





**SOL PLAATJE
MUNICIPALITY**
Local Municipality / Plaaslike Munisipaliteit
Masepala wa selegae

Monthly Budget Statement S71 Monthly Report June 2025 (Preliminary)

To comply with section 71 of the MFMA and the requirements as promulgated in the Municipal Budget and Reporting Regulations Government Gazette No 32141 of 17 April 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.

 Due Date: 14 July 2025

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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 30 JUNE 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 R4,250,087 billion, of which 91% of the debt is owed in excess of 90 days. The total debt by customer group is classified as follows; R782,569 million is owed by government, R714,593 million by businesses and R2,621,750 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 appointed four 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 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 performance and productivity be monitored and improved. Municipal officials should also take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure.

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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 an 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 April 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 **30 June 2025**, the ten working day reporting limit expires on **14 July 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 July 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 June 2025	YTD Actual June 2025	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	2,972,361	2,893,083	(79,278)	97.3%	-2.7%
Total Revenue (including capital transfers and contributions)	3,546,958	3,460,803	(86,155)	97.6%	-2.4%
Total Operational Expenditure	3,197,789	2,955,589	(242,200)	92.4%	-7.6%

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

As indicated in Table 1.1 above, as at 30 June 2025, the billed revenue excluding capital grants amounted to R2,893,083 billion which resulted in a satisfactory variance of minus 2.7% when compared to the YTD Budget of R2,972,361 billion. The billed revenue including capital grants amounted to R3,460,803 billion, resulting in a satisfactory variance of minus 2.4% when compared to the YTD budget of R3,546,958 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 R2,955,589 billion versus the YTD Budget of R3,197,789 billion, resulting in a marginally unsatisfactory variance of minus 7.6%. 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 June 2025	Variance Favourable (Unfavourable)	% YTD Actual vs Adjustment Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 100%
Total Revenue (excluding capital transfers and contributions)	2,972,361	2,893,083	2,645,386	97.3%	-2.7%
Total Revenue (including capital transfers and contributions)	3,546,958	3,460,803	3,165,223	97.6%	-2.4%
Total Operational Expenditure	3,197,789	2,955,589	2,689,106	92.4%	-7.6%

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 100% [calculated as follow: (100/12 months x 12 months of the year)] as at the end of June 2025, the Total operational revenue excluding capital grants versus the Adjustment Budget resulted in a satisfactory variance of minus 2.7%. The Total operational revenue including capital grants versus the Adjustment Budget resulted in a satisfactory variance of minus 2.4%. The Total Operational Expenditure resulted in a marginally unsatisfactory variance of minus 7.6%.

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 Original 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													
	Budget		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year to Date		2023/24	
	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	4th 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	2,971,037	878,754	29.7%	710,040	24.0%	687,017	23.1%	617,272	20.8%	2,893,083	97.4%	584,094	98.5%
Operating Expenditure	2,928,505	3,196,465	664,058	22.7%	694,331	23.7%	774,374	24.2%	822,825	25.7%	2,955,589	92.5%	611,903	89.6%
Transfers and subsidies - capital (monetary allocations)	572,229	570,097	36,892	6.4%	220,548	38.5%	113,980	19.9%	196,021	34.5%	567,723	99.6%	70,278	87.8%
Total Revenue	3,530,507	3,541,134	915,646	25.9%	930,588	26.4%	800,617	22.6%	813,893	23.0%	3,460,803	97.7%		

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 97.4% versus the ideal percentage of 100%. This is largely as a result of an under-recovery on Electricity service charges, due to the non-implementation of the basic and capacity charges for households. Operational expenditure is 92.5% spent. It should be noted that Post-retirement health benefits is not yet accounted for and a reconciliation needs to be performed on Depreciation. Transfers and subsidies – capital transferred to revenue amounts to 99.6% of the Adjusted budget.

Capital Revenue and Expenditure

Part 2: Capital Revenue and Expenditure															
R thousands	2024/25											2023/24		Q4 of 2023/24 to Q4 of 2024/25	
	Budget		First Quarter		Second Quarter		Third Quarter		Fourth 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	4th Q as % of Adjusted budget	Actual Expenditure	Total Expenditure as % of Adjusted budget	Actual Expenditure		Total Expenditure as % of main appropriation
Capital Revenue and Expenditure															
Source of Finance	613,729	621,518	41,783	6.8%	186,907	30.5%	109,834	17.7%	192,689	31.0%	531,212	85.5%	78,987	78.2%	143.9%
Transfers recognised - capital	572,229	570,097	36,892	6.4%	186,789	32.6%	97,655	17.1%	178,545	31.3%	499,881	87.7%	63,921	88.4%	179.3%
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	41,500	51,421	4,891	11.8%	118	.3%	12,180	23.7%	14,143	27.5%	31,332	60.9%	15,066	48.3%	(6.1%)

Table 1.4: Part 2: Capital Revenue and Expenditure

Performance on the capital is normally poor during the start of the financial year. As indicated in Table 1.4 above, total capital expenditure stands at 85.5% spent versus the Adjusted budget, whilst conditional grants spent amount to 87.7% and internally generated funds at 60.9% 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 for, 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

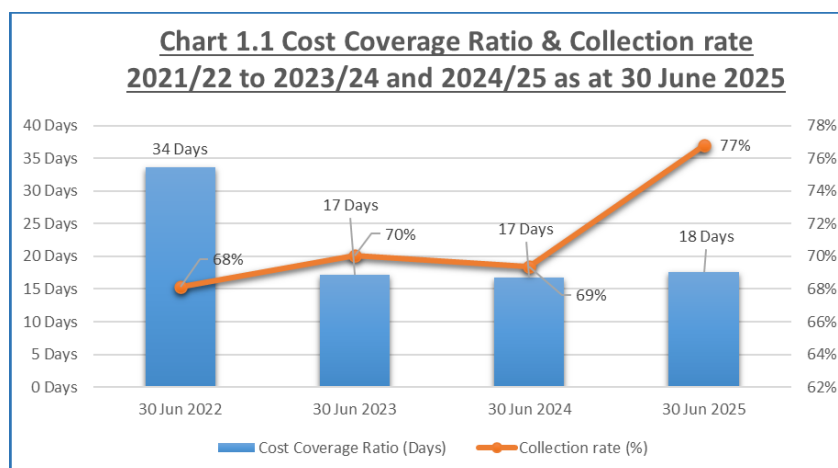


Chart 1.2 Growth in Outstanding debtors



- 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 May 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 preliminary Cost coverage ratio as at 30 June 2025 is critically low, standing at 18 days.
- 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 R594,020m (15%) from 30 June 2024 to 30 June 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. To this end the municipality appointed 4 debt collectors to assist in recovering outstanding debt.

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 and April and May 2025. The July 2024 account is now fully settled. 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 the two winter months (July and August 2024) in full. Total Interest charges amount to R17,414 million, as at end of May 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 **R244,803,813.18**, as indicated in the Table 2.1 below. Arrears on the outstanding invoices including interest amounts to R177,803,813.18 and the arrears on the payment arrangement, which is now in arrears with ten instalments, amounting to R67,000,000.00.

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 148,333,011.78	R -	R 6,700,000.00	R 6,700,000.00	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 71,086,942.52	R -	R 6,700,000.00	R 6,700,000.00	R 1,749,230.28
Oct-24	R 73,507,839.50	R 73,507,839.50	R -	R 6,700,000.00	R 6,700,000.00	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 71,858,904.48	R -	R 6,700,000.00	R 6,700,000.00	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
Mar-25	R 72,107,023.50	R 72,107,023.50	R -	R 6,700,000.00	R 6,700,000.00	R 1,733,370.12
Apr-25	R 68,058,315.40	R 30,000,000.00	R 38,058,315.40	R 6,700,000.00	R 44,758,315.40	R 1,809,020.57
May-25	R 77,292,217.25	R 40,000,000.00	R 37,292,217.25	R 6,700,000.00	R 43,992,217.25	R 2,094,272.25
TOTAL ESKOM	R 923,621,236.16	R 745,817,422.98	R 177,803,813.18	R 67,000,000.00	R 244,803,813.18	R 17,414,330.10

Table 2.1: Arrear debt payable to Eskom.

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 54,656,466.48	R 17,098,078.18	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 18,327,914.21	-R 0.00	R -	-R 0.00	R -
Mar-25	R 16,769,310.95	R -	R 16,769,310.95	R -	R 16,769,310.95	R -
TOTAL WATER	R 160,838,447.64	R 35,425,992.39	R 125,412,455.25	-R 14,703,680.46	R 110,708,774.79	R -
Current Year arrears			R 87,854,066.95			

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 October, November, December 2024, January 2025 and March 2025 account for Water amounting to **R87,854,066.95**. 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. However, during March 2025, the municipality managed to pay R17,098 million on the arrear debt, resulting in an amount outstanding on the debt

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agreement of **R22,854,707.84**. This is also the full amount of the arrears that 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 **R110,708,774.79** to remain on the Department's Debt Incentive Programme. If the municipality fails to pay the outstanding arrear debt, 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:

- a. The benefits of the Relief to that municipality will immediately cease;
- b. 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;
- c. 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
- d. 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 –

- 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 5 months' invoices (October, November, December 2024, January and April 2025) have not been paid. The municipality managed to settle the February 2025 account. The municipality has not ratified the short payment on the August and November 2024 Eskom bulk account. The invoice for April 2025 was not settled in full. 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 completed.

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.

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 blacklisting 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

On 28 April 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).

4.1 Operating Revenue by Source

Table C4 Monthly Budget Statement - Financial Performance (Revenue) - M12 June

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 1YM % - 100%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Revenue										
Exchange Revenue										
Service charges - Electricity	1,099,199	82,181	942,751	1,099,199	85.8%	(156,448)	-14.2%	85.8%	(156,448)	-14.2%
Service charges - Water	343,685	21,439	322,312	343,685	93.8%	(21,373)	-6.2%	93.8%	(21,373)	-6.2%
Service charges - Waste Water Management	95,890	9,434	113,767	95,890	118.6%	17,878	18.6%	118.6%	17,878	18.6%
Service charges - Waste management	72,271	7,085	85,412	72,271	118.2%	13,140	18.2%	118.2%	13,140	18.2%
Sale of Goods and Rendering of Services	16,455	2,635	18,797	16,455	114.2%	2,342	14.2%	114.2%	2,342	14.2%
Agency services	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	120,030	15,430	166,017	120,030	138.3%	45,987	38.3%	138.3%	45,987	38.3%
Interest from Current and Non Current Assets	9,000	2,537	20,635	9,000	229.3%	11,635	129.3%	229.3%	11,635	129.3%
Dividends	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	27,740	2,858	32,057	27,740	115.6%	4,317	15.6%	115.6%	4,317	15.6%
Licence and permits	1,200	63	660	1,200	55.0%	(540)	-45.0%	55.0%	(540)	-45.0%
Operational Revenue	3,773	361	3,152	3,773	83.5%	(622)	-16.5%	83.5%	(622)	-16.5%
Non-Exchange Revenue										
Property rates	687,320	50,649	712,817	687,320	103.7%	25,498	3.7%	103.7%	25,498	3.7%
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	32,143	3,324	27,902	32,143	86.8%	(4,241)	-13.2%	86.8%	(4,241)	-13.2%
Licence and permits	8,000	986	9,074	8,000	113.4%	1,074	13.4%	113.4%	1,074	13.4%
Transfers and subsidies - Operational	312,854	4,653	299,367	312,854	95.7%	(13,487)	-4.3%	95.7%	(13,487)	-4.3%
Interest	91,900	8,800	103,759	91,900	112.9%	11,859	12.9%	112.9%	11,859	12.9%
Fuel Levy	-	-	-	-	-	-	-	-	-	-
Operational Revenue	50,900	1,135	27,322	50,900	53.7%	(23,578)	-46.3%	53.7%	(23,578)	-46.3%
Gains on disposal of Assets	-	2,060	7,131	-	#DIV/0!	7,131	#DIV/0!	#DIV/0!	7,131	#DIV/0!
Other Gains	-	0	151	-	-	151	-	-	151	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	2,972,361	215,629	2,893,083	2,972,361	97.3%	(79,278)	-2.7%	97.3%	(79,278)	-2.7%
Transfers and subsidies - capital	574,597	56,992	567,720	574,597	98.8%	(6,877)	-1.2%	98.8%	(6,877)	-1.2%
Total Revenue (including capital transfers and contributions)	3,546,958	272,621	3,460,803	3,546,958	97.6%	(86,155)	-2.4%	97.6%	(86,155)	-2.4%

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

Exchange Revenue

- ❖ Service charges - Electricity is showing an unsatisfactory variance of minus 14.2%. 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 6.2%. 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 14.2%. Various line items is showing an over-recovery inter alia camping fees, burial fees, building plan approvals etc.
- ❖ Interest earned from Receivables is showing a positive variance of 38.3% 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 129.3%. 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 15.6% when compared to the YTD budget. The over-recovery is attributable to the increased billing for municipal flats.
- ❖ Licences and permits are showing a negative variance of 45.0%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated, 55.03% achievement versus a budget of R1,200 million.
- ❖ Operational Revenue is showing a negative variance of 16.5%, due lower than anticipated revenue from Insurance refunds.

Non-Exchange Revenue

- ❖ Property Rates is showing a satisfactory variance of 3.7%.
- ❖ Fines, penalties and forfeits is showing an unsatisfactory variance of minus 13.2%, due to an under-recovery on Fines: Law Enforcement that is standing at 30.99% achieved versus a target of R12,000 million.
- ❖ Licence and permits are showing a positive variance of 13.4%, due to possible outstanding payments due to the Department of Transport, Safety and Liaison.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of minus 4.3%.
- ❖ Interest is showing an over-recovery of 12.9%, due to increase in outstanding debtors for Property rates.
- ❖ Operational Revenue is showing an unsatisfactory variance of minus 46.3%. 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 R7,131 million predominantly pertaining to land sales.
- ❖ Other Gains, pertains to gains realised from Stores.
- ❖ Transfers and subsidies - Capital is showing a satisfactory variance of minus 1.2% when compared to the YTD budget. Capital grant expenditure, 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 100%, the majority of revenue sources are performing satisfactorily.

Exchange Revenue

- ❖ Overall, Service charges when compared to the Adjustment budget is performing satisfactorily, with the exception of Electricity sales. Same factors are applicable as described in the paragraph above.
- ❖ Sale of Goods and Rendering of Services is showing a satisfactory variance of 14.2%. Same factors are applicable as described in the paragraph above.
- ❖ Interest earned from Receivables is showing a positive variance of 38.3%. Same factors are applicable as described in the paragraph above.
- ❖ Interest from Current and Non-current Assets shows a positive variance of 129.3%. Same factors are applicable as described in the paragraph above.
- ❖ Rental from Fixed Assets is showing a positive variance of 15.6%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing an unsatisfactory variance of minus 45.0%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing an unsatisfactory variance of minus 16.5%. Same factors are applicable as described in the paragraph above.

Non-Exchange Revenue

- ❖ Property Rates is showing a positive variance of 3.7%.
- ❖ Fines, penalties and forfeits is showing an unsatisfactory variance of minus 13.2%. Same factors are applicable as described in the paragraph above.
- ❖ Licence and permits are showing a positive variance of 13.4%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of minus 4.3%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a negative variance of 46.3%. Same factors are applicable as described in the paragraph above.
- ❖ Gains on disposal of assets shows a movement of R7,131 million. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Capital is showing an unsatisfactory variance of minus 1.2%. 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 1.3 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 30 June 2025. The main contributors of the municipality's revenue are Service Charges (50.6%), Property Rates (24.6%) and Other Revenue (13.7%).

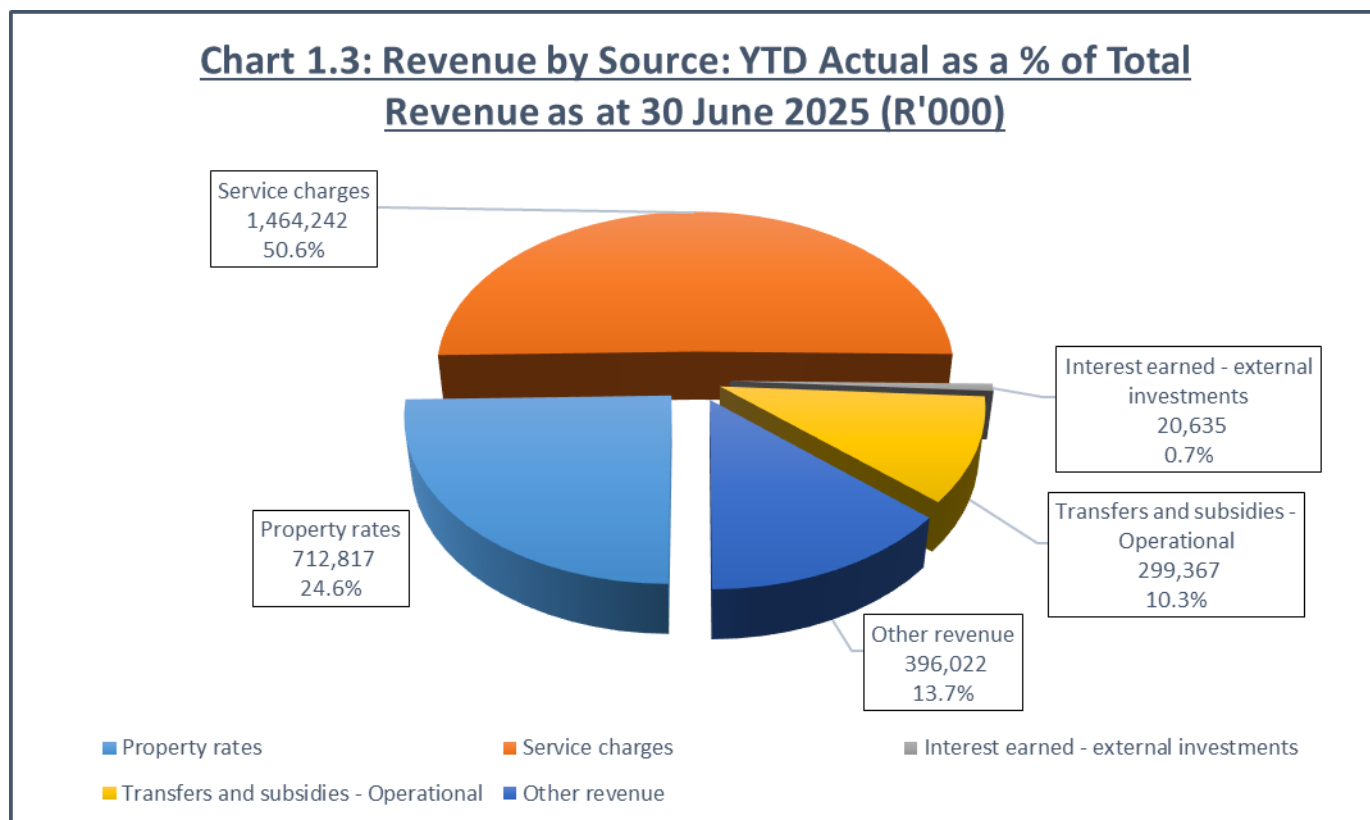


Chart 1.3: Revenue by Source: YTD Actual as a percentage of Total Revenue

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 % - 100%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	952,667	72,675	845,480	952,667	88.7%	(107,187)	-11.3%	88.7%	(107,187)	-11.3%
Remuneration of councillors	37,077	2,743	34,551	37,077	93.2%	(2,526)	-6.8%	93.2%	(2,526)	-6.8%
Bulk purchases - electricity	910,118	182,040	901,045	910,118	99.0%	(9,073)	-1.0%	99.0%	(9,073)	-1.0%
Inventory consumed	320,161	29,439	278,084	320,161	86.9%	(42,078)	-13.1%	86.9%	(42,078)	-13.1%
Debt impairment	475,246	118,812	475,246	475,246	100.0%	-		100.0%	-	0.0%
Depreciation and amortisation	89,700	-	55,952	89,700	62.4%	(33,748)	-37.6%	62.4%	(33,748)	-37.6%
Interest	78,195	9,044	37,362	78,195	47.8%	(40,832)	-52.2%	47.8%	(40,832)	-52.2%
Contracted services	66,516	5,781	49,689	66,516	74.7%	(16,827)	-25.3%	74.7%	(16,827)	-25.3%
Transfers and subsidies	3,660	3	2,807	3,660	76.7%	(853)	-23.3%	76.7%	(853)	-23.3%
Irrecoverable debts written off	-	(1)	-	-		-			-	
Operational costs	172,511	15,410	182,740	172,511	105.9%	10,229	5.9%	105.9%	10,229	5.9%
Losses on Disposal of Assets	-	-	-	-		-			-	
Other Losses	91,938	9,736	92,632	91,938	100.8%	694	0.8%	100.8%	694	0.8%
Total Expenditure	3,197,789	445,681	2,955,589	3,197,789	92.4%	(242,200)	-7.6%	92.4%	(242,200)	-7.6%

