Msukaligwa Local Municipality

MULTI-YEAR ANNUAL BUDGET 2026/27 – 2028/29 FINANCIAL YEAR

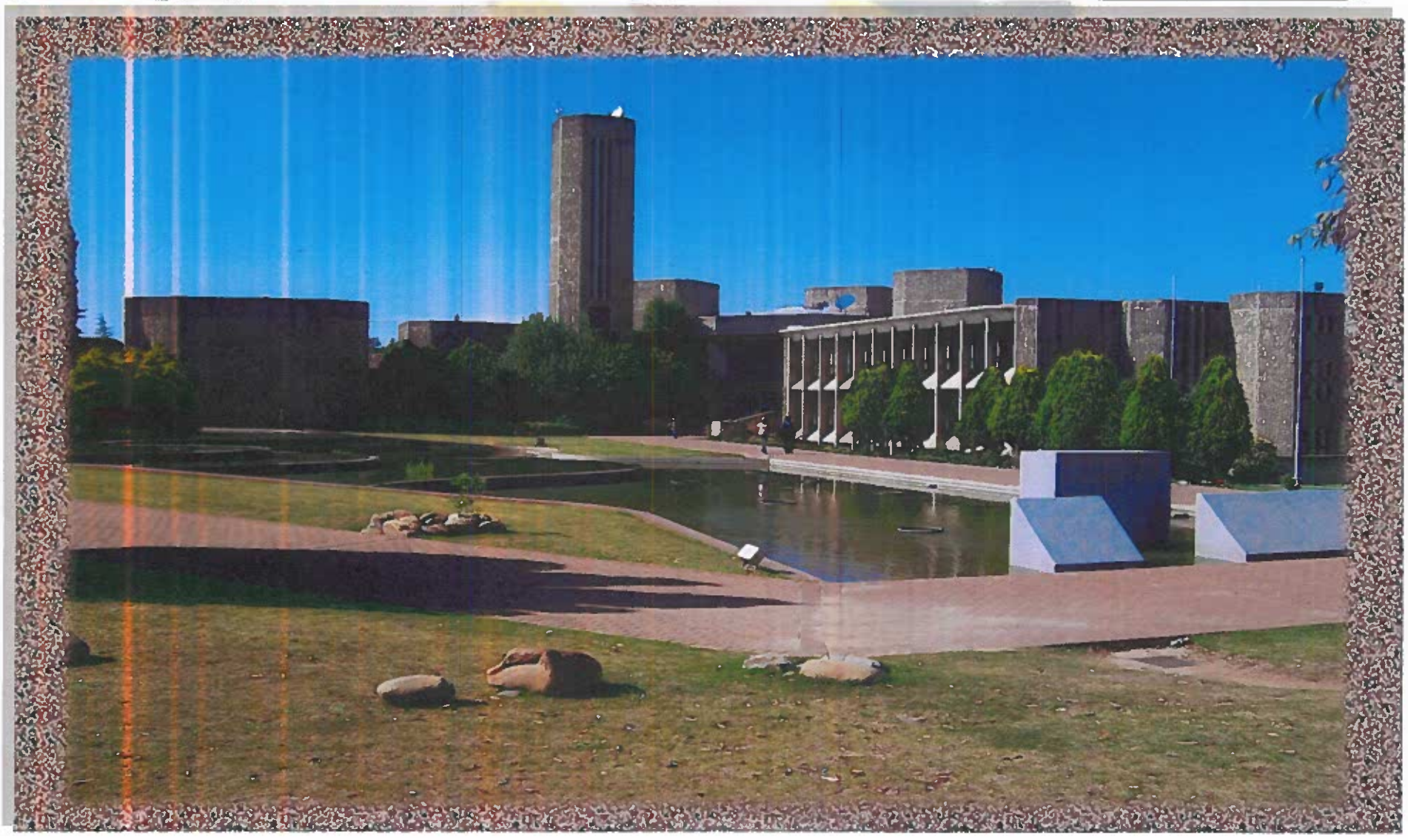


TABLE OF CONTENTS

PART 1 – ANNUAL BUDGET

1.1 MAYOR'S REPORT....3
1.2 EXECUTIVE SUMMRY....8
1.4 BUDGET PROCESS OVERVIEW....5
1.5 OPERATING BUDGET FRAMEWORK....11
1.6 THE EXECUTIVE MAYOR RECOMMENDS TO COUNCIL....7
1.7 OPERATING REVENUE FRAMEWORK....11-12
1.8 PROPERTY RATES....12
1.9 ELECTRICITY....12
1.10 WATER & SANITATION....12
1.11 WASTE REMOVAL....12
1.12 GRANTS & SUBSIDIES....12
1.13 EXPENDITURE ANALYSIS....13
1.14 CAPITAL BUDGET....15
1.15 BUDGET STATEMENT OF FINANCIAL POSITION....21
1.16 CASH & CASH EQUIVALENT....22
1.17 TABLE A8 CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION....24
1.18 TABLE A9 - ASSET MANAGEMENT....25
1.19 TABLE A10 - BASIC SERVICE DELIVERY MEASUREMENT....26

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF ANNUAL BUDGET PROCESS....27
2.2 IDP & BUDGET TIMETABLE 2026/27....27
2.3 INTERGRATED DEVELOPMENT PLAN ALIGHNMENT WITH APPROVED BUDGET....27
2.4 GRANTS RECEIVED IN TERMS OF DoRA....29
2.5 EMPLOYEE RELATED COSTS INCLUDING COUNCILORS ALLOWANCE....30
2.6 LEGISLATIVE COMPLIANCE....31
2.7 IN-YEAR REPORTING....31
2.8 OVERSIGHT COMMITTEE....31
2.9 BUDGETED RELATED POLICIES....31
2.10 FINANCIAL PLAN....32
2.11 MUNICIPAL MANAGER'S QUALITY CERTIFICATE....33

MSUKALIGWA LOCAL MUNICIPALITY ANNUAL MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK WITH TARIFF AND BUDGET RELATED POLICIES (MTREF) FOR 2026/2027 TO 2028/2029

PART 1 – ANNUAL BUDGET

MAYOR'S REPORT

Honourable Speaker of Council.
Whip of Council
Fellow Members of the Mayoral Committee
Fellow Councillors.
Chairperson of Audit Committee
Chairperson of Risk Management Committee
Municipal Manager & Directors
Officials present.
Esteem Msukaligwa residents
Members of the Public
Members of the media

Madam Speaker, thank you very much for the opportunity provided to me during this Council to present to the resident of Msukaligwa the 2026/2027 to 2028/2029 Medium term Expenditure Framework financial year.

Madam Speaker, let me take this opportunity and extend my sincere gratitude to the residents of Msukaligwa, Councillors of our Municipality and Councillors from various Municipalities, Sector department, Church denominations, business organization, non-governmental organizations, Municipal staff, traditional leaders and all stakeholders for your best wishes and support during my recovery period following the accident. Your kindness, prayers and encouragements are deeply appreciated, and May God bless you all.

Madam Speaker, the budget public consultative programme that took place during the Month of April and May 2026 in all (19) Wards of our Municipality as part of public participation before the budget gets considered by the Council.

The Municipality was engaging the public through participation that certain policies that were reviewed and need to implement to cater the most needy and as well the economic outlook of

Msukaligwa population. Policies like indigent policy, tariff policy and property rates have been considered to ease the burden and financial constraint faced by our residents.

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

Madam speaker, the recurrence of illegal connection, aged infrastructure, mushrooming of informal settlements and non-payment of service have caused negative damage to our electricity, water and sanitation infrastructure and the Municipal fiscus in a sense that it causes the Municipal budget not to respond to service delivery and increase our financial commitment to Eskom and DWS. This has adversely affected the provision of basic services, resulting in increased water and electricity losses and decreasing sales.

Madam speaker as part of this reform, Municipalities must improve cost recovery mechanism, reduce inefficiencies, and ensure that tariffs reflect the true cost of service provision while remaining affordable to vulnerable communities. The Municipality is participating in various activities such as Financiail Recovery Plan, Eskom Debt relief and Water Debt Relief.

Madam speaker, in line with these reforms, the Municipality has implemented measures to improve revenue collection, reduce non-technical losses, and enhance transparency in how we manage and allocate resources. However it will need concerted effort by parties involved, the Community, Business and Municipality.

These changes are essential for the strengthening our Municipality's financial position and ensuring uninterrupted, high-quality services for all residents.
The Municipality has developed a financial recovery plan, and budgeting funding plan as part of the turn-round strategies for electricity, water and sanitations which were adopted by this Council and approved by National Treasury and are currently being implemented.

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

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

(e) to encourage the involvement of communities and community organization in the matters of local government.

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

Capital Expenditure

The Municipality has been allocated R431 million from National Treasury to ensure service delivery.

(i) Regional Bulk infrastructure Grant R280,000 million
(ii) Municipal Infrastructure Grant R73,686 million
(iii) Water Services Infrastructure Grant R59,850 million
(iv) Integrated National Electrification Programme R18,100 million

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

Madam speaker, below are some of the major projects the Municipality implemented in the previous financial year listed as follows:

1. Refurbishment of Warburton Wastewater Treatment Works of the value of **R35 Million**
2. Installation of the pour flush toilets in the farm areas of the value of **R3,9 Million** servicing 150 households
3. The Upgrade of Everest Outfall Sewer Pipeline of the value of **R24 Million** responding to the sewer spillages ward 4 & 5
4. The Refurbishment of Lothair Water Treatment Works of value of **R15 Million** aimed at improving the water quality
5. Electrification of Silindile Extension 3 of the value of **R3.2 Million** for 120 households
6. Reconstruction of Mandela Drive , and other streets of the value of **R30 Million**

These projects have contributed to the creation of 203 short-term employment opportunities and participation of 87 SMME's for the residents of the various wards.

Madam speaker, below are some of the major projects the Municipality is going to implement in 2026/2027 projects which include the following:

1. Upgrade of the existing Ermelo WWTW and installation of new Bulk Sewer Pipeline for Ermelo Extension to the amount of **R135 Million** which is under construction.
2. Upgrading of sewer reticulation networks servicing 32, 33 and 34, Ermelo for the value of **R59 million** – the progress is at construction
3. Installation of the pour flush toilets in the farm areas for the value of **R3 Million**
4. Installation of sewer reticulation at Warburton (house connections and top structures) for the value **R9 Million**
5. Regional Bulk Water Supply for Msukaligwa LM: Cluster 1 Ermelo WSS of the value of **R145 Million** to address the water challenges in Ermelo / Wesselton
6. Installation of 1Ml steel elevated tank and construction of booster pump station at Everest Park for the value of **R 19 Million**
7. Drilling of boreholes at Msukaligwa phase 3 of the value of **R3 Million** in various farms
8. Upgrading of the electrical network infrastructure on the Northern part of Ermelo for the value of **R12 Million.**
9. Refurbishment of Nsibande Street for the value of R7 Million
10. Reconstruction of the Lothair Stadium of the value of R9 Million

These projects shall contribute to the creation of short-term employment opportunities for the residents of the various wards.

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

CONCLUSION

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

May God bless you all.

I thank you.

