Operational		**124 676 905.27**	**4 485 000.00**	**129 161 905.27**
Total grant receipts		**182 773 905.27**	**151 485 000.00**	**334 258 905.27**

The municipality received the following grants on 31 August 2026

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

10. Remuneration of Councilor section 56/57 and Officials

EMPLOYEE COST FINANCIAL IMPLICATION

- The year-to-date expense in salaries amounts to **R 33 million** for the month ending 31 August 2026,

- Total salary cost in respect of the month ending 31 August 2026 is summarized per salary company as in the table below:

MP302 Msukaligwa - Supporting Table SC22 Monthly Budget Statement - councillor and staff benefits - M02 August										
		2025/26	Budget Year 2026/27							
nary of Employee and Councillor remune	Ref	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus										
Allowances and Service Related Benefits										
Basic Salary		12 682	13 242	–	1 051	2 116	2 207	(91)	-4%	13 242
Cell phone Allowance		1 613	1 629	–	137	274	272	2	1%	1 629
In-kind Benefits		140	–	–	–	–	–	–		–
Motor Vehicle Allowance		2 324	2 730	–	196	392	455	(63)	-14%	2 730
Out of pocket Expenses		250	–	–	–	24	–	24	#DIV/0!	–
Travelling Allowance		246	477	–	21	42	79	(37)	-47%	477
Total Allowances and Service Related Be		17 256	18 078	-	1 405	2 848	3 013	(165)	-5%	18 078
Social Contributions										
Medial Aid Benefits		223	330	–	18	35	55	(20)	-36%	330
Pension Fund Contributions		1 819	1 907	–	159	318	318	0	0%	1 907
Total Social Contributions		2 042	2 237	-	176	353	373	(20)	-5%	2 237
Total Councillors		19 298	20 314	-	1 581	3 201	3 386	(185)	-5%	20 314
% increase	4									
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		8 171	4 973	–	654	1 478	829	649	78%	4 973
Bonuses		–	–	–	–	–	–	–		–
Allowance								–		
Cellular and Telephone	3	162	157	–	15	30	26	4	15%	157
Travel or Motor Vehicle	3	1 330	1 498	–	120	239	250	(10)	-4%	1 498
Total Allowance		1 491	1 655	-	135	269	276	(6)	-2%	1 655
Service Related Benefits										
Acting	3	730	–	–	14	57	–	57	#DIV/0!	1 199
Bonus	3	–	–	–	–	–	–	–		14 723
In-kind Benefits	3	88	–	–	–	–	–	–		–
Leave Pay	3	–	–	–	–	–	–	–		648
Lifeguard/Duty Squads		–	–	–	–	–	–	–		–
Long Service Award		–	–	–	–	–	–	–		1 584
Overtime		–	–	–	–	–	–	–		28 366
Scarcity	3	–	–	–	–	–	–	–		–
Standby Allowance	3	–	–	–	–	–	–	–		12 776
Total Service Related Benefits		818	-	-	14	57	-	57	#DIV/0!	59 296
Total Salaries and Allowances		10 480	6 628	-	802	1 804	1 105	700	63%	65 924
Social Contributions										
Bargaining Council		–	–	–	–	–	–	–		113
Group Life Insurance		9	14	–	2	3	2	1	26%	4 021
Medical		237	281	–	23	46	47	(0)	-1%	17 667
Pension		691	770	–	82	175	128	47	37%	41 565
Unemployment Insurance		12	13	–	1	2	2	(0)	-5%	1 645
Total Social Contributions		949	1 079	-	108	227	180	47	26%	65 011
Post-retirement Benefit	6									
Medical		20 423	–	–	1	(101)	–	(101)	#DIV/0!	–
Total Post-retirement Benefit		20 423	-	-	1	(101)	-	(101)	#DIV/0!	-
Costs Capitalised to PPE		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipa		31 852	7 707	-	911	1 930	1 285	646	50%	130 935
% increase	4									
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		204 253	218 244	–	18 086	36 201	36 374	(173)	0%	218 244
Allowance										
Cellular and Telephone	3	1 235	1 354	–	110	216	226	(7)	-3%	1 354
Housing Benefits	3	662	731	–	61	120	122	(1)	-1%	731
Travel or Motor Vehicle	3	10 561	12 898	–	904	1 890	2 150	(260)	-12%	12 898
Voluntary Work		–	–	–	–	–	–	–		–
Total Allowance		12 457	14 982	-	1 074	2 228	2 497	(269)	-11%	14 982
Service Related Benefits										
Acting	3	1 129	1 199	–	81	136	200	(64)	-32%	1 199
Bonus	3	16 848	14 723	–	1 481	2 754	2 454	300	12%	14 723
Danger Allowance	3	299	–	–	25	50	–	50	#DIV/0!	–
Leave Pay	3	3 181	648	–	330	434	108	326	302%	648
Long Service Award		5 058	1 584	–	567	788	264	524	199%	1 584
Overtime		27 374	28 366	–	2 245	4 445	4 728	(283)	-6%	28 366
Scarcity	3	–	–	–	–	–	–	–		–
Standby Allowance	3	11 443	12 776	–	1 416	2 453	2 129	324	15%	12 776
Total Service Related Benefits		65 330	59 296	-	6 146	11 059	9 883	1 177	12%	59 296
Total Salaries and Allowances		282 041	292 523	-	25 306	49 488	48 754	735	0	292 523
Social Contributions										
Bargaining Council		107	113	–	10	19	19	0	1%	113
Group Life Insurance		3 748	4 021	–	336	671	670	1	0%	4 021
Medical		15 880	17 667	–	1 408	2 827	2 944	(117)	-4%	17 667
Pension		39 295	41 565	–	3 461	6 931	6 927	4	0%	41 565
Unemployment Insurance		1 541	1 645	–	133	264	274	(10)	-4%	1 645
Total Social Contributions		60 572	65 011	-	5 348	10 713	10 835	(122)	-1%	65 011
Post-retirement Benefit	6									
Medical		20 423	–	–	1	(101)	–	(101)	#DIV/0!	–
Other Benefits		–	–	–	–	–	–	–		–
Pension		–	–	–	–	–	–	–		–
Total Post-retirement Benefit		20 423	-	-	1	(101)	-	(101)		-
Costs Capitalised to PPE		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		363 035	357 534	-	30 655	60 101	59 589	512		357 534
% increase	4									
Total Parent Municipality		414 185	385 555	-	33 147	65 232	64 259	972	2%	508 783

