



***MONTHLY BUDGET STATEMENT:
S71 MONTHLY REPORT: MARCH 2025***

To comply with section 71 of the MFMA and the requirements as promulgated in the MBRR Government Gazette No 32141 of 17 June 2009 by submitting the Monthly Budget Statement to the Executive Mayor, National and Provincial Treasury within 10 working days after the end of each month, containing prescribed financial performance particulars for that reporting month and for the financial year up to the end of that month.

SOL PLAATJE LOCAL MUNICIPALITY

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Due date: 14 April 2025

Table of Contents

PART 1: IN-YEAR REPORT

1. Purpose.....	2
2. Background.....	3
3. Executive summary	3
4. Budget performance overview	4
4.1 Operating Revenue by Source	13
4.2 Operating Expenditure by Type	17
4.3 Capital expenditure	31
4.4 Cash flows.....	32
5. In-year budget statement tables	34

PART 2 - SUPPORTING DOCUMENTATION

6. Debtors' Analysis	35
7. Creditors' Analysis.....	50
8. Investment portfolio analysis	52
9. Allocation and grant receipts and expenditure	54
10. Councillor and board member allowances and employee benefits	57
11. Material variances to the service delivery and budget implementation plan	61
12. Capital programme performance	61
13. Other supporting documents	64
14. Conclusion	64
15. Annexure A: C-schedules.....	66
16. Annexure B: Compliance with the conditions for Municipal Debt Relief	73
16.1 MFMA Circular 124 – Municipality Compliance Self-Assessment	73
16.2 Municipal Debt Relief Performance across the period of debt relief participation	76
16.3 The National Treasury Debt Relief Compliance Assessment.....	77
16.4 MFMA Circular 124 – Condition 6.6 (Electricity and Water as Collection Tools) & Condition 6.7 (Maintain a minimum average quarterly collection of property rates and services charges)	77
16.5 MFMA Circular 124 – Condition 6.8 (Completeness of the revenue base).....	84
16.6 MFMA Circular 124 – Condition 6.3 (Maintaining the Eskom bulk current account) and Condition 6.12 (Proper Management of Resources).....	85
16.7 Municipal Debt Relief Monitoring Plan – Progress report.....	96
17. Recommendations	102
18. Municipal Manager's quality certification	104

List of Tables

Table 1.1: Consolidated summary: Statement of Financial Performance: YTD Budget.....	3
Table 1.2: Consolidated summary: Statement of Financial Performance: Adjustment Budget	4
Table 1.3: Part 1: Operating Revenue and Expenditure	4
Table 1.4: Part 2: Capital Revenue and Expenditure	5
Table 2: Arrear debt payable to qualify for a third of the debt to be written-off.	7
Table 3: Table C4 Financial Performance (Revenue)	13
Table 4: Table C4 Financial Performance (Expenditure)	17
Table 4.1 R&M Expenditure per Directorate per inventory type	18
Table 4.2 R&M Expenditure per Service per inventory type.....	19
Table 5.1: Summary of YTD Bulk Electricity expenditure.....	22
Table 5.2: Summary of YTD Bulk Water expenditure	22
Table 6.1: Summary of outstanding ESKOM debt	23
Table 6.2: Summary of outstanding DWS debt.....	25
Table 6.3: Summary of payments per payment date	28
Table 6.4: Reconciliation Eskom Payment Arrangement	30
Table 6.5: Reconciliation DWS Debt Agreement	30
Table 7: High level summary: Capital Expenditure	31
Table 8.1: Supporting Table SC3: Aged Debtors.....	35
Table 8.2: Part 4: Debtors Age Analysis	36
Table 9: Monthly collection rate	45
Table 10: Revised Average collection rate	45
Table 11.1: Supporting Table SC4: Aged Creditors	50
Table 11.2: Part 5: Creditors Age Analysis	50
Table 12: Supporting Table SC5: Investment portfolio.....	52
Table 13: Supporting Table SC6: Transfers and grant receipts	54
Table 14: Supporting Table SC7(1): Transfers and grant expenditure	55
Table 15: Summary of expenditure per grant.....	55
Table 16: Supporting Table SC7(2) - Expenditure against approved rollovers.....	56
Table 17: Supporting Table SC8: Councillor and staff benefits.....	57
Table 18: Current YTD Overtime expenditure excl Night-shift allowance	58
Table 19: Detailed capital expenditure report	62

List of Charts

Chart 1.1 Cost Coverage Ratio & Collection rate.....	6
Chart 1.2 Growth in Outstanding debtors	6
Chart 1.3: Revenue by Source: YTD Actual as a percentage of Total Revenue	16
Chart 1.4: Expenditure by Type: YTD Actual as a percentage of Total Expenditure	21
Chart 2.1: Eskom - Comparison Invoices vs Payments	24
Chart 2.2: DWS - Comparison Invoices vs Payments.....	26
Chart 2.3: Monthly payments to DWS & ESKOM	27
Chart 2.4: Monthly & YTD comparison – Bulk Electricity & Water debt.....	29
Chart 3: Total Capital expenditure	31
Chart 4: Call investment deposits and Cash & cash equivalents at year-end.....	32
Chart 5: Cash & cash equivalents and Cost coverage ratio	33
Chart 6.1: Debtor's age analysis by Income Source	37
Chart 6.2: Debtor's age analysis by Customer Group.....	38
Chart 7: Debt over 90 days as a percentage of Total O/S Debt	42
Chart 8: Aged Consumer Debtor Analysis	43
Chart 9: Consumer Debtors (total by Debtor Customer Category)	43
Chart 10: Comparative trend: Monthly and Revised average collection rate.....	46
Chart 11.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity.....	47
Chart 11.2: Monthly billing receipts per revenue source and % contribution	48
Chart 12: Billing receipts per Customer Group	49
Chart 13: Aged Creditors Analysis.....	50
Chart 14: Call investment deposits at month-end	53
Chart 15.1: Overtime Actual vs Budget.....	59
Chart 15.2: Monthly and Annual Overtime Comparison.....	59
Chart 16.1: Capital Expenditure Monthly Trend: actual v target.....	61
Chart 16.2: Capital Expenditure: YTD actual vs YTD target.....	62

List of Abbreviations and Acronyms used in the Monthly Budget Statement

AFS – Annual Financial Statements
AGSA - Auditor-General of South Africa
BTO - Budget and Treasury Office
CAPEX – Capital Expenditure
CFO - Chief Financial Officer
COGHSTA - Department of Co-operative Governance, Human Settlement and Traditional Affairs
DBSA - Development Bank of South Africa
DoRA - Division of Revenue Act
DPW – Department of Public Works
DSAC – Department of Sports, Arts and Culture
DWS - Department of Water and Sanitation
ED - Executive Director
EEDG - Energy Efficiency and Demand Side Management Grant
EPWP - Expanded Public Works Programme
FMG – Financial Management Grant
FY – Financial Year
GG – Government Gazette
GRAP - Generally Recognised Accounting Practices
GURP - Galeshewe Urban Renewal Programme
IDP - Integrated Development Plan
INEP - Integrated National Electrification Programme
ISDG - Infrastructure Skills Development Grant
IT - Information Technology
IUDG –Integrated Urban Development Grant
IYM – In-year Monitoring
KPA or KPI - Key Performance Area or Indicator
MBRR - Municipal Budget and Reporting Regulations (GG 32141 of 17 June 2009)
MBS – Monthly Budget Statement
MFMA - Municipal Finance Management Act (Act 56 of 2003)
MIG - Municipal Infrastructure Grant
MM - Municipal Manager
MSA - Municipal Systems Act
MSIG - Municipal Systems Improvement Grant
MTREF - Medium Term Revenue and Expenditure Framework
NDPG - Neighbourhood Development Partnership Grant
NERSA - National Energy Regulator of South Africa (“the Regulator”)
NT - National Treasury
OPEX – Operational Expenditure
O/S - Outstanding
PPE - Property, Plant and Equipment
R&M - Repairs and Maintenance
SALGA - South African Local Government Association
SCM - Supply Chain Management
SCOA – Standard Chart of Accounts
SDBIP - Service Delivery and Budget Implementation Plan
SEDP - Strategic Economic Development and Planning
SLA - Service Level Agreement
SMME - Small, Medium and Micro Enterprises
SPCA - Society for the Prevention of Cruelty to Animals
SPLM - Sol Plaatje Local Municipality
VAT – Value Added Tax
YTD – Year-to-date
WRM - Water Resource Management
WRL - Water Research Levy
WSIG – Water Services Infrastructure Grant

PART 1: IN-YEAR REPORT

TO: THE EXECUTIVE MAYOR

DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT: S71 MONTHLY REPORT FOR THE PERIOD ENDING 31 MARCH 2025

1. Purpose

The purpose of this report is to comply with section 71 of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009 by the submission of a monthly budget statement to the Executive Mayor, National and Provincial Treasury containing prescribed financial performance particulars for that reporting month and for the financial year up to the end of that month, as legislated.

The municipality realises, the critical importance of having a minimum 3 month's cash coverage which is a sound directive and required norm from National Treasury. This has been the focus of the municipality for the past few months to ensure that Sol Plaatje Municipality recovers fully to ensure its sustainability and financial viability. Serious actions will have to be taken to realise this target and Council's buy-in be secured, to the turn the municipality around is critically important. The municipality's main goal is to remain positive and committed in stabilising the municipality, improving its cash position and improving on quality service being rendered.

Currently, the total debtor's book is standing at R4,106,700 billion, of which 90% of the debt is owed in excess of 90 days. The total debt by customer group is classified as follows; R784,912 million is owed by government, R694,663 million by business and R2,500,073 billion by households. The municipality is urging government, businesses and households to meet their obligation to the municipality or make payment arrangements with the municipality. The cash collection is not at a desired level, and this does not bode well for the municipality's financial position. *There needs to be a major paradigm shift in the payment culture across all customer groups. This can only be achieved when the Credit Control and Debt Collection Policy is strictly, consistently and fairly applied to all customer groups.* Consumers that are not paying for services, but consumers must bear in mind that no municipality will remain sustainable and functional if it expected to provide "services for free". And in the same breath, the municipality must employ all measures to ensure that customers receive quality and reliable services. The municipality is at the tail end of procuring services of debt collection specialists in order to strengthen the current debt collection initiatives. The value of providing quality services, should never be underestimated by the municipality because there is a direct correlation between providing quality services and consumers' willingness to pay.

Tough decisions have to be taken to have a meaningful impact and produce positive results. This action is long overdue, especially in light of the municipality's financial crisis and major threat to its financial viability and sustainability. In order for the municipality to thrive, overall performance must improve, the quality of services rendered must improve, accountability must be enforced which must be complimented by strict consequence management. Serious consideration should be given to the service delivery and financial implications of all decisions taken. Ensure that acts, regulations and policies are adhered to diligently, consistently and fairly. Enhance revenue collection and ensure that operational and capital funds are spent effectively with good value for money. Improving on preventative maintenance and spending funds cost-effectively and efficiently to address service delivery challenges can no longer be delayed, we have noted an increase in emergency maintenance which seems excessive as no competitive bidding is taking as a result of the impact of asset failure on service delivery. We are striving to ensure assets are maintained at desired levels and are being utilised optimally. The spending of funds will have to be prioritised, wastage be curbed, and overall personnel

Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: March 2025

performance and productivity be monitored and improved. Municipal officials should also take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure. Refrain from committing acts of financial misconduct and/or criminal offences as per Chapter 15 of the MFMA.

It is imperative that all municipal officials must have the inherent desire to do their job to the best of their ability, take pride and ownership in their work, take accountability for their job functions, doing the right thing consistently and work as a collective, cohesive team to achieve the municipality's strategic objectives. Foremost to all of these, have the community's best interest at heart.

2. Background

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 June 2009, regarding the "Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations" necessitates those specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance. "The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required Tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act." Further, Section 71 of the MFMA requires that, "the accounting officer of a municipality must by no later than **10 working days** after the end of each month submit to the Mayor of the municipality, and the relevant national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month." For the reporting period ending **31 March 2025**, the ten working day reporting limit expires on **14 April 2025**. The National Treasury will use only the *mSCOA* data strings required for submission as prescribed and all publications will use the data collected from the *mSCOA* data strings" which must be submitted before or on **14 April 2025**, (ten working day limit).

3. Executive summary

The Statement of Financial Performance shown in Annexure A, Table C4, is prepared on the prescribed monthly C-schedules, detailing Revenue by source and Expenditure by type. The consolidated summary of the financial performance is indicated in Table 1 and Table 2 below:

Summary Statement of Financial Performance: YTD Budget					
Description R thousand	YTD Budget March 2025	YTD Actual March 2025	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	2,223,812	2,275,811	51,999	102.3%	2.3%
Total Revenue (including capital transfers and contributions)	2,652,131	2,646,910	(5,221)	99.8%	-0.2%
Total Operational Expenditure	2,287,994	2,132,763	(155,231)	93.2%	-6.8%

Table 1.1: Consolidated summary: Statement of Financial Performance: YTD Budget

As indicated in Table 1.1 above, as at 31 March 2025, the billed revenue excluding capital grants amounted to R2,275,811 billion which resulted in a fairly satisfactory variance of 2.3% when compared to the YTD Budget of R2,223,812 billion. The billed revenue including capital grants amounted to R2,646,910 billion, resulting in an unsatisfactory variance of minus 0.2% when compared to the YTD budget of R2,652,131 billion. Capital grants are recognised in the Statement of Financial Performance, monthly as soon as the conditions of the grant have been met. Reasons for the variances are articulated in Section 4.1 below. The Total Operational Expenditure amounted to R2,132,763 billion versus the YTD Budget of R2,287,994 billion, resulting in an unsatisfactory variance of minus 6.8%. Reasons for the variance are articulated in Section 4.2 below.

Summary Statement of Financial Performance: Adjustment Budget					
Description R thousand	Adjustment Budget	YTD Actual March 2025	Variance Favourable (Unfavourable)	% YTD Actual vs Adjustment Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 75%
Total Revenue (excluding capital transfers and contributions)	2,971,037	2,275,811	2,028,224	76.6%	1.6%
Total Revenue (including capital transfers and contributions)	3,541,134	2,646,910	2,351,816	74.7%	-0.25%
Total Operational Expenditure	3,196,465	2,132,763	1,866,391	66.7%	-8.3%

Table 1.2: Consolidated summary: Statement of Financial Performance: Adjusted Budget

Indicated in Table 1.2 above is the YTD actual compared to the Adjustment Budget. When calculating the ideal In-Year-Monitoring percentage of 75.00% [calculated as follow: (100/12 months x 9 months of the year)] as at the end of March 2025, the Total operational revenue excluding capital grants versus the Adjustment Budget resulted in a satisfactory variance of 1.6%. The Total operational revenue including capital grants versus the Adjustment Budget resulted in an unsatisfactory variance of minus 0.25%. The Total Operational Expenditure resulted in a satisfactory variance of minus 8.3%.

Please note that certain Revenue by source and Expenditure by type categories are showing excessive negative and/or positive variances. This is due to fact that the YTD budgets were all systematically determined on a straight-line basis by dividing the total budget per category per line item by 12. The capital projections were also done in the same fashion. Please note that variances within a 5 to 10 percent range, as prescribed by National Treasury are acceptable and need not necessarily be explained.

4. Budget performance overview

The municipality is implementing the Adjustment budget for 2024/25 financial year. The Adjustment budget for 2024/25 was assessed as funded with a firm recommendation from NT that the collection rate must improve.

Operating Revenue and Expenditure

Part1: Operating Revenue and Expenditure												
R thousands	2024/25										2023/24	
	Budget		First Quarter		Second Quarter		Third Quarter		Year to Date		Third Quarter	
	Main appropriation	Adjusted Budget	Actual	1st Q as % of Main appropriation	Actual	2nd Q as % of Main appropriation	Actual	3rd Q as % of adjusted budget	Actual	Total Expenditure as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted budget
Operating Revenue and Expenditure												
Operating Revenue	2,958,278,267	2,971,037,421	878,753,932	29.7%	710,040,023	24.0%	687,016,767	23.1%	2,275,810,722	76.6%	679,138,708	77.7%
Operating Expenditure	2,928,504,730	3,196,464,991	664,058,237	22.7%	694,330,734	23.7%	774,374,366	24.2%	2,132,763,337	66.7%	550,853,310	67.6%
Transfers and subsidies - capital (monetary allocations)	299,271,000	311,530,154	117,543,000	39.3%	95,574,911	31.9%	74,391,886	23.9%	287,509,797	92.3%	70,870,757	92.6%
Total Revenue	3,257,549	3,282,568	996,297	30.6%	805,615	24.7%	761,409	76.4%	2,563,321	78.7%		

Table 1.3: Part 1: Operating Revenue and Expenditure

As per Table1.3 above, overall Operational revenue is performing satisfactorily, with the actual achieved versus the Adjusted budget standing at 76.6% achieved versus the ideal percentage of 75.00%. This is largely as a result of the annual billing on Property rates, over-recovery on Interest from Receivables, due to the escalation in debtors and the receipt of the second tranche of the Equitable Share. Operational expenditure is 66.7% spent. It should be noted that Post-retirement health benefits is not yet accounted for. The Eskom bulk invoice for March 2025 will be captured and authorised during March 2025. Transfers and subsidies – capital transferred to revenue amounts to 92.3% of the Adjusted budget. This is an improvement when compared to third quarter for 2023/24 financial year.

Capital Revenue and Expenditure

Part 2: Capital Revenue and Expenditure												
	2024/25										2023/24	
	Budget		First Quarter		Second Quarter		Third Quarter		Year to Date		Third Quarter	
	Main appropriation	Adjusted Budget	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	3rd Q as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted budget	Actual Expenditure	Total Expenditure as % of main appropriation
R thousands												
Capital Revenue and Expenditure												
Source of Finance	613,729,000	621,517,579	41,782,642	6.8%	186,906,828	30.5%	109,834,343	17.7%	338,523,813	54.5%	51,499,694	41.7%
National Government	572,229,000	570,096,847	36,891,592	6.4%	186,788,959	32.6%	97,654,700	17.1%	321,335,251	56.4%	32,245,494	48.5%
Provincial Government	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	3,000,000	50.0%
Transfers and subsidies - capital (monetary alloc)(Departm Agencies,HH,PE,PC,...)	-	-	-	-	-	-	-	-	-	-	9,604,408	51.0%
Transfers recognised - capital	572,229,000	570,096,847	36,891,592	6.4%	186,788,959	32.6%	97,654,700	17.1%	321,335,251	56.4%	44,849,902	48.8%
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	41,500,000	51,420,732	4,891,050	11.8%	117,869	.3%	12,179,643	23.7%	17,188,562	33.4%	6,649,792	21.1%
Capital Expenditure Functional	613,729	621,518	41,783	6.8%	186,907	30.5%	109,834	17.7%	338,524	54.5%	38,895	41.7%

Table 1.4: Part 2: Capital Revenue and Expenditure

Performance on the capital is normally poor during the start of financial year. As indicated in Table 1.4 above, total capital expenditure is standing at 54.5% spent versus the Adjusted budget, whilst conditional grants spent amounts to 56.4% and internally generated funds at 33.4% spent. This is still not a desired outcome and more effective planning, monitoring and timely remedial action is essential to improve on the monthly and full year outcome of capital expenditure. It should be noted that capex excludes VAT, whilst VAT is accounted when transferring capex to the Statement of Financial Performance, when all conditions of the grant have been met.

Liquidity and debtors' management

Chart 1.1 Cost Coverage Ratio & Collection rate

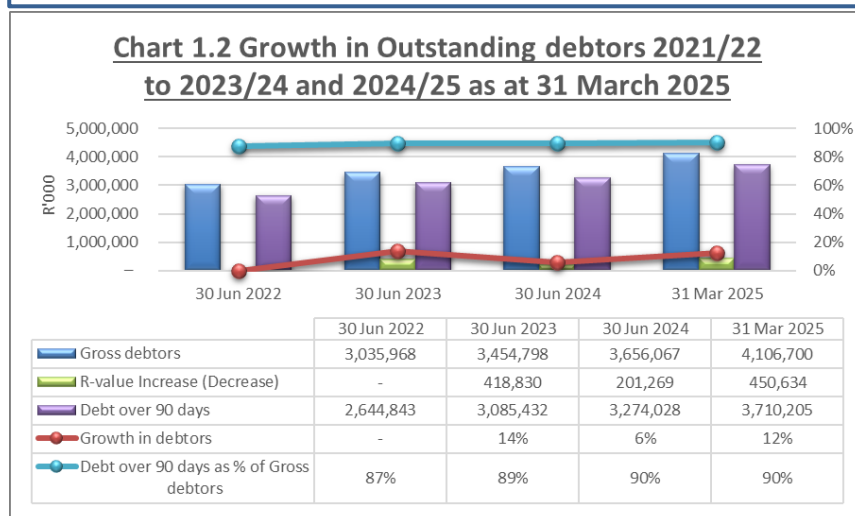
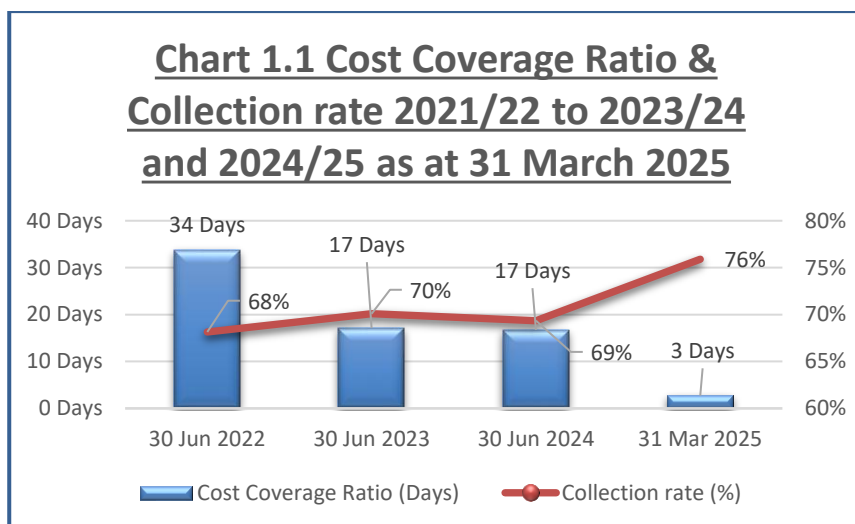


Chart 1.2 Growth in Outstanding debtors

- Indicated in Chart 1.1 is the Cost coverage ratio and the collection rate and in Chart 1.2 is the year-on-year growth in outstanding debtors from 2021/22 to 2024/25 until 31 March 2025.
- The growth in debtors is attributable to the lower collection rate, resulting in the critically low-Cost coverage ratio.
- The inverse is also true, if the municipality can improve payment levels and reduce debtors, this will ensure a better collection rate and a healthier Cost coverage, ensuring that the municipality can comfortably meet its obligations.
- All these factors impede on the municipality's ability to meet all its monthly fixed operating commitments from cash and short-term investments.
- The Cost coverage is on average 15 days and far below the norm of 3 months, whilst the collection rate on average is 70%, also well below the norm and SDBIP target of 95%. The Cost coverage ratio as at March 2025 is critically low, standing at 3 days due to unspent capital grants.
- From 2021/22 to 2022/23 debtors increased by R418,830m (14%), and then by R201,269m (6%) to 2022/23, whilst outstanding debtors increased by R450,634m (12%) from 30 June 2024 to 31 March 2025 for the current financial year
- Debt over 90 days is on average 90% of gross debtors over the periods, further emphasizing the municipality's inability to collect long outstanding debt.
- All three of these factors is indicative of the municipality's battle to collect outstanding debt and urgent intervention is of utmost importance to improve the liquidity of the municipality.

Municipal Debt Relief

The municipality's Debt Relief application to National Treasury was approved, effective 1 October 2023. The municipality concluded a payment arrangement agreement with Eskom on 12 June 2024 for debt accrued after March 2023, amounting to R163 million. It is imperative that the municipality abides with the conditions of Circular 124, as non-compliance have serious repercussions for the municipality and its electricity business.

As articulated in Table 2.1. below, the municipality made partial payments on the July and August 2024 accounts for the high months and November 2024. The July 2024 account is now fully settled, except the Interest charges which is overdue and payable. Eskom also indicated that the municipality is liable to settle the interest charges from July 2024 going forward, due to the municipality defaulting and not settling two winter months (July and August 2024) in full. Total overdue Interest charges amount to R13,511 million, as at end of March 2025. Interest on overdue accounts must be disclosed as Fruitless and Wasteful Expenditure. The municipality is in breach of the conditions and has accumulative arrears for the current year. It is of paramount importance to be in good standing with ESKOM. To be in good standing with ESKOM and to qualify for the recommendation for the first third debt write-off by National Treasury, the municipality has an obligation to settle **R155,872,116.07**, as indicated in the Table 2.1 below. Arrears on the outstanding invoices including interest amounts to R108,972,116.07 and the arrears on the payment arrangement, which is now in arrears with seven instalments, amounting to R46,900,000.00.

Month	Invoice Amount incl Interest	Paid Amount	Balance due incl Interest	Arrear instalments PA	Total Due to be in Good standing	Interest
Jul-24	R 148,333,011.78	R 148,059,100.03	R 273,911.75	R 6,700,000.00	R 6,973,911.75	R 273,911.75
Aug-24	R 127,600,942.44	R 72,000,000.00	R 55,600,942.44		R 55,600,942.44	R 154,610.92
Sept-24	R 71,086,942.52	R 69,337,712.24	R 1,749,230.28	R 6,700,000.00	R 8,449,230.28	R 1,749,230.28
Oct-24	R 73,507,839.50	R 70,741,905.79	R 2,765,933.71	R 6,700,000.00	R 9,465,933.71	R 2,765,933.71
Nov-24	R 69,973,808.12	R 25,000,000.00	R 44,973,808.12	R 6,700,000.00	R 51,673,808.12	R 2,159,642.32
Dec-24	R 71,858,904.48	R 70,129,144.68	R 1,729,759.80	R 6,700,000.00	R 8,429,759.80	R 1,729,759.80
Jan-25	R 75,731,838.36	R 73,853,308.39	R 1,878,529.97	R 6,700,000.00	R 8,578,529.97	R 1,878,529.97
Feb-25	R 68,070,392.81	R 68,070,392.81	R -	R 6,700,000.00	R 6,700,000.00	R 1,066,048.41
TOTAL ESKOM	R 706,163,680.01	R 597,191,563.94	R 108,972,116.07	R 46,900,000.00	R 155,872,116.07	R 11,777,667.16

Table 2.1: Arrear debt payable to qualify for a third of the debt to be written-off.

The total debt eligible for write-off, over the 3-year period amounts to **R744,384,421.59**. The one-third of the qualifying debt to be written-off amounts to **R248,128,140.53**. Should the municipality fail to comply with the conditions and fail to settle the current year accumulative arrears, this is the debt relief benefit that the municipality will forfeit. This will be a serious blow to the municipality's finances and will have severe repercussions on the already critical cashflow position.

Month	Invoice Amount	Paid Amount	Balance due	Less potential interest write-off	Total Due to be in Good standing	Interest
Arrears	R 37,558,388.30	R -	R 37,558,388.30	-R 14,703,680.46	R 22,854,707.84	R -
Oct-24	R 17,504,048.73	R -	R 17,504,048.73	R -	R 17,504,048.73	R -
Nov-24	R 17,504,048.73	R -	R 17,504,048.73	R -	R 17,504,048.73	R -
Dec-24	R 15,680,672.19	R -	R 15,680,672.19	R -	R 15,680,672.19	R -
Jan-25	R 20,395,986.37	R -	R 20,395,986.37	R -	R 20,395,986.37	R -
Feb-25	R 18,327,914.21	R -	R 18,327,914.21	R -	R 18,327,914.21	R -
TOTAL WATER	R 126,971,058.52	R -	R 126,971,058.52	-R 14,703,680.46	R 112,267,378.06	R -
Current Year arrears			R 71,084,756.01			

Table 2.2 Arrear debt payable to DWS

Indicated in Table 2.2 above is the arrear debt payable to DWS. Another serious non-compliance to the conditions, is the non-payment of the October, November, December 2024, January 2025 and February 2025 account for Water amounting to **R71,084,756.01**. The municipality had insufficient cash to settle the respective accounts. It is of great concern that the municipality could not manage to settle the debt repayment instalment to DWS for the past eight months, resulting in an amount outstanding on the debt agreement of **R22,854,707.84**. This also the full amount of the arrears is due and payable as the balance should have been cleared at the end of January 2025. The total amount due and payable to DWS is **R112,267,378.06** to remain on the Department's Debt Incentive Programme. If the municipality fails to pay the outstanding arrear debt before end of March 2025, the municipality will forfeit the interest write-off of R14 million and the Department will resume in charging interest on overdue accounts, leading to an escalation in Fruitless and Wasteful expenditure and further impede on the municipality's financial recovery.

As per MFMA Circular 124, Section 5, articulated below are the consequence for failure to comply with the conditions of the Municipal Debt Relief and related initiatives:

"Municipalities are urged to maintain their behavioral change post the support. If a municipality fails to perform during the duration of the Municipal Debt Relief:

- The benefits of the Relief to that municipality will immediately cease;
- This means that Eskom will be obliged to implement its credit control and debt management policy on the defaulting municipality and the municipality must immediately start repaying its Eskom arrears, interest and penalties;
- Eskom may resume any legal proceedings (relating to the municipality's arrear debt, interest and penalties as of 30 March 2023), including attaching the municipal bank account; and
- The normal penalties applicable to the wider local government will also apply.

It is important to note that the work to resolve non-payment by municipalities is progressive and that the National Treasury intends to enforce the existing penalties available in the legislative framework and add additional penalties, including exploring but not limited to –

Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: March 2025

- A take-over of a defaulting municipality's electricity business;
- NERSA strengthening of license conditions;
- A National Treasury dispute resolution process;
- Strengthening and adding consequences and related consequence management processes as part of the ongoing review of the MFMA, including to facilitate the upfront resolve of budget issues and to instill a payment culture; and
- A wider special mechanism/ ombud system to facilitate organs of state payment and related disputes, including instituting consequences for organs of state failure to pay; etc.

In terms of the National Treasury's local government revenue improvement programme, all municipalities that benefit from the Municipal Debt Relief will continue to receive support towards strengthening their revenue value chains. Municipalities are cautioned that the National Treasury considers the conditions set out in paragraph 6.1 to 6.14 as critical financial management minimum best practice and confirms that if a municipality fails to meet any and/ or a combination of the conditions set out in this Municipal Debt Relief framework, it could (over-and-above the consequences set out in 5.1 above) constitute a serious breach of its financial management fiduciary responsibilities and may also constitute financial misconduct as envisaged in the MFMA and Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014. The National Treasury reserves the right to immediately invoke section 216 of the Constitution and/ or any other remedies available to government in terms of the prevailing legislative framework in such a situation (including instituting individual financial misconduct and/ or criminal proceedings).

Municipalities are reminded of MFMA s.173 to the effect that the accounting officer of a municipality is guilty of an offence if that accounting officer, deliberately or in a gross negligent way contravenes or fails to comply with MFMA s. 65(2)(f). Moreover, MFMA s.174 provides for penalties, to the extent where a person is liable on conviction of an offence in terms of section 173 to imprisonment for a period not exceeding five years or to an appropriate fine determined in terms of applicable legislation."

Monitor and report on implementation –

As per MFMA Circular 124,

Section 6.9.1. **MFMA section 71 reporting** – the municipal council and senior management team must closely monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant.

Section 6.9.2 Where progress is slow in terms of paragraph 6.9.1, the **active intervention must be evident** from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the *mSCOA* data string.

Interventions employed by the municipality over the past few months including some challenges that the municipality is still facing.

The municipality made some significant strides in settling the monthly current accounts for Eskom and the Department of Water and Sanitation. The arrear debt owed to Waterboard has also been reduced significantly by R71,775 million during the 2023/24 financial year. Both ESKOM and DWS were satisfied with the progress the municipality has made, and the municipality has an amicable and good working relationship with both institutions. However, the municipality is in serious breach of maintaining the current account, specifically for Water as the last four months' invoices have not been paid. The municipality has not ratified the short payment on the August and November 2024 Eskom bulk account. The ring-fencing of cash received for Electricity and Water & Sanitation is accounted for on a daily basis. However, the municipality is running into serious financial trouble as cash receipts are below the projected target. The ring-fencing of funds has put severe pressure on the municipality's ability to settle Supply Chain and other sundry creditors. This is tarnishing the relationship with the municipality's suppliers and will have a severe impact on service delivery and the local economy. The biggest concern is the settling of the Eskom accounts for the high months (June to August).

A temporary moratorium on recruitment has been instituted, where the filling of all vacant and funded positions has been suspended with immediate effect, only critical vacant and funded positions will be filled.

An interim moratorium has been implemented on the sale of leave. Sale of leave to settle municipal accounts will no longer be permitted.

Overtime has been capped to 40 hours across all sections.

The policy for smart prepaid meters was approved on 31 May 2024 with the adopted budget for the 2024/25 MTREF.

The municipality finalized the item to Council for the smart prepaid meters grant offered by National Treasury and this was resolved by Council on 31 May 2024.

The smart meter grant was approved by National Treasury and implementation by the appointed service provider is underway.

NT granted approval for the municipality to partake in the transversal contract for smart prepaid meters. The non-buying prepaid consumers must be urgently addressed, and the municipality is confident that the smart prepaid metering solution will assist the municipality tremendously in improving on its billing accuracy and ensuring cash inflows from prepaid sales.

Urgent intervention is required on the restricting or interrupting of water supply for defaulting consumers. The collection rate for Water, Sanitation and Refuse is poor and urgent intervention is required.

The municipality introduced an incentive scheme to consumers from December 2023 to March 2024 with a 50% discount if the account is settled in full, with 100% write-off of interest on the account. This initiative yielded some positive results but not at the level that the municipality would have hoped.

The municipality is exploring the option to have consumers blacklisted that are delinquent payers. Departments are engaged on a regularly basis to recoup outstanding debt owed by Organs of State.

The commencing of debt collection action in January 2025, by four debt collection companies that was appointed by the municipality.

Through the office the General Manager (Revenue) a Revenue Enhancement Strategy has been developed in order to deal with the financial crisis currently faced by SPM. SPM faces several revenue challenges that impact its ability to deliver services effectively. Some of the key challenges include:

- a. **Inaccurate Billing Systems:**
Inefficient or inaccurate billing systems can lead to under-billing or over-billing of residents, which can cause disputes and further reduce the collection rates. Improving the accuracy and efficiency of billing is crucial for improving revenue collection.
- b. **Non-payment for Services:**
A significant challenge is the high rate of non-payment for municipal services such as water, electricity, and property rates. Many residents struggle to pay their bills due to economic hardships, leading to a shortfall in expected revenue.
- c. **Illegal Connections and Theft:**
Illegal connections to water and electricity services, as well as theft, lead to significant losses in potential revenue. The municipality faces challenges in detecting and curbing these illegal activities.
- d. **Debt Collection Issues:**
The Municipality often encounters difficulties in collecting outstanding debts (poor payment culture). Inefficient debt collection processes (Customers are no longer bothered when disconnected/blocked: they pay the required amount, get unblocked then wait for the next round of disconnections/blocking).

Addressing these challenges requires a multifaceted approach, including improving economic conditions, enhancing billing and collection systems and enforcing payment for services.

In addressing some of the above challenges a revenue enhancement project will be implemented and split into three phases due to the availability of funds, which are:

- a. Phase 1 – Replacement of non-functional meters for electricity
- b. Phase 2 – Replacement of non-functional water meters
- c. Phase 3 – Conversion of conventional meters for highest owing customers to prepaid meters.

We are on ground with our Cut Team and the Electricians, attending to the disconnection of electricity for Households, Government Departments and Businesses that are owing the Municipality substantial amounts of money. Prepaid meters of Customers situated in various areas have also been blocked.

We have seen the Customers coming in to make payments and arrangements once they discover that they have been blocked. We have community members strike in some areas; however the Executive Mayor has dealt with this in a diplomatic manner.

We are working on resolving the issues raised by Customers on their accounts, in the interim Customers are expected to make payment on services received (undisputed) versus the false premise that payment can be withheld until such time that the dispute is resolved.

During the month of August 2024, the municipality successfully launched the MeterMo meter reading system to enhance and improve the metered utility data of Sol Plaatje Municipality. This is aimed at ultimately improving our billing. In resolving billing queries, we are in a better position to collect on outstanding Customer Accounts. The plus in using this meter reading system is that it provides field captured data which includes GPS, time and date as well as photographic evidence of meter readings.

The Municipality has been awarded a smart meter grant of R100 million for smart prepaid meters for Household Customers, this will assist with revenue enhancement. With the use of smart meters, the

accuracy of our Billing will be improved, metering disputes will be resolved including the billing of interims.

The designated Electrical Department officials and the Cut Team members have been attending to disconnections in various areas in the City, this has assisted in obtaining payments from Customers defaulting from arrangements. We have had a challenge on the BCX system with the blocking function of prepaid meters, due to an upgrade. A query was logged, and a meeting was held with the service provider, they are currently trying to resolve the issue. We are currently blocking manually in order to collect the monies owed to the Municipality.

The Electrical Department officials have also been dealing with tampering cases on an ad hoc basis, due to their shortage in staff. This is to assist with the tampering problem currently facing the City. When prepaid meters are blocked the Customers are not affected, they continue to have access to electricity at a huge costs and loss to the Municipality. The issue has been raised on numerous occasions and a permanent solution is yet to be implemented by the Electrical Department.

The receipts for Government Departments, Parastatals and schools were R 41,380,847.98 million for the month January 2025 as compared to the R51 million received for the month of December 2024. We have continued with the disconnection/blocking of electricity services of all Customer groups that are owing. On the 14th of January 2025 correspondence was sent to the office of the Director General, Northern Cape Provincial Government, whereby notice was given for the disconnection of services of **All Government Departments** that are owing the Municipality (including all properties with due and payable rates and taxes accounts). 14-Day Warning Notices (for the disconnection of electricity services) were delivered at the relevant properties and disconnections will proceed if there is no intervention from the Office of the Premier by 24 February 2024.

The municipality confirm the appointment of the following Debt Collection Agencies:

NO#	NAME OF BIDDER	BID PRICE
1.	Upsurge Construction & Projects	10%
2.	Ntiyiso Consulting	10%
3.	New Integrated Credit Solutions	10%
4.	Alpha Collections	10%

The collection process will consist of a PRE-LEGAL, LEGAL and ADMINISTRATIVE process. The Municipality will identify accounts to be handed over to the appointed Collection agencies. Formal instructions will be given to the appointed Collection agencies to collect monies owed to the Municipality.

PRE-LEGAL process will entail the following:

- Collection agencies are to make use of any legal tracing method or access any relevant external data source to obtain correct debtor details. Tracing shall be on a no trace no fee basis. These details are to be submitted to the Municipality in order to update the Municipality's records.
- The Collection agencies shall issue reasonable pro-active reminders including personal contact, demand for payment and opportunity for re-dress in respect of all accounts handed over for collection.
- The Collection agencies shall allow a sufficient time period for the account holder to respond to reminders and / or personal contact.
- The Collection agencies shall record actions taken on financial system (Solar) - subject to agreement with the Municipality on the access to Solar as per the Municipality's IT policies.

LEGAL PROCESS will entail the following:

- The Collection agencies shall, in the absence of sufficient response and / or proactive actions from an account holder institute all necessary legal actions up to and including the granting of a warrant of execution.
- Issue Summons to defaulting account holders.
- Obtain Default Judgment against and black listing of defaulting account holders.
- Obtain emolument attachment and movable asset attachment order.
- Obtain Court order for attachment and sale in execution of immovable assets. Prior written approval to be obtained from the Accounting Officer and/or powers and duties delegated to Chief Financial Officer in respect of the following legal proceedings:
 - a. Blacklisting
 - b. Attachment of movable assets
 - c. Sale in execution of immovable assets
 - d. Defended matters

4.1 Operating Revenue by Source

Description	Adjustment Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance	Achieved Adjustment Budget	Adjustment Budget Variance	Adjustment Budget Variance IYM % - 75%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Revenue										
Exchange Revenue										
Service charges - Electricity	1,099,199	74,988	713,896	824,399	86.6%	(110,503)	-13.4%	64.9%	(110,503)	-10.1%
Service charges - Water	343,685	22,362	252,669	257,764	98.0%	(5,095)	-2.0%	73.5%	(5,095)	-1.5%
Service charges - Waste Water Managem	95,890	9,558	85,127	71,917	118.4%	13,210	18.4%	88.8%	13,210	13.8%
Service charges - Waste management	72,271	7,169	63,915	54,204	117.9%	9,711	17.9%	88.4%	9,711	13.4%
Sale of Goods and Rendering of Services	16,455	1,696	13,424	12,167	110.3%	1,257	10.3%	81.6%	1,082	6.6%
Agency services	-	-	-	-		-			-	
Interest	-	-	-	-		-			-	
Interest earned from Receivables	120,030	12,546	120,940	90,022	134.3%	30,918	34.3%	100.8%	30,918	25.8%
Interest from Current and Non Current Ass	9,000	1,368	14,418	6,750	213.6%	7,668	113.6%	160.2%	7,668	85.2%
Dividends	-	-	-	-		-			-	
Rent on Land	-	-	-	-		-			-	
Rental from Fixed Assets	27,740	2,666	23,632	20,805	113.6%	2,827	13.6%	85.2%	2,827	10.2%
Licence and permits	1,200	44	511	900	56.8%	(389)	-43.2%	42.6%	(389)	-32.4%
Operational Revenue	3,773	415	2,312	2,830	81.7%	(518)	-18.3%	61.3%	(518)	-13.7%
Non-Exchange Revenue										
Property rates	687,320	49,135	560,844	515,490	108.8%	45,354	8.8%	81.6%	45,354	6.6%
Surcharges and Taxes	-	-	-	-		-			-	
Fines, penalties and forfeits	32,143	1,851	22,454	24,107	93.1%	(1,653)	-6.9%	69.9%	(1,653)	-5.1%
Licence and permits	8,000	699	6,902	6,000	115.0%	902	15.0%	86.3%	902	11.3%
Transfers and subsidies - Operational	311,530	73,118	287,510	229,357	125.4%	58,153	25.4%	92.3%	53,862	17.3%
Interest	91,900	8,589	77,616	68,925						
Fuel Levy	-	-	-	-						
Operational Revenue	50,900	853	24,417	38,175	64.0%	(13,758)	-36.0%	48.0%	(13,758)	-27.0%
Gains on disposal of Assets	-	3,785	5,071	-	#DIV/0!	5,071	#DIV/0!	#DIV/0!	5,071	#DIV/0!
Other Gains	-	-	151	-		151			151	
Discontinued Operations	-	-	-	-						
Total Revenue (excluding capital transfers and contributions)	2,971,037	270,842	2,275,811	2,223,812	102.3%	43,308	1.9%	76.6%	47,533	1.6%
Transfers and subsidies - capital	570,097	56,904	371,100	428,319	86.6%	(57,219)	-13.4%	65.1%	(56,473)	-9.9%
Total Revenue (including capital transfers and contributions)	3,541,134	327,746	2,646,910	2,652,131	99.8%	(5,221)	-0.2%	74.7%	(8,940)	-0.3%

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

Exchange Revenue

- ❖ Service charges - Electricity is showing an unsatisfactory variance of minus 13.4%. This understatement of Service charges Electricity is largely attributable to the non-implementation of the basic and capacity charges for households, which has not been resolved. Service charges Water is satisfactory with a variance of minus 2.0%. It is imperative that the Billing section does a proper investigation to ensure that all properties have functional meters installed and are billed accurately. This can be achieved by considering all properties on the General Valuation Roll. The same applies to all Service charges. To this end, SPM Digital Water System is currently in development. Digital integration of the International Water Association's Water Balance assessment, the initial findings show that 54 324 ervens received water accounts (76% of total) and 15 200 ervens did not receive water accounts (21% of total). A list of properties that do not receive municipal water accounts, will be shared with both the technical and finance departments to verify meter installations and ensure all properties are billed accordingly. Sanitation and Refuse is showing an over-recovery when compared to the YTD budget. This is largely attributable to the exercise of the Property Valuation section, where they did a comparative exercise of the number of properties

versus the number of accounts billed for Refuse. The verification on Sewerage charges is proving a bit more problematic, but the Property section is working on the challenges they experienced with this exercise to ensure that all properties do get billed accurately for Sewerage.

- ❖ Sale of Goods and Rendering of Services is performing satisfactorily with a positive variance of 10.3%. This is attributable to the advance receipts of R3,274 million for building plan approvals that was carried over from the prior financial year.
- ❖ Interest earned from Receivables is showing a positive variance of 34.3% due to the increase in specifically debt over 90 days, high level of debt over 90 days and the higher interest rate, prior to the recent interest repo rate cuts.
- ❖ Interest from Current and Non-current Assets shows a positive variance of 113.6%. Accrued interest of R2,121 million was recognised for the prior financial year. The municipality is improving on its cash and investment management and regularly invest funds not immediately needed for operations. The municipality invests capital grants already received, whilst keeping the unspent portion in the investment account. The bulk of the interest earned gets recognised at year-end.
- ❖ Rental from Fixed Assets, is showing a positive variance of 13.6% when compared to the YTD budget. The over-recovery is attributable to the increased billing for municipal flats. The Manager will be engaged to ascertain the root cause for the positive trajectory.
- ❖ Licences and permits are showing a negative variance of 43.2%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated, 42.6% achievement versus a budget of R1,200 million.
- ❖ Operational Revenue is showing a negative variance of 18.3%, as a result of an under-recovery on Insurance refunds. The municipality had one refund of R82 thousand that was possibly misallocated and must still be further investigated.

Non-Exchange Revenue

- ❖ Property Rates is showing a satisfactory variance of 8.8%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a satisfactory variance of minus 6.9%, due to an under-recovery on Fines: Law Enforcement that is standing at 13.17% achieved versus a target of R12,000 million.
- ❖ Licence and permits are showing a positive variance of 15.0%, due to possible outstanding payments due to the Department of Transport, Safety and Liaison.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 25.4%, due to the receipt of the second tranche of the Equitable share during December 2025.
- ❖ Operational Revenue is showing an unsatisfactory variance of minus 36.0%. This is attributed to the Service charges from non-exchange revenue from Electricity as it was established that basic charges were erroneously allocated to availability charges, however an in-depth investigation must be performed.
- ❖ Gains on disposal of assets, the YTD actual amounts to R5,071 million pertaining to land sales.
- ❖ Other Gains, pertains to gains realised from Stores.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 13.4% when compared to the YTD budget. Capital grants remains lower than anticipated due to poorer capital grant expenditure, however the YTD actual does show improvement compared to the prior year for the same period. Serious intervention will have to be taken by management to improve on monthly capital grant expenditure and capital expenditure overall. Capital grants are recognised monthly in the Statement of Financial Performance, as soon as the conditions of the grant have been met.

Comparison against Adjustment Budget

Based on the IYM percentage of 75.00%, the majority of revenue sources are performing satisfactorily.