Table 4: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 30 June 2025 current YTD expenditure shows a marginally unsatisfactory variance of minus 7.6%. The YTD actual amounted to R2,955,589 billion against the YTD Budget of R3,197,789 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 6.8%. 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 positive variance of minus 1.0%.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 13.1%. 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 30 June 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 100.00%
VOTE 1 - COUNCILLORS AND ADMIN	202,000	222,000	5,540	137,593	68.12%	61.98%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	85,000	110,000	5,540	72,493	85.29%	65.90%	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	56.61%	59.18%	UNSATISFACTORY
VOTE 2 - MUNICIPAL AND GENERAL	22,997,000	23,657,000	4,122,673	32,890,278	143.02%	139.03%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	520,000	520,000	2,482	302,208	58.12%	58.12%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	400,000	400,000	17,627	222,359	55.59%	55.59%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	22,077,000	22,737,000	4,102,563	32,365,710	146.60%	142.35%	OVERSPENT
VOTE 3 - MUNICIPAL MANAGER	117,000	177,000	8,180	135,100	115.47%	76.33%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	99,000	161,600	-	124,920	126.18%	77.30%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,000	15,400	8,180	10,180	56.56%	66.10%	UNSATISFACTORY
VOTE 4 - CORPORATE SERVICES	10,568,000	3,618,000	116,270	1,986,599	18.80%	54.91%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	902,000	806,000	33,695	549,588	60.93%	68.19%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	272,000	407,000	32,937	336,739	123.80%	82.74%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	530,000	580,000	46,112	499,355	94.22%	86.10%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	8,864,000	1,825,000	3,526	600,917	6.78%	32.93%	UNSATISFACTORY
VOTE 5 - COMMUNITY SERVICES	35,714,500	42,583,500	4,547,888	24,298,220	68.03%	57.06%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	986,500	1,036,223	123,261	749,594	75.99%	72.34%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	54,000	51,759	-	758	1.40%	1.47%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	222,000	287,000	-	269,924	121.59%	94.05%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,087,000	1,225,860	36,394	874,407	80.44%	71.33%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,976,000	8,735,000	567,334	6,400,306	71.30%	73.27%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	826,000	1,026,000	48,390	327,877	39.69%	31.96%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,563,000	30,221,658	3,772,509	15,675,354	66.53%	51.87%	UNSATISFACTORY
VOTE 6 - FINANCIAL SERVICES	2,368,000	3,833,000	230,461	1,898,704	80.18%	49.54%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,320,000	1,333,200	55,531	1,048,411	79.43%	78.64%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	175,000	152,861	3,067	135,670	77.53%	88.75%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	198,000	174,800	11,415	138,158	69.78%	79.04%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	675,000	2,172,139	160,449	576,465	85.40%	26.54%	UNSATISFACTORY
VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	6,381,000	8,301,000	1,109,911	4,848,172	75.98%	58.40%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	419,000	435,100	6,603	207,975	49.64%	47.80%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	61,000	54,000	1,897	30,809	50.51%	57.05%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	418,000	430,900	20,151	256,385	61.34%	59.50%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	8,000	8,000	760	5,777	72.21%	72.21%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	5,475,000	7,373,000	1,080,501	4,347,225	79.40%	58.96%	UNSATISFACTORY
VOTE 8 - INFRASTRUCTURE SERVICES	241,257,705	237,769,705	19,297,965	211,888,932	87.83%	89.12%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	645,000	734,500	46,392	703,476	109.07%	95.78%	SATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	24,172,000	23,832,000	3,313,744	20,460,051	84.64%	85.85%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	762,000	839,500	28,580	593,033	77.83%	70.64%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,930,000	8,557,000	660,901	7,760,912	86.91%	90.70%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	860,000	340,000	18,372	167,939	19.53%	49.39%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	140,886,705	156,102,705	17,344,759	136,957,509	97.21%	87.74%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	47,362,000	-2,114,784	45,246,011	69.61%	95.53%	SATISFACTORY
Grand Total	319,605,205	320,161,205	29,438,888	278,083,599	87.01%	86.86%	UNSATISFACTORY

Table 4.1 R&M Expenditure per Directorate per inventory type

R&M Expenditure per Service per Inventory Type as at 30 June 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 IVM % of 100.00%
2480 - REFUSE	21,500,000	21,460,000	1,789,471	12,936,156	60.17%	60.28%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	90,000	90,000	2,465	42,488	47.21%	47.21%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	210,000	170,000	-	10,537	5.02%	6.20%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,000,000	6,000,000	334,559	4,697,179	78.29%	78.29%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	500,000	500,000	376	10,393	2.08%	2.08%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	14,700,000	14,700,000	1,452,071	8,175,559	55.62%	55.62%	UNSATISFACTORY
2830 - ROADS	46,747,000	50,997,000	2,612,293	50,906,675	108.90%	99.82%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	55,000	55,000	3,754	20,621	37.49%	37.49%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	58,000	58,000	17,689	30,137	51.96%	51.96%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	46,634,000	50,884,000	2,590,850	50,855,916	109.05%	99.94%	SATISFACTORY
2840 - HOUSING	3,509,000	3,509,000	497,695	2,705,141	77.09%	77.09%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	89,000	89,000	-	68,285	76.72%	76.72%	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	-	127,328	87.81%	87.81%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	160,000	160,000	13,031	115,144	71.96%	71.96%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,114,000	3,114,000	484,664	2,394,384	76.89%	76.89%	UNSATISFACTORY
2850 - SEWERAGE	22,024,000	30,774,000	8,246,234	23,119,543	104.97%	75.13%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	30,000	44,000	157	25,844	86.15%	58.74%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	170,000	170,000	-	61,119	35.95%	35.95%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	259,000	247,000	-	129,014	49.81%	52.23%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,400,000	2,180,000	152,309	2,015,942	84.00%	92.47%	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	8,093,769	20,877,437	111.26%	74.61%	UNSATISFACTORY
2860 - WATER	121,123,000	103,485,000	3,198,052	95,452,684	78.81%	92.24%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	77,000	177,000	21,877	88,275	114.64%	49.87%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	24,002,000	23,662,000	3,313,744	20,398,932	84.99%	86.21%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	110,000	152,000	6,004	121,883	110.80%	80.19%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,300,000	2,170,000	184,612	1,931,419	83.97%	89.01%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	460,000	190,000	18,372	157,753	34.29%	83.03%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	29,174,000	29,772,000	1,768,228	27,508,411	94.29%	92.40%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	47,362,000	-2,114,784	45,246,011	69.61%	95.53%	SATISFACTORY
2880 - ELECTRICITY	51,537,000	52,677,000	4,652,942	40,571,231	78.72%	77.02%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	210,000	210,000	-	365,552	174.07%	174.07%	OVERSPENT
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	821	44,169	58.12%	58.12%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	51,250,000	52,390,000	4,652,121	40,161,510	78.36%	76.66%	UNSATISFACTORY
Grand Total	266,440,000	262,902,000	20,996,688	225,691,430	84.71%	85.85%	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 was processed.
- ❖ Depreciation was projected for on a straight-line basis. The municipality implemented the Asset module (AM) on the financial system. This will resolve the automation of accounting for depreciation monthly. The final reconciliation for depreciation must still be performed.
- ❖ Interest is showing an unsatisfactory variance of minus 52.2%. Interest on External borrowing is paid bi-annually and the second instalment for the current financial year was settled before the 30 June 2025. The total interest charges on overdue accounts on the Eskom bulk account, for the current financial year amounts to R19,389 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. Interest for municipal debt relief portion must still be recognized.
- ❖ Expenditure on Contracted services is showing an unsatisfactory variance of 25.3%, as various line items is showing lower expenditure than anticipated.
- ❖ Transfers and subsidies showing negative variance of minus 23.3%. 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. All instalments has been settled for the SPCA.
- ❖ Operational cost is showing a satisfactory variance of 5.9%.
- ❖ Other Losses is showing an satisfactory variance of 0.8%. 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 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.

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 June 2025 is 100%. The total operational expenditure against the Adjustment budget is 92.4% spent, resulting in a satisfactory variance of minus 7.6%.

- ❖ Employee related costs show a satisfactory variance of minus 11.3%. Same factors are applicable as explained above.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 6.8%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of minus 1.0%. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 13.1%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing a satisfactory variance of 0%. Same factors are applicable as explained above.
- ❖ Depreciation is showing an unsatisfactory variance of minus 37.6%. Same factors are applicable as explained above.
- ❖ Interest is showing a negative variance of minus 52.2%. Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is unsatisfactory at minus 25.3%, 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 a satisfactory variance of 5.9%. Same factors are applicable as explained above.
- ❖ Other Losses is showing a satisfactory variance of 0.8%. Same factors are applicable as explained above.

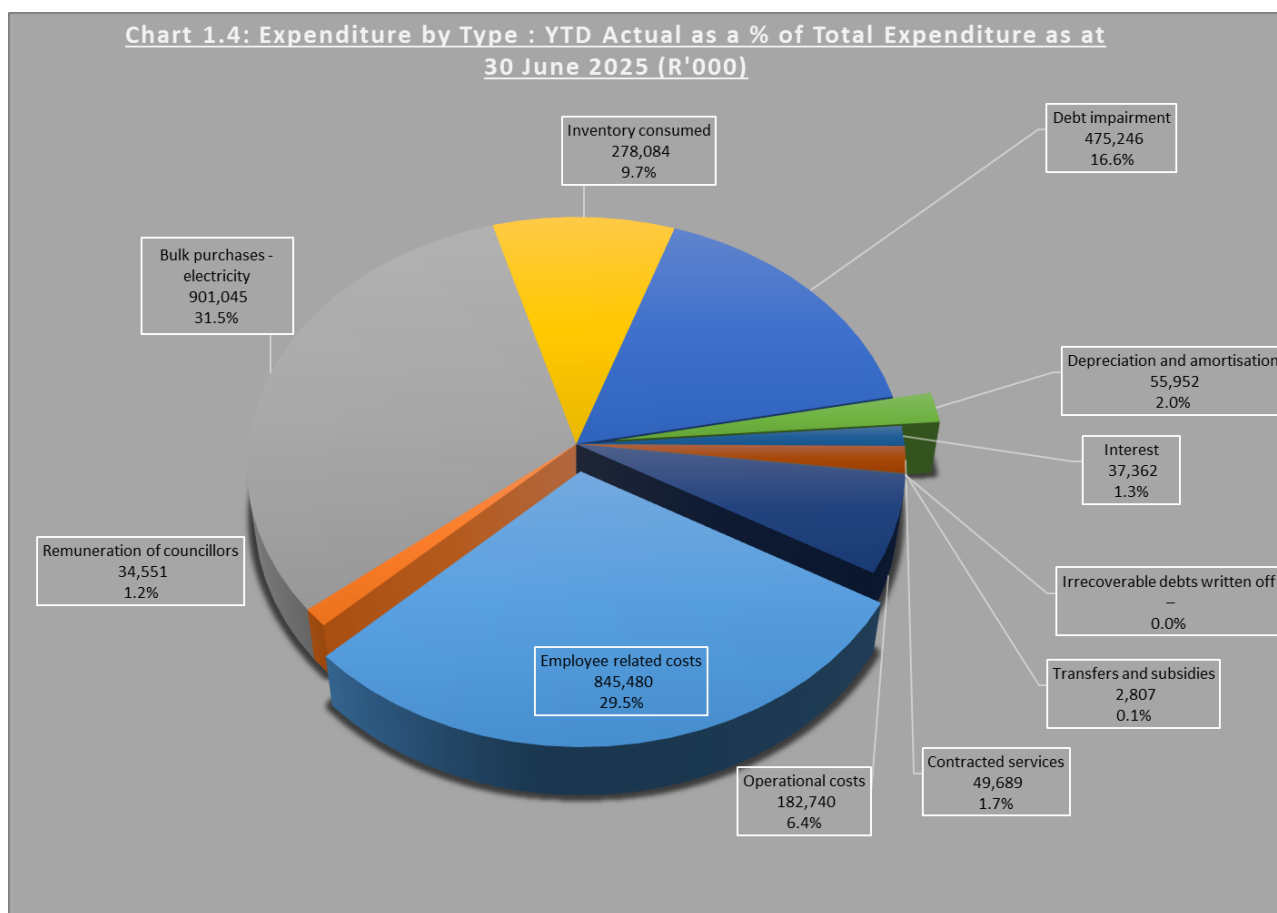


Chart 1.4: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

Also indicated in Chart 1.4 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 30 June 2025. The main cost drivers of the municipality are Employee Related Costs (29.5%), Bulk Purchases – Electricity (31.5%), Debt Impairment (16.6%) and Inventory consumed (9.7%).

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 monthly basis. A final reconciliation for Depreciation must still be performed.
- ❖ Interest on the long-term borrowing is paid bi-annually in December and June of each year. It is still understated as the municipality still has to make provision for the Municipal debt relief wheeling of interest.

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 100% as at end of June 2025, Bulk Purchases Electricity is showing a satisfactory variance minus of minus 1%.

Description	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 100%
BULK PURCHASES: ELECTRICITY	910,118,000	182,040,362	901,044,950	99.00%	-1.00%
Total	910,118,000	182,040,362	901,044,950	99.00%	-1.00%

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 satisfactory variance of minus 1.5%, when compared to the ideal percentage of 100%. 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 June 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.

Description	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 100%
INVENTORY - WATER	47,362,000	-2,114,784	45,246,011	95.53%	-4.47%
NON-REVENUE WATER LOSSES	91,938,000	9,236,297	91,981,867	100.05%	0.05%
Total	139,300,000	7,121,513	137,227,878	98.5%	-1.5%

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	1,055,591	745,817	–	309,774	177,804	19,389
Jul-24	148,333	148,333	–	–	–	274
Aug-24	127,601	72,000	–	55,601	55,601	155
Sept-24	71,087	71,087	–	–	–	1,749
Oct-24	73,508	73,508	–	–	–	2,766
Nov-24	69,974	25,000	–	44,974	44,974	2,160
Dec-24	71,859	71,859	–	–	–	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	–	–	–	1,733
Apr-25	68,058	30,000	–	38,058	38,058	1,809
May-25	77,292	40,000	–	37,292	37,292	2,094
Jun-25	131,970	–	–	131,970	–	1,975
Grand Total ESKOM	2,944,211	1,668,868	(107,114)	1,168,229	1,036,259	19,389

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R1,168,229 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 R1,036,259 million summarized as follow 2021/22 (R523,811m); 2022/23 (R248,878m); 2023/24 (R85,767m) and 2024/25 (R177,804m). The total interest charges on overdue accounts for the current financial year amounted to R19,389 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 was corrected during the Adjustments budget.

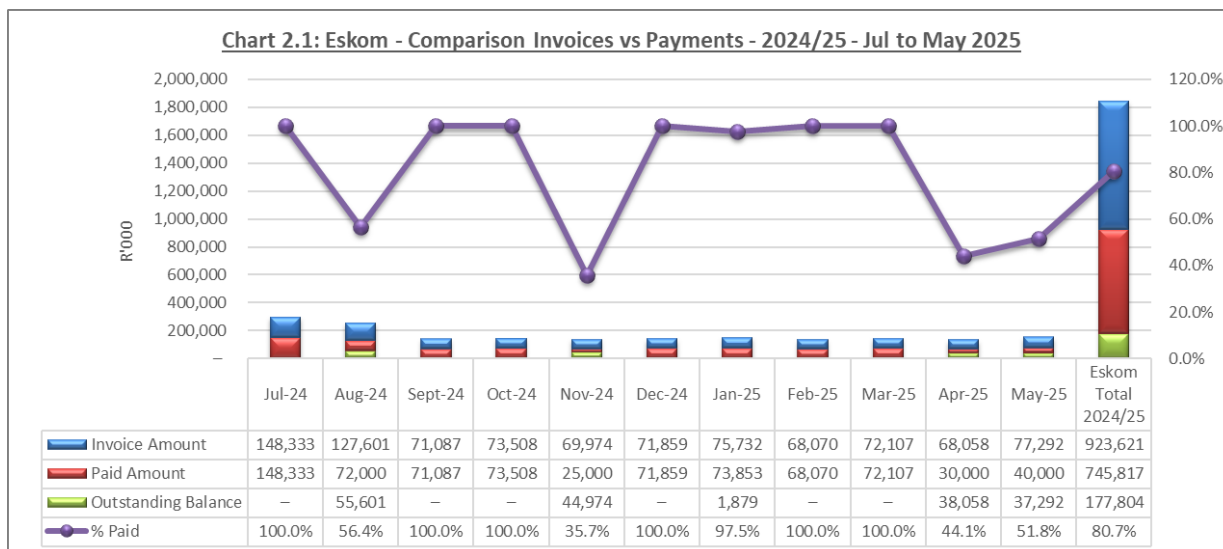


Chart 2.1: Eskom - Comparison Invoices vs Payments

Indicated in Chart 2.1 above, is the comparison of Eskom invoices versus payments for the 2024/25 financial year, from July 2024 to May 2025. The current account for June 2025 is excluded because it is not yet due and payable. It will also distort the percentage paid. The YTD actual until May 2025 show that 80.7% of invoices were settled, based on invoices raised of R923,621 million versus payments of R745,817 million. The interest charges for the invoices for July, September, October, December 2024, was paid on 8 May 2025. Interest charges for January 2025 remain unpaid. The percentage on partially paid invoices are August 2024 (56.4%); November 2024 (35.7%); April 2025 (44.1%) and May 2025 (51.8%). The total arrear outstanding balance for the 2024/25 financial year amounts to R177,804 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	87,854
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)	(0)
Mar-25	16,769	–	16,769	16,769
Grand Total	436,534	311,121	125,412	125,412

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 R125,412 million which pertains to outstanding invoices for 2021/22 (R37,558m) and 2024/25 (R87,854m). 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 and March 2025 account. There is no current account for May 2025, due to the servitude (free water) period that commenced from 1 April 2025. Due to the servitude the municipality does not get billed for about three months from April 2025 to June 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, December 2024 and January and March 2025 invoices and incurred accumulative arrear debt for the current year of R87,854 million. A major cause of concern is the fact that the municipality is in arrears with R22 million on the debt repayment agreement. 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.

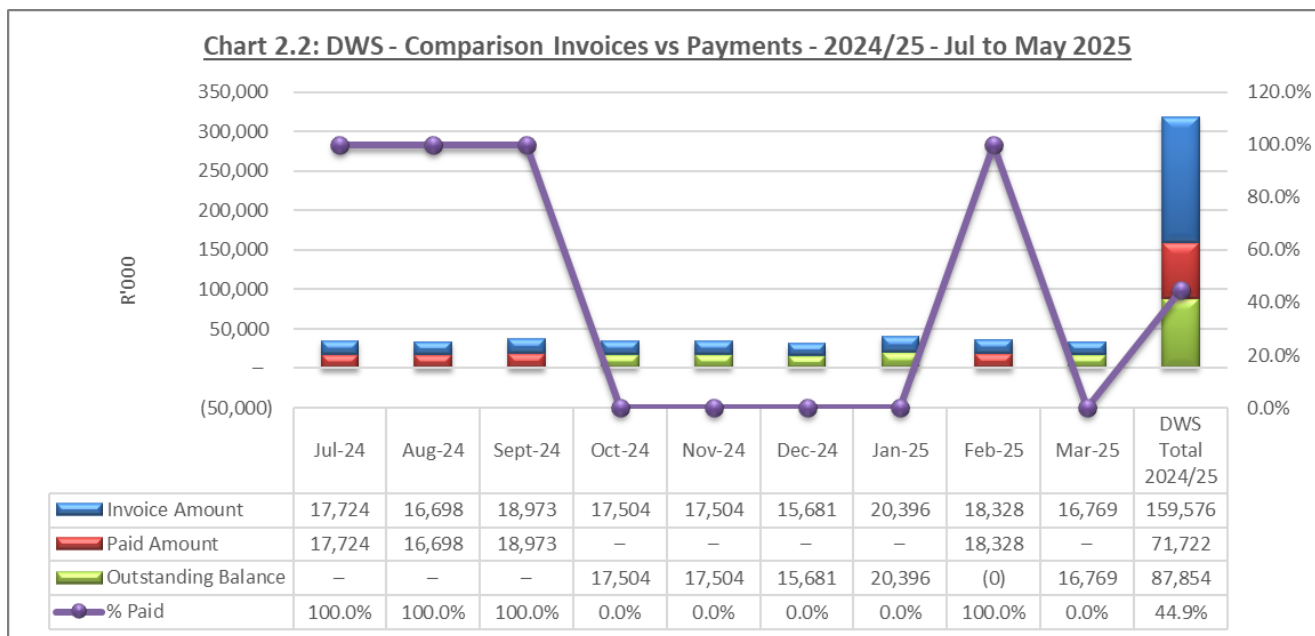


Chart 2.2: DWS - Comparison Invoices vs Payments

Indicated in Chart 2.2 is the comparison of DWS invoices versus payments for the 2024/25 financial year from July 2024 to March 2025. There is no current account for April and May 2025 because it falls within our servitude period. The YTD actual until March 2025 show that 44.9% of invoices were settled, based on invoices raised of R159,576 million versus payments of R71,722 million. Invoices for July to September 2024 were settled in full, whilst the invoices for October 2024 to January 2025 and March 2025 remain unpaid. The total arrear outstanding balance amounts to R87,854 million.