Council Resolution

On 28 May 2026 the Council of Msukaligwa Local Municipality met in the Council Chambers of Civic Centre to consider the annual budget of the municipality for the financial year 2026/27. The Council approved and adopted the following resolutions:

1. The Annual budget report for the financial year 2026/27 and the projected outer years 2027/28 and 2028/29, and the multi-year year capital appropriations, **BE NOTED** for the purpose of complying Municipal Finance Management Act, Act 56 of 2003 (MFMA), read in conjunction with Municipal Budget and Reporting Regulations No.32141 (dated 17 April 2009)
2. The Council of Msukaligwa Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) **APPROVES AND ADOPTS:**

2.1 The annual budget of the municipality for the financial year 2026/27 and the multi-year and single-year capital appropriations as set out in the following tables:
- 2.1.1 Budgeted Financial Summary of reporting template as set out Table A1 Budget Summary
- 2.1.2 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2;
- 2.1.3 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3;
- 2.1.4 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4; and
- 2.1.5 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.

2.2 The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
- 2.2.1 Budgeted Financial Position as contained in Table A6;
- 2.2.2 Budgeted Cash Flows as contained in Table A7;
- 2.2.3 Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;
- 2.2.4 Asset management as contained in Table A9; and
- 2.2.5 Basic service delivery measurement in Table A1; and
- 2.2.6 And all supporting Schedules Basic service delivery measurement as contained in Table SA1 to SA 38.

(I) The Council of Msukaligwa Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) **APPROVES** and **ADOPTS** with effect from 1 July 2026 the **ANNUAL TARIFFS** increase for the 2026-27 as follows with effect from 1 July 2026: set in annexure A
- i. Property rates – 3.4%
- ii. Water - 3.4%
- iii. Sanitation - 3.4%
- iv. Refuse - 3.4%
- v. Electricity - 9,01% (On average depending on the various customer categories), subject to NERSA approval). Except for basic charges

vi. All Other Services – 3.4%
vii. Interest on late payment will be 6.75%

(II) That Council **NOTES** the contents of National Treasury MFMA Circulars 132 and 134 (attached to the Annual Budget Report) for guiding the budgeting processes leading up to budget approval by the end of March 2026. Annexure B and C

(III) The Annual budget for 2026/27-2028/29 Medium-term Revenue and Expenditure Framework, tabled in accordance with the Municipal Finance Management Act, 2003 (Act 56 of 2003) **BE APPROVED**

(IV) That Council **NOTES** the content and recommendations of the Mpumalanga Provincial Treasury Budget Assessment outcome as set in annexure D

(V) That Council **APPROVED** the Annual budget Funding Plan E

(VI) That the Annual budget related policies **be APPROVED**, as set in annexures F

i. Tariff policy.
ii. Property rates policy
iii. Debt collection and credit control policy
iv. Provision for debt impairment policy.
v. Supply chain management policy.
vi. Budget and virement policy
vii. Cost containment policy
viii. Asset management policy
ix. Long-term financial plan
x. Insurance policy
xi. Unclaimed money policy
xii. Investment of surplus fund policy
xiii. Disposal of Immovable property policy
xiv. Fleet management policy.
xv. Indigent policy
xvi. Travelling and subsistence policy
xvii. Creditors payment policy
xviii. Meter reading policy
xix. Petty cash policy
xx. Stores and Inventory Management policy

1 EXECUTIVE SUMMARY

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

- Realistically Anticipated Revenues to be Collected
- Projected Revenue for the Current Year Based on Collection Levels to Date
- Actual Revenue Collected in Previous Financial Years
- Audited Annual Financial Statements
- Budget Circular 132 and 134 issued by National Treasury
- 2026/27 Provincial Treasury Budget Assessment Report

Economic Outlook

The National Treasury has revised its inflation is expected to increase from 3.2 per cent in 2025 to 3.4 per cent in 2026, driven by higher food prices (particularly meat due to supply disruptions linked to foot-and mouth disease). Inflation is forecast to ease to 3.3 per cent in 2027 and 3.2 per cent in 2028, but risks from geopolitical tensions, exchange rate volatility, administered prices and animal disease outbreaks remain elevated. The reduction of the inflation target to 3 per cent with a 1 percentage point tolerance band will structurally reduce inflation, helping to protect real income levels.

In April 2024, the National Treasury initiated a comprehensive review of the budget process, with the goal of identifying and implementing reforms that would enhance the efficiency, transparency, and effectiveness of public resource allocation. It has resulted in a set of accountable reform proposals outlined below.

Spending Reviews (Cost Containment Measures)

These MTREF guidelines introduce a new mechanism entitled Cost Containment measures which is intended to identify and remove low-priority or underperforming programmes from the budget to reduce aggregate expenditure and, where appropriate, reallocate funding towards the priorities of the Municipality outlined in the Medium-Term Expenditure Framework.

In line with the Municipality's commitment to identify wasteful, inefficient, underperforming, and low priority programmes and ensure a more streamlined and effective allocation of resources. At Municipal level the following initiatives are being utilised for the identification of programmes to be included the Cost Containment process:

- Spending reviews such contracted services, fuel, distribution loss and debt impairment;
- Previous work should be updated where appropriate to inform implementation;
- review of infrastructure conditional grants should be implemented;
- Annual audit of ghost workers and payroll irregularities;
- Implement personnel expenditure review such as recruitment (In-sourcing vs outsourcing, overtime)
- Technical baseline analysis and institutional reviews to ensure that departments and public entities are appropriately aligned to mandates.
- Elimination of needless expenditure such as catering, travelling not beneficial to Msukaligwa

It is encouraged as part of the annual municipal budget preparation and implementation process to progressively introduce the same approach which will enable the Council to consider more appropriate the trade-offs when policy choices are made in conclude the budget for a specific cycle.

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

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

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

ESKOM Debt Relief

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

Over the 2026 MTEF (Medium Term Expenditure Framework) period, the grant will continue to support municipal debt relief efforts. This indicates that the grant is being used to help municipalities manage their financial challenges. The focus will initially be on municipalities that are already enrolled in the program. Over time, however, the grant is expected to expand to include more municipalities.

Challenges Faced by the Municipality in the Compilation of the 2026/27 MTREF

The Municipality's 2026/27 Medium-Term Revenue and Expenditure Framework (MTREF) is being compiled under difficult circumstances. These challenges require not only immediate fiscal responses but also long-term strategic planning to ensure that the municipality's financial sustainability and service delivery are not jeopardized. Below is an in-depth analysis of the key challenges mentioned:

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

OPERATING REVENUE FRAMEWORK

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

Table 1: Macroeconomic performance and projections, 2025 - 2029

Fiscal year	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimate		Forecast	
CPI Inflation	4.4%	3.2%	3.4%	3.3%	3.2%

Source: National Treasury Budget Review 2026

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

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

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

OPERATING REVENUE FRAMEWORK

The operational revenue budget of the municipality for 2026/27 amounts to R 1,369 billion recording an increase of 7.79 percent from the 2025/26 adjustment budget amount of R 1,262 billion. The budget for 2027/28 financial year is projected to be R 1,455 billion, recording an increase of 13.25 percent from the 2025/26 and the 2028/29 financial year is projected to be R 1,509 billion, recording an increase of 58.05 percent from the 2025/26. The revenue budget is percent dependent on operational transfers and percent own revenue.

Annual Tariffs for 2026/27 were reviewed and adjusted with the percentage below:

i. Property rates – 3.4%

ii. Water - 3.4%
iii. Sanitation - 3.4%
iv. Refuse - 3.4%
v. Electricity - 9,01% (On average (depending on the various customer categories), subject to NERSA approval). Except for basic charges
vi. All Other Services – 3.4%
vii. Interest on late payments – 6.75%

The Municipal's funding model continues to rely on revenue generated from own resources revenue followed by grants. Msukaligwa Local Municipality is not grant dependent, 71% of the budget is funded through grants.

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	391,236	347,457	347,457	143,176	378,955	432,436	446,274
Service charges - Water	2	-	-	-	90,618	122,822	122,822	73,332	152,133	157,305	162,339
Service charges - Waste Water Management	2	-	-	-	67,901	65,273	65,273	44,577	67,493	69,787	72,020
Service charges - Waste Management	2	-	-	-	56,742	56,756	56,756	33,547	72,197	77,531	80,012
Sale of Goods and Rendering of Services	2	-	-	-	11,224	4,437	4,437	711	4,589	4,745	4,897
Agency services	2	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	-	-	-	38,131	29,136	29,136	16,616	23,337	26,443	27,289
Interest earned from Current and Non Current Assets	2	-	-	-	5,471	6,461	6,461	12,440	6,681	6,901	7,122
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	4	2	2	1	-	-	-
Rental from Fixed Assets	2	-	-	-	3,453	3,749	3,749	4,873	9,425	9,745	10,057
Licence and permits	2	-	-	-	98	94	94	-	97	100	104
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	44,333	1,534	1,534	98	3,415	3,531	3,644
Non-Exchange Revenue											
Property rates	2	-	-	-	258,951	258,951	258,951	170,204	264,325	264,139	282,212
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	-	-	-	49,231	60,879	60,879	3,482	67,237	69,523	71,748
Licences or permits	2	-	-	-	-	66	66	1	68	71	73
Transfer and subsidies - Operational	2	-	-	-	294,895	294,895	294,895	119,161	309,427	323,249	331,325
Interest	2	-	-	-	12,466	8,965	8,965	11,173	10,113	10,447	10,782
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	1,351	1,351	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	-	-	-	-	-	-	-	-	-	-
Other Gains	2	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	-	-	1,326,753	1,262,829	1,262,829	633,392	1,369,493	1,455,955	1,509,899

Electricity

Electricity revenue is projected to increase by 9.01 percent from the adjustment budget of R 347 million in the 2025/26 financial year to R 378 million in the 2026/27 financial year.

Water

Water revenue is projected to increase by 3.4 percent from the adjustment budget R 122 million in the 2025/26 financial year to R 152 million in the 2026/27 financial year.

Wastewater

Wastewater revenue is projected to increase by 3.4 percent from the adjustment budget of

R 65 million in the 2025/26 financial year to R 67 million in the 2026/27 financial year

Waste

Waste revenue is projected to increase by 3.4 percent from the adjustment budget of R 56 million in the 2025/26 financial year to R 72 million in the 2026/27 financial year.

Property rates

Property rates are projected to increase by 3.4 percent from the adjustment budget of R 258 million in the 2025/26 financial year to R 264 million in the 2026/27 financial year.