Exchange Revenue

- ❖ Overall, Service charges when compared to the Adjustment budget is performing satisfactorily.
- ❖ Sale of Goods and Rendering of Services is showing a satisfactory variance of 6.6%. Same factors are applicable as described in the paragraph above.
- ❖ Interest earned from Receivables is showing a positive variance of 25.8%. Same factors are applicable as described in the paragraph above.
- ❖ Interest from Current and Non-current Assets shows a positive variance of 85.2%. Same factors are applicable as described in the paragraph above.
- ❖ Rental from Fixed Assets is showing a positive variance of 10.2%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing an unsatisfactory variance of minus 32.4%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing an unsatisfactory variance of minus 13.7%. Same factors are applicable as described in the paragraph above.

Non-Exchange Revenue

- ❖ Property Rates is showing a positive variance of 6.6%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a satisfactory variance of 5.1%. Same factors are applicable as described in the paragraph above.
- ❖ Licence and permits are showing a positive variance of 11.3%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 17.3%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a negative variance of 27.0%. Same factors are applicable as described in the paragraph above.
- ❖ Gains on disposal of assets shows a movement of R5,071 million. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Capital is showing an unsatisfactory variance of minus 9.9%. Capital grants remains lower than anticipated due to poor capital grant expenditure. However, there is an improvement for the period under review. Serious intervention will have to be taken by Management to improve on monthly capital grant expenditure and capital expenditure overall. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met.

Indicated in Chart 1.1 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 31 March 2025. The main contributors of the municipality's revenue are Service Charges (49.0%), Property Rates (24.6%) and Other Revenue (13.1%). The contribution per Revenue source is still slightly distorted, as a result of the annual billing of Property rates and the receipt of the second tranche of the Equitable Share.

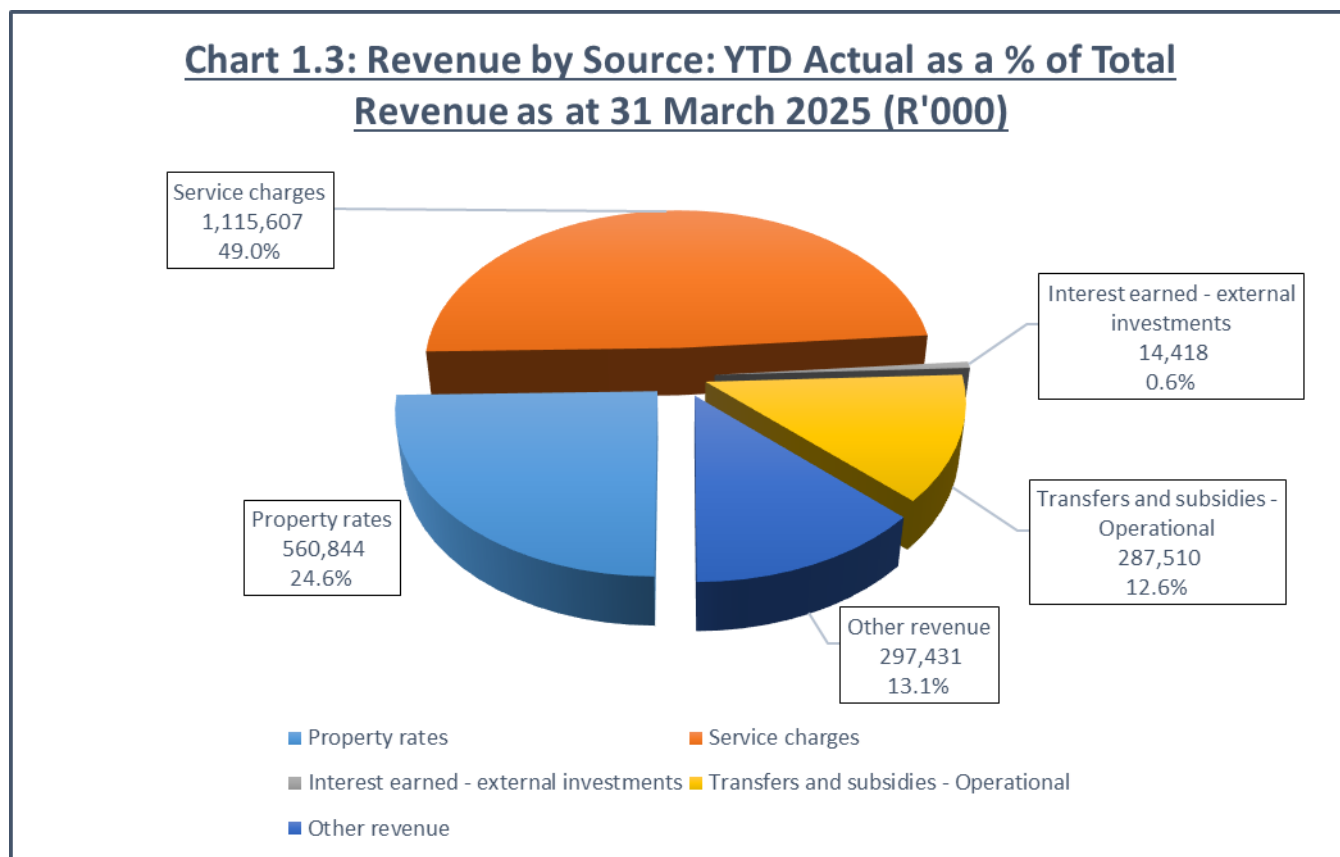


Chart 1.3: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Operating Expenditure by Type

Description	Adjustment Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance	Achieved Adjustment Budget	Adjustment Budget Variance	Adjustment Budget Variance IYM % - 75%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	952,667	69,448	633,453	713,872	88.7%	(80,418)	-11.3%	66.5%	(81,047)	-8.5%
Remuneration of councillors	37,077	2,778	26,268	27,807	94.5%	(1,539)	-5.5%	70.8%	(1,539)	-4.2%
Bulk purchases - electricity	910,118	58,265	601,935	662,526	90.9%	(60,591)	-9.1%	66.1%	(80,653)	-8.9%
Inventory consumed	318,837	17,894	215,953	239,398	90.2%	(23,445)	-9.8%	67.7%	(23,175)	-7.3%
Debt impairment	475,246	–	356,435	314,435	113.4%	42,000	13.4%	75.0%	–	0.0%
Depreciation and amortisation	89,700	–	44,850	67,275	66.7%	(22,425)	-33.3%	50.0%	(22,425)	-25.0%
Interest	78,195	1,263	23,036	37,499	61.4%	(14,463)	-38.6%	29.5%	(35,610)	-45.5%
Contracted services	66,516	7,139	39,524	40,862	96.7%	(1,338)	-3.3%	59.4%	(10,363)	-15.6%
Transfers and subsidies	3,660	633	1,892	2,745	68.9%	(853)	-31.1%	51.7%	(853)	-23.3%
Irrecoverable debts written off	–	1	1	–		1			1	
Operational costs	172,511	16,280	129,803	122,049	106.4%	7,754	6.4%	75.2%	420	0.2%
Losses on Disposal of Assets	–	–	–	–		–			–	
Other Losses	91,938	–	59,612	59,525	100.1%	87	0.1%	64.8%	(9,342)	-10.2%
Total Expenditure	3,196,465	173,700	2,132,763	2,287,994	93.2%	(155,231)	-6.8%	66.7%	(264,585)	-8.3%

Table 4: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 31 March 2025 current YTD expenditure shows a satisfactory variance of minus 6.8%. The YTD actual amounted to R2,132,763 billion against the YTD Budget of R2,287,994 billion.

- ❖ Employee related costs show an unsatisfactory variance of minus 11.3%, due to Post-retirement benefit obligations that are not factored in and which will only be finalised as part of year-end procedures. There is a moratorium on the filling of non-critical vacancies and the sale of leave has been suspended.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 5.5%. The gazette for the upper limits of political office bearers has been issued for the current year and implemented accordingly.
- ❖ Bulk purchases – Electricity is showing a negative variance of minus 9.1%, due to the March 2025 account was received in March and will be captured and authorised during April 2025.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 9.8%. Expenditure for the first month of the year is normally low, due later re-opening of the financial year after year-end closure. Various commitments are raised on the system, awaiting delivery of goods and services. It has been reiterated monthly that expenditure on Inventory consumed needs to be monitored closely and remedial action be taken to ensure that funds are spent effectively with good value for money and that funds will be fully spent at year-end. The major backlog and deterioration of infrastructure and high-level of crisis management is negatively influencing this expenditure line items and sound financial management of budgets is not adequately exercised. Deviations and re-directing of funds to manage crisis's is severely and rapidly depleting the R&M budget, impeding on the funds required for day-to-day maintenance. Lack of maintenance plans and planned maintenance is impeding on the municipality's ability to maintain assets optimally. There are limited resources available with severe budgetary constraints with the current cash flow position putting major strain on the municipality's finances to actually address service delivery challenges. The municipality is obligated to ensure that tariffs are cost-reflective whilst ensuring that tariff increases are inflationary related as prescribed by NT's annual MFMA Budget circulars. This is a major impediment for the municipality to increase the R&M budget to a desired level to actually address backlogs, whilst employee costs, provision for bad debts and other expenditure is putting further strain on the budgets each year.

R&M Expenditure per Directorate per Inventory type as at 31 March 2025 (Amounts in Rand)	Sum of Original Budget	Sum of Adjustment Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original	Sum of % Spent Adj budget	% Spent compared against ideal IYM % of 75.00%
VOTE 1 - COUNCILLORS AND ADMIN	202,000	222,000	77,960	126,001	62.38%	56.76%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	85,000	110,000	12,860	60,901	71.65%	55.36%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	115,000	110,000	65,100	65,100	56.61%	59.18%	UNSATISFACTORY
VOTE 2 - MUNICIPAL AND GENERAL	22,997,000	22,997,000	2,169,350	23,865,639	103.78%	103.78%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	520,000	520,000	9,414	173,934	33.45%	33.45%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	400,000	400,000	16,065	152,977	38.24%	38.24%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	22,077,000	22,077,000	2,143,872	23,538,728	106.62%	106.62%	OVERSPENT
VOTE 3 - MUNICIPAL MANAGER	117,000	177,000	5,857	112,183	95.88%	63.38%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	99,000	168,600	5,857	110,183	111.30%	65.35%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,000	8,400	-	2,000	11.11%	23.81%	UNSATISFACTORY
VOTE 4 - CORPORATE SERVICES	10,568,000	3,618,000	160,220	1,468,145	13.89%	40.58%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	902,000	886,000	81,907	389,963	43.23%	44.01%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	272,000	327,000	3,279	231,760	85.21%	70.87%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	530,000	530,000	47,029	334,457	63.11%	63.11%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	8,864,000	1,875,000	28,004	511,965	5.78%	27.30%	UNSATISFACTORY
VOTE 5 - COMMUNITY SERVICES	35,714,500	41,919,500	2,078,391	14,552,278	40.75%	34.71%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	986,500	1,017,000	48,105	452,643	45.88%	44.51%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	54,000	54,000	-	758	1.40%	1.40%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	222,000	287,000	56,567	268,372	120.89%	93.51%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,087,000	1,148,000	68,224	659,878	60.71%	57.48%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,976,000	8,971,000	501,447	4,395,748	48.97%	49.00%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	826,000	826,000	40,158	238,946	28.93%	28.93%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,563,000	29,616,500	1,363,891	8,535,933	36.23%	28.82%	UNSATISFACTORY
VOTE 6 - FINANCIAL SERVICES	2,368,000	3,833,000	203,155	1,419,353	59.94%	37.03%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,320,000	1,385,000	102,120	906,994	68.71%	65.49%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	175,000	168,000	4,058	104,247	59.57%	62.05%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	198,000	178,000	6,679	96,991	48.99%	54.49%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	675,000	2,102,000	90,298	311,120	46.09%	14.80%	UNSATISFACTORY
VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	6,381,000	8,301,000	455,594	2,274,972	35.65%	27.41%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	419,000	419,100	53,090	171,904	41.03%	41.02%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	61,000	56,000	865	21,325	34.96%	38.08%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	418,000	430,900	23,507	194,209	46.46%	45.07%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	8,000	8,000	598	4,634	57.92%	57.92%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	5,475,000	7,387,000	377,534	1,882,899	34.39%	25.49%	UNSATISFACTORY
VOTE 8 - INFRASTRUCTURE SERVICES	241,257,705	237,769,705	12,743,239	172,134,593	71.35%	72.40%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	645,000	729,000	41,349	323,517	50.16%	44.38%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	24,172,000	23,772,000	656,407	12,265,643	50.74%	51.60%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	762,000	822,000	24,440	485,242	63.68%	59.03%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,930,000	8,580,000	593,995	5,573,516	62.41%	64.96%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	860,000	600,000	16,047	129,138	15.02%	21.52%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	140,886,705	155,902,705	5,036,859	92,867,521	65.92%	59.57%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	47,362,000	6,374,142	60,490,016	93.06%	127.72%	OVERSPENT
Grand Total	319,605,205	318,837,205	17,893,766	215,953,165	67.57%	67.73%	UNSATISFACTORY

Table 4.1 R&M Expenditure per Directorate per inventory type

R&M Expenditure per Service per Inventory Type as at 31 March 2025 (Amounts in Rand)	Sum of Original Budget	Sum of Adjustment Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original Budget	Sum of % Spent Adj Budget	% Spent compared against ideal IYM % of 75.00%
2480 - REFUSE	21,500,000	21,460,000	1,205,581	8,380,830	38.98%	39.05%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	90,000	90,000	2,340	14,343	15.94%	15.94%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	210,000	170,000	-	10,017	4.77%	5.89%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,000,000	6,000,000	388,217	3,567,265	59.45%	59.45%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	500,000	500,000	802	4,281	0.86%	0.86%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	14,700,000	14,700,000	814,222	4,784,924	32.55%	32.55%	UNSATISFACTORY
2830 - ROADS	46,747,000	50,997,000	8,439,152	38,934,621	83.29%	76.35%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	55,000	55,000	1,231	10,471	19.04%	19.04%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	58,000	58,000	-	11,148	19.22%	19.22%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	46,634,000	50,884,000	8,437,921	38,913,002	83.44%	76.47%	SATISFACTORY
2840 - HOUSING	3,509,000	3,509,000	141,881	1,655,325	47.17%	47.17%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	89,000	89,000	529	58,757	66.02%	66.02%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	145,000	145,000	-	125,368	86.46%	86.46%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	160,000	160,000	7,374	73,999	46.25%	46.25%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,114,000	3,114,000	133,977	1,397,200	44.87%	44.87%	UNSATISFACTORY
2850 - SEWERAGE	22,024,000	30,774,000	-6,556,258	10,177,911	46.21%	33.07%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	30,000	44,000	1,170	23,353	77.84%	53.07%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	170,000	170,000	6,210	14,544	8.56%	8.56%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	259,000	247,000	13,129	105,961	40.91%	42.90%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,400,000	2,180,000	179,173	1,489,957	62.08%	68.35%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	400,000	150,000	-	10,186	2.55%	6.79%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,765,000	27,983,000	-6,755,940	8,533,910	45.48%	30.50%	UNSATISFACTORY
2860 - WATER	121,123,000	103,485,000	8,893,631	94,625,698	78.12%	91.44%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	77,000	177,000	6,316	64,225	83.41%	36.29%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	24,002,000	23,602,000	650,197	12,251,099	51.04%	51.91%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	110,000	152,000	5,116	95,759	87.05%	63.00%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,300,000	2,170,000	162,722	1,391,835	60.51%	64.14%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	460,000	450,000	16,047	118,952	25.86%	26.43%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	29,174,000	29,572,000	1,679,091	20,213,813	69.29%	68.35%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	47,362,000	6,374,142	60,490,016	93.06%	127.72%	OVERSPENT
2880 - ELECTRICITY	51,537,000	52,677,000	2,686,954	26,774,280	51.95%	50.83%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	210,000	210,000	17,874	75,280	35.85%	35.85%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	76,000	76,000	-	28,813	37.91%	37.91%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	51,250,000	52,390,000	2,669,080	26,670,187	52.04%	50.91%	UNSATISFACTORY
Grand Total	266,440,000	262,902,000	14,810,939	180,548,664	67.76%	68.68%	UNSATISFACTORY

Table 4.2 R&M Expenditure per Service per inventory type

- ❖ Debt impairment will be provided for on a quarterly basis. The journal for the fourth quarter must still be processed, hence the lower variance of 13.4% when compared to the YTD budget of 0%.
- ❖ Depreciation was projected for on a straight-line basis and a quarterly journal will be processed to account for pro-rata depreciation. The journal for the fourth quarter will be processed before the end of April 2024. The municipality engaged our service provider to make use of the available Asset module (AM) on the financial system. Implementation of the AM is underway. This will resolve the automation of accounting for depreciation monthly.
- ❖ Interest is showing an unsatisfactory variance of minus 38.6%. Interest on External borrowing is paid bi-annually and the first instalment for the current financial year was settled before the 31 December 2024. There is also minimal movement pertaining to minor interest on overdue accounts. This was addressed with a virement but will be factored into the Adjustment budget. The total interest charges on overdue accounts on the Eskom bulk account, for the current financial year amounts to R13,511 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. Eskom confirmed that this interest will not be reversed and is payable by the municipality, due to the municipality defaulting on the winter bills for July and August 2024. The budget was corrected during the Adjustments budget.
- ❖ Expenditure on Contracted services is showing an unsatisfactory variance of 3.3%.
- ❖ Transfers and subsidies showing negative variance of minus 31.1%. Due to cash constraints the municipality will be paying the allocation of R2,500 million, due to the SPCA over four instalments, as and when sufficient cash is available. The first two instalment of R625 thousand was settled with SPCA.
- ❖ Operational cost is showing an unsatisfactory variance of 6.4% as a result of the following line items under Operational Cost (OC)

- The municipality is offering a 10% discount on the early settlement of a consumer's municipal bill. This discount is reflected as an expense under OC: Cash Discount of

Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: March 2025

R31,075 million with a zero budget, but these costs will be transferred and debited against Revenue at year-end because it is considered Revenue foregone. The pro-rata split is done manually between Property rates and service charges, excluding Electricity Revenue because the system cannot handle the automated split per Revenue source.

- The YTD actual on OC: Professional Bodies M/Ship & Subs is R8,853 for predominantly annual SALGA membership fees. Partial payments have been made to SALGA amounting to R1,536 million, against a total invoice amount of R8,782 million.
- ❖ Other Losses is showing an unsatisfactory variance of 0.1%. Bulk purchases Water is treated in line with GRAP 12. The invoices are captured on the balance sheet under Water: Input Vol: Bulk Purchases and the actual costs incurred is then split between Water inventory and Water losses and journalised from the Balance sheet to the Income Statement A corrective journal for the actuals, for December 2024 and January 2025 for the recognition of Water inventory and losses was processed on the system. The billing for bulk water is spread over 9 months of the year from July to end of March of each year. The servitude (free water) allocation commences on the 1 of April of each year. The actual extraction volumes are also higher than anticipated.

Operating Expenditure by Type: Comparison against Adjustment Budget

Indicated in Table 4 above, is the YTD actual compared to the Adjustment Budget. The ideal In-Year-Monitoring percentage as at the end of March 2025 is 75%. The total operational expenditure against the Adjustment budget is 66.7% spent, resulting in a satisfactory variance of minus 8.3%.

- ❖ Employee related costs show a satisfactory variance of minus 8.5%. Same factors are applicable as explained above.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 4.2%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of minus 8.9%. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 7.3%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing a satisfactory variance of 0.0%. Same factors are applicable as explained above.
- ❖ Depreciation is showing an unsatisfactory variance of minus 25.0%. Same factors are applicable as explained above.
- ❖ Interest is showing a negative variance of minus 45.5%. Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is unsatisfactory at minus 15.6%, when compared to the Adjustment budget. The YTD expenditure is lower than anticipated.
- ❖ Transfers and subsidies show an unsatisfactory variance of minus 23.3%. Same factors are applicable as explained above.
- ❖ Operational cost is showing an unsatisfactory variance of minus 0.2%. Same factors are applicable as explained above.
- ❖ Other Losses is showing a satisfactory variance of minus 10.2%. Same factors are applicable as explained above.

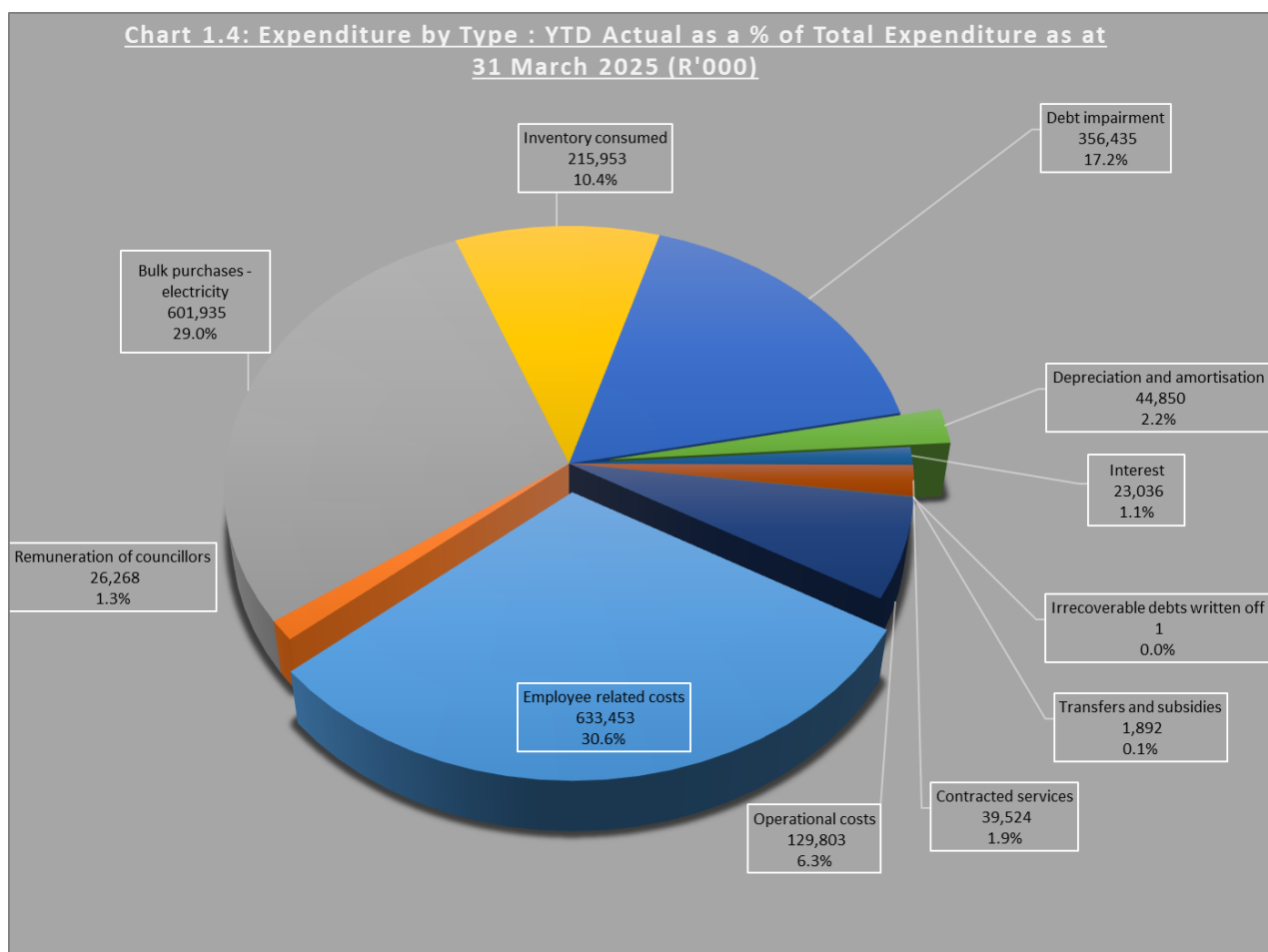


Chart 1.4: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

Also indicated in Chart 1.2 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 31 March 2025. The main cost drivers of the municipality are Employee Related Costs (30.6%), Bulk Purchases – Electricity (29%), Debt Impairment (17.2%) and Inventory consumed (10.4%).

It should be noted that the weighting per Expenditure type is distorted as a result of the following:

- ❖ Employee costs, the Post-retirement benefit obligations will be finalized as part of the year-end procedures.
- ❖ Depreciation will be provided for on a quarterly basis.
- ❖ Bulk purchases electricity, the March 2025 Eskom account will be authorised on the system during April 2025.
- ❖ Debt impairment is provided for on a quarterly. The journal for the fourth quarter must still be processed.
- ❖ Interest on the long-term borrowing is paid bi-annually in December and June of each year.

Bulk Purchases: Electricity, Water inventory and Water losses

- ❖ Indicated in Table 5.1 below, is the YTD expenditure on Bulk Purchases: Electricity. When compared to the IYM percentage of 75.00% as at end of March 2025, Bulk Purchases Electricity is showing a satisfactory variance minus of 8.86%%. The account for March 2025 will be captured and authorised in April 2025.

				% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 75%
Description	Adjustments Budget	Monthly Actual	YTD Actual		
BULK PURCHASES: ELECTRICITY	910,118,000	58,264,647	601,935,394	66.14%	-8.86%
Total	910,118,000	58,264,647	601,935,394	66.14%	-8.86%

Table 5.1: Summary of YTD Bulk Electricity expenditure

- ❖ Indicated in Table 5.2 below, is the Water inventory and Water losses which is showing a positive variance of 11.1%, when compared to the ideal percentage of 75.00%. The invoice for March 2025 must still be captured on the system. During the Adjustment budget for 2021/22 and advised by NT, Bulk purchases Water was split between Water Inventory and Water losses in the Statement of Financial Performance aligned to GRAP 12. A corrective journal for the actuals, for December 2024 and January 2025 for the recognition of Water inventory and losses was processed on the system during March 2025. The variance is attributed to the interface of water consumption (transacted against Water Inventory) from the billing module. This overstatement will be corrected with the journal for the period. The billing for bulk water is spread over 9 months of the year from July to end of March of each year. The servitude (free water) allocation commences on the 1 of April of each year. The actual extraction volumes are higher than anticipated.

				% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 75%
Description	Adjustments Budget	Monthly Actual	YTD Actual		
INVENTORY - WATER	47,362,000	6,374,142	60,490,016	127.72%	52.72%
NON-REVENUE WATER LOSSES	91,938,000	-	59,461,123	64.68%	-10.32%
Total	139,300,000	6,374,142	119,951,138	86.1%	11.1%

Table 5.2: Summary of YTD Bulk Water expenditure

Outstanding debt: ESKOM

ESKOM - Outstanding debt (R'000)	Sum of Invoice amount	Sum of Bulk Payments (2023/24 & 2024/25)	Sum of Interest written-off	Sum of Outstanding Balance	Sum of Arrear Debt	Sum of Interest Charges 2024/25
2021/22	523,811	–		523,811	523,811	–
Oct-21	51,028	–		51,028	51,028	–
Nov-21	50,813	–		50,813	50,813	–
Dec-21	51,379	–		51,379	51,379	–
Jan-22	53,401	–		53,401	53,401	–
Feb-22	51,445	–		51,445	51,445	–
Mar-22	54,652	–		54,652	54,652	–
Apr-22	51,835	–		51,835	51,835	–
May-22	57,826	–		57,826	57,826	–
Jun-22	101,431	–		101,431	101,431	–
2022/23	389,602	103,242	(37,482)	248,878	248,878	–
Dec-22	48,088	–		48,088	48,088	–
Jan-23	59,491	–		59,491	59,491	–
Feb-23	56,821	–	(9,504)	47,317	47,317	–
Apr-23	45,106	–	(7,923)	37,183	37,183	–
May-23	65,831	–	(9,033)	56,798	56,798	–
Jun-23	114,264	103,242	(11,022)	–	–	–
2023/24	975,208	819,809	(69,632)	85,767	85,767	–
Jul-23	131,032	110,162	(8,736)	12,134	12,134	–
Aug-23	123,594	70,000	(10,784)	42,810	42,810	–
Sept-23	71,421	30,000	(10,598)	30,823	30,823	–
Oct-23	76,317	62,679	(13,638)	–	–	–
Nov-23	70,580	62,348	(8,232)	0	0	–
Dec-23	64,311	61,246	(3,065)	–	–	–
Jan-24	65,735	63,044	(2,691)	–	–	–
Feb-24	64,371	62,479	(1,893)		–	–
Mar-24	66,311	62,973	(3,338)		–	–
Apr-24	61,436	59,697	(1,739)		–	–
May-24	66,327	63,149	(3,178)		–	–
Jun-24	113,772	112,033	(1,739)		–	–
2024/25	706,164	529,121	–	177,043	108,972	11,778
Jul-24	148,333	148,059	–	274	274	274
Aug-24	127,601	72,000	–	55,601	55,601	155
Sept-24	71,087	69,338	–	1,749	1,749	1,749
Oct-24	73,508	70,742	–	2,766	2,766	2,766
Nov-24	69,974	25,000	–	44,974	44,974	2,160
Dec-24	71,859	70,129	–	1,730	1,730	1,730
Jan-25	75,732	73,853	–	1,879	1,879	1,879
Feb-25	68,070	–	–	68,070	–	1,066
Mar-25	72,107	–	–	72,107	0	1,733
Grand Total ESKOM	2,666,891	1,520,242	(107,114)	1,039,534	967,427	13,511

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R1,039,534 billion. It should be noted that R107,114 million interest charges were reversed, for interest charges from March 2023 to June 2024, as part of the municipal debt relief programme. This is a huge cost saving for the municipality and a substantial reduction in the municipality's Fruitless and Wasteful expenditure disclosure. The accounting treatment of this was done on the

system until January 2024. Interest reversed on the Eskom invoice for October 2024, for the period February to June 2024 must still be effected on the system. The total arrear debt amounts to R967,427 million summarized as follow 2021/22 (R523,811m); 2022/23 (R248,878m); 2023/24 (R85,767m) and 2024/25 (R108,972m). The total interest charges on overdue accounts for the current financial year amounted to R13,511 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. Eskom confirmed that this interest will not be reversed as a result from the Municipality's default on the July and August 2024 winter bills. The budget on Interest on overdue accounts will be corrected during the Adjustments budget.

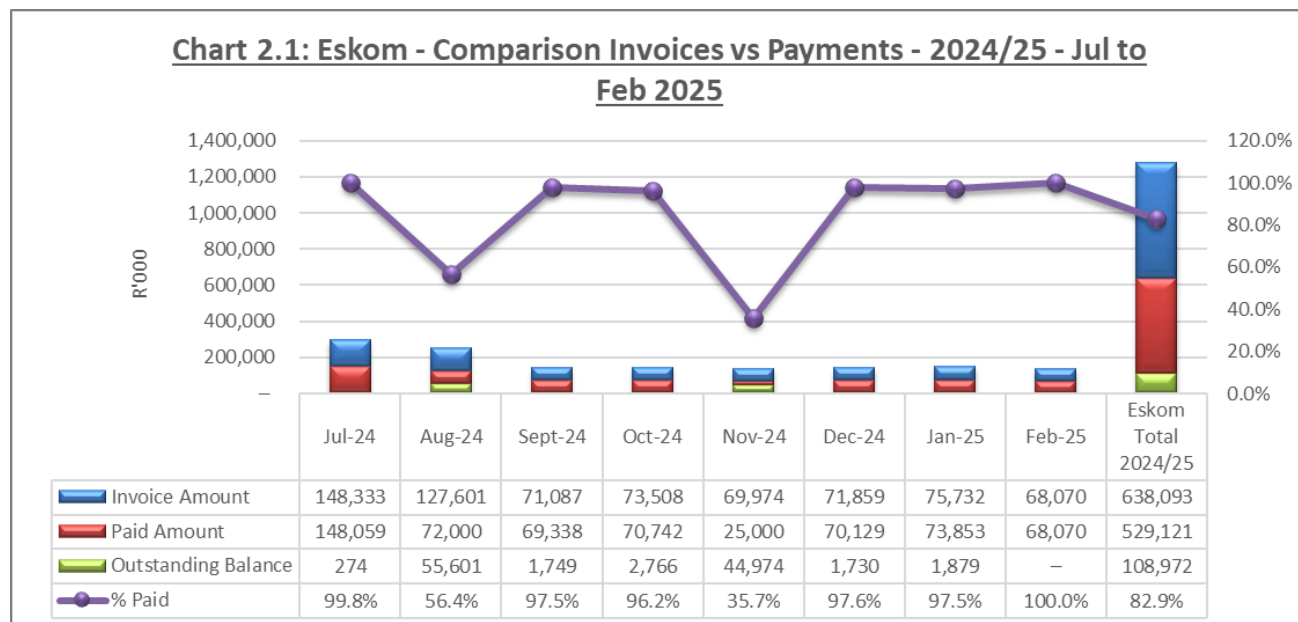


Chart 2.1: Eskom - Comparison Invoices vs Payments

Indicated in Chart 2.1 above, is the comparison of Eskom invoices versus payments for the 2024/25 financial year, from July 2024 to January 2025. The current account for March 2025 is excluded because it is not yet due and payable. It will also distort the percentage paid. The YTD actual until February 2025 show that 82.9% of invoices were settled, based on invoices raised of R638,093 million versus payments of R529,121 million. It is only the interest charges that remain unpaid for the invoices for July, September, October, December 2024, January 2025 and February 2025. The invoice for August 2024 is 56.4% and November 2024 is 35.7% paid. The total arrear outstanding balance amounts to R108,972 million.

Outstanding debt: DWS

DWs - Outstanding debt (R'000)	Sum of Invoice amount	Sum of Bulk Payments (2023/24 & 2024/25)	Sum of Outstanding Balance	Sum of Arrear Debt
2021/22	126,431	88,873	37,558	37,558
INTEREST (APR-JUN)	6,191	–	6,191	6,191
Aug-21	15,075	15,075	–	–
Sept-21	15,795	15,795	–	–
Oct-21	15,275	15,275	–	–
Nov-21	14,523	14,523	–	–
Dec-21	11,108	11,108	–	–
Jan-22	17,098	17,098	–	–
Feb-22	16,437	–	16,437	16,437
Mar-22	14,930	–	14,930	14,930
2023/24	150,526	150,526	–	–
Jul-23	15,303	15,303	–	–
Aug-23	13,588	13,588	–	–
Sept-23	18,332	18,332	–	–
Oct-23	17,633	17,633	–	–
Nov-23	17,070	17,070	–	–
Dec-23	13,333	13,333	–	–
Jan-24	13,333	13,333	–	–
Feb-24	36,046	36,046	–	–
Mar-24	5,194	5,194	–	–
Jun-24	694	694	–	–
2024/25	159,576	71,722	87,854	71,085
Jul-24	17,724	17,724	–	–
Aug-24	16,698	16,698	–	–
Sept-24	18,973	18,973	–	–
Oct-24	17,504	–	17,504	17,504
Nov-24	17,504	–	17,504	17,504
Dec-24	15,681	–	15,681	15,681
Jan-25	20,396	–	20,396	20,396
Feb-25	18,328	18,328	(0)	–
Mar-25	16,769	–	16,769	0
Grand Total	436,534	311,121	125,412	108,643

Table 6.2: Summary of outstanding DWS debt

Indicated in Table 6.2 above, is the total outstanding debt owed to DWS which amounts to R125,412 million. The total debt must be concurred with the Department. The total arrear debt amounts to R108,643 million which pertains to outstanding invoices for 2021/22 (R37,558m) and 2024/25 (R71,085m). The balance for 2021/22 includes interest of R14,704 million which must still be written off by the Department, once all the arrear debt has been settled. All the invoices for the 2022/23 and the 2023/24 financial year, has been settled in full. For 2024/25 financial year the total debt outstanding is R87,854 million. The municipality defaulted on the October, November, December 2024 and January 2025 account. The current account for March 2025, is payable on or before the end of March 2025. The municipality is still awaiting the invoice for March 2025.

The municipality opted to partake in the Department's Debt Incentive Scheme which constitutes of the following conditions:

- Settling 10% of the arrear debt (municipality complied)
- Settling the current account each month (municipality complied since inception of Incentive scheme but has defaulted on some months. All invoices for 2022/23 and 2023/24 financial year have since been settled in full.
- Settling the monthly debt instalment (municipality complied but defaulted for current year from July to January 2025, due to insufficient cash available from operations. The other major reason why the municipality defaulted, was to prioritise the payment of outstanding invoices for 2023/24 financial year. This has yielded positive results because there are no outstanding invoices for 2023/24

financial year. For the 2023/24 financial year an average of R17m was paid to the Department. The municipality also managed to keep the 2024/25 account current but defaulted on the October, November and January 2025 invoice and incurred accumulative arrear debt for the current year of R50,689 million. The invoice for February 2025 account of R18,328 million was settled in full on 26 March 2025. A major cause of concern is the fact that the municipality is in arrears with R39,953 million on the debt repayment plan. This amount would have settled already, if the municipality kept up with the repayment instalments.

- Repayment of debt over 12 months (municipality requested 24-month repayment period, which was approved by the Department)
- Also included in the Incentive scheme, is the writing-off of all accrued interest and suppression of interest going forward, hence no interest was charged for the prior and current financial year. The repayment proposal was approved by the Department.

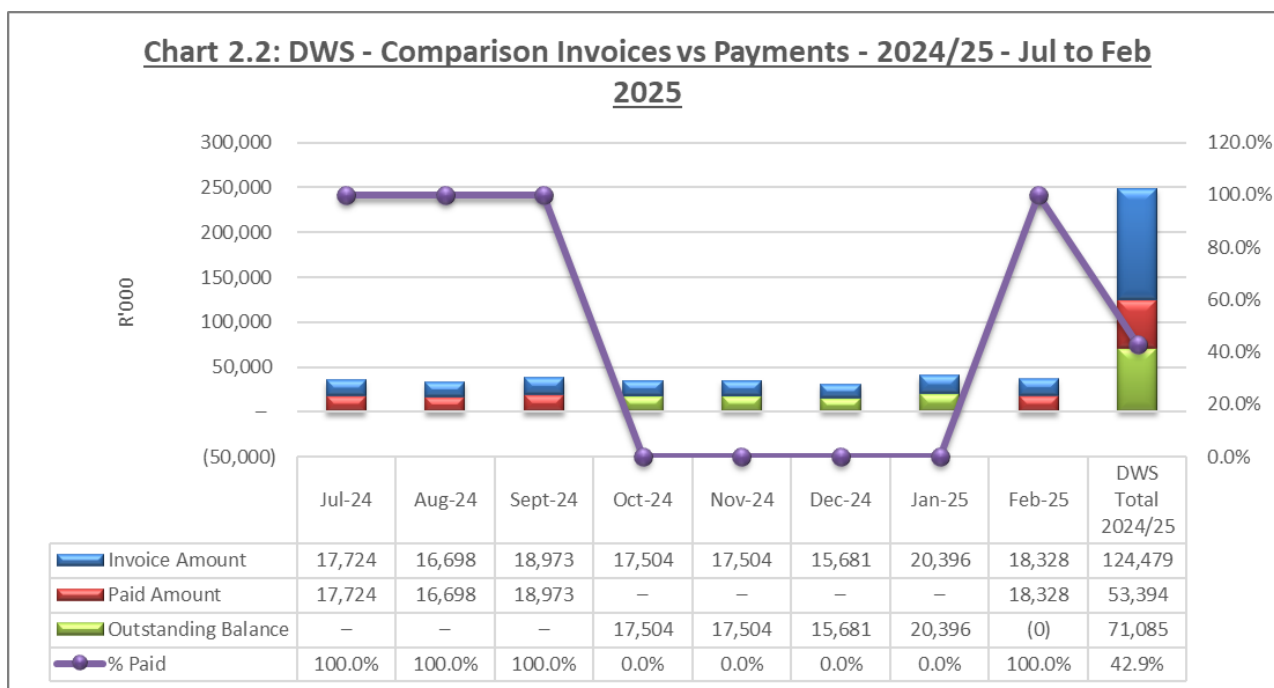


Chart 2.2: DWS - Comparison Invoices vs Payments

Indicated in the adjacent Chart 2.2 is the comparison of DWS invoices versus payments for the 2024/25 financial year from July 2024 to February 2025. The current account for March 2025 is excluded because it is not yet due and payable. It will also distort the percentage paid. The YTD actual until January 2025 show that 0% of invoices were settled, based on invoices raised of R124,479 million versus payments of R53,394 million. Invoices for July to September 2024 were settled in full, whilst the invoices for October 2024 to January 2025 remains unpaid. The invoice for February 2025 account of R18,328 million was settled in full on 26 March 2025. The total arrear outstanding balance amounts to R71,085 million.

Chart 2.3: Monthly Bulk Payments: DWS & ESKOM: 2023/24 and 2024/25

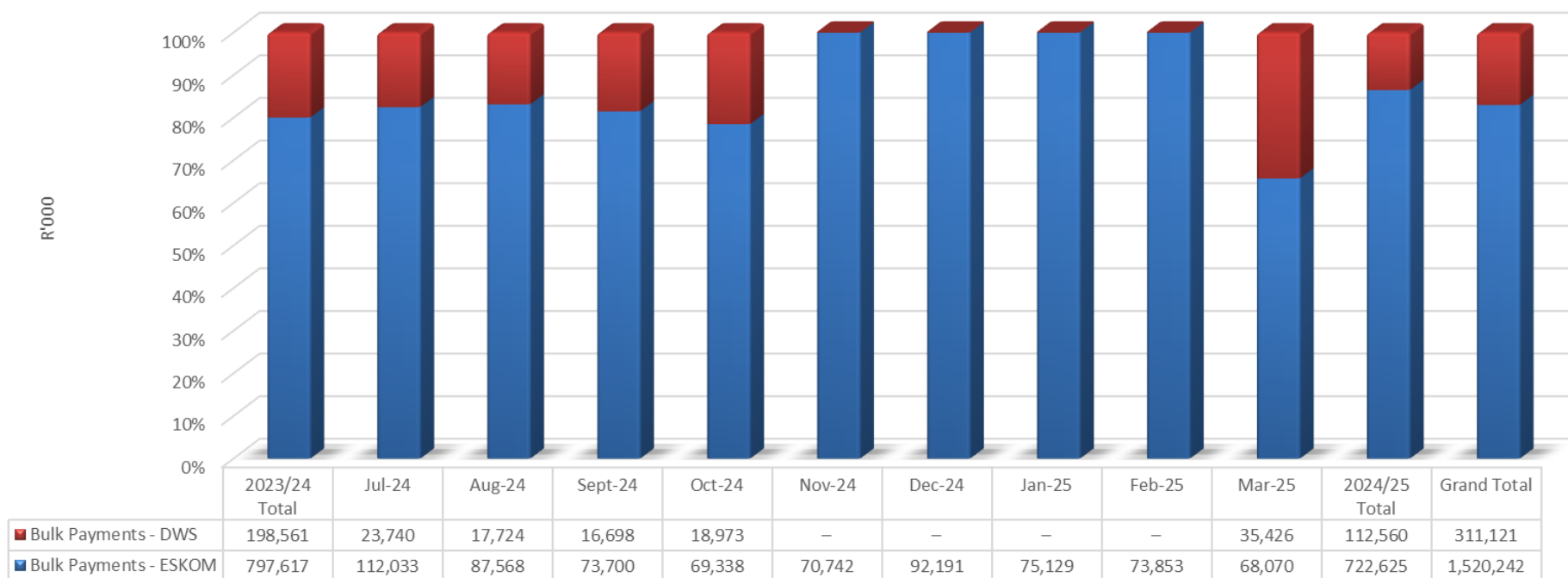


Chart 2.3: Monthly payments to DWS & ESKOM

Indicated in Chart 2.3 above, are the monthly payments made to DWS and ESKOM for 2023/24 and 2024/25 financial year as at 31 March 2025.

DWS The municipality had insufficient cash to settle the current account for January 2025 amounting to R20,396 million. The invoice Payments for 2023/24 amounts to R198,561 million, whilst payments for 2024/25 amounts to R77,134 million. The total payments amount to R222,248 million. The municipality has shown significant improvement over the last two financial years, with the average amount paid per month amounting to approximately R17 million for the 2023/24 financial year. The municipality ran into serious trouble for the 2024/25 financial year as four months are now outstanding. The invoice for February 2025 account of R18,328 million was settled in full on 26 March 2025. The debt agreement with DWS should have been paid up already but due to insufficient cash available this has not materialised. Urgent intervention is necessary to remedy the situation.

ESKOM The municipality settled an amount of R68,070 million on 25 March 2025 on the account for February 2025 amounting to R68,070 million. The amounts paid excludes interest charges of R1,066 million. The municipality had insufficient cash available from operations to settle the payment arrangement of R6,700 million. The total payments made for the 2023/24 financial year amounts to R797,617 million and for 2024/25 financial year the payments amount to R654,554 million, resulting in the total payments for both periods amounting to R1,520,242 billion. The municipality has been improving on payments made to Eskom from October 2023 account to June 2024. The high months remains a major concern. The municipality made partial payments on the July and August 2024 accounts and also partially settled the November account. The July 2024 account has been settled and only the interest remains outstanding.

FIN YEAR PER PAYMENT DATE	AMOUNT IN R	FIN YEAR PER PAYMENT DATE	AMOUNT IN R
2023/24	R 797,617,409.52	2023/24	R 198,561,294.26
20230801	R 103,241,512.23	20230712	R 15,794,682.80
20230830	R 61,000,000.00	20230804	R 15,074,754.70
20230928	R 35,000,000.00	20230914	R 6,000,000.00
20230929	R 35,000,000.00	20231003	R 13,588,064.81
20231031	R 30,000,000.00	20231018	R 6,000,000.00
20231130	R 62,678,528.38	20231106	R 6,275,086.61
20231220	R 2,262,000.00	20231114	R 18,331,770.78
20231228	R 62,347,938.72	20231208	R 6,000,000.00
20240130	R 48,000,000.00	20231212	R 17,633,270.36
20240209	R 13,246,492.61	20240105	R 5,522,530.48
20240219	R 6,700,000.00	20240130	R 13,332,894.88
20240228	R 45,000,000.00	20240212	R 6,000,000.00
20240304	R 18,043,546.82	20240301	R 13,332,894.88
20240319	R 6,700,000.00	20240412	R 21,303,350.74
20240328	R 62,478,598.42	20240429	R 5,194,304.19
20240426	R 62,972,969.32	20240514	R 11,069,915.81
20240524	R 13,400,000.00	20240626	R 18,107,773.22
20240528	R 59,696,947.69	2024/25	R 77,134,049.64
20240621	R 6,700,000.00	20240717	R 23,739,570.29
20240625	R 63,148,875.33	20240830	R 17,723,612.70
2024/25	R 654,554,301.82	20240930	R 16,698,048.53
20240730	R 112,033,130.69	20241031	R 18,972,818.12
20240828	R 32,868,260.60	20250314	R 17,098,078.18
20240829	R 54,700,000.00	20250326	R 18,327,914.21
20240930	R 73,700,000.00	Grand Total DWS	R 311,121,336.29
20241030	R 69,337,712.24		
20241128	R 40,741,905.79		
20241129	R 30,000,000.00		
20241211	R 67,190,839.43		
20241230	R 25,000,000.00		
20250124	R 5,000,000.00		
20250128	R 30,000,000.00		
20250129	R 40,129,144.68		
20250226	R 25,000,000.00		
20250227	R 48,853,308.39		
20250325	R 68,070,392.81		
Grand Total ESKOM	R 1,520,242,104.15		

Table 6.3: Summary of payments per payment date

Indicated in tables 6.3 above, are the payments to ESKOM and DWS per financial year and per payment date, which corresponds to Chart 2.1 above, which is disclosed per month.