11. Municipal ratios

MP302 Msukaligwa - Supporting Table SC6 Monthly Budget Statement - Performance Indicators - M02 August							
Description of financial indicator	Basis of calculation	Ref	2025/26	Budget Year 2026/27			
			Audited Outcome	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%	8.5%	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 Provision/ Funds & Reserves		353.2%	331.3%	0.0%	302.7%	331.3%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	40.6%	73.0%	0.0%	41.5%	73.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		1.3%	20.5%	0.0%	7.9%	20.5%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing		82.6%	43.6%	0.0%	372.9%	43.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old						
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue						
Repairs & Maintenance	R&M/Total Revenue - capital revenue		27.7%	26.7%	0.0%	20.8%	26.7%
Interest & Depreciation	I&D/Total Revenue - capital revenue		3.2%	0.8%	0.0%	0.0%	0.8%
IDP regulation financial viability indicators			18.9%	22.3%	0.0%	7.5%	14.1%
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

- The municipality is experiencing significant liquidity challenges, evidenced by a **current ratio of 41.5%** and a **liquidity ratio of 7.9%.**

- 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

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 18 097 000.00	R 14 036 134.48	R 4 060 865.53	19%	78%
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 2 858 890.46	R 37 141 109.55	5%	7%
RBIG	R 280 000 000.00	R 0.00	R 0.00	R 280 000 000.00	R 140 000 000.00	R 7 736 463.83	R 132 263 536.17	3%	0%
INEP	R 18 100 000.00	R 0.00	R 0.00	R 18 100 000.00	R 7 000 000.00	R 3 201 146.88	R 3 798 853.12	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 205 097 000.00**	**R 27 832 635.64**	**R 177 264 364.36**	**6.45%**	**13.57%**

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 2 520 971.03	R 1 279 028.97	66%	66%
EPWP	R 3 738 000.00		R 0.00	R 3 738 000.00	R 685 000.00	R 536 649.34	R 148 350.66	22%	78%
	R 7 538 000.00	**R 0.00**	**R 0.00**	**R 7 538 000.00**	**R 4 485 000.00**	**R 3 057 620.37**	**R 1 427 379.63**	**40.56%**	68%

Unspent Capital	2025/26	R 177 264 364.36
Unspent Operational grants	2025/26	R 1 427 379.63
		R 178 691 743.99