Operational and Conditional grants

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

MP302 Msukaligwa - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
RECEIPTS	1.2									
Operating										
National Government										
Monetary Allocations										
Local Government Equitable Share		-	-	-	285,986	285,986	285,986	299,205	313,048	320,922
EPWP Incentive		-	-	-	1,930	1,930	1,930	2,738	2,831	2,922
Finance Management		-	-	-	3,800	3,800	3,800	3,800	3,800	3,800
Municipal Infrastructure Grant		-	-	-	3,179	3,179	3,179	3,684	3,570	3,682
Total Operating/National Government		-	-	-	294,895	294,895	294,895	309,427	323,249	331,325
Capital										
National Government										
Monetary Allocations										
Municipal Infrastructure Grant (MIG)		-	-	-	105,402	105,402	105,402	70,002	67,830	69,953
Energy Efficiency and Demand Side Management Gr		-	-	-	4,000	4,000	4,000	-	-	-
Integrated National Electrification Programme Grant		-	-	-	2,691	2,691	2,691	18,100	10,803	7,110
Regional Bulk Infrastructure		-	-	-	50,000	50,000	50,000	280,000	150,000	206,735
Water Services Infrastructure Grant		-	-	-	-	-	-	59,850	61,885	63,865
Total Capital/National Government		-	-	-	162,093	162,093	162,093	427,952	290,518	347,663
TOTAL RECEIPTS OF TRANSFERS AND GRAN		-	-	-	456,988	456,988	456,988	737,379	613,767	678,989

EXPENDITURE ANALYSIS

The operating expenditure increased from the adjusted budget of R 1,677 billion in the 2025/26 financial year to R 1,911 billion for the 2026/27 financial year. The overall expenditure increased by 12 percent or R 233 million.

MP302 Msukaligwa - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Expenditure											
Employee related costs	2	-	-	-	332,538	353,051	353,051	19,496	365,241	377,294	389,367
Remuneration of councillors	2	-	-	-	20,559	19,521	19,521	-	20,314	21,005	21,677
Bulk purchases - electricity	2	-	-	-	460,250	578,050	578,050	418,043	630,132	651,557	672,407
Inventory consumed	2,8	-	-	-	117,003	161,008	161,008	145,103	183,631	189,308	195,350
Debt impairment	2,3	-	-	-	94,135	94,182	94,182	3	167,177	172,861	178,393
Depreciation, amortisation and impairment	2	-	-	-	128,379	128,379	128,379	13	132,744	137,258	141,650
Interest, Dividends and Rent on Land	2	-	-	-	22,041	119,490	119,490	122,727	173,201	179,089	184,776
Contracted services	2	-	-	-	124,809	132,701	132,701	61,371	137,212	141,878	146,418
Transfers and subsidies	2	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	2	-	-	-	552	-	-	-	-	-	-
Operational costs	2	-	-	-	82,202	91,208	91,208	58,967	101,618	105,071	108,433
Disposal of Fixed and Intangible Assets	2	-	-	-	-	-	-	-	-	-	-
Other Losses	2	-	-	-	-	-	-	-	-	-	-
Total Expenditure		-	-	-	1,382,469	1,677,590	1,677,590	825,723	1,911,271	1,975,321	2,038,471

Employee related costs and Remuneration of Councillors

The budget allocation for Employee related costs and Councillors remuneration for the 2026/27 financial year amounts to R 385 million which equals 20.17 percent of the total operating expenditure. The employee related costs increased by 4.75 percent and remuneration of councillors by 3.4 percent, which is below the percent salary and wage increase as per the bargaining council agreement.

Whilst the Employee-related costs is 20.17% of the total operating expenditure which is within the National Treasury's norm of 45%, it should notes that it is 31% against the anticipated cash to be collected. Employee related Costs was calculated at average inflation rate 4% from January to February plus 0,75%. The remuneration of Councillors is as per the determination by the Minister of Co-operative Governance and Traditional Affairs in accordance with the remuneration of Public-Office Bearers.

Debt Impairment

Debt impairment is budgeted at R 167 million for the 2026/27 financial year which increased from the adjustment budget R 94 million in 2025/26 financial year. Debt impairment increased

by 44 percent. The assumption is based on the fact that the municipality appointed Debt Collector.

Depreciation and Amortisation

Depreciation and amortisation increased by 3.29 percent from the adjusted budget of R 128 million to R 132 million in the 2026/27 budget year.

Bulk purchases

ESKOM Bulk purchases was increased by 9,01% as per the NERSA guidelines

Contracted Services

Contracted services budget contributes 7.18 percent to the total Operating expenditure of R 1,911 billion.

Operating Costs

The projected budget for Operational costs for the 2026/27 financial year amounts R 101 million, this is an increase of percent 10.24 from the adjustment budget amount of R 91 million.

CAPITAL BUDGET

The capital budget for the Msukaligwa Local Municipality projects, amounting to R433 million, is funded through RBIG, WSIG, INEP, and MIG

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance & Administration		-	-	-	-	-	-	-	-	-	-
Vote 3 - [NAME OF VOTE 3]		-	-	-	-	-	-	-	-	-	-
Vote 4 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 6 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 7 - Health		-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-
Vote 9 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 10 - Electricity		-	-	-	-	-	-	-	-	-	-
Vote 11 - Water Management		-	-	-	-	-	-	-	-	-	-
Vote 12 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 13 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 14 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance & Administration		-	-	-	-	4,500	4,500	286	-	-	-
Vote 3 - [NAME OF VOTE 3]		-	-	-	-	-	-	-	-	-	-
Vote 4 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 6 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 7 - Health		-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-
Vote 9 - Community and Social Services		-	-	-	-	-	-	-	9,318	9,635	9,934
Vote 10 - Electricity		-	-	-	6,691	13,790	13,790	7,318	18,100	18,715	29,322
Vote 11 - Water Management		-	-	-	16,976	34,628	34,628	32,171	161,081	162,053	171,956
Vote 12 - Waste Water Management		-	-	-	114,239	110,261	110,261	36,107	227,657	235,398	242,887
Vote 13 - Waste Management		-	-	-	1,917	-	-	5,855	2,555	2,642	2,351
Vote 14 - Road Transport		-	-	-	22,270	31,785	31,785	25,260	14,715	15,216	20,888
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	162,093	194,964	194,964	106,997	433,427	443,658	477,337
Total Capital Expenditure - Vote		-	-	-	162,093	194,964	194,964	106,997	433,427	443,658	477,337
Capital Expenditure - Functional											
Governance and administration		-	-	-	-	4,500	4,500	286	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	4,500	4,500	286	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	9,318	9,635	9,934
Community and social services		-	-	-	-	-	-	-	9,318	9,635	9,934
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	22,270	31,785	31,785	25,260	14,715	15,216	20,888
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	22,270	31,785	31,785	25,260	14,715	15,216	20,888
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	139,823	158,679	158,679	81,451	413,796	423,360	451,213
Energy sources		-	-	-	6,691	13,790	13,790	7,318	18,100	18,715	29,322
Water management		-	-	-	16,976	34,628	34,628	32,171	161,081	162,053	171,956
Waste water management		-	-	-	114,239	110,261	110,261	36,107	232,060	239,950	247,585
Waste management		-	-	-	1,917	-	-	5,855	2,555	2,642	2,351
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	-	-	-	162,093	194,964	194,964	106,997	437,829	448,211	482,035
Funded by:											
National Government		-	-	-	162,093	162,093	162,093	105,387	427,952	437,912	467,269
Provincial Government		-	-	-	-	-	-	1,323	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	-	-	162,093	162,093	162,093	106,711	427,952	437,912	467,269
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	32,871	32,871	286	9,878	10,299	14,766
Total Capital Funding	7	-	-	-	162,093	194,964	194,964	106,997	437,829	448,211	482,035

The Capital funding for the municipality amounts to R 437 million for the 2026/27 financial year. The capital budget increased by R 243 million from the adjusted budget of R 194 million in the 2025/26 financial year. The capital budget of the Municipality is 100 per cent funded through National Government grants.

RBIG ALLOCATION					
Project Description	Ward No	Project type	EPWP Y/N	Planned job opportunities in 2026/27	Planned RBIG Expenditure for 2026/27
Regional Bulk Water Supply for Msukaligwa LM: Cluster 1 Ermelo WSS	1-9,10,17	Water	Yes	0	R145 000 000.00
upgrading of the existing Ermelo wastewater treatment works (WWTW) and installation of new bulk sewer pipeline for Ermelo extension 44.	1-9,10,17	Sanitation	Yes	30	R 135 000 000.00
				30	R 280 000 000.00

INEP ALLOCATION					
Project Description	Ward No	Project type	EPWP Y/N	Planned job opportunities in 2026/27	Planned INEP Expenditure for 2026/27
Electrification of 100 households at Wesselton Ext 5 phase 3	3	Electricity	Yes	15	R 2 100 000.00
Upgrading of the electrical network infrastrusture on the Northern part of Ermelo (Upgrading of 11kV switching station to 20MVA 88/ 11kV, Wesselton Extension 7)	5,9	Electricity	Yes	20	R 12 000 000.00
EEDSM 2026/27		Electricity	Yes	15	R 4 000 000.00
				50	**R 18 100 000.00**

MP302 Msukaligwa - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Financial Performance										
Property rates	–	–	–	258,951	258,951	258,951	170,204	264,325	264,139	282,212
Service charges	–	–	–	608,497	592,309	592,309	294,632	670,777	737,060	760,646
Investment revenue	–	–	–	5,471	6,461	6,461	12,440	6,681	6,901	7,122
Transfer and subsidies - Operational	–	–	–	294,895	294,895	294,895	119,161	309,427	323,249	331,325
Other own revenue	–	–	–	158,940	110,213	110,213	36,955	118,282	124,606	128,593
Total Revenue (excluding capital transfers and contributions)	–	–	–	1,326,753	1,262,829	1,262,829	633,392	1,369,493	1,455,955	1,509,899
Employee costs	–	–	–	332,538	353,051	353,051	19,496	365,241	377,294	389,367
Remuneration of councillors	–	–	–	20,559	19,521	19,521	–	20,314	21,005	21,677
Depreciation, amortisation and impairment	–	–	–	128,379	128,379	128,379	13	132,744	137,258	141,650
Interest, Dividends and Rent on Land	–	–	–	22,041	119,490	119,490	122,727	173,201	179,089	184,776
Inventory consumed and bulk purchases	–	–	–	577,253	739,058	739,058	563,146	813,763	840,865	867,756
Transfers and subsidies	–	–	–	–	–	–	–	–	–	–
Other expenditure	–	–	–	301,698	318,090	318,090	120,341	406,008	419,810	433,244
Total Expenditure	–	–	–	1,382,469	1,677,590	1,677,590	825,723	1,911,271	1,975,321	2,038,471
Surplus/(Deficit)	–	–	–	(55,716)	(414,761)	(414,761)	(192,331)	(541,779)	(519,366)	(528,572)
Transfers and subsidies - capital (monetary allocations)	–	–	–	162,093	162,093	162,093	–	427,952	290,518	347,663
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	–	–	–	106,377	(252,668)	(252,668)	(192,331)	(113,827)	(228,848)	(180,909)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	–	–	–	106,377	(252,668)	(252,668)	(192,331)	(113,827)	(228,848)	(180,909)
Capital expenditure & funds sources										
Capital expenditure	–	–	–	162,093	194,964	194,964	106,997	437,829	448,211	482,035
Transfers recognised - capital	–	–	–	162,093	162,093	162,093	106,711	427,952	437,912	467,269
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	32,871	32,871	286	9,878	10,299	14,766
Total sources of capital funds	–	–	–	162,093	194,964	194,964	106,997	437,829	448,211	482,035
Financial position										
Total current assets	–	61	972,071	3,521,306	1,331,316	1,331,316	1,011,052	1,369,146	1,364,033	1,399,977
Total non current assets	–	–	–	8,283,087	2,986,179	2,986,179	107,315	3,224,679	3,329,813	3,455,848
Total current liabilities	–	61	928,981	3,376,767	2,287,723	2,287,723	1,268,241	2,432,189	2,528,595	2,617,650
Total non current liabilities	–	–	–	81,422	1,432,727	1,432,727	–	1,432,727	1,481,439	1,528,845
Community wealth/Equity	–	–	43,090	8,346,204	597,045	597,045	(149,241)	728,909	683,812	709,329
Cash flows										
Net cash from (used) operating	–	–	–	121,819	195,217	195,217	(227,669)	480,566	399,330	462,295
Net cash from (used) investing	–	–	–	(162,093)	(194,964)	(194,964)	34	(437,829)	(448,211)	(483,616)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	–	–	43,090	19,062	43,342	43,342	(184,545)	85,826	36,946	15,625
Cash backing/surplus reconciliation										
Cash and investments available	–	–	43,090	19,062	43,342	43,342	(184,545)	85,826	36,946	15,625
Application of cash and investments	–	61	928,050	1,485,197	2,069,365	2,069,365	1,281,126	1,869,774	1,939,668	2,003,022
Balance - surplus (shortfall)	–	(61)	(884,960)	(1,466,135)	(2,026,023)	(2,026,023)	(1,465,671)	(1,783,947)	(1,902,722)	(1,987,397)
Asset management										
Asset register summary (WDV)	–	–	–	7,787,377	2,986,179	2,986,179		3,224,679	3,329,813	3,455,848
Depreciation	–	–	–	128,379	128,379	128,379		132,744	137,258	141,650
Renewal and Upgrading of Existing Assets	–	–	–	153,485	164,560	164,560		345,850	359,018	373,147
Repairs and Maintenance	–	–	–	10,944	6,594	6,594		6,819	7,060	7,279
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–		–	–	–
Revenue cost of free services provided	–	–	–	(7,973)	(27,856)	(27,856)		(24,398)	(20,845)	(21,603)
Households below minimum service level										
Water:	–	–	–	–	–	–		–	–	–
Sanitation/sewerage:	–	–	–	–	–	–		–	–	–
Energy:	–	–	–	–	–	–		–	–	–
Refuse:	–	–	–	–	–	–		–	–	–