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

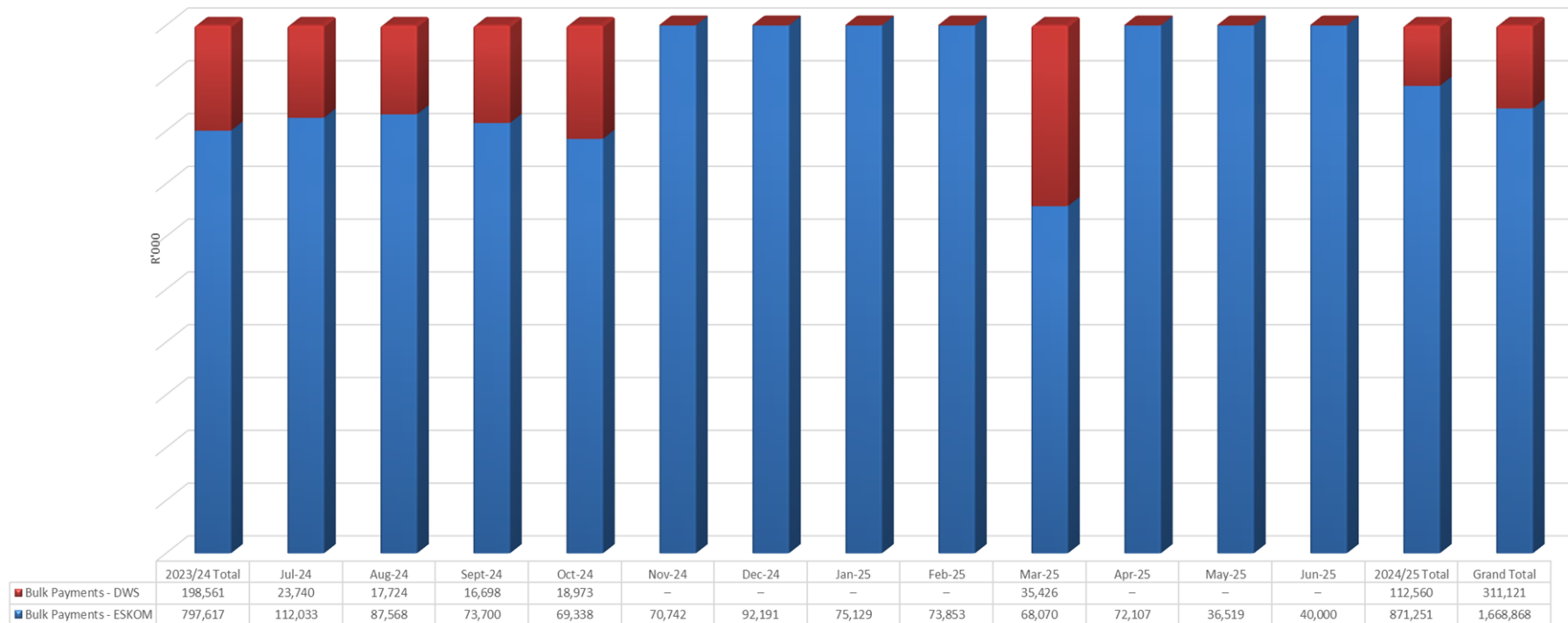


Chart 2.3: Monthly payments to DWS & ESKOM

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 May 2025.

DWS - The invoice payments for 2023/24 amounts to R198,561 million, whilst payments for 2024/25 amounts to R112,560 million. The total payments amount to R311,121 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 five months (October 2024 to January 2025 and March 2025) are now outstanding. 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 R40 million during June 2025 on the May 2025 current account. 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 amounted to R797,617 million and for 2024/25 financial year the payments amount to R871,251 million, resulting in the total payments for both periods amounting to R1,668,868 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. The municipality could not settle the April and May 2025 account in full.

Chart 3: Monthly & YTD comparison of Bulk Electricity and Water debt - Jun 2024 to Jun 2025

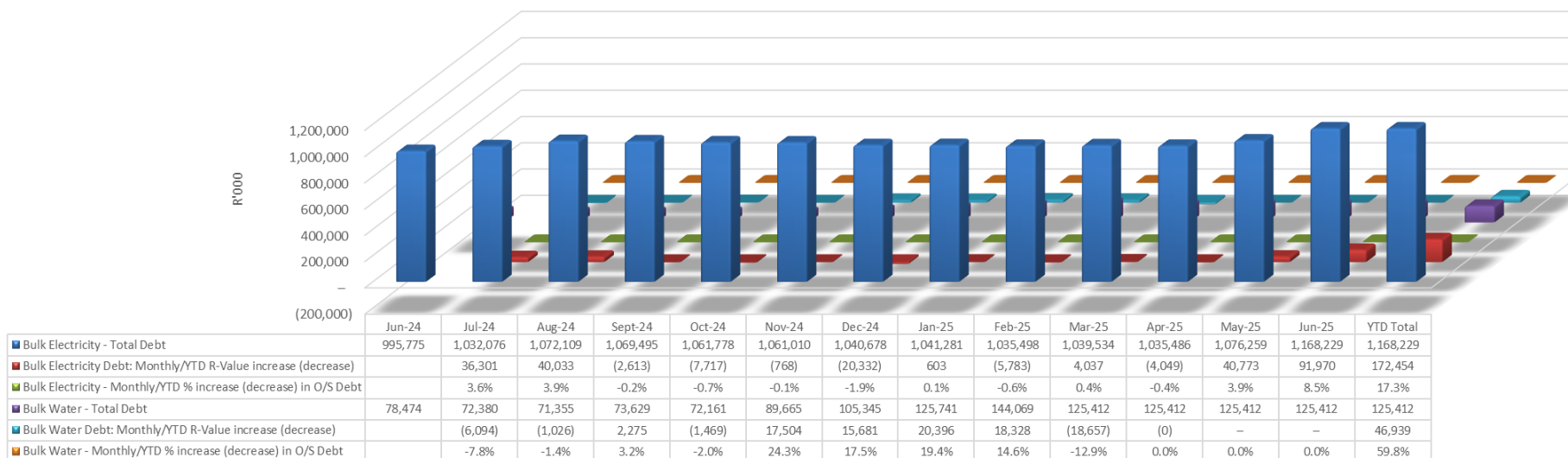


Chart 3: Monthly & YTD comparison – Bulk Electricity & Water debt

Indicated in Chart 3 above, is the monthly and YTD comparison of Bulk electricity and Water debt.

ESKOM - From May 2025 to June 2025, debt owed to ESKOM increased by R91,970 million or 8.5%, from R1,076,259 billion to R1,168,229 billion. When comparing the total outstanding debt to June 2024, the outstanding debt increased by R172,454 million or 17.3%, from R995,775 million to R1,168,229 billion.

DWS - From May 2025 to June 2025, debt owed to DWS remained the same at R125,412 million. When comparing the total outstanding debt to June 2024, the outstanding debt increased by R46,939 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 and March 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
15	2025/04/30								R 6,700,000.00
16	2025/05/30								R 6,700,000.00
17	2025/06/30								R 6,700,000.00
TOTAL					R 49,162,000.00		R 113,900,000.00		R 67,000,000.00

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

Table 6.5: Reconciliation DWS Debt Agreement

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 ten instalments amounting to R67,000 million.

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.

4.3 Capital expenditure

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - M12 June										
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 % - 100%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	628,137	65,857	531,212	628,137	84.57%	(96,925)	-15.4%	84.6%	(96,925)	-15.4%
Funded by										
Capital transfers recognised	574,597	55,769	499,881	574,597	87.00%	(74,716)	-13.0%	87.0%	(74,716)	-13.0%
Internally generated funds	53,540	10,088	31,332	53,540	58.5%	(22,209)	-41.5%	58.5%	(22,209)	-41.5%
Weighting Capital transfer recognised	91.5%	84.7%	94.1%	91.5%						
Weighting Internally generated funds	8.5%	15.3%	5.9%	8.5%						

Table 7: High level summary: Capital Expenditure

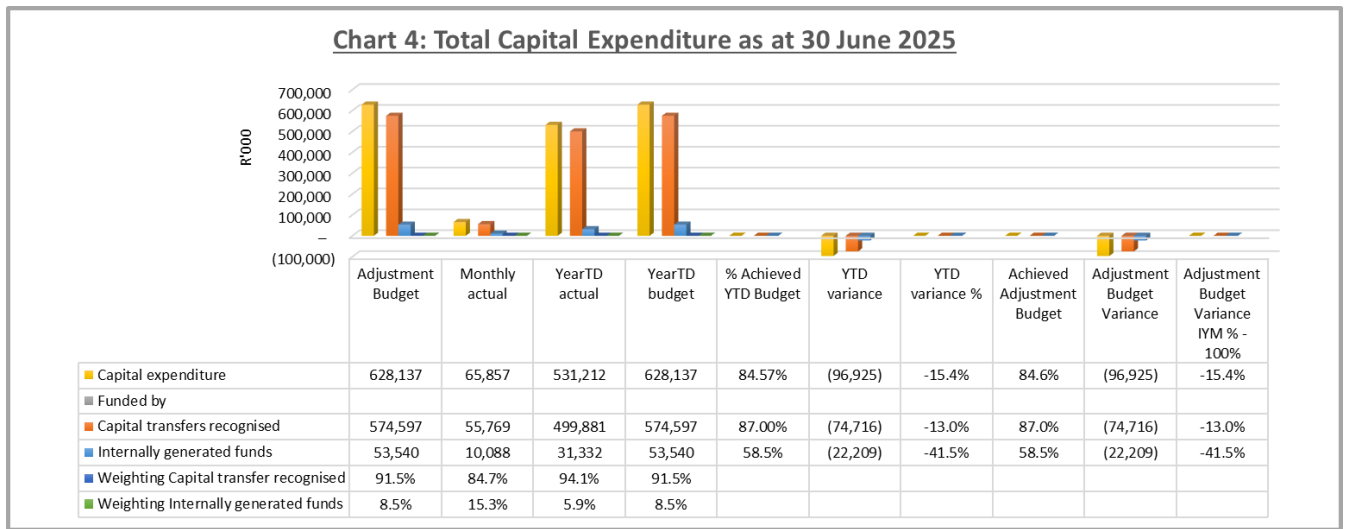


Chart 4: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of June 2025 amounted to R531,212 million and 84.57% spent when compared to the YTD budget of R628,137 million and 84.57% spent when compared to the Adjustment Budget of R628,137 million. The total YTD capex is funded from Capital grants R499,881 million (94.1%) and Internally generated funds R31,332 million (5.9%). Capex is lower than anticipated and not at a desired level. Intervention is required early in 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 5: Current investment deposits and Cash & cash equivalents at year-end

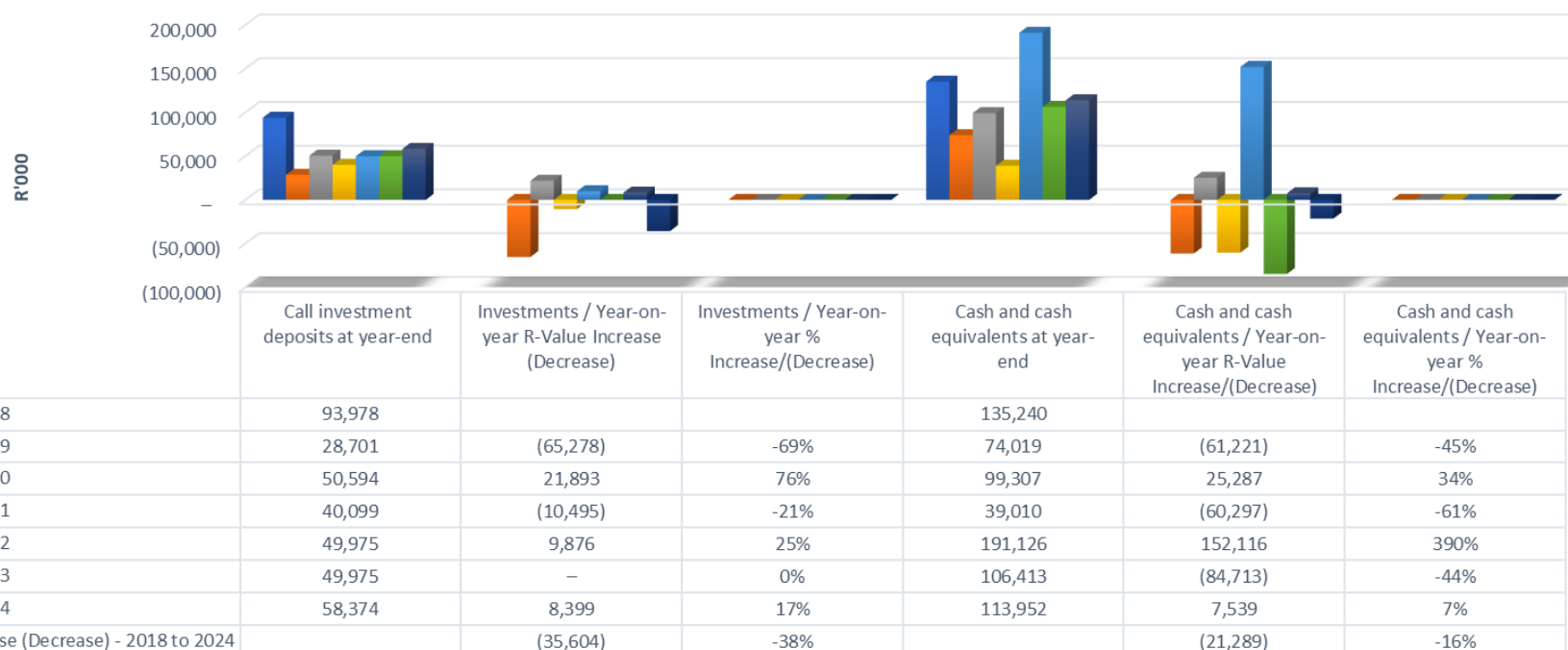


Chart 5: Call investment deposits and Cash & cash equivalents at year-end

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 (38%). 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 6: Cash & cash equivalents and Cost Coverage Ratio from 2021/22 to 2023/24 and 2024/25 as at 30 June 2025

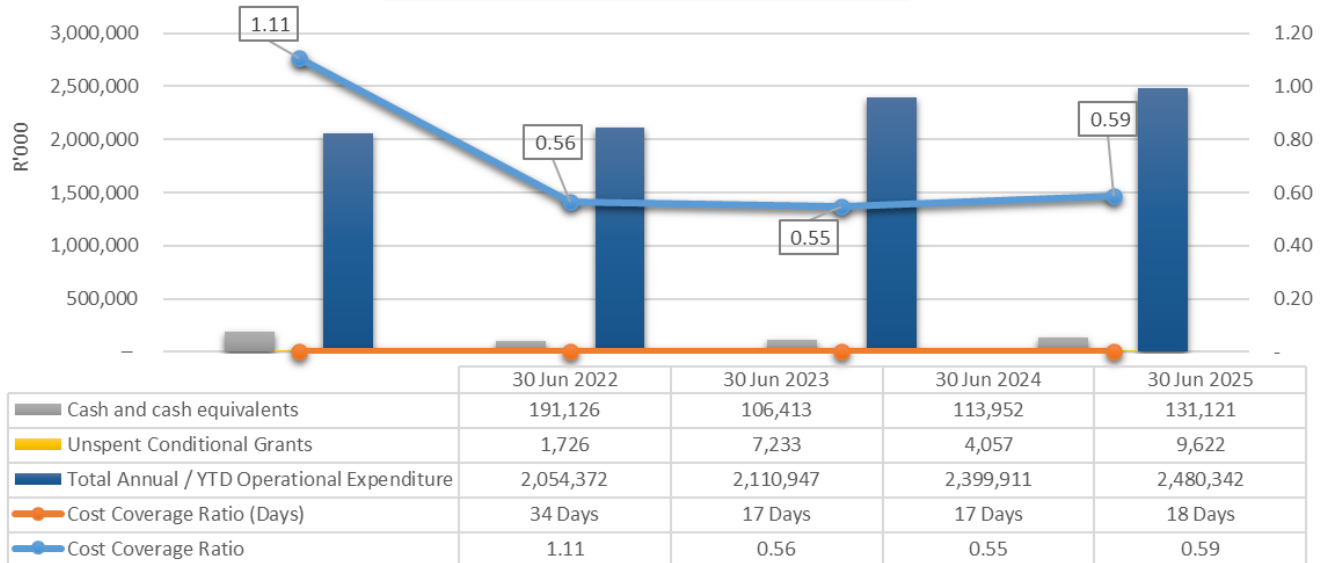


Chart 6: Cash & cash equivalents and Cost coverage ratio

Indicated in Chart 6 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 30 June 2025 is calculated at (0.59; 18 days; R131,121m). Unspent conditional grants amounted to R9,622 million, which is netted off against the Cash and cash equivalents (cashbook), resulting in the critically low-Cost coverage. 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.

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

Part 4: Debtor Age Analysis

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	28,117	3.4%	22,957	2.8%	21,335	2.6%	757,968	91.3%	830,377	19.5%
Trade and Other Receivables from Exchange Transactions - Electricity	55,855	16.6%	23,698	7.0%	18,223	5.4%	238,557	70.9%	336,334	7.9%
Receivables from Non-exchange Transactions - Property Rates	42,853	4.8%	18,418	2.0%	15,592	1.7%	822,800	91.5%	899,663	21.2%
Receivables from Exchange Transactions - Waste Water Management	9,186	3.0%	7,142	2.4%	6,657	2.2%	279,872	92.4%	302,856	7.1%
Receivables from Exchange Transactions - Waste Management	7,603	3.3%	5,448	2.3%	4,985	2.1%	215,174	92.3%	233,210	5.5%
Receivables from Exchange Transactions - Property Rental Debtors	1,992	1.9%	2,225	2.1%	1,880	1.8%	99,424	94.2%	105,522	2.5%
Interest on Arrear Debtor Accounts	23,679	2.1%	23,325	2.1%	21,911	2.0%	1,049,239	93.8%	1,118,155	26.3%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-	-	-	-	-	-	-	-	-
Other	9,724	2.3%	5,810	1.4%	4,621	1.1%	403,815	95.2%	423,971	10.0%
Total By Income Source	179,010	4.2%	109,023	2.6%	95,205	2.2%	3,866,849	91.0%	4,250,087	100.0%
Debtors Age Analysis By Customer Group										
Organs of State	26,959	3.4%	14,368	1.8%	11,074	1.4%	730,168	93.3%	782,569	18.4%
Commercial	63,272	8.9%	27,797	3.9%	22,997	3.2%	600,528	84.0%	714,593	16.8%
Households	86,065	3.3%	64,569	2.5%	58,784	2.2%	2,412,332	92.0%	2,621,750	61.7%
Other	2,714	2.1%	2,289	1.7%	2,351	1.8%	123,822	94.4%	131,175	3.1%
Total By Customer Group	179,010	4.2%	109,023	2.6%	95,205	2.2%	3,866,849	91.0%	4,250,087	100.0%

Table 8: Part 4: Debtors Age Analysis

Indicated in Table 8 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 R4,250,087 billion as at the end of June 2025 and the bulk of SPM's debt is aged over 90 days with an overall weighting of 91%.

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

- ❖ Interest on Arrear Debtor Accounts at 93.8% and Other at 95.2%.
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 94.2%
- ❖ Receivables from Exchange Transactions – Property Rates (91.5%); Waste Water Management (92.4%) and Waste Management (92.3%).

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

- ❖ Receivables from Non-exchange Transactions - Property Rates at 21.2%
- ❖ Interest on Arrear Debtor Accounts 26.3%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 19.5%

Indicated in Table 8 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 93.3%; Commercial at 84.0%; Households at 92.0% and Other at 94.4%.

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

- ❖ Organs of state at 18.4%, total debt outstanding is R782,569 million
- ❖ Businesses at 16.8%, total debt outstanding is R714,593 million
- ❖ Households at 61.7%, total debt outstanding is R2,621,750 billion
- ❖ Other at 3.1%, total debt outstanding is R131,175 million.

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 91% for the month under review. Debt over 90 days increased by R58,492 million in respect of the month-to-month comparison. The month-to-month increase, on total debt amounted to R58,511 million. It is concerning that total debt over 90 days is hovering at an average of 90 percent. During the 2025/26 MTREF Budget Benchmark exercise NT advised that the municipality needs to increase the collection rate to 82% to breakeven and have a positive cash flow.