Above is a list of grants spending on grants as at 31 August 2026

Capital Grants spending

- MIG – **R14 million**
- WSIG – **R2.8 million**
- RBIG – **R7,7 million**
- INEP – **R 3,2 million**

Operational grants

- FMG – **R 2,5 million**
- EPWP – **R 536 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 - 2026/2027			2026/2027 - Monthly Monitoring											
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12
Indigent Household service 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	3 406					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	3 406	-	-	-	-	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	3 406	-	-	-	-	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	3 406	-	-	-	-	-	-	-	-	-	-
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	3 406	-	-	-	-	-	-	-	-	-	-
Status of unlimited supply of Water :																	
Number of Indigent HH's with conventional metered Water - where the municipality is *NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month*																	
Number of Indigent HH's NOT metered currently receiving unlimited supply - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households receiving unlimited supply - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's billed for consumption above the 6 kilolitres	11																
Energy : (Include All indigent households also in Eskom supplied areas)																	
Indigent HH's with Electricity (at least min service level)																	
Indigent HH's with Electricity - prepaid (min service level)																	
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indigent HH's with Electricity (< min service level)																	
Indigent HH's with Electricity - prepaid (< min service level)																	
Indigent HH's with other energy sources																	
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Status of Electricity meters :																	
Number of Indigent HH's with prepaid Electricity			5 460			3 494	3 406	-	-	-	-	-	-	-	-	-	-
Number of Indigent HH's with conventional metered Electricity						-	-	-	-	-	-	-	-	-	-	-	-
Number of Indigent HH's NOT metered currently - Electricity																	
Number of Indigent HH's with other energy sources - No metering		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	12	-	5 460	-	-	3 494	3 406	-	-	-	-	-	-	-	-	-	-
Status of unlimited supply of Electricity :																	
Number of Indigent HH's with conventional metered Electricity - where the municipality is *NOT physically restricting Electricity to the national free basic limit of 50kwh per household per month*																	
Number of Indigent HH's NOT metered currently receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's billed for consumption above the 50 kwh	13																
Total number of ALL Households receiving Free Basic Service (including registered indigent households)	7					3 494	3 406	-	-	-	-	-	-	-	-	-	-
Water (6 kilolitres per household per month)						3 494	3 406	-	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)																	
Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)																	
Water (6 kilolitres per household per month)						73	73										
Electricity/other energy (50kwh per household per month)						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	-	-	-	-	-	-	-	-	-	-
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										
Sanitation (kilolitres per household per month)			3 220 611			80	80										
Sanitation (Rand per household per month)			3 220 611			97	97										
Electricity (kwh per household per month)			5 460			88	88										
Refuse (average litres per week)			3 428 737			162	162										
Revenue cost of subsidised services provided for ALL Households (R'000)	9																
Residential Category - Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)	14(a)																
PSI Category - Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)	14(b)																
Additional Subsidies- Property rates exemptions, reductions and rebates in excess of section 17 of MPRA)																	
Water (in excess of 6 kilolitres per indigent household per month)	15																
Sanitation (in excess of free sanitation service to indigent households)	16																
Electricity/other energy (in excess of 50 kwh per indigent household per month)																	
Refuse (in excess of one removal a week for indigent households)																	
Municipal Housing - rental rebates																	
Housing - top structure subsidies	6																
Other																	
Total revenue cost of subsidised services provided		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Annexure A: C-schedules

Table C3 – Unauthorized Expenditure

The table below depicts all departments spent within their allocated budgets as at 31 August 2026.