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

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional										
Governance and administration		–	–	–	611,925	566,990	566,990	577,976	591,988	618,288
Executive and council		–	–	–	285,998	285,986	285,986	299,205	313,048	320,922
Finance and administration		–	–	–	325,927	281,004	281,004	278,773	278,940	297,366
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		–	–	–	59,779	66,509	66,509	75,032	77,583	80,065
Community and social services		–	–	–	1,218	948	948	4,089	4,228	4,364
Sport and recreation		–	–	–	344	138	138	72	75	77
Public safety		–	–	–	54,991	61,886	61,886	64,705	66,905	69,046
Housing		–	–	–	3,226	3,537	3,537	6,165	6,375	6,579
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		–	–	–	8,462	7,012	7,012	8,409	8,455	8,723
Planning and development		–	–	–	8,013	6,800	6,800	8,190	8,229	8,490
Road transport		–	–	–	450	211	211	219	226	233
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		–	–	–	808,508	784,230	784,230	1,135,838	1,068,253	1,150,286
Energy sources		–	–	–	407,731	361,023	361,023	411,828	458,504	469,138
Water management		–	–	–	257,918	287,346	287,346	511,566	384,878	449,082
Waste water management		–	–	–	76,200	73,016	73,016	133,951	141,256	145,776
Waste management		–	–	–	66,659	62,845	62,845	78,493	83,613	86,289
Other	4	–	–	–	172	182	182	188	194	200
Total Revenue - Functional	2	–	–	–	1,488,846	1,424,922	1,424,922	1,797,444	1,746,473	1,857,562
Expenditure - Functional										
Governance and administration		–	–	–	268,348	294,338	294,338	277,917	287,250	296,398
Executive and council		–	–	–	73,954	80,174	80,174	79,115	81,781	84,354
Finance and administration		–	–	–	191,889	211,482	211,482	194,361	200,882	207,310
Internal audit		–	–	–	2,503	2,683	2,683	4,440	4,587	4,734
Community and public safety		–	–	–	158,916	153,861	153,861	171,136	176,883	182,527
Community and social services		–	–	–	98,472	92,067	92,067	106,437	110,034	113,539
Sport and recreation		–	–	–	22,233	22,952	22,952	23,495	24,281	25,058
Public safety		–	–	–	33,013	33,329	33,329	35,700	36,883	38,063
Housing		–	–	–	5,185	5,500	5,500	5,490	5,671	5,853
Health		–	–	–	12	12	12	13	13	14
Economic and environmental services		–	–	–	96,145	108,974	108,974	101,342	104,746	108,098
Planning and development		–	–	–	12,265	13,599	13,599	25,539	26,386	27,231
Road transport		–	–	–	83,881	95,375	95,375	75,803	78,359	80,867
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		–	–	–	858,568	1,119,924	1,119,924	1,360,876	1,406,442	1,451,448
Energy sources		–	–	–	565,506	800,089	800,089	874,095	903,779	932,700
Water management		–	–	–	122,367	146,160	146,160	340,424	351,390	362,634
Waste water management		–	–	–	129,610	129,600	129,600	89,266	92,272	95,224
Waste management		–	–	–	41,085	44,075	44,075	57,092	59,001	60,889
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	–	–	–	1,381,976	1,677,098	1,677,098	1,911,271	1,975,321	2,038,471
Surplus/(Deficit) for the year		–	–	–	106,870	(252,176)	(252,176)	(113,827)	(228,848)	(180,909)

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

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote	1									
Vote 1 - Executive and Council		–	–	–	285,998	285,986	285,986	299,205	313,048	320,922
Vote 2 - Finance & Administration		–	–	–	325,927	281,004	281,004	278,773	278,940	297,366
Vote 3 - [NAME OF VOTE 3]		–	–	–	–	–	–	–	–	–
Vote 4 - Sports and Recreation		–	–	–	284	71	71	72	75	77
Vote 5 - Public Safety		–	–	–	54,991	61,886	61,886	64,705	66,905	69,046
Vote 6 - Housing		–	–	–	3,226	3,537	3,537	6,165	6,375	6,579
Vote 7 - Health		–	–	–	–	–	–	–	–	–
Vote 8 - Planning and Economic Development		–	–	–	4,834	3,621	3,621	4,506	4,659	4,808
Vote 9 - Community and Social Services		–	–	–	1,278	1,015	1,015	4,089	4,228	4,364
Vote 10 - Electricity		–	–	–	407,731	361,023	361,023	411,828	458,504	469,138
Vote 11 - Water Management		–	–	–	257,918	287,346	287,346	511,566	384,878	449,082
Vote 12 - Waste Water Management		–	–	–	76,200	73,016	73,016	133,951	141,256	145,776
Vote 13 - Waste Management		–	–	–	66,659	62,845	62,845	78,493	83,613	86,289
Vote 14 - Road Transport		–	–	–	3,629	3,390	3,390	3,903	3,796	3,915
Vote 15 - Other		–	–	–	172	182	182	188	194	200
Total Revenue by Vote	2	–	–	–	1,488,846	1,424,922	1,424,922	1,797,444	1,746,473	1,857,562
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Executive and Council		–	–	–	81,774	87,649	87,649	92,207	95,307	98,313
Vote 2 - Finance & Administration		–	–	–	185,932	206,010	206,010	184,594	190,791	196,896
Vote 3 - [NAME OF VOTE 3]		–	–	–	–	–	–	–	–	–
Vote 4 - Sports and Recreation		–	–	–	13,326	13,424	13,424	12,546	12,970	13,385
Vote 5 - Public Safety		–	–	–	45,489	46,567	46,567	35,700	36,883	38,063
Vote 6 - Housing		–	–	–	5,185	5,500	5,500	5,487	5,668	5,849
Vote 7 - Health		–	–	–	12	12	12	13	13	14
Vote 8 - Planning and Economic Development		–	–	–	8,374	9,450	9,450	19,681	20,334	20,985
Vote 9 - Community and Social Services		–	–	–	107,379	101,596	101,596	117,387	121,346	125,213
Vote 10 - Electricity		–	–	–	565,506	800,089	800,089	874,095	903,779	932,700
Vote 11 - Water Management		–	–	–	122,367	146,160	146,160	340,424	351,390	362,634
Vote 12 - Waste Water Management		–	–	–	129,610	129,600	129,600	89,266	92,272	95,224
Vote 13 - Waste Management		–	–	–	41,085	44,075	44,075	57,092	59,001	60,889
Vote 14 - Road Transport		–	–	–	75,296	86,286	86,286	81,665	84,415	87,116
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	–	–	–	1,381,336	1,676,419	1,676,419	1,910,156	1,974,169	2,037,282
Surplus/(Deficit) for the year	2	–	–	–	107,510	(251,497)	(251,497)	(112,712)	(227,696)	(179,720)

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	391,236	347,457	347,457	143,176	378,955	432,436	446,274
Service charges - Water	2	-	-	-	90,618	122,822	122,822	73,332	152,133	157,305	162,339
Service charges - Waste Water Management	2	-	-	-	67,901	65,273	65,273	44,577	67,493	69,787	72,020
Service charges - Waste Management	2	-	-	-	58,742	56,756	56,756	33,547	72,197	77,531	80,012
Sale of Goods and Rendering of Services	2	-	-	-	11,224	4,437	4,437	711	4,589	4,745	4,897
Agency services	2	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	-	-	-	38,131	29,136	29,136	16,616	23,337	26,443	27,289
Interest earned from Current and Non Current Assets	2	-	-	-	5,471	6,461	6,461	12,440	6,681	6,901	7,122
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	4	2	2	1	-	-	-
Rental from Fixed Assets	2	-	-	-	3,453	3,749	3,749	4,873	9,425	9,745	10,057
Licence and permits	2	-	-	-	98	94	94	-	97	100	104
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	44,333	1,534	1,534	98	3,415	3,531	3,644
Non-Exchange Revenue											
Property rates	2	-	-	-	258,951	258,951	258,951	170,204	264,325	264,139	282,212
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	-	-	-	49,231	60,879	60,879	3,482	67,237	69,523	71,748
Licences or permits	2	-	-	-	-	66	66	1	68	71	73
Transfer and subsidies - Operational	2	-	-	-	294,895	294,895	294,895	119,161	309,427	323,249	331,325
Interest	2	-	-	-	12,466	8,965	8,965	11,173	10,113	10,447	10,782
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	1,351	1,351	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	-	-	-	-	-	-	-	-	-	-
Other Gains	2	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions		-	-	-	1,326,753	1,262,829	1,262,829	633,392	1,369,493	1,455,955	1,509,899
Expenditure											
Employee related costs	2	-	-	-	332,538	353,051	353,051	19,496	365,241	377,294	389,367
Remuneration of councillors	2	-	-	-	20,559	19,521	19,521	-	20,314	21,005	21,677
Bulk purchases - electricity	2	-	-	-	460,250	578,050	578,050	418,043	630,132	651,557	672,407
Inventory consumed	2,8	-	-	-	117,003	161,008	161,008	145,103	183,631	189,308	195,350
Debt impairment	2,3	-	-	-	94,135	94,182	94,182	3	167,177	172,861	178,393
Depreciation, amortisation and impairment	2	-	-	-	128,379	128,379	128,379	13	132,744	137,258	141,650
Interest, Dividends and Rent on Land	2	-	-	-	22,041	119,490	119,490	122,727	173,201	179,089	184,776
Contracted services	2	-	-	-	124,809	132,701	132,701	61,371	137,212	141,878	146,418
Transfers and subsidies	2	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	2	-	-	-	552	-	-	-	-	-	-
Operational costs	2	-	-	-	82,202	91,208	91,208	58,967	101,618	105,071	108,433
Disposal of Fixed and Intangible Assets	2	-	-	-	-	-	-	-	-	-	-
Other Losses	2	-	-	-	-	-	-	-	-	-	-
Total Expenditure		-	-	-	1,382,469	1,677,590	1,677,590	825,723	1,911,271	1,975,321	2,038,471
Surplus/(Deficit)		-	-	-	(55,716)	(414,761)	(414,761)	(192,331)	(541,779)	(519,366)	(528,572)
Transfers and subsidies - capital (monetary allocations)	6	-	-	-	162,093	162,093	162,093	-	427,952	290,518	347,663
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		-	-	-	106,377	(252,668)	(252,668)	(192,331)	(113,827)	(228,848)	(180,909)
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		-	-	-	106,377	(252,668)	(252,668)	(192,331)	(113,827)	(228,848)	(180,909)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		-	-	-	106,377	(252,668)	(252,668)	(192,331)	(113,827)	(228,848)	(180,909)
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	-	-	-	106,377	(252,668)	(252,668)	(192,331)	(113,827)	(228,848)	(180,909)