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

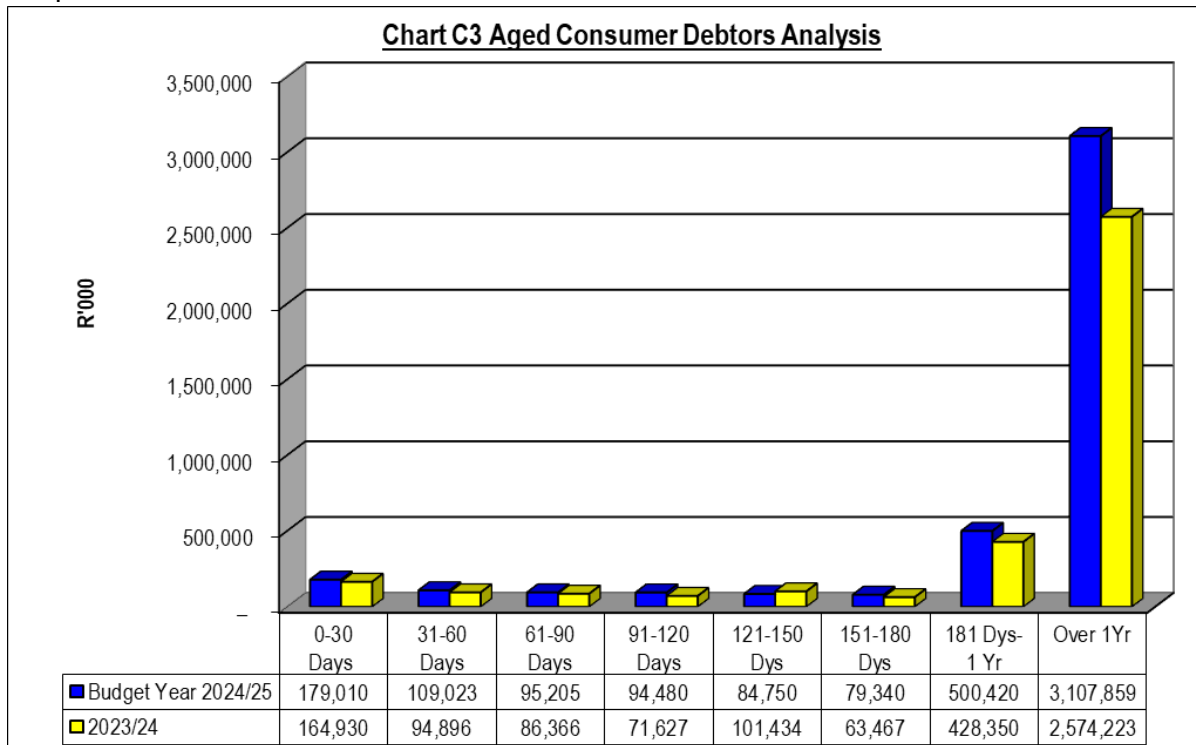


Chart 8: Aged Consumer Debtor Analysis

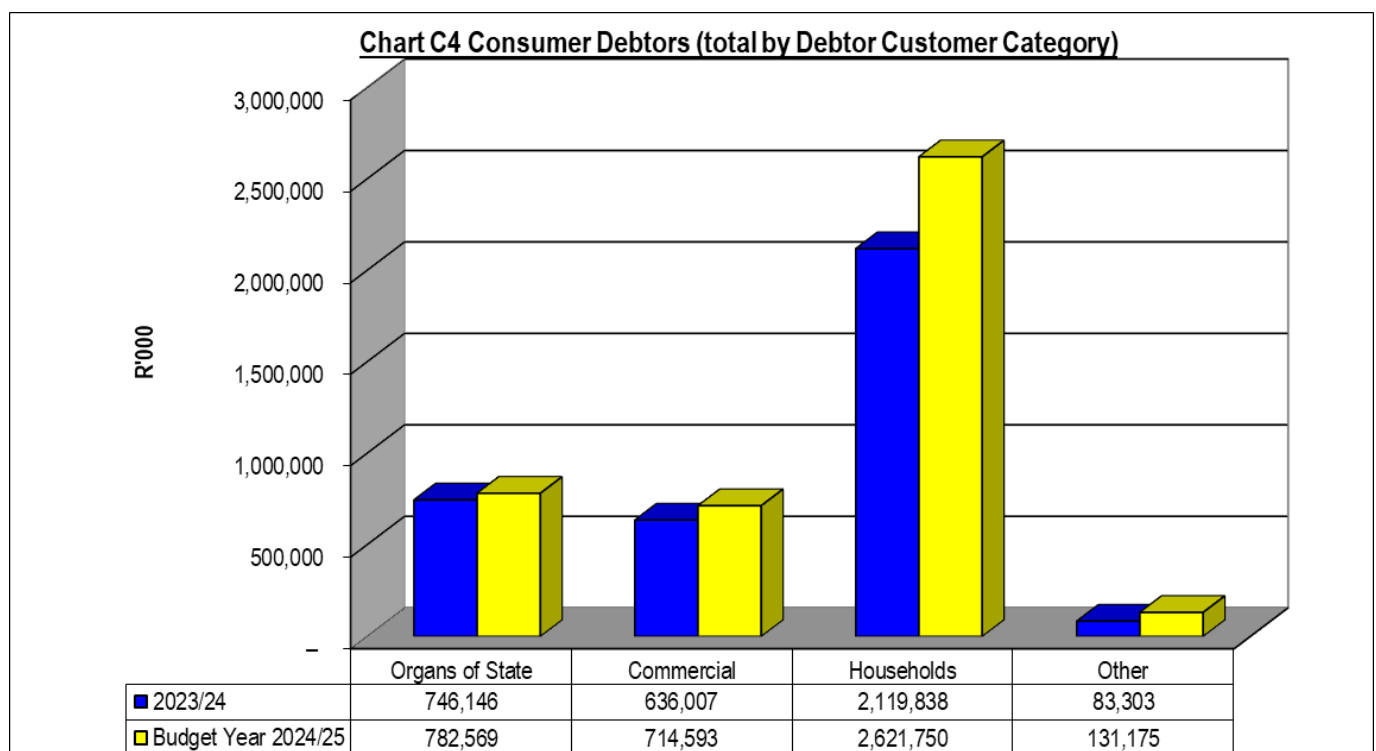


Chart 9: Consumer Debtors (total by Debtor Customer Category)

Revised collection rate

As per Table 9 below, when taking into consideration what was billed in May 2025 and received in June 2025, the monthly collection rate is 57%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 53%. 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 not satisfactory for the month under review. Unallocated receipts amounted to R3,533 million and will be allocated during July 2025. Indicated in Table 10 below is the revised average collection rate of 76.8%, 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 June to 30 June 2025. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, had until the end of September 2024 to settle their outstanding accounts.

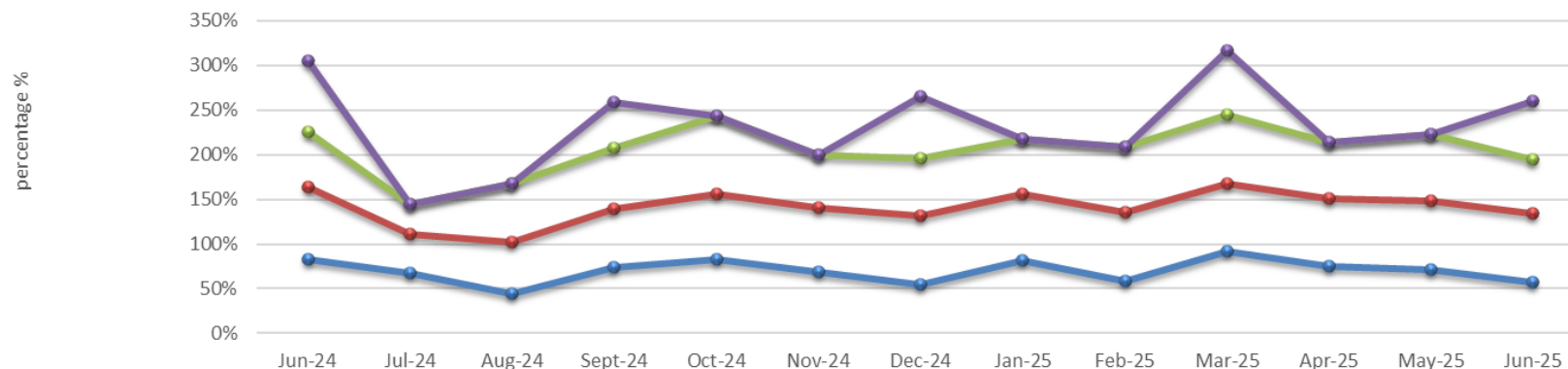
Monthly Collection Rate	Debits (Billed May 2025)	Credits (Received June 2025)	% Collected
PROPERTY RATES	50,692,210	33,244,252	66%
ELECTRICITY	44,777,359	42,429,158	95%
WATER	61,371,050	15,663,781	26%
SEWERAGE	10,203,638	4,254,073	42%
REFUSE	8,117,262	3,786,576	47%
PROPERTY RATES & SERVICES	175,161,519	99,377,841	57%
OTHER	29,199,283	9,220,155	32%
TOTAL	204,360,802	108,597,996	53%

Table 9: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL JUNE 2025	YTD RECEIPTS	Rate
PROPERTY RATES	R 712,817,278	R 468,514,362	65.7%
SERVICE CHARGE ELECTRICITY	R 590,859,614	R 566,868,555	95.9%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 351,891,251	R 351,891,251	100.0%
SERVICE CHARGE WATER	R 322,311,831	R 182,949,639	56.8%
SERVICE CHARGE SANITATION	R 113,767,451	R 52,493,330	46.1%
SERVICE CHARGE REFUSE	R 85,411,517	R 45,582,514	53.4%
UNALLOCATED CREDITS		R 3,533,221	
REVISED AVERAGE COLLECTION RATE - JUNE 2025	R 2,177,058,942	R 1,671,832,871	76.8%

Table 10: Revised Average collection rate

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



	Jun-24	Jul-24	Aug-24	Sept-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Collection rate per Ward (Quarterly)	79%	-	-	52%	-	-	70%	-	-	71%	-	-	66%
Collection rate per Ward (Monthly)	62%	33%	66%	68%	88%	58%	64%	61%	74%	77%	63%	74%	60%
Revised average collection rate (SPLM)	80%	44%	58%	65%	72%	72%	76%	75%	76%	76%	76%	77%	77%
Monthly collection rate (Property rates and Services)	83%	67%	44%	74%	83%	69%	55%	81%	59%	92%	75%	71%	57%

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 June 2025. The monthly collection rate (Property rates & Services) for May 2025 is not satisfactory at 57%. The revised average collection for June 2025 which includes Prepaid sales is 77%, 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 60% for the month under review, whilst the average quarterly collection rate is 60% for April 2025 to June 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 R3,533 million was unallocated at month-end.

Chart 11: Month-to-month - Total Billing Receipts incl Prepaid Electricity from Jun 2024 to June 2025

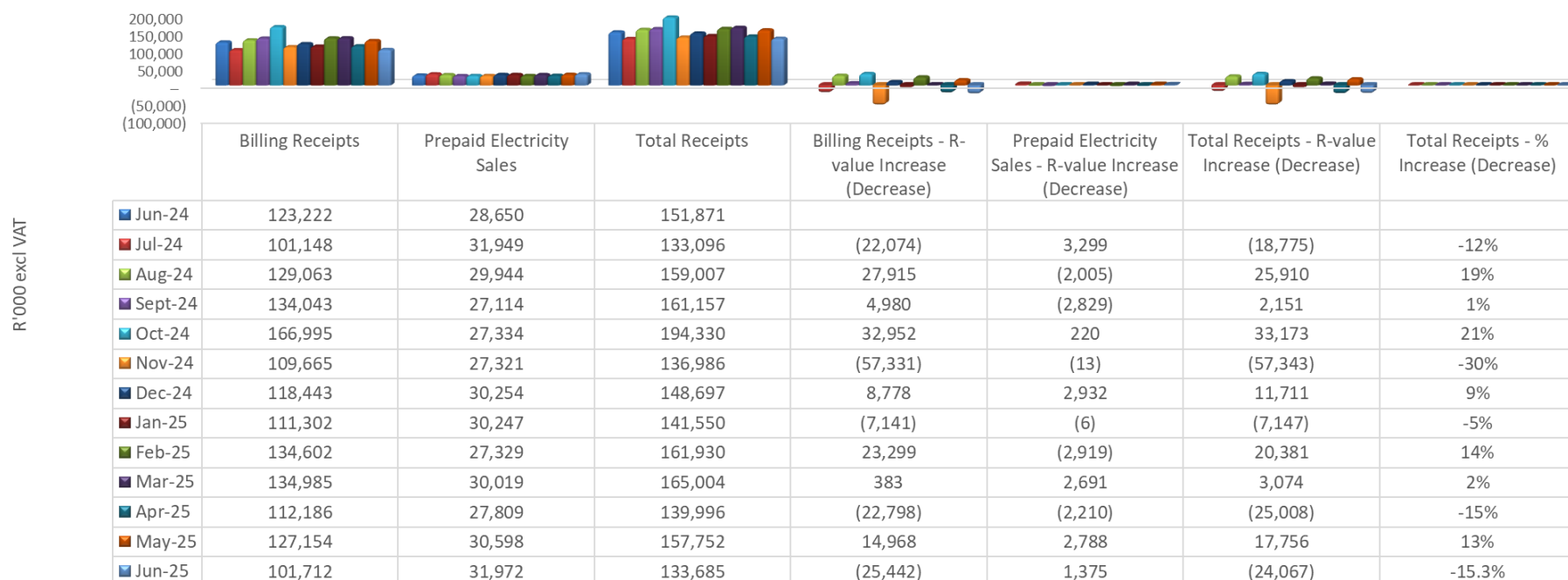


Chart 11: Month-to-month - Total Billing Receipts incl Prepaid Electricity

As indicated in Chart 11 above, the Total Receipts for June 2025 amounted to R133,685 million which resulted in a decrease of R24,067 million (15.3%) in respect of the month-to-month comparison. Billing receipts decreased by R25,442 million, whilst Prepaid Electricity Sales increased by R1,375 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 R3,533 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.

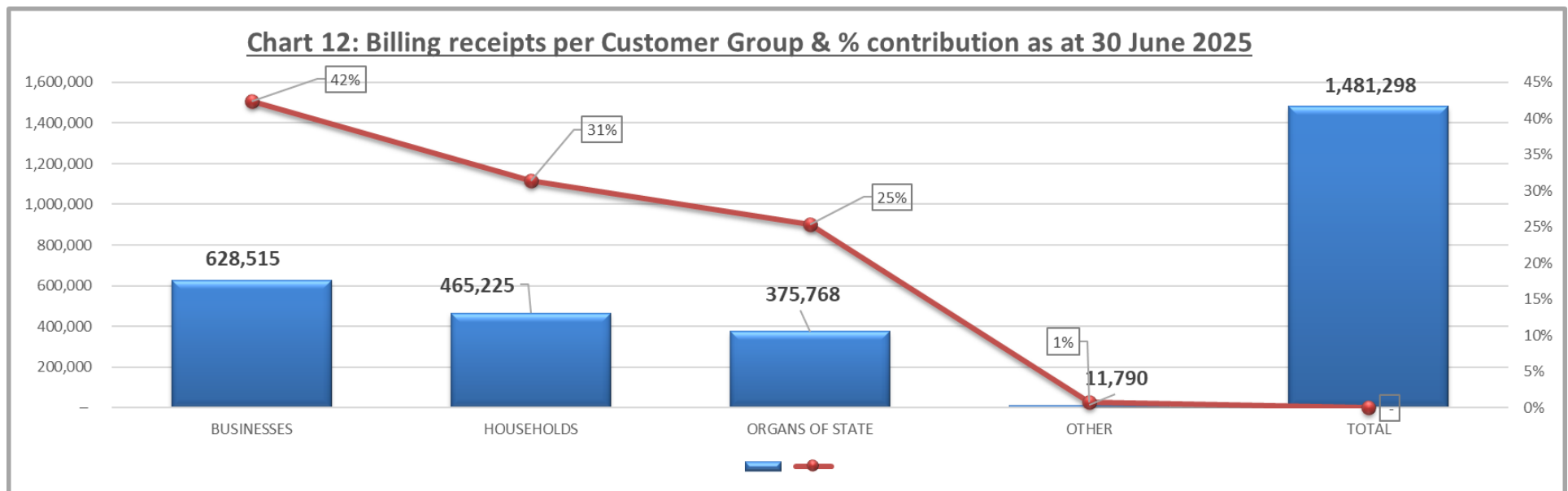


Chart 12: Billing receipts per Customer Group

Indicated in Chart 12 above, is the billing receipts and percentage contribution per major Customer group as at 30 June 2025. The municipality received R628,515 million (42%) from Businesses, Households R465,225 million (31%), Organs of State R375,768 million (25%) and Other R11,790 million (1%).

7. Creditors' Analysis

Part 5: Creditor Age Analysis

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Creditor Age Analysis										
Bulk Electricity	131,970	11.3%	37,292	3.2%	38,058	3.3%	960,909	82.3%	1,168,229	85.4%
Bulk Water	-	-	-	-	-	-	125,412	100.0%	125,412	9.2%
PAYE deductions	11,717	100.0%	-	-	-	-	-	-	11,717	.9%
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	8,291	100.0%	-	-	-	-	-	-	8,291	.6%
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	26,697	91.7%	1,965	6.8%	448	1.5%	-	-	29,110	2.1%
Auditor-General	32	100.0%	-	-	-	-	-	-	32	-
Other	841	3.4%	824	3.4%	904	3.7%	21,965	89.5%	24,534	1.8%
Medical Aid deductions	-	-	-	-	-	-	-	-	-	-
Total	179,548	13.1%	40,081	2.9%	39,410	2.9%	1,108,286	81.1%	1,367,326	100.0%

Table 11: Part 5: Creditors Age Analysis

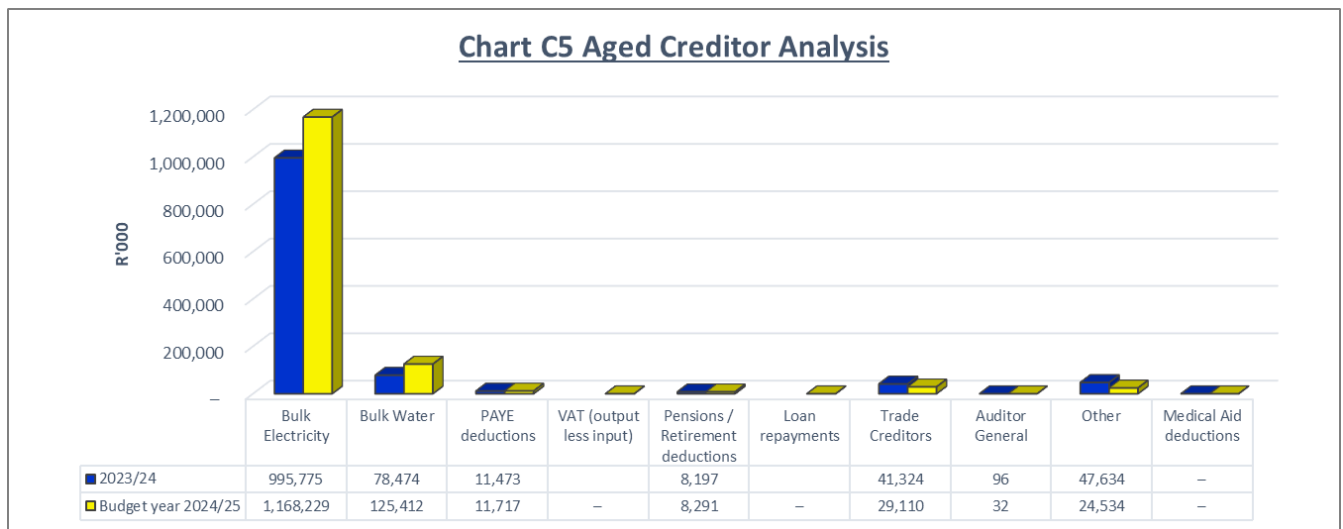


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2023/24 in Chart 13 is based on the outstanding creditors as at 30 June 2024 (prior year totals for the same period). Articulated in Table 11 above, is the age creditors analysis, which is standing at R1,367,326 billion owed to creditors. The analysis shows that 13.1% of creditors is owed between 0 to 30 days, whilst 81.1% of creditors is owed over 90 days. Bulk Electricity is the largest creditor at 85.4%.

Bulk Electricity – As at the 30 June 2025, the outstanding debt owed to ESKOM amounted to R1,168,229 billion.

Bulk Water – As at the 30 June 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 participated 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.

VAT – after the monthly VAT reconciliation, we claimed an amount of R6,289 million from SARS.

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

Loan repayments – the bi-annual repayment for June 2025, was done before 30 June 2025 for the month under review.

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 R32 thousand.

Other creditors – includes Sundry creditors which were unpaid as at 30 June 2025.

Medical Aid deductions –medical aid contributions were settled on or before 30 June 2025 for the month under review.

8. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 30 June 2025, the value of total investments made was R131,880 million. Partially or prematurely withdrawn investments amounted to R31,808 million. The investment top-up was zero rand 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.	22,151
• 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.	7,408
• Unspent Capital grant receipts that was invested for the current year.	74,928
• Own funds invested - Ring-fenced Eskom income / If amount is NEGATIVE, it means that there is Grant funds in the main account	27,393
Total	131,880

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
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		128,321	720	(31,720)	-	97,321
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	9.71%	0		2023/06/28	7,401	62	(56)	-	7,408
Standard Bank - 04 846 6271-091		Monthly	Notice	No	Fixed	890.00%	0	n/a	2024/06/30	5,000	32	(32)	-	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	22,003	148	-	-	22,151
Municipality sub-total										162,725	963	(31,808)	-	131,880

Table 12: Supporting Table SC5: Investment portfolio

Chart 14: Call investment deposits incl interest for the period ending 30 June 2025

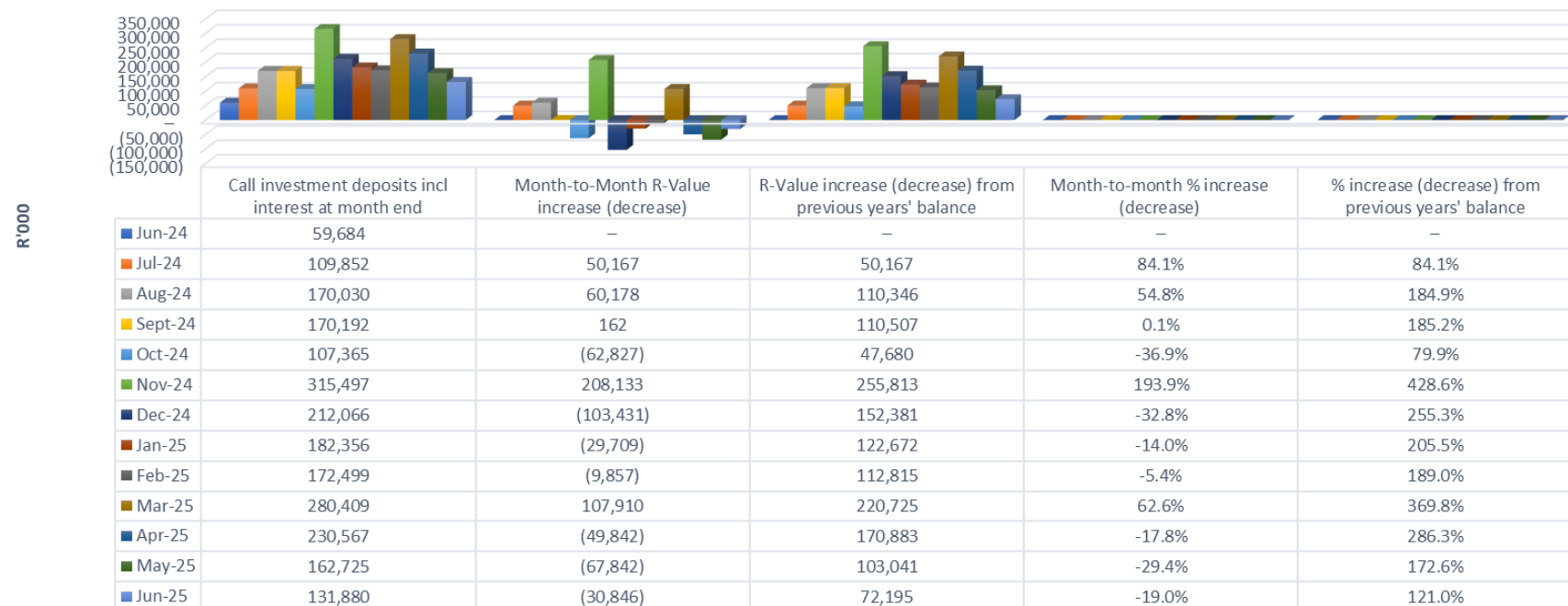


Chart 14: Call investment deposits at month-end

As indicated in the Chart 14 above from May 2025 to June 2025 investments incl interest decreased by R30,846 million (19.0)%, in respect of the month-to-month comparison. Investments increased by R72,195 million (121.0%) when compared to the previous years' balance of R59,684 million. The significant decrease relates to grant funds that were withdrawn to pay service providers. 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

Operational and Capital Grants: Receipts

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

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	294,090	3,813	289,882	294,090	(4,209)	-1.4%	294,090
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share		263,135	282,104	282,104	–	278,134	282,104	(3,970)	-1.4%	282,104
Expanded Public Works Programme Integrated Grant		3,102	2,267	2,927	–	2,927	2,927	–	0.0%	2,927
Infrastructure Skills Development Grant		3,776	4,500	4,500	478	4,342	4,500	(158)	-3.5%	4,500
Integrated Urban Development Grant		–	–	2,759	2,680	2,680	2,759	(79)	-2.9%	2,759
Local Government Financial Management Grant	3	1,700	1,800	1,800	655	1,799	1,800	(1)	-0.1%	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	18,764	841	9,485	18,764	(9,279)	-49.4%	18,764
Capacity Building and Other Grants		8,979	8,600	9,264	588	8,303	9,264	(961)	-10.4%	9,264
Infrastructure Grant		5,808	–	9,500	252	1,182	9,500	(8,318)	-87.6%	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	312,854	4,653	299,367	312,854	(13,487)	-4.3%	312,854
Capital Transfers and Grants										
National Government:		133,753	572,229	574,597	56,992	567,720	574,597	(6,877)	-1.2%	574,597
Energy Efficiency and Demand Side Management Grant		6,000	5,000	5,000	705	5,000	5,000	–	0.0%	5,000
Integrated National Electrification Programme Grant		24,358	–	4,500	–	1,028	4,500	(3,472)	-77.2%	4,500
Integrated Urban Development Grant		63,395	75,229	73,097	12,847	69,693	73,097	(3,404)	-4.7%	73,097
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		40,000	492,000	492,000	43,441	492,000	492,000	–	0.0%	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	574,597	56,992	567,720	574,597	(6,877)	-1.2%	574,597
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	660,747	871,500	887,451	61,646	867,087	887,451	(20,364)	-2.3%	887,451

Table 13: Supporting Table SC6: Transfers and grant receipts

Operational grant monies received for the month under review.

None

Capital grant monies received for the month under review.

None

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 - M12 June

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	275,060	45,804	262,078	275,060	(12,982)	-4.7%	275,060
Equitable Share		228,294	221,104	263,074	44,591	251,868	263,074	(11,206)	-4.3%	263,074
Expanded Public Works Programme Integrated Grant		3,426	2,267	2,927	38	2,483	2,927	(444)	-15.2%	2,927
Infrastructure Skills Development Grant		3,776	4,500	4,500	267	4,342	4,500	(158)	-3.5%	4,500
Integrated Urban Development Grant		-	-	2,759	160	1,586	2,759	(1,173)	-42.5%	2,759
Local Government Financial Management Grant		1,700	1,800	1,800	749	1,800	1,800	-	-	1,800
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		9,852	8,600	18,601	2,924	13,700	18,601	(4,901)	-26.3%	18,601
Capacity Building and Other Grants		7,625	8,600	9,251	441	8,305	9,251	(946)	-10.2%	9,251
Infrastructure Grant		2,227	-	9,350	2,483	5,395	9,350	(3,955)	-42.3%	9,350
District Municipality:		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		247,048	238,271	293,661	48,728	275,778	293,661	(17,883)	-6.1%	293,661
Capital expenditure of Transfers and Grants										
National Government:		124,283	572,229	574,597	55,769	499,881	574,597	(74,716)	-13.0%	574,597
Energy Efficiency and Demand Side Management Grant		5,999	5,000	5,000	795	4,530	5,000	(470)	-9.4%	5,000
Integrated National Electrification Programme Grant		21,181	-	4,500	959	1,853	4,500	(2,647)	-58.8%	4,500
Integrated Urban Development Grant		57,349	75,229	73,097	12,565	61,996	73,097	(11,101)	-15.2%	73,097
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		39,754	492,000	492,000	41,449	431,501	492,000	(60,499)	-12.3%	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	574,597	55,769	499,881	574,597	(74,716)	-13.0%	574,597
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		394,404	810,500	868,258	104,497	775,659	868,258	(92,599)	-10.7%	868,258

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 R29,962 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 adjusted allocation for the EPWP is R2,927 million. In addition to this, the municipality budgeted R15,000 million for this programme.

(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	12,565	61,996	-	82.4%	84.8%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	5,000	5,000	795	4,530	-	90.6%	90.6%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	492,000	492,000	41,449	431,501	-	87.7%	87.7%
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	-	4,500	959	1,853	-	-	41.2%
Grand Total	572,229	574,597	55,769	499,881	-	87.4%	87.0%

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R499,881 million or 87.0% spent against the Adjusted capital grant allocation of R574,597 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, however there is improvement when compared to the prior year. 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 - M12 June

Summary of Employee and Councillor remuneration	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	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		—	—	—	—	—	—	—	—	—
Pension and UIF Contributions		1,065	—	1,055	73	985	1,055	(70)	-7%	1,055
Medical Aid Contributions		536	—	623	52	628	623	5	1%	623
Motor Vehicle Allowance		—	—	—	—	—	—	—	—	—
Cellphone Allowance		2,997	3,055	3,055	251	3,048	3,055	(7)	0%	3,055
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		29,271	34,021	32,343	2,368	29,890	32,343	(2,453)	-8%	32,343
Sub Total - Councillors		33,869	37,077	37,077	2,743	34,551	37,077	(2,526)	-7%	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	4,593	8,791	(4,198)	-48%	8,791
Pension and UIF Contributions		433	1,316	1,316	33	407	1,316	(909)	-69%	1,316
Medical Aid Contributions		192	117	117	16	186	117	68	58%	117
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance		1,065	2,005	2,005	87	1,041	2,005	(964)	-48%	2,005
Cellphone Allowance		101	198	198	8	101	198	(97)	-49%	198
Housing Allowances		22	9	9	2	21	9	12	128%	9
Other benefits and allowances		—	—	—	—	—	—	—	—	—
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		14	15	15	1	15	15	(0)	-1%	15
Post-retirement benefit obligations		—	—	—	—	—	—	—	—	—
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality		6,769	12,452	12,452	500	6,364	12,452	(6,088)	-49%	12,452
% increase	4		84.0%	84.0%						84.0%
Other Municipal Staff										
Basic Salaries and Wages		460,448	509,499	504,904	40,662	464,521	504,904	(40,384)	-8%	504,904
Pension and UIF Contributions		83,850	96,851	96,851	6,987	84,295	96,851	(12,556)	-13%	96,851
Medical Aid Contributions		54,500	63,693	63,693	4,893	63,571	63,693	(122)	0%	63,693
Overtime		90,602	53,982	54,982	9,235	72,922	54,982	17,940	33%	54,982
Performance Bonus		30,591	38,317	38,317	724	30,614	38,317	(7,703)	-20%	38,317
Motor Vehicle Allowance		43,767	51,151	51,312	3,480	41,726	51,312	(9,586)	-19%	51,312
Cellphone Allowance		1,631	1,551	1,631	138	1,599	1,631	(32)	-2%	1,631
Housing Allowances		2,856	2,887	2,887	235	4,158	2,887	1,272	44%	2,887
Other benefits and allowances		38,029	26,598	31,782	2,795	32,478	31,782	696	2%	31,782
Payments in lieu of leave		7,128	20,000	20,000	40	5,258	20,000	(14,742)	-74%	20,000
Long service awards		30,958	29,981	29,956	2,497	30,757	29,956	800	3%	29,956
Post-retirement benefit obligations		43,162	43,900	43,900	487	7,217	43,900	(36,683)	-84%	43,900
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—	—
Acting and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff		887,522	938,410	940,215	72,175	839,116	940,215	(101,099)	-11%	940,215
% increase	4		5.7%	5.9%						5.9%
Total Parent Municipality		928,160	987,939	989,744	75,417	880,031	989,744	(109,713)	-11%	989,744
TOTAL SALARY, ALLOWANCES & BENEFITS		928,160	987,939	989,744	75,417	880,031	989,744	(109,713)	-11%	989,744
% increase	4		6.4%	6.6%						6.6%
TOTAL MANAGERS AND STAFF		894,291	950,863	952,667	72,675	845,480	952,667	(107,187)	-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 7% 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.

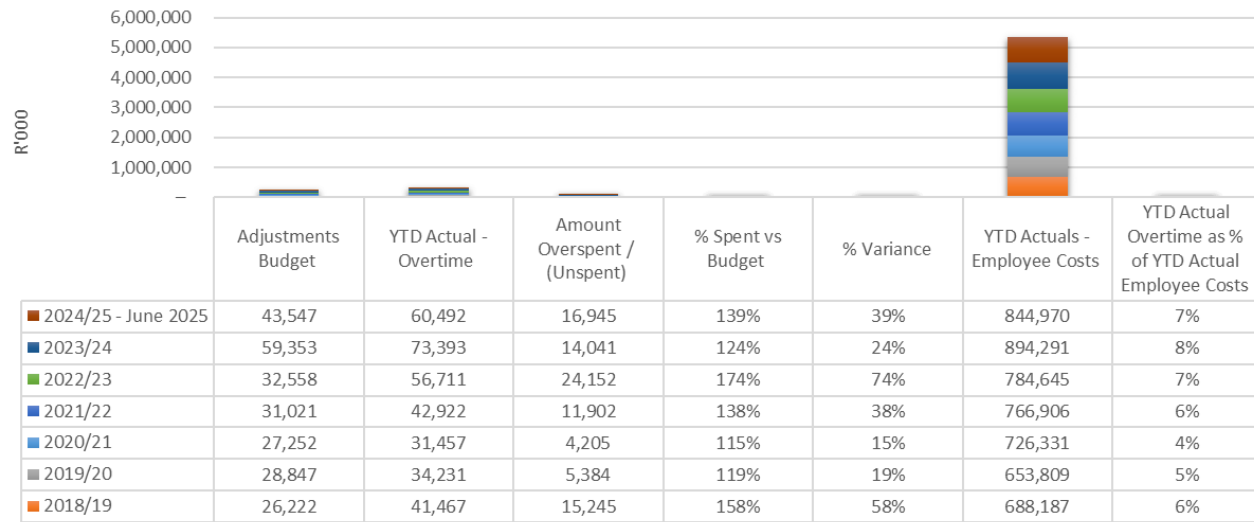
And indicated in Table 18 below, is the YTD Overtime expenditure per line item and also per Directorate as at end of May 2025.

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	34,362,000	7,762,036	56,433,620	167%	164%
MS: OVERTIME - STRUCTURED	8,785,180	9,185,180	317,847	4,058,096	46%	44%
Overtime as at 31 May 2025	42,547,180	43,547,180	8,079,882	60,491,716	142%	139%
Row Labels	Original Budget	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Spent of Adjustments Budget
20-EXECUTIVE AND COUNCIL	330,000	330,000	302,705	940,656	285%	285%
21-MUNICIPAL AND GENERAL	-	-	-	-		
22-MUNICIPAL MANAGER	-	-	7,271	28,861		
23-CORPORATE SERVICES	1,937,000	1,937,000	664,386	5,039,320	260%	260%
24-COMMUNITY SERVICES	17,190,180	17,190,180	1,863,832	18,840,368	110%	110%
26-FINANCIAL SERVICES	1,021,000	1,021,000	252,429	3,319,677	325%	325%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	877,000	877,000	103,012	1,273,835	145%	145%
28-INFRASTRUCTURE SERVICES	21,192,000	22,192,000	4,886,248	31,048,998	147%	140%
Grand Total	42,547,180	43,547,180	8,079,882	60,491,716	142%	139%

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 139% spent versus the Adjustment budget, resulting in an unsatisfactory variance of 39% for the period under review, when compared to the ideal IYM percentage of 100%.

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 May 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. The Overtime control implemented was marginally effective, it resulted in a R12.9 million reduction in Overtime expenditure when compared to the prior financial year.

Chart 15.1: Overtime Actual vs Budget

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

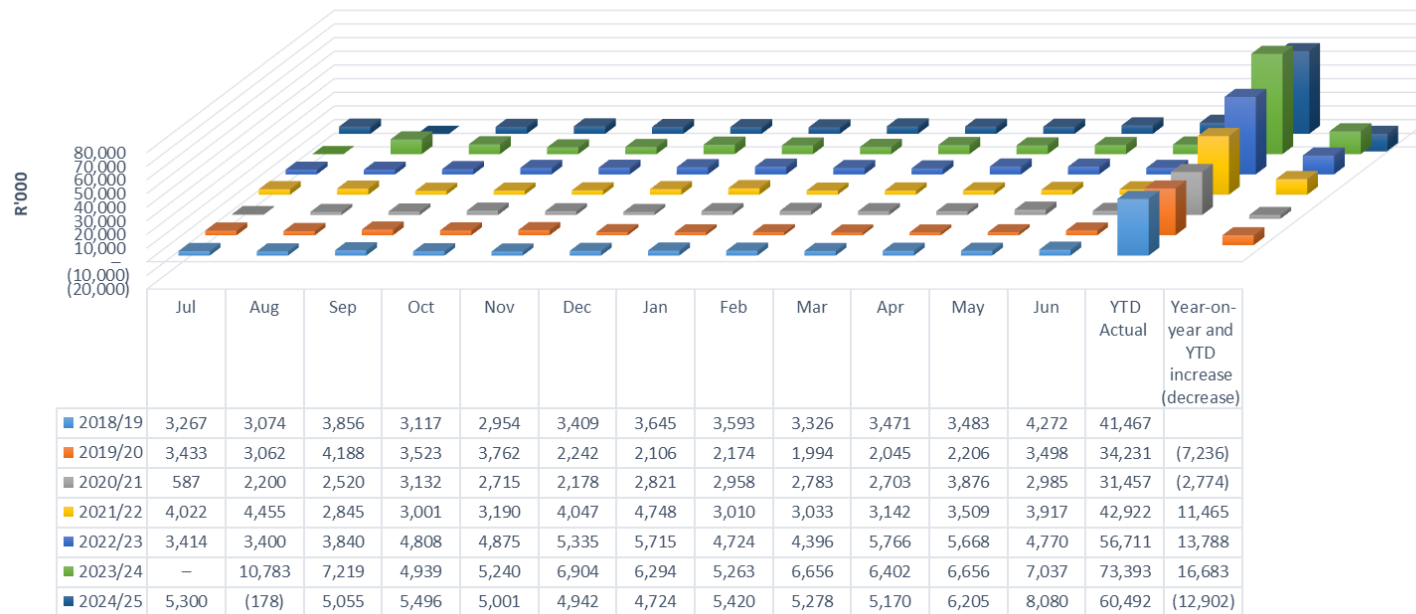


Chart 15.2: Monthly and Annual Overtime Comparison

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 30 June 2025.