Chart 2.4: Monthly & YTD comparison of Bulk Electricity and Water debt - Jun 2024 to March 2025

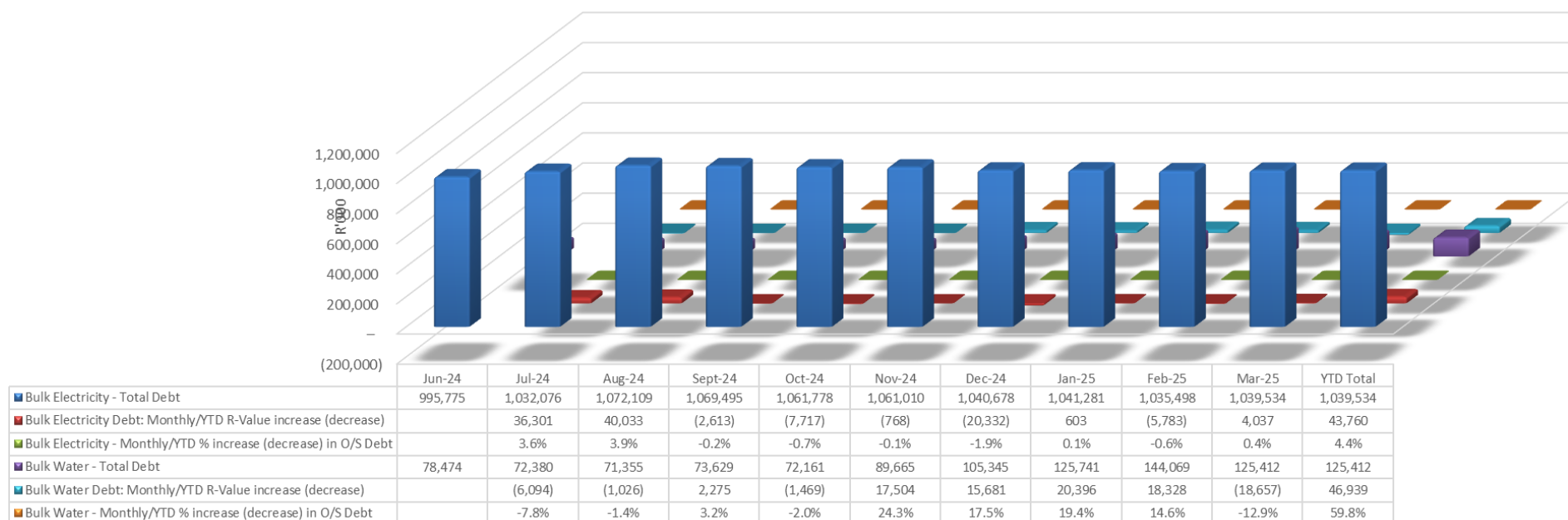


Chart 2.4: Monthly & YTD comparison – Bulk Electricity & Water debt

Indicated in Chart 2.4 above, is the monthly and YTD comparison of Bulk electricity and Water debt.

ESKOM - From January 2025 to March 2025, debt owed to ESKOM increased by R4,037 million or 0.4%, from R1,035,498 billion to R1,039,534 billion. When comparing the total outstanding debt to June 2024, the outstanding debt increased by R43,759 million or 4%, from R995,775 million to R1,039,534 billion.

DWS - From January 2025 to March 2025, debt owed to DWS decreased by R18,657 million or negative 12.9%, from R144,069 million to R125,412 million. When comparing the total outstanding debt to June 2024, the outstanding debt increased by R46,938 million or 59.8% from R78,474 million to R125,412 million. The municipality has made significant strides in reducing the debt owed to DWS and managed to reduce the total debt by R71,775 million for the 2023/24 financial year. The positive trajectory is not transpiring for the current year, although the municipality started the financial year well, with the July to September 2024 accounts being settled in full, the municipality defaulted on the October, November, December 2024 and January 2025 accounts which remains unpaid. Serious remedial action will have to be taken by management to ratify this grave situation.

Indicated in the tables below is a reconciliation of the Eskom payment arrangement and DWS debt agreement.

ESKOM Amount subject to Payment arrangement Instalment of R6,700 million							R 163,062,000		
Period	Settlement Date	ELE No	Payment date	Invoice no	Monthly Instalment / Amount paid	Accumulative Payments	Outstanding Balance	% Paid	Arrear Monthly Instalments
	2024/01/02	77064505	2023/12/20	544917625256 - Jul 2023	R 2,262,000.00	R 2,262,000.00	R 160,800,000.00	1.39%	
1	2024/02/15	77065112	2024/02/20	544917625256 - Jul 2023	R 6,700,000.00	R 8,962,000.00	R 154,100,000.00	5.50%	
2	2024/03/15	77065709	2024/03/19	544917625256 - Jul 2023	R 6,700,000.00	R 15,662,000.00	R 147,400,000.00	9.60%	
3	2024/04/15						R 163,062,000.00	0.00%	
4	2024/05/15	77066657	2024/05/24	544917625256 - Jul 2023	R 13,400,000.00	R 29,062,000.00	R 134,000,000.00	17.82%	
5	2024/06/15	77067062	2024/06/21	544917625256 - Jul 2023	R 6,700,000.00	R 35,762,000.00	R 127,300,000.00	21.93%	
6	2024/07/31						R 163,062,000.00	0.00%	R 6,700,000.00
7	2024/08/31	77068429	2024/08/29	544917625256 - Jul 2023	R 6,700,000.00	R 42,462,000.00	R 120,600,000.00	26.04%	
8	2024/09/30	77068766	2024/09/30	544917625256 - Jul 2023	R 6,700,000.00	R 49,162,000.00	R 113,900,000.00	30.15%	
9	2024/10/31								R 6,700,000.00
10	2024/11/30								R 6,700,000.00
11	2024/12/31								R 6,700,000.00
12	2025/01/31								R 6,700,000.00
13	2025/02/28								R 6,700,000.00
14	2025/03/31								R 6,700,000.00
TOTAL					R 49,162,000.00		R 113,900,000.00		R 46,900,000.00

As articulated in adjacent Table 6.4, the total amount that was subject to the payment arrangement was R163,062 million for the debt that accrued after March 2023. To date the municipality settled an amount of R49,162 million on the payment arrangement, resulting in the total current balance outstanding of R113,900 million. The municipality is in arrears with six instalments amounting to R46,900 million.

Table 6.4: Reconciliation Eskom Payment Arrangement

Debt agreement (Instalment R5,957,537.18)	Invoice amount	Arrear Debt	10 % Down Payment	Amount paid	Balance O/S on Debt Agreement
INTEREST CHARGES - APR TO JUN 2022	R 6,191,399.16	R 6,191,399.16			R 6,191,399.16
AUG 2021 BULK ACCOUNT	R 15,074,754.70	R 15,074,754.70		R 15,074,754.70	-
SEP 2021 BULK ACCOUNT	R 15,794,682.80	R 15,794,682.80		R 15,794,682.80	-
OCT 2021 BULK ACCOUNT	R 15,275,086.61	R 15,275,086.61		R 15,275,086.61	R -
NOV 2021 BULK ACCOUNT	R 14,522,530.48	R 14,522,530.48		R 14,522,530.48	R -
DEC 2021 BULK ACCOUNT	R 11,107,773.22	R 11,107,773.22		R 11,107,773.22	R -
JAN 2022 BULK ACCOUNT	R 17,098,078.18	R 17,098,078.18		R 17,098,078.18	R -
FEB 2022 BULK ACCOUNT	R 16,436,776.66	R 16,436,776.66		R -	R 16,436,776.66
MAR 2022 BULK ACCOUNT	R 14,930,212.48	R 14,930,212.48		R -	R 14,930,212.48
JUL 2022 BULK ACCOUNT	R 13,793,141.72	R 13,793,141.72		R 13,793,141.72	-
AUG 2022 BULK ACCOUNT	R 17,460,136.80	R 17,460,136.80		R 17,460,136.80	-
SEP 2022 BULK ACCOUNT	R 16,309,287.82		16,309,287.82	R 16,309,287.82	-
WRM LEVIES SEP 2022	R 82,471.24		82,471.24	R 82,471.24	-
Total Debt as per SPM	R 174,076,331.87	R 157,684,572.81	R 16,391,759.06	R 136,517,943.57	R 37,558,388.30
INTEREST CHARGES - APR TO JUN 2022	-R 6,191,399.16				-R 6,191,399.16
INTEREST PAID	-R 8,512,281.30				-R 8,512,281.30
TOTAL INTEREST CHARGES	-R 14,703,680.46				-R 14,703,680.46
NET OUTSTANDING	R 159,372,651.41			R 136,517,943.57	R 22,854,707.84

As articulated in the adjacent Table 6.5, the total debt amounted to R174,076 million, whilst the municipality settled an amount of R136,518 million resulting in an outstanding balance of R37,558 million. An amount of R14,704 million for interest incurred must still be written-off, resulting in a net outstanding balance of R22,855 million on the payment arrangement, which should have been settled in full already, if the municipality did not default on any payments.

Table 6.5: Reconciliation DWS Debt Agreement

4.3 Capital expenditure

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - M09 March										
Capital expenditure	Adjustment Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Adjustment Budget	Adjustment Budget Variance	Adjustment Budget Variance IYM % - 75%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	621,518	58,313	338,524	463,412	73.05%	(124,889)	-26.9%	54.5%	(127,614)	-20.5%
Funded by										
Capital transfers recognised	570,097	49,025	321,335	428,319	75.02%	(106,984)	-25.0%	56.4%	(106,237)	-18.6%
Internally generated funds	51,421	9,288	17,189	35,093	49.0%	(17,905)	-51.0%	33.4%	(21,377)	-41.6%
Weighting Capital transfer recognised	91.7%	84.1%	94.9%	92.4%						
Weighting Internally generated funds	8.3%	15.9%	5.1%	7.6%						

Table 7: High level summary: Capital Expenditure

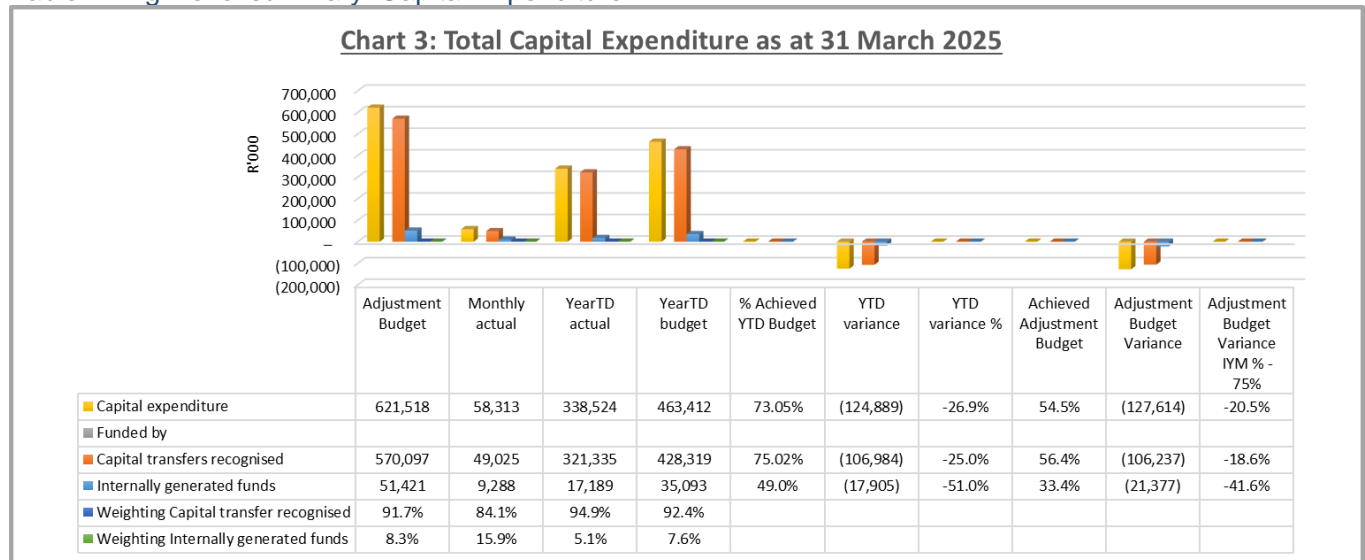


Chart 3: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of March 2025 amounted to R338,524 million and 73.05% spent when compared to the YTD budget of R463,412 million and 54.5% spent when compared to the Adjustment Budget of R621,518 million. The total YTD capex is funded from Capital grants R321.335 million (75.02%) and Internally generated funds R17,189 million (49%). Capex is low and major intervention is required for the financial year. Planning of project managers also needs to improve going forward. One of the major challenges that the municipality is experiencing is in respect of tendering processes.

The majority of capital projects are based on a functionality criteria. Bidders either do not meet the functionality criteria or submit incomplete tender documents resulting in bidders being non-responsive. And due to the non-responsiveness of bidders, these bids unfortunately have to be re-advertised. The municipality has been implementing more compulsory site meetings to sensitise service providers on the compliance issues pertaining to bid documents. Secondly, project managers need to realistically anticipate challenges and immediately address delays in order to ensure that projects are completed within the specified timeframe. Contract management also needs to be monitored more closely, placing emphasis on the performance of appointed service providers and addressing issues of non-performance immediately. The Project Management Unit (PMU) is not adequately staffed, resulting in a lack of qualified permanently appointed project managers. Lastly, it is advised that disputes, if any are addressed and resolved expeditiously. The capital expenditure is slow and overall capital expenditure remains a major concern. Remedial action will have to be taken going forward to ensure improvement on capex. It should be noted that capital expenditure excludes VAT and commitments. The capital expenditure report shown in Annexure A, Table C5 has been prepared on the prescribed monthly C-schedule, and is categorised by municipal vote and functional classification.

4.4 Cash flows

Chart 4: Current investment deposits and Cash & cash equivalents at year-end

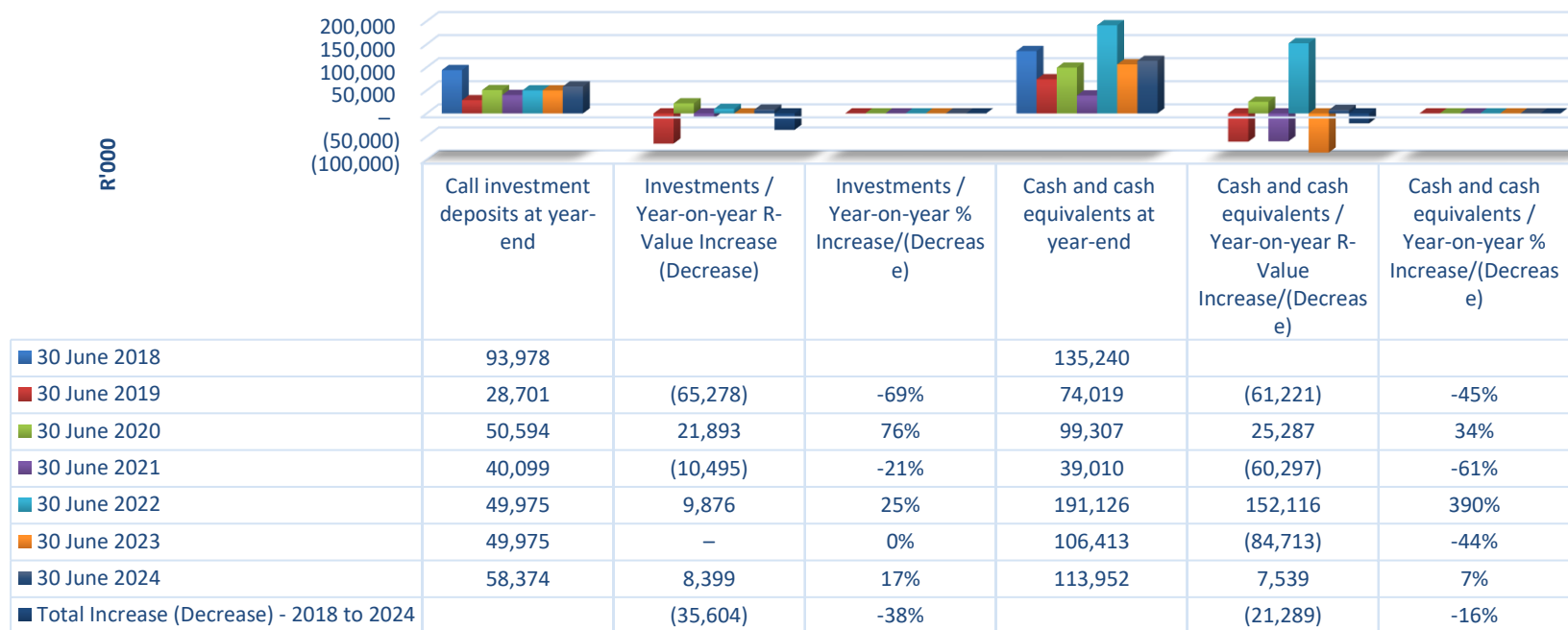


Chart 4: Call investment deposits and Cash & cash equivalents at year-end

Investments decreased by R65,278 million (69%) from 2018 to 2019. Investments increased by R21,893 million (76%) from 2019 to 2020. Investments decreased by R10,495 million (21%) from 2020 to 2021. Investments increased by R9,876 million (25%) from 2021 to 2022. The total investment remained the same from 2022 to 2023 and increased by R8,399 million (17%) from 2023 to 2024. From 2018 to 2024, the total investments decreased by R35,604 million (47%). The same trend can be seen year-on-year, as indicated in the chart above in respect of the Cash and cash equivalents. There has been a substantial increase in the Cash and Cash equivalents for the year ended 30 June 2022, due to portion of the Equitable Share that was held as reserve, to avert a crisis situation, where the municipality cannot pay salaries. This is attributable to various factors inter alia, the lower collection rate, increased capital expenditure, especially increase on CRR funding year-on-year, the non-implementation of the basic charge for the 2018/19 financial year, increase in bulk purchases, operational expenditure, including excessive expenditure on Overtime and EPWP, variation orders on contracts, excessive water and electricity losses. And the servicing of the long-term loan. The decline in investments and Cash & cash equivalents is concerning and must be addressed by management.

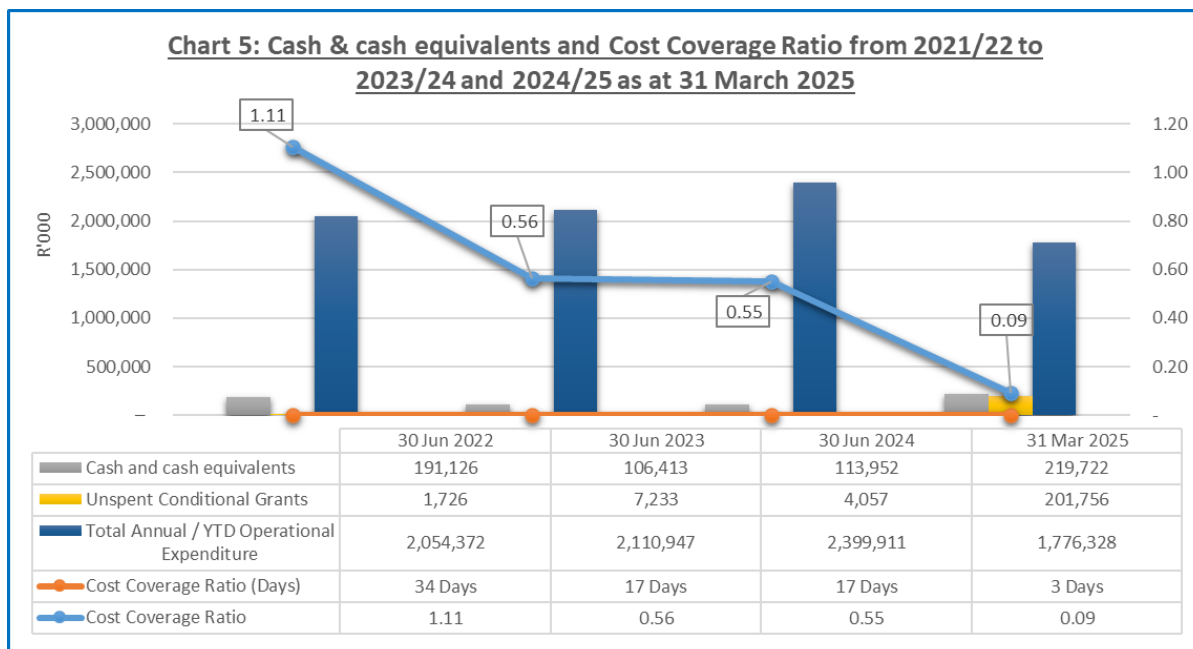


Chart 5: Cash & cash equivalents and Cost coverage ratio

Indicated in Chart 5 above, is the Cost coverage ratio, number of days coverage and the Cash and cash equivalents for the period. The required NT norm is 3 months Cost coverage. The audited outcome for the year ended 30 June 2022 is (1.11; 34 days; R191,126m). There was a substantial decline for the year ended 30 June 2023 (0.56; 17 days; R106,413m). The audited outcome for the year ended 30 June 2024 is (0.55; 17 days; R113,952m). The Cost coverage ratio as at 31 March 2025 is calculated at (0.09; 3 days; R219,722m). The cash and cash equivalents increased as a result of receipts on conditional grants that was invested, and which were unspent as at the reporting period. Unspent conditional grants amounted to R201,756 million, which is netted off against the Cash and cash equivalents, resulting in the critically low-Cost coverage of five days and immediate and decisive action will have to be taken to ratify the situation.

Cash at this stage is monitored on a daily basis. The Cost coverage ratio is a critical indicator that the municipality is in a severe cash flow crisis and not in the conducive position to settle short-term commitments. This is a critical threat to the municipality's ability to pay salaries, bulk accounts and day-to-day operations which can have a detrimental effect on service delivery and irrevocably damage the municipality's relationship with its service providers and further tarnishing the municipality's reputation. This is also evident by the escalation in debt owed to ESKOM and DWS over the last few years. However, as a result of the debt agreement with DWS and the Incentive initiated by the Department, the municipality has made significant strides in reducing the arrear debt and managed to settle all invoices for the 2022/23 and 2023/24 financial year in full. This has deteriorated for the current year as three month's bills are now due to DWS. The municipality also fared well whilst on the debt relief programme in complying to the settlement of the current Eskom account and ran into trouble with the settling of the accounts for the high winter months. This is further exacerbated by the fact that the actual receipts for the high months are far below the actual bill.

The only way to address these issues, is to work as a collective team, enforce accountability within all departments and to collect outstanding debt and improve the collection rate. Therefore, the municipality must apply the Credit Control Policy diligently, consistently and fairly to ensure the credibility of the municipality. During the 2022/23 Mid-year engagement, National Treasury recommended that the Credit Control and Debt Collection Policy must be 100% applied. Generally, the payment culture of all consumers and stakeholders must improve. The municipality also needs to spend funds effectively and efficiently with good value for money. Cost containment measures must be stringently applied.

Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: March 2025

5. In-year budget statement tables

The financial results for the period under review is included in Annexure A, consisting of the following C-schedule tables.

- (a) Table C1: Summary
- (b) Table C2: Financial Performance (Functional Classification)
- (c) Table C3: Financial Performance (Revenue and Expenditure by Municipal vote)
- (d) Table C4: Financial Performance (Revenue and Expenditure)
- (e) Table C5: Capital Expenditure by vote, functional classification and funding
- (f) Table C6: Statement of Financial Position
- (g) Table C7: Cash Flow

PART 2: SUPPORTING DOCUMENTATION

6. Debtors' Analysis

NC091 Sol Plaatje - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

Description	NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	35,551	29,458	25,376	21,102	21,528	22,859	82,333	571,114	809,319	718,935	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	52,267	23,556	15,244	13,773	9,929	8,492	42,001	166,527	331,789	240,723	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	44,697	20,119	15,358	14,125	13,307	12,535	116,870	645,593	882,605	802,430	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	9,231	7,156	6,599	6,314	6,048	5,763	30,592	217,006	288,711	265,724	-	-	
Receivables from Exchange Transactions - Waste Management	1600	7,662	5,516	4,934	4,681	4,461	4,244	22,899	168,446	222,843	204,731	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,943	1,902	1,900	1,905	2,575	1,751	11,179	77,098	100,253	94,508	-	-	
Interest on Arrear Debtor Accounts	1810	21,875	22,065	21,517	22,290	20,530	20,392	113,401	814,999	1,057,068	991,612	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-			
Other	1900	10,508	8,028	4,035	9,994	15,078	7,050	42,868	316,551	414,112	391,541	-	-	
Total By Income Source	2000	183,732	117,800	94,963	94,184	93,457	83,087	462,142	2,977,335	4,106,700	3,710,205	-	-	
2023/24 - totals only		#####	#####	79995094	75182405	76135698	73092682	#####	#####	3,730,832	3,351,470	0	0	
Debtors Age Analysis By Customer Group														
Organs of State	2200	26,177	22,119	10,735	13,058	10,797	8,247	85,151	608,629	784,912	725,882	-	-	
Commercial	2300	65,761	25,532	21,090	20,215	16,253	14,005	79,398	452,409	694,663	582,280	-	-	
Households	2400	89,141	67,857	60,923	57,783	64,402	58,880	287,080	1,814,007	2,500,073	2,282,152	-	-	
Other	2500	2,654	2,292	2,215	3,128	2,005	1,955	10,513	102,290	127,052	119,891	-	-	
Total By Customer Group	2600	183,732	117,800	94,963	94,184	93,457	83,087	462,142	2,977,335	4,106,700	3,710,205	-	-	

Table 8.1: Supporting Table SC3: Aged Debtors

Part 4: Debtor Age Analysis														
	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total		Actual Bad Debts Written Off to Debtors		Impairment -Bad Debts ito Council	
Rand	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	35,550,600	4.4%	29,457,552	3.6%	25,375,981	3.1%	718,935,336	88.8%	809,319,469	19.7%	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	52,266,729	15.8%	23,555,761	7.1%	15,243,795	4.6%	240,722,782	72.6%	331,789,067	8.1%	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	44,697,031	5.1%	20,119,294	2.3%	15,358,098	1.7%	802,430,396	90.9%	882,604,819	21.5%	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	9,231,057	3.2%	7,156,410	2.5%	6,599,332	2.3%	265,723,718	92.0%	288,710,517	7.0%	-	-	-	-
Receivables from Exchange Transactions - Waste Management	7,661,593	3.4%	5,516,490	2.5%	4,933,922	2.2%	204,731,297	91.9%	222,843,302	5.4%	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1,942,501	1.9%	1,902,108	1.9%	1,899,760	1.9%	94,508,368	94.3%	100,252,737	2.4%	-	-	-	-
Interest on Arrear Debtor Accounts	21,874,885	2.1%	22,064,643	2.1%	21,516,554	2.0%	991,611,940	93.8%	1,057,068,022	25.7%	-	-	-	-
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	10,508,020	2.5%	8,028,032	1.9%	4,035,471	1.0%	391,540,865	94.5%	414,112,388	10.1%	-	-	-	-
Total By Income Source	183,732,416	4.5%	117,800,290	2.9%	94,962,913	2.3%	3,710,204,702	90.3%	4,106,700,321	100.0%	-	-	-	-
Debtors Age Analysis By Customer Group														
Organs of State	26,176,544	3.3%	22,118,736	2.8%	10,734,592	1.4%	725,882,178	92.5%	784,912,050	19.1%	-	-	-	-
Commercial	65,761,231	9.5%	25,531,947	3.7%	21,090,151	3.0%	582,279,696	83.8%	694,663,025	16.9%	-	-	-	-
Households	89,140,969	3.6%	67,857,405	2.7%	60,923,042	2.4%	2,282,151,904	91.3%	2,500,073,320	60.9%	-	-	-	-
Other	2,653,672	2.1%	2,292,202	1.8%	2,215,128	1.7%	119,890,924	94.4%	127,051,926	3.1%	-	-	-	-
Total By Customer Group	183,732,416	4.5%	117,800,290	2.9%	94,962,913	2.3%	3,710,204,702	90.3%	4,106,700,321	100.0%	-	-	-	-

Table 8.2: Part 4: Debtors Age Analysis

Chart 6.1: Debtor's Age Analysis by Income Source as at 31 March 2025

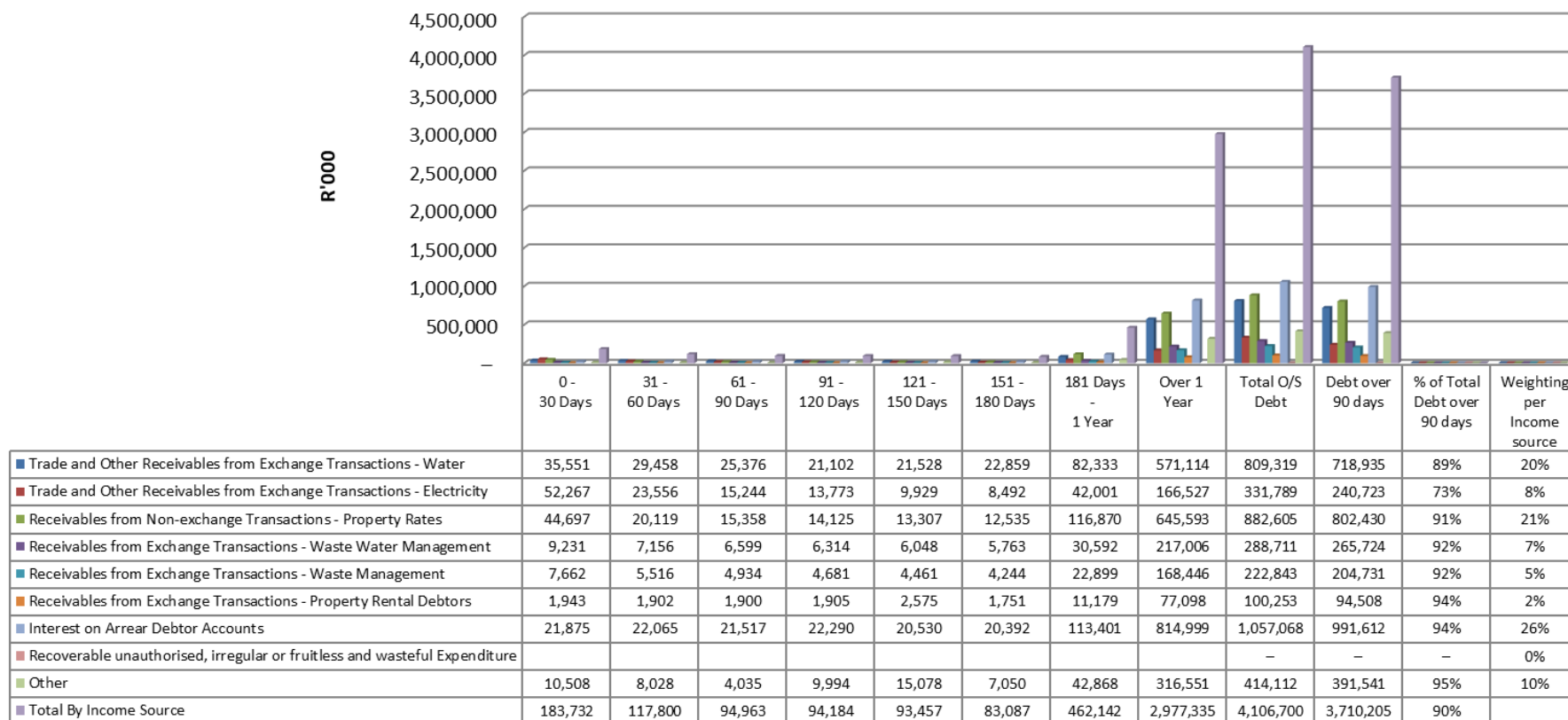


Chart 6.1: Debtor's age analysis by Income Source

Indicated in Table 8.1 to 8.2 and Chart 6.1 above is the total outstanding debt by Income Source, including the debt over 90 days, the percentage of total Debt over 90 days and percentage weighting. The total O/S Debt amounts to R4,106,700 billion as at the end of March 2025 and the bulk of SPM's debt is aged over 90 days with an overall weighting of 90%.

The highest percentage weighting of debt owed by Income Source, over 90 days is attributable to:

- ❖ Interest on Arrear Debtor Accounts and Other at 94%, respectively.
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 94%
- ❖ Receivables from Exchange Transactions – Property Rates (91%); Waste Water Management and Waste Management at 92%, respectively.

The highest percentage weighting of debt owed by Income Source is attributable to:

- ❖ Receivables from Non-exchange Transactions - Property Rates at 21%
- ❖ Interest on Arrear Debtor Accounts 26%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 20%

Chart 6.2: Debtor's Age Analysis by Customer Group as at 31 March 2025

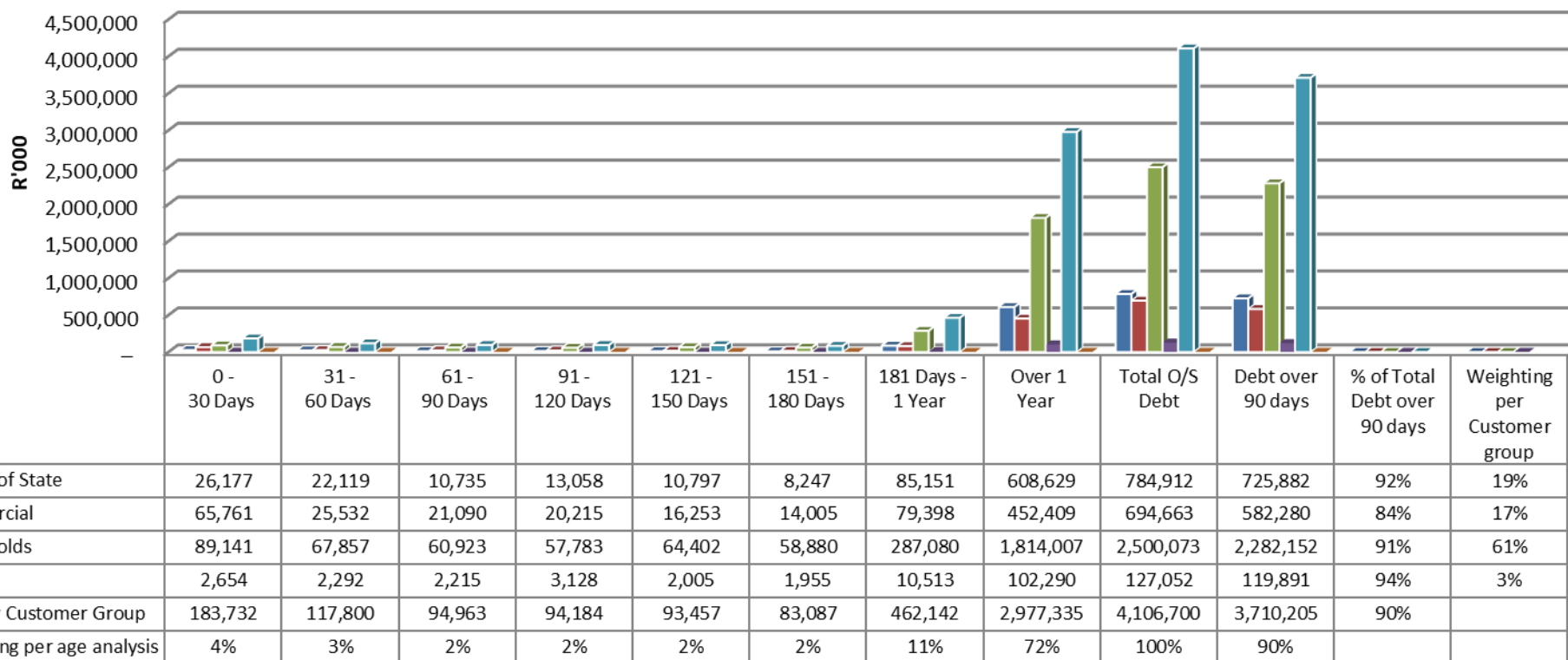


Chart 6.2: Debtor's age analysis by Customer Group

Indicated in Table 8.1 to 8.2 and Chart 6.2 above is the total outstanding debt by Customer Group, including the debt over 90 days, the percentage of total Debt over 90 days and percentage weighting.

The percentage weighting of debt owed by Customer Group, over 90 days is:

- ❖ Organs of State at 92%; Commercial at 84%; Households at 91% and Other at 94%.

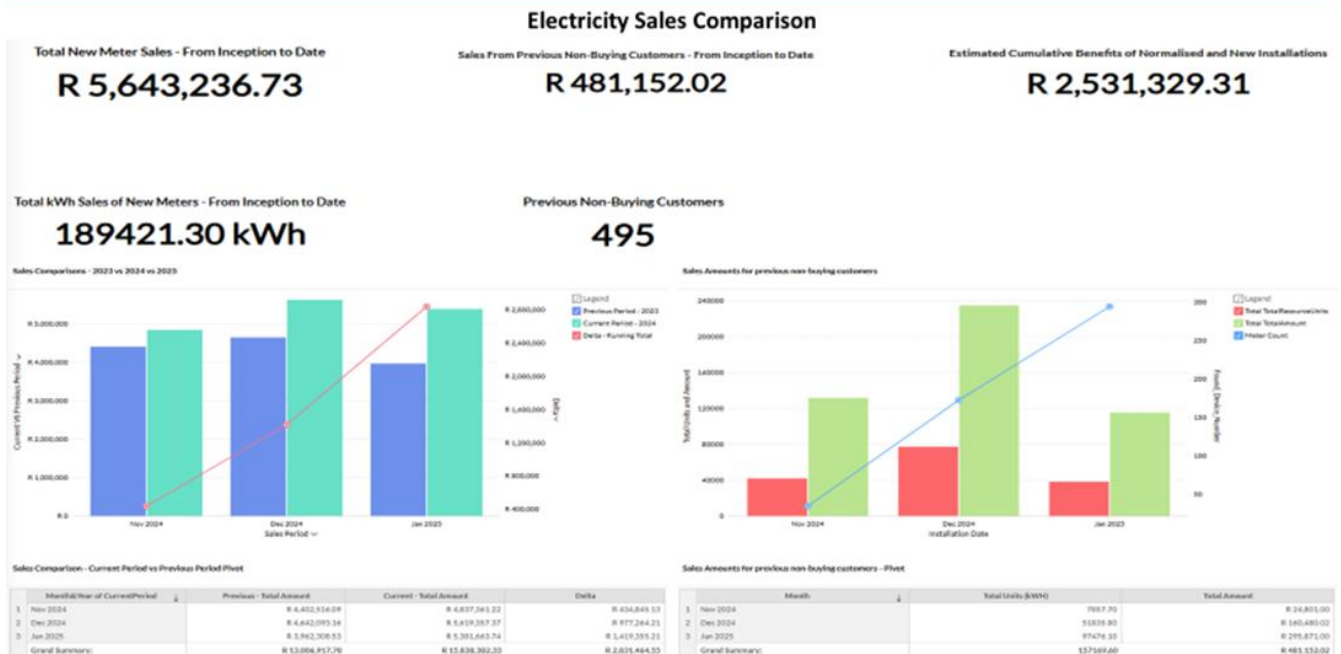
The percentage weighting of debt owed by Customer Group is attributable to:

- ❖ Organs of state at 19%, total debt outstanding is R784,912 million
- ❖ Businesses at 17%, total debt outstanding is R694,663 million
- ❖ Households at 61%, total debt outstanding is R2,500,073 billion
 - Other at 3%, total debt outstanding is R127,052 million.

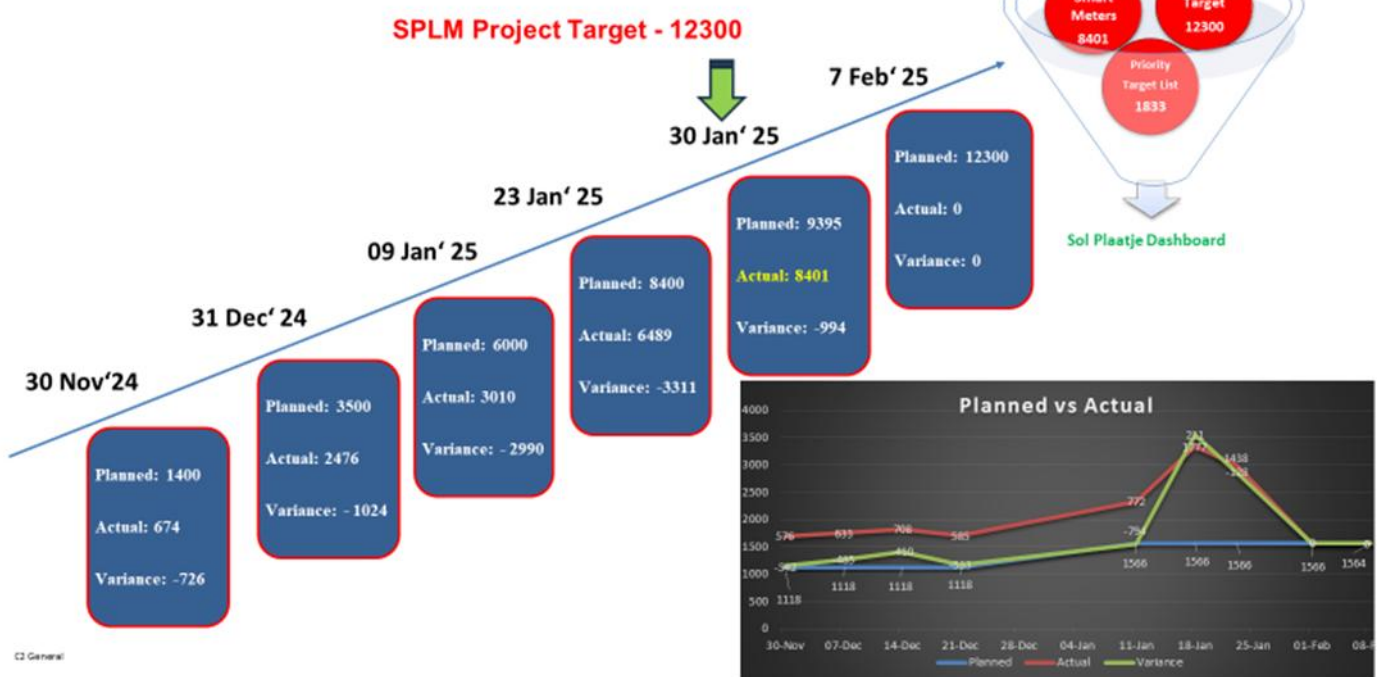
Revenue Management: Activities for the month of March 2025

We are making great progress with the smart meter project. The objective of this project is to improve the revenue generated by the Municipality through accurate metering, billing and reducing the number of tampered meters. The below provides a summary of the project status, project impact and challenges.

Smart Electrical Meter - Total Project Progress Summary as at 30/01/2025



Smart Electrical Meter Project Implementation Plan



Risks, Issues and Challenges

#	Challenges	Mitigations
1	Access Issues to Premises, Difficulty accessing customer premises due to locked gates, absence, or refusal	Schedule and confirm appointments, offer flexible scheduling, provide identification
2	Ramping-Up Installation teams to Meet Targets	Opening up other areas
3	Bypassed or tampered meters replaced totals = 215 Tackling bypasses in bulk might overwhelm teams and exacerbate pushback.	Phased installation during blanket approach per suburb.
4	Credit control measures, accounts/meters. Current remote blocking of accounts creating resistance. Some customers being told that they need to resolve with installers	Pause on credit control measures to improve the access to installers, once the suburb is completed, the municipality can then impose penalties.
5	Lack of account information for some meters.	These delays in field will be addresses upfront with an updated financial system list from the municipality. Although in some instances the meter will be loaded on prepaid system pending authorisation from municipality
6	Unclear boundaries for suburbs	Some households exist on suburb boundaries which is unclear for installers, causing confusion
7	Community / Municipality staff – Project Awareness	Some municipality employees requested confirmation regarding the validity of the smart meter programme, and they were not aware of the project. Municipality should communicate internally with their staff.

Revenue Management

We have continued with the disconnection/blocking of electricity services of all Customer groups that are owing.

On 28 March 2025 we had a television interview with SABC News with regards to debt owed to the Municipality, by the different Customer Groups. The interview was to also inform our Customers of the collection initiatives we have set in place for the year i.e. collection through Debt Collection Agencies.

We have commenced with our campaigning in the community, to make us more visible to our Customers. Providing information relating to the importance of paying of the municipal account on a monthly basis, arrangements, disconnections/blocking of electricity due to non-payment and the social package offered by the Municipality (indigent assistance).



The receipts for Government Departments, Parastatals and schools were R20 586 393 for the month of March 2025 as compared to the R52,379,011.69 received for the month of February 2025. The Departments had their financial year end, hence many of them indicated that they would not be able to make large payments towards their Municipal accounts as they usually do on a monthly basis. They are set to make large payments in the month of April 2025.

A draft settlement agreement has been drafted and we are meeting with the Provincial Treasury and the Department of Public Works on 14 April 2025; to finalize the settlement agreement between the Parties.

<i>SOL PLAATJE MUNICIPALITY</i>		
<i>GOVERNMENT AND PARASTATALS DEBT</i>		
<i>DEPARTMENTS</i>	<i>RECEIPTS MARCH 2025</i>	<i>COMMENTS</i>
NATIONAL PUBLIC WORKS	R7 614 473.69	
PROVINCIAL PUBLIC WORKS	R28 442.81	
DEPARTMENTS OF HEALTH	R183 708.70	
SOCIAL DEVELOPMENT	R406 814.36	
ECONOMIC DEV & TOURISM	R393 394.37	
TRANSPORT	R377 656.08	
CORRECTIONAL SERVICE	R3 066 608.40	
AGRICULTURE	R1 481.50	
SANDF	R3 760 624.04	
COGHSTA/ HOUSING	R0.00	Submitted a commitment letter to pay
EDUCATION	R0.00	No commitment/follow up/disconnect
SPORTS, ARTS & CULTURE	R331 569.49	
DE BEERS	R1 070 930.75	
TELKOM	R755 253.99	
ESKOM	R524 368.01	
SCHOOLS	R2 071 067.62	
TOTAL	R20 586 393.81	

Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt remained constant at 90% for the month under review. Debt over 90 days increased by R19,259 million in respect of the month-to-month comparison. The month-to-month increase, on total debt amounted to R11,933 million. It is concerning that total debt over 90 days is hovering at an average of 90 percent. During the 2023/24 MTREF Budget Benchmark exercise NT also encouraged the municipality, to explore all avenues to recoup long outstanding debt, to improve on financial liquidity and to improve the collection rate to at least 89% to be realistically funded from a cash perspective.