MP302 Msukaligwa - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August											
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 - Vote 1 - Executive and Council		85 294	92 207	–	5 862	11 154	15 262	(4 108)	-26.9%	92 207	Saving
Vote 2 - Vote 2 - Finance & Administration		204 677	184 594	–	18 534	27 384	30 813	(3 429)	-11.1%	184 594	Saving
Vote 3 - [NAME OF VOTE 3]		–	–	–	–	–	–	–		–	
Vote 4 - Vote 4 - Sports and Recreation		2 747	12 263	–	136	326	2 044	(1 718)	-84.1%	12 263	Saving
Vote 5 - Vote 5 - Public Safety		82 776	35 700	–	2 979	5 474	5 950	(476)	-8.0%	35 700	Saving
Vote 6 - Vote 6 - Housing		5 416	5 487	–	502	1 044	914	129	14.1%	5 487	Saving
Vote 7 - Vote 7 - Health		–	13	–	–	–	2	(2)	-100.0%	13	Saving
Vote 8 - Vote 8 - Planning and Economic Development		16 073	19 681	–	1 318	2 582	3 280	(698)	-21.3%	19 681	Saving
Vote 9 - Vote 9 - Community and Social Services		101 998	117 387	–	8 195	12 426	19 565	(7 138)	-36.5%	117 387	Saving
Vote 10 - Vote 10 - Electricity		900 622	874 095	–	90 024	178 442	145 682	32 759	22.5%	874 095	Saving
Vote 11 - Vote 11 - Water Management		246 202	340 424	–	4 135	6 499	56 737	(50 239)	-88.5%	340 424	Saving
Vote 12 - Vote 12 - Waste Water Management		41 234	89 266	–	2 496	4 916	14 878	(9 962)	-67.0%	89 266	Saving
Vote 13 - Vote 13 - Waste Management		61 133	57 092	–	2 724	5 553	9 515	(3 962)	-41.6%	57 092	Saving
Vote 14 - Vote 14 - Road Transport		67 908	81 665	–	3 106	5 378	13 611	(8 232)	-60.5%	81 665	Saving
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–	
Total Expenditure by Vote	2	1 816 080	1 909 873	–	140 010	261 177	318 253	(57 076)	-17.9%	1 909 873	
Surplus/ (Deficit) for the year	2	(243 207)	(112 429)	–	(53 188)	37 157	(20 476)	57 633	-281.5%	(112 429)	

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 aounts to **R 1,359 billion.**

ESKOM 2026-27							
Month	Opening balance	Ermelo 648643281	Davel 9657898907	Breyten 9010981110	KwaZanele 8341001579	Silindile 7296044246	TOTAL
Jul-26	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
	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	-	-	-	-	-	-
Aug-25	**Opening/Closing 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	4 264 546.23	2 100 827.33	72 260 712.49
	Vat	9 191 023.58	303 372.77	389 904.48	639 668.68	315 124.10	10 839 093.61
	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/Closing balance	**1 442 327 363.89**	**2 325 857.91**	**2 989 267.71**	**4 904 214.91**	**2 415 951.43**	**1 454 962 655.85**

The total amount owed to DWS as at 31 August 2026 is **R 1,365 billion.**

Client:	Msukaligwa Local Municipality	Prepared by:	Nompumelelo Mashaja
Year end:	30 June 2027	Date:	31-Aug-26
Subject:	Bulk Purchases - Water	Reviewed by:	S Nkosi
Period ending	31 August 2026	Date:	30-Jun-27
		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	6 479.17	-	-		-	-	395 962.59	198 876.96
20028765 CMA	-	-	-	-		-	-	-	389 483.42
20031984 NRWI	41 908 198.74	-	-	7 211.69		-	-	41 915 410.43	852 524.27
20031984 CMA	-	-	-	-		-	-	-	-
20033982 NRWI	336 243 385.67	-	-	-		-	-	336 243 385.67	332 688 080.26
20033982CMA	-	-	-	-		-	-	-	3 555 304.41
20037906 NWRI	132 949.80	860.40	-	-		-	-	133 810.20	132 949.40
20037906 CMA	-	-	-	-		-	-	-	-
21070010 NWRI	1 556 255.45	46.65	-	-		-	-	1 556 302.10	1 556 255.45
21070010 CMA	-	-	-	-		-	-	-	-
20014912 NRWI	141 702 116.79	448 246.87	66 882.67	-		-	-	142 217 246.33	141 706 116.78
20014912 CMA	281 645.87	-	-	-		-	-	281 645.87	281 645.87
20056412 NWRI	22 653 715.65	317 624.00	47 392.50	-		-	-	22 725 319.67	22 725 319.67
20056412 CMA	47 559.24	622.00	-	-		-	-	48 181.24	47 559.24
20069491 NRWI	138 299 635.06	-	-	982 404.25	-	-	-	139 282 039.31	138 299 634.83
20069491 CMA	761 080.13	-	-	-	-	-	-	761 080.13	761 080.13
20069482 NRWI	191 144 144.62	-	-	1 291 155.83	-	- 9 605 868.96	-	182 829 431.49	191 144 144.62
20069482 CMA	415 037.88	-	-	-	-	-	-	415 037.88	415 037.88
TOTAL DWS	1 372 025 261.85	773 879.09	114 275.17	2 280 771.77	-	- 9 605 868.96	-	1 365 294 906.43	1 321 651 730.73