12. Capital programme performance

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

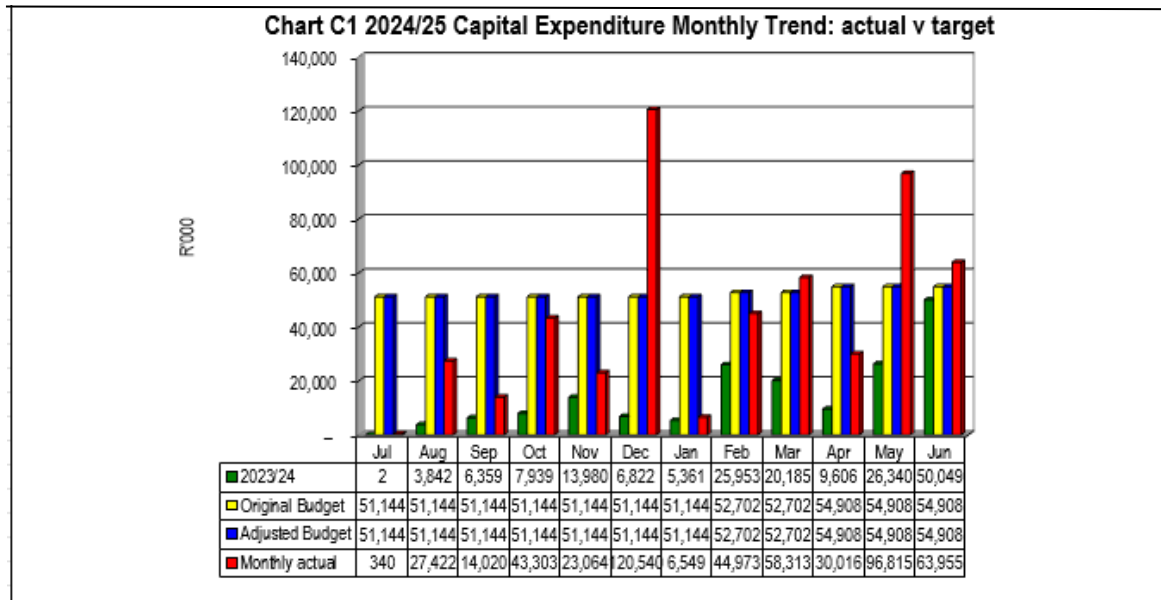


Chart 16.1: Capital Expenditure Monthly Trend: actual v target

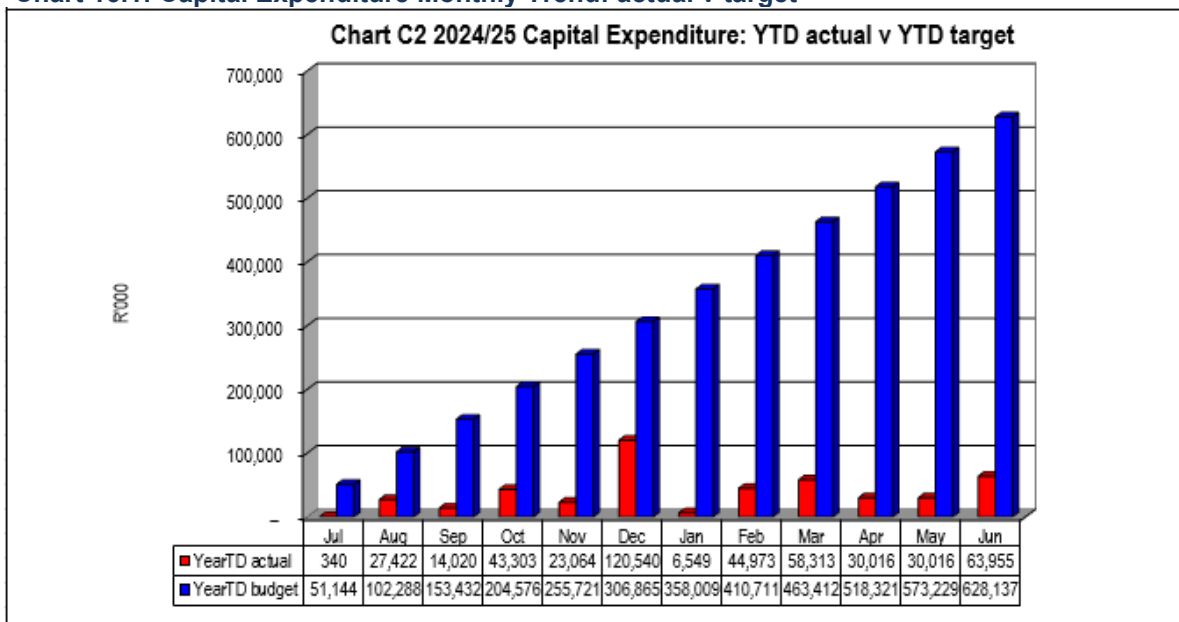


Chart 16.2: Capital Expenditure: YTD actual vs YTD target

Projects per funding source (R'000)	Original Budget	Adjusted Budget	Monthly Actuals	YTD Actuals	Commitments	% Original Bud	% Adjusted Bud
INTERNALLY GENERATED FUNDS	41,500	53,540	10,088	31,332	264	75.50%	58.52%
ACQ-COMPUTER EQUIPMENT REPLACEMENT	4,500	4,500	1,747	2,588	—	57.52%	57.52%
ACQ-FLEET REPLACEMENT	3,000	6,000	2,041	2,041	—	68.05%	34.02%
ACQ-FURNITURE AND OFFICE EQUIP REPLACEMENT	500	500	—	145	—	28.90%	28.90%
CAPITAL SPARES-ACQ-PREPAID METERS	1,000	1,000	—	—	—	0.00%	0.00%
DSITRBUTION-ACQ-WAT METER REPLACEMENT	500	500	—	—	—	0.00%	0.00%
EMERGENCY LEAK REPAIR ON 6 MAJOR LEAKS	—	3,260	—	—	—	—	—
EMERGENCY METER INSTALLATIONS (PHASE 1)	20,466	—	—	—	—	0.00%	—
MR LEAK AND SLEAK DATA SYSTEM	484	324	4	248	—	51.20%	76.49%
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	872	—	538	264	112.24%	61.72%
RITCHIE SUBZONE SMART METER INSTALL	1,417	—	—	—	—	0.00%	#DIV/0!
SMARTBALL SURVEY PRIORITY LEAK REPAIRS	—	13,538	2,718	12,429	—	—	91.81%
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	2,000	3,500	955	2,579	—	128.94%	73.68%
RUFURBISHMENT OF THE VINTAGE TRAM	1,500	750	—	246	—	16.38%	32.76%
PLANNING & DEVELOPMENT	1,500	1,761	758	758	—	50.55%	43.06%
RITCHIE PRIORITIZE LEAK DETECT & REPAIRS	1,342	—	—	—	—	0.00%	—
WASTE WATER RE-USE	—	1,035	—	—	—	—	0.00%
SWIMMING POOLS	—	2,500	1,864	2,214	—	#DIV/0!	88.57%
CARTERS GLEN SEWER PUMP STATION	—	7,500	—	7,403	—	#DIV/0!	98.70%
REFURBISHMENT SEWER & WATER LINES	—	4,000	—	—	—	#DIV/0!	0.00%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	75,229	73,097	12,565	61,996	—	82.41%	84.81%
P-CIER RDS ROADS	17,500	17,500	3	15,689	—	89.65%	89.65%
PROJECT MANAGEMENT	2,349	—	—	—	—	0.00%	#DIV/0!
UPGRADE GRAVEL ROADS WARDS VARIOUS	17,500	15,886	1,374	14,544	—	83.11%	91.55%
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	249	1,461	—	73.06%	73.06%
FENCING OF FRANK RORO CRICKET FIELD	2,210	2,210	426	2,014	—	91.12%	91.12%
REFURBISHMENT OF HALLS	5,000	3,500	1,182	1,707	—	34.15%	48.78%
LINING OF STORMWATER CHANNELS WARD 16	7,670	7,260	4,315	6,511	—	84.88%	89.68%
CONSTRUCTION OLD SINK TOILETS	5,000	5,000	1,654	2,905	—	58.10%	58.10%
FLEET REPLACEMENT	—	6,173	—	5,368	—	—	86.96%
CONSTR OF SEWER P/LINE IN PHOMOLONG W15	—	10,000	3,363	8,696	—	—	86.96%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	5,000	5,000	795	4,530	—	90.61%	90.61%
STREET LIGHTS REPLACE 125W MV with 36W L	5,000	5,000	795	4,530	—	90.61%	90.61%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	492,000	492,000	41,449	431,501	—	87.70%	87.70%
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)	—	24,741	713	17,833	—	—	72.08%
KBY BULK METERS & PRESSURE MANAGEMENT	17,026	20,613	1,487	16,257	—	95.48%	78.87%
KBY NETWORK LEAK DETECTION & REPAIR PH 1	20,483	11,567	3,403	10,192	—	49.76%	88.11%
KBY NETWORK LEAK DETECTION & REPAIR PH 2	29,346	3,271	29	3,271	—	11.15%	100.00%
NEW WTP CLHORINE & DOSING WORKS UPGRADE	27,630	26,555	8,935	26,236	—	94.96%	98.80%
NEW WTP MAJOR REFURBISH&AND BUILD WORKS	—	5,226	2,569	4,499	—	—	86.09%
NEW WTW FILTER REFURBISH&BACKWASH SYSTEM	39,640	24,678	5,865	23,482	—	—	95.16%
NEWTOWN RESERVOIR EMERGENCY LEAK REPAIRS	7,531	11,027	3,669	9,386	—	124.63%	85.12%
OLD WTP CLHORINE & DOSING WORKS UPGRADE	83,369	44,359	5,362	35,156	—	42.17%	79.25%
OLD WTP MAJOR REFURBISH AND BUILD WORKS	16,173	4,477	23	2,329	—	14.40%	52.02%
POWER; ABSTRACTION & PUMPSTATION REPAIRS	37,378	35,842	3,286	32,940	—	88.13%	91.90%
RIVERTON TO MIDSTATION BULK PIPELINE REP	27,828	23,372	1,649	19,918	—	71.57%	—
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	8,941	2,169	3,376	—	36.57%	37.76%
RITCHIE WTW UPGRADE AND BULK PIPELINE	48,296	7,915	1,170	7,610	—	—	96.15%
RITCHIE PRIORITIZE LEAK DETECT & REPAIRS	—	1,290	—	1,107	—	—	85.78%
SEC3 1200NEW STEEL MIDSTATION-NEWTON RES	67,191	24,171	1,121	22,882	—	34.05%	94.67%
BULK 1200 ND STEEL PIPELINE MAT: MBSC1/6	—	212,350	—	194,285	—	—	91.49%
NEWTON RESERVOIR COMPLEX OHS & SECURITY	—	1,160	—	657	—	—	56.65%
OHS & SECURITY MNGMNT (NEWTON) ELECTRIC	—	445	—	85	—	#DIV/0!	19.04%
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	—	4,500	959	1,853	—	#DIV/0!	41.17%
ELECTRIFICATION OF JACKSONVILLE	—	—	(894)	—	—	#DIV/0!	#DIV/0!
ELECTRIFICATION LERATO PARK	—	4,500	1,853	1,853	—	#DIV/0!	41.17%
Grand Total	613,729	628,137	65,857	531,212	264	86.55%	84.57%

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 June 2025 is not at a desired level. Capital expenditure requires constant monitoring from management to improve the final outcome. The actual

monthly expenditure for June 2025 amounted to R65,857 million. The total YTD Capex amounts to R531,212 million. Please note that Commitments 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 (84.81%), EEDSM (90.61%), RBIG (87.70%), INEP (41.17%). Funds for INEP was recently received. Spending on Internally generated funds is also 58.52% 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

All the figures reported are preliminary figures, and are subject to change as the municipality is busy finalizing the annual financial statements for the year ending 30 June 2025.

Additional information or supporting documentation for June 2025.

- Monthly Debt Relief Non-Compliance Report accompanied by the Municipal Debt Relief Compliance Certificate issued by National Treasury for May 2025.
- The municipality's self-assessment for the month of June 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 for households) 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 does not meet 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
- Eskom's proposed intervention which includes entering into Distribution Agency Agreements, that would give the utility direct control over metering, billing and revenue collection. This would allow Eskom to deduct its share for bulk electricity purchases upfront and return the balance to municipalities.

- 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 from October 2024 to April 2025, with the exception of the November 2024 account with a partial payment being made in December 2024. Partial payments were also made at the end of May and June 2025. 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 now completed.
 - 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 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 - M12 June

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	50,649	712,817	687,320	25,498	4%	687,320
Service charges	1,331,093	1,611,046	1,611,046	120,139	1,464,242	1,611,046	(146,804)	-9%	1,611,046
Investment revenue	16,116	9,000	9,000	2,537	20,635	9,000	11,635	129%	9,000
Transfers and subsidies - Operational	501,707	299,271	312,854	4,653	299,367	312,854	(13,487)	(0)	312,854
Other own revenue	419,726	351,642	352,142	37,650	396,022	352,142	43,881	12%	—
Total Revenue (excluding capital transfers and contributions)	2,925,084	2,958,278	2,972,361	215,629	2,893,083	2,972,361	(79,278)	-3%	2,972,361
Employee costs	894,291	950,863	952,667	72,675	845,480	952,667	(107,187)	-11%	952,667
Remuneration of Councillors	33,869	37,077	37,077	2,743	34,551	37,077	(2,526)	-7%	37,077
Depreciation and amortisation	76,441	89,700	89,700	—	55,952	89,700	(33,748)	-38%	89,700
Interest	122,651	17,774	78,195	9,044	37,362	78,195	(40,832)	-52%	78,195
Inventory consumed and bulk purchases	1,057,341	1,216,905	1,230,279	211,479	1,179,129	1,230,279	(51,151)	-4%	1,230,279
Transfers and subsidies	2,526	3,660	3,660	3	2,807	3,660	(853)	-23%	3,660
Other expenditure	610,299	612,526	806,211	149,738	800,308	806,211	(5,904)	-1%	806,211
Total Expenditure	2,797,419	2,928,505	3,197,789	445,681	2,955,589	3,197,789	(242,200)	-8%	3,197,789
Surplus/(Deficit)	127,666	29,774	(225,428)	(230,052)	(62,506)	(225,428)	162,922	-72%	(225,428)
Transfers and subsidies - capital (monetary allocations)	159,040	572,229	574,597	56,992	567,720	574,597	(6,877)	-1%	574,597
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	286,706	602,003	349,169	(173,060)	505,215	349,169	156,045	45%	349,169
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	286,706	602,003	349,169	(173,060)	505,215	349,169	156,045	45%	349,169
Capital expenditure & funds sources									
Capital expenditure	176,438	613,729	628,137	65,857	531,212	628,137	(96,925)	-15%	628,137
Capital transfers recognised	147,356	572,229	574,597	55,769	499,881	574,597	(74,716)	-13%	574,597
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	29,082	41,500	53,540	10,088	31,332	53,540	(22,209)	-41%	53,540
Total sources of capital funds	176,438	613,729	628,137	65,857	531,212	628,137	(96,925)	-15%	628,137
Financial position									
Total current assets	2,664,713	5,672,764	5,453,942		2,983,798				5,453,942
Total non current assets	2,360,035	2,874,231	2,888,639		2,835,296				2,888,639
Total current liabilities	929,931	3,917,118	3,917,118		1,236,330				3,917,118
Total non current liabilities	1,111,983	410,208	458,628		1,097,187				458,628
Community wealth/Equity	2,982,833	3,432,159	3,174,826		3,485,577				3,174,826
Cash flows									
Net cash from (used) operating	(521,938)	2,970,625	2,865,092	1,594	506,637	2,865,092	2,358,455	82%	2,865,092
Net cash from (used) investing	(159,367)	—	(7,789)	(63,797)	(524,082)	(7,789)	516,293	-6629%	(7,789)
Net cash from (used) financing	660,387	—	—	58	574	—	(574)	#DIV/0!	—
Cash/cash equivalents at the month/year end	88,618	3,071,442	2,958,120	(90,023)	96,856	2,958,120	2,861,265	97%	2,971,030
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	179,010	109,023	95,205	94,480	84,750	79,340	500,420	3,107,859	4,250,087
Creditors Age Analysis									
Total Creditors	179,548	40,081	39,410	16,972	10,817	22,282	151,358	906,856	1,367,326

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June

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	1,698,001	126,990	1,751,776	1,698,001	53,775	3%	1,698,001
Executive and council		549,361	972,401	980,929	73,359	1,005,107	980,929	24,178	2%	980,929
Finance and administration		707,747	717,072	717,072	53,631	746,669	717,072	29,597	4%	717,072
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		48,267	42,989	47,653	4,197	47,451	47,653	(202)	0%	47,653
Community and social services		12,642	12,138	12,802	820	11,505	12,802	(1,297)	-10%	12,802
Sport and recreation		2,639	2,720	2,720	520	3,218	2,720	498	18%	2,720
Public safety		276	540	540	17	818	540	278	51%	540
Housing		28,843	27,501	27,501	2,840	31,910	27,501	4,409	16%	27,501
Health		3,867	90	4,090	—	—	4,090	(4,090)	-100%	4,090
<i>Economic and environmental services</i>		37,710	18,976	22,235	4,718	14,640	22,235	(7,595)	-34%	22,235
Planning and development		22,952	5,956	9,215	3,014	10,008	9,215	793	9%	9,215
Road transport		14,758	13,020	13,020	1,704	4,632	13,020	(8,388)	-64%	13,020
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		1,730,934	1,767,977	1,767,977	134,084	1,634,731	1,767,977	(133,246)	-8%	1,767,977
Energy sources		1,163,247	1,164,299	1,164,299	84,532	984,572	1,164,299	(179,728)	-15%	1,164,299
Water management		352,402	398,115	398,115	28,106	396,658	398,115	(1,457)	0%	398,115
Waste water management		121,173	118,290	118,290	12,256	144,843	118,290	26,553	22%	118,290
Waste management		94,112	87,272	87,272	9,191	108,658	87,272	21,386	25%	87,272
<i>Other</i>	4	10,104	11,092	11,092	2,632	12,205	11,092	1,113	10%	11,092
Total Revenue - Functional	2	3,084,125	3,530,507	3,546,958	272,621	3,460,803	3,546,958	(86,155)	-2%	3,546,958
Expenditure - Functional										
<i>Governance and administration</i>		734,453	755,594	865,627	78,398	767,170	865,627	(98,457)	-11%	865,627
Executive and council		472,647	477,043	584,053	83,143	530,003	584,053	(54,050)	-9%	584,053
Finance and administration		256,237	271,754	274,747	(4,824)	232,998	274,747	(41,749)	-15%	274,747
Internal audit		5,569	6,797	6,827	79	4,169	6,827	(2,659)	-39%	6,827
<i>Community and public safety</i>		201,954	207,313	214,494	18,009	194,578	214,494	(19,916)	-9%	214,494
Community and social services		48,586	49,027	51,863	5,530	48,073	51,863	(3,790)	-7%	51,863
Sport and recreation		66,863	63,043	63,143	5,068	63,328	63,143	185	0%	63,143
Public safety		44,135	45,933	46,033	3,703	41,945	46,033	(4,088)	-9%	46,033
Housing		21,956	28,042	28,042	2,226	22,558	28,042	(5,484)	-20%	28,042
Health		20,412	21,267	25,412	1,481	18,674	25,412	(6,738)	-27%	25,412
<i>Economic and environmental services</i>		170,731	183,093	192,175	13,595	177,583	192,175	(14,593)	-8%	192,175
Planning and development		46,192	55,644	60,476	2,356	47,064	60,476	(13,413)	-22%	60,476
Road transport		123,669	126,551	130,801	11,165	129,612	130,801	(1,189)	-1%	130,801
Environmental protection		870	898	898	74	907	898	9	1%	898
<i>Trading services</i>		1,666,266	1,753,665	1,896,203	333,540	1,791,276	1,896,203	(104,927)	-6%	1,896,203
Energy sources		1,101,328	1,151,651	1,246,140	238,847	1,178,788	1,246,140	(67,351)	-5%	1,246,140
Water management		363,718	395,412	434,712	66,654	416,375	434,712	(18,337)	-4%	434,712
Waste water management		122,085	119,433	128,183	18,544	115,828	128,183	(12,355)	-10%	128,183
Waste management		79,135	87,170	87,170	9,496	80,285	87,170	(6,884)	-8%	87,170
<i>Other</i>		24,014	28,839	29,289	2,138	24,982	29,289	(4,307)	-15%	29,289
Total Expenditure - Functional	3	2,797,419	2,928,505	3,197,789	445,681	2,955,589	3,197,789	(242,200)	-8%	3,197,789
Surplus/ (Deficit) for the year		286,706	602,003	349,169	(173,060)	505,215	349,169	156,045	0.4469049	349,169

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

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	980,929	73,359	1,005,107	980,929	24,178	2.5%	980,929
Vote 03 - Municipal Manager		-	-	2,759	2,680	2,680	2,759	(79)	-2.9%	2,759
Vote 04 - Corporate Services		5,391	6,161	6,161	482	6,104	6,161	(57)	-0.9%	6,161
Vote 05 - Community Services		134,820	124,361	129,025	13,274	138,010	129,025	8,985	7.0%	129,025
Vote 06 - Financial Services		701,887	710,111	710,111	53,089	739,757	710,111	29,647	4.2%	710,111
Vote 07 - Strategy Econ Development And Planning		26,098	8,368	8,868	1,932	10,306	8,868	1,438	16.2%	8,868
Vote 08 - Infrastructure And Services		1,666,568	1,709,105	1,709,105	127,804	1,558,838	1,709,105	(150,267)	-8.8%	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	3,546,958	272,621	3,460,803	3,546,958	(86,155)	-2.4%	3,546,958
Expenditure by Vote	1									
Vote 01 - Executive & Council		59,615	60,855	60,895	4,770	57,745	60,895	(3,151)	-5.2%	60,895
Vote 02 - Municipal And General		400,410	403,603	508,523	78,511	458,048	508,523	(50,476)	-9.9%	508,523
Vote 03 - Municipal Manager		24,274	27,854	32,626	2,896	28,786	32,626	(3,840)	-11.8%	32,626
Vote 04 - Corporate Services		71,184	82,140	75,818	6,931	72,673	75,818	(3,145)	-4.1%	75,818
Vote 05 - Community Services		321,917	337,272	344,453	30,578	316,582	344,453	(27,871)	-8.1%	344,453
Vote 06 - Financial Services		134,722	166,217	174,232	11,317	142,970	174,232	(31,262)	-17.9%	174,232
Vote 07 - Strategy Econ Development And Planning		60,672	67,813	71,703	5,265	55,449	71,703	(16,254)	-22.7%	71,703
Vote 08 - Infrastructure And Services		1,724,624	1,782,750	1,929,538	305,413	1,823,337	1,929,538	(106,202)	-5.5%	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	3,197,789	445,681	2,955,589	3,197,789	(242,200)	-7.6%	3,197,789
Surplus/ (Deficit) for the year	2	286,706	602,003	349,169	(173,060)	505,215	349,169	156,045	44.7%	349,169