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance & Administration		-	-	-	-	-	-	-	-	-	-
Vote 3 - [NAME OF VOTE 3]		-	-	-	-	-	-	-	-	-	-
Vote 4 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 6 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 7 - Health		-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-
Vote 9 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 10 - Electricity		-	-	-	-	-	-	-	-	-	-
Vote 11 - Water Management		-	-	-	-	-	-	-	-	-	-
Vote 12 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 13 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 14 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance & Administration		-	-	-	-	4,500	4,500	286	-	-	-
Vote 3 - [NAME OF VOTE 3]		-	-	-	-	-	-	-	-	-	-
Vote 4 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 6 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 7 - Health		-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-
Vote 9 - Community and Social Services		-	-	-	-	-	-	-	9,318	9,635	9,934
Vote 10 - Electricity		-	-	-	6,691	13,790	13,790	7,318	18,100	18,715	29,322
Vote 11 - Water Management		-	-	-	16,976	34,628	34,628	32,171	161,081	162,053	171,956
Vote 12 - Waste Water Management		-	-	-	114,239	110,261	110,261	36,107	227,657	235,398	242,887
Vote 13 - Waste Management		-	-	-	1,917	-	-	5,855	2,555	2,642	2,351
Vote 14 - Road Transport		-	-	-	22,270	31,785	31,785	25,260	14,715	15,216	20,888
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	162,093	194,964	194,964	106,997	433,427	443,658	477,337
Total Capital Expenditure - Vote		-	-	-	162,093	194,964	194,964	106,997	433,427	443,658	477,337
Capital Expenditure - Functional											
Governance and administration		-	-	-	-	4,500	4,500	286	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	4,500	4,500	286	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	9,318	9,635	9,934
Community and social services		-	-	-	-	-	-	-	9,318	9,635	9,934
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	22,270	31,785	31,785	25,260	14,715	15,216	20,888
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	22,270	31,785	31,785	25,260	14,715	15,216	20,888
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	139,823	158,679	158,679	81,451	413,796	423,360	451,213
Energy sources		-	-	-	6,691	13,790	13,790	7,318	18,100	18,715	29,322
Water management		-	-	-	16,976	34,628	34,628	32,171	161,081	162,053	171,956
Waste water management		-	-	-	114,239	110,261	110,261	36,107	232,060	239,950	247,585
Waste management		-	-	-	1,917	-	-	5,855	2,555	2,642	2,351
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	-	-	-	162,093	194,964	194,964	106,997	437,829	448,211	482,035
Funded by:											
National Government		-	-	-	162,093	162,093	162,093	105,387	427,952	437,912	467,269
Provincial Government		-	-	-	-	-	-	1,323	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	-	-	162,093	162,093	162,093	106,711	427,952	437,912	467,269
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	32,871	32,871	286	9,878	10,299	14,766
Total Capital Funding	7	-	-	-	162,093	194,964	194,964	106,997	437,829	448,211	482,035

MP302 Msukaligwa - Table A6 Budgeted Financial Position

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current assets											
Cash and cash equivalents	1	–	–	43,090	19,062	43,342	43,342	(83,298)	85,826	36,946	15,625
Short term investments	2	–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	3	–	–	1,194,106	2,174,700	413,736	413,736	1,124,501	405,784	438,632	456,899
Receivables from non-exchange transactions	3	–	–	301,492	582,864	225,910	225,910	483,933	197,507	186,400	202,214
Current portion of non-current receivables	4	–	–	–	–	–	–	–	–	–	–
Inventory	5	–	–	17,169	31,775	19,310	19,310	85,398	19,310	19,967	20,606
VAT Receivable	6	–	–	–	702,095	629,018	629,018	(13,154)	660,719	682,089	704,633
Other current assets	7	–	61	(583,786)	10,810	–	–	(586,317)	–	–	–
Total current assets		–	61	972,071	3,521,306	1,331,316	1,331,316	1,011,052	1,369,146	1,364,033	1,399,977
Non current assets											
Investments	8	–	–	–	–	–	–	–	–	–	–
Investment property	9	–	–	–	164,639	172,104	172,104	–	172,104	177,955	183,650
Property, plant and equipment	10	–	–	–	8,118,005	2,813,894	2,813,894	107,315	3,052,394	3,151,671	3,272,006
Biological assets	11	–	–	–	–	–	–	–	–	–	–
Living resources	12	–	–	–	–	–	–	–	–	–	–
Heritage assets	13	–	–	–	175	175	175	–	175	181	187
Intangible assets	14	–	–	–	268	5	5	–	5	5	6
Trade and other receivables from exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Other non-current assets	16	–	–	–	–	–	–	–	–	–	–
Total non current assets		–	–	–	8,283,087	2,986,179	2,986,179	107,315	3,224,679	3,329,813	3,455,848
TOTAL ASSETS		–	61	972,071	11,804,393	4,317,495	4,317,495	1,118,367	4,593,825	4,693,846	4,855,825
LIABILITIES											
Current liabilities											
Bank overdraft	17	–	–	–	–	–	–	–	–	–	–
Financial liabilities	18	–	–	–	–	–	–	–	–	–	–
Consumer deposits	19	–	–	–	21,660	10,914	10,914	–	24,401	25,230	26,038
Trade and other payables from exchange transactions	20	–	61	928,981	2,027,817	1,540,779	1,540,779	1,157,050	1,660,193	1,725,854	1,789,593
Trade and other payables from non-exchange transactions	21	–	–	–	882,170	692,140	692,140	196,332	679,536	702,640	725,125
Provision	22	–	–	–	5,945	–	–	–	–	–	–
VAT Payable	23	–	–	–	374,174	38,762	38,762	(85,141)	68,059	74,870	76,895
Other current liabilities	24	–	–	–	65,001	5,129	5,129	–	–	–	–
Total current liabilities		–	61	928,981	3,376,767	2,287,723	2,287,723	1,268,241	2,432,189	2,528,595	2,617,650
Non current liabilities											
Financial liabilities	25	–	–	–	3,905	3,206	3,206	–	3,206	3,315	3,421
Provision	26	–	–	–	67,772	62,292	62,292	–	62,292	64,410	66,471
Long term portion of trade payables	27	–	–	–	–	1,288,332	1,288,332	–	1,288,332	1,332,135	1,374,764
Other non-current liabilities	28	–	–	–	9,745	78,897	78,897	–	78,897	81,580	84,191
Total non current liabilities		–	–	–	81,422	1,432,727	1,432,727	–	1,432,727	1,481,439	1,528,845
TOTAL LIABILITIES		–	61	928,981	3,458,189	3,720,449	3,720,449	1,268,241	3,864,916	4,010,034	4,146,496
NET ASSETS		–	–	43,090	8,346,204	597,045	597,045	(149,874)	728,909	683,812	709,329
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	–	–	43,090	8,346,204	597,045	597,045	(149,241)	728,909	683,812	709,329
Reserves and funds	30	–	–	–	–	–	–	–	–	–	–
Other	31	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	32	–	–	43,090	8,346,204	597,045	597,045	(149,241)	728,909	683,812	709,329

MP302 Msukaligwa - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	-	-	201,982	201,982	201,982	-	227,981	244,623	252,451
Service charges		-	-	-	550,876	525,916	525,916	-	578,545	632,693	650,095
Other revenue		-	-	-	67,653	22,691	22,691	-	31,832	32,671	33,488
Transfers and Subsidies - Operational	1	-	-	-	294,895	294,895	294,895	-	309,427	323,249	331,325
Transfers and Subsidies - Capital	1	-	-	-	162,093	162,093	162,093	-	427,952	290,518	347,663
Interest		-	-	-	34,098	19,924	19,924	-	31,769	32,623	33,479
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		-	-	-	(1,159,402)	(1,001,909)	(1,001,909)	(227,669)	(1,092,299)	(1,121,230)	(1,149,252)
Finance charges		-	-	-	(30,376)	(30,376)	(30,376)	-	(34,640)	(35,818)	(36,955)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	-	-	121,819	195,217	195,217	(227,669)	480,566	399,330	462,295
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Insurance Refund - Capital		-	-	-	-	-	-	-	-	-	-
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	-	-	(162,093)	(194,964)	(194,964)	34	(437,829)	(448,211)	(483,616)
Retention (Capital)		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	(162,093)	(194,964)	(194,964)	34	(437,829)	(448,211)	(483,616)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	-	-	(40,274)	252	252	(227,635)	42,737	(48,881)	(21,321)
Cash/cash equivalents at the year begin:	2	-	-	43,090	59,336	43,090	43,090	43,090	43,090	85,826	36,946
Cash/cash equivalents at the year end:	2	-	-	43,090	19,062	43,342	43,342	(184,545)	85,826	36,946	15,625