Chart 7: Debt over 90 days as a % of total O/S Debt: Jun 2024 - Mar 2025

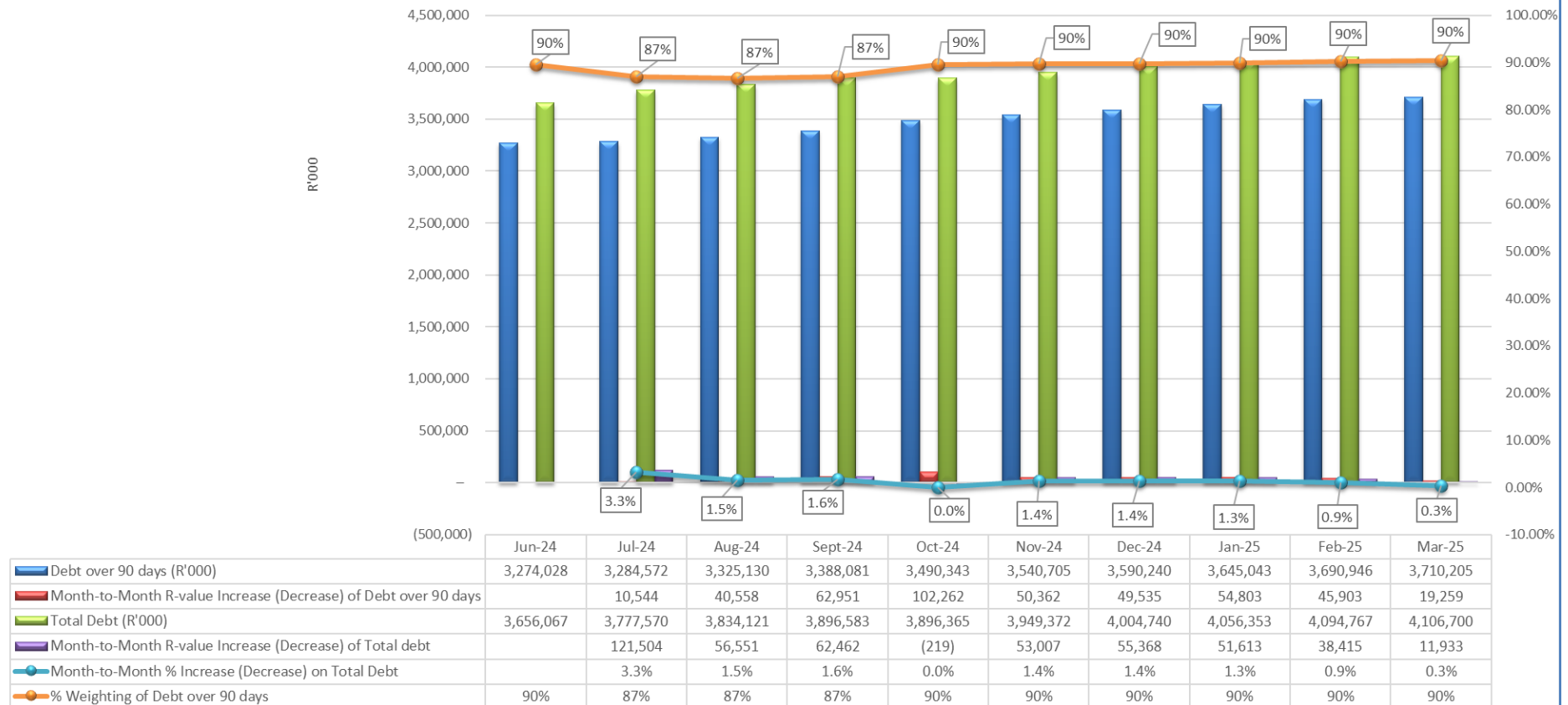


Chart 7: Debt over 90 days as a percentage of Total O/S Debt

- There is an error on the C-schedules, supporting schedule SC3 – Aged Debtors for the audited outcome for 2023/24. This error affected Chart C3 Aged Consumer Debtors Analysis. The problem has been resolved by our financial system provider (BCX). However, the totals are for February 2024, this will have to confirmed with NT, if it is for the same period of the prior year or the audited outcomes that are required. The error on Chart C4 Consumer Debtors (total by Debtor Customer Category) must be communicated to NT as the 2023/24 audited actuals is not aligned to the AFS and is based on an erroneous formula which the municipality is strictly prohibited from fixing manually. The C-schedule for this reason, is completely password protected. The corrected charts are indicated below.

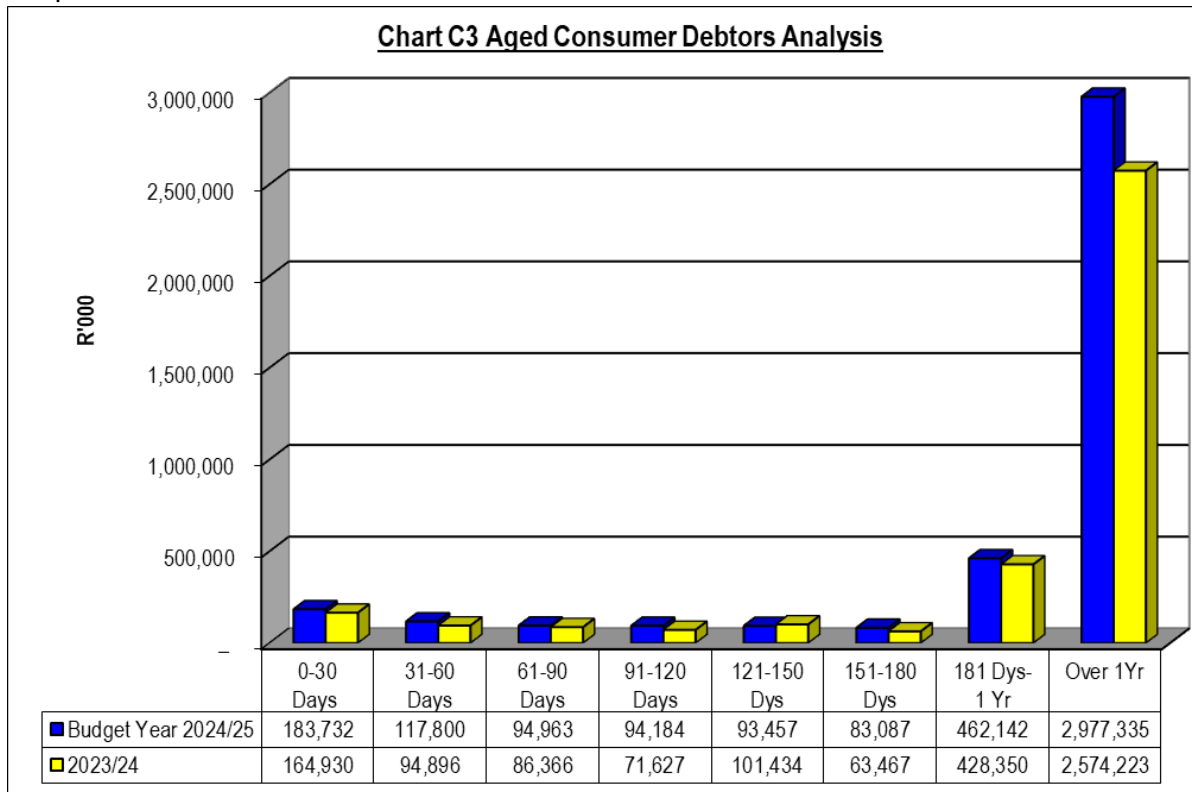


Chart 8: Aged Consumer Debtor Analysis

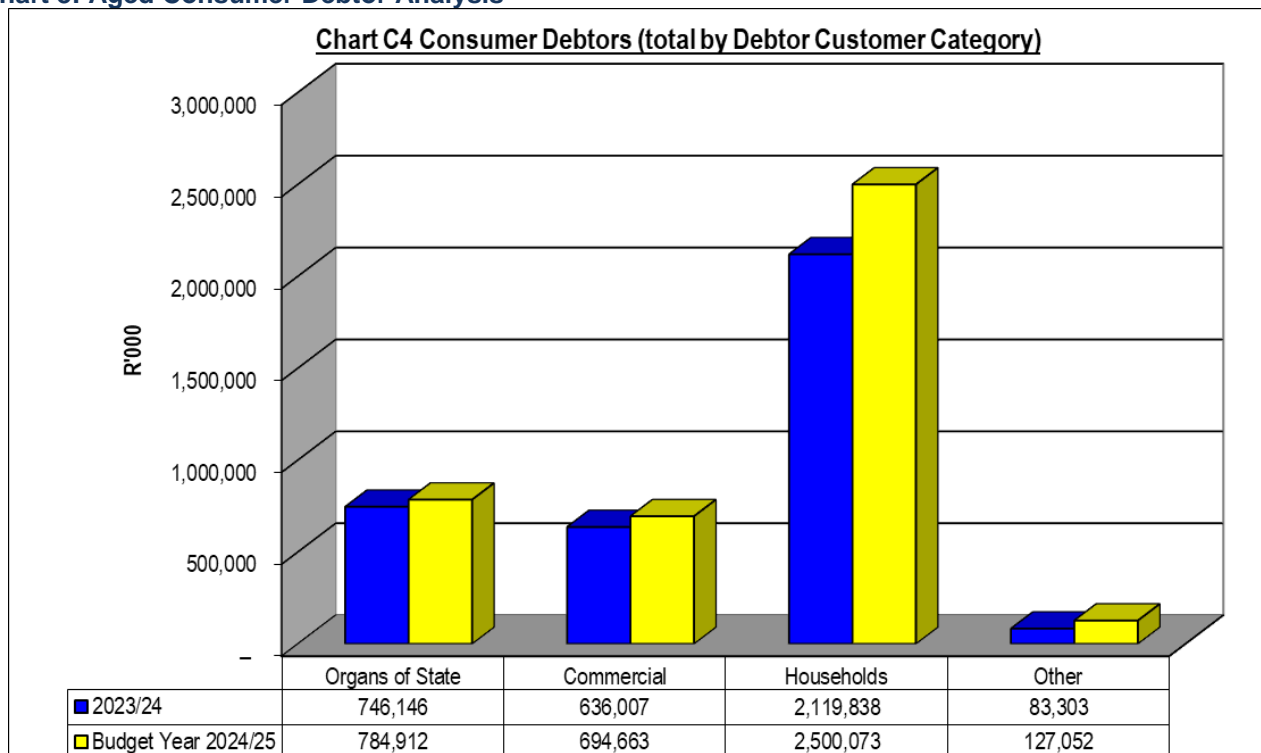


Chart 9: Consumer Debtors (total by Debtor Customer Category)

During the Mid-year Budget Assessment for the 2021/22 financial year and indicated below are the Revenue enhancement strategies that can be implemented to ensure the completeness of Revenue, improve the collection rate, enhance customer relations and reduce losses

- Disconnection of consumers to be applied consistently and fairly in line with the Credit Control Policy
- Engagements with provincial government to collect outstanding debt.
- Data cleansing of the entire debtor's book
- Data cleansing to positively influence the reachability of consumers and assist tremendously in the electronic distribution of municipal accounts via short messaging services (sms) and electronic mail (e-mail).
- Improve in the accuracy of monthly billing.
- Ensure meters are read consistently and timeously.
- Significantly reduce interim readings and ultimately eliminate interim readings.
- Reduce material billing errors by thoroughly interrogating billing exception reports prior to final billing run.
- Enhance customer relations and consumer satisfaction by improving on the turnaround time when dealing with billing queries.
- Introduce electronic complaints management system/register for account queries.
- Ensure faulty and bypassed electricity meters are replaced.
- Ensure that stuck, leaking, faulty or damaged water meters are replaced.
- Do regular follow-ups on meter replacements.
- Accurately update the system with latest information.
- Reduce the turnaround time for installation of replacement or new meters.
- Ensure improved synergy and improved communication between internal department like Town Planning, Infrastructure, GIS and Billing.
- Interrogate billing and prepaid electricity reports on a monthly basis and take immediate remedial action to address anomalies or discrepancies.
- Ensure that all billable properties are billed for Property rates and services.
- Ensure that customers are billed at the correct approved tariff by linking each customer to the correct tariff code loaded on the system.
- Reduce Electricity and Water losses.
- Finalise the Riverton reclamation dam to reduce water losses at the Plant by at least 6%.
- Introduce automated metering for bulk consumers.
- Electricity Cost of Supply Study was finalized.
- Ensure qualifying indigents are registered on the system, immediately upon verification.
- Improve on indigent management in terms of consumption and ensure prepaid electricity meters are installed immediately for all approved indigents.
- Improve on service delivery and personnel performance, to enhance customer's willingness to pay.
- Reduce or curb unnecessary expenditure by diligently applying cost containment measures.
- Prioritisation of spending.
- Improve on routine maintenance on particularly revenue generating assets.
- Spend funds effectively with good value for money.

Revised collection rate

As per Table 9 below, when taking into consideration what was billed in February 2025 and received in March 2025, the monthly collection rate is 92%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 89%. It should be noted that receipts are aligned to the billing cycle which is normally from the 26th of the prior month to the 25th of the current month. The monthly collection rate is satisfactory for the month under review. Unallocated receipts amounted to R4,952 million and will be allocated during April 2025. Indicated in Table 10 below is the revised average collection rate of 75.9%, for Property rates and Service charges only. The lower collection rate is not an ideal situation and is having a dire impact on the cash flow of the municipality. The current status quo cannot continue, and drastic action will have to be taken to address this critical issue. The collection target as per the Municipal Debt Relief is 85%.

When considering the average collection rate, various factors are taken into account, like the receipts on Prepaid Electricity, unallocated credits, etc. The YTD billing on Property Rates and Service Charges are obtained from the general ledger. Billing on Other is obtained from the BS902 report (Debits Raised Versus Payments). The BS566 report (Payments per Service per Day/Period) includes all monies received from 1 February to 31 March 2025. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, have until the end of September 2024 to settle their outstanding accounts.

Monthly Collection Rate	Debits (Billed February 2025)	Credits (Received March 2025)	% Collected
PROPERTY RATES	50,519,125	56,900,831	113%
ELECTRICITY	50,272,851	51,615,776	103%
WATER	34,267,254	21,939,465	64%
SEWERAGE	10,196,152	6,007,697	59%
REFUSE	8,116,577	4,466,791	55%
PROPERTY RATES & SERVICES	153,371,959	140,930,559	92%
OTHER	28,359,807	20,773,733	73%
TOTAL	181,731,766	161,704,293	89%

Table 9: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL MARCH 2025	YTD RECEIPTS	Rate
PROPERTY RATES	R 560,844,197	R 355,234,233	63.3%
SERVICE CHARGE ELECTRICITY	R 452,384,350	R 440,826,594	97.4%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 261,511,920	R 261,511,920	100.0%
SERVICE CHARGE WATER	R 252,669,085	R 136,398,168	54.0%
SERVICE CHARGE SANITATION	R 85,127,461	R 39,561,610	46.5%
SERVICE CHARGE REFUSE	R 63,914,613	R 34,164,644	53.5%
UNALLOCATED CREDITS		R 4,952,194	
REVISED AVERAGE COLLECTION RATE - MARCH 2025	R 1,676,451,625	R 1,272,649,363	75.9%

Table 10: Revised Average collection rate

Chart 10: Comparative trend: Monthly and Revised average collection rate - Jun 2024 to March 2025

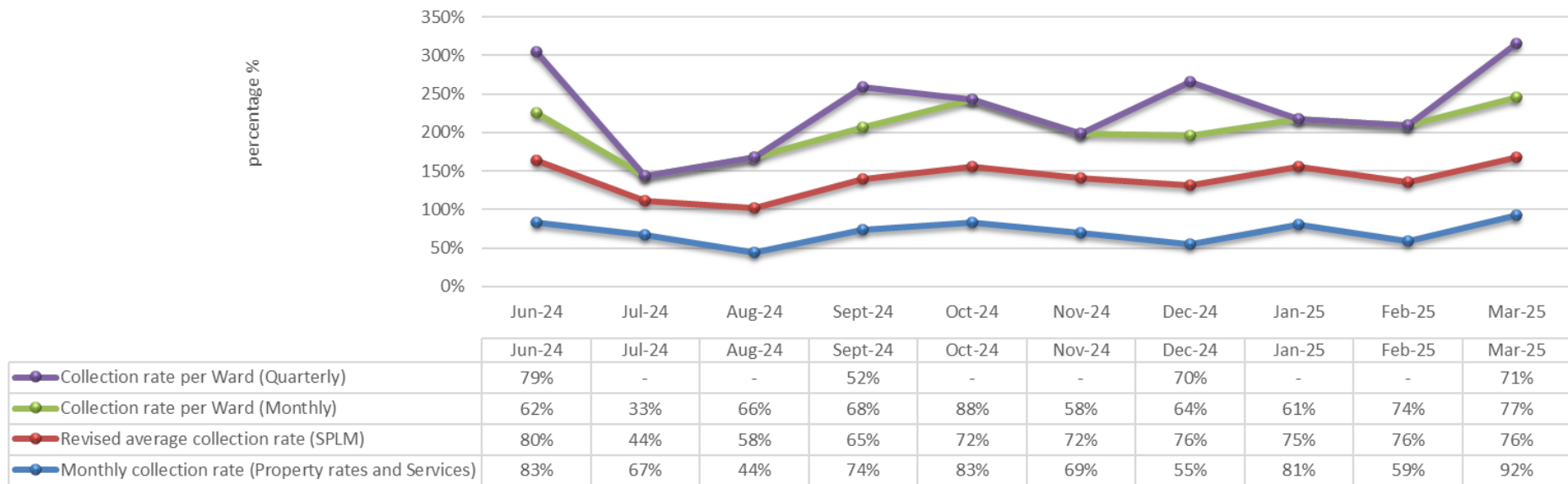


Chart 10: Comparative trend: Monthly and Revised average collection rate

Indicated in Chart 10 above, is the comparative trend between the monthly and average collection rate from June 2024 to March 2025. The monthly collection rate (Property rates & Services) for January 2025 is not satisfactory at 92%. The revised average collection for March 2025, improved slightly for the month under review. The situation is exacerbated by the receipts on annual billing that is not materializing. It should be noted that the monthly collection rate takes into account what was billed in the previous month and received in the current month. The receipts are also based on the billing cycle, which will normally be from 26th of the previous month to 25th of the current month. The monthly collection rate also excludes Prepaid electricity sales and Other billing. It should be noted the collection rate is based on the receipts versus billing for Property Rates and Service charges only. The lower collection levels are not ideal because on a monthly basis, the municipality is not receiving enough cash to cover its short-term commitments. For the municipal debt relief, the municipality is also expected to report on the collection rate per ward which includes receipts from Property Rates, Services and Interest, but excludes Prepaid Electricity sales. The monthly collection rate per ward was 77% for the month under review, whilst the average quarterly collection rate is 71% for January to March 2025. Drastic action will have to be taken by the municipality, in implementing its own Credit Control Policy. It should be noted that an amount of R4,952 million was unallocated at month-end.

During the 2023/24 MTREF Benchmark engagement, NT advised that the municipality, “must make an effort to collect long outstanding debtors and strive to push collection rate beyond 89% so that we are able to make a surplus on the cash flow which will enable the municipality to cover all the proposed expenditures including bulk purchases for Eskom and Water Board. As things stand, if you look at the cash flow, it shows that the municipality will collect less revenue than the proposed expenditure, however, the budget on A8 remains funded because of huge outstanding debtors that the municipality is still anticipating to collect, hence our plea for the municipality to collect those long outstanding debtors not written off.”

Chart 11.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity from Jun 2024 to Mar 2025

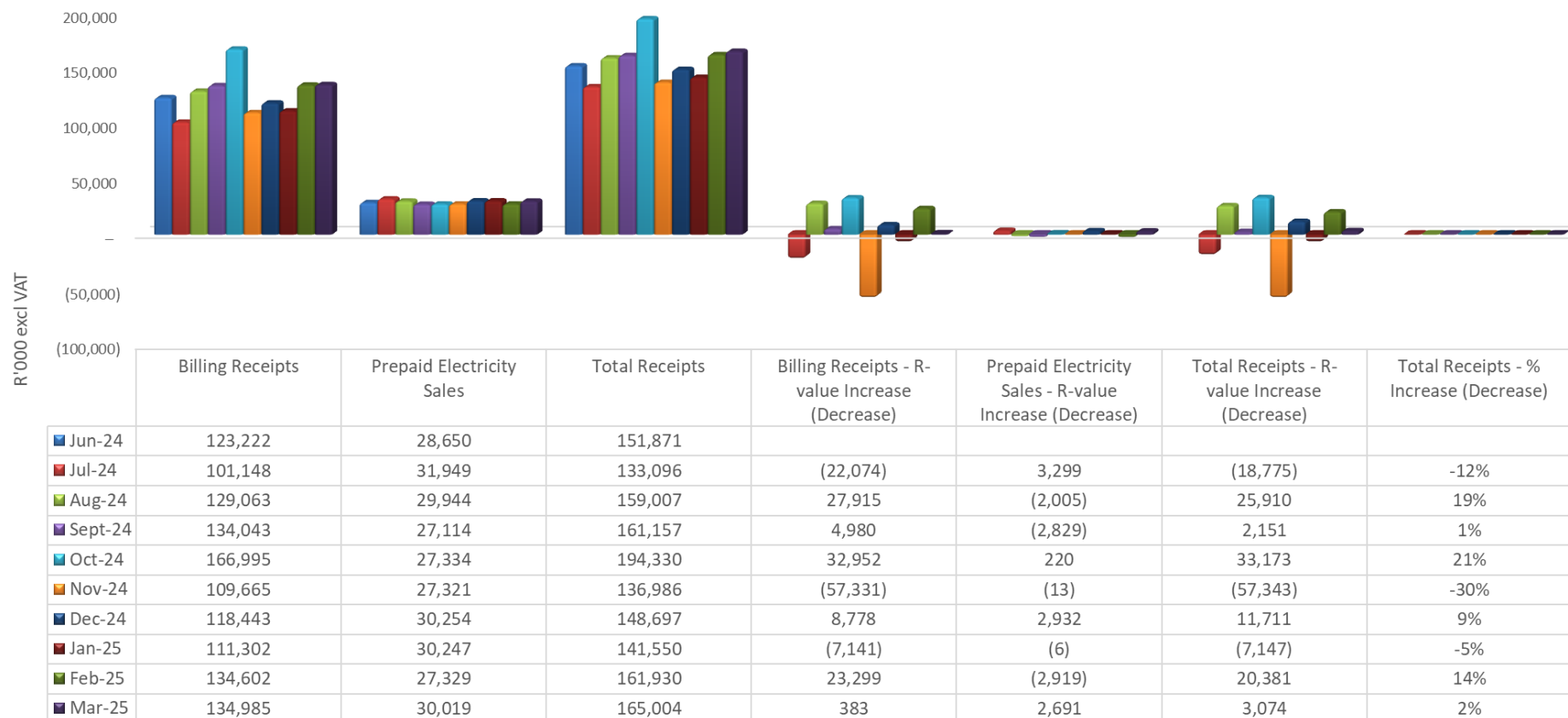


Chart 11.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity

As indicated in Chart 11.1 above, the Total Receipts for March amounted to R165,004 million which resulted in an increase of R3,074 million or 2% in respect of the month-to-month comparison. Billing receipts increased by R383 thousand, whilst Prepaid Electricity Sales increased by R2,691 million. The deteriorating situation for the past few months/years does not bode well for the municipality's cash flow because on a monthly basis the municipality does not collect sufficient cash to cover its monthly commitments. Unallocated billing receipts at month end amounted to R4,952 million. Unallocated receipts are not factored into the actual receipts as per the chart above. All unallocated receipts are investigated, and assistance is sourced from the bank, when the municipality is unable to trace receipts so that it can be allocated accurately.

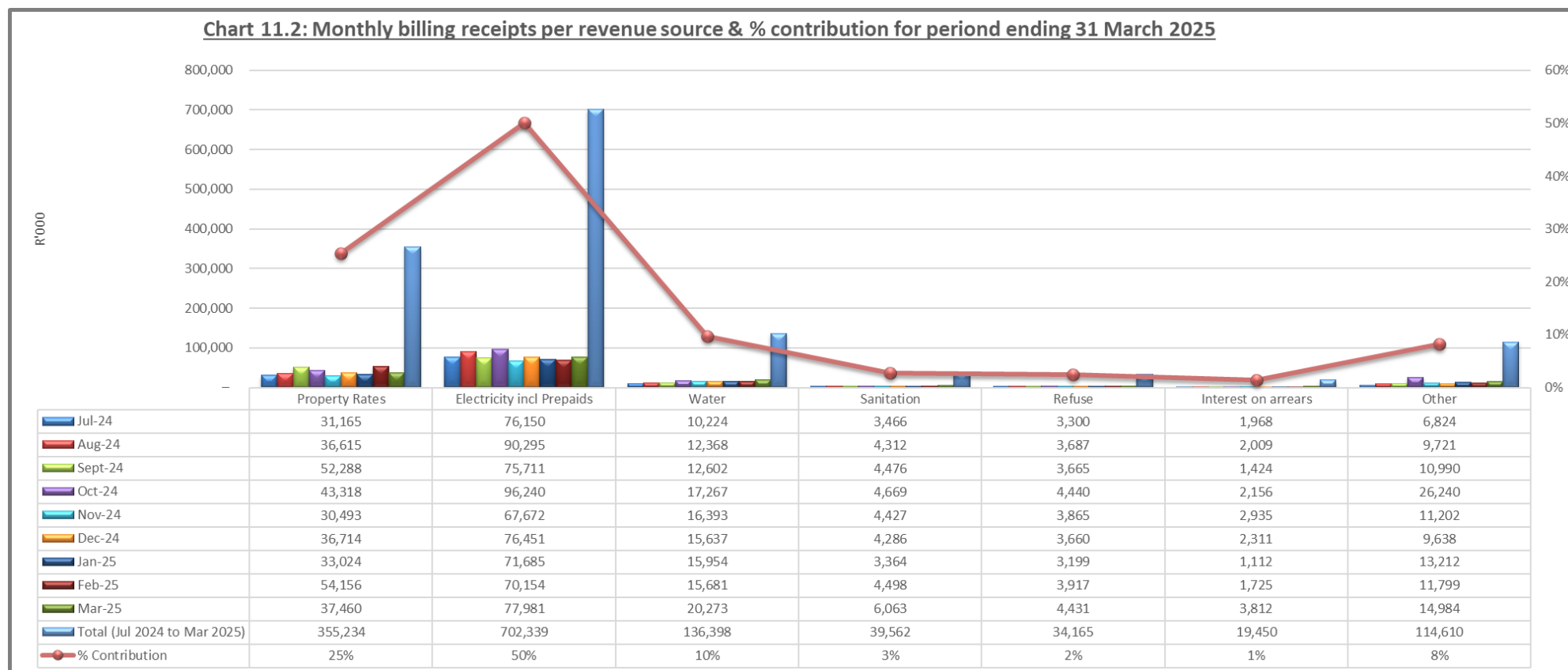


Chart 11.2: Monthly billing receipts per revenue source and % contribution

Indicated in Chart 11.2 above, is the month-to-month receipts per Revenue source and percentage contribution of receipts per revenue source as at 31 March 2025. Receipts are relatively constant based on the month-to-month comparison. The actual cash collected remains a serious concern and positive results can be achieved, provided that the Credit Control and Debt Collection Policy is strictly, consistently, and fairly applied. Data from the above chart, indicates that Electricity incl Prepays at R702,339 million (50%) is the highest contributor, followed by Property rates at R355,234 million (25%) being received. This illustrates the sensitivity and vulnerability in respect of electricity sales that the municipality is facing. Any major reductions in this revenue source can severely affect the municipality's financial position and this was clearly demonstrated when the municipality had to abolish the implementation of the basic charge in 2018/19 financial year. Measures should be implemented to ensure that receipts from annual Property rates billing materialises. Receipts from Water constitutes 10% and Other 8% overall.

Receipts from Sanitation and Refuse is extremely low and on average the municipality collects approximately 50% from these revenue sources. The lowest contributor in respect of actual receipts, has always been Interest on arrears. This demonstrates the fact that the municipality is facing challenges in collecting long outstanding debt. It should be noted that in terms of the approved Customer Care, Credit Control and Debt Collection Policy, it outlines that "the municipality shall implement an incentive for settlement of arrears accounts as illustrated below:

- a) 100 % of all interest charges and penalties not yet paid and still reflecting on the consumer's most recent account January be written off if such account is settled in full prior to the next billing run of such account.
- b) 85 % of all interest charges and penalties not yet paid and still reflecting on the consumer's most recent account January be written off if such account is settled in full over a period of two consecutive months.
- c) 50 % of all interest charges and penalties not yet paid and still reflecting on the consumer's most recent account will be written off if such account is settled in full over a period of three consecutive months."

The above incentives then negatively influence the collectability of this revenue source, but positively influences the collection of other services.

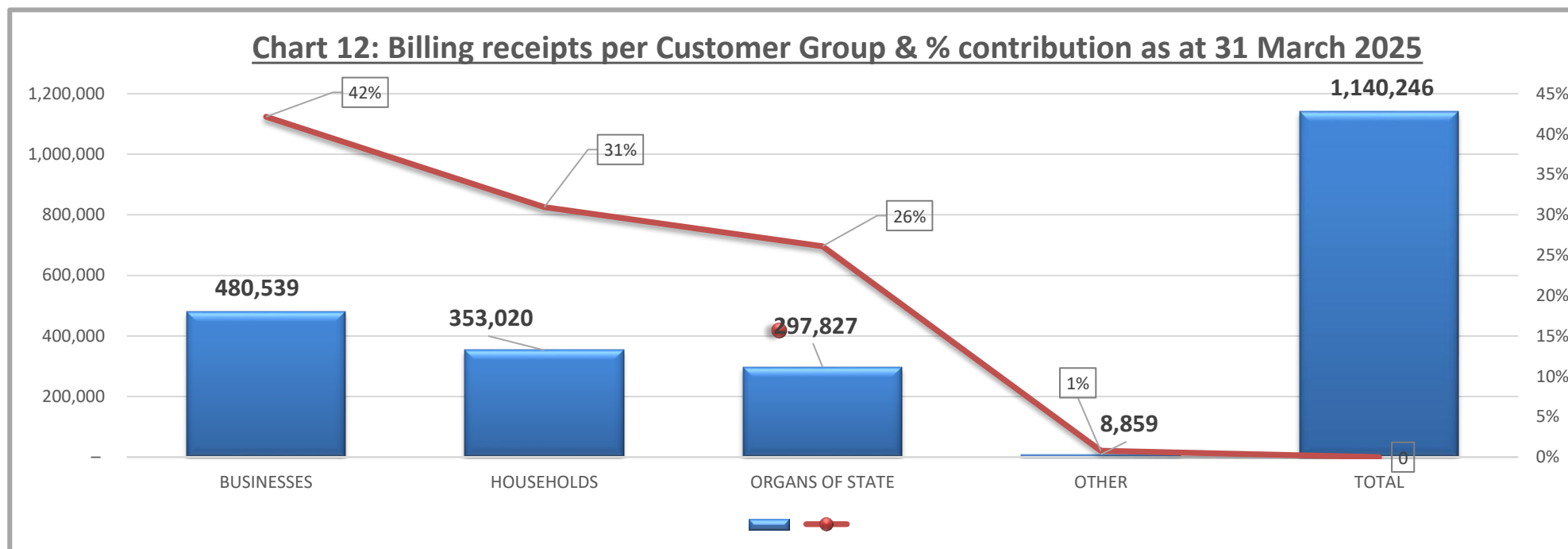


Chart 12: Billing receipts per Customer Group

Indicated in Chart 12 above, is the billing receipts and percentage contribution per major Customer group as at 31 March 2025. The municipality received R480,539 million (42%) from Businesses, Households R353,020 million (31%), Organs of State R297,827 million (26%) and Other R8,859 million (1%).

7. Creditors' Analysis

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Description	NT Code	Budget Year 2024/25									Prior year
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	totals for chart (same period)
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	72,107	–	1,879	1,730	44,974	2,766	57,624	858,455	1,039,534	974,148
Bulk Water	0200	16,769	–	20,396	15,681	17,504	17,504	–	37,558	125,412	133,378
PAYE deductions	0300	11,121	–	–	–	–	–	–	–	11,121	11,555
VAT (output less input)	0400									–	
Pensions / Retirement deductions	0500	8,362	–	–	–	–	–	–	–	8,362	8,366
Loan repay ments	0600									–	
Trade Creditors	0700	15,276	2,451	80	15	–	–	–	145	17,967	15,058
Auditor General	0800	253		–	–	–	–	–	–	253	100
Other	0900	13,811	363	151	11		625	–	10,699	25,660	35,767
Medical Aid deductions		8,473	–	–	–	–	–	–	–	8,473	
Total By Customer Type	1000	146,174	2,814	22,505	17,437	62,478	20,895	57,624	906,858	1,236,784	1,178,372

Table 11.1: Supporting Table SC4: Aged Creditors

Part 5: Creditor Age Analysis											
Rand	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total		
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
Creditor Age Analysis											
Bulk Electricity	72,107,024	6.9%	-	-	1,878,530	2%	965,548,943	92.9%	1,039,534,497	84.1%	
Bulk Water	16,769,311	13.4%	-	-	20,395,986	16.3%	88,247,158	70.4%	125,412,455	10.1%	
PAYE deductions	11,121,143	100.0%	-	-	-	-	-	-	11,121,143	9%	
VAT (output less input)	-	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	8,362,475	100.0%	-	-	-	-	-	-	8,362,475	7%	
Loan repayments	-	-	-	-	-	-	-	-	-	-	
Trade Creditors	15,276,417	85.0%	2,450,655	13.6%	79,984	4%	159,931	9%	17,966,987	1.5%	
Auditor-General	253,475	100.0%	-	-	-	-	-	-	253,475	-	
Other	13,112,742	51.1%	1,061,642	4.1%	150,513	6%	11,335,602	44.2%	25,660,499	2.1%	
Medical Aid deductions	8,472,649	100.0%	-	-	-	-	-	-	8,472,649	7%	
Total	145,475,236	11.8%	3,512,297	.3%	22,505,013	1.8%	1,065,291,634	86.1%	1,236,784,180	100.0%	

Table 11.2: Part 5: Creditors Age Analysis

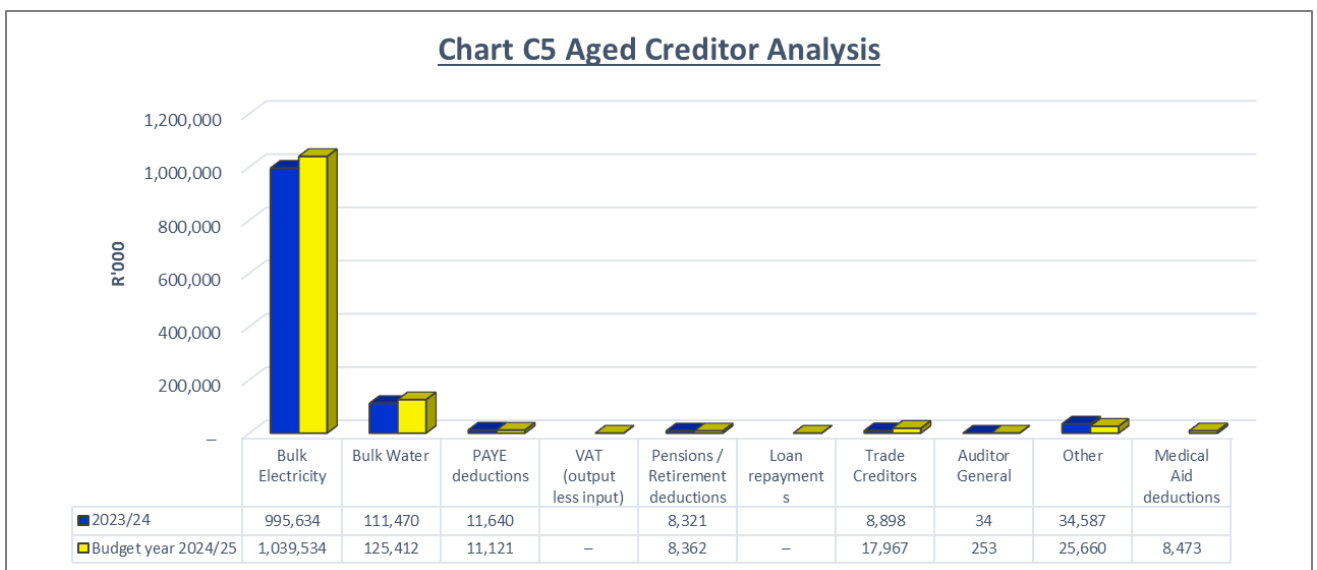


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2023/24 in Table 11.1 and Chart 13 is based on the outstanding creditors as at 31 March 2025 (prior year totals for the same period). Articulated in Table 11.2 above, is the age creditors analysis, which is standing at R1,236,784 billion owed to creditors. The analysis shows that 11.8% of creditors is owed between 0 to 30 days, whilst 86.1% of creditors is owed over 90 days. Bulk Electricity is the largest creditor at 84.1%.

Bulk Electricity – As at the 31 March 2025, the outstanding debt owed to ESKOM amounted to R1,039,534 billion.

Bulk Water – As at the 31 March 2025, the outstanding debt owed to DWS amounted R125,412 million. A payment agreement with DWS for the 2022/23 financial year was concluded for a period of 24 months as the municipality is participating in the Incentive scheme that the Department

provided to municipalities. All invoices for 2022/23 and 2023/24 financial year were settled in full. The total outstanding debt must be concurred with the Department.

PAYE and Pension statutory deductions are paid over monthly to the relevant institutions on or before 7 April 2025.

VAT – after the monthly VAT reconciliation, we claimed an amount of R3,852 million from SARS.

Trade creditors are all suppliers registered on the municipality's database, and it is a prerequisite for these suppliers to be registered on the Central Supplier Database (CSD).

Auditor General – the current account due to the AGSA is R253 thousand.

Other creditors – includes Sundry creditors which were unpaid as at 31 March 2025.

Medical Aid deductions – medical aid contributions were settled on 31 March 2025 and is therefore not disclosed as an outstanding creditor for the month under review.

8. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 31 March 2025, the value of total investments made was R280,409 million. Partially or prematurely withdrawn investments amounted to R56,010 million. The investment top-up was zero R162,752 million for the month under review. The current status quo does not bode well for the municipality and we are running into major trouble in terms of meeting commitments to pay salaries, Eskom, DWS and even other creditors. The disclosure of interest has to be discussed with NT so that the municipality can align interest received to the data strings, whilst NT must provide guidance of the YTD accrued interest that are not yet reflected in the books. This exercise is normally performed during year-end procedures. Please note that the investments are committed and/or held for the following reasons:

Purpose	R'000
• A fixed deposit that was invested and ceded to Development Bank of South Africa representing the equivalent of one instalment of the long-term loan.	21,687
• A fixed deposit that was made as a security to the Self-Insurance Workman Compensation reserve as required by the Department of Labour - Compensation Commissioner.	7,401
• Unspent Capital grant receipts that was invested for the current year.	209,369
• Own funds invested - Ring-fenced Eskom income / If amount is NEGATIVE, it means that there is Grant funds in the main account	41,952
Total	280,409

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 March

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commissio n Paid (Rands)	Commissio n Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Standard Bank 048466271-089		6 months	Call a/c	No	Variable	6.9	0			-	-	-	-	-
Standard Bank 04 846 6271- 090		48 hours	Notice	No	Fixed	8.85%	0	n/a		-	-	-	-	-
Standard Bank - 04 846 6271-092		6 months	Notice	No	Fixed	892.00%	0	n/a		138,569	1,016	(56,016)	162,752	246,321
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	9.71%	0		2023/06/28	7,401	51	(51)	-	7,401
Standard Bank - 04 846 6271-091		Monthly	Notice	No	Fixed	890.00%	0	n/a	2024/06/30	5,000	35	(35)	-	5,000
Standard Bank 048466271-088		12 months	Notice	No	Fixed	970.00%	0		2024/11/10	-	-	-	-	-
Standard Bank - 048466271-093		12 months	Fixed	No	Fixed	887.00%	0		2025/11/10	21,529	158	-	-	21,687
Municipality sub-total										172,499	1,259	(56,101)	162,752	280,409

Table 12: Supporting Table SC5: Investment portfolio

Chart 14: Call investment deposits incl interest for the period ending 31 March
2025

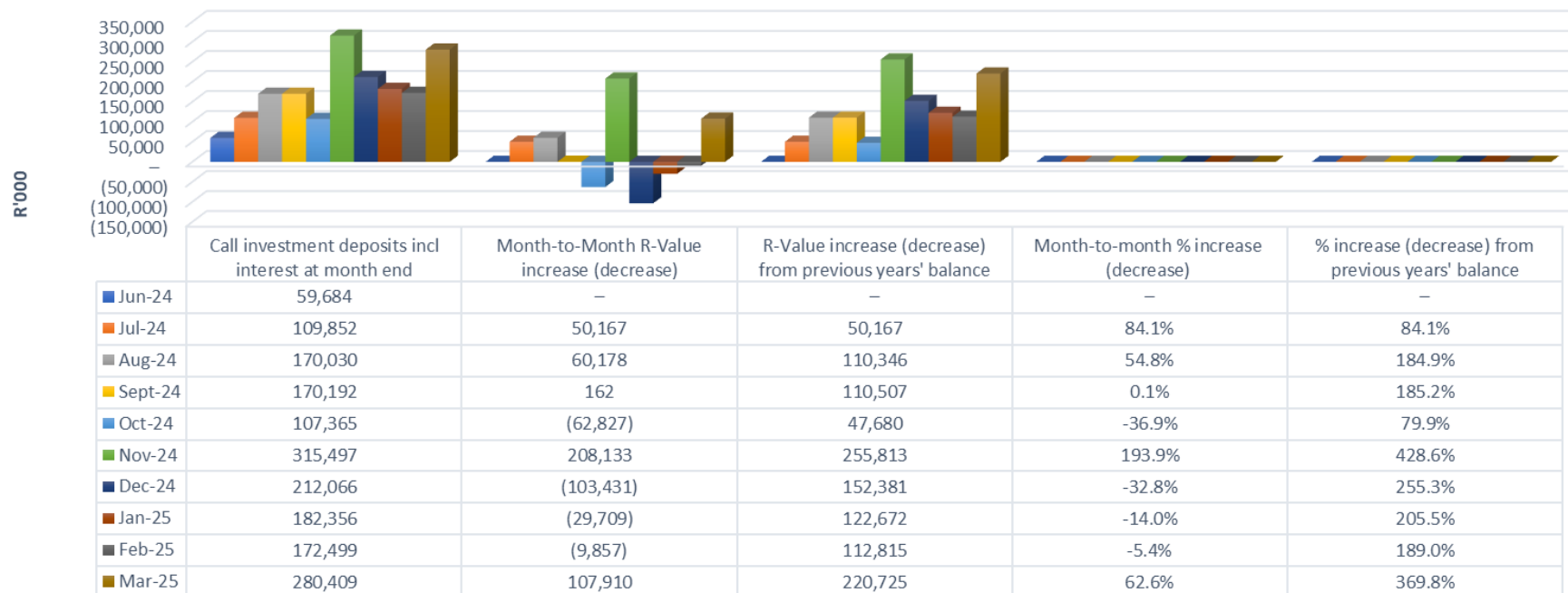


Chart 14: Call investment deposits at month-end

As indicated in the Chart 5 above from January 2025 to March 2025 investments incl interest increased by R107,910 million or 62.6%, in respect of the month-to-month comparison. Investments increased by R220,725 million or 369,8% when compared to the previous years' balance of R59,684 million. The significant increase relates to RBIG and IUDG funds that were received and immediately invested. Various commitments must be met monthly including Salaries, Bulk Electricity, Bulk Water in the billing period and capital expenditure. The majority of staff receive their annual bonuses in December of each year. Bi-annual long-term loan repayments, in December and June of each year. The non-charging of the basic charge for the 2018/19, 2023/24 and 2024/25 financial year for domestic consumers also had a negative impact on the income from Sale of Electricity and thus negatively affecting the municipality's cash flow. The movement on investments should be monitored going forward and a concerted effort should be done to collect current and long outstanding debt. Capital and Operational expenditure overall, also needs to be reviewed and prioritised.

9. Allocation and grant receipts and expenditure

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M09 March

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		271,713	290,671	293,430	71,954	285,749	219,107	66,642	30.4%	293,430
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Equitable Share		263,135	282,104	282,104	70,526	278,134	211,578	66,556	31.5%	282,104
Expanded Public Works Programme Integrated Grant		3,102	2,267	2,267	–	2,267	1,700	567	33.3%	2,267
Infrastructure Skills Development Grant		3,776	4,500	4,500	332	3,340	3,375	(35)	-1.0%	4,500
Integrated Urban Development Grant		–	–	2,759	–	–	1,104	(1,104)	-100.0%	2,759
Local Government Financial Management Grant	3	1,700	1,800	1,800	1,096	2,008	1,350	658	48.8%	1,800
Municipal Disaster Relief Grant		–	–	–	–	–	–	–		–
Municipal Infrastructure Grant		–	–	–	–	–	–	–		–
Municipal Systems Improvement Grant		–	–	–	–	–	–	–		–
Other transfers and grants [insert description]										
Provincial Government:		14,787	8,600	18,100	1,164	1,761	10,250	(8,489)	-82.8%	18,100
Capacity Building and Other Grants		8,979	8,600	8,600	234	831	6,450	(5,619)	-87.1%	8,600
Infrastructure Grant		5,808	–	9,500	930	930	3,800	(2,870)	-75.5%	9,500
Other transfers and grants [insert description]										
District Municipality:		–	–	–	–	–	–	–		–
[insert description]										
Other grant providers:		215,206	–	–	–	–	–	–		–
ESKOM		210,375	–	–	–	–	–	–		–
European Union		–	–	–	–	–	–	–		–
Higher Education SA (HESA)		–	–	–	–	–	–	–		–
Unspecified		4,831	–	–	–	–	–	–		–
Total Operating Transfers and Grants	5	501,707	299,271	311,530	73,118	287,510	229,357	58,153	25.4%	311,530
Capital Transfers and Grants										
National Government:		133,753	572,229	570,097	56,904	371,100	428,319	(57,219)	-13.4%	570,097
Energy Efficiency and Demand Side Management Grant		6,000	5,000	5,000	26	4,245	3,750	495	13.2%	5,000
Integrated National Electrification Programme Grant		24,358	–	–	–	–	–	–		–
Integrated Urban Development Grant		63,395	75,229	73,097	–	38,312	55,569	(17,257)	-31.1%	73,097
Municipal Infrastructure Grant		–	–	–	–	–	–	–		–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–		–
Regional Bulk Infrastructure Grant		40,000	492,000	492,000	56,878	328,543	369,000	(40,457)	-11.0%	492,000
Water Services Infrastructure Grant		–	–	–	–	–	–	–		–
Provincial Government:		–	–	–	–	–	–	–		–
Infrastructure Grant		–	–	–	–	–	–	–		–
District Municipality:		6,437	–	–	–	–	–	–		–
Specify (Add grant description)		6,437	–	–	–	–	–	–		–
Other grant providers:		18,850	–	–	–	–	–	–		–
[insert description]										
European Union		18,850	–	–	–	–	–	–		–
Total Capital Transfers and Grants	5	159,040	572,229	570,097	56,904	371,100	428,319	(57,219)	-13.4%	570,097
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	660,747	871,500	881,627	130,022	658,609	657,676	934	0.1%	881,627

Operational and Capital Grants: Receipts

Table 13: Supporting Table SC6: Transfers and grant receipts

Operational grant monies received for the month under review.