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

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	82,181	942,751	1,099,199	(156,448)	-14%	1,099,199
Service charges - Water			276,094	343,685	343,685	21,439	322,312	343,685	(21,373)	-6%	343,685
Service charges - Waste Water Management			93,794	95,890	95,890	9,434	113,767	95,890	17,878	19%	95,890
Service charges - Waste management			75,114	72,271	72,271	7,085	85,412	72,271	13,140	18%	72,271
Sale of Goods and Rendering of Services			15,100	15,955	16,455	2,635	18,797	16,455	2,342	14%	16,455
Agency services									-		
Interest			-	-	-	-	-	-	-		-
Interest earned from Receivables			258,041	120,030	120,030	15,430	166,017	120,030	45,987	38%	120,030
Interest from Current and Non Current Assets			16,116	9,000	9,000	2,537	20,635	9,000	11,635	129%	9,000
Dividends			-	-	-	-	-	-	-		-
Rent on Land									-		
Rental from Fixed Assets			28,851	27,740	27,740	2,858	32,057	27,740	4,317	16%	27,740
Licence and permits			670	1,200	1,200	63	660	1,200	(540)	-45%	1,200
Operational Revenue			3,202	3,773	3,773	361	3,152	3,773	(622)	-16%	3,773
Non-Exchange Revenue											
Property rates			656,442	687,320	687,320	50,649	712,817	687,320	25,498	4%	687,320
Surcharges and Taxes									-		
Fines, penalties and forfeits			56,767	32,143	32,143	3,324	27,902	32,143	(4,241)	-13%	32,143
Licence and permits			6,500	8,000	8,000	986	9,074	8,000	1,074	13%	8,000
Transfers and subsidies - Operational			501,707	299,271	312,854	4,653	299,367	312,854	(13,487)	-4%	312,854
Interest			-	91,900	91,900	8,800	103,759	91,900	11,859	13%	91,900
Fuel Levy									-		
Operational Revenue			49,299	50,900	50,900	1,135	27,322	50,900	(23,578)	-46%	50,900
Gains on disposal of Assets			17,071	-	-	2,060	7,131	-	7,131	#DIV/0!	-
Other Gains			(15,774)	-	-	0	151	-	151	#DIV/0!	-
Discontinued Operations											
Total Revenue (excluding capital transfers and contributions)			2,925,084	2,958,278	2,972,361	215,629	2,893,083	2,972,361	(79,278)	-3%	2,972,361
Expenditure By Type											
Employee related costs			894,291	950,863	952,667	72,675	845,480	952,667	(107,187)	-11%	952,667
Remuneration of councillors			33,869	37,077	37,077	2,743	34,551	37,077	(2,526)	-7%	37,077
Bulk purchases - electricity			787,457	897,300	910,118	182,040	901,045	910,118	(9,073)	-1%	910,118
Inventory consumed			269,884	319,605	320,161	29,439	278,084	320,161	(42,078)	-13%	320,161
Debt impairment			333,146	355,246	475,246	118,812	475,246	475,246	-		475,246
Depreciation and amortisation			76,441	89,700	89,700	-	55,952	89,700	(33,748)	-38%	89,700
Interest			122,651	17,774	78,195	9,044	37,362	78,195	(40,832)	-52%	78,195
Contracted services			45,090	40,731	66,516	5,781	49,689	66,516	(16,827)	-25%	66,516
Transfers and subsidies			2,526	3,660	3,660	3	2,807	3,660	(853)	-23%	3,660
Irrecoverable debts written off			-	-	-	(1)	-	-	-		-
Operational costs			142,363	151,549	172,511	15,410	182,740	172,511	10,229	6%	172,511
Losses on Disposal of Assets			1,022	-	-	-	-	-	-		-
Other Losses			88,679	65,000	91,938	9,736	92,632	91,938	694	1%	91,938
Total Expenditure			2,797,419	2,928,505	3,197,789	445,681	2,955,589	3,197,789	(242,200)	-8%	3,197,789
Surplus/(Deficit)			127,666	29,774	(225,428)	(230,052)	(62,506)	(225,428)	162,922	(0)	(225,428)
Transfers and subsidies - capital (monetary allocations)			159,040	572,229	574,597	56,992	567,720	574,597	(6,877)	(0)	574,597
Transfers and subsidies - capital (in-kind)			-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions			286,706	602,003	349,169	(173,060)	505,215	349,169	156,045	0	349,169
Income Tax									-		
Surplus/(Deficit) after income tax			286,706	602,003	349,169	(173,060)	505,215	349,169	156,045	0	349,169
Share of Surplus/Deficit attributable to Joint Venture									-		
Share of Surplus/Deficit attributable to Minorities									-		
Surplus/(Deficit) attributable to municipality			286,706	602,003	349,169	(173,060)	505,215	349,169	156,045	0	349,169
Share of Surplus/Deficit attributable to Associate									-		
Intercompany/Parent subsidiary transactions									-		
Surplus/ (Deficit) for the year			286,706	602,003	349,169	(173,060)	505,215	349,169	156,045	0	349,169

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

Vote 001 Package - Table 00 Monthly Budget Statement - Capital Expenditure (Municipal Vote, functional classification and funding) - R12 rate										
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	1,864	2,214	2,500	(286)	-11%	2,500
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	5,000	3,500	1,182	1,707	3,500	(1,793)	-51%	3,500
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		24,020	2,000	2,000	-	143	2,000	(1,858)	-93%	2,000
Vote 08 - Infrastructure And Services		105,329	533,450	581,000	57,523	505,975	581,000	(75,024)	-13%	581,000
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	589,000	60,570	510,040	589,000	(78,960)	-13%	589,000
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		12,646	23,000	26,241	4,993	17,284	26,241	(8,956)	-34%	26,241
Vote 03 - Municipal Manager		-	2,349	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	2,210	2,210	426	2,014	2,210	(196)	-9%	2,210
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		-	3,000	2,511	758	1,004	2,511	(1,507)	-60%	2,511
Vote 08 - Infrastructure And Services		34,444	41,220	8,176	(889)	871	8,176	(7,305)	-89%	8,176
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	39,137	5,288	21,173	39,137	(17,965)	-46%	39,137
Total Capital Expenditure		176,438	613,729	628,137	65,857	531,212	628,137	(96,925)	-15%	628,137
Capital Expenditure - Functional Classification										
Governance and administration		12,646	24,500	28,741	6,857	19,499	28,741	(9,242)	-32%	28,741
Executive and council		12,646	24,500	28,741	6,857	19,499	28,741	(9,242)	-32%	28,741
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	7,210	5,710	1,608	3,721	5,710	(1,989)	-35%	5,710
Community and social services		-	5,000	3,500	1,182	1,707	3,500	(1,793)	-51%	3,500
Sport and recreation		-	2,210	2,210	426	2,014	2,210	(196)	-9%	2,210
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		69,228	48,519	44,407	6,450	37,644	44,407	(6,763)	-15%	44,407
Planning and development		24,020	5,849	3,761	758	901	3,761	(2,860)	-76%	3,761
Road transport		45,208	42,670	40,646	5,692	36,744	40,646	(3,903)	-10%	40,646
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		94,564	532,000	548,529	50,942	470,103	548,529	(78,427)	-14%	548,529
Energy sources		27,354	6,000	10,500	1,755	6,383	10,500	(4,117)	-39%	10,500
Water management		62,534	517,500	511,529	44,171	444,716	511,529	(66,813)	-13%	511,529
Waste water management		4,676	8,500	26,500	5,016	19,003	26,500	(7,497)	-28%	26,500
Waste management		-	-	-	-	-	-	-	-	-
Other		-	1,500	750	-	246	750	(504)	-67%	750
Total Capital Expenditure - Functional Classification	3	176,438	613,729	628,137	65,857	531,212	628,137	(96,925)	-15%	628,137
Funded by:										
National Government		124,283	572,229	574,597	55,769	499,881	574,597	(74,716)	-13%	574,597
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	574,597	55,769	499,881	574,597	(74,716)	-13%	574,597
Borrowing	6									
Internally generated funds		29,082	41,500	53,540	10,088	31,332	53,540	(22,209)	-41%	53,540
Total Capital Funding		176,438	613,729	628,137	65,857	531,212	628,137	(96,925)	-15%	628,137

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M12 June

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	3,254,222	3,185,201	131,121	3,185,201
Trade and other receivables from exchange transactions		1,422,525	1,274,325	1,154,525	1,533,707	1,154,525
Receivables from non-exchange transactions		860,075	927,844	897,844	989,954	897,844
Current portion of non-current receivables		–	–	–	–	–
Inventory		112,013	60,701	60,701	107,290	60,701
VAT		155,736	155,542	155,542	221,541	155,542
Other current assets		638	129	129	184	129
Total current assets		2,664,713	5,672,764	5,453,942	2,983,798	5,453,942
Non current assets						
Investments						
Investment property		201,266	221,645	223,406	204,578	223,406
Property, plant and equipment		2,100,106	2,625,801	2,639,198	2,576,401	2,639,198
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	42,000	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	2,888,639	2,835,296	2,888,639
TOTAL ASSETS		5,024,748	8,546,994	8,342,581	5,819,093	8,342,581
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		48,699	47,570	47,570	50,451	47,570
Trade and other payables from exchange transactions		642,151	3,667,581	3,667,581	846,199	3,667,581
Trade and other payables from non-exchange transactions		4,057	–	–	20,913	–
Provision		788	788	788	788	788
VAT		234,236	201,179	201,179	317,978	201,179
Other current liabilities		–	–	–	–	–
Total current liabilities		929,931	3,917,118	3,917,118	1,236,330	3,917,118
Non current liabilities						
Financial liabilities		808,076	152,895	201,315	793,279	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	1,097,187	458,628
TOTAL LIABILITIES		2,041,915	4,327,326	4,375,747	2,333,516	4,375,747
NET ASSETS	2	2,982,834	4,219,668	3,966,834	3,485,577	3,966,834
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2,908,029	3,368,093	3,110,760	3,410,773	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	3,485,577	3,174,826

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M12 June


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	36,193	468,755	676,122	(207,367)	-31%	676,122
Service charges		1,185,680	1,513,446	1,543,246	102,886	1,254,565	1,543,246	(288,681)	-19%	1,543,246
Other revenue		(54,233)	92,337	94,837	56,673	1,084,783	94,837	989,946	1044%	94,837
Transfers and Subsidies - Operational		306,662	299,271	311,530	4,986	308,416	311,530	(3,114)	-1%	311,530
Transfers and Subsidies - Capital		142,936	572,229	570,097	(2,759)	574,597	570,097	4,500	1%	570,097
Interest		3,927	-	-	1,876	29,685	-	29,685	#DIV/0!	-
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(2,614,989)	(182,780)	(270,320)	(198,261)	(3,216,284)	(270,320)	2,945,964	-1090%	(270,320)
Interest		281	-	(60,420)	-	2,121	(60,420)	(62,541)	104%	(60,420)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(521,938)	2,970,625	2,865,092	1,594	506,637	2,865,092	2,358,455	82%	2,865,092
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		17,071	-	-	2,060	7,131	-	7,131	#DIV/0!	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(176,438)	-	(7,789)	(65,857)	(531,212)	(7,789)	523,424	-6720%	(7,789)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(159,367)	-	(7,789)	(63,797)	(524,082)	(7,789)	516,293	-6629%	(7,789)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		661,955	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		(1,569)	-	-	58	574	-	574	#DIV/0!	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		660,387	-	-	58	574	-	(574)	#DIV/0!	-
NET INCREASE/ (DECREASE) IN CASH HELD		(20,918)	2,970,625	2,857,303	(62,145)	(16,870)	2,857,303			2,857,303
Cash/cash equivalents at beginning:		109,536	100,817	100,817	(27,878)	113,726	100,817			113,726
Cash/cash equivalents at month/year end:		88,618	3,071,442	2,958,120	(90,023)	96,856	2,958,120			2,971,030

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 R131,121 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			
 <div> National Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003 </div>			
<div>Select Assessor </div>			
Certificate of Compliance: Municipal Debt Relief Conditions for Application			
Period		Jun'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) <div>Choose from drop down list</div>			
6.3 + Maintaining the Eskom and bulk water current account – Condition 6.12 (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>	Yes
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 ?	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>	No
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
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? <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>	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)? <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>	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

Notes/Comments

No current account was billed for May 2025 due to our servitude that commences 1st of April each year.

The municipality settled the May 2025 invoice partially, amounting to R40,000 million on 27 June 2025. Total invoice amount was R77,292 million including interest amounting to R2,094 million.

	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 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	
	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 mSCOAs data strings uploaded via the GoMuni Upload Portal?	No	Quarterly collection rate is 66%
		<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	* 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	
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?	No	Smart meter project is completed. YTD installations till end of 31 March 2025 = 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 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://luploadportal.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? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	<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?	<input type="text" value="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://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>	<input type="text" value="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?	<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://guploadportal.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? <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>	<input type="text" value="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 42. Short term borrowing, including making use of an overdraft for 18-month bridging purposes are not considered within the ambit of this condition.</i>	<input type="text" value="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? <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>	<input type="text" value="No"/> Partial payment was made towards the Eskom account. No billing was raised for Water, due to our servitude period that commenced from 1st April 2025
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="No"/> Partial payment was made towards the Eskom account. No billing was raised for Water, due to our servitude period that commenced from 1st April 2025
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? <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>	<input type="text" value="Yes"/>

PT: HOD/ NT / MM Name: _____

Signature of HOD/ NT/ MM: _____

Date: _____

****Note – if the official is signing on behalf of the Head of the Provincial Treasury (HOD) / Municipal Manager, the written 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 May 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 MTRF					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 Status				
1.Jul 2024	Sol Plaatje	NC091	Yes	Yes	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	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance			
2.Aug 2024	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	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Non Compliance		
3.Sep 2024	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	76%	Non Compliance	
4.Oct 2023	Sol Plaatje	NC091	No	No	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	No	No	56%	Non Compliance		
5.Nov 2023	Sol Plaatje	NC091	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	No	No	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Non Compliance		
6.Dec 2023	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	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	76%	Non Compliance	
7.Jan 2024	Sol Plaatje	NC091	Yes	Yes	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	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Non Compliance	
8.Feb 2024	Sol Plaatje	NC091	Yes	Yes	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	No	Yes	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	
9.Mar 2024	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	N/A	N/A	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	73%	Non Compliance
10.Apr 2024	Sol Plaatje	NC091	Yes	Yes	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	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Non Compliance	
11.May 2024	Sol Plaatje	NC091	Yes	Yes	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	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance
12.Jun 2024	Sol Plaatje	NC091	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	76%	Non Compliance

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 MTRF					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 Status				
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	N/A	N/A	Yes	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	No	Yes	Yes	No	88%	Non Compliance	
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	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	No	85%	Non Compliance
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	No	No	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	68%	Non Compliance
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	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	No	83%	Non Compliance
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	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	80%	Non Compliance
9.March	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	78%	Non Compliance
10.April	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	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	83%	Non Compliance
11.May	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	76%	Non Compliance
12.June	Sol Plaatje	NC091																																															

The overall performance for the month under review stood at 76% 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 affects the percentage achieved. These are the major factors that negatively influenced the performance for the month under review.

- ❖ The partial payment on the current account of Eskom for May 2025.
- ❖ The municipality could not settle the Eskom payment arrangement instalment of R6.7 million which was due at the end of June 2025. The municipality should have settled the arrear debt due to DWS by the end of January 2025.
- ❖ Revenue collection must remain a key focus point. For the first cycle of the Debt relief, the required collection rate was 85% and for second cycle it should be at 90%. The average collection rate calculated by the municipality is standing at 77% for the month of June 2025, is not at a desired level, and below 90%, for the second cycle 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 60%, below 90% for the second cycle 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. The quarterly collection rate was 66%.
- ❖ 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.
- ❖ 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. The project is now complete and no new meters were installed since April 2025.

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

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 May 2025 is attached to this S71 report.

Here are the specific high-level recommendations for May 2025 according to the non-compliance report:

1. Urgently Resolve Eskom Arrears and Maintain Current Account Payments

The municipality must prioritise the full settlement of Eskom arrears and ensure consistent payment of monthly current invoices. A structured arrears repayment plan, linked to improved cash flow forecasting and strict expenditure controls, should be implemented to avoid jeopardising continued participation in the debt relief programme.

2. Strengthen Revenue Collection and Credit Control Enforcement

Despite policy frameworks being in place, enforcement is weak and inconsistent. Immediate action is required to improve collection rates by rigorously applying disconnection policies, upgrading technological enforcement tools (e.g., smart meters or restrictors), and targeting recovery of high-value arrears, particularly in water and refuse services.

3. Align Tariffs to Cost Reflective Levels Across All Services

There is a persistent misalignment between budgeted and required revenue as per the cost-reflective tariff tool. The municipality should revise its tariff structure annually to close these deficits and avoid underfunding of critical services. Stakeholder consultations and affordability analyses must inform this process to ensure buy-in and effectiveness.

4. Improve Cash Flow Management and Liquidity Planning

Cash flow constraints are undermining the municipality's ability to meet its obligations. A liquidity enhancement strategy should be developed, including tighter controls on non-priority spending, debt servicing prioritisation, and short-term revenue mobilisation campaigns to improve financial stability.

5. Institutionalise Council Oversight and Risk Reporting Mechanisms

To enhance governance, Council must actively monitor debt relief implementation through structured reporting schedules and enforce accountability for non-performance. The Risk Manager should produce quarterly risk reports—focusing on Eskom/DWS arrears, collection performance, and compliance risks—with clear mitigation actions and Council resolutions.

6. Consolidate and Leverage Compliance Gains to Achieve Long-Term Sustainability

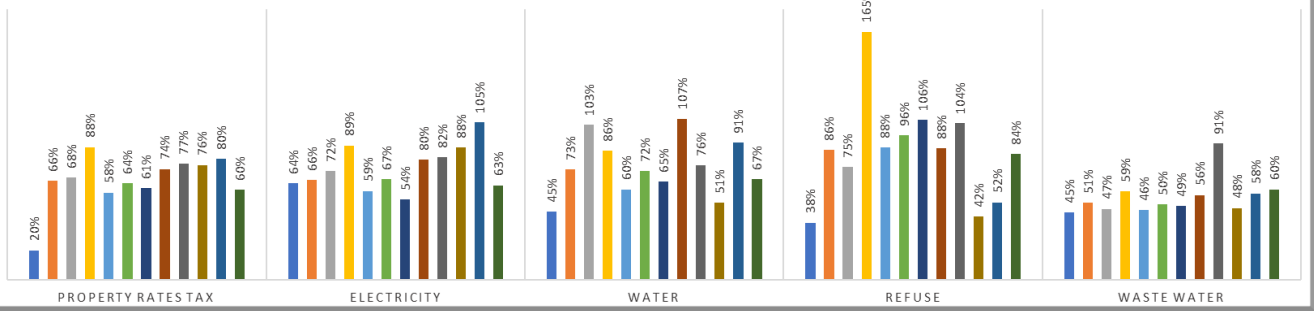
With a compliance score of 88% and successful reforms already implemented (e.g., funded MTREF, GoMuni reporting, data alignment), the municipality must consolidate these achievements into long-term strategies. Focus should be placed on maintaining system integrity, audit readiness, and embedding a culture of performance-based planning and delivery.

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				Summary - Quarter 2				Summary - Quarter 3				Summary - Quarter 4				Q1	
		Billing	Collection	R - Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection		
1. Collection for whole demarcation		647,385,914	338,912,039	310,483,405	52%	489,388,341	348,726,058	150,662,443	71%	482,224,248	341,392,063	141,832,185	71%	484,615,996	317,835,987	166,976,398	66%		
2. Collection per Eskom supplied areas		555,255,631	300,589,830	254,655,801	54%	425,694,285	307,052,063	122,072,222	71%	427,316,444	305,507,114	121,809,331	71%	422,671,277	286,472,830	142,198,447	68%		
3. Collection: Property Rates		258,600,294	120,105,022	138,495,292	46%	151,680,484	110,955,185	41,094,299	73%	150,302,548	124,735,102	25,467,446	83%	152,212,721	113,512,832	38,699,889	75%		
4. Total average collection: Electricity (Municipal supplied areas)		203,950,128	153,411,100	95,138,028	75%	135,929,363	155,087,365	(20,157,802)	115%	134,003,202	132,514,761	1,488,442	99%	140,402,471	128,845,905	11,555,566	92%		
5. Total average collection: Water		73,414,201	35,225,878	38,188,323	48%	95,813,358	49,310,082	46,502,656	51%	82,782,077	51,986,001	30,796,076	63%	70,793,381	46,585,590	24,197,351	66%		
6. Total average collection: Wastewater		26,980,122	12,258,104	14,705,417	45%	27,047,194	13,395,208	13,656,986	50%	27,638,618	13,940,488	13,698,131	50%	27,827,052	12,861,571	14,875,481	47%		
7. Total average collection: Refuse		21,899,092	10,668,712	10,943,380	49%	21,542,395	11,589,459	9,952,936	54%	21,529,017	11,963,100	10,375,917	55%	22,187,517	11,426,237	10,761,280	52%		
8. Total average collection: Interest		63,272,018	5,258,110	58,016,985	8%	67,385,946	7,402,258	59,983,308	11%	66,688,796	6,682,900	60,006,256	10%	71,189,854	4,293,061	66,896,792	6%		

Description	Jun-24	Jul-24	Aug-24	Sept-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Monthly collection rate (Property rates and Services)	83%	67%	44%	74%	83%	69%	55%	81%	59%	92%	75%	71%	57%
Revised average collection rate (SPLM)	80%	44%	58%	65%	72%	72%	76%	75%	76%	76%	76%	77%	77%
Collection rate per Ward (Monthly)	62%	33%	66%	68%	88%	58%	64%	61%	74%	77%	63%	74%	60%
Collection rate per Ward (Quarterly)	79%	-	-	52%	-	-	70%	-	-	71%	-	-	66%

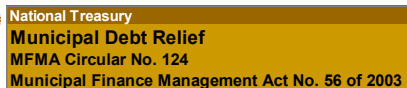
The monthly collection rate per ward is a major concern and it not at a desired level. This has deteriorated for the month under review from 74% to 60%. The quarterly collection rate per ward is 66%. The quarterly collection rate per ward for the first quarter, is distorted due to the annual billing on Property rates. The average collection rate calculated by the municipality for June 2025 is 77%, 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 electricity meters and disconnecting conventional electricity 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		Q3		11. May - Reporting for April in May				12. June - Reporting for May in June				Summary - Quarter 4			
								Billing for April	Collection in May	R - Billing not collected	% Collection	Billing for May	Collection in June	R - Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection
1. Collection for whole demarcation		52%	70%	72%				136,493,379	116,474,620	42,117,667	74%	163,291,289	98,072,549	65,218,740	60%	484,615,996	317,835,987	166,976,398	66%
2. Collection per Eskom supplied areas		54%	71%	72%				136,190,371	100,242,118	43,870,533	74%	142,734,561	89,941,472	56,009,244	63%	422,671,277	286,472,830	142,198,447	68%
3. Collection: Property Rates		46%	73%	83%				50,843,037	40,909,073	9,933,964	80%	50,721,006	31,901,788	18,819,218	67%	152,212,721	113,512,832	38,699,889	75%
4. Total average collection: Electricity (Municipal supplied areas)		75%	113%	99%				44,336,534	46,431,443	0	100%	49,036,495	40,996,350	8,039,145	84%	140,402,471	128,845,905	11,555,566	92%
5. Total average collection: Water		48%	51%	61%				20,470,769	18,090,999	1,779,870	91%	22,641,863	13,698,177	8,943,686	60%	70,793,381	46,585,590	24,197,351	66%
6. Total average collection: Wastewater		40%	50%	50%				9,304,088	4,795,058	4,509,040	52%	9,269,892	4,263,161	5,006,731	46%	27,827,052	12,861,571	14,875,481	47%
7. Total average collection: Refuse		60%	56%	51%				7,387,578	4,259,886	3,127,692	58%	7,418,280	3,658,215	3,760,065	49%	22,187,517	11,426,237	10,761,280	52%
8. Total average collection: Interest			11%	10%				24,145,363	3,388,261	22,757,102	6%	24,212,751	1,593,819	22,618,935	7%	71,189,854	4,293,061	66,896,792	6%

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 May 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.