RECONCILIATION

	Amount Excl VAT	VAT	Interest	Interest reversal	Payments/credits	Adjustment	Creditor
Opening Balance as at 30 June 2025	1 372 025 261.85						1 279 408 602.62
DWS Movements for Current year	773 879.09	114 275.17	2 280 771.77	-	- 9 605 868.96	-	- 6 436 942.94
Less payments	-	-					
Grand Total	1 372 799 140.94	114 275.17	2 280 771.77	-	9 605 868.96	-	1 272 971 659.68

The statement below reflect a balance of R 18,030,494.64 million in the Trading services account (Account opened for ring-fencing fund for the debt relief)







P O Box 1153
Johannesburg 2000
Street Address Commercial Account Services Customers
4 First Place, 6th Floor, Bantacity
Universal Branch Code 250655
fnb.co.za
Lost Cards 087-575-9406
Account Enquiries 087-736-2247
Fraud 087-575-9444
Relationship Manager Geoffrey Mawnhs
(087) 345-0990

[redacted]
"MSUKALIGWA LOCAL MUNICIPALITY
90 KERK AND TAUTE ST
ERMELO
2351

Customer VAT Registration Number Not Provided
Bank VAT Registration Number 4210103051

Public Sector Cheque Account : 63143810413
Tax Invoice/Statement Number : 16
Statement Period : 31 July 2026 to 31 August 2026
Statement Date : 31 August 2026

Statement Balances		Bank Charges		Interest Rate	
Opening Balance	17,958,516.86 Cr	Service Fees	120.00 Dr	Credit Rate**	4.73%
Closing Balance	18,030,494.64 Cr	Cash Deposit Fees	0.00	Debit Rate (Non-NCA)	12.50%
Included in VAT @ 15.00%	15.65 Dr	Cash Handling Fees	0.00		
Total VAT (ZAR)	15.65 Dr	Other Fees	0.00		

Transactions in RAND (ZAR)

Date	Description	Amount	Balance	Accrued Bank Charges
31 Aug	Int On Credit Balance	72,087.78Cr	18,030,494.64Cr	
31 Aug	Service Fees	120.00	18,030,494.64Cr	
	Closing Balance		18,030,494.64Cr	

Turnover for Statement Period

No. Credit Transactions 1	72,087.78Cr
No. Debit Transactions 1	120.00Dr

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

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

First National Bank - a division of FirstRand Bank Limited. Registration Number 1929/001225/06. An Authorised Financial Services and Credit Provider (NCRCP20).
On 29 May 2026, the Prime Lending Rate changed to 10.50%. This may impact the rate on any of your credit facilities.

Branch Number	Account Number	Date	CDA COMPANIZZATION LABELIZATION	Fill
6309	63143810413	20260831	PUBLIC SECTOR CHEQUE ACCOUNT	

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 August 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	01/08/2026-31/08/2026
Financial Year	2025-2026
Reconciliation Period	26-Aug

Reconciliation Overview

High Level Reconciliation

Propety Categories	# of Properties			Market Values		
Propety Categories	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	26 266	26 266	-	11 285 694 801.00	11 285 694 801.00	-
Industrial	106	106	-	335 790 300.00	335 790 300.00	-
Business and Commercial	842	842	-	3 284 083 200.00	3 284 083 200.00	-
Agricultural	2 247	2 247	-	11 681 869 600.00	11 681 869 600.00	-
Mining	92	92	-	67 270 000.00	67 270 000.00	-
State Owned for Public Purpose	147	147	-	1 307 549 100.00	1 307 549 100.00	-
PSI	688	688	-	123 824 500.00	123 824 500.00	-
PBO	128	128	-	328 921 300.00	328 921 300.00	-
Multi Use	-	-	-	-	-	-
Vacant	3 315	3 315	-	520 881 020.00	520 881 020.00	-
POW	2	2	-	94 700 000.00	94 700 000.00	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
	33 833	33 833	-	29 030 583 821.00	29 030 583 821.00	-