Equitable Share – R70,526 million

Library Grant – R4,632 million

EPWP – R660 thousand

Capital grant monies received for the month under review.

IUDG – R30,092 million

RBIG – R132,000 million

There are some mapping errors pertaining to operational and capital grants, in respect of receipts. Capital grants specifically, is allocated to the Statement of Financial Position as receipts and is not mapped to the C-schedule. However, on a monthly basis journals are processed to recognize capital grant receipts in the Statement of Financial Performance, once all conditions of the grant have been met. The figure disclosed in the Statement of Financial Performance is mapped to supporting schedule SC6.

Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M09 March

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		237,196	229,671	274,430	11,237	198,357	190,157	8,199	4.3%	274,430
Equitable Share		228,294	221,104	263,104	10,765	190,999	182,628	8,371	4.6%	263,104
Expanded Public Works Programme Integrated Grant		3,426	2,267	2,267	48	2,370	1,700	669	39.4%	2,267
Infrastructure Skills Development Grant		3,776	4,500	4,500	283	2,904	3,375	(471)	-14.0%	4,500
Integrated Urban Development Grant		–	–	2,759	99	1,131	1,104	27	2.4%	2,759
Local Government Financial Management Grant		1,700	1,800	1,800	41	953	1,350	(397)	-29.4%	1,800
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		9,852	8,600	18,087	2,292	3,488	10,666	(7,178)	-67.3%	18,087
Capacity Building and Other Grants		7,625	8,600	8,587	100	728	6,441	(5,713)	-88.7%	8,587
Infrastructure Grant		2,227	–	9,500	2,192	2,761	4,225	(1,464)	-34.7%	9,500
District Municipality:		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
European Union		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		247,048	238,271	292,517	13,529	201,845	200,823	1,021	0.5%	292,517
Capital expenditure of Transfers and Grants										
National Government:		124,283	572,229	570,097	49,025	321,335	428,319	(106,984)	-25.0%	570,097
Energy Efficiency and Demand Side Management Grant		5,999	5,000	5,000	2	3,691	3,750	(59)	-1.6%	5,000
Integrated National Electrification Programme Grant		21,181	–	–	–	–	–	–	–	–
Integrated Urban Development Grant		57,349	75,229	73,097	(436)	31,955	55,569	(23,614)	-42.5%	73,097
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		39,754	492,000	492,000	49,459	285,690	369,000	(83,310)	-22.6%	492,000
Water Services Infrastructure Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
District Municipality:		6,000	–	–	–	–	–	–	–	–
Specify (Add grant description)		6,000	–	–	–	–	–	–	–	–
Other grant providers:		17,073	–	–	–	–	–	–	–	–
European Union		17,073	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		147,356	572,229	570,097	49,025	321,335	428,319	(106,984)	-25.0%	570,097
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		394,404	810,500	862,614	62,554	523,180	629,142	(105,962)	-16.8%	862,614

Table 14: Supporting Table SC7(1): Transfers and grant expenditure

The municipality is experiencing huge challenges in respect of funding for the EPWP which is not sufficient and this is putting strain on the municipality's finances. The total YTD expenditure is R20,550 million. For reporting purposes to NT and the Dept of Public Works, the municipality is only expected to report up until the allocation amount. The current years' gazetted unadjusted allocation for the EPWP is R2,927 million. In addition to this, the municipality budgeted R15,000 million for this programme.

Description (R'000)	Original Budget	Adjustment Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original	% Spent Adj Budget
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	75,229	73,097	(436)	31,955	7,714	42.5%	43.7%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	5,000	5,000	2	3,691	–	73.8%	73.8%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	492,000	492,000	49,459	285,690	–	58.1%	58.1%
Grand Total	572,229	570,097	49,025	321,335	7,714	56.2%	56.4%

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R321,335 million or 56.4% spent against the Adjusted capital grant allocation of R570,097 million. Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes and/or work still in progress. It remains concerning that YTD capital expenditure is so low. It should be noted that grant expenditure excludes VAT which will be recognized in the Statement of Financial performance, when all conditions of the grant have been met. Capex also excludes Commitments. Please refer to Section 4.3 in the Executive Summary which highlights some of the factors that negatively influences the delay in grant expenditure.

Rollover Grants: Expenditure

The rollover request for the 2023/24 financial year was submitted to National Treasury. The rollover request was not approved by National Treasury. Indicated below is an extract of the reasons for the rejection.

“Your request to roll over the unspent amount of R3.9 million into the 2023/24 financial year by your municipality is not approved in terms of 21(2) of the 2023 Division of Revenue Act, (Act No. 5 of 2023) (DoRA), as amended by the Division of Revenue Amendment Act, (Act No. 24 of 2023) (DoRAA). The rejection is with respect to the Infrastructure Skills Development Grant (ISDG) (R1.2 million) and the Integrated National Electrification Programme (Municipal) Grant (R2.7 million) (INEP).

The National Treasury in assessing your roll over request used the criteria set out in Circular No. 128 of the Municipal Finance Management Act, 2003 (Act No.56 of 2003) as a guide for the consideration of the roll over submission by your municipality.

The decision to reject your roll over request is based on the following reason:

- Non submission of supporting documents as outlined in Circular No.128, i.e. copies of appointment letters of service providers and/ or tender documents for both ISDG and INEP. “

Table 16: Supporting Table SC7(2) - Expenditure against approved rollovers

Table 16 is not required.

10. Councillor and board member allowances and employee benefits

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March

Summary of Employee and Councillor remuneration	Ref	2023/24	Budget Year 2024/25							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		–	–	–	–	–	–	–		–
Pension and UIF Contributions		1,065	–	1,055	73	767	422	345	82%	1,055
Medical Aid Contributions		536	–	623	52	473	249	224	90%	623
Motor Vehicle Allowance		–	–	–	–	–	–	–		–
Cellphone Allowance		2,997	3,055	3,055	255	2,290	2,291	(2)	0%	3,055
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		29,271	34,021	32,343	2,399	22,739	24,845	(2,106)	-8%	32,343
Sub Total - Councillors		33,869	37,077	37,077	2,778	26,268	27,807	(1,539)	-6%	37,077
% increase	4		9.5%	9.5%						9.5%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4,942	8,791	8,791	353	3,533	6,594	(3,061)	-46%	8,791
Pension and UIF Contributions		433	1,316	1,316	33	309	987	(678)	-69%	1,316
Medical Aid Contributions		192	117	117	16	139	88	51	58%	117
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		1,065	2,005	2,005	87	781	1,504	(723)	-48%	2,005
Cellphone Allowance		101	198	198	8	76	149	(73)	-49%	198
Housing Allowances		22	9	9	2	16	7	9	128%	9
Other benefits and allowances		–	–	–	–	–	–	–		–
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		14	15	15	1	11	11	(0)	-2%	15
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		6,769	12,452	12,452	500	4,865	9,339	(4,475)	-48%	12,452
% increase	4		84.0%	84.0%						84.0%
Other Municipal Staff										
Basic Salaries and Wages		460,448	509,499	505,871	39,088	347,562	379,897	(32,335)	-9%	505,871
Pension and UIF Contributions		83,850	96,851	96,851	7,049	63,252	72,639	(9,387)	-13%	96,851
Medical Aid Contributions		54,500	63,693	63,693	5,353	46,832	47,770	(937)	-2%	63,693
Overtime		90,602	53,982	54,982	6,362	50,232	40,887	9,345	23%	54,982
Performance Bonus		30,591	38,317	38,317	1,672	27,547	28,738	(1,191)	-4%	38,317
Motor Vehicle Allowance		43,767	51,151	51,332	3,456	31,427	38,436	(7,009)	-18%	51,332
Cellphone Allowance		1,631	1,551	1,631	127	1,207	1,196	12	1%	1,631
Housing Allowances		2,856	2,887	2,887	231	3,459	2,165	1,294	60%	2,887
Other benefits and allowances		38,029	26,598	30,770	2,740	24,216	22,395	1,821	8%	30,770
Payments in lieu of leave		7,128	20,000	20,000	103	4,331	15,000	(10,669)	-71%	20,000
Long service awards		30,958	29,981	29,981	2,555	23,182	22,486	696	3%	29,981
Post-retirement benefit obligations	2	43,162	43,900	43,900	212	5,342	32,925	(27,583)	-84%	43,900
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		887,522	938,410	940,215	68,948	628,589	704,533	(75,944)	-11%	940,215
% increase	4		5.7%	5.9%						5.9%
Total Parent Municipality		928,160	987,939	989,744	72,226	659,722	741,679	(81,958)	-11%	989,744
TOTAL SALARY, ALLOWANCES & BENEFITS		928,160	987,939	989,744	72,226	659,722	741,679	(81,958)	-11%	989,744
% increase	4		6.4%	6.6%						6.6%
TOTAL MANAGERS AND STAFF		894,291	950,863	952,667	69,448	633,453	713,872	(80,418)	-11%	952,667

Table 17: Supporting Table SC8: Councillor and staff benefits

As depicted in Table 17 above, Employee related costs is satisfactory and showing a variance of minus 11%. There is currently a moratorium on the filling of non-critical vacancies and on the sale of leave. Post-retirement benefit obligations will be finalized as part of year-end procedures. It should be noted that the disclosure under Performance bonus, is the annual bonuses or 13th cheques that is budgeted for and paid out to employees. This is not subject to any performance appraisal. Individuals do act on positions from time to time, but all such acting allowances forms part of the basic salary line item. Councillors' Remuneration is showing a satisfactory variance of minus 6% when compared to the YTD Budget. The gazette on the Determination of Upper limits of

salaries, allowances and benefits of different members of municipal councils was issued and implemented accordingly.

For reporting purposes on Overtime, the municipality is only concentrating on (Overtime Structured and Non-structured). However, as per NT mapping Night-shift allowance and Payments - Shift Add Remuneration is also mapped to Overtime. The Overtime controls are not effective and the desired outcome to remain within budget, was not achieved for 2023/24 financial year. The same trend is transpiring for the current year. Overtime can be monitored by implementing more stringent control measures. The municipality should also ensure that critical positions to compliment capacity on the ground is expedited and filled with qualified personnel. The moratorium placed on recruitment should ideally curb employee related expenditure going forward. The lack of capacity in certain departments, like Water services and the severe service delivery challenges is negatively impacting on the management of Overtime expenditure. Overtime hours were limited to 30 hours per month within most departments, but this control has since been revised to 40 hours, hopefully this will have a positive impact on the overall Overtime expenditure. The Overtime policy was developed and approved by Council. There are some challenges with the implementation, especially pertaining to time-off in lieu of Overtime remuneration.

And indicated in Table 21 below, is the YTD Overtime expenditure per line item and also per Directorate as at end of March 2025.

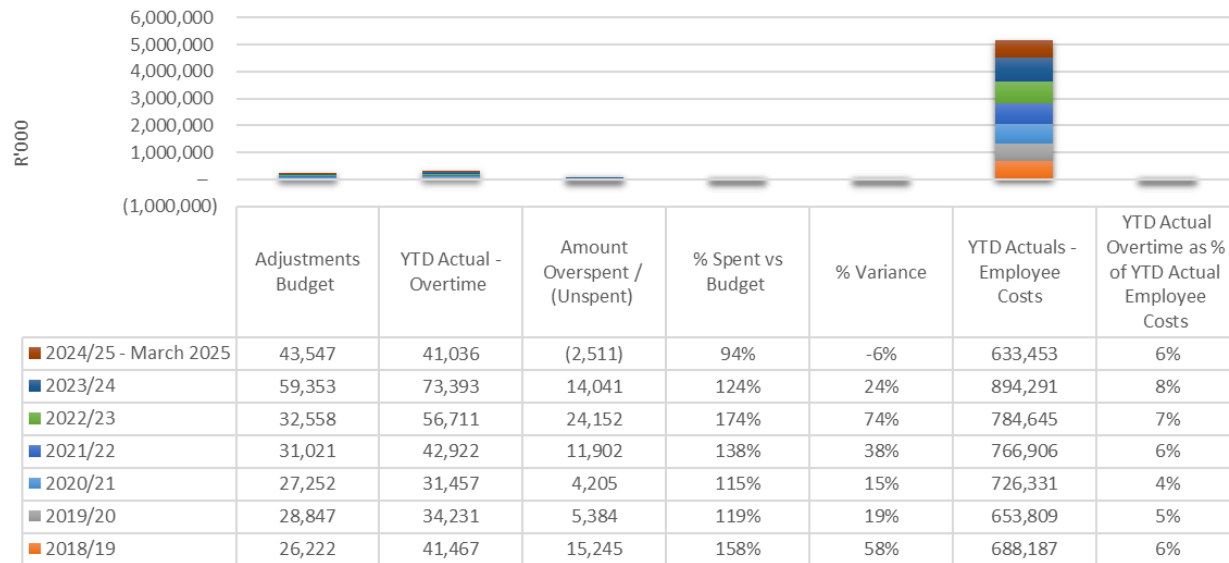
Description per line item (Amount in Rand)	Original Budget	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Spent of Adjustments Budget
MS: OVERTIME - NON STRUCTURED	33,762,000.00	34,362,000.00	4,783,775.80	38,006,122.88	113%	111%
MS: OVERTIME - STRUCTURED	8,785,180.00	9,185,180.00	493,757.91	3,030,168.39	34%	33%
Overtime as at 31 March 2025	42,547,180.00	43,547,180.00	5,277,533.71	41,036,291.27	96%	94%

Row Labels	Original Budget	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Spent of Adjustments Budget
20-EXECUTIVE AND COUNCIL	330,000.00	330,000.00	274,470.30	578,179.44	175%	175%
21-MUNICIPAL AND GENERAL	-	-	-	-		
22-MUNICIPAL MANAGER	-	-	4,020.24	10,233.35		
23-CORPORATE SERVICES	1,937,000.00	1,937,000.00	400,933.88	3,225,973.15	167%	167%
24-COMMUNITY SERVICES	17,190,180.00	17,190,180.00	1,556,423.37	13,236,015.43	77%	77%
26-FINANCIAL SERVICES	1,021,000.00	1,021,000.00	255,834.35	2,613,566.25	256%	256%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	877,000.00	877,000.00	87,460.83	1,018,624.46	116%	116%
28-INFRASTRUCTURE SERVICES	21,192,000.00	22,192,000.00	2,698,390.74	20,353,699.19	96%	92%
Grand Total	42,547,180.00	43,547,180.00	5,277,533.71	41,036,291.27	96%	94%

Table 18: Current YTD Overtime expenditure excl Night-shift allowance

Overtime was previously capped at 30 hours across most units within the municipality and this has been re-instated and curbed to 40 hours across all sections. The YTD Overtime expenditure is 94% spent versus the Adjustment budget, resulting in an unsatisfactory variance of 19.00% for the period under review, when compared to the ideal IYM percentage of 75.00%. This an early warning that the Overtime control implemented is probably not as effective and should be applied more stringently.

Chart 15.1: Overtime Actual vs Budget - 2017/18 to 2024/25



Indicated in Chart 15.1, is the actual Overtime versus Budget from 2018/19 to 2024/25 financial year, disclosing the percentage spent and the amount overspent/unspent per financial year. The chart also articulates the actual Overtime as a percentage of Total Employee costs for the same period.

Indicated in Chart 15.2 is the monthly and annual Overtime comparison from July 2018 to March 2025. There has been a substantial decrease in Overtime expenditure from 2018/19 to 2020/21. As reiterated, as a result of the lack in controls measures to curb Overtime, the YTD actual for 2023/24 financial year was R73,393 million. A 40-hour cap on Overtime has been instituted across all sections for 2024/25 financial year.

Chart 15.1: Overtime Actual vs Budget

Chart 15.2: Monthly and Annual Overtime Comparison - Jul 2018 to March 2025

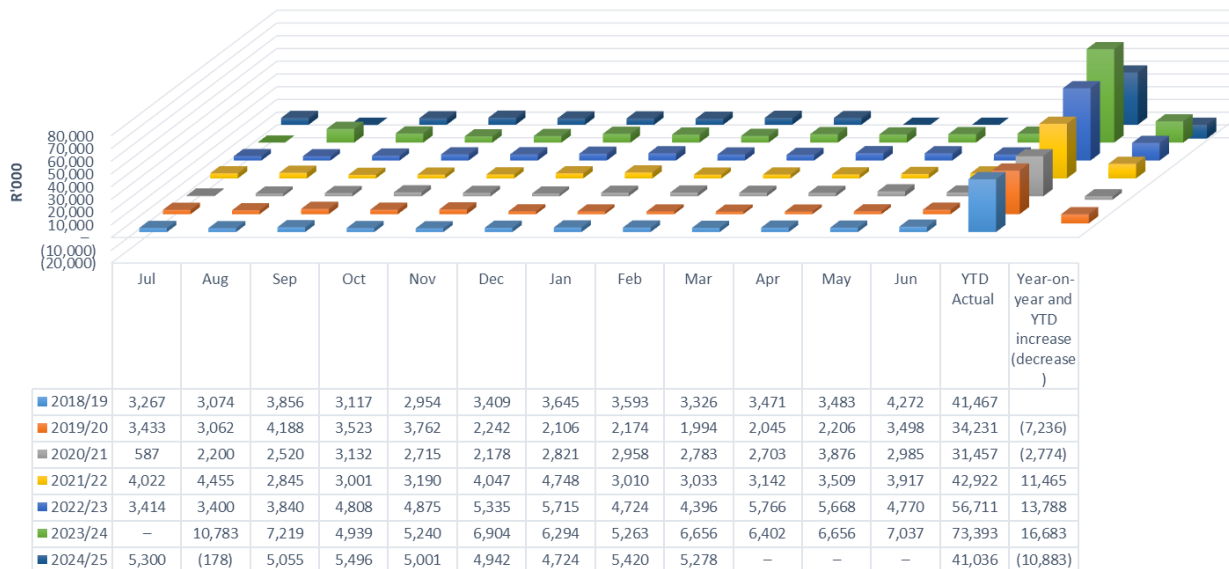


Chart 15.2: Monthly and Annual Overtime Comparison

The BTO office recommended the following precautionary measures.

- The monitoring of daily tasks/assignments. This means that work that can be done during normal working hours should be monitored closely. Ideally, put emphasis on performance and especially the quality of work done.
- Finding means to actually verify work performed, even if this means that for the first few questionable overtime work that managers/supervisors actually go out to the site, if possible.
- Using the vehicle tracking reports to ascertain the timespan at a particular site.
- Making sure that the hours claimed are legitimate and is actually consistent and correlates to the normal estimated time to complete a job of a similar nature.
- Request a detailed description of the nature of work done and insist on the exact site where work was performed being specified.
- Ensure that managers remain vigilant and question hours claimed and not just sign Overtime forms. We believe that this will make workers more aware that they cannot just claim hours like they did in the past.
- Stopping planned Overtime, unless it is to avoid major shutdowns or service interruptions.
- The adherence to the Overtime Policy stipulations, is imperative in order to address the issues on overtime.

Listed below are the challenges with regard to Overtime which was identified during the 2012/13 MTREF.

- Ensuring accountability across all directorates and ensuring that Executive directors, Line Managers and Supervisors take full responsibility.
- Identify and investigate possible abuse and alleged fraudulent allegations and taking disciplinary action, where applicable.
- Ensuring the compliance and adherence to applicable laws and regulations and internal policies.
- Approval of Overtime prior to it being incurred.
- Inability to manage overtime proactively.
- To remain within the budgeted Overtime.
- Curbing / Limiting / Curtailing expenditure on Overtime.
- Monitoring expenditure on Overtime.
- Utilizing the available workforce optimally.
- Unduly compromising or hampering service delivery, which basically means that work that could have been done during normal hours is deliberately delayed so that work can be finalized after hours.
- Implementing an alternative method of compensation.
- Addressing the immediate infrastructure maintenance requirements, specifically addressing preventative maintenance.
- Ensuring and enhancing the lifespan of Property, plant and equipment.
- Improve both the personal productivity of individual employees and the overall productivity of departments and the entire municipal system.
- Difficult to track departmental overtime on more than a monthly or even quarterly basis, by then it's too late to take meaningful action to minimize overtime costs.

11. Material variances to the service delivery and budget implementation plan

Material variances pertaining to financial performance are primarily addressed in the Executive summary under Sections 4.1 to 4.3 or emphasised elsewhere in this Monthly Budget Statement. Any other material variances to the SDBIP will be included in the quarterly Section 52 (d) report for the period ending 31 March 2025.

12. Capital programme performance

Please refer to notes on Capital Expenditure in the Executive Summary. Section 4.3.

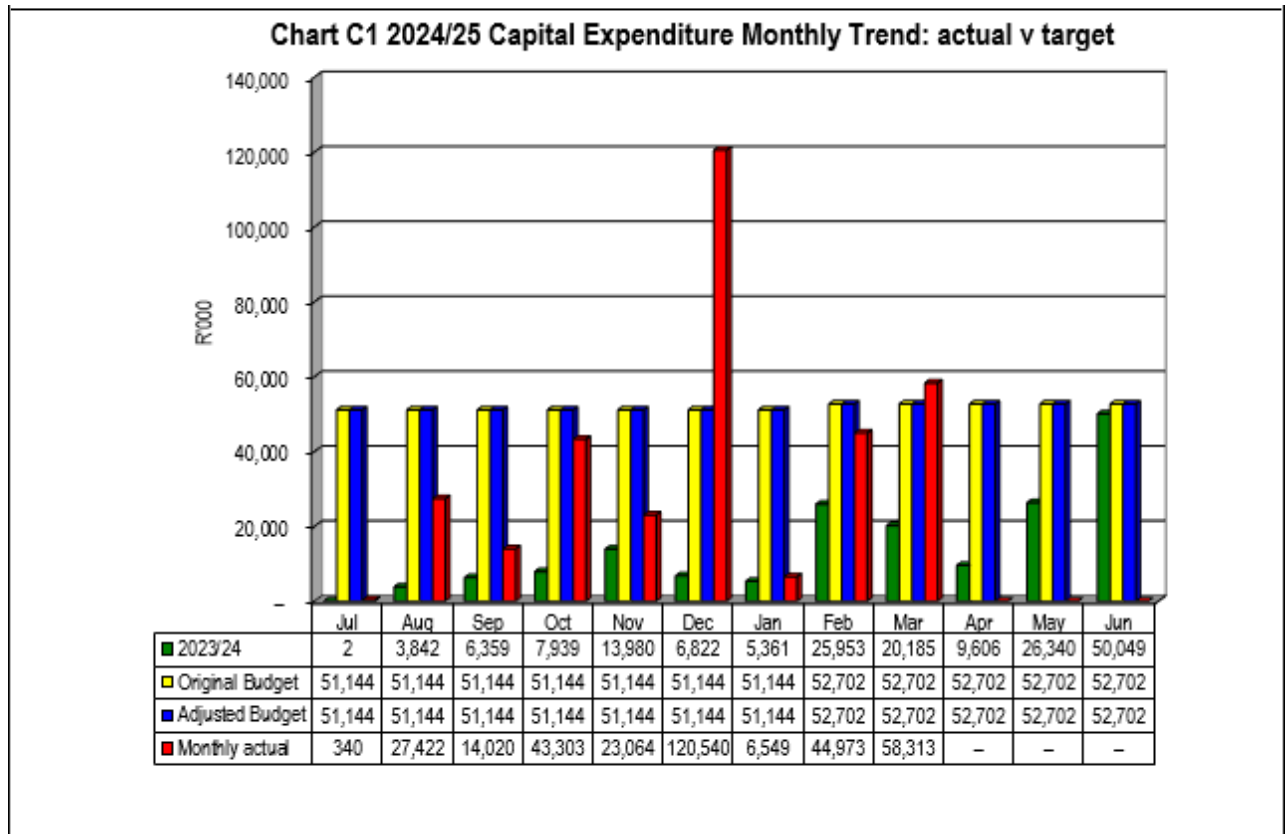


Chart 16.1: Capital Expenditure Monthly Trend: actual v target

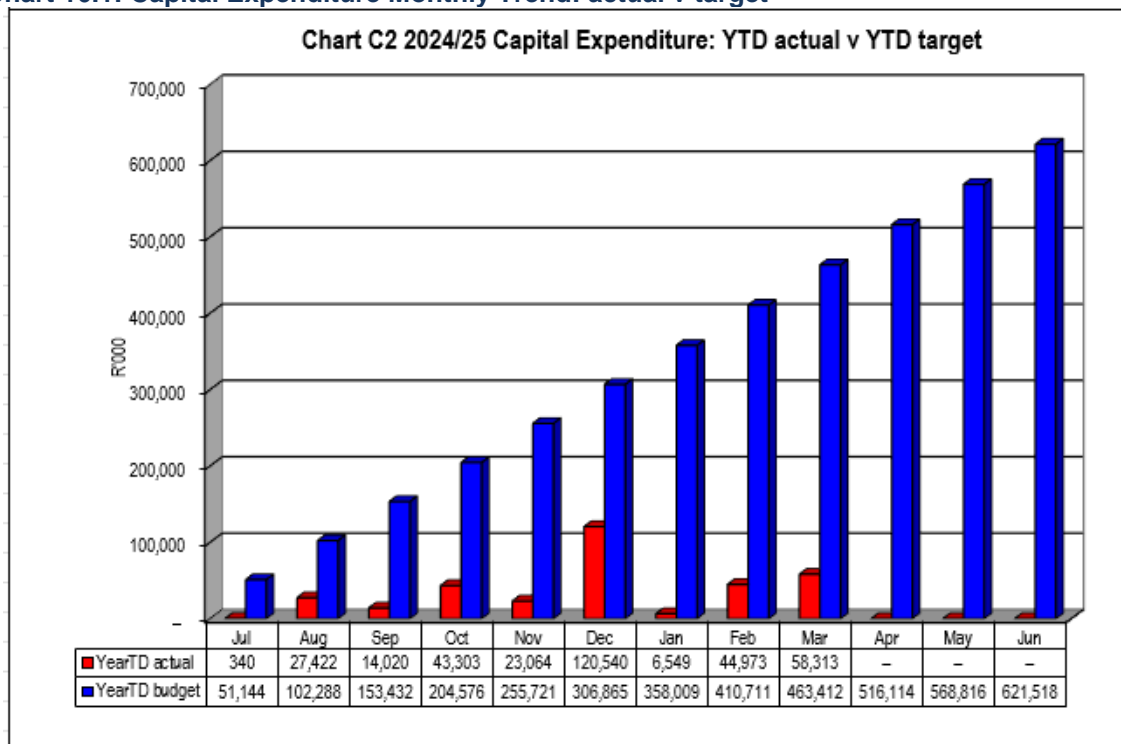


Chart 16.2: Capital Expenditure: YTD actual vs YTD target

Projects per funding source (R'000)	Original Budget	Adjusted Budget	Monthly Actuals	YTD Actuals	Commitments	% Original Bud	% Adjusted Bud
INTERNALLY GENERATED FUNDS	41,500	51,421	9,288	17,189	3,431	41.42%	33.43%
ACQ-COMPUTER EQUIPMENT REPLACEMENT	4,500	4,500	118	311	2,200	6.92%	6.92%
ACQ-FLEET REPLACEMENT	3,000	—	—	—	—	0.00%	#DIV/0!
ACQ-FURNITURE AND OFFICE EQUIP REPLACEM	500	500	—	145	—	28.90%	28.90%
CAPITAL SPARES-ACQ-PREPAID METERS	1,000	1,000	—	—	—	0.00%	0.00%
DSITRBUTION-ACQ-WAT METER REPLACEME	500	500	—	—	—	0.00%	0.00%
EMERGENCY LEAK REPAIR ON 6 MAJOR LEAKS	—	5,670	—	—	—	—	—
EMERGENCY METER INSTALLATIONS (PHASE 1)	20,466	—	—	—	—	0.00%	—
MR LEAK AND SLEAK DATA SYSTEM	484	279	9	233	—	48.01%	83.21%
NEW WTP MAJOR REFURBISH&AND BUILD WORKS	811	—	—	—	—	0.00%	—
PHDA PLANNING & SURVEYING	2,000	2,000	—	143	—	7.13%	7.13%
PIPE CONDITION ASSESS AND CATHOD PROTECT	479	1,113	165	538	264	112.24%	48.34%
RITCHIE SUBZONE SMART METER INSTALL	1,417	—	—	—	—	0.00%	#DIV/0!
SMARTBALL SURVEY PRIORITY LEAK REPAIRS	—	14,235	1,593	7,092	—	—	49.82%
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	2,000	3,500	—	1,079	364	53.96%	30.83%
RUFURBISHMENT OF THE VINTAGE TRAM	1,500	750	—	246	—	16.38%	32.76%
PLANNING & DEVELOPMENT	1,500	1,761	—	—	253	0.00%	0.00%
RITCHIE PRIORITIZE LEAK DETECT & REPAIRS	1,342	—	—	—	—	0.00%	—
WASTE WATER RE-USE	—	1,200	—	—	—	—	0.00%
SWIMMING POOLS	—	2,500	—	—	350	#DIV/0!	0.00%
CARTERS GLEN SEWER PUMP STATION	—	7,500	7,403	7,403	—	#DIV/0!	98.70%
REFURBISHMENT SEWER & WATER LINES	—	4,000	—	—	—	#DIV/0!	0.00%
WSDP DEVELOPMENT	—	413	—	—	—	#DIV/0!	0.00%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	75,229	73,097	(436)	31,955	7,714	42.48%	43.72%
P-CIER RDS ROADS	17,500	17,500	(1,867)	14,926	607	85.29%	85.29%
PROJECT MANAGEMENT	2,349	—	—	—	82	0.00%	#DIV/0!
UPGRADE GRAVEL ROADS WARDS VARIOUS	17,500	15,886	515	7,973	1,250	45.56%	50.19%
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	3,500	—	—	—	—	—	—
SPECIALISED FLEET REPLACEMENT	5,000	3,567	—	3,102	—	62.04%	86.96%
P-CNIN COM F FIRE/AMBUL	1,500	—	—	—	—	0.00%	—
UPGRADING OF SWIMMING POOLS	6,000	—	—	—	—	0.00%	—
ABLUTIONS KENILWORTH&PHUTANANG CEMETERY	2,000	2,000	724	1,001	167	50.03%	50.03%
FENCING OF FRANK RORO CRICKET FIELD	2,210	2,210	50	1,581	405	71.53%	71.53%
REFURBISHMENT OF HALLS	5,000	3,500	—	525	—	10.50%	15.00%
LINING OF STORMWATER CHANNELS WARD 16	7,670	7,260	142	1,247	1,174	16.26%	17.18%
CONSTRUCTION OLD SINK TOILETS	5,000	5,000	—	261	—	5.22%	5.22%
FLEET REPLACEMENT	—	6,173	—	1,339	4,029	—	21.69%
CONSTR OF SEWER P/LINE IN PHOMOLONG W15	—	10,000	—	—	—	—	0.00%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	5,000	5,000	2	3,691	—	73.82%	73.82%
STREET LIGHTS REPLACE 125W MV with 36W L	5,000	5,000	2	3,691	—	73.82%	73.82%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	492,000	492,000	49,459	285,690	—	58.07%	58.07%
EAST BYPASS REPLACE OF CORRODE10KM LINE	15,126	—	—	—	—	0.00%	—
EASTERN BYPASS REPAIR COATING AND REFURB	11,521	—	—	—	—	0.00%	—
EMERGENCY METER INSTALLATIONS (PHASE 1)	—	25,982	—	14,931	—	—	57.47%
KBY BULK METERS & PRESSURE MANAGEMENT	17,026	23,575	2,758	11,643	—	68.38%	49.39%
KBY NETWORK LEAK DETECTION & REPAIR PH 1	20,483	5,481	—	1,769	—	8.64%	32.27%
KBY NETWORK LEAK DETECTION & REPAIR PH 2	29,346	9,929	—	3,243	—	11.05%	32.66%
NEW WTP CLHORINE & DOSING WORKS UPGRADE	27,630	32,166	937	11,584	—	41.92%	36.01%
NEW WTP MAJOR REFURBISH&AND BUILD WORKS	—	9,872	—	1,526	—	—	15.46%
NEW WTW FILTER REFURBISH&BACKWASH SYSTEM	39,640	20,393	884	9,154	—	—	44.89%
NEWTOWN RESERVOIR EMERGENCY LEAK REPAIRS	7,531	16,317	647	1,885	—	25.02%	11.55%
OLD WTP CLHORINE & DOSING WORKS UPGRADE	83,369	63,126	2,912	19,353	—	23.21%	30.66%
OLD WTP MAJOR REFURBISH AND BUILD WORKS	16,173	5,532	528	2,279	—	14.09%	41.20%
POWER; ABSTRACTION & PUMPSTATION REPAIRS	37,378	34,678	468	20,243	—	54.16%	58.37%
RIVERTON TO MIDSTATION BULK PIPELINE REP	27,828	15,348	3,727	12,888	—	46.31%	—
SMARTBALL SURVEY PRIORITY LEAK REPAIRS	18,290	—	—	—	—	0.00%	—
WEST BYPASS LEAK REPAIRS AND REFURBISH	10,574	—	—	—	—	0.00%	—
WEST BYPASS REPLACE OF CORRODED SECTION	5,368	—	—	—	—	0.00%	—
WTW OHS & SECURITY MANAGEMENT	9,230	7,135	207	1,101	—	11.93%	15.43%
RITCHIE WTW UPGRADE AND BULK PIPELINE	48,296	13,046	298	6,432	—	—	49.30%
RITCHIE PRIORITIZE LEAK DETECT & REPAIRS	—	2,294	134	888	—	—	38.72%
SEC3 1200NEW STEEL MIDSTATION-NEWTON RES	67,191	20,744	2,905	16,646	—	24.77%	80.24%
BULK 1200 ND STEEL PIPELINE MAT: MBSC1/6	—	184,825	32,921	149,734	—	—	81.01%
NEWTON RESERVOIR COMPLEX OHS & SECURITY	—	1,126	132	392	—	—	34.81%
OHS & SECURITY MNGMNT (NEWTON) ELECTRIC	—	429	—	—	—	#DIV/0!	0.00%
Grand Total	613,729	621,518	58,313	338,524	11,145	55.16%	54.47%

Table 19: Detailed capital expenditure report

Indicated in Table 19 above, is a list of projects with the applicable funding source compared to the Adjustment budget. Capital expenditure as at the end of March 2025 is not at a desired level and requires

constant monitoring from management to improve the final outcome. The actual monthly expenditure for March 2025 amounted to R58,313 million. The total YTD Capex amounts to R338,524 million. Please note that Commitments amounting to R11,145 million is excluded from the YTD actual. Capital expenditure is also exclusive of VAT. Spending on grants needs improvement. The percentage expenditure per funding source IUDG (43.72%), EEDSM (73.82%), RBIG (58.07%). Spending on Internally generated funds is also 33.43% spent. Implementation of projects is normally delayed due to the finalization of procurement processes. Payment certificates are settled once work is completed. Capex for the first quarter is normally slow for this reason, in that commencement of procurement processes is not aligned to the budget approval and specifications are not done early so that it can be advertised timeously.

13. Other supporting documents

Additional information or supporting documentation for March 2025.

- Monthly Debt Relief Non-Compliance Report accompanied by the Municipal Debt Relief Compliance Certificate issued by National Treasury for February 2025.
- The municipality's self-assessment for the month of March 2025.

14. Conclusion

This report meets the MFMA requirement for the Executive Mayor to receive the Section 71 'Monthly Budget Statement' within 10 working days after the end of the month.

Communication

In compliance to legislative requirements (Section 71 of the MFMA), this document is provided to all stakeholders by placing it on the Sol Plaatje municipal website: www.solplaatje.org.za or can be viewed or downloaded from the following link:

<http://www.solplaatje.org.za/Aboutus/Pages/Documents.aspx>

MFMA S71 statement hereby explicitly advise as part of the MFMA Circular 124: Condition 6.9 reporting, risk associated and mitigating factors with the implementation of the municipality's Budget Funding Plan and / or Funded Budget

1. These are the risks associated with the implementation of the municipality's Budget Funding Plan and / or Funded Budget

The following are the budget and other financial risks/issues identified:

- New charges (basic and capacity charges) regarding electricity must be resolved by Council – huge financial loss (possible recovery plan is needed)
- Non-implementation of basic and capacity charges as approved by NERSA
- Water and Electricity losses
- Collection on arrear debtors and liquidity of the Municipality
- The municipality not meeting the average daily cash collection target
- Billing in general
- Arrear debt owed to ESKOM and Dept of Water & Sanitation (DWS)
- Defaulting on the high months and partial payments to ESKOM and DWS
- Non-adherence to the debt agreement with DWS and the payment arrangement with ESKOM
- Non-compliance to MFMA Circular 124 Municipal Debt Relief and prescribed conditions
- National Treasury not approving the first third of the debt to be written-off, due to consistent non-compliance
- The municipality being removed from the Municipal Debt Relief programme and forfeiting the municipal debt write-off benefit of R744 million
- Not being able to properly ring-fence funds for electricity and water, due to the poorer collection rate
- No mitigation plan in place to deal with the Eskom accounts for the high months
- Notice of disconnection from ESKOM
- Eskom taking further action in recovering outstanding debt and attaching the municipality's bank account
- Risk of forfeiting the municipality's NERSA license and the serious implications this will have on the operations and electricity business of the municipality
- Insufficient cash to pay salaries, third-party salary payments and creditors for goods and services rendered
- Non-payment of statutory third party salary payments (pension and medical aid) constitutes an act of financial misconduct
- Capex funding from internally generated funds
- Capital expenditure and capital grant dependency.

- Stopping of conditional capital grants.
 - Disapproval of rollover requests
 - The billed income of electricity and water in rand values are below the budgeted amounts which puts additional pressure on the budget and cash flow.
 - The municipality is facing a huge financial crisis. If drastic measures are not taken immediately because the cash flow is on the verge of collapsing.
 - Issues pertaining to Employee related costs, Overtime expenditure, Contract appointments and EPWP Expenditure
2. These are the mitigating factors with the implementation of the municipality's Budget Funding Plan and / or Funded Budget
- The ring-fencing of cash received for Electricity and Water and Sanitation is accounted for on a daily basis in compliance to MFMA Circular 124. This has enabled the municipality to settle the Eskom current account in full for 9 consecutive months. The municipality settled all invoices for 2023/24 financial year due to DWS.
 - The municipality reduced the arrear debt to DWS by R71,775 million for the 2023/24 financial year.
 - A temporary moratorium on recruitment has been instituted, where the filling of all vacant and funded positions has been suspended with immediate effect, only critical vacant and funded positions will be filled.
 - An interim moratorium has been implemented on the sale of leave. Sale of leave to settle municipal accounts will no longer be permitted.
 - Overtime has been capped to 40 hours across all sections.
 - Strengthening the PMU to aid in the successful implementation of capital projects to address the poor performance on grants.
 - Approved the Smart Prepaid Meter Policy.
 - Applied for the Smart Meter Grant which the municipality was approved for. Project is underway.
 - Approval has been granted by National Treasury to partake in the RT29 Smart meter transversal contract.
 - The municipality budgeted R80,717 million for meters over the 2024/25 MTREF.
 - Introducing automated payments through EasyPay solution.
 - Focusing on the top 500 debtors on a monthly basis.
 - The commencing of debt collection action in January 2025, by four debt collection companies that was appointed by the municipality which will also assist in having defaulting consumers blacklisted. The debt collection companies' primary focus will also be legal collections.
 - Engaging government departments and monitor government debt in an aid to strengthen relationships.
 - Assistance from National Treasury, who facilitated a meeting between the municipality, Department of Public works and Provincial Treasury during October 2024.

15. Annexure A: C-schedules

Prescribed Tables in terms of Municipal Budget and Reporting Regulations GG 32141 of 17 April 2009

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M09 March

Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	656,442	687,320	687,320	49,135	560,844	515,490	45,354	9%	687,320
Service charges	1,331,093	1,611,046	1,611,046	114,077	1,115,607	1,208,284	(92,677)	-8%	1,611,046
Investment revenue	16,116	9,000	9,000	1,368	14,418	6,750	7,668	114%	9,000
Transfers and subsidies - Operational	501,707	299,271	311,530	73,118	287,510	229,357	58,153	0	311,530
Other own revenue	419,726	351,642	352,142	33,144	297,431	263,931	33,500	13%	-
Total Revenue (excluding capital transfers and contributions)	2,925,084	2,958,278	2,971,037	270,842	2,275,811	2,223,812	51,999	2%	2,971,037
Employee costs	894,291	950,863	952,667	69,448	633,453	713,872	(80,418)	-11%	952,667
Remuneration of Councillors	33,869	37,077	37,077	2,778	26,268	27,807	(1,539)	-6%	37,077
Depreciation and amortisation	76,441	89,700	89,700	-	44,850	67,275	(22,425)	-33%	89,700
Interest	122,651	17,774	78,195	1,263	23,036	37,499	(14,463)	-39%	78,195
Inventory consumed and bulk purchases	1,057,341	1,216,905	1,228,955	76,158	817,889	901,924	(84,036)	-9%	1,228,955
Transfers and subsidies	2,526	3,660	3,660	633	1,892	2,745	(853)	-31%	3,660
Other expenditure	610,300	612,526	806,211	23,420	585,375	536,871	48,503	9%	806,211
Total Expenditure	2,797,419	2,928,505	3,196,465	173,700	2,132,763	2,287,994	(155,231)	-7%	3,196,465
Surplus/(Deficit)	127,665	29,774	(225,428)	97,142	143,047	(64,182)	207,229	-323%	(225,428)
Transfers and subsidies - capital (monetary)	159,040	572,229	570,097	56,904	371,100	428,319	###	-13%	570,097
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	286,705	602,003	344,669	154,047	514,147	364,137	150,010	41%	344,669
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	286,705	602,003	344,669	154,047	514,147	364,137	150,010	41%	344,669
Capital expenditure & funds sources									
Capital expenditure	176,438	613,729	621,518	58,313	338,524	463,412	(124,889)	-27%	621,518
Capital transfers recognised	147,356	572,229	570,097	49,025	321,335	428,319	(106,984)	-25%	570,097
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	29,082	41,500	51,421	9,288	17,189	35,093	(17,905)	-51%	51,421
Total sources of capital funds	176,438	613,729	621,518	58,313	338,524	463,412	(124,889)	-27%	621,518
Financial position									
Total current assets	2,664,713	2,491,688	2,274,987		3,146,882				2,274,987
Total non current assets	2,360,035	2,874,231	2,882,019		2,653,709				2,882,019
Total current liabilities	929,932	1,523,552	1,523,552		1,201,199				1,523,552
Total non current liabilities	1,111,983	410,208	458,628		1,104,882				458,628
Community wealth/Equity	2,982,833	3,432,159	3,174,826		3,494,509				3,174,826
Cash flows									
Net cash from (used) operating	(521,938)	598,846	493,313	262,108	569,130	369,985	(199,145)	-54%	493,313
Net cash from (used) investing	(159,367)	(613,729)	(621,518)	(54,527)	(333,453)	(466,138)	(132,685)	28%	(621,518)
Net cash from (used) financing	660,387	(12,788)	(12,788)	145	229	(9,591)	(9,820)	102%	(12,788)
Cash/cash equivalents at the month/year end	88,618	73,147	(40,175)	349,632	349,632	(4,927)	(354,559)	7196%	(27,266)
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	183,732	117,800	94,963	94,184	93,457	83,087	462,142	#####	4,106,700
Creditors Age Analysis									
Total Creditors	146,174	2,814	22,505	17,437	62,478	20,895	57,624	906,858	1,236,784

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		1,257,109	1,689,473	1,692,841	195,196	1,354,498	1,268,452	86,046	7%	1,692,841
Executive and council		549,361	972,401	975,769	142,610	765,546	730,648	34,898	5%	975,769
Finance and administration		707,747	717,072	717,072	52,586	588,952	537,804	51,148	10%	717,072
Internal audit		—	—	—	—	—	—	—		—
<i>Community and public safety</i>		48,267	42,989	46,989	4,036	29,744	33,842	(4,098)	-12%	46,989
Community and social services		12,642	12,138	12,138	485	3,249	9,103	(5,855)	-64%	12,138
Sport and recreation		2,639	2,720	2,720	825	2,302	2,040	262	13%	2,720
Public safety		276	540	540	54	651	405	246	61%	540
Housing		28,843	27,501	27,501	2,673	23,543	20,626	2,917	14%	27,501
Health		3,867	90	4,090	—	—	1,668	(1,668)	-100%	4,090
<i>Economic and environmental services</i>		37,710	18,976	22,235	746	8,916	15,536	(6,620)	-43%	22,235
Planning and development		22,952	5,956	9,215	412	6,379	5,771	608	11%	9,215
Road transport		14,758	13,020	13,020	334	2,537	9,765	(7,228)	-74%	13,020
Environmental protection		—	—	—	—	—	—	—		—
<i>Trading services</i>		1,730,934	1,767,977	1,767,977	126,990	1,245,524	1,325,982	(80,459)	-6%	1,767,977
Energy sources		1,163,247	1,164,299	1,164,299	76,951	749,271	873,224	(123,954)	-14%	1,164,299
Water management		352,402	398,115	398,115	28,722	307,305	298,586	8,718	3%	398,115
Waste water management		121,173	118,290	118,290	12,184	107,945	88,717	19,228	22%	118,290
Waste management		94,112	87,272	87,272	9,132	81,004	65,454	15,549	24%	87,272
<i>Other</i>	4	10,104	11,092	11,092	778	8,228	8,319	(91)	-1%	11,092
Total Revenue - Functional	2	3,084,125	3,530,507	3,541,134	327,746	2,646,910	2,652,131	(5,221)	0%	3,541,134
Expenditure - Functional										
<i>Governance and administration</i>		734,453	755,594	864,967	43,162	594,345	610,451	(16,106)	-3%	864,967
Executive and council		472,647	477,043	583,393	22,796	402,166	400,323	1,843	0%	583,393
Finance and administration		256,237	271,754	274,747	20,043	188,792	205,018	(16,226)	-8%	274,747
Internal audit		5,569	6,797	6,827	324	3,386	5,110	(1,724)	-34%	6,827
<i>Community and public safety</i>		201,954	207,313	213,830	16,473	143,786	158,090	(14,304)	-9%	213,830
Community and social services		48,586	49,027	51,199	3,955	34,670	37,636	(2,967)	-8%	51,199
Sport and recreation		66,863	63,043	63,143	5,575	47,334	47,323	12	0%	63,143
Public safety		44,135	45,933	46,033	3,632	30,842	34,490	(3,648)	-11%	46,033
Housing		21,956	28,042	28,042	1,771	16,753	21,032	(4,279)	-20%	28,042
Health		20,412	21,267	25,412	1,540	14,187	17,609	(3,422)	-19%	25,412
<i>Economic and environmental services</i>		170,731	183,093	192,175	18,736	133,470	140,954	(7,484)	-5%	192,175
Planning and development		46,192	55,644	60,476	4,106	36,140	43,667	(7,527)	-17%	60,476
Road transport		123,669	126,551	130,801	14,558	96,642	96,614	29	0%	130,801
Environmental protection		870	898	898	73	688	674	14	2%	898
<i>Trading services</i>		1,666,267	1,753,665	1,896,203	93,260	1,242,468	1,356,690	(114,222)	-8%	1,896,203
Energy sources		1,101,328	1,151,651	1,246,140	69,498	794,461	885,958	(91,497)	-10%	1,246,140
Water management		363,718	395,412	434,712	18,548	309,980	312,279	(2,299)	-1%	434,712
Waste water management		122,085	119,433	128,183	(822)	79,123	93,075	(13,951)	-15%	128,183
Waste management		79,136	87,170	87,170	6,036	58,903	65,377	(6,474)	-10%	87,170
<i>Other</i>		24,014	28,839	29,289	2,068	18,694	21,810	(3,115)	-14%	29,289
Total Expenditure - Functional	3	2,797,419	2,928,505	3,196,465	173,700	2,132,763	2,287,994	(155,231)	-7%	3,196,465
Surplus/ (Deficit) for the year		286,705	602,003	344,669	154,047	514,147	364,137	150,010	0.411962	344,669