Store Type	Classification	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousands		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Agricultural	Opening balance - Agricultural	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Agricultural	-	-	-	-	-	-	-	-	-	-
	Adjustments - Agricultural	-	-	-	-	-	-	-	-	-	-
	Issues - Agricultural	-	-	-	-	-	-	-	-	-	-
	Write Off - Agricultural	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Agricultural	-	-	-	-	-	-	-	-	-	-
Agricultural Total		-	-	-	-	-	-	-	-	-	-
Consumables Standard Rated	Opening balance - Consumables Standard Rated	-	-	2,544	31,775	-	-	2,544	-	-	-
	Acquisitions - Consumables Standard Rated	-	-	-	117,003	161,006	161,006	6,791	183,631	189,308	195,350
	Adjustments - Consumables Standard Rated	-	-	-	-	-	-	-	-	-	-
	Issues - Consumables Standard Rated	-	-	-	(8,159)	(9,522)	(9,522)	-	(9,720)	(10,066)	(10,372)
	Write Off - Consumables Standard Rated	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Consumables Standard Rated	-	-	-	-	-	-	-	-	-	-
Consumables Standard Rated Total		-	-	2,544	142,619	151,486	151,486	9,336	173,911	179,242	184,978
Consumables Zero Rated	Opening balance - Consumables Zero Rated	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Consumables Zero Rated	-	-	-	-	-	-	-	-	-	-
	Adjustments - Consumables Zero Rated	-	-	-	-	-	-	-	-	-	-
	Issues - Consumables Zero Rated	-	-	-	-	-	-	-	-	-	-
	Write Off - Consumables Zero Rated	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Consumables Zero Rated	-	-	-	-	-	-	-	-	-	-
Consumables Zero Rated Total		-	-	-	-	-	-	-	-	-	-
Finished Goods	Opening balance - Finished Goods	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Finished Goods	-	-	-	-	-	-	-	-	-	-
	Adjustments - Finished Goods	-	-	-	-	-	-	-	-	-	-
	Issues -Finished Goods	-	-	-	-	-	-	-	-	-	-
	Write Off - Finished Goods	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Finished Goods	-	-	-	-	-	-	-	-	-	-
Finished Goods Total		-	-	-	-	-	-	-	-	-	-
Housing Stock	Opening balance - Housing Stock	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Housing Stock	-	-	-	-	-	-	-	-	-	-
	Sales - Housing Stock	-	-	-	-	-	-	-	-	-	-
	Transfer - Housing stock	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Housing stock	-	-	-	-	-	-	-	-	-	-
Housing Stock Total		-	-	-	-	-	-	-	-	-	-
Land	Opening balance - Land	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Land	-	-	-	-	-	-	-	-	-	-
	Sales - land	-	-	-	-	-	-	-	-	-	-
	Adjustments - Land	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Land	-	-	-	-	-	-	-	-	-	-
	Transfers - Land	-	-	-	-	-	-	-	-	-	-
Land Total		-	-	-	-	-	-	-	-	-	-
Materials and Supplies	Opening balance - Materials and Supplies	-	-	14,624	-	17,169	17,169	14,624	17,169	17,752	18,320
	Acquisitions - Materials and Supplies	-	-	-	-	-	-	61,428	-	-	-
	Adjustments - Materials and Supplies	-	-	-	-	-	-	-	-	-	-
	Issues - Materials and Supplies	-	-	-	(83,733)	(105,503)	(105,503)	-	(76,604)	(78,526)	(81,142)
	Write Off - Materials and Supplies	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Materials and Supplies	-	-	-	-	-	-	-	-	-	-
Materials and Supplies Total		-	-	14,624	(83,733)	(88,335)	(88,335)	76,053	(59,435)	(60,774)	(62,822)
Water	Opening balance - Water	-	-	-	-	2,142	2,142	-	2,142	2,214	2,288
	Acquisitions - Water bulk purchases	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Water natural sources	-	-	-	-	-	-	-	-	-	-
	Acquisitions - Water treatment works	-	-	-	-	-	-	-	-	-	-
	Billed Authorised Consumption.Billed Metered Consumption.Free Basic Water	-	-	-	(27,112)	(45,983)	(45,983)	-	(97,307)	(100,615)	(103,935)
	Billed Authorised Consumption.Billed Metered Consumption.Revenue Water	-	-	-	-	-	-	-	-	-	-
	Billed Authorised Consumption.Billed Metered Consumption.Subsidised Water	-	-	-	-	-	-	-	-	-	-
	Billed Authorised Consumption.Billed Unmetered Consumption.Free Basic Water	-	-	-	-	-	-	-	-	-	-
	Billed Authorised Consumption.Billed Unmetered Consumption.Revenue Water	-	-	-	-	-	-	-	-	-	-
	Billed Authorised Consumption.Billed Unmetered Consumption.Subsidised Water	-	-	-	-	-	-	-	-	-	-
	Data Transfer and Management Errors	-	-	-	-	-	-	-	-	-	-
	Non-revenue Water	-	-	-	-	-	-	-	-	-	-
	Unavoidable Annual Real Losses	-	-	-	-	-	-	-	-	-	-
	Unbilled Authorised Consumption.Unbilled Metered Consumption	-	-	-	-	-	-	-	-	-	-
	Unbilled Authorised Consumption.Unbilled Unmetered Consumption	-	-	-	-	-	-	-	-	-	-
	Water Losses.Apparent Losses.Customer Meter Inaccuracies	-	-	-	-	-	-	-	-	-	-
	Water Losses.Apparent Losses.Unauthorised Consumption	-	-	-	-	-	-	-	-	-	-
	Water Losses.Real Losses.Leakage and Overflows at Storage Tanks/Reservoirs	-	-	-	-	-	-	-	-	-	-
	Water Losses.Real Losses.Leakage on Service Connections up to the point of Customer Meter	-	-	-	-	-	-	-	-	-	-
	Water Losses.Real Losses.Leakage on Transmission and Distribution Mains	-	-	-	-	-	-	-	-	-	-
	Correction of Prior period errors - Water	-	-	-	-	-	-	-	-	-	-
Water Total		-	-	-	(27,112)	(43,842)	(43,842)	-	(95,166)	(98,401)	(101,550)
Work-in-progress	Opening balance - WIP	-	-	-	-	-	-	-	-	-	-
	Materials - WIP	-	-	-	-	-	-	-	-	-	-
	Transfer - WIP	-	-	-	-	-	-	-	-	-	-
Work-in-progress Total		-	-	-	-	-	-	-	-	-	-
Grand Total		-	-	17,169	31,775	19,310	19,310	85,388	19,310	19,967	20,606

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available											
Cash/cash equivalents at the year end	1	-	-	43,090	19,062	43,342	43,342	(184,545)	85,826	36,946	15,625
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
Non current investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		-	-	43,090	19,062	43,342	43,342	(184,545)	85,826	36,946	15,625
Application of cash and investments											
Unspent conditional transfers		-	-	-	811,216	-	-	147,228	-	-	-
Unspent borrowing											
Statutory requirements	2	-	-	(931)	(603,574)	25,914	25,914	(72,255)	30,558	38,218	37,525
Other working capital requirements	3	-	61	928,981	1,271,610	2,043,451	2,043,451	1,206,154	1,839,216	1,901,450	1,965,497
Other provisions		-	-	-	5,945	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		-	61	928,050	1,485,197	2,069,365	2,069,365	1,281,126	1,869,774	1,939,668	2,003,022
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		-	(61)	(884,960)	(1,466,135)	(2,026,023)	(2,026,023)	(1,465,671)	(1,783,947)	(1,902,722)	(1,987,397)
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		-	(61)	(884,960)	(1,466,135)	(2,026,023)	(2,026,023)	(1,465,671)	(1,783,947)	(1,902,722)	(1,987,397)

MP302 Msukaligwa - Table A9 Asset Management

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CAPITAL EXPENDITURE										
Total New Assets	1	-	-	-	8,608	30,404	30,404	91,979	95,192	108,888
Roads Infrastructure		-	-	-	-	-	-	8,715	9,012	10,348
Storm water Infrastructure		-	-	-	-	-	-	4,402	4,552	4,698
Electrical Infrastructure		-	-	-	6,691	6,691	6,691	18,100	18,715	29,322
Water Supply Infrastructure		-	-	-	-	3,993	3,993	22,204	22,958	23,673
Sanitation Infrastructure		-	-	-	-	3,948	3,948	22,807	23,583	24,338
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	6,691	14,632	14,632	76,229	78,820	92,378
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	9,318	9,635	9,934
Community Assets		-	-	-	-	-	-	9,318	9,635	9,934
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	3,000	3,000	-	-	-
Furniture and Office Equipment		-	-	-	-	1,500	1,500	-	-	-
Machinery and Equipment		-	-	-	-	-	-	2,555	2,842	2,351
Transport Assets		-	-	-	1,917	11,273	11,273	3,878	4,095	4,226
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	38,215	47,775	47,775	6,000	6,204	10,540
Roads Infrastructure		-	-	-	-	10,000	10,000	6,000	6,204	10,540
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	7,099	7,099	-	-	-
Water Supply Infrastructure		-	-	-	16,976	15,028	15,028	-	-	-
Sanitation Infrastructure		-	-	-	19,239	15,648	15,648	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	36,215	47,775	47,775	6,000	6,204	10,540
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