Detailed Reconciliation

Propety Categories	Monthly Billing			Quarterly		
Propety Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	7 362 725	7 362 727	-2	22 088 176.15	22 088 180.99	-4.84
Industrial	789 395	789 395	0	2 368 184.83	2 368 184.29	0.54
Business and Commercial	7 750 755	7 750 754	0	23 252 264.06	23 252 263.36	0.71
Agricultural	2 484 070	2 484 070	0	7 452 211.00	7 452 211.44	-0.44
Mining	158 950	158 952	-2	476 849.76	476 854.86	-5.1
State Owned for Public Purpose	2 754 784	2 754 784	0	8 264 351.26	8 264 352.61	-1.35
PSI	15 448	15 448	0	46 343.77	46 344.67	-0.9
PBO	4 079	4 079	-	12 236.70	12 236.70	-
Multi Use	-	-	-	-	-	-
Vacant	726 354	726 355	0	2 179 063.15	2 179 064.52	-1.37
POW	9 998	9 998	-	29 993.13	29 993.13	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	R22 056 557.94	R22 056 562.19	-R4.25	66 169 673.81	66 169 686.56	-12.74

Prepared By Nomusa Zulu — Date 8/31/2026

Contatct Details

Signature _____

Reviewed By GT MAHLANGU — Date 8/31/2026

Contatct Details

Signature _____

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

- Municipality receives the Condition of Compliance certificate monthly, with the condition of non-compliance.
- The municipality has actioned and consider all non-compliance findings for the month of August 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 31 August 2026

15.9 MFMA Circular 124 – Municipal Compliance Self-Assessment

- See the table below for self-assessment report

Annexure A2 - Monthly

National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

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, Mashawe 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	Notes/Comments
Condition	6.3 - 6.12	Maintaining the Eskom and bulk water current account – *current account for the purpose of this clause means the account for a single month's consumption*		
1	6.12.2	- Has the municipality paid its Bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? *Note - refer condition 6.12.2*	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://localhost:8000/ ?	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 "new arrears" (March 2023 and / or subsequent current account(s)) up to the date of NT approval 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 http://localhost:8000/ ?	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/Budget%20Funding/Pages/default.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 instance - if the municipality during the preceding 12 months only managed to collect 80 per cent of its current rates property rates, the provision for debt impairment aligning to the historic collection trend should aligns to 80 per cent of the 2026/27 MTREF revenue projection for rates property rates. If the municipality has budgeted for debt impairment to balance the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as "No".		
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 real alignment between the provision for such with the state of assets/electricity, the Provincial Treasury must respond to this item as "No".		
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 it should adopt funding plan and not borrow. However, the FRP of municipalities which have existing FRP arrangements will give effect to a funded MTREF - hence the FRP requirement (item 12).		
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 aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends *(For example higher winter Eskom tariffs, lower January collection rates, etc.?)*	Yes	
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 norm and standard for collection (MFMA Circular no. 72) is a 95 per cent threshold, municipalities under financial distress or experiencing a distressed economic situation will be permitted to adjust to the 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.ploudportal.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 only if progress not evident in 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 http://lg.ploudportal.treasury.gov.za?	Yes	
		Note – if municipality with a FRP may only benefit from the Municipal Debt Relief Programme once the FRP progress report was submitted to both the Provincial Executive and MFRS.		
	6.10	Provincial Treasury Role - Provincial Treasury confirmation of municipal compliance – in terms of section 5 and 74 of the MFMA, as at effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief unless:		
33	6.10.1	• has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes	
34	6.10.2	• has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal http://lg.ploudportal.treasury.gov.za *Note – in the case of a new 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 – if the PT failed to address, in future such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1		

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 the duration of the municipality's participating sub-rogant benefit in terms of the municipal debt support programme. NT confirms that MFMA Circular No. 124 limitation 6.11 (limitation on municipality borrowing powers) will only be enforced in relation to new long term loans entered into after the effective date of debt relief approval as envisaged in MFMA section 46. Short term borrowing, including mid-year use of an overdraft, for in-year budgetary purposes are not considered within the ambit of the condition.		
37	6.12	For the duration of the Municipal Debt Relief (to ensure proper management of resources):		
38	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	
39	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.47.3		
40	6.13	*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	
41	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	
	6.14	NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	Yes	
		Note: By applying for Municipal Debt Relief as set out in paragraph 3 of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's licence in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies shown restraint to the municipality's services that are the sole retail municipal debt relief as		

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

Signature of HOD/ NT/ MM:

Date: 14 September 2026.