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 02 - Municipal And General		549,361	972,401	975,769	142,610	765,546	730,648	34,898	4.8%	975,769
Vote 03 - Municipal Manager		-	-	2,759	-	-	1,104	(1,104)	-100.0%	2,759
Vote 04 - Corporate Services		5,391	6,161	6,161	468	4,164	4,621	(457)	-9.9%	6,161
Vote 05 - Community Services		134,820	124,361	128,361	11,515	96,709	94,870	1,839	1.9%	128,361
Vote 06 - Financial Services		701,887	710,111	710,111	51,926	584,152	532,583	51,569	9.7%	710,111
Vote 07 - Strategy Econ Development And Planning		26,098	8,368	8,868	613	7,630	6,476	1,154	17.8%	8,868
Vote 08 - Infrastructure And Services		1,666,568	1,709,105	1,709,105	120,614	1,188,710	1,281,829	(93,119)	-7.3%	1,709,105
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Revenue by Vote	2	3,084,125	3,530,507	3,541,134	327,746	2,646,910	2,652,131	(5,221)	-0.2%	3,541,134
Expenditure by Vote	1									
Vote 01 - Executive & Council		59,615	60,855	60,895	4,835	43,933	45,658	(1,724)	-3.8%	60,895
Vote 02 - Municipal And General		400,410	403,603	507,863	16,433	345,758	344,407	1,351	0.4%	507,863
Vote 03 - Municipal Manager		24,274	27,854	32,626	2,503	21,896	22,800	(904)	-4.0%	32,626
Vote 04 - Corporate Services		71,184	82,140	75,818	5,975	53,102	59,080	(5,979)	-10.1%	75,818
Vote 05 - Community Services		321,918	337,272	343,789	26,050	234,431	255,559	(21,128)	-8.3%	343,789
Vote 06 - Financial Services		134,722	166,217	174,232	10,927	102,715	127,870	(25,155)	-19.7%	174,232
Vote 07 - Strategy Econ Development And Planning		60,672	67,813	71,703	4,638	40,608	52,416	(11,809)	-22.5%	71,703
Vote 08 - Infrastructure And Services		1,724,624	1,782,750	1,929,538	102,339	1,290,319	1,380,204	(89,885)	-6.5%	1,929,538
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Expenditure by Vote	2	2,797,419	2,928,505	3,196,465	173,700	2,132,763	2,287,994	(155,231)	-6.8%	3,196,465
Surplus/ (Deficit) for the year	2	286,705	602,003	344,669	154,047	514,147	364,137	150,010	41.2%	344,669

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		886,092	1,099,199	1,099,199	74,988	713,896	824,399	(110,503)	-13%	1,099,199
Service charges - Water		276,094	343,685	343,685	22,362	252,669	257,764	(5,095)	-2%	343,685
Service charges - Waste Water Management		93,794	95,890	95,890	9,558	85,127	71,917	13,210	18%	95,890
Service charges - Waste management		75,114	72,271	72,271	7,169	63,915	54,204	9,711	18%	72,271
Sale of Goods and Rendering of Services		15,100	15,955	16,455	1,696	13,424	12,167	1,257	10%	16,455
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		258,041	120,030	120,030	12,546	120,940	90,022	30,918	34%	120,030
Interest from Current and Non Current Assets		16,116	9,000	9,000	1,368	14,418	6,750	7,668	114%	9,000
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		28,851	27,740	27,740	2,666	23,632	20,805	2,827	14%	27,740
Licence and permits		670	1,200	1,200	44	511	900	(389)	-43%	1,200
Operational Revenue		3,202	3,773	3,773	415	2,312	2,830	(518)	-18%	3,773
Non-Exchange Revenue										
Property rates		656,442	687,320	687,320	49,135	560,844	515,490	45,354	9%	687,320
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		56,767	32,143	32,143	1,851	22,454	24,107	(1,653)	-7%	32,143
Licence and permits		6,500	8,000	8,000	699	6,902	6,000	902	15%	8,000
Transfers and subsidies - Operational		501,707	299,271	311,530	73,118	287,510	229,357	58,153	25%	311,530
Interest		-	91,900	91,900	8,589	77,616	68,925	8,691	13%	91,900
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		49,299	50,900	50,900	853	24,417	38,175	(13,758)	-36%	50,900
Gains on disposal of Assets		17,071	-	-	3,785	5,071	-	5,071	#DIV/0!	-
Other Gains		(15,774)	-	-	-	151	-	151	#DIV/0!	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		2,925,084	2,958,278	2,971,037	270,842	2,275,811	2,223,812	51,999	2%	2,971,037
Expenditure By Type										
Employee related costs		894,291	950,863	952,667	69,448	633,453	713,872	(80,418)	-11%	952,667
Remuneration of councillors		33,869	37,077	37,077	2,778	26,268	27,807	(1,539)	-6%	37,077
Bulk purchases - electricity		787,457	897,300	910,118	58,265	601,935	662,526	(60,591)	-9%	910,118
Inventory consumed		269,884	319,605	318,837	17,894	215,953	239,398	(23,445)	-10%	318,837
Debt impairment		333,146	355,246	475,246	-	356,435	314,435	42,000	13%	475,246
Depreciation and amortisation		76,441	89,700	89,700	-	44,850	67,275	(22,425)	-33%	89,700
Interest		122,651	17,774	78,195	1,263	23,036	37,499	(14,463)	-39%	78,195
Contracted services		45,090	40,731	66,516	7,139	39,524	40,862	(1,338)	-3%	66,516
Transfers and subsidies		2,526	3,660	3,660	633	1,892	2,745	(853)	-31%	3,660
Irrecoverable debts written off		-	-	-	1	1	-	1	#DIV/0!	-
Operational costs		142,363	151,549	172,511	16,280	129,803	122,049	7,754	6%	172,511
Losses on Disposal of Assets		1,022	-	-	-	-	-	-	-	-
Other Losses		88,679	65,000	91,938	-	59,612	59,525	87	0%	91,938
Total Expenditure		2,797,419	2,928,505	3,196,465	173,700	2,132,763	2,287,994	(155,231)	-7%	3,196,465
Surplus/(Deficit)		127,665	29,774	(225,428)	97,142	143,047	(64,182)	207,229	(0)	(225,428)
Transfers and subsidies - capital (monetary allocations)		159,040	572,229	570,097	56,904	371,100	428,319	(57,219)	(0)	570,097
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		286,705	602,003	344,669	154,047	514,147	364,137	150,010	0	344,669
Income Tax								-		
Surplus/(Deficit) after income tax		286,705	602,003	344,669	154,047	514,147	364,137	150,010	0	344,669
Share of Surplus/Deficit attributable to Joint Venture								-		
Share of Surplus/Deficit attributable to Minorities								-		
Surplus/(Deficit) attributable to municipality		286,705	602,003	344,669	154,047	514,147	364,137	150,010	0	344,669
Share of Surplus/Deficit attributable to Associate								-		
Intercompany/Parent subsidiary transactions								-		
Surplus/ (Deficit) for the year		286,705	602,003	344,669	154,047	514,147	364,137	150,010	0	344,669

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

Vote Description		Ref	2023/24	Budget Year 2024/25							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		1									
Multi-Year expenditure appropriation		2									
Vote 01 - Executive & Council			–	–	–	–	–	–	–	–	
Vote 02 - Municipal And General			–	1,500	2,500	–	–	1,188	(1,188)	-100%	2,500
Vote 03 - Municipal Manager			–	–	–	–	–	–	–	–	
Vote 04 - Corporate Services			–	–	–	–	–	–	–	–	
Vote 05 - Community Services			–	5,000	3,500	–	525	3,150	(2,625)	-83%	3,500
Vote 06 - Financial Services			–	–	–	–	–	–	–	–	
Vote 07 - Strategy Econ Development And Planning			24,020	2,000	2,000	–	143	1,500	(1,358)	-91%	2,000
Vote 08 - Infrastructure And Services			105,329	533,450	579,622	57,246	328,282	426,375	(98,093)	-23%	579,622
Vote 09 -			–	–	–	–	–	–	–	–	
Vote 10 -			–	–	–	–	–	–	–	–	
Vote 11 -			–	–	–	–	–	–	–	–	
Vote 12 -			–	–	–	–	–	–	–	–	
Vote 13 -			–	–	–	–	–	–	–	–	
Vote 14 -			–	–	–	–	–	–	–	–	
Vote 15 - Other			–	–	–	–	–	–	–	–	
Total Capital Multi-year expenditure		4,7	129,348	541,950	587,622	57,246	328,950	432,212	(103,263)	-24%	587,622
Single Year expenditure appropriation		2									
Vote 01 - Executive & Council			–	–	–	–	–	–	–	–	
Vote 02 - Municipal And General			12,646	23,000	20,241	842	6,977	16,146	(9,169)	-57%	20,241
Vote 03 - Municipal Manager			–	2,349	–	–	–	914	(914)	-100%	–
Vote 04 - Corporate Services			–	–	–	–	–	–	–	–	
Vote 05 - Community Services			–	2,210	2,210	50	1,581	1,657	(77)	-5%	2,210
Vote 06 - Financial Services			–	–	–	–	–	–	–	–	
Vote 07 - Strategy Econ Development And Planning			–	3,000	2,511	–	246	2,054	(1,809)	-88%	2,511
Vote 08 - Infrastructure And Services			34,444	41,220	8,934	174	771	10,427	(9,657)	-93%	8,934
Vote 09 -			–	–	–	–	–	–	–	–	
Vote 10 -			–	–	–	–	–	–	–	–	
Vote 11 -			–	–	–	–	–	–	–	–	
Vote 12 -			–	–	–	–	–	–	–	–	
Vote 13 -			–	–	–	–	–	–	–	–	
Vote 14 -			–	–	–	–	–	–	–	–	
Vote 15 - Other			–	–	–	–	–	–	–	–	
Total Capital single-year expenditure		4	47,089	71,779	33,895	1,067	9,574	31,200	(21,626)	-69%	33,895
Total Capital Expenditure			176,438	613,729	621,518	58,313	338,524	463,412	(124,889)	-27%	621,518
Capital Expenditure - Functional Classification											
Governance and administration			12,646	24,500	22,741	842	6,977	17,334	(10,357)	-60%	22,741
Executive and council			12,646	24,500	22,741	842	6,977	17,334	(10,357)	-60%	22,741
Finance and administration			–	–	–	–	–	–	–	–	–
Internal audit			–	–	–	–	–	–	–	–	–
Community and public safety			–	7,210	5,710	50	2,106	4,807	(2,702)	-56%	5,710
Community and social services			–	5,000	3,500	–	525	3,150	(2,625)	-83%	3,500
Sport and recreation			–	2,210	2,210	50	1,581	1,657	(77)	-5%	2,210
Public safety			–	–	–	–	–	–	–	–	–
Housing			–	–	–	–	–	–	–	–	–
Health			–	–	–	–	–	–	–	–	–
Economic and environmental services			69,228	48,519	44,407	(1,210)	24,289	32,832	(8,544)	-26%	44,407
Planning and development			24,020	5,849	3,761	–	143	3,644	(3,501)	-96%	3,761
Road transport			45,208	42,670	40,646	(1,210)	24,146	29,188	(5,042)	-17%	40,646
Environmental protection			–	–	–	–	–	–	–	–	–
Trading services			94,564	532,000	547,910	58,630	304,907	407,614	(102,707)	-25%	547,910
Energy sources			27,354	6,000	6,000	2	3,691	4,500	(809)	-18%	6,000
Water management			62,534	517,500	515,410	51,226	293,552	387,289	(93,737)	-24%	515,410
Waste water management			4,676	8,500	26,500	7,403	7,663	15,825	(8,162)	-52%	26,500
Waste management			–	–	–	–	–	–	–	–	–
Other			–	1,500	750	–	246	825	(579)	-70%	750
Total Capital Expenditure - Functional Classification		3	176,438	613,729	621,518	58,313	338,524	463,412	(124,889)	-27%	621,518
Funded by:											
National Government			124,283	572,229	570,097	49,025	321,335	428,319	(106,984)	-25%	570,097
Provincial Government			–	–	–	–	–	–	–	–	–
District Municipality			6,000	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov			–	–	–	–	–	–	–	–	–
Departm Agencies, Households, Non-profit Institutions, Private Enterprises,			–	–	–	–	–	–	–	–	–
Public Corporatons, Higher Educ Institutions)			17,073	–	–	–	–	–	–	–	–
Transfers recognised - capital			147,356	572,229	570,097	49,025	321,335	428,319	(106,984)	-25%	570,097
Borrowing			–	–	–	–	–	–	–	–	–
Internally generated funds		6	29,082	41,500	51,421	9,288	17,189	35,093	(17,905)	-51%	51,421
Total Capital Funding			176,438	613,729	621,518	58,313	338,524	463,412	(124,889)	-27%	621,518

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M09 March

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		113,726	73,147	6,245	333,448	6,245
Trade and other receivables from exchange transactions		1,422,525	1,274,325	1,154,525	1,527,072	1,154,525
Receivables from non-exchange transactions		860,075	927,844	897,844	972,226	897,844
Current portion of non-current receivables		–	–	–	–	–
Inventory		112,013	60,701	60,701	120,762	60,701
VAT		155,736	155,542	155,542	192,659	155,542
Other current assets		638	129	129	714	129
Total current assets		2,664,713	2,491,688	2,274,987	3,146,882	2,274,987
Non current assets						
Investments						
Investment property		201,266	221,645	223,406	202,338	223,406
Property, plant and equipment		2,100,106	2,625,801	2,632,579	2,394,712	2,632,579
Biological assets						
Living and non-living resources						
Heritage assets		12,071	13,571	12,821	12,317	12,821
Intangible assets		46,592	13,214	13,214	44,342	13,214
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		2,360,035	2,874,231	2,882,019	2,653,709	2,882,019
TOTAL ASSETS		5,024,748	5,365,919	5,157,006	5,800,591	5,157,006
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	(14,788)	(14,788)	–	(14,788)
Consumer deposits		48,699	49,570	49,570	50,107	49,570
Trade and other payables from exchange transactions		642,151	1,286,802	1,286,802	618,270	1,286,802
Trade and other payables from non-exchange transactions		4,057	–	–	219,859	–
Provision		788	788	788	788	788
VAT		234,236	201,179	201,179	312,176	201,179
Other current liabilities		–	–	–	–	–
Total current liabilities		929,932	1,523,552	1,523,552	1,201,199	1,523,552
Non current liabilities						
Financial liabilities		808,076	152,895	201,315	800,974	201,315
Provision		303,908	257,313	257,313	303,908	257,313
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		1,111,983	410,208	458,628	1,104,882	458,628
TOTAL LIABILITIES		2,041,915	1,933,760	1,982,180	2,306,081	1,982,180
NET ASSETS	2	2,982,833	3,432,159	3,174,826	3,494,509	3,174,826
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2,908,029	3,368,093	3,110,760	3,419,705	3,110,760
Reserves and funds		74,804	64,066	64,066	74,804	64,066
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	2,982,833	3,432,159	3,174,826	3,494,509	3,174,826

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M09 March


Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		507,798	676,122	676,122	37,460	352,994	507,091	(154,097)	-30%	676,122
Service charges		1,185,680	1,513,446	1,543,246	111,448	951,587	1,157,435	(205,848)	-18%	1,543,246
Other revenue		(54,233)	92,337	94,837	197,909	967,686	71,128	896,559	1260%	94,837
Transfers and Subsidies - Operational		306,662	299,271	311,530	80,450	300,625	233,648	66,977	29%	311,530
Transfers and Subsidies - Capital		142,936	572,229	570,097	162,092	572,856	427,573	145,283	34%	570,097
Interest		3,927	9,000	9,000	4,164	24,078	6,750	17,328	257%	9,000
Dividends								-		
Payments										
Suppliers and employees		(2,614,989)	(2,545,784)	(2,633,324)	(331,414)	(2,602,817)	(1,974,993)	627,824	-32%	(2,633,324)
Interest		281	(17,774)	(78,195)	-	2,121	(58,646)	(60,767)	104%	(78,195)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(521,938)	598,846	493,313	262,108	569,130	369,985	(199,145)	-54%	493,313
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		17,071	-	-	3,785	5,071	-	5,071	#DIV/0!	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(176,438)	(613,729)	(621,518)	(58,313)	(338,524)	(466,138)	(127,614)	27%	(621,518)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(159,367)	(613,729)	(621,518)	(54,527)	(333,453)	(466,138)	(132,685)	28%	(621,518)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing		661,955	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		(1,569)	2,000	2,000	145	229	1,500	(1,271)	-85%	2,000
Payments										
Repayment of borrowing		-	(14,788)	(14,788)	-	-	(11,091)	(11,091)	100%	(14,788)
NET CASH FROM/(USED) FINANCING ACTIVITIES		660,387	(12,788)	(12,788)	145	229	(9,591)	(9,820)	102%	(12,788)
NET INCREASE/ (DECREASE) IN CASH HELD		(20,918)	(27,670)	(140,992)	207,726	235,906	(105,744)			(140,992)
Cash/cash equivalents at beginning:		109,536	100,817	100,817	141,907	113,726	100,817			113,726
Cash/cash equivalents at month/year end:		88,618	73,147	(40,175)	349,632	349,632	(4,927)			(27,266)

The BTO made a concerted effort to align the Cash and equivalents of A6 and A7 for the Adjustment budget for 2024/25 financial year, by relooking at the mapping as advised by NT and BCX.

However, there are some errors that must be resolved so that the monthly and YTD actuals populate correctly. The Cash and Cash equivalents on C7 is slightly overstated. **As per C6, the Cash and cash equivalents is R333,448 million as per the Cash book balance.**

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

16.1 MFMA Circular 124 – Municipality Compliance Self-Assessment

Annexure A2 - Monthly				Notes/Comments
 National Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003				
Municipality Self-Assessment				
Certificate of Compliance: Municipal Debt Relief Conditions for Application Period Mar'25 National Financial Year 2024/25 Demarcation Code of Municipality being assessed NC091				
District		Frances Baard		
Demarcation Description		Sol Plaatje		
I, Bartholomew Matlala Municipal Manager , hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below:				
Municipal Debt Relief Conditions (Monthly reporting)				
Condition	6.3+ Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption):	Choose from drop down list		
1	6.12.2 - Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	Yes	The municipality settled the January 2022 invoice in full, amounting to R17,098 million, on 14 March 2025. The current account of the February 2025 invoice was settled in full, amounting to R18,327 million, on 26 March 2025.	
2	6.12.2 - Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://flowinflowdata.treasury.gov.za/ ?	Yes		
3	6.12.2 - Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes		
4	6.3.1 - Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application).</i>	Yes	The municipality settled the February 2025 invoice in full, amounting to R68,070 million account including interest amounting to R1,066 million on 25 March 2025. Total invoice amount was R68,070 million.	
5	6.3.2 - Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://guploadportal.treasury.gov.za/ ?	Yes		
6	6.3.4 - Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes		
6.4 Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)				
7	6.4.1 - Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ?	Yes	2024/25 Adopted MTREF	
8	6.4.1 - Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes		
9	6.4.1 - Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? <i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to "balance" the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i>	Yes		
10	6.4.1 - Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes		
11	6.4.2 - If the municipality's MTREF is not funded , has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	N/A - the MTREF is funded		
12	6.4.2 - If the municipality's MTREF is not funded and it has an FRP per the legislative framework , does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	N/a		
13	6.4.2 - Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (for example higher winter Eskom tariffs, lower January collection rates, etc.)?	Yes		
14	6.5 Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes		

	6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:		
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes	
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of this condition the municipality must undertake such restriction/interruption of water together with the municipal engineer(s) to ensure a minimum supply of wash water.</i>	No	
18	6.6.4	- if the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent information in the required NT format.</i>	No	
	6.6	Supporting evidence: The National Treasury and/or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.		
	6.7	Maintain a minimum average quarterly collection of property rates and services charges –		
19	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	No	Quarterly collection rate is 71%
		<i>Note – although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i>		
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following:		
20	6.7.2.1	- one underperformance area relates to "eskom supplied" areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection	No	
21	6.7.2.2	- the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	Does not have function	
22	6.7.2.3	- the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	No	
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes	Total smart prepaid meter installations March 2025 = 3,289 YTD installations = 15,284
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes	
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes	
	6.8	Municipality's Completeness of the revenue base –		
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered	Yes	
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes	
28	6.8.2	- For the latest ending Quarter Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://revaloadportal.treasury.gov.za/ ?	Yes	

6.9 Monitor and report on implementation –			
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note: condition 6.9.2 has a proviso, error, and must refer to 6.9.1.</i>	Yes
31	6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ? <i>Note: a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>	No FRP
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ? <i>Note: in the case of a non-delegated municipality to the National Treasury, in the case of the relevant provincial treasury.</i>	Yes
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring? <i>Note: if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>	No
36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme? <i>Note: there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i>	No
37	6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation ? <i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i>	No
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	No
39	6.13	Supporting evidence: Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	Yes
40	6.13	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note: to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i>	Yes
41	6.14	NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief? <i>Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i>	Yes

PT: HOD/ NT / MM Name: BS Matlala

Signature of HOD/ NT/ MM: _____

Date: _____

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

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

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

The tables below show the municipality's overall relief compliance across the months of its debt relief participation since the National Treasury debt relief approval effective from 1 October 2023 to 31 March 2025.

Monthly Performance Report																																																
Municipal Details			Part A				Part B				Part C			Part D				Part E							Part F																							
			Eskom And Bulk water current account				Compliance with a funded MTREF				FRP/BFP & Tariff Assessment			Electricity and water as collection tools				Quarterly collection of property rates and services charges							Maximization of Revenue Base			Oversight							Compliance Status													
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Compliance			
1.July	Sol Plaatje	NC091																																										0%	Non Compliance			
2.August	Sol Plaatje	NC091																																											0%	Non Compliance		
3.September	Sol Plaatje	NC091																																											0%	Non Compliance		
4.October '24	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Non Compliance	
5.November '24	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	85%	Non Compliance
6.December	Sol Plaatje	NC091	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	68%	Non Compliance
7.January	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	83%	Non Compliance
8.February	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	83%	Non Compliance	
9.March	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Non Compliance	
10.April	Sol Plaatje	NC091																																											0%	Non Compliance		
11.May	Sol Plaatje	NC091																																											0%	Non Compliance		
12.June	Sol Plaatje	NC091																																											0%	Non Compliance		

Monthly Performance Report																																																	
Municipal Details			Part A					Part B					Part C			Part D			Part C							Part E							Part F																
			Eskom And Bulk water current account					Compliance with a funded MTREF					FRP/BFP & Tariff Assessment			Electricity and water as collection tools			Quarterly collection of property rates and services charges							Maximization of Revenue Base							Oversight										Compliance Status						
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Compliance				
1.July	Sol Plaatje	NC091																																										0%	Non Compliance				
2.August	Sol Plaatje	NC091																																											0%	Non Compliance			
3.September	Sol Plaatje	NC091																																											0%	Non Compliance			
4.October '24	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	88%	Non Compliance			
5.November '24	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	85%	Non Compliance
6.December	Sol Plaatje	NC091	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	68%	Non Compliance	
7.January	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	83%	Non Compliance
8.February	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	83%	Non Compliance	
9.March	Sol Plaatje	NC091																																													0%	Non Compliance	
10.April	Sol Plaatje	NC091																																													0%	Non Compliance	
11.May	Sol Plaatje	NC091																																													0%	Non Compliance	
12.June	Sol Plaatje	NC091																																													0%	Non Compliance	

The overall performance for the month under review was standing at 83% compliance. However, it should be noted that some of the conditions are required to be reported on, on a quarterly basis and is therefore reported as "not yet end of quarter". This increased the percentage achieved. These are the major factors that negatively influenced the performance for the month under review.

- ❖ The municipality settled the February 2025 invoice of R18,328 million and proof of payment was submitted.
- ❖ The municipality could not settle the payment arrangement instalment of R6.7 million which was due at the end of February 2025. The municipality should have settled the arrear debt due to DWS by the end of February 2025.
- ❖ Revenue collection must remain a key focus point. The average collection rate calculated by the municipality is standing at 75.9% for the month of March 2025, is not at a desired level, and below 85% and the municipality will have to take more stringent action in applying its Credit Control Policy across all categories of consumers. The monthly collection rate per ward is 77%, below the norm of 85% as well. The collection rate is one of the items that gets reported on, on a quarterly basis in terms of Compliance certificate Annexure B.
- ❖ A tangible solution must be sought for the interrupting or restricting of water supply. The majority of properties have conventional water meters installed. These are old meters that do not have the capability or functionality to restrict and/or interrupt the supply of water. The current infrastructure design and connection hampers the municipality from effecting this for one property only. The Municipality planned to install about 15 000 new water meters funded through Reginal Bulk Infrastructure Grant programme which is underway and would explore the procurement of the requisite functionality and technology to restrict water to 6 Kilolitre indigent subsidised quota.
- ❖ The municipality cannot prove that the poorer collection rate is attributable to the non-collection of the ESKOM supplied area in Ritchie because it is a poor community and will therefore not have a significant impact on the collection rate.
- ❖ The municipality failed to ring-fence funds received from Water and did not first apply this to the payments due to DWS.
- ❖ It is imperative that the non-compliance issues as raised by National Treasury is addressed as matter of urgency with a decisive implementation strategy and stringent monitoring thereof. Achieving 100% compliance is possible, provided that all responsible municipal officials are committed and work as a collective to achieve this.
- ❖ And on a positive note, the municipality has progressively started installing smart prepaid electricity meters via the smart meter grant.

16.3 The National Treasury Debt Relief Compliance Assessment

The latest National Treasury debt relief compliance certificate and non-compliance report issued to the municipality for the month of February 2025 is attached to this S71 report.

Here are the specific recommendations for January 2025 according to the monitoring tool:

Recommendations:

To improve compliance with the Municipal Debt Relief Programme and ensure long-term financial sustainability, Sol Plaatje Local Municipality should implement the following measures:

Enhance Revenue Collection and Credit Control Measures

Strengthen enforcement of the Credit Control and Debt Collection Policy to improve collection rates, particularly in Eskom-supplied areas. Implement stricter measures such as cut-off strategies, debt recovery enforcement, and automated billing accuracy improvements to ensure revenue stability. Achieving a quarterly collection rate of 85% should remain a top priority.

Prioritize the Settlement of Bulk Service Accounts

Address the ongoing challenge of non-payment to Eskom and the Department of Water and Sanitation (DWS) by implementing cash flow forecasting tools and ensuring ring-fencing of funds for electricity and water payments. Settling arrears and maintaining up-to-date payments will secure the one-third debt write-off and prevent legal or credit control actions from bulk suppliers.

Implement a Cost-Reflective Tariff Model

Accelerate the integration of a cost-reflective tariff tool to align service charges with the actual cost of operations and maintenance. This will stabilize municipal revenue, support sustainable financial planning, and ensure long-term fiscal resilience without placing an excessive financial burden on residents.

Improve Financial Oversight and Compliance Reporting

Strengthen internal controls and compliance monitoring with MFMA Circular 124 conditions, ensuring adherence to reporting requirements such as monthly bank reconciliations, transparent financial disclosures, and submission of compliance documentation to National Treasury via the GoMuni system. Timely and accurate reporting will enhance stakeholder confidence and governance transparency.

Strengthen Cash Flow and Liquidity Management

Establish a contingency reserve fund to manage financial shortfalls during high-expenditure periods. This will ensure that critical payments, such as bulk services and debt repayments, are met on time. The municipality should also work towards increasing daily cash collections through innovative revenue enhancement strategies.

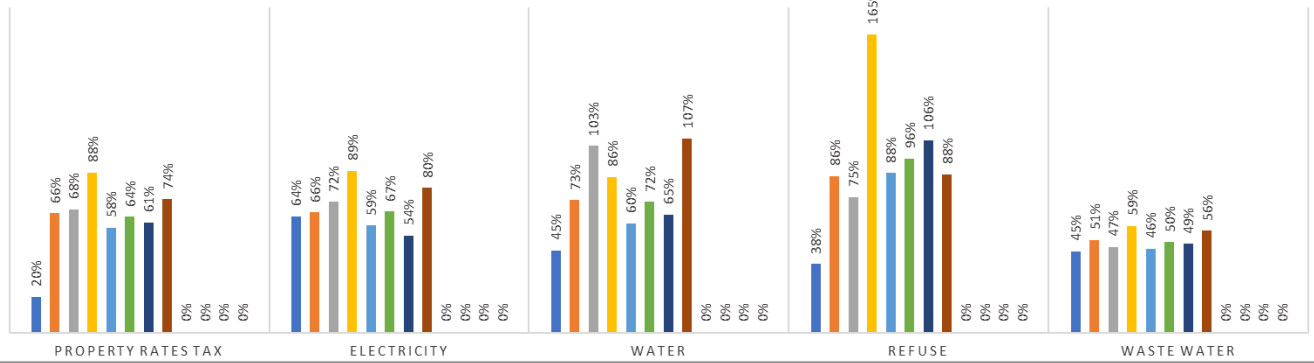
By implementing these recommendations, Sol Plaatje Local Municipality can significantly improve its financial health, ensure compliance with debt relief programme conditions, and secure long-term fiscal stability and service delivery efficiency.

16.4 MFMA Circular 124 – Condition 6.6 (Electricity and Water as Collection Tools) & Condition 6.7 (Maintain a minimum average quarterly collection of property rates and services charges)

16.4.1 Monthly / Quarterly collection per ward

% MONTHLY COLLECTION PERFORMANCE

July August September October November December January February March April May June



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

Municipal Details					
Northern Cape					
Code	District		Municipality	Period Monitored	No. Of Wards
NC091			Sol Plaatje	June	36

Collection Rate Assessment																				
Aggregate Collection	Summary - Quarter 1				Q1	Summary - Quarter 2				Q2	Summary - Quarter 3				Q3	Summary - Quarter 4				Q4
	Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection	
1. Collection for whole demarcation	647,395,914	336,912,509	310,483,405	52%	52%	499,386,541	348,728,098	150,660,443	70%	70%	483,224,248	341,392,080	141,832,168	71%	71%	-	-	-	-	#DIV/0!
2. Collection <u>per Eskom supplied areas</u>	555,255,631	300,589,830	254,665,801	54%	54%	429,664,286	307,092,063	122,572,222	71%	71%	427,316,444	305,507,114	121,809,331	71%	71%	-	-	-	-	#DIV/0!
3. Collection: <u>Property Rates</u>	258,600,294	120,105,002	138,495,292	46%	46%	151,660,484	110,566,185	41,094,299	73%	73%	150,202,548	124,735,102	25,467,446	83%	83%	-	-	-	-	#DIV/0!
4. Total average collection: <u>Electricity</u> (Municipal supplied areas)	203,550,128	153,411,100	50,139,028	75%	75%	136,929,563	156,087,365	(20,157,802)	115%	115%	134,003,202	132,514,761	1,488,442	99%	99%	-	-	-	-	#DIV/0!
5. Total average collection: <u>Water</u>	73,414,201	35,225,878	38,188,323	48%	48%	95,813,358	49,310,092	46,502,666	51%	51%	82,782,077	51,986,051	30,796,026	63%	63%	-	-	-	-	#DIV/0!
6. Total average collection: <u>Wastewater</u>	26,960,122	12,259,704	14,700,417	45%	45%	27,047,194	13,390,208	13,656,986	50%	50%	27,638,818	13,940,486	13,698,331	50%	50%	-	-	-	-	#DIV/0!
7. Total average collection: <u>Refuse</u>	21,999,092	10,655,712	10,943,380	49%	49%	21,540,395	11,969,409	9,570,986	56%	56%	21,939,017	11,563,100	10,375,917	53%	53%	-	-	-	-	#DIV/0!
8. Total average collection: <u>Interest</u>	63,272,078	5,255,113	58,016,965	8%	0%	67,395,548	7,402,238	59,993,308	11%	11%	66,658,796	6,652,560	60,006,236	10%	10%	-	-	-	-	#DIV/0!

Description	Jun-24	Jul-24	Aug-24	Sept-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
Monthly collection rate (Property rates and Services)	83%	67%	44%	74%	83%	69%	55%	81%	59%	92%
Revised average collection rate (SPLM)	80%	44%	58%	65%	72%	72%	76%	75%	76%	76%
Collection rate per Ward (Monthly)	62%	33%	66%	68%	88%	58%	64%	61%	74%	77%
Collection rate per Ward (Quarterly)	79%	-	-	52%	-	-	70%	-	-	71%

The monthly collection rate per ward is a major concern and it not at a desired level, although this has improved for the month under review from 61% to 77%. The quarterly collection rate for the first quarter, is distorted due to the annual billing on Property rates. The average collection rate calculated by the municipality for March 2025 is 75.9%, which is slightly higher due to prepaid electricity sales and unallocated credits being taken into consideration. The outcome is well below the condition of a minimum 85% collection rate.

There are unidentified wards which the municipality will investigate and correct on the system. A request was submitted to Property valuation to assist in this process, still awaiting feedback. Whilst the municipality is blocking prepaid meters, the effect is not as material as the municipality would have hoped. It is suggested that a record be kept of the number of meters blocked versus the number of consumers coming in.

Collection Rate Assessment																				
Total Aggregate Collection		Q1	Q2	7. January - Reporting for December in January				8. February - Reporting for January in February				9. March - Reporting for February in March				Summary - Quarter 3				Q3
				Billing for December	Collection in January	R - Billing not collected	% Collection	Billing for January	Collection in February	R - Billing not collected	% Collection	Billing for February	Collection in March	R - Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	
1. Collection for whole demarcation		52%	70%	151,197,344	98,331,229	52,866,115	65%	166,992,222	123,030,755	43,961,467	74%	155,034,683	120,030,076	35,004,607	77%	483,224,248	341,392,080	141,832,168	71%	71%
2. Collection <u>per Eskom supplied areas</u>		54%	71%	146,761,841	78,676,523	68,085,318	54%	146,406,084	117,242,877	29,163,207	80%	134,348,540	109,587,713	24,760,827	82%	427,316,444	305,507,114	121,809,331	71%	71%
3. Collection: <u>Property Rates</u>		46%	73%	50,538,333	33,924,812	16,613,521	67%	50,535,916	34,252,362	16,283,554	68%	49,346,080	37,407,536	11,938,544	76%	150,202,548	124,735,102	25,467,446	83%	83%
4. Total average collection: <u>Electricity</u> (Municipal supplied areas)		75%	115%	39,342,031	41,677,433	2,335,402	106%	48,886,576	42,855,153	6,031,423	88%	45,974,596	47,582,374	1,607,778	104%	134,003,202	132,514,761	1,488,442	99%	99%
5. Total average collection: <u>Water</u>		48%	51%	32,465,237	15,913,927	16,551,310	49%	27,949,156	15,753,514	12,195,642	56%	22,367,884	20,276,610	2,091,274	91%	82,782,077	51,986,051	30,796,026	63%	63%
6. Total average collection: <u>Wastewater</u>		45%	50%	9,206,409	3,363,880	5,842,529	37%	9,250,217	4,511,217	4,738,999	49%	9,181,992	6,065,389	3,116,603	66%	27,638,818	13,940,486	13,698,331	50%	50%
7. Total average collection: <u>Refuse</u>		49%	56%	7,321,801	3,199,574	4,122,226	44%	7,385,794	3,926,789	3,459,004	53%	7,231,423	4,433,737	2,797,686	61%	21,939,017	11,563,100	10,375,917	53%	53%
8. Total average collection: <u>Interest</u>			11%	22,351,334	1,111,501	21,239,833	5%	22,094,523	1,738,220	20,356,303	8%	21,112,929	3,812,838	17,300,091	18%	66,658,796	6,652,560	60,006,236	10%	10%

Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: March 2025

Complete This Section			Quart er 1	Quart er 2	Quarter 3 Performance Per Ward																
Services	Electricity Supplier	Ward Name & Number	Q1	Q2	7 January				8 February				9 March				Billing	Collection	B - Billing not collected	% Collection	Q3
					Billing For December	Collection for December in January	Band Value of Billing not collected	% Collection	Billing For January	Collection for January in February	Band Value of Billing not collected	% Collection	Billing For February	Collection for February in March	Band Value of Billing not collected	% Collection					
Property Rates Tax	Met Supplied	Ward 20 - De Beers Metropolitan Memorial Road Area Discontinue	54%	75%	1,672,132	1,154,019	518,112	69%	1,672,132	3,322,149	0	100%	1,687,205	1,586,457	100,748	94%	5,031,469	6,062,626	(1,031,157)	120%	120%
Electricity			89%	98%	1,126,203	990,258	135,946	88%	1,072,079	1,114,777	0	104%	1,045,475	1,199,560	0	115%	3,243,757	3,304,934	(60,837)	102%	102%
Water			120%	75%	1,055,006	641,917	413,089	61%	994,852	883,026	111,826	89%	861,599	977,901	0	113%	2,911,456	2,502,844	408,612	86%	86%
Refuse			72%	77%	186,789	121,887	64,902	65%	187,178	146,636	40,542	78%	186,286	192,104	0	103%	560,253	460,627	99,626	82%	82%
Waste Water			69%	76%	245,903	154,735	91,168	63%	246,087	206,835	39,252	84%	243,105	230,733	12,372	95%	755,095	602,301	152,793	81%	81%
Interest	9%	7%	371,952	31,490	340,462	8%	380,388	19,546	360,842	5%	334,699	86,425	248,274	26%	1,087,039	137,460	949,579	13%	13%		
Property Rates Tax	Met Supplied	Ward 19 - Coltrane Metropolitan Memorial Road Area Discontinue	21%	56%	6,504,931	2,820,501	3,684,430	43%	6,504,156	2,912,132	3,592,024	45%	6,553,467	3,130,775	3,422,692	48%	19,562,553	8,863,408	10,699,145	45%	45%
Electricity			85%	146%	(3,505,912)	11,622,794	0	-332%	4,282,440	1,584,839	2,697,601	37%	4,263,263	2,914,036	1,349,227	68%	5,039,791	16,121,668	(11,081,878)	320%	320%
Water			56%	47%	4,719,422	4,488,483	230,939	95%	2,831,310	810,444	2,020,866	29%	3,187,019	3,667,991	0	115%	10,737,751	8,966,918	1,770,833	84%	84%
Refuse			31%	39%	442,050	205,597	236,453	47%	478,014	133,599	344,415	28%	458,246	309,173	149,073	67%	1,378,310	648,369	729,941	47%	47%
Waste Water			28%	27%	480,574	76,130	404,444	16%	482,194	128,114	354,079	27%	483,957	140,446	343,511	29%	1,446,725	344,061	1,102,664	24%	24%
Interest	13%	11%	3,461,248	157,428	3,303,820	5%	3,522,752	53,843	3,468,909	2%	3,528,994	59,489	3,469,506	2%	10,512,894	270,760	10,242,135	3%	3%		
Property Rates Tax	Met Supplied	Ward 18 - Rietveld Metropolitan Memorial Road Area Discontinue	38%	102%	232,548	242,419	0	104%	234,613	127,927	106,686	55%	232,548	152,129	80,419	65%	699,708	524,475	175,233	75%	75%
Electricity			8%	159%	7,654	636	7,018	8%	37,211	636	36,574	2%	7,654	636	7,018	8%	52,518	1,908	50,610	4%	4%
Water			1%	3%	740,072	5,701	734,371	1%	826,730	7,878	818,852	1%	790,241	8,934	781,307	1%	2,357,043	22,512	2,334,530	1%	1%
Refuse			7%	7%	158,880	4,082	154,798	3%	165,421	9,546	155,875	6%	158,815	4,874	153,941	3%	483,116	18,502	464,614	4%	4%
Waste Water			2%	4%	253,025	5,745	247,280	2%	262,205	14,324	247,881	5%	253,003	7,183	245,820	3%	768,233	27,252	740,982	4%	4%
Interest	2%	3%	941,010	25,190	915,820	3%	959,113	4,595	954,518	0%	968,937	46,698	922,239	5%	2,869,040	76,484	2,792,557	3%	3%		
Property Rates Tax	Met Supplied	Ward 28 - St. Paul Metropolitan Memorial Road Area Discontinue	69%	68%	2,690,787	1,906,350	784,437	71%	2,691,697	1,689,700	1,001,997	63%	2,691,909	2,148,595	543,314	80%	8,074,889	5,744,644	2,330,746	71%	71%
Electricity			73%	141%	5,672,631	3,148,328	2,524,304	56%	6,079,263	7,889,287	0	130%	5,268,920	6,730,736	0	128%	17,020,814	17,768,951	(747,537)	104%	104%
Water			54%	91%	1,876,806	562,319	1,314,487	30%	651,410	1,548,413	0	238%	(491,543)	1,287,613	0	-262%	2,036,474	3,098,946	(1,062,472)	167%	167%
Refuse			62%	65%	298,096	159,758	138,338	54%	299,148	189,133	110,015	63%	296,284	199,434	96,850	67%	893,528	548,124	345,203	61%	61%
Waste Water			59%	60%	360,567	180,463	180,104	50%	362,231	210,276	151,954	58%	357,978	344,146	13,832	96%	1,080,776	734,885	345,891	68%	68%
Interest	4%	10%	1,149,303	49,568	1,099,735	4%	1,158,576	153,960	1,004,616	13%	1,142,152	235,678	906,475	21%	3,610,032	439,206	3,170,826	13%	13%		
Property Rates Tax	Met Supplied	Ward 23 - Rietveld Metropolitan Memorial Road Area Discontinue	23%	32%	121,558	33,575	87,983	28%	121,558	34,034	87,524	28%	121,558	35,075	86,482	29%	364,673	102,684	261,989	28%	28%
Electricity			54%	90%	43,592	31,024	12,568	71%	39,557	29,840	8,716	77%	49,509	30,614	18,895	62%	131,657	91,479	40,179	69%	69%
Water			19%	19%	151,537	62,158	89,379	41%	104,604	21,469	83,135	21%	95,228	23,236	71,992	24%	351,309	196,863	154,446	30%	30%
Refuse			31%	24%	47,211	10,936	36,274	23%	47,211	10,959	36,216	22%	47,081	11,856	35,225	25%	141,503	33,388	108,115	24%	24%
Waste Water			29%	25%	66,064	16,213	49,851	25%	66,064	13,749	52,315	21%	65,879	16,210	49,669	25%	198,007	46,172	151,835	23%	23%
Interest	2%	1%	274,413	2,768	271,645	1%	280,205	3,793	276,412	1%	281,868	4,793	277,075	2%	836,486	11,354	825,131	1%	1%		
Property Rates Tax	Met Supplied	Ward 10 - Rietveld Metropolitan Memorial Road Area Discontinue	16%	13%	303,558	50,415	253,143	17%	304,577	86,648	217,929	28%	(1,092,727)	69,665	0	-6%	(484,592)	206,727	(691,320)	-43%	-43%
Electricity			91%	27%	59,231	11,704	47,527	20%	63,578	59,711	3,866	94%	57,702	3,432	54,269	6%	180,511	74,847	105,663	41%	41%
Water			12%	8%	532,655	26,093	506,562	5%	423,106	54,229	368,877	13%	303,116	45,049	258,067	15%	1,258,877	125,371	1,133,506	10%	10%
Refuse			11%	12%	173,587	20,262	153,326	12%	176,498	21,229	155,268	12%	178,940	24,811	154,129	14%	139,025	66,302	72,723	13%	13%
Waste Water			10%	12%	278,505	26,556	251,949	10%	285,172	26,944	258,228	9%	286,004	37,326	248,678	13%	948,681	90,825	757,855	11%	11%
Interest	1%	1%	807,953	2,780	805,173	0%	830,214	3,857	826,357	0%	(590,152)	5,633	0	-1%	1,048,015	12,271	1,035,745	1%	1%		
Property Rates Tax	Met Supplied	Ward 15 - Rietveld Metropolitan Memorial Road Area Discontinue	13%	28%	212,908	48,334	164,574	23%	212,908	64,403	148,505	30%	212,908	69,544	143,364	33%	638,724	182,281	456,443	29%	29%
Electricity			6%	11%	16,983	811	16,172	5%	16,790	326	16,465	2%	16,558	768	15,790	5%	50,331	1,905	48,426	4%	4%
Water			8%	8%	855,354	46,821	808,533	5%	594,643	67,955	526,688	11%	354,971	56,755	298,216	16%	1,804,968	171,531	1,633,437	10%	10%
Refuse			15%	19%	222,132	26,423	195,710	12%	222,132	37,306	184,826	17%	222,003	36,076	185,927	16%	666,268	99,805	566,463	15%	15%
Waste Water			15%	19%	311,711	37,394	274,317	12%	311,711	61,540	250,171	20%	311,536	54,183	257,343	17%	934,948	153,118	781,830	16%	16%
Interest	2%	2%	550,481	6,205	544,276	1%	564,428	12,749	551,679	2%	566,294	8,353	557,940	1%	1,681,202	27,307	1,653,896	2%	2%		
Property Rates Tax	Met Supplied	Ward 12 - Rietveld Metropolitan Memorial Road Area Discontinue	38%	16%	104,868	17,107	87,761	16%	104,868	17,226	87,643	16%	105,076	23,879	81,196	23%	314,812	58,711	256,101	18%	18%
Electricity			14%	15%	102,860	13,898	88,962	14%	100,389	34,461	65,927	34%	89,334	295	89,039	0%	292,583	48,654	243,929	17%	17%
Water			10%	5%	819,702	22,346	797,356	3%	711,433	36,035	675,398	5%	298,787	23,488	275,300	8%	1,829,923	81,869	1,748,054	4%	4%
Refuse			16%	16%	85,321	9,807	75,514	11%	86,097	10,955	75,142	13%	87,133	23,053	64,080	26%	258,551	43,815	214,736	17%	17%
Waste Water			16%	16%	116,028	14,976	101,052	13%	117,057	14,570	102,486	12%	118,415	33,926	84,489	29%	351,500	63,473	288,027	18%	18%
Interest	3%	1%	457,266	2,431	452,691	1%	457,266	2,431	452,691	1%	457,266	2,431	452,691	1%	1,020,176	11,311	1,008,865	1%	1%		
Property Rates Tax	Met Supplied	Ward 13 - Chris Hani Metropolitan Memorial Road Area Discontinue	43%	52%	457,266	245,135	212,131	54%	457,862	271,182	186,681	59%	454,418	257,856	196,562	57%	1,369,546	734,173	635,373	57%	57%
Electricity			76%	102%	212,330	202,447	10,083	95%	196,409	218,053	0	111%	211,505	503,577	0	238%	620,444	924,078	(303,634)	149%	149%
Water			29%	26%	734,448	141,257	593,191	19%	495,112	218,417	276,695	44%	440,887	230,436	210,451	52%	1,670,447	590,110	1,080,336	35%	35%
Refuse			35%	38%	172,855	52,668	120,187	30%	173,243	61,511	111,732	36%	168,337	85,576	82,761	51%	514,434	199,755	314,679	39%	39%
Waste Water			31%	32%	218,227	58,436	159,791	27%	218,667	75,020	143,646	34%	212,812	208,320	4,492	98%	649,304	341,776	307,529	53%	53%
Interest	2%	2%	503,516	8,545	494,970	2%	509,380	12,592	496,788	2%	510,306	144,737	365,569	28%	1,523,102	165,874	1,357,227	11%	11%		
Property Rates Tax	Met Supplied	Ward 9 - Rietveld Metropolitan Memorial Road Area Discontinue	23%	60%	338,546	54,732	84,214	39%	338,546	156,540	0	113%	338,546	57,871	81,076	47%	448,839	268,843	179,996	65%	65%
Electricity			150%	91%	21,643	9,108	12,535	42%	29,036	29,814	92,215	11%	29,036	140	0	-257%	60,224	50,189	10,035	84%	84%
Water			10%	14%	22,510																

16.4.2 Monthly - Restriction of Free Basic Services to Indigent Households

Articulated in table below, is the Indigent information for the reporting for the month of March 2025. The municipality is experiencing challenges in the restricting/interrupting of water supply and intervention is required from the technical department. Various gaps have been identified in indigent reporting, which the municipality will attempt to address going forward. The indigent households in informal settlements cannot be loaded on the system, due to the areas not being formalised. The municipality will engage the Housing department to assist with the number of households in informal settlements and the services available, if any. Households in informal settlements may not necessarily be qualifying indigents. There has always been a discrepancy in the households receiving Free Basic Electricity, as the actual that received the free 50 units is lower than the actual number of registered indigents loaded on the system. It should be noted that as per the Indigent Policy, it is a prerequisite for approval that all indigent households must have a prepaid electricity meter installed. The R-values are not showing correctly on Annexure C, this was taken up with NT for correction and the municipality is awaiting feedback.