Total Upgrading of Existing Assets	6	-	-	-	117,270	116,785	116,785	339,850	346,815	362,607
Roads Infrastructure		-	-	-	22,270	21,785	21,785	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	95,000	95,000	95,000	339,850	346,815	362,607
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	**117,270**	**116,785**	**116,785**	**339,850**	**346,815**	**362,607**
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	**162,093**	**194,964**	**194,964**	**437,829**	**448,211**	**462,035**
Roads Infrastructure		-	-	-	22,270	31,785	31,785	14,715	15,216	20,888
Storm water Infrastructure		-	-	-	-	-	-	4,402	4,552	4,698
Electrical Infrastructure		-	-	-	6,691	13,790	13,790	18,100	18,715	29,322
Water Supply Infrastructure		-	-	-	16,976	19,021	19,021	22,204	22,958	23,673
Sanitation Infrastructure		-	-	-	114,239	114,596	114,596	362,657	370,398	386,944
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	**160,178**	**179,192**	**179,192**	**422,079**	**431,839**	**465,525**
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	9,318	9,535	9,934
Community Assets		-	-	-	-	-	-	**9,318**	**9,535**	**9,934**
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	3,000	3,000	-	-	-
Furniture and Office Equipment		-	-	-	-	1,500	1,500	-	-	-
Machinery and Equipment		-	-	-	-	-	-	2,555	2,642	2,351
Transport Assets		-	-	-	1,917	11,273	11,273	3,878	4,095	4,228
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		-	-	-	**162,093**	**194,964**	**194,964**	**437,829**	**448,211**	**462,035**
ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	-	7,787,377	2,986,179	2,986,179	3,224,679	3,329,813	3,438,548
Roads Infrastructure		-	-	-	2,697,397	534,183	534,183	515,815	533,456	555,712
Storm water Infrastructure		-	-	-	(3,517)	(5,523)	(5,523)	(1,309)	(1,353)	(1,397)
Electrical Infrastructure		-	-	-	1,111,875	279,084	279,084	282,813	292,429	311,794
Water Supply Infrastructure		-	-	-	1,797,228	945,842	945,842	1,078,844	1,110,934	1,151,201
Sanitation Infrastructure		-	-	-	1,294,167	704,288	704,288	821,237	849,159	876,289
Solid Waste Infrastructure		-	-	-	50,270	(6,800)	(6,800)	(7,228)	(7,474)	(7,713)
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	3,124	-	-	-	-	-
Infrastructure		-	-	-	**6,950,544**	**2,451,075**	**2,451,075**	**2,690,271**	**2,777,150**	**2,885,886**
Community Assets		-	-	-	381,965	146,379	146,379	155,386	160,670	160,670
Heritage Assets		-	-	-	175	175	175	175	181	181
Investment properties		-	-	-	**184,639**	**172,104**	**172,104**	**172,104**	**177,955**	**177,955**
Other Assets		-	-	-	(5,450)	(5,450)	(5,450)	(5,636)	(5,827)	(5,827)
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	268	5	5	5	5	5
Computer Equipment		-	-	-	17,659	9,312	9,312	6,289	6,503	6,503
Furniture and Office Equipment		-	-	-	39,965	4,408	4,408	2,812	2,907	2,907
Machinery and Equipment		-	-	-	10,959	(393)	(393)	2,149	2,222	2,222
Transport Assets		-	-	-	80,633	62,543	62,543	55,101	57,060	57,060
Land		-	-	-	146,022	146,022	146,022	146,022	150,987	150,987
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	-	**7,787,377**	**2,986,179**	**2,986,179**	**3,224,679**	**3,329,813**	**3,438,548**
EXPENDITURE OTHER ITEMS		-	-	-	**139,324**	**134,973**	**134,973**	**139,562**	**144,307**	**148,925**
Depreciation	7	-	-	-	128,379	128,379	128,379	132,744	137,258	141,650
Repairs and Maintenance by Asset Class	3	-	-	-	**10,944**	**6,594**	**6,594**	**6,818**	**7,050**	**7,275**
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	447	129	129	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	**447**	**129**	**129**	-	-	-
Community Facilities		-	-	-	585	523	523	541	559	577
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	**585**	**523**	**523**	**541**	**559**	**577**
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	9,281	5,067	5,067	5,384	5,577	5,755
Transport Assets		-	-	-	632	854	854	883	913	943
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		-	-	-	**139,324**	**134,973**	**134,973**	**139,562**	**144,307**	**148,925**
Renewal and upgrading of Existing Assets as % of total capex		*0.0%*	*0.0%*	*0.0%*	*94.7%*	*84.4%*	*84.4%*	*79.0%*	*78.8%*	*77.4%*
Renewal and upgrading of Existing Assets as % of deprecn		*0.0%*	*0.0%*	*0.0%*	*119.6%*	*128.2%*	*128.2%*	*260.5%*	*257.2%*	*263.4%*
R&M as a % of PPE & Investment Property		*0.0%*	*0.0%*	*0.0%*	*0.1%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*
Renewal and upgrading and R&M as a % of PPE and Investment Property		*0.0%*	*0.0%*	*0.0%*	*2.1%*	*5.7%*	*5.7%*	*10.9%*	*10.8%*	*11.1%*

Part 2

SUPPORTING DOCUMENTS

OVERVIEW OF ANNUAL BUDGET PROCESS

The budget process for 2025/26 started 10 months before the start of the 2026/27 financial year after the approval of the process plan and budget timetable before the 31st of August 2025. The Annual multi-year budget for 2026/27 to 2028/29 was tabled before Council on the 31st March 2026 in terms of Section 16 (2) of MFMA for consultation.

This budget circular provides guidance to municipalities on the compilation of the 2026/27 Medium Term Revenue and Expenditure Framework (MTREF). It is linked to the Municipal Budget and Reporting Regulations (MBRR) and the Municipal Standard Chart of Accounts (*m*SCOA) and aims to support municipalities' budget preparation processes to ensure minimum requirements are met. Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial management reform agenda by focusing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, *m*SCOA is implemented correctly and that audit findings are addressed. Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of budget preparation that are not covered in this circular.

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

IDP AND BUDGET TIMETABLE

The 2025/26 municipal financial year represents the last year of the current municipal council's electoral term. The next municipal election to usher in new councils is expected to take place between November 2026 and January 2027 in terms of section 24(2) of the Municipal Structures Act, 2000 (Act No. 32 of 2000) (MSA).

It is acknowledged that the period within which the coming election's date is expected takes place after the start of a new financial year. This scenario poses a latent challenge in so far as adherence to legislated timeframes regarding the adoption of the 5-year Integrated Development Plan (IDP) and the subsequent implementation.

Given the fact that the IDP and budget would need to be reviewed and adopted by 30 June 2026, the current council has an obligation to ensure that these stipulations are complied with. In this regard, the current council is expected to continue reviewing the IDP and ensuring that it is adopted within the legislated timeframe.

Section 25 (3) of the MSA does allow the municipal council to adopt the IDP of the preceding council. However, should the incoming council be unhappy with the priorities set by the current council, in this case, municipal councils are advised to consider the existing adopted IDP and resolve to initiate or not to initiate an amendment procedure as guided by the MSA and the Municipal Performance and Planning Regulations (2001).

The Department of Cooperative Governance (DCoG), through the Chief Directorate: Development Planning, is rolling out the revised IDP guidelines to municipalities. These guidelines are aimed amongst others, at guiding municipalities regarding the adoption of IDPs during an election year.

3.2 Hand-over reports for the newly elected councils

The municipal manager, working together with the CFO and senior managers, is encouraged to prepare a hand-over report that can be tabled at the first meeting of the newly elected council. The purpose of this hand-over report is to provide the new councils with important orientation information regarding the municipality, the state of its finances, service delivery and capital programme, as well as key issues that need to be addressed.

It is proposed that the hand-over report should include:

- An overview of the demographic and socio-economic characteristics of the municipality;
- An overview of the organisational structure of the municipality, with the names and numbers of senior managers;
- An overview of key municipal policies that councillors need to be aware of, and where they can obtain the full text of such policies;
- An overview of issues that still need to be addressed in relation to the municipality's turnaround strategy (where applicable);
- An overview of the municipality's financial health, with specific reference to:
- Its cash and investments, and its funding of commitments (Table A8);
- Cash coverage of normal operations (see Supporting Table SA10);
- Creditors outstanding for more than 30 days and the reasons for delayed settlement;
- Current revenue collection levels and debtors outstanding for more than 30 days; and
- The extent of existing loans and associated finance and redemption payments.
- The municipality's 2024/25 audit outcome and its strategy to address audit issues;
- An overview of the provision of basic services, including plans to address backlogs;

- An overview of the state of the municipality's assets, with particular reference to the asset management plan, and repairs and maintenance requirements;
- A list of the main infrastructure projects planned for the 2026/27 budget and MTREF;
- A list of key processes requiring council input over the next six months, e.g. revision of the IDP, approval of specific policies etc. and
- Any other information deemed to be important to the transitioning process.

  In addition to the hand-over report, each new councillor should be given the municipalities' revised IDP, the adopted 2026/27 MTREF budget, the mid-year budget and performance assessment report for 2025/26, the latest monthly financial statement, and the annual report for 2024/25.

Municipal Managers should submit their municipality's hand-over report to the relevant provincial department responsible for local government, to the Department of Co-operative Governance (DCoG) and National and Provincial Treasuries.

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

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

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

ALIGNMENT WITH NATIONAL AND PROVINCIAL PRIORITIES

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

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

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

OVERVIEW OF BUDGET RELATED POLICIES

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

BUDGET ASSUMPTION

The municipality considered Division of Revenue Bill, Circular 134, as well as NERSA guidelines in terms of electricity increases in preparation of the Annual Budget.

Category	Assumption
Revenue Growth	3.4% increases in service charges (Electricity 9.01%)
Tariff Adjustments	In line with CPI (estimated at 3.4%)
Inflation Rate (CPI)	3.4%
Salary Increases	4.75%
Collection Rate	75%
Bulk Purchases (Electricity, Water)	9%
Grant Funding	As per DORA allocation
Capital Funding	Prioritised and funded based on IDP
Depreciation & Asset Replacement	Budgeted as per GRAP requirements

Challenges Faced by the Municipality in the Compilation of the 2026/27 MTREF

The Municipality's 2026/27 Medium-Term Revenue and Expenditure Framework (MTREF) is being compiled under difficult circumstances. These challenges require not only immediate fiscal responses but also long-term strategic planning to ensure that the municipality's financial sustainability and service delivery are not jeopardized. Below is an in-depth analysis of the key challenges mentioned:

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

EXPENDITURE ON GRANTS ALLOCATION

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

MP302 Msukaligwa - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
RECEIPTS	1,2									
Operating										
National Government										
Monetary Allocations										
Local Government Equitable Share	-	-	-	-	285,986	285,986	285,986	299,205	313,048	320,922
EPWP Incentive	-	-	-	-	1,930	1,930	1,930	2,738	2,831	2,922
Finance Management	-	-	-	-	3,800	3,800	3,800	3,800	3,800	3,800
Municipal Infrastructure Grant	-	-	-	-	3,179	3,179	3,179	3,684	3,570	3,682
Total Operating/National Government		-	-	-	294,895	294,895	294,895	309,427	323,249	331,325
Capital										
National Government										
Monetary Allocations										
Municipal Infrastructure Grant (MIG)	-	-	-	-	105,402	105,402	105,402	70,002	67,830	69,953
Energy Efficiency and Demand Side Management Gr	-	-	-	-	4,000	4,000	4,000	-	-	-
Integrated National Electrification Programme Grant	-	-	-	-	2,691	2,691	2,691	18,100	10,803	7,110
Regional Bulk Infrastructure	-	-	-	-	50,000	50,000	50,000	280,000	150,000	206,735
Water Services Infrastructure Grant	-	-	-	-	-	-	-	59,850	61,885	63,865
Total Capital/National Government		-	-	-	162,093	162,093	162,093	427,952	290,518	347,663
TOTAL RECEIPTS OF TRANSFERS AND GRAN		-	-	-	456,988	456,988	456,988	737,379	613,767	678,989

MP302 Msukaligwa - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
EXPENDITURE	1									
Operating										
National Government										
Monetary Allocations										
Local Government Equitable Share	-	-	-	-	285,986	285,986	285,986	299,205	313,048	320,922
EPWP Incentive	-	-	-	-	1,930	1,930	1,930	2,738	2,831	2,922
Finance Management	-	-	-	-	3,800	3,800	3,800	3,800	3,800	3,800
Municipal Infrastructure Grant	-	-	-	-	3,179	3,179	3,179	3,684	3,570	3,682
Total Operating/National Government		-	-	-	294,895	294,895	294,895	309,427	323,249	331,325

MP302 Msukaligwa - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Operating transfers and grants:	1,3									
Monetary Allocations										
Balance unspent at beginning of the year										
Current year receipts		–	–	–	8,909	8,909	8,909	10,222	10,201	10,403
Repayment of grants										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	8,909	8,909	8,909	10,222	10,201	10,403
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue		–	–	–	–	–	–	–	–	–
Total operating transfers and grants - CTBM	2	–	–	–	8,909	8,909	8,909	10,222	10,201	10,403
Capital transfers and grants:	1,3									
Monetary Allocations										
Balance unspent at beginning of the year										
Current year receipts		–	–	–	162,093	162,093	162,093	427,952	290,518	347,663
Conditions met - transferred to revenue		–	–	–	162,093	162,093	162,093	368,102	228,633	283,798
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	59,850	61,885	63,865
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue		–	–	–	162,093	162,093	162,093	368,102	228,633	283,798
Total capital transfers and grants - CTBM	2	–	–	–	–	–	–	59,850	61,885	63,865
TOTAL TRANSFERS AND GRANTS REVENUE		–	–	–	162,093	162,093	162,093	368,102	228,633	283,798
TOTAL TRANSFERS AND GRANTS - CTBM		–	–	–	8,909	8,909	8,909	70,072	72,086	74,269