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

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	Municipalities

Monthly Performance Report

Municipal Details			Part A: Eskom And Bulk water service account						Part B: Compliance with a funded MTREF					Part C: FBS/EPWP & Tariff Assessment			Part D: Electricity and water service collection levels			Part C: Quarterly collection of property rates and service charges						Maximization of Revenue Base			Part E: Oversight												Scoring and Rating	
Month	Code Desc	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	Municipalities	MP302	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	85%	Above Satisfactory
2.August	Municipalities	MP302	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	61%	Moderately Satisfactory
3.September	Municipalities	MP302																																									0%	Not Satisfactory
4.October	Municipalities	MP302																																									0%	Not Satisfactory
5.November	Municipalities	MP302																																									0%	Not Satisfactory
6.December	Municipalities	MP302																																									0%	Not Satisfactory
7.January	Municipalities	MP302																																									0%	Not Satisfactory
8.February	Municipalities	MP302																																									0%	Not Satisfactory
9.March	Municipalities	MP302																																									0%	Not Satisfactory
10.April	Municipalities	MP302																																									0%	Not Satisfactory
11.May	Municipalities	MP302																																									0%	Not Satisfactory
12.June	Municipalities	MP302																																									0%	Not Satisfactory

		Comments/Motivation
HOD Name:	MR M. KUNENE	
Signature of HOD:		
Date:	14-Sept-26	

Note – if the official is signing on behalf of the Head of the Provincial Treasury (HOD), the written procuration of the HOD must be attached as an Annexure to 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	Part B	Part C	Part D	Part C		Part E	Scoring and Rating	
			Eskom And Bulk water current account	Compliance with a funded MTREF	FRP/MFP & Tariff Assessment	Electricity and water as collection tools	Quarterly collection of property rates and services charges	Maximization of Revenue Base	Oversight		
Month	Code Descr	Code	C1 C2 C3 C4 C5 C6	C7 C8 C9 C10 C11	C12 C13 C14	C15 C16 C17 C18	C19 C20 C21 C22 C23 C24 C25	C26 C27 C28	C29 C30 C31 C32 C33 C34 C35 C36 C37 C38 C39 C40 C41	Score	Rating
25.July25	Msukaligwa	MP302								86%	Moderate compliance
26.August25	Msukaligwa	MP302								86%	Moderate compliance
27.September25	Msukaligwa	MP302								86%	Moderate compliance
28.October25	Msukaligwa	MP302								63%	Moderate compliance
29.November25	Msukaligwa	MP302								63%	Moderate compliance
30.December25	Msukaligwa	MP302								63%	Moderate compliance
31.January26	Msukaligwa	MP302								89%	Moderate compliance
32.February26	Msukaligwa	MP302								63%	Moderate compliance
33.March26	Msukaligwa	MP302								61%	Moderate compliance
34.April26	Msukaligwa	MP302								61%	Moderate compliance
35.May26	Msukaligwa	MP302								61%	Moderate compliance
36.June26	Msukaligwa	MP302								63%	Moderate compliance
37.July26	Msukaligwa	MP302								89%	Moderate compliance
38.August26	Msukaligwa	MP302								0%	Non compliance
39. September26	Msukaligwa	MP302								0%	Non compliance
40.October26	Msukaligwa	MP302								0%	Non compliance
41.November26	Msukaligwa	MP302								0%	Non compliance

		Comments/Motivation
HOD Name	Ms Gugu Mashilane	
Signature of HOD:		
Date:	24/09/2025	

National Treasury

Water Debt Relief

Water Debt Relief Guideline

Municipal Finance Management Act No. 56 of 2003

Legend	
	Complied
80-99%	Moderate Compliance
	Not Compliant

Monthly Performance Report

Municipal Details			Part A				Part B				Part C							Part D			Scoring and Rating	
			Bulk water current account				Accounting Treatment and mSCOA Reporting				Monitor and report on implementation							FRPs & implementation progress				
Month	Code Description	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	Score	Rating
1.July 2025	Maukaligwa	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	Maukaligwa	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	Maukaligwa	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	Maukaligwa	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	Maukaligwa	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	Maukaligwa	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	Maukaligwa	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	Maukaligwa	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	Maukaligwa	MP302	No	No	No	No	N/A	N/A	Yes	Yes	No	Yes	No	No	No	No	No	Yes	Yes	Yes	50%	Not Compliant
10.April 2026	Maukaligwa	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	Maukaligwa	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	Maukaligwa	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	Maukaligwa	MP302	No	No	No	No	N/A	N/A	No	Yes	No	No	No	No	No	No	No	No	No	No	17%	Not Compliant

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

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

16. WATER DEBT RELIEF CONDITIONS

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

The municipality did m=not make any payments towards the DWS account in the month Ending 31 August 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 monthly basis and progress thereof will be reported on.