Description	Ref	As Per Debt Relief Application															
		Current Year - 2024/2025															
		2024/2025 - Monthly Monitoring															
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12
Indigent Household service targets	1																
Water: (Include All Indigent households also in Eskom supplied areas)																	
Indigent HHs with piped water inside dwelling		11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	8,257	7,907	7,878	7,801	7,883			
Indigent HHs with piped water inside yard (but not in dwelling)																	
Indigent HHs using public tap (at least min.service level)																	
Indigent HHs with other water supply (at least min.service level)																	
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total	2	11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	8,257	7,907	7,878	7,801	7,883	-	-	-
Indigent HHs using public tap (< min.service level)	4																
Indigent HHs with other water supply (< min.service level)	3																
Indigent HHs with No water supply	4																
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	5	11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	8,257	7,907	7,878	7,801	7,883	-	-	-
Status of Water meters :																	
Number of Indigent HHs with prepaid Water																	
Number of Indigent HHs with conventional metered Water		11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	8,257	7,907	7,878	7,801	7,883			
Number of Indigent HHs NOT metered currently - Water																	
Number of Indigent HHs with NO Water supply - No metering																	
Total number of registered indigent households	10	11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	8,257	7,907	7,878	7,801	7,883	-	-	-
Status of unlimited supply of Water :																	
Number of Indigent HHs with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month																	
Number of Indigent HHs NOT metered currently receiving unlimited supply - Water																	
Total number of registered indigent households receiving unlimited supply - Water																	
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HHs billed for consumption above the 6 kilolitres	11																
Energy: (Include All Indigent households also in Eskom supplied areas)																	
Indigent HHs with Electricity (at least min.service level)																	
Indigent HHs with Electricity - prepaid (min.service level)																	
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indigent HHs with Electricity (< min.service level)																	
Indigent HHs with Electricity - prepaid (< min. service level)																	
Indigent HHs with other energy sources																	
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Status of Electricity meters :																	
Number of Indigent HHs with prepaid Electricity		11,478	11,800	11,800	11,800	9,422	9,486	8,800	8,485	8,640	8,459	8,562	8,651	7,454			
Number of Indigent HHs with conventional metered Electricity																	
Number of Indigent HHs NOT metered currently - Electricity																	
Number of indigent HHs with other energy sources - No metering																	
Total number of registered indigent households	12	11,478	11,800	11,800	11,800	9,422	9,486	8,800	8,485	8,640	8,459	8,562	8,651	7,454	-	-	-
Status of unlimited supply of Electricity :																	
Number of Indigent HHs with conventional metered Electricity - where the municipality is NOT physically restricting Electricity to the national free basic limit of 50kwh per month																	
Number of Indigent HHs NOT metered currently receiving unlimited supply - Electricity																	
Total number of registered indigent households receiving unlimited supply - Electricity																	
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HHs billed for consumption above the 50 kwh	13																
Number of ALL Households receiving Free Basic Service (including registered Indigent Households)	7																
Water (6 kilolitres per household per month)		11,478	11,800	11,800	11,800	6,576	6,653	9,268	9,186	8,257	7,907	7,878	7,801	7,883			
Electricity/other energy (50kwh per household per month)		11,478	11,800	11,800	11,800	9,422	9,486	8,800	8,485	8,640	8,459	8,562	8,651	7,454			
Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)		4,932,658	*****	10,000,000	10,000,000	211,512	272,876	331,900	283,154	304,540	269,201	314,578	261,628	243,662			
Water (6 kilolitres per household per month)		9,967,435	*****	12,000,000	12,000,000	16,265	*****	*****	*****	993,027	*****	15,842	*****	*****			
Electricity/other energy (50kwh per household per month)																	
Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)																	
Water (6 kilolitres per household per month)																	
Electricity/other energy (50kwh per household per month)																	
Total cost of FBS Water and Electricity provided to ALL Households	8	14,900,093	*****	22,000,000	22,000,000	227,777	*****	*****	*****	*****	*****	330,420	*****	*****	-	-	-
Highest level of free service provided per household (ALL Households)																	
Property rates (R value threshold)		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000			
Water (kilolitres per household per month)		6	6	6	6												
Sanitation (kilolitres per household per month)		213	213	213	213												
Sanitation (Rand per household per month)		189	198	198	198												
Electricity (kwh per household per month)		50	50	50	50												
Refuse (average litres per week)		21	21	21	21												
Revenue cost of subsidised services provided for ALL Households (R'000)	9																
Residential Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	14(a)																
PSI Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	14(b)																
Additional Subsidies: Property rates exemptions, reductions and rebates in excess of section 17 of MPRA		32,021,525	*****	37,240,000	37,240,000	729,193	682,775	682,735	684,373	683,930	684,861	685,191	685,616	688,242			
Water (in excess of 6 kilolitres per indigent household per month)	15	15,462,419	*****	21,500,000	21,500,000	-	756,263	738,242	753,729	830,525	838,731	777,565	813,737	807,048			
Sanitation (in excess of free sanitation service to indigent households)	16	2,919,895	*****	3,400,000	3,400,000	-	-	-	-	-	-	-	-	-			
Electricity/other energy (in excess of 50 kwh per indigent household per month)		33,957,925	*****	41,000,000	41,000,000	-	*****	*****	*****	*****	*****	*****	*****	*****			
Refuse (in excess of one removal a week for indigent households)		4,235,540	*****	4,400,000	4,400,000	-	118,735	118,606	118,476	118,735	118,865	118,735	123,305	122,294			
Municipal Housing - rental rebates																	
Housing - top structure subsidies																	
Other	6																
Total revenue cost of subsidised services provided		88,597,304	*****	107,540,000	107,540,000	729,193	*****	*****	*****	*****	*****	*****	*****	*****	-	-	-

16.5 MFMA Circular 124 – Condition 6.8 (Completeness of the revenue base)

GVReconciliation Summary						
Province	NC					
District	Frances Baard District					
Type	LM					
Municipal Name	Sol Plaatje					
GV Period	01/07/2023 - 30/06/2027					
Financial Year	2024/2025					
Reconciliation Period	Quarter 2					
Part A - Reconciliation Summary						
Number of Properties				Market Values		
Property Categories	Valuation Roll	Mun System	Variance	Valuation Roll	Mun System	Variance
Residential	48582	48582	0	23,594,584,603	23,594,584,603	-
Industrial	177	177	0	784,040,000	784,040,000	-
Business and Commercial	2228	2228	0	7,454,750,001	7,454,750,001	-
Agricultural	422	422	0	2,612,916,700	2,612,916,700	-
Mining	21	21	0	102,685,400	102,685,400	-
State Owned for Public Purpose	133	133	0	2,498,871,000	2,498,871,000	-
PSI	465	465	0	156,930,000	156,930,000	-
PBO	1081	1081	0	609,275,001	609,275,001	-
Multi Use	0	0	0	-	-	-
Vacant	1677	1677	0	502,320,000	502,320,000	-
POW	239	239	0	607,129,000	607,129,000	-
Municipal	9297	9297	0	1,574,932,503	1,574,932,503	-
Other	0	0	0	-	-	-
Total	64,322	64,322	-	40,498,434,208	40,498,434,208	-
Part B - Detailed Reconciliation						
Monthly Billing - Mapped Accounts				Monthly Billing - Un Mapped Accounts		
Property Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	23,848,226	22,470,664	1,377,562	23,848,226	22,414,925	1,433,302
Industrial	2,377,405	2,308,129	69,276	2,377,405	2,311,439	65,966
Business and Commercial	22,604,666	20,584,380	2,020,286	22,604,666	20,595,635	2,009,031
Agricultural	660,197	338,912	321,285	660,197	338,912	321,285
Mining	622,479	592,162	30,316	622,479	595,421	27,058
State Owned for Public Purpose	10,355,530	3,311,956	7,043,574	10,355,530	3,311,956	7,043,574
PSI	-	108,908	- 108,908	-	-	-
PBO	-	99,210	- 99,210	-	-	-
Multi Use	-	-	-	-	-	-
Vacant	-	945,933	- 945,933	-	945,895	- 945,895
POW	-	7,790	- 7,790	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	0	0
Total	60,468,503	50,768,044	9,700,459	60,468,503	50,514,182	9,954,321

Properties reconciliation

After populating the GVR Reconciliation for the second quarter for the 2024/25 financial year, no anomalies were identified in terms of the high-level reconciliation for the number of properties per category and the market value.

After some consultation with NT, the municipality also requires assistance on how to deal with Multi-use properties that have a common SG code but two different property uses and categories.

The growth in the number of properties is as a result of unregistered properties that are now registered, of which the majority are municipal owned properties.

For the second quarter an investigation was done and noted the Land Reform Properties was allocated against Other. For the second quarter this property category was allocated to Public Benefit Organisations (PBO) which is zero-rated. This was also done to correct the billing error shown on the GVR reconciliation for the first quarter.

Billing reconciliation

As alluded previously, the municipality require assistance from NT on how to deal with properties that gets billed on an annual basis, as this will negatively influence the quarterly/monthly billing reconciliation. The municipality investigated the billing discrepancy pertaining to the category "Other" and these are Land Reform Properties which was allocated to PBO's which is zero-rated

As per the reconciliation template, there is no tariff for Other, except for Other – Multi-use.

No provision is made for rebates pertaining to rural, agricultural bona fide and pensioners.

The municipality does not have a tariff for Vacant properties as these properties are split according to the appropriate use and category.

The municipality will investigate the other billing discrepancies across all categories, but presume that these relate to the multi-use properties.

Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: March 2025

i) Indicated below is the Eskom Bulk current account invoice for February 2025 which was due and payable during the month of reporting, on or before 2 April 2025.



Indicated below is the March 2025 account which is due and payable on or before 2 May 2025.



ESKOM HOLDINGS SOC LTD REG NO 2002/016527/30
VAT REG NO 4740101508

SOL PLAATJE LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
PRIVATE BAG X5030
KIMBERLEY
8300

NORTH WESTERN REGION
PRIVATE BAG X16 Westville 3630

CONTACT CENTRE: (0860) 037566Sharwa
FAX NO: 0862 437 566
E-MAIL: NorthernCape@eskom.co.za
WEB: WWW.ESKOM.CO.ZA



CUSTOMER SELF SERVICE WEBSITE
<https://csonline.co.za>

NORTH WESTERN REGION
PRIVATE BAG X16 Westville 3630

DIRECT DEPOSIT DETAIL

BANK: First National Bank
BRANCH CODE: 223626
BANK ACC NO: 66070087318

YOUR ACCOUNT NO	5449407898
SECURITY HELD	31243194.11
BILLING DATE	2025-04-02
TAX INVOICE NO	544712270689
ACCOUNT MONTH	MARCH 2025
CURRENT DUE DATE	2025-05-02
VAT REG NO	4370102313

TAX INVOICE

E-MAIL: tmohwa@solplaatje.org.za

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE		R	7,804.87
TRANSMISSION NETWORK CAPACITY		R	1,754,910.00
DIST. NETWORK CAPACITY CHARGE		R	1,282,050.00
NETWORK DEMAND CHARGE		R	1,550,300.54
URBAN LOW VOLTAGE SUBSIDY		R	3,140,190.00
ANCILLARY SERVICE (ALL)		R	275,543.73
ENERGY CHARGE (STD)	15,015,628.00	R	20,571,410.36
ENERGY CHARGE (PEAK)	5,972,610.00	R	11,890,869.25
ENERGY CHARGE (OFF)	16,757,479.00	R	14,562,249.25
ELECTRIFICATION AND RURAL SUBS (ALL)		R	5,914,753.85
SERVICE CHARGE		R	244,399.35

TOTAL CHARGES FOR BILLING PERIOD R **61,194,481.20**

ACCOUNT SUMMARY FOR MARCH 2025

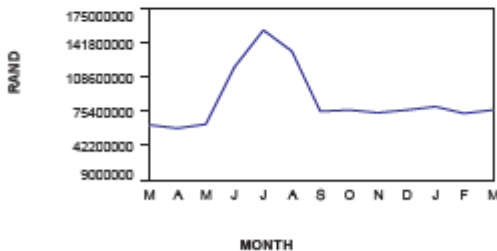
BALANCE BROUGHT FORWARD	(Due Date 2025-04-02)	R	932,735,866.20
PAYMENT(S) RECEIVED	Cash - 2025-03-25	R	-68,070,392.81
TOTAL CHARGES FOR BILLING PERIOD		R	61,194,481.20
ADJUSTMENT	Interest on overdue account	R	1,733,370.12
PAYMENT ARRANGEMENT	5447737377 (Balance o/s R 101,695,951.59)	R	6,700,000.00
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	9,179,172.18

COPY ONLY

CURRENT	TOTAL DUE	R	943,472,496.89
78,807,023.50			

ARREARS			
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS
707,463,242.22	0.00	157,202,231.17	0.00

Total outstanding debt must be settled immediately, subject to disconnection without further notice



PAGE RUN NO	EE 33
BILL GROUP	
BILL PAGE	1 OF 2

ACCOUNT NO / REFERENCE NO

5449407898

NAME

SOL PLAATJE LOCAL MUNICIPALITY

FAX NUMBER

0538331005

UNIPAY 7100 10 0010

272157001 5449407898 4



272157001 5449407898 4



TOTAL AMOUNT DUE

943,472,496.89

PAYMENT ARRANGEMENT

INSTALMENT	6,700,000.00
ARREARS (Due immediately)	864,665,473.39
DUE DATE (For Current Amount)	2025-05-02
AMOUNT PAID	

LATE PAYMENT CHARGES WILL BE
ADDED TO OVERDUE ACCOUNT

- ii) Indicated below is the municipality's proof of payment of the Eskom Bulk account invoice for February 2025 (including interest) with a payment on 25 March 2025 of R68,070,392.81.

SOL PLAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

ESKOM HOLDINGS
PRIVATE BAG X16
WESTVILLE
3630

25/03/2025

SUPPLIER No: SESK01

CONTACT PERSON:
TEL NO: 0829413707
E-MAIL ADDRESS:

FAX NO:

VOUCHER NO: CATA012717

CHEQUE/ELE NO: 77071398

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
03/03/2025	SUN	544608043187	58264647.30		8739697.10	67004344.40
03/03/2025	SUN	544608043187	1066048.41		0.00	1066048.41

SUB TOTAL: 8739697.10 68070392.81
8739697.10 68070392.81

THIS IS TO CERTIFY THAT THIS ACCOUNT HAS NOT BEEN PREVIOUSLY PAID.

COMPILED BY...:

CHECKED BY...:

AUTHORISED BY:

The payment arrangement of R6,700,000.00 was not paid for the month under review, due to insufficient cash available.

- iii) The municipality's reconciliation statement for electricity aligning to the MFMA S71 mSCOA data strings upload.

Indicated in the table below is a summary of the data strings for M09 – March 2025 pertaining to electricity.

	2025	
	M09	
Account Name		
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Deposits	-73,025,577	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdraw als	58,264,647	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdraw als	15,034,853	73,299,500
Expenditure:Bulk Purchases:Electricity:ESKOM	58,264,647	

- Reconciliation from the financial system using the GS630 detailed transaction report. Reconciliation of Bulk purchases electricity, deposits and withdrawals votes.

Datastrings & FMS Recon - March 2025 M09	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
BULK PURCHASES:ELECTRICITY:ESKOM	116,529,294.60	58,264,647.30	58,264,647.30	Bulk Purchases vote reconciles to datastrings
☐ Sundry Accruals	58,264,647.30	-	58,264,647.30	
Sundry CATA012717	58,264,647.30	-	58,264,647.30	
☐ Sundry Accruals Reversals	-	58,264,647.30	- 58,264,647.30	
Cheque No : 77071398 Bank No : 901	-	58,264,647.30	- 58,264,647.30	
☐ Sundry Payments	58,264,647.30	-	58,264,647.30	
Cheque No : 77071398 Bank No : 901	58,264,647.30	-	58,264,647.30	Payment of R68,070m on the February 2025 acc
Grand Total	116,529,294.60	58,264,647.30	58,264,647.30	

Datastrings & FMS Recon - March 2025 M09	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
ELECTRICITY BULK PURCH ACC 01:WITHDRAWAL	73,299,500.02	-	73,299,500.02	Withdrawal vote reconciles to datastrings
Create Cheque 77071058 Voucher No CATA012611	4,772,192.77	-	4,772,192.77	Minor payment to Eskom
Create Cheque 77071070 Voucher No CATA012645	11,913.63	-	11,913.63	
Create Cheque 77071071 Voucher No CATA012646	4,755.11	-	4,755.11	
Create Cheque 77071072 Voucher No CATA012647	90,140.80	-	90,140.80	
Create Cheque 77071073 Voucher No CATA012648	20,493.00	-	20,493.00	
Create Cheque 77071074 Voucher No CATA012649	14,174.16	-	14,174.16	
Create Cheque 77071075 Voucher No CATA012650	17,400.88	-	17,400.88	
Create Cheque 77071076 Voucher No CATA012661	5,781.93	-	5,781.93	
Create Cheque 77071109 Voucher No CATA012684	176,429.14	-	176,429.14	
Create Cheque 77071234 Voucher No CATA012694	15,327.19	-	15,327.19	
Create Cheque 77071235 Voucher No CATA012695	44,098.23	-	44,098.23	
Create Cheque 77071236 Voucher No CATA012718	14,772.83	-	14,772.83	
Create Cheque 77071305 Voucher No CATA012759	41,627.54	-	41,627.54	
Create Cheque 77071398 Voucher No CATA012717	68,070,392.81	-	68,070,392.81	Payment of R68,070m on the February 2025 acc
ELECTRICITY BULK PURCHASE ACC 01:DEPOSIT	73,299,500.02	146,325,076.82	(73,025,576.80)	Deposits vote reconciles to datastrings
Create Cheque 77071058 Voucher No CATA012611	4,772,192.77	4,772,192.77	-	
Create Cheque 77071070 Voucher No CATA012645	11,913.63	11,913.63	-	
Create Cheque 77071071 Voucher No CATA012646	4,755.11	4,755.11	-	
Create Cheque 77071072 Voucher No CATA012647	90,140.80	90,140.80	-	
Create Cheque 77071073 Voucher No CATA012648	20,493.00	20,493.00	-	
Create Cheque 77071074 Voucher No CATA012649	14,174.16	14,174.16	-	
Create Cheque 77071075 Voucher No CATA012650	17,400.88	17,400.88	-	
Create Cheque 77071076 Voucher No CATA012661	5,781.93	5,781.93	-	
Create Cheque 77071109 Voucher No CATA012684	176,429.14	176,429.14	-	
Create Cheque 77071234 Voucher No CATA012694	15,327.19	15,327.19	-	
Create Cheque 77071235 Voucher No CATA012695	44,098.23	44,098.23	-	
Create Cheque 77071236 Voucher No CATA012718	14,772.83	14,772.83	-	
Create Cheque 77071305 Voucher No CATA012759	41,627.54	41,627.54	-	
Create Cheque 77071398 Voucher No CATA012717	68,070,392.81	68,070,392.81	-	Payment of R68,070m on the February 2025 acc
Sundry CATA012645 Creditor Control	-	11,913.63	(11,913.63)	
Sundry CATA012646 Creditor Control	-	4,755.11	(4,755.11)	
Sundry CATA012647 Creditor Control	-	90,140.80	(90,140.80)	
Sundry CATA012648 Creditor Control	-	20,493.00	(20,493.00)	
Sundry CATA012649 Creditor Control	-	14,174.16	(14,174.16)	
Sundry CATA012650 Creditor Control	-	17,400.88	(17,400.88)	
Sundry CATA012661 Creditor Control	-	5,781.93	(5,781.93)	
Sundry CATA012684 Creditor Control	-	176,429.14	(176,429.14)	
Sundry CATA012693 Creditor Control	-	4,350,582.72	(4,350,582.72)	
Sundry CATA012694 Creditor Control	-	15,327.19	(15,327.19)	
Sundry CATA012695 Creditor Control	-	44,098.23	(44,098.23)	
Sundry CATA012717 Creditor Control	-	68,070,392.81	(68,070,392.81)	Payment of R68,070m on the February 2025 acc
Sundry CATA012718 Creditor Control	-	14,772.83	(14,772.83)	
Sundry CATA012759 Creditor Control	-	41,627.54	(41,627.54)	
Sundry CATA012766 Creditor Control	-	4,629.18	(4,629.18)	
Sundry CATA012767 Creditor Control	-	192.26	(192.26)	
Sundry CATA012784 Creditor Control	-	15,227.21	(15,227.21)	
Sundry CATA012785 Creditor Control	-	10,424.43	(10,424.43)	
Sundry CATA012786 Creditor Control	-	76,668.58	(76,668.58)	
Sundry CATA012787 Creditor Control	-	5,237.97	(5,237.97)	
Sundry CATA012788 Creditor Control	-	4,158.57	(4,158.57)	
Sundry CATA012789 Creditor Control	-	18,596.60	(18,596.60)	
Sundry DUNA008384 Creditor Control	-	12,552.03	(12,552.03)	
Grand Total	146,599,000.04	146,325,076.82	273,923.22	

Explanatory notes

- Ideally, when a payment is made in full the Sundry accrual and Sundry accrual reversal transactions on the system should be equal to each other, resulting in a net movement of zero rand on the relevant expenditure vote number.
- Currently the system does not fully provide for partial payments. Hence the invoice is captured and authorised on the system. When a partial payment must be made, the Adjustment voucher must be unauthorised on the system, effectively reversing the transactions already committed on the system. After the reversal, a new payment is captured with the amount that must be paid. This then make it appear as if a duplicate payment was made but it is not the case. After this, the Adjustment voucher is reduced with the said paid amount and it is authorised and only the outstanding balance remains on the Adjustment voucher.
- The minor accounts linked to bulk control accounts is a concern, which the municipality attempted to address but no tangible solution has been implemented. Notwithstanding this challenge, the reconciliation does indicate that what the municipality settled for the reporting month is reflecting in the ledger.
- The focus is on the Withdrawal vote – indicating the payments made for the bulk current account for January 2025.

- i) The DWS current account for February 2025 amounted to R18,327,914.21 which was due and payable on or before the 31 March 2025.

Page 1 of 1

NWRI Customer Ref no: 60005150
 Customer No: 25014305
 Contract Acc. No: 100478320
 Document No: 412620090
 Document Date: 28.02.2025
 Payment Terms: 30 Days
 Due Date: 31.03.2025
 Customer VAT Reg. No: 4370102313

TAX INVOICE DWS VAT Reg. no 4040112361



water & sanitation
 Department:
 Water and Sanitation
 REPUBLIC OF SOUTH AFRICA

YOUR CONTACT OFFICE:

Department: Water and Sanitation
 Private Bag X313
 Pretoria
 0001

R535 Waterbyron Building
 185 Francis Baard Street
 Pretoria
 PHONE 0800 200 200
 FAX: 012 536 1408
 Email: revenue@dws.gov.za

Bill To:
 HEAD OF FINANCE
 SOL PLAATJIE MUN-KIMBERLEY
 PRIVATE BAG X5030
 KIMBERLEY
 KIMBERLEY
 8300

Water Use Description	Tariff Category	Quantity m3/EA Registered/Consumed	Unit Price (c/m3/EA)	Amount (Rand)
Property Details: Property Name: DROOGFONTEIN; Property Number: 6866; Registration Division: KIMBERLEY RD; Portion Number: 1; Title Deed: T16761/1921 Water Use Details: WMA: VAAL; Legal Sector Code: 21A Tk water fr a water resource; Water Use Sector: DOMESTIC & INDUSTRIAL; Water Source Type: SCHEME; Contract No: 10087405 (25014305/13) Serv.Vol:9,125,000.40; Ytd Consumed Vol:35133,875.00 Water Use Period: 01.02.2025 to 28.02.2025				
	Consumptive (O&M)	3,321,854.00	39.69	1,318,443.85
	Consumptive (ROA)	3,321,854.00	32.40	1,076,280.70
	Consumptive (Depr)	3,321,854.00	19.07	633,477.56
	TCTA (AMD)	3,321,854.00	9.39	311,922.09
	TCTA (LHWP)	3,321,854.00	372.50	12,373,906.15
	Plus 15.00% VAT			2,357,104.55
	Subtotal			18,071,134.90
	WEL(0%VAT)	3,321,854.000	7.73	256,779.31
	WEL(0%VAT)	0.000	0.00	0.00
	Total Charges			18,327,914.21

Bank Name: ABSA Bank
 Account Number: 4054697285
 Branch Code: 630145
 Reference: Contract Acc.No.

Bank Name: FNB
 Account Number: 62030646311
 Branch Code: 250655
 Reference: Contract Acc.No.

Bank Name: Standard Bank
 Account Number: 010215908
 Branch Code: 051001
 Reference: Contract Acc.No.

- ii) Indicated below, is the DWS Bulk current account invoice for March 2025, which is due and payable, on or before 30 April 2025.

Page 1 of 1

NWRI Customer Ref no: 60005150
 Customer No: 25014305
 Contract Acc. No: 100478320
 Document No: 412671391
 Document Date: 31.03.2025
 Payment Terms: 30 Days
 Due Date: 30.04.2025
 Customer VAT Reg. No: 4370102313

TAX INVOICE

DWS VAT Reg. no 4040112361



water & sanitation

Department:
 Water and Sanitation
 REPUBLIC OF SOUTH AFRICA

Bill To:
 HEAD OF FINANCE
 SOL PLAATJIE MUN-KIMBERLEY
 PRIVATE BAG X5030
 KIMBERLEY
 KIMBERLEY
 8300

YOUR CONTACT OFFICE:

Department: Water and Sanitation
 Private Bag X313
 Pretoria
 0001

R535 Waterbyron Building
 185 Francis Baard Street
 Pretoria
 PHONE 0800 200 200
 FAX 012 336 1408
 Email: revenue@dws.gov.za

Water Use Description	Tariff Category	Quantity m3/HA Registered/Consumed	Unit Price (c/m3/HA)	Amount (Rand)
Property Details: Property Name: DROOGFONTEIN; Property Number: 6866; Registration Division: KIMBERLEY RD; Portion Number: 1; Title Deed: T16761/1911 Water Use Details: WMA: VAAL; Legal Sector Code: 21A Tk water fr a water resource; Water Use Sector: DOMESTIC & INDUSTRIAL; Water Source Type: SCHEME; Contract No: 10087405 (25014305/13) Serv Vol: 9,125,000.40; YrD Consumed Vol: 38173,239.00 Water Use Period: 01.03.2025 to 31.03.2025				
	Consumptive (O&M)	3,039,364.00	39.69	1,206,323.57
	Consumptive (ROA)	3,039,364.00	32.40	984,753.94
	Consumptive (Depr)	3,039,364.00	19.07	579,606.71
	TCTA (AMD)	3,039,364.00	9.39	285,396.28
	TCTA (LHWP)	3,039,364.00	372.50	11,321,630.90
	Plus 15.00% VAT			2,156,656.71
	Subtotal			16,534,368.11
	WRL(0%VAT)	3,039,364.000	7.73	234,942.84
	WRL(0%VAT)	0.000	0.00	0.00
	Total Charges			16,769,310.95

Bank Name: ABSA Bank
 Account Number: 4054697285
 Branch Code: 630145
 Reference: Contract Acc.No.

Bank Name: FNB
 Account Number: 62030646311
 Branch Code: 250655
 Reference: Contract Acc.No.

Bank Name: Standard Bank
 Account Number: 010215808
 Branch Code: 051001
 Reference: Contract Acc.No.

- iii) Indicated below, is the municipality's proof of payment for the DWS arrear account invoice of January 2022 that was settled on 14 March 2025 amounting to R17,098,078.18 and the current account of February 2025 that was settled on 26 March 2025 amounting to R18,327,914.21.

SOL PLAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

DEPARTMENT OF WATER AND SANITATION
PRIVATE BAG X313
PRETORIA
0001

14/03/2025

SUPPLIER No: SWAT01

CONTACT PERSON:
TEL NO:
E-MAIL ADDRESS: info@dws.gov.za

VOUCHER NO: CATA008551

CHEQUE/ELE NO: 77071284

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
31/01/2022	SUN	493837604	14867894.07		2230184.11	17098078.18

SUB TOTAL: 2230184.11 17098078.18

2230184.11 17098078.18

THIS IS TO CERTIFY THAT THIS ACCOUNT HAS NOT BEEN PREVIOUSLY PAID.

COMPILED BY...:

CHECKED BY...:

AUTHORISED BY:

SOL PLAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

DEPARTMENT OF WATER AND SANITATION
PRIVATE BAG X313
PRETORIA
0001

26/03/2025

SUPPLIER No: SWAT01

CONTACT PERSON:

VOUCHER NO: CATA012772

TEL NO:

FAX NO:

E-MAIL ADDRESS: info@dws.gov.za

CHEQUE/ELE NO: 77071403

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
28/02/2025	SUN	412620090	15714030.35		2357104.55	18071134.90
28/02/2025	SUN	412620090	256779.31		0.00	256779.31

SUB TOTAL: 2357104.55 18327914.21

2357104.55 18327914.21

THIS IS TO CERTIFY THAT THIS ACCOUNT HAS NOT BEEN PREVIOUSLY PAID.

COMPILED BY...:

CHECKED BY....:

AUTHORISED BY:

Payment arrangement instalment of R6 million was not settled due to insufficient cash available from operations.

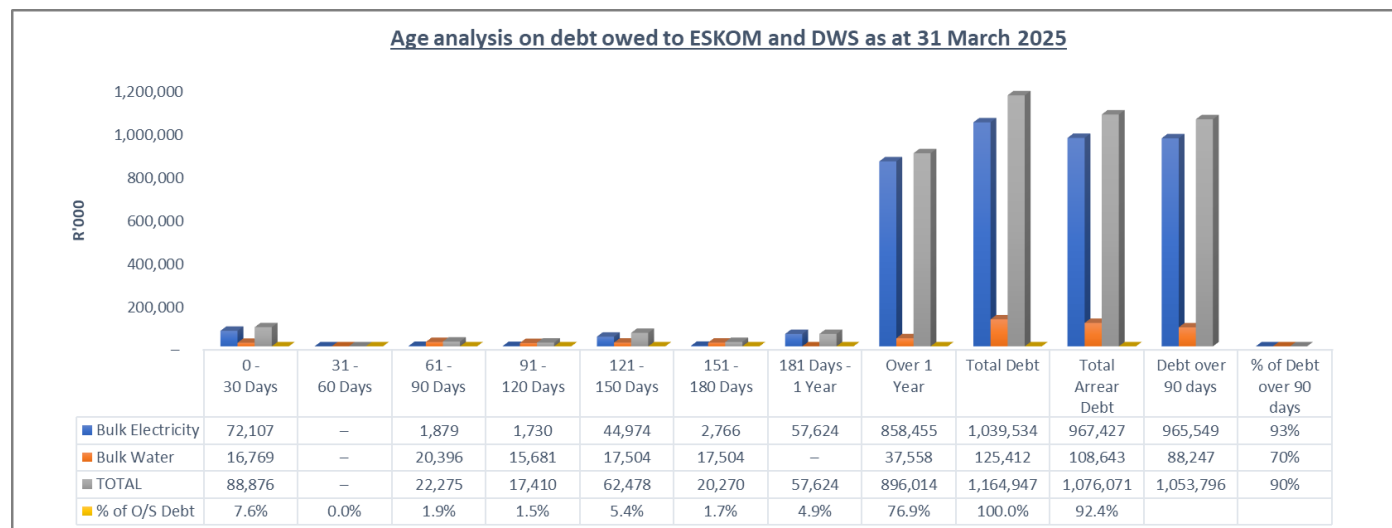
The municipality's water reconciliation statement (aligning to the mSCOA data string upload for M09 – March 2025).

	2025	
	M09	
Account Name		
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Deposits	-18,479,071	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Withdraw	6,374,142	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Withdraw	29,203,007	35,577,149
Assets:Current Assets:Inventory:Water:System Input Volume:Bulk Purchases	15,900,688	

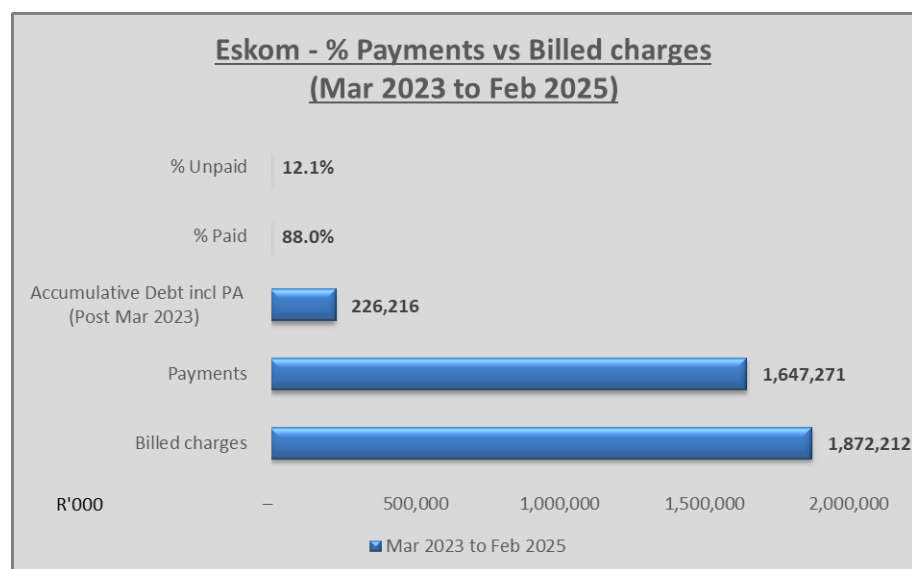
Reconciliation of Bulk purchases water input volumes, deposits and withdrawals as per the Financial system.

Row Labels	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
WATER BULK PURCHASE:DEPOSITS	18,479,070.74	36,958,141.48	(18,479,070.74)	Deposits vote reconciles to datastrings
AATHCATA012651	-	10,560.00	(10,560.00)	
AATHCATA012772	-	18,327,914.21	(18,327,914.21)	Invoice for February 2025 authorised on the system
AATHCATA012778	-	140,596.53	(140,596.53)	
CAT90177071084	10,560.00	10,560.00	-	
CAT90177071403	18,327,914.21	18,327,914.21	-	
CAT90177071512	140,596.53	140,596.53	-	
WATER BULK PURCHASE:WITHDRAWALS	35,577,148.92	-	35,577,148.92	Withdrawal vote reconciles to datastrings
CAT90177071084	10,560.00	-	10,560.00	Minor accounts paid
CAT90177071284	17,098,078.18	-	17,098,078.18	Payment of R17,098m on the January 2022 acc
CAT90177071403	18,327,914.21	-	18,327,914.21	Payment of R18,328m on the February 2025 acc
CAT90177071512	140,596.53	-	140,596.53	Minor accounts paid
WATER:INPUT VOL: BULK PURCHASES	31,801,376.68	15,900,688.34	15,900,688.34	Water: Input vol Bulk Purchases vote reconciles to datastrings
AATHCATA012736	186,657.99	-	186,657.99	
AATHCATA012772	15,714,030.35	-	15,714,030.35	Invoice for February 2025 authorised on the system excl VAT
CAT90177071239	186,657.99	186,657.99	-	
CAT90177071403	15,714,030.35	15,714,030.35	-	
Grand Total	85,857,596.34	52,858,829.82	32,998,766.52	

vii) Total outstanding debt owed to ESKOM and DWS as at 31 March 2025



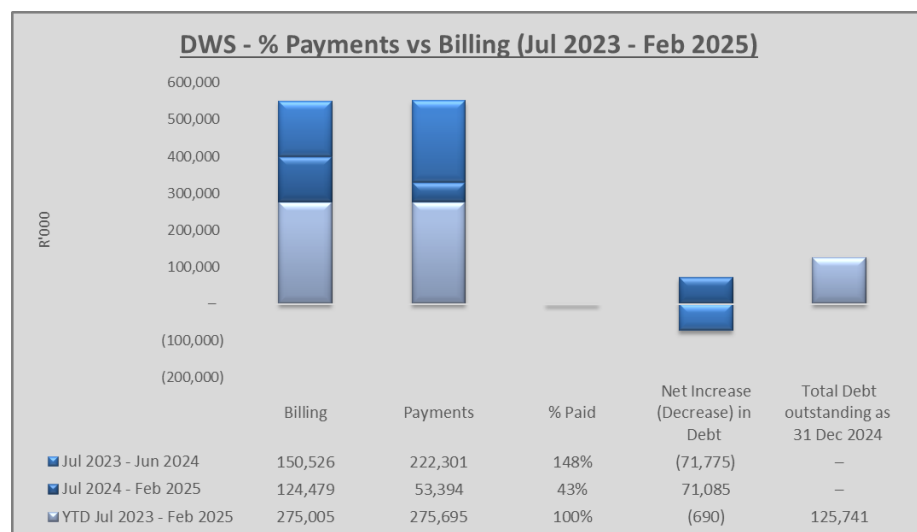
Please refer to section 4.2 for more in-depth information of the debt owed to ESKOM and DWS.



Indicated in the adjacent chart is a summary of the percentage payments versus billed charges for Eskom for the period March 2023 to February 2025.

The total billed charges for the period amounted to R1,872,212 billion, and payments made amounted to R1,647,271 billion. For the period the municipality managed to settle 88% of the billed charges.

The debt outstanding post March 2023 amounts to R226,216m, which includes the outstanding balance on the Payment Arrangement.



Indicated in the adjacent chart is a summary of the percentage payments versus billing for DWS, for the period, July 2023 to February 2025.

The total billing for the period amounted to R275,005m, and payments made amounted to R275,695m. For the 2023/24 financial year the municipality reduced the arrear debt by R71,775m. due to the unpaid invoice for October, November, December 2024 and January 2025. This resulted in an escalation of outstanding debt of R71,085m for the current year. The net debt reduction amounts to R690 thousand,

The debt outstanding as at 28 February 2025 amounts to R125,741m, which includes the outstanding balance on the Debt agreement.

16.7 Municipal Debt Relief Monitoring Plan – Progress report

Indicated in the table below is the monthly progress in terms of the municipal debt relief monitoring.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - March 2025
6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means the account for a single month's consumption)	6.3.1 The municipality must monthly pay and maintain its Eskom bulk current account and bulk water current account - Department of Water and Sanitation (DWS), within 30 days of receiving the relevant invoice	Monthly, within 30 days of receiving invoice on or before due date as per the monthly invoice	Proof of payment (which includes, remittance advice, invoice and extract of corresponding bank statement)	Compliant - ESKOM The municipality settled the February 2025 invoice in full, amounting to R68,070 million account including interest amounting to R1,066 million on 25 March 2025. Total invoice amount was R68,070 million. Compliant - DWS The municipality settled the January 2022 invoice in full, amounting to R17,098 million, on 14 March 2025. The current account of the February 2025 invoice was settled in full, amounting to R18,327 million, on 26 March 2025.
	6.3.1 (a) At a minimum, pay the monthly debt instalment on 5th of each month as per signed debt agreement with DWS. (b) Pay the monthly debt instalment of R6,700m to Eskom with the current account	Monthly, 5th of each month		Non-Compliant - ESKOM The municipality had insufficient cash available from operations to settle R6.7m instalment on the ESKOM payment arrangement on 31 March 2025. Non-compliant - DWS The municipality had insufficient cash available from operations to settle the debt repayment instalment to DWS of R6m on or before 5th of April 2025.
	6.3.2 Submit the supporting evidence of the bulk Eskom current account payment to the National Treasury, Eskom and DWS, within 1 day of making any such payment	Within 1 day after making payment	Proof of payment and proof of email submission	Partially Compliant Email was sent within one day of making payment to ESKOM. DWS current account was paid at month-end.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - March 2025
	6.3.3 Submit the proof of payment to the National Treasury in PDF format via the GoMuni Upload Portal to substantiate that payment was made.	Monthly, within 10 working days after month end	GoMuni Status of Schedule of Revenue Documents Submissions Report	Compliant Proof of Payments made in March 2025 was uploaded onto GoMuni on 8 April 2025.
	6.3.4 - The amount as per the proof of payment must reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom and DWS	Monthly, within 10 working days after month end	Monthly financial data strings	Compliant Transactions as per the ledger reconciles with the monthly datastrings. However minor account payments for Eskom and DWS are posted to the same bulk control votes. Erroneous transactions will be journalised, where applicable. Disclosure issue - the capturing of the current invoice on the system is problematic because it is only received in the new month and captured after month-end closure, resulting in a misalignment between the YTD actual and outstanding creditor amount.
6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)	6.6.1 Issue monthly billing and allocate payment received from customers in the following priority order: (1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity	Monthly	Monthly billing reconciliation / Financial system generated hierarchy allocation report	Compliant Priority of order of allocations was corrected on the system. This is a once-off correction that the system will apply when payments are made.
	6.6.2 The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner	Monthly	Number of disconnected / blocked meters	Prepaid disconnections = 4035 Conventional disconnections = 433 Total = 4468

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - March 2025
	6.6.3 The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner	Monthly	Number of restricted / interrupted supply	Due to the fact that our watermeters are too old to be blocked and the cost to replace we currently only partially compliant as SPLM can block electricity if water is not paid (combined account).
	6.6.4 If the defaulting consumer/ property owner is registered as an indigent consumer with the municipality, the monthly supply of electricity and water to that consumer/property owner must be physically restricted to the monthly national basic free electricity and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively.	Monthly	No of indigent consumers	Partially compliant Current meters do not have the capability to apply restrictions. Technical analysis is required to implement this functionality. Partially compliant as all indigents have prepaid electricity meters and therefore cannot build up debt on electricity.
6.7 Maintain a minimum average quarterly collection of property rates and services charges	6.7.1 The municipality must strictly enforce its credit control and debt management related policies and achieve a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter. Although the norm and standard for collection rate according to MFMA Circular No. 71 indicates a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm	Monthly (Internal) and Quarterly (Debt Relief)	Collect R11,112 million daily over 22-day period, to achieve an average quarterly collection of 85% (Monthly S71 Revenue Collection Ward Template)	Non-Compliant Monthly S71 Revenue Collection rate per Ward for Property rates and Services only = 77%. Quarterly S71 Revenue Collection rate per Ward outcome Q3 = 71% Municipality's average collection rate = 75.9% (Prepaid electricity sales are included) Not achieved Average daily cash collection for March 2025, was R7,280m.
	6.7.2 If the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality must demonstrate to the satisfaction of the National Treasury the reasons or that – 6.7.2.1 Underperformance directly relates to Eskom Supplied areas 6.7.2.2 Physical restriction and/or limit of supply of water is due to Technical Engineering reason(s) 6.7.2.3 The municipality has attempted to enter into SLA with Eskom for Eskom Supplied Areas and document reason(s) for failure	Quarterly	Monthly S71 Revenue Collection Ward Template	Ritchie is a small poor community and will not have a significant impact on the collection rate.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - March 2025
	6.7.3 Install progressively smart prepaid meters in municipal supplied areas (Electricity)	Quarterly	Report on the number of meters installed Annual Target: 2000 Q1: 0 Q2: 0 Q3: 0 Q4: 2,000 (As per SDBIP)	Total smart prepaid electricity meter installations March 2025 = 3,289 YTD installations = 15,284
6.7 Maintain a minimum average quarterly collection of property rates and services charges	6.7.3 Install progressively smart prepaid meters in municipal supplied areas (Water)	Quarterly	Report on the number of meters installed Annual Target: 2000 Q1: 0 Q2: 0 Q3: 0 Q4: 2,000 (As per SDBIP)	Zero smart prepaid water meters were installed. A feasibility study to be done and meters are not procured.
	6.7.4 All new electricity connections from 2023/24 MTREF must be smart-pre-paid meters	Quarterly	Report on the number of new connections installed with smart prepaid electricity meters	Total smart prepaid electricity meter installations March 2025 = 3,289 YTD installations = 15,284
6.8 Completeness of the revenue base	6.8.1 The municipality must demonstrate by completing the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer and demonstrate the steps taken to correct the variances identified; and	Quarterly	GVR Reconciliation & GoMuni Status of Schedule of Revenue Documents Submissions Report	Compliant GVR reconciliation for the third quarter was completed Tuesday,8 April 2025.
	6.8.2 The municipality must submit its completed billing system, GVR and/ or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury			Compliant GVR reconciliation submitted Tuesday,8 April 2025.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - March 2025
6.9 Monitor and report on implementation	6.9.1 MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Monthly, within 10 working days after month end	Progress report to be included in Monthly S71 Report	Compliant Report included in the monthly S71 report for March 2025 as per guideline from NT.
	6.9.2 If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?			
	6.9.3 Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, it must monthly report its progress in implementing its FRP to the Provincial Executive			
6.10 Provincial Treasury's Certification of municipal compliance	6.10 Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA to performed by the relevant PT			
	Executive Management Team (EMT) to review the National Treasury: Local Government Budget Analysis (NT: LGBA) compliance certification for the prior month and take immediate remedial action	Monthly, within 1 days after issue	NT: LGBA Compliance Certification	The municipality received the compliance certificate for February 2025. Management must take remedial actions as per the recommendations made by National Treasury
6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)	6.12.1 Open a separate investment account to serve as a sub-account	Once-off	Investment account confirmation	Compliant A call deposit account to serve as a sub-account was opened on 13 November 2023 with our primary banker. Sub-account account is no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No.124
	6.12.1 must apportion and ring-fence in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and	Funds to be invested weekly and withdrawn monthly	Investment account and primary bank statement	Finalised Daily process developed to identify amounts received per service. EQS portion to be considered on a

MFMA Circular Reference and Focus Areas		Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - March 2025
	Eskom Debt Relief Conditions			monthly basis, once subsidies have been allocated on the system. Partially Compliant The ESKOM current account was paid directly from the Primary bank account. DWS February 2025 invoice was settled. Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124
	6.12.2 must monthly first apply the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it may apply the revenue in the sub-account for any other purpose.	Monthly	Investment account and bank statement and proof of payment aligned to actual receipts	Partially Compliant The ESKOM current account was paid directly from the Primary bank account. DWS February 2025 invoice was paid from the Primary bank account. The municipality has shown improvement on its cash flow management, however substantial receipts from debtors are not materialising. Municipality has a backlog in terms of built-up reserves. Salaries and third-party salary payments including commitments to other creditors make this requirement difficult to maintain.
	The municipality monthly submit a copy of the bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue	Monthly, within 10 working days after month end	Bank statement and proof of payment aligned to actual receipts	Compliant Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124. Primary bank account statement was uploaded onto GoMuni. Payments made directly from Primary bank account.