EMPLOYEES SALARIES AND COUNCILLORS ALLOWANCE BENEFITS

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

MP302 Msukaligwa - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Allowances and Service Related Benefits										
Basic Salary		–	–	–	4,122	4,429	4,429	13,242	13,693	14,131
Cell phone Allowance		–	–	–	2,019	2,117	2,117	1,629	1,684	1,738
Housing Allowance		–	–	–	–	–	–	–	–	–
In-kind Benefits		–	–	–	–	–	–	–	–	–
Market Related Non-pensionable Allowance		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		–	–	–	–	194	194	2,730	2,822	2,913
Office-bearer Allowance		–	–	–	7,662	7,846	7,846	–	–	–
Out of pocket Expenses		–	–	–	–	–	–	–	–	–
Travelling Allowance		–	–	–	4,494	2,869	2,869	477	493	509
Use of Personal Facilities		–	–	–	–	–	–	–	–	–
Total Allowances and Service Related Benefits		-	-	-	18,298	17,456	17,456	18,078	18,692	19,290
Social Contributions										
Medial Aid Benefits		–	–	–	346	238	238	330	341	352
Pension Fund Contributions		–	–	–	1,915	1,827	1,827	1,907	1,972	2,035
Total Social Contributions		-	-	-	2,261	2,065	2,065	2,237	2,313	2,387
Total Councillors		-	-	-	20,559	19,521	19,521	20,314	21,005	21,677
% increase	4		–	–	–	(5.0%)	–	4.1%	3.4%	3.2%
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		–	–	–	6,828	6,828	6,828	4,973	5,137	5,302
Bonuses		–	–	–	43	105	105	–	–	–
Allowance										
Accommodation, Travel and Incidental		–	–	–	–	–	–	–	–	–
Cellular and Telephone	3	–	–	–	108	195	195	157	162	168
Housing Benefits	3	–	–	–	–	–	–	–	–	–
Non-pensionable		–	–	–	–	–	–	–	–	–
Travel or Motor Vehicle	3	–	–	–	982	982	982	1,498	1,547	1,597
Voluntary Work		–	–	–	–	–	–	–	–	–
Total Allowance		-	-	-	1,090	1,178	1,178	1,655	1,710	1,764
Service Related Benefits										
Acting	3	–	–	–	25	25	25	–	–	–
Bonus	3	–	–	–	–	–	–	–	–	–
Danger Allowance	3	–	–	–	–	–	–	–	–	–
Entertainment	3	–	–	–	–	–	–	–	–	–
Fire Brigade		–	–	–	–	–	–	–	–	–
In-kind Benefits	3	–	–	–	–	–	–	–	–	–
Leave Pay	3	–	–	–	–	–	–	–	–	–
Lifeguard/Duty Squads		–	–	–	–	–	–	–	–	–
Long Service Award		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Scarcity	3	–	–	–	–	–	–	–	–	–
Standby Allowance	3	–	–	–	–	–	–	–	–	–
Tools Allowance	3	–	–	–	–	–	–	–	–	–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–	–	–
Leave gratuity		–	–	–	–	–	–	–	–	–
Long Term Service Award		–	–	–	–	–	–	–	–	–
Total Service Related Benefits		-	-	-	25	25	25	-	-	-
Total Salaries and Allowances		-	-	-	7,987	8,135	8,135	6,628	6,847	7,066
Social Contributions										
Bargaining Council		–	–	–	–	–	–	–	–	–
Group Life Insurance		–	–	–	–	–	–	14	15	15
Medical		–	–	–	153	153	153	281	291	300
Pension		–	–	–	1,135	1,135	1,135	770	795	821
Unemployment Insurance		–	–	–	20	20	20	13	14	14
Total Social Contributions		-	-	-	1,307	1,307	1,307	1,079	1,115	1,150
Post-retirement Benefit	6									
Medical		–	–	–	–	–	–	–	–	–
Other Benefits		–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		-	-	-	9,294	9,443	9,443	7,707	7,961	8,216
% increase	4		–	–	–	1.6%	–	(18.4%)	3.3%	3.2%

Other Municipal Staff										
Salaries and Allowances										
Basic Salary					201,408	216,635	215,635	218,344	226,447	232,861
Bonuses										
Allowance										
Accommodation, Travel and Incidental										
Cellular and Telephone					774	823	832	1,354	1,388	1,443
Housing Benefits					966	1,048	731	785		778
Non-pensionable										
Travel or Motor Vehicle					13,780	14,627	14,627	13,928	13,324	13,780
Voluntary Work										
Total Allowance					15,847	16,487	16,487	14,882	16,477	16,972
Service Related Benefits										
Acting					2,156	2,904	2,904	1,198	1,230	1,279
Bonus					14,654	15,681	15,681	14,723	15,309	15,660
Danger Allowance										
Entertainment										
Fire Brigade										
In-kind Benefits										
Leave Pay					1,259	1,336	1,336	648	669	681
Lifeguard/Duty Squads										
Long Service Award					3,613	3,726	3,726	1,584	1,636	1,689
Overtime					17,494	18,552	18,552	26,366	29,302	30,340
Scarcity										
Standby Allowance					5,968	7,384	7,384	12,776	13,196	13,620
Tools Allowance										
Uniform/Special/Protective Clothing										
Leave gratuity										
Long Term Service Award										
Total Service Related Benefits					45,075	49,605	49,605	59,295	61,283	63,213
Total Salaries and Allowances					265,330	281,937	281,937	292,523	302,177	311,846
Social Contributions										
Bargaining Council					145	104	104	113	117	121
Group Life Insurance					2,982	3,165	3,165	4,021	4,154	4,287
Medical					16,420	16,574	16,574	17,647	18,230	18,814
Pension					33,609	35,726	35,726	41,565	42,936	44,310
Unemployment Insurance					2,717	2,883	2,883	1,645	1,699	1,753
Total Social Contributions					55,134	58,502	58,502	65,011	67,184	69,305
Post-retirement Benefit										
Medical					3,081	3,269	3,269			
Other Benefits										
Pension										
Total Post-retirement Benefit					3,081	3,269	3,269			
Costs Capitalised to PPE										
Sub Total - Other Municipal Staff					323,248	342,609	342,609	357,534	369,333	381,151
% Increase	4					6.0%		4.4%	3.3%	3.2%
Total Parent Municipality					323,087	372,672	372,672	386,885	399,299	411,045
Board Members of Entities										
Salaries and Allowances										
Basic Salary										
Bonuses										
Allowance										
Accommodation, Travel and Incidental										
Cellular and Telephone										
Housing Benefits										
Non-pensionable										
Travel or Motor Vehicle										
Voluntary Work										
Total Allowance										
Service Related Benefits										
Acting										
Bonus										
Danger Allowance										
Entertainment										
Fire Brigade										
In-kind Benefits										
Leave Pay										
Lifeguard/Duty Squads										
Long Service Award										
Overtime										
Scarcity										
Standby Allowance										
Tools Allowance										
Uniform/Special/Protective Clothing										
Leave gratuity										
Long Term Service Award										
Total Service Related Benefits										
Total Salaries and Allowances										
Social Contributions										
Bargaining Council										
Group Life Insurance										
Medical										
Pension										
Unemployment Insurance										
Total Social Contributions										
Post-retirement Benefit										
Medical										
Other Benefits										
Pension										
Total Post-retirement Benefit										
Costs Capitalised to PPE										
Sub Total - Board Members of Entities										
% Increase	4									
Senior Managers of Entities										
Salaries and Allowances										
Basic Salary										
Bonuses										
Allowance										
Accommodation, Travel and Incidental										
Cellular and Telephone										
Housing Benefits										
Non-pensionable										
Travel or Motor Vehicle										
Voluntary Work										
Total Allowance										
Service Related Benefits										
Acting										
Bonus										
Danger Allowance										
Entertainment										
Fire Brigade										
In-kind Benefits										
Leave Pay										
Lifeguard/Duty Squads										
Long Service Award										
Overtime										
Scarcity										
Standby Allowance										
Tools Allowance										
Uniform/Special/Protective Clothing										
Leave gratuity										
Long Term Service Award										
Total Service Related Benefits										
Total Salaries and Allowances										
Social Contributions										
Bargaining Council										
Group Life Insurance										
Medical										
Pension										
Unemployment Insurance										
Total Social Contributions										
Post-retirement Benefit										
Medical										
Other Benefits										
Pension										
Total Post-retirement Benefit										
Costs Capitalised to PPE										
Sub Total - Senior Managers of Entities										
% Increase	4									
Other Staff of Entities										
Salaries and Allowances										
Basic Salary										
Bonuses										
Allowance										
Accommodation, Travel and Incidental										
Cellular and Telephone										
Housing Benefits										
Non-pensionable										
Travel or Motor Vehicle										
Voluntary Work										
Total Allowance										
Service Related Benefits										
Acting										
Bonus										
Danger Allowance										
Entertainment										
Fire Brigade										
In-kind Benefits										
Leave Pay										
Lifeguard/Duty Squads										
Long Service Award										
Overtime										
Scarcity										
Standby Allowance										
Tools Allowance										
Uniform/Special/Protective Clothing										
Leave gratuity										
Long Term Service Award										
Total Service Related Benefits										
Total Salaries and Allowances										
Social Contributions										
Bargaining Council										
Group Life Insurance										
Medical										
Pension										
Unemployment Insurance										
Total Social Contributions										
Post-retirement Benefit										
Medical										
Other Benefits										
Pension										
Total Post-retirement Benefit										
Costs Capitalised to PPE										
Sub Total - Other Staff of Entities										
% Increase	4									
Total Municipal Entities										
TOTAL SALARY, ALLOWANCES & BENEFITS										
% Increase	4				323,087	372,672	372,672	386,885	399,299	411,045
TOTAL MANAGERS AND STAFF	57				332,638	383,051	383,051	398,241	377,794	389,228

ANNUAL BUDGET AND SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN(SDBIP)

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

CONTRACTS HAVING FUTURE BUDGETARY IMPLICATION

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

LEGISLATION COMPLIANCE STATUS

The municipal complies to the following legislations:

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

FUNCTIONAL GOVERNANCE STRUCTURES

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

ANNUAL BUDGET RELATED POLICIES

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

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

MANAGER'S QUALITY CERTIFICATE

I, **Maqhawe Kunene**, municipal manager of Msukaligwa Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act, and the regulations made under the Act, and that **the MULTI-YEAR ANNUAL BUDGET 2026/27 – 2028/29 FINANCIAL YEAR** and supporting documents are consistent with the **Integrated Development Plan (IDP)** of the municipality.

Print Name: MR. M KUNENE

Municipal Manager of Msukaligwa Local Municipality

Signature _____

Date 28/5/2026