16.3 Condition 7.3 - Monitor and report on implementation – Section 71 monthly 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 Sanition and National Treasury
Water Debt Relief
Water Debt Relief Guideline
Municipal Finance Management Act No. 56 of 2003

National Treasury

Certificate of Compliance: Water Debt Relief Conditions

Period	**Aug-26**
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 – (current account for the purpose of this exercise means the account for a single months consumption that was due and payable during the month being assessed)		
1	7.1	- Has the municipality paid its *bulk water current account* within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? *Note - refer condition 7.1*	No or only partial payment	
2	7.1.1	- Has the municipality submitted the supporting evidence of the bulk water current account payment(s) to the relevant Water Board (WB) and/ or Water Trading Entity (WTE) and / or Water User Association (WUA)within 1 day of making any such payment (in PDF format)?	No	
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)?	No	
4	7.1.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board (WB) and/ or Water Trading Entity (WTE) and / or Water User Association (WUA)?	No	N/A
	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)	There is a write off of R300 million, however it has not yet been effected on the account
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)	There is a write off of R300 million, however it has not yet been effected on the account
	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)	Yes	
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)	Yes	
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*?	N/A (able to calculate/ report on losses)	
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?	Yes	
		Municipalities with financial recovery plans (FRP)		
16	7.3.1.2	- **Municipalities with financial recovery plans (FRP)** – if the municipality has a FRP as envisaged in the prevailing local government legislative framework: Did the municipality's FRP progress report during the month being assessed, explicitly include the municipality's progress against those components of the FRP aimed to achieve water debt relief compliance as part of achieving a funded budget?	Yes	
17	7.3.1.2	- **Municipalities with financial recovery plans (FRP)** – Was the municipality's FRP progress report during the month being assessed, submitted to the relevant Provincial Executive?	Yes	
18	7.3.2	- If progress is slow in terms of paragraph 7.3.1, is the municipal council and senior management team's active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?	Yes	

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

Signature of PT: HOD/ NT/ MM:

Date: 14-Sept-26

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

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

National Treasury

Water Debt Relief

Water Debt Relief Guideline

Municipal Finance Management Act No. 56 of 2003

Legend	
	Compliant
50-99%	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	No	No	No	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	78%	Moderate compliance
15.September 2026	Complete demarcation Code ab	Search																			0%	Not Compliant
16.October 2026	Complete demarcation Code ab	Search																			0%	Not Compliant
17.November 2026	Complete demarcation Code ab	Search																			0%	Not Compliant
18.December 2026	Complete demarcation Code ab	Search																			0%	Not Compliant
19. January 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
20.February 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
21.March 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
22.April 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
23.May 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
24.June 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
25.July 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
26.August 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
27.September 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
28.October 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
29.November 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
30.December 2027	Complete demarcation Code ab	Search																			0%	Not Compliant
31.January 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
32.February 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
33.March 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
34.April 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
35.May 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
36.June 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
37.July 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
38.August 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
39.September 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
40.October 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
41.November 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
42.December 2028	Complete demarcation Code ab	Search																			0%	Not Compliant
43.January 2029	Complete demarcation Code ab	Search																			0%	Not Compliant
44.February 2029	Complete demarcation Code ab	Search																			0%	Not Compliant
45.March 2029	Complete demarcation Code ab	Search																			0%	Not Compliant
46.April 2029	Complete demarcation Code ab	Search																			0%	Not Compliant
47.May 2029	Complete demarcation Code ab	Search																			0%	Not Compliant
48.June 2029	Complete demarcation Code ab	Search																			0%	Not Compliant

PT: HOD/ NT / MM Name:	MR M.KUNENE
Signature of PT: HOD/ NT/ MM:	
Date:	14-Sept-26

Note: In the case of 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

Municipal Managers Quality Certification

QUALITY CERTIFICATE

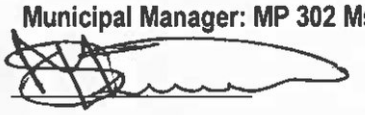
MP 302 MSUKALIGWA LOCAL MUNICIPALITY

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 August 2026 – M02** has been prepared in accordance with the Municipal management act and the regulations made under the Act.

Municipal Manager of Msukaligwa Local Municipality

Name: MR. M. KUNENE

Position: Municipal Manager: MP 302 Msukaligwa local municipality

Signature: 

Date: 14/09/2026