17. Recommendations

It is recommended that that the Mayoral Committee take note of –

1. The monthly budget statement (S71 Report) for the month of March 2025.
2. The non-compliance emanating from the municipality's debt relief self-assessment and overall performance since 1 October 2023, as well as the National Treasury's independent assessment set-out in paragraph 16.3 above. Please refer to the Non-compliance report and compliance certificate for February 2025.
3. The following remedial actions necessary and/or undertaken to improve the municipality's monthly compliance in terms of the Debt Relief Conditions:
 - a. The municipality must monthly settle the current accounts for ESKOM and DWS.
 - b. Settling of the debt repayment instalment. This needs to be improved upon as the municipality defaulted and made late payments for several months and this does not count in the municipality's favour. Arrear Eskom instalments amount to R46,900 million and DWS amounts to R71,085 million.
 - c. Ensure that bulk invoices are captured and authorised timeously on the system, prior to month-end closure.
 - d. Achieving the quarterly collection rate of 85% as per the Municipal Debt Relief
 - e. Work towards achieving the targeted collection rate of 95% with stringent application of the Credit Control Policy.
 - f. Restricting or interrupting of water supply of defaulting customers and indigents. Intervention from the Engineer for Water & Sanitation is critical.
 - g. The municipality was granted approval by National Treasury to partake in the transversal contract for smart prepaid meters.
 - h. Improving on indigent management, especially in light of the audit findings raised.
 - i. Installation of smart prepaid meters, when it has to be done internally. The involvement of Engineers for Water and Electricity is critically needed in this regard.
 - j. The municipality applied for the Smart Meter Grant, complying to all conditions as prescribed and was granted approval by National Treasury. A service provider was appointed by National Treasury and installations commenced during November 2024.
 - k. Engaging ESKOM to assist in collections in ESKOM supplied areas (Ritchie). Debtors Management to do an assessment of actual debt owed and the number of registered indigents compared to total number of households.
 - l. Development of the policy for smart prepaid metering solutions (The policy was developed and approved by Council with the Adopted Budget on 31 May 2024)
 - m. Ring-fencing actual cash received for Electricity and Water & Sanitation. This is being managed and monitored by the Budget and Treasury Office, daily. However, due to the fact that the municipality is not reaching its projected daily cash collections, funds for specifically Water could not be ring-fenced for the past four months.
 - n. Building up of cash reserves as a matter of urgency.
 - o. The last two items above, can only be realistically achieved if the daily collections and the collection rate improves significantly and the Credit Control Policy is adhered to.
 - p. Drafting and implementing a concise contingency plan on how to provide for the high months. If this is not done, the municipality will struggle with same issue year-on-year.
 - q. Developing of a debt collection strategy that is strictly enforced.
 - r. The municipality appointed debt collectors, to assist with especially legal collections and blacklisting delinquent rate payers.
4. As per recommendations above.
5. The balance of the Eskom bulk account and bulk water account and the municipality's reconciliation of these accounts as set-out in paragraph 16.6 above.
6. It is imperative that Mayoral Committee take note that due to consistent non-compliance to all the conditions of MFMA Circular 124, the municipality run the risk of National Treasury not recommending for the write-off of a third of the municipality's debt after the first 12 months of the municipal debt relief programme.

7. That the Mayoral committee take note of the high risk that the municipality may be removed from the Municipal Debt Relief Programme, which will have serious repercussions for the municipality.
8. That the Mayoral committee take note of the Fruitless and Wasteful expenditure incurred on interest on overdue accounts amounting to R13,511 million for bulk electricity for the period Jul 2024 to March 2025.
9. The municipality is in breach of the conditions and has accumulative arrears for the current year. To be in good standing with ESKOM and to qualify for the recommendation for the first third debt write-off by National Treasury, the municipality have an obligation to settle **R155,872,116.07**, as indicated in the table below. Arrears on the outstanding invoices including interest amounts to R108,972,116.07 and the arrears on the payment arrangement amounts to R46,900,000.00.

Month	Invoice Amount incl Interest	Paid Amount	Balance due incl Interest	Arrear instalments PA	Total Due to be in Good standing	Interest
Jul-24	R 148,333,011.78	R 148,059,100.03	R 273,911.75	R 6,700,000.00	R 6,973,911.75	R 273,911.75
Aug-24	R 127,600,942.44	R 72,000,000.00	R 55,600,942.44		R 55,600,942.44	R 154,610.92
Sept-24	R 71,086,942.52	R 69,337,712.24	R 1,749,230.28	R 6,700,000.00	R 8,449,230.28	R 1,749,230.28
Oct-24	R 73,507,839.50	R 70,741,905.79	R 2,765,933.71	R 6,700,000.00	R 9,465,933.71	R 2,765,933.71
Nov-24	R 69,973,808.12	R 25,000,000.00	R 44,973,808.12	R 6,700,000.00	R 51,673,808.12	R 2,159,642.32
Dec-24	R 71,858,904.48	R 70,129,144.68	R 1,729,759.80	R 6,700,000.00	R 8,429,759.80	R 1,729,759.80
Jan-25	R 75,731,838.36	R 73,853,308.39	R 1,878,529.97	R 6,700,000.00	R 8,578,529.97	R 1,878,529.97
Feb-25	R 68,070,392.81	R 68,070,392.81	R -	R 6,700,000.00	R 6,700,000.00	R 1,066,048.41
TOTAL ESKOM	R 706,163,680.01	R 597,191,563.94	R 108,972,116.07	R 46,900,000.00	R 155,872,116.07	R 11,777,667.16

10. The municipality is in breach of the conditions and has accumulative arrears for the current year. To be in good standing with DWS, the municipality must settle the accounts for October to December 2024, January 2025 and February 2025 amounting to a combined total of **R112,267,378.06** and the arrears on the debt agreement amounts to **R71,084,756.01** (defaulted July 2024 to February 2025). This is also the full balance outstanding on the debt agreement, excluding the interest of R14,703,680.46 to be written off. The total amount due to DWS amounts to **R126,971,058.52**, as articulated in the table below.

Month	Invoice Amount	Paid Amount	Balance due	Less potential interest write-off	Total Due to be in Good standing	Interest
Arrears	R 37,558,388.30	R -	R 37,558,388.30	-R 14,703,680.46	R 22,854,707.84	R -
Oct-24	R 17,504,048.73	R -	R 17,504,048.73	R -	R 17,504,048.73	R -
Nov-24	R 17,504,048.73	R -	R 17,504,048.73	R -	R 17,504,048.73	R -
Dec-24	R 15,680,672.19	R -	R 15,680,672.19	R -	R 15,680,672.19	R -
Jan-25	R 20,395,986.37	R -	R 20,395,986.37	R -	R 20,395,986.37	R -
Feb-25	R 18,327,914.21	R -	R 18,327,914.21	R -	R 18,327,914.21	R -
TOTAL WATER	R 126,971,058.52	R -	R 126,971,058.52	-R 14,703,680.46	R 112,267,378.06	R -
Current Year arrears			R 71,084,756.01			

11. Municipal Debt Relief Benefit

The total debt eligible for write-off, over the 3-year period amounts to **R744,384,421.59**. The first third of the qualifying debt to be written-off amounts to **R248,128,140.53**. Should the municipality fail to comply with the conditions and fail to settle the current year accumulative arrears, this is the debt relief benefit that the municipality will forfeit. This will be a serious blow to the municipality's finances and will have severe repercussions on the already critical cashflow position.

On the DWS debt agreement, the municipality run the risk of being removed from the Department's Debt Incentive Scheme and forfeit the R14m interest write-off. The Department will also resume in charging interest on the cumulative arrear debt. This will result in an increase in Fruitless and wasteful expenditure incurred for the year.

18. Municipal Manager's quality certification

Quality Certificate

I, BS Matlala, the Municipal Manager of Sol Plaatje Local Municipality, hereby certify that
(mark as appropriate)

☒

the Monthly Budget Statement

☐

Quarterly Report on the implementation of the budget and financial state affairs
of the municipality

☐

Mid-year Budget and Performance Assessment

For the month of **March 2025** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Mr. BS Matlala

Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature: _____



Date: 14 /04/2025



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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FROM: Mr Mandla Gilimani, Tel: 012 315 5807, Email: mandla.gilimani@treasury.gov.za

Mr Bartholomew Matlala
Municipal Manager
Sol Plaatje Local Municipality
Private Bag X 5030
KIMBERLEY
8300

Mr Sadesh Ramjathan
Director: Revenue Management
National Treasury
Private Bag X 115
PRETORIA
0001

Email: BMatlala@solplaatje.org.za

Dear Mr Matlala and Mr Ramjathan

MFMA CIRCULAR NO.124 – MUNICIPAL DEBT RELIEF NATIONAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE OF NC091 SOL PLAATJE LOCAL MUNICIPALITY DURING FEBRUARY 2025

In February 2025, the National Treasury undertook a comprehensive review of Sol Plaatje Local Municipality's compliance with the conditions of its debt relief programme. This evaluation, conducted during the municipality's second compliance cycle, which began on October 1, 2023, was a critical measure of its progress toward achieving sustained debt relief and long-term financial stability.

The review showcased several notable achievements, including the implementation of stringent budgetary controls, improved financial reporting, and significant strides in governance practices—all reflecting the municipality's strong commitment to reform. Despite these advancements, persistent challenges were identified, particularly in expenditure management, which remains misaligned with the programme's objectives. Addressing these issues will be pivotal to bolstering the municipality's financial resilience and realizing the overarching goals of the debt relief initiative.

The evaluation raised significant concerns about the municipality's inconsistent collection rate and growing debtor balances, highlighting ongoing revenue management challenges. In the first quarter of the 2024/25 financial year, the collection rate improved from 33% in July 2024 to 66% in August and 68% in September, achieving an overall quarterly rate of 52%, well below the 85% target. While the rate improved to 70% in the second quarter, it declined again to 61% in January 2025, before recovering slightly to 67% in February 2025. These fluctuations reflect continued volatility in revenue collection.

These inconsistencies, coupled with rising debtor balances, indicate that the council-approved credit control and debt collection policy is not being effectively enforced. This weak enforcement undermines



the municipality's revenue base and financial stability, making it imperative to strengthen collection strategies and ensure sustained financial resilience.

The municipality's significant outstanding debt to Eskom remains a pressing concern, posing a serious risk to its compliance with the debt relief programme. As per the Eskom reconciliation as of March 7, 2025, the municipality owes R112 million. A timely payment is essential to qualify for a one-third debt write-off, and failure to meet this requirement would result in the municipality forfeiting this opportunity, further straining its financial position.

As Sol Plaatje Local Municipality progresses through its second compliance cycle, settling the Eskom debt must be a top priority. Without urgent intervention, the municipality risks losing the benefits of the debt relief programme and exacerbating its financial difficulties.

The National Treasury will continue to oversee and support the municipality in addressing these challenges. Strengthening credit control and debt collection measures is crucial for stabilizing revenue streams and ensuring compliance with the debt relief programme. However, failure to settle the Eskom debt will significantly impede progress toward financial sustainability.


Despite ongoing efforts, the municipality's overall collection rate remains below the 85% target, exacerbating financial risks. Without decisive action to resolve the Eskom debt and enhance revenue management, the municipality will continue to face financial instability. The Treasury remains committed to assisting in the successful implementation of the debt relief programme.

Condition 6.1 – Municipality non-compliance

The performance summary below provides a detailed overview of Sol Plaatje Local Municipality's compliance during the second cycle of the debt relief programme. This cycle forms part of the municipality's ongoing efforts to meet the mandatory conditions outlined in MFMA Circular No. 124 and the National Treasury's debt relief approval letter. The assessment conducted by the National Treasury in December 2024 indicated that the municipality achieved an average compliance rate of 73% with the required conditions. This performance reflects a moderate level of adherence, with notable progress in certain areas, while also highlighting the need for continued improvement to fully meet the programme's objectives.



NC091 Sol Plaatje Local Municipality overall relief performance from July 2024 up to and including February 2025:

	National Treasury																		<table><tr><th colspan="6">Province</th></tr><tr><th colspan="6">NW</th></tr><tr><th colspan="2">Code</th><th colspan="2">District</th><th colspan="2">Code Description</th></tr><tr><td colspan="2">NC091</td><td colspan="2">Frances Baard</td><td colspan="2">Sol Plaatje</td></tr></table>																		Province						NW						Code		District		Code Description		NC091		Frances Baard		Sol Plaatje	
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MFMA Circular No. 124																																																												
Municipal Finance Management Act No. 56 of 2003																																																												

Monthly Performance Report																																																		
Municipal Details			Part A						Part B						Part C				Part D						Part C						Maximization of Revenue Base				Part E										Part F					
			Eskom And Bulk water current account						Compliance with a funded MTREF						FRP/BFF & Tariff Assessment				Electricity and water as collection tools						Quarterly collection of property rates and services charges										Oversight															
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Compliance Status					
2.July	Sol Plaatje	NC091	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance				
3.August	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Non Compliance			
4.September	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	78%	Non Compliance		
5.October	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance		
6.November	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Non Compliance	
7.December	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	73%	Non Compliance		
8.January	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	90%	Non Compliance		
9.February	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance
10.March	Sol Plaatje	NC091																																													0%	Non Compliance		
11.April	Sol Plaatje	NC091																																													0%	Non Compliance		
12.May	Sol Plaatje	NC091																																													0%	Non Compliance		
1.June	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	85%	Non Compliance	

Sol Plaatje Local Municipality is urged to sustain and accelerate its efforts toward full compliance with the conditions of the debt relief programme. While some progress has been made, it remains a serious concern that the municipality has not yet fully settled its outstanding payments to Eskom for the second compliance cycle. This ongoing shortfall places the municipality’s eligibility for the debt write-off at significant risk and undermines the broader objectives of the programme aimed at restoring financial stability and long-term sustainability.

To fully capitalize on the benefits of the debt relief initiative, the municipality must take immediate and decisive action to improve its payment performance. This includes prioritizing the settlement of all outstanding Eskom debt in accordance with the programme’s requirements. A critical enabler of this is the effective reduction of debtor balances. Strengthening credit control, enforcing the debt collection policy, and actively pursuing arrears will enhance revenue inflows—thereby creating the fiscal space needed to meet Eskom obligations.

Meeting these financial commitments is not only a compliance requirement but a strategic priority for reinforcing the municipality’s financial position, restoring stakeholder confidence, and ensuring the continued delivery of essential services.

Failure to do so may lead to the forfeiture of debt relief benefits and increased financial strain, limiting the municipality’s ability to invest in infrastructure and operational needs. A strong demonstration of financial discipline, including a concerted effort to reduce debtors and honour key obligations, is essential to achieving long-term fiscal stability and strengthening confidence in the municipality’s governance and financial management.



Condition 6.2 – Application-based supported by Council’s resolution

Sol Plaatje Local Municipality successfully secured conditional approval for participation in the Municipal Debt Relief Programme following formal endorsement by the municipal council and subsequent approval by the National Treasury. This approval was contingent on the municipality addressing critical weaknesses in its financial and administrative systems.

Recognizing the strategic importance of this opportunity, the municipality’s leadership—supported by strong political will—undertook a comprehensive institutional review to identify and prioritise key areas requiring reform. This process informed the development of a targeted action plan aimed at strengthening financial controls, improving revenue collection, optimising expenditure management, and enhancing governance practices.

In response to the conditions set by the National Treasury, the municipality implemented a series of transformational reforms. These included improved financial oversight mechanisms, streamlined and disciplined budgeting processes, and the institutionalisation of governance best practices to promote transparency and accountability. To support these reforms, the municipality established robust monitoring and reporting frameworks to ensure ongoing performance tracking and institutional accountability.

As a result of these focused interventions, the municipality successfully met the National Treasury’s conditions and obtained final approval for its participation in the debt relief programme—a significant milestone that reflects its commitment to reform and sound financial management.

With foundational improvements firmly in place, Sol Plaatje Local Municipality is now better positioned to achieve long-term fiscal sustainability, stabilise its revenue base, and enhance service delivery. These reforms address not only current financial challenges but also lay the groundwork for sustained progress and resilience—ensuring a stable, responsive, and financially secure future for the community.

Condition 6.3 – Maintaining the Eskom bulk current account

As of February 2025, Sol Plaatje Local Municipality continues to demonstrate a concerted effort to manage its financial obligations to both Eskom and the Department of Water and Sanitation (DWS). While current account payments are being honoured, significant legacy arrears—particularly the outstanding balance of R112 million owed to Eskom—remain unresolved. These persistent arrears pose a serious risk to the municipality’s continued compliance with the conditions of the Municipal Debt Relief Programme.

To retain eligibility for the programme’s benefits, it is imperative that the municipality accelerates efforts to improve its payment performance, with a particular focus on settling long-standing arrears to Eskom and DWS. Strengthening cash flow management and ensuring more strategic allocation of available resources will be critical to achieving this goal. In addition, improving internal processes—



such as the timely approval of invoices and prompt processing of payments—will help prevent further accumulation of arrears and reinforce financial discipline.

Strict adherence to the compliance conditions set out in MFMA Circular No. 124 and the National Treasury's debt relief approval letter remains a non-negotiable requirement. Failure to address the outstanding debt—despite improved current payments—may result in the forfeiture of key debt write-off benefits and derail the municipality's path toward long-term financial sustainability.

Senior management is therefore urged to prioritise the resolution of historical arrears and implement the necessary financial and operational reforms to support this objective. Doing so will not only strengthen the municipality's fiscal position but also contribute to more reliable service delivery and restored stakeholder confidence.

Condition 6.4 – A funded MTREF

Sol Plaatje Local Municipality has successfully secured full funding for its 2024/25 fiscal year budget, ensuring that all planned programmes, capital projects, and operational commitments can proceed as scheduled. This significant financial milestone provides a stable platform for implementing strategic initiatives, maintaining uninterrupted service delivery, and advancing the municipality's long-term development agenda.

With the approved budget fully funded, the municipality is well-positioned to prioritise critical infrastructure development, expand essential public services, and invest in community-driven initiatives. Key projects earmarked for this fiscal year include the upgrading of water and sanitation infrastructure, and expansion of road networks. In parallel, the budget also safeguards the continuous delivery of core municipal services such as public safety, basic healthcare, waste management, and other services that are vital to residents' quality of life.

This achievement reflects the municipality's ongoing commitment to sound financial management, effective resource mobilisation, and strategic planning. By securing the necessary funding upfront, the municipality can not only meet its immediate operational and developmental obligations but also create the conditions necessary for sustainable economic growth and improved social outcomes.

Furthermore, this proactive approach strengthens the municipality's capacity to attract external investment, build public confidence, and reinforce institutional credibility. The fully funded budget is a testament to forward-looking governance that balances fiscal responsibility with developmental ambition—ensuring that progress is inclusive, resilient, and responsive to the evolving needs of the community.



Conditions 6.5 – Cost reflective tariffs

The 2024/25 budget, while fully funded, was developed without the incorporation of a cost-reflective tariff tool—a critical component for enhancing the municipality’s financial planning and long-term sustainability. Acknowledging this gap is an important step toward adopting more responsible and data-driven fiscal practices. By integrating the draft cost-reflective tariff tool into future budgeting processes, the municipality can better align service tariffs with the actual cost of operations and maintenance. This alignment will not only improve financial stability but also support more strategic infrastructure investments, laying the foundation for a more resilient and sustainable fiscal outlook.

As the municipality begins preparations for the 2025/26 draft budget, there is a clear and timely opportunity to improve the current tariff-setting environment. Strengthening this aspect of financial planning will ensure that tariffs are equitable, transparent, and reflective of service delivery costs—thereby supporting the municipality's ability to sustainably fund essential services.

Addressing this shortcoming now will significantly bolster the municipality’s financial position and demonstrate a proactive and forward-looking governance approach. Once implemented, the cost-reflective tariff tool will improve the municipality’s ability to recover costs more efficiently, reduce reliance on unsustainable subsidies, and ensure that service delivery is both reliable and financially viable. It also reinforces the principles of fiscal accountability and transparency, fostering greater trust and confidence among residents and stakeholders.

A transition toward a cost-based pricing model not only supports revenue stability but also ensures that services remain accessible and of high quality. Establishing a dependable and predictable revenue stream will mitigate the risk of financial shortfalls, enhance operational efficiency, and improve the overall quality of municipal services.

Incorporating the cost-reflective tariff tool into the 2025/26 budget process is a critical step toward modernizing the municipality’s financial framework. This commitment to continuous improvement and sound financial governance aligns with broader objectives of building a resilient, responsive, and prosperous community. It further positions the municipality as a responsible steward of public resources—capable of delivering high-quality services while maintaining the trust and confidence of the residents it serves.

Condition 6.6 – Electricity and water as collection tools

The municipality's approved credit and debt collection policy outlines clear guidelines for the allocation of payments; however, these guidelines are not consistently applied. This inconsistency in payment allocation has resulted in discrepancies in debt recording and management, posing risks to the municipality’s overall financial health. Compounding this challenge is a technological gap due to the lack of infrastructure to restrict water supply for non-indigent consumers who default on payments. Addressing this issue is a priority, with potential solutions and their associated costs to be investigated.



Despite these challenges, the municipality remains steadfast in its commitment to supporting vulnerable populations. Registered indigent consumers receive essential services, including a monthly allocation of 50 kilowatt-hours of electricity and 6 kilolitres of water. This initiative demonstrates the municipality's dedication to ensuring that basic needs are met for those most in need, promoting equitable access to essential resources for indigent households.

All financial information, including the provision of support to indigent consumers, is reported transparently through the monthly MFMA Section 71 statement, as mandated by National Treasury regulations. This transparency and accountability highlight the municipality's commitment to responsible governance and strict adherence to statutory guidelines. By openly communicating both its challenges and achievements, the municipality continues to build trust and ensure that stakeholders remain informed about its financial and operational performance.

Condition 6.7: Maintain a Minimum Average Quarterly Collection Rate

In January 2025, Sol Plaatje Local Municipality recorded a collection rate of 61%, significantly below the 85% target set under the Municipal Debt Relief Programme. Although there was a moderate improvement to 67% in February 2025, the municipality continues to face persistent collection challenges—particularly in Eskom-supplied areas—which are placing ongoing pressure on cash flow and undermining budget stability. If not addressed, these challenges will continue to pose a serious risk to the municipality's financial sustainability and overall programme compliance.

To reverse this trend and move toward the targeted collection levels, it is imperative that the municipality strengthens the implementation of its credit control measures and improves billing accuracy across all service areas. Equally important is the need to enhance debt recovery strategies, particularly in high-risk areas, through targeted interventions and community engagement.

A key priority must be the strict and consistent enforcement of the Credit Control and Debt Collection Policy. In parallel, addressing inefficiencies in the billing and revenue management systems will be critical to restoring confidence in the municipality's ability to bill accurately and collect timeously.

Senior management's leadership and oversight will be essential in driving these reforms, ensuring that operational teams are equipped to execute collection strategies effectively and that revenue improvement remains a central focus in the lead-up to the 2025/26 budget cycle. Improving the collection rate is not only a compliance requirement—it is a strategic imperative for achieving financial resilience and delivering sustainable, quality services to the community.

**Conditions 6.8 – Completeness of the Revenue Base**

Part A - Reconciliation Summary						
Number of Properties				Market Values		
Property Categories	Valuation Roll	Mun System	Variance	Valuation Roll	Mun System	Variance
Residential	48582	48582	0	23 594 584 603	23 594 584 603	-
Industrial	177	177	0	784 040 000	784 040 000	-
Business and Commercial	2228	2228	0	7 454 750 001	7 454 750 001	-
Agricultural	422	422	0	2 612 916 700	2 612 916 700	-
Mining	21	21	0	102 685 400	102 685 400	-
State Owned for Public Purpose	133	133	0	2 498 871 000	2 498 871 000	-
PSI	465	465	0	156 930 000	156 930 000	-
PBO	1081	1081	0	609 275 001	609 275 001	-
Multi Use	0	0	0	-	-	-
Vacant	1677	1677	0	502 320 000	502 320 000	-
POW	239	239	0	607 129 000	607 129 000	-
Municipal	9297	9297	0	1574 932 503	1574 932 503	-
Other	0	0	0	-	-	-
Total	64 322	64 322	-	40 498 434 208	40 498 434 208	-
Part B - Detailed Reconciliation						
Monthly Billing - Mapped Accounts				Monthly Billing - Un Mapped Accounts		
Property Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	23 848 226	22 470 664	1377 562	23 848 226	22 414 925	1433 302
Industrial	2 377 405	2 308 129	69 276	2 377 405	2 311 439	65 966
Business and Commercial	22 604 666	20 584 380	2 020 286	22 604 666	20 595 635	2 009 031
Agricultural	660 197	338 912	321 285	660 197	338 912	321 285
Mining	622 479	592 162	30 316	622 479	595 421	27 058
State Owned for Public Purpose	10 355 530	3 311 956	7 043 574	10 355 530	3 311 956	7 043 574
PSI	-	108 908	- 108 908	-	-	-
PBO	-	99 210	- 99 210	-	-	-
Multi Use	-	-	-	-	-	-
Vacant	-	945 933	- 945 933	-	945 895	- 945 895
POW	-	7 790	- 7 790	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	0	0
Total	60 468 503	50 768 044	9 700 459	60 468 503	50 514 182	9 954 321

Prepared By

KOBUS NEL

Date

2025/01/14

Contact Details

0538306068

Signature

The General Valuation (GV) Reconciliation Summary for Sol Plaatje Local Municipality confirms complete alignment between the Valuation Roll and the Municipal Financial System (MFS), both in property counts and market values. A total of 64,322 properties are accurately reflected across both systems, with no discrepancies identified across any property category. These include Residential, Business and Commercial, Industrial, Agricultural, State-Owned, Public Service Infrastructure, Public Benefit Organisations, and Municipal properties, among others. The reconciled total market value of all properties stands at R40.5 billion, with Residential properties comprising the largest share. This full alignment is a strong indicator of the municipality's effective property data management and administrative control, which are essential for ensuring billing accuracy and supporting credible financial reporting.

While this alignment represents a significant achievement in terms of data integrity and system integration, challenges persist further downstream in the revenue value chain—particularly in billing and revenue collection processes. Accurate property and valuation data serve as the foundation for reliable billing, but if not matched by efficient collection strategies and robust credit control, the



municipality's ability to fully capitalise on its revenue base remains limited. To secure long-term financial sustainability, ongoing efforts will be needed to strengthen these areas, ensuring that the integrity of the property database translates into actual revenue growth and improved service delivery outcomes.

Condition 6.9 – Monitor and Report on compliance

The data strings have been successfully uploaded to the GoMuni system, the designated online platform for municipalities to submit operational and financial information. As part of this process, Sol Plaatje Local Municipality has consistently submitted its Municipal Finance Management Act (MFMA) Section 71 reports. These monthly submissions are essential for tracking and evaluating the municipality's financial performance, providing a detailed view of revenue collection, expenditure trends, and budget adherence. The Section 71 report remains a key instrument in promoting financial transparency, ensuring accountability to stakeholders, and enabling informed decision-making for effective financial governance.

MFMA S71 Statement component		Compliance (Yes / No)
1.	The Budget Performance Overview (paragraph 4) of the MFMA S71 statement explicitly advised on the municipality's progress in implementing the municipality's budget and (where relevant also the budget funding plan) – where implementation is slow, the statement advised explicitly on progress, challenges and corrective actions.	Yes
2.	The conclusion (paragraph 14) of the MFMA S71 statement explicitly advised as part of the MFMA Circular 124: Condition 6.9 reporting - Any risk associated; and The mitigating factors with the implementation of the municipality's Budget Funding Plan and / or Funded Budget.	Yes
3.	Annexure B of the MFMA S71 statement included the following debt relief reporting components-	
3.1.1	The municipality's MFMA Circular 124 self-assessment	Yes
3.1.2	The self-assessment (refer 3.1.1 above) was included in the format of MFMA Budget Circular 128 (Annexure B)	Yes
3.2	The municipality's overall relief compliance across the months of its debt relief participation since its National Treasury debt relief approval effective date	Yes
3.3	The latest Provincial Treasury debt relief compliance certificate and report issued to the municipality	Yes
3.4.1	The municipality's revenue collection performance the overall performance graph; Summary worksheet; and	Yes



MFMA S71 Statement component		Compliance (Yes / No)
	Collection per ward indicating who supplies electricity in the ward	
3.4.2	The revenue collection performance information (refer 3.4.2) was included in the format of MFMA Budget Circular 128 (Annexure D).	Yes
3.5.1	The indigent management information	Yes
3.5.2	The indigent management information was included in the format of MFMA Budget Circular 128 (Annexure C).	Yes
3.6.1	The summary of the municipality's property rates reconciliation undertaken in the National Treasury format.	Yes
3.6.2	The municipality's progress during the month against its planned corrective action to address any variances evident from the property rates reconciliation.	Yes
3.7.1	Any Eskom and Water (if the municipality has the Water function) Bulk current account invoice(s) due and payable during the month of reporting	Yes
3.7.2	The municipality's proof of payment of any such Eskom and / or Water Bulk current account invoice(s) during the month of reporting.	Yes
3.7.3	The municipality's reconciliation statement for electricity and water (if it has the function) aligning to the MFMA S71 mSCOA data strings upload.	Yes
3.8	Recommendations noting explicitly the aforementioned debt relief reporting to the Mayor and / or Mayoral Committee meeting	Yes

A key concern remains the municipality's ongoing inability to fully settle its monthly current accounts with Eskom and the Department of Water and Sanitation (DWS). This persistent shortfall is placing continued strain on the municipality's cash flow, leading to the accumulation of arrears and compromising compliance with the conditions of the Municipal Debt Relief Programme.

Failure to make consistent and full payments not only endangers the municipality's eligibility for key debt relief benefits but also increases exposure to stricter credit control measures from service providers—thereby further weakening financial stability. To mitigate these risks, immediate focus is required on addressing underlying cash flow constraints and strengthening revenue collection mechanisms. Timely and complete settlement of current obligations is essential to safeguard service continuity, maintain compliance, and ensure long-term financial sustainability.

In light of the escalating risk profile, the Risk Manager is requested to prepare a comprehensive report detailing this issue and other related financial and operational risks. The report should include a clear assessment of the potential impacts, proposed mitigation measures, and be submitted together with a draft council resolution for consideration. This proactive approach will support informed decision-



making at council level and reinforce the municipality's commitment to sound financial governance and risk management.

Condition 6.10 – National Treasury certification of municipal compliance

The National Treasury plays a critical role in overseeing the Municipal Debt Relief Programme, ensuring that participating municipalities comply with the conditions necessary for effective debt management and financial recovery. This oversight fosters financial discipline, accountability, and stability within the local government sphere.

The Treasury's rigorous monitoring and evaluation framework ensures that municipalities adhere to financial guidelines designed to maintain fiscal stability and prevent further debt accumulation. Certification is not merely procedural; it represents a key step in promoting responsible financial management and long-term sustainability.

A structured, transparent approach to fiscal recovery allows municipalities to deliver essential services more effectively, rebuild public trust, and support local economic development. The certification framework provides clear guidelines to help municipalities restore financial health within realistic budgetary constraints.

Through continued support, the National Treasury strengthens the financial position of municipalities, directly benefiting the communities they serve. This process fosters a more resilient, accountable, and effective local government system—ensuring municipalities meet their service delivery obligations while contributing to broader economic growth.

Condition 6.11 – Limitation on Municipal borrowing powers

The restrictions on municipal borrowing—and the prohibition on incurring new debt during the designated debt relief period—form a critical part of the regulatory framework underpinning the Municipal Debt Relief Programme. These controls are specifically designed to promote fiscal discipline by requiring a thorough review of all borrowing activities to ensure alignment with programme conditions and statutory limits. By curbing excessive borrowing and mitigating short-term fiscal pressures, this framework supports the long-term financial sustainability of municipalities.

Since the implementation of the Debt Relief Programme on 1 October 2023, Sol Plaatje Local Municipality has maintained full compliance with these borrowing restrictions. This disciplined approach has played a key role in safeguarding the municipality's creditworthiness, reducing exposure to financial risk, and reinforcing its commitment to sound financial governance.

Adhering to these measures not only enhances the municipality's financial resilience but also builds confidence among key stakeholders, including residents, creditors, oversight bodies, and potential investors. By limiting dependence on new debt and prioritising responsible fiscal practices, the



municipality is better positioned to maintain financial stability while continuing to deliver on service delivery commitments.

This commitment to prudent debt management reflects a forward-looking approach that supports sustainable development, ensures compliance with national regulations, and strengthens the municipality's capacity to meet the evolving needs of its community—now and into the future.

Condition 6.12 Proper management of resources and Condition 6.13 – Accounting Treatment

The updated Supplementary Guide to MFMA Circular No. 124 introduces key enhancements aimed at strengthening the management, oversight, and reporting of debt relief funds by municipalities. These improvements are designed to reinforce accountability, transparency, and financial discipline—ensuring that municipalities utilise allocated resources effectively and in full compliance with the conditions of the Municipal Debt Relief Programme.

A key update requires municipalities to integrate debt relief funds into their general accounts while maintaining distinct segregation through monthly *mSCOA* reporting. This dual approach allows for operational efficiency in fund utilisation, while ensuring that debt relief transactions remain clearly identifiable for monitoring and audit purposes. To further enhance financial transparency, municipalities are now required to upload monthly bank reconciliations and corresponding detailed bank statements onto the GoMuni platform. This centralised submission process strengthens financial reporting, consolidates oversight, and aligns municipal practices with the National Treasury's standards for financial integrity.

The guide also places emphasis on accurate accounting for debt relief benefits—such as interest write-offs granted by creditors like Eskom. Municipalities must ensure that all related ledger entries are correctly processed to reflect these adjustments, thereby maintaining the credibility and accuracy of financial statements. Proper documentation of such transactions supports audit readiness and reinforces stakeholder confidence in municipal financial governance.

Structured reporting and rigorous record-keeping form a core part of the updated requirements. Municipalities must maintain detailed, verifiable records of all debt relief-related transactions and perform regular reconciliations to reduce the risk of future debt accumulation. Enhanced monitoring and evaluation provisions are intended to prevent the misuse of funds and ensure sustained compliance with the programme's objectives—ultimately promoting long-term fiscal resilience.

Finally, the guide highlights the importance of transparency and stakeholder engagement. By submitting financial data, reconciliations, and accounting adjustments via standardised platforms like GoMuni, municipalities not only meet compliance requirements but also demonstrate a commitment to inclusive and transparent financial governance. These enhancements collectively equip municipalities with the tools to manage debt relief funds responsibly, improve fiscal health, and contribute to the broader goal of sustainable and accountable public financial management.



Condition 6.14 – NERSA Licence

Participation in the Municipal Debt Relief Programme comes with a set of stringent compliance conditions, underscoring the seriousness of the municipality's commitment to financial recovery and responsible governance. One of the most significant provisions stipulates that, in the event of non-compliance, a municipality must voluntarily apply to the National Energy Regulator of South Africa (NERSA) for the revocation of its electricity distribution license, as outlined under Section 17 of the Electricity Regulation Act, 2006. This requirement serves as a powerful enforcement mechanism, linking programme participation directly to the municipality's ability to continue delivering electricity services.

Importantly, this condition is only triggered if a municipality is formally removed from the Debt Relief Programme due to sustained non-compliance. Its inclusion reinforces the critical need for municipalities to maintain financial discipline, honour programme obligations, and operate within the established regulatory framework. The potential loss of an electricity license highlights the high stakes involved and serves as a strong deterrent against non-compliance.

This provision reflects the National Treasury's firm stance on accountability and its commitment to driving meaningful reform in municipal financial management. Municipalities are expected not only to adhere to the technical requirements of the programme but also to demonstrate consistent operational discipline and sound governance practices. Maintaining eligibility for the programme—and, by extension, the ability to deliver key services—relies on upholding these standards.

Ultimately, the condition reinforces the broader objective of the Debt Relief Programme: to promote long-term financial sustainability, restore institutional credibility, and protect the delivery of essential services to communities. By setting clear, enforceable consequences for non-compliance, the National Treasury ensures that municipalities remain focused on recovery, accountability, and service delivery excellence.

High-Level Recommendations

Prioritise the Settlement of Eskom Arrears

Immediate action is required to settle the outstanding Eskom debt of R112 million to safeguard eligibility for the debt write-off benefit. Senior management should explore short-term financial adjustments, reallocation of non-critical budgeted items, and structured payment arrangements to accelerate repayment without compromising service delivery.

Strengthen Credit Control Enforcement and Revenue Collection

Fully implement the council-approved Credit Control and Debt Collection Policy across all service areas, with a particular focus on Eskom-supplied regions. Invest in the enforcement capacity of the revenue unit, enhance billing accuracy, and introduce targeted community engagement to improve collection rates and reduce debtor balances.



Implement the Cost-Reflective Tariff Tool in the 2025/26 Budget

Incorporate the draft cost-reflective tariff tool in the upcoming Medium-Term Revenue and Expenditure Framework (MTREF) to ensure service tariffs are aligned with actual cost drivers. This will enhance revenue sustainability, reduce reliance on subsidies, and support better long-term financial planning.

Address Infrastructure Gaps Impacting Credit Control

Fast-track the assessment and procurement of infrastructure required to restrict water supply to non-indigent defaulters. Strengthening enforcement mechanisms will support more effective revenue collection and deter payment defaults, contributing to long-term financial discipline.

Enhance Risk Reporting and Governance Oversight

Direct the Risk Manager to submit a formal risk report to council, outlining key compliance threats—including Eskom arrears, inconsistent collection rates, and implementation gaps in credit control. The report should include mitigation strategies and be accompanied by a proposed council resolution to strengthen oversight and drive accountability.

For enquiries, please feel free to contact Mr. Mandla Gilimani on mandla.gilimani@treasury.gov.za.

Kind regards

MANDLA GILIMANI

DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS

DATE: 26/03/2025

CC: Mrs Marli van der Woude, MFIP Revenue Advisor – marli@mfip.gov.za



Annexures (February 2025 Compliance Certificates)

Annexure A2 - Monthly



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

National Treasury

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period

Feb'25

National Financial Year

2024/25

Demarcation Code of Municipality being assessed

NC091

District

Frances Baard

Demarcation Description

Sol Plaatje

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

Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop down list

Condition	6.3 + 6.12	Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption):	
1	6.12.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? Note - refer condition 6.12.2	No
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ?	No
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes
4	6.3.1	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application).	Yes
5	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ?	Yes
6	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes
	6.4	Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)	2024/25 Main Adjustment MTREF
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ?	Yes
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
9	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations? Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".	Yes
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes
		Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".	



11	6.4.2	- If the municipality's MTREF is not funded , has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	N/A - the MTREF is funded
<p><i>Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i></p>			
12	6.4.2	- If the municipality's MTREF is not funded and it has an FRP per the legislative framework , does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	N/a
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 - Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.?)	Yes
14	6.5	Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes
<p>6.6 Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:</p>			
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	No
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.</i>	No
<p>6.6 Supporting evidence : The National Treasury and/or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.</p>			
<p>6.7 Maintain a minimum average quarterly collection of property rates and services charges –</p>			
19	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	Not yet end of quarter
<p><i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i></p>			
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following :	



20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1.	not yet the end of a quarter ▾
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	not yet the end of a quarter ▾
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure?	not yet the end of a quarter ▾
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes ▾
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes ▾
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes ▾
6.8 Municipality's Completeness of the revenue base –			
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes ▾
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes ▾
28	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://uploadportal.treasury.gov.za ?	Yes ▾



	6.9	Monitor and report on implementation –	
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	<input type="text" value="Yes"/>
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	<input type="text" value="6.9.1 = Yes"/>
31	6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	<input type="text" value="No FRP"/>
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ?	<input type="text" value="No FRP"/>
<i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>			
	6.10	<i>Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:</i>	
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	<input type="text" value="Yes"/>
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	<input type="text" value="Yes"/>
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	<input type="text" value="No"/>
<i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>			
36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	<input type="text" value="No"/>
<i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124; condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i>			
	6.12	For the duration of the Municipal Debt Relief (to ensure proper management of resources):	
37	6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	<input type="text" value="Yes"/>
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	<input type="text" value="Yes"/>
<i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i>			
39		Supporting evidence: Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	<input type="text" value="Yes"/>
40	6.13	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i>	<input type="text" value="Yes"/>
41	6.14	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	<input type="text" value="Yes"/>
<i>Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i>			



PT: HOD/ NT/ MM Name:

Mandla Gilimani

Signature of HOD/ NT/ MM:

Date:

26/03/2025

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


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

Monthly Performance Report





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

Province		
NW		
Code	District	Code Description
NC091	Frances Baard	Sol Plaatje

Monthly Performance Report																																														
Municipal Details			Part A				Part B				Part C			Part D			Part C				Maximization of Revenue Base				Part E												Part F									
			Eskom And Bulk water current account				Compliance with a funded MTRF				FRP/BFP & Tariff Assessment			Electricity and water as collection tools			Quarterly collection of property rates and services charges								Oversight																					
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Compliance Status	
2.July	Sol Plaatje	NC091	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance	
3.August	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Non Compliance
4.September	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	78%	Non Compliance	
5.October	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	Yes	N/A	N/A	N/A	N/A	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	90%	Non Compliance
6.November	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	Yes	N/A	N/A	N/A	N/A	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	88%	Non Compliance
7.December	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	73%	Non Compliance	
8.January	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	80%	Non Compliance
9.February	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	90%	Non Compliance
10.March	Sol Plaatje	NC091																																										0%	Non Compliance	
11.April	Sol Plaatje	NC091																																										0%	Non Compliance	
12.May	Sol Plaatje	NC091																																										0%	Non Compliance	
1.June	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	85%	Non Compliance	
Comments/Motivation																																														
NT Name:			Mandla Gilimani																																											
Signature of NT:																																														
Date:			26/03/2025																																											
** Note – If the official is signing on behalf of the Head of the Provincial Treasury (HOD), the written procurement of the HOD must be attached as an Annexure to this Certificate of Compliance.																																														

Monthly Performance Report																																												
Municipal Details				Part A					Part B				Part C			Part D				Part C					Part E				Compl															
				Eskom And Bulk water current account					Compliance with a funded MTREF				FRP/BFP & Tariff Assessment			Electricity and water as collection tools				Quarterly collection of property rates and services charges					Maximization of Revenue Base					Oversight														
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score
1.July	Sol Plaatje	NC091																																										0%
2.August	Sol Plaatje	NC091																																										0%
3.September	Sol Plaatje	NC091																																										0%
4.October '24	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	Yes	Yes	No	88%
5.November '24	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	Yes	Yes	No	85%
6.December	Sol Plaatje	NC091	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	No	68%	
7.January	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	No	83%	
8.February	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	No	83%	
9.March	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	No	80%	
10.April	Sol Plaatje	NC091																																										0%
11.May	Sol Plaatje	NC091																																										0%
12.June	Sol Plaatje	NC091																																										0%

Comments/Motivation	
HOD Name:	BS Matlala
Signature of HOD:	
Date:	14/04/2025
<p><small>** Note – if the official is signing on behalf of the Head of the Provincial Treasury (HOD), the written procuration of the HOD must be attached as an Annexure to this Certificate of Compliance.</small></p>	

Annexure A2 - Monthly		
<div><div></div><div><div>National Treasury</div><div>Municipal Debt Relief</div><div>MFMA Circular No. 124</div><div>Municipal Finance Management Act No. 56 of 2003</div></div></div>		
Municipality Self-Assessment		
Certificate of Compliance: Municipal Debt Relief Conditions for Application		
Period		Mar'25
National Financial Year		2024/25
Demarcation Code of Municipality being assessed		NC091
District	Frances Baard	
Demarcation Description	Sol Plaatje	
<p>I, Bartholomew Matlala Municipal Manager, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below:</p>		
Municipal Debt Relief Conditions (Monthly reporting) Choose from drop down list		
6.3 + Condition 6.12	Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption).	
1	6.12.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://guploadportal.treasury.gov.za ?
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?
4	6.3.1	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>
5	6.3.2	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://guploadportal.treasury.gov.za ?
6	6.3.3	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?
7	6.4	Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)
8	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ?
9	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?
10	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations? <i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i>
11	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations? <i>Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i>
12	6.4.2	- If the municipality's MTREF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?
13	6.4.2	- If the municipality's MTREF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>
14	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.?)
15	6.5	Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?

Notes/Comments

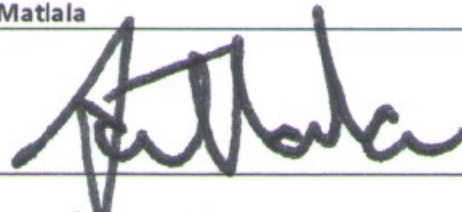
15	6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:		
16	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	
17	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes	
18	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	No	
19	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.</i>	No	
20	6.6	Supporting evidence : The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.		
21	6.7	Maintain a minimum average quarterly collection of property rates and services charges –		
22	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	No	Quarterly collection rate is 71%
23		<i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i>		
24	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following :		
25	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	No	
26	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	Does not have function	
27	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	Yes	
28	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes	Total smart prepaid meter installations March 2025 = 3,289 YTD installations = 15,284
29	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes	
30	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes	
31	6.8	Municipality's Completeness of the revenue base –		
32	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes	
33	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes	
34	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://iguploadportal.treasury.gov.za ?	Yes	

29	6.9	Monitor and report on implementation –		
30	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes	
31	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	Yes	
32	6.9.3	- Municipalities with financial recovery plans (FRP) – If the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP	
	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://guploadportal.treasury.gov.za/ ? <i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>	No FRP	
	6.10	Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:		
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes	
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://guploadportal.treasury.gov.za/ ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes	
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring? <i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>	No	
36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme? <i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular no. 124: condition 6.11 (limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i>	No	
	6.12	For the duration of the Municipal Debt Relief (to ensure proper management of resources):		
37	6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	No	
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose? <i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i>	No	
39		Supporting evidence : Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	Yes	
40	6.13	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i>	Yes	No letter of instruction has been received from National Treasury
41	6.14	NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief? <i>Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 12 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i>	Yes	

PT: HOD/ NT / MM Name:

BS Matlala

Signature of HOD/ NT/ MM:



Date:

14/04/2025

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

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