Instruction - complete only with information of the current households registered as indigent with the municipality (**Do NOT include the information of all households** unless explicitly stated otherwise)

Instruction - complete only with information of the current households registered as indigent with the municipality (**Do NOT include the information of all households** unless explicitly stated otherwise)

[illegible]

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

GV Reconciliation Summary						
Province	NC					
District	Frances Baard District					
Type	LM					
Municipal Name	Sol Plaatje					
GV Period	01/07/2023 - 30/06/2028					
Financial Year	2024/2025					
Reconciliation Period	Quarter 4					
Part A - Reconciliation Summary						
Number of Properties				Market Values		
Property Categories	Valuation Roll	Mun System	Variance	Valuation Roll	Mun System	Variance
Residential	51050	51050	0	24,232,453,603	24,232,453,603	-
Industrial	203	203	0	804,240,000	804,240,000	-
Business and Commercial	2326	2326	0	7,564,982,001	7,564,982,001	-
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	451	451	0	149,996,000	149,996,000	-
PBO	198	198	0	510,111,001	510,111,001	-
Multi Use	0	0	0	-	-	-
Vacant	0	0	0	-	-	-
POW	239	239	0	607,129,000	607,129,000	-
Municipal	9301	9301	0	1,579,188,503	1,579,188,503	-
Other	0	0	0	-	-	-
Total	64,344	64,344	-	40,662,573,208	40,662,573,208	-
Part B - Detailed Reconciliation						
Monthly Billing - Mapped Accounts				Monthly Billing - Un Mapped Accounts		
Property Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	24,492,952	22,941,019	1,551,933	24,492,952	23,071,998	1,420,955
Industrial	2,438,657	2,316,095	122,562	2,438,657	2,383,107	55,550
Business and Commercial	22,938,917	20,847,215	2,091,702	22,938,917	20,983,704	1,955,212
Agricultural	660,197	345,051	315,146	660,197	338,912	321,285
Mining	622,479	595,421	27,058	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	-	-	-	-	-	-
PBO	-	2,395	- 2,395	-	-	-
Multi Use	-	-	-	-	-	-
Vacant	-	-	-	-	-	-
POW	-	9,119	- 9,119	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	0	0
Total	61,508,731	50,368,270	11,140,461	61,508,731	50,685,097	10,823,634

Properties reconciliation

After populating the GVR Reconciliation for the third 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.

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. 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.

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

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Indicated below is the June 2025 account which is due and payable on or before 1 August 2025.



ESKOM HOLDINGS SOC LTD REG NO 2002/016627/30
VAT REG NO 4740101608

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

NORTH WESTERN REGION
PRIVATE BAG X16 Westville 3630

CONTACT CENTRE: (0860) 037566Shareca
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: 56070087318

YOUR ACCOUNT NO	5449407898
SECURITY HELD	31243194.11
BILLING DATE	2025-07-02
TAX INVOICE NO	544095441138
ACCOUNT MONTH	JUNE 2025
CURRENT DUE DATE	2025-08-01
VAT REG NO	4370102313

TAX INVOICE

E-MAIL: tmolwa@solplaatje.org.za

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE	R	7,553.10
TRANSMISSION NETWORK CAPACITY	R	1,754,910.00
DIST. NETWORK CAPACITY CHARGE	R	1,282,050.00
NETWORK DEMAND CHARGE	R	2,098,223.28
URBAN LOW VOLTAGE SUBSIDY	R	3,140,190.00
ANCILLARY SERVICE (ALL)	R	318,142.18
ENERGY CHARGE (PEAK)	7,598,362.00	R 46,371,283.61
ENERGY CHARGE (OFF)	18,359,612.00	R 18,441,253.49
ENERGY CHARGE (STD)	17,613,146.00	R 32,559,661.70
ELECTRIFICATION AND RURAL SUBS (ALL)		R 6,829,161.66
REACTIVE ENERGY		R 0.00
SERVICE CHARGE		R 236,515.50

TOTAL CHARGES FOR BILLING PERIOD R 113,038,944.52

ACCOUNT SUMMARY FOR JUNE 2025

BALANCE BROUGHT FORWARD	(Due Date 2025-07-02)	R	993,597,170.50
PAYMENT(S) RECEIVED	Cash - 2025-06-27	R	-40,000,000.00
TOTAL CHARGES FOR BILLING PERIOD		R	113,038,944.52
ADJUSTMENT	Interest on overdue account	R	16,933.18
ADJUSTMENT	Interest on overdue payment arrangement debt	R	973,188.90
ADJUSTMENT	Interest on overdue account	R	984,970.60
PAYMENT ARRANGEMENT	5447737377 (Balance o/s R 82,662,000.00)	R	6,700,000.00
VAT RAISED ON ITEMS AT 15%		R	16,955,841.68

CURRENT		
138,669,878.88	TOTAL DUE	R 1,092,267,049.38
ARREARS		
>90 DAYS	81-90 DAYS	31-90 DAYS
794,846,637.85	73,969,327.15	84,781,205.50
18-30 DAYS		
0.00		

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



PAGE RUN NO	EE 13
BILL GROUP	
BILL PAGE	1 OF 2

ACCOUNT NO / REFERENCE NO

5449407898
NAME
SOL PLAATJE LOCAL MUNICIPALITY
FAX NUMBER
0138331005
Unipay 7100 10 0010

2721570015449407898 4



9207 2544 9407 8987



TOTAL AMOUNT DUE

1,092,267,049.38

PAYMENT ARRANGEMENT

INSTALMENT
6,700,000.00
ARREARS (Due immediately)
953,597,170.50
DUE DATE (For Current Amount)
2025-08-01
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 May 2025, with a partial payment of R40,000 million on 27 June 2025. Total invoice amount was R77,292 million including interest amounting to R2,094 million.

SOL PLAATJE MUNICIPALITY		REMITTANCE ADVICE	
PRIVATE BAG X5030		-----	
KIMBERLEY 8300			
ESKOM HOLDINGS		27/06/2025	
PRIVATE BAG X16			
WESTVILLE			
3630		SUPPLIER No: SESK01	
CONTACT PERSON:		VOUCHER NO: DUNA008460	
TEL NO: 0829413707	FAX NO:		
E-MAIL ADDRESS:		CHEQUE/ELE NO: 77073034	

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
02/06/2025	SUN	544845772648/1	34782608.70		5217391.30	40000000.00

SUB TOTAL:	5217391.30	40000000.00
	5217391.30	40000000.00

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

COMPILED BY.:

CHECKED BY.:

AUTHORISED BY:

The payment arrangement of R6,700 million 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 M12 – June 2025 pertaining to electricity.

	2025	
	M12	
Account Name		
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Deposits	-213,855,559	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	182,040,362	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	-137,446,899	44,593,463
Expenditure:Bulk Purchases:Electricity:ESKOM	182,040,362	

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

Datastrings & FMS Recon - Jun 2025 M12	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
BULK PURCHASES:ELECTRICITY:ESKOM	1,049,117,650.47	867,077,288.47	182,040,362.00	Bulk Purchases vote reconciles to datastrings
Auditors Journals	3,611,900.09	1,975,092.68	1,636,807.41	
INCORRECT ALLOCATION INTEREST 2024/25	3,611,900.09	1,975,092.68	1,636,807.41	Correction of interest charges
Sundry Accruals	296,340,678.26	-	296,340,678.26	
Sundry CATA013173	261,558,069.56	-	261,558,069.56	
Sundry DUNA008460	34,782,608.70	-	34,782,608.70	
Sundry Accruals Reversals	174,655,050.77	590,275,018.93	(415,619,968.16)	
	174,655,050.77	359,323,858.06	(184,668,807.29)	
Cheque No : 77073034 Bank No : 901	-	34,782,608.70	(34,782,608.70)	
Sundry CATA013173	-	196,168,552.17	(196,168,552.17)	
Sundry Payments	34,782,608.70	-	34,782,608.70	
Cheque No : 77073034 Bank No : 901	34,782,608.70	-	34,782,608.70	Payment of R40m, on May 2025 invoice
Year End Sundry Payments	539,727,412.65	274,827,176.86	264,900,235.79	
Sundry CATA011989 Creditor Control	110,977,507.89	62,608,695.66	48,368,812.23	
Sundry CATA012450 Creditor Control	61,128,482.15	21,739,130.43	39,389,351.72	
Sundry CATA012584 Creditor Control	64,220,268.17	64,220,268.16	0.01	
Sundry CATA012981 Creditor Control	57,608,082.46	26,086,956.52	31,521,125.94	
Sundry CATA013173	65,389,517.39	100,172,126.09	(34,782,608.70)	
Sundry CATA013173 Creditor Control	65,389,517.39	-	65,389,517.39	
Sundry CATA013253	115,014,037.20	-	115,014,037.20	Invoice for June 2025 authorised on the system
Grand Total	1,049,117,650.47	867,077,288.47	182,040,362.00	

Datastrings & FMS Recon - Jun 2025 M12	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
ELECTRICITY BULK PURCH ACC 01:WITHDRAWAL	44,593,463.03	-	44,593,463.03	Withdrawal vote reconciles to datastrings
Create Cheque 77072747 Voucher No CATA013089	111,426.62	-	111,426.62	Minor Eskom payments
Create Cheque 77072877 Voucher No CATA013143	431.01	-	431.01	
Create Cheque 77072878 Voucher No CATA013144	5,401.68	-	5,401.68	
Create Cheque 77072897 Voucher No CATA013172	8,181.45	-	8,181.45	
Create Cheque 77072898 Voucher No CATA013176	14,831.47	-	14,831.47	
Create Cheque 77072899 Voucher No CATA013177	14,561.23	-	14,561.23	
Create Cheque 77072900 Voucher No CATA013178	43,435.25	-	43,435.25	
Create Cheque 77072920 Voucher No CATA013180	18,615.72	-	18,615.72	
Create Cheque 77072921 Voucher No CATA013181	16,855.32	-	16,855.32	
Create Cheque 77072922 Voucher No CATA013182	11,598.38	-	11,598.38	
Create Cheque 77072923 Voucher No CATA013183	9,953.48	-	9,953.48	
Create Cheque 77072924 Voucher No CATA013184	114,051.11	-	114,051.11	
Create Cheque 77072925 Voucher No CATA013185	4,320.77	-	4,320.77	
Create Cheque 77072929 Voucher No CATA013186	4,202,276.81	-	4,202,276.81	Payment Riverton Wate Plant
Create Cheque 77072933 Voucher No DUNA008446	17,522.73	-	17,522.73	Minor Eskom payments
Create Cheque 77073034 Voucher No DUNA008460	40,000,000.00	-	40,000,000.00	Payment on May 2025 Eskom invoice
ELECTRICITY BULK PURCHASE ACC 01:DEPOSIT	575,768,422.02	789,623,981.18	(213,855,559.16)	Deposits vote reconciles to datastrings
Create Cheque 77072747 Voucher No CATA013089	111,426.62	111,426.62	-	
Create Cheque 77072877 Voucher No CATA013143	431.01	431.01	-	
Create Cheque 77072878 Voucher No CATA013144	5,401.68	5,401.68	-	
Create Cheque 77072897 Voucher No CATA013172	8,181.45	8,181.45	-	
Create Cheque 77072898 Voucher No CATA013176	14,831.47	14,831.47	-	
Create Cheque 77072899 Voucher No CATA013177	14,561.23	14,561.23	-	
Create Cheque 77072900 Voucher No CATA013178	43,435.25	43,435.25	-	
Create Cheque 77072920 Voucher No CATA013180	18,615.72	18,615.72	-	
Create Cheque 77072921 Voucher No CATA013181	16,855.32	16,855.32	-	
Create Cheque 77072922 Voucher No CATA013182	11,598.38	11,598.38	-	
Create Cheque 77072923 Voucher No CATA013183	9,953.48	9,953.48	-	
Create Cheque 77072924 Voucher No CATA013184	114,051.11	114,051.11	-	
Create Cheque 77072925 Voucher No CATA013185	4,320.77	4,320.77	-	
Create Cheque 77072929 Voucher No CATA013186	4,202,276.81	4,202,276.81	-	
Create Cheque 77072933 Voucher No DUNA008446	17,522.73	17,522.73	-	
Create Cheque 77073034 Voucher No DUNA008460	40,000,000.00	40,000,000.00	-	
Sundry CATA011989 Creditor Control	55,600,942.44	55,600,942.44	-	
Sundry CATA012450 Creditor Control	44,973,808.12	44,973,808.12	-	
Sundry CATA012584 Creditor Control	1,878,529.97	1,878,529.97	-	
Sundry CATA012981 Creditor Control	38,058,315.40	38,058,315.40	-	
Sundry CATA013089 Creditor Control	-	111,426.62	(111,426.62)	
Sundry CATA013143 Creditor Control	-	431.01	(431.01)	
Sundry CATA013144 Creditor Control	-	5,401.68	(5,401.68)	
Sundry CATA013172 Creditor Control	-	8,181.45	(8,181.45)	
Sundry CATA013173 Creditor Control	386,461,086.25	423,753,303.50	(37,292,217.25)	Unpaid balance on May 2025 Eskom invoice
Sundry CATA013176 Creditor Control	-	14,831.47	(14,831.47)	
Sundry CATA013177 Creditor Control	-	14,561.23	(14,561.23)	
Sundry CATA013178 Creditor Control	-	43,435.25	(43,435.25)	
Sundry CATA013180 Creditor Control	-	18,615.72	(18,615.72)	
Sundry CATA013181 Creditor Control	-	16,855.32	(16,855.32)	
Sundry CATA013182 Creditor Control	-	11,598.38	(11,598.38)	
Sundry CATA013183 Creditor Control	-	9,953.48	(9,953.48)	
Sundry CATA013184 Creditor Control	-	114,051.11	(114,051.11)	
Sundry CATA013185 Creditor Control	-	4,320.77	(4,320.77)	
Sundry CATA013186 Creditor Control	4,202,276.81	8,404,553.62	(4,202,276.81)	
Sundry CATA013253 Creditor Control	-	131,969,878.88	(131,969,878.88)	June 2025 invoice authorised on the system
Sundry DUNA008446 Creditor Control	-	17,522.73	(17,522.73)	
Sundry DUNA008460 Creditor Control	-	40,000,000.00	(40,000,000.00)	
Grand Total	620,361,885.05	789,623,981.18	(169,262,096.13)	

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 original voucher is reduced with the said paid amount and it is authorised and only the outstanding balance remains on the original 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.

- i) No account was billed for April and May 2025 due to our servitude (free water allocation) that commences 1st of April each year. The municipality exhausted its servitude but no billing was raised by DWS because they are experiencing system challenges.
- ii) There is no proof of payment because no billing was raised for May 2025, due to our servitude period.

Payment arrangement instalment of R6 million was not settled due to insufficient cash available from operations. The arrear debt should have been settled at the end of January 2025, but due to severe cash flow challenges this did not materialise.

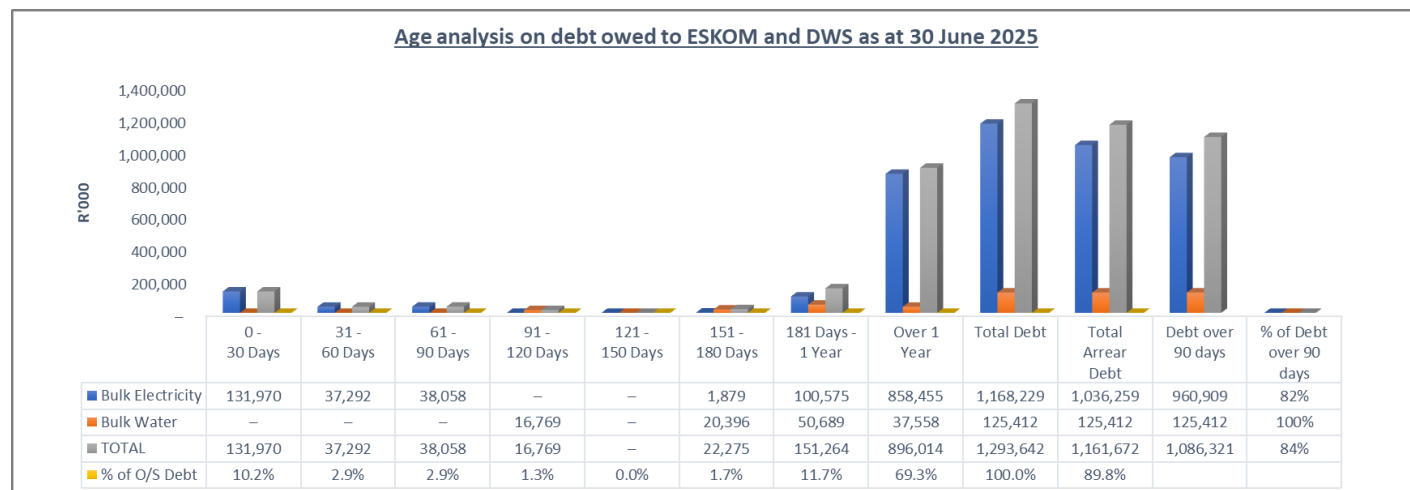
The municipality's water reconciliation statement (aligning to the mSCOA data string upload for M12 – June 2025).

	2025
	M12
Account Name	
Assets:Current Assets:Inventory:Water:System Input Volume:Bulk Purchases	-301,598

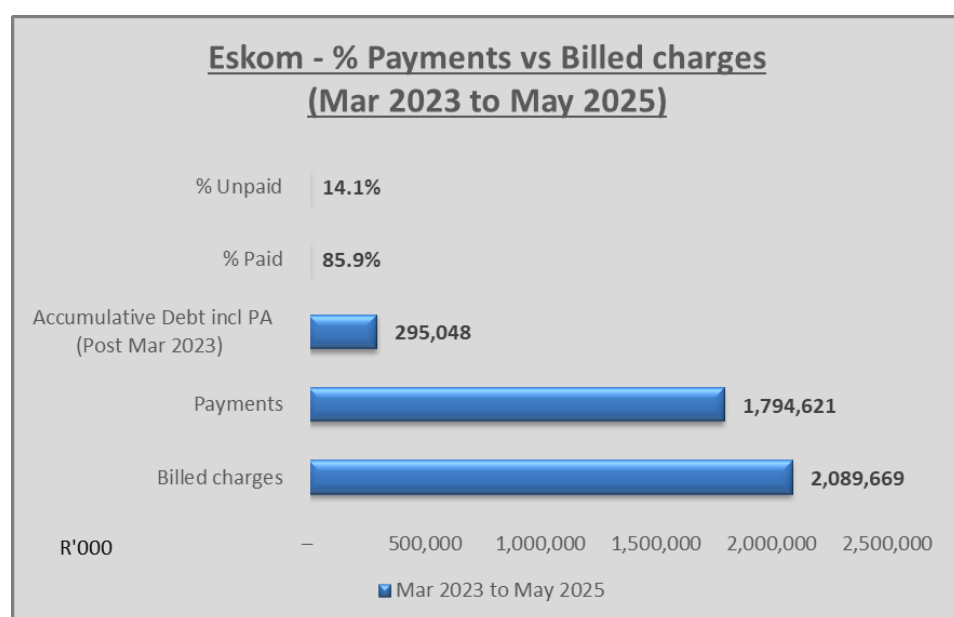
Reconciliation of Bulk purchases water input volumes, deposits and withdrawals as per the Financial system.

Datastrings & FMS Recon - Jun 2025 M12	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
WATER:INPUT VOL: BULK PURCHASES	75,707,352.42	76,008,950.65	(301,598.23)	Deposits vote reconciles to datastrings
Ledger Journals	-	375,539.37	(375,539.37)	
INCORRECT ALLOCATION LEVIES APRIL 2025	-	140,596.53	(140,596.53)	Journal to correct the erroneous allocation
INCORRECT ALLOCATION LEVIES MARCH 2025	-	234,942.84	(234,942.84)	Journal to correct the erroneous allocation
Sundry Accruals	73,941.14	-	73,941.14	
SORA01:ORANJE RIET WATER USERS ASSOCIATION	73,941.14	-	73,941.14	
Sundry Accruals Reversals	-	75,633,411.28	(75,633,411.28)	
SORA01 : ORANJE RIET WATER USERS ASSOCIATION	-	73,941.14	(73,941.14)	
SWAT01:DEPARTMENT OF WATER AND SANITATION	-	75,559,470.14	(75,559,470.14)	
Sundry Payments	73,941.14	-	73,941.14	
SORA01 : ORANJE RIET WATER USERS ASSOCIATION	73,941.14	-	73,941.14	Payment Oranje Riet Water Association
Year End Sundry Payments	75,559,470.14	-	75,559,470.14	
Sundry CATA012331 Creditor Control	15,007,662.62	-	15,007,662.62	
Sundry CATA012603 Creditor Control	17,487,158.93	-	17,487,158.93	
Sundry CATA012923 Creditor Control	14,612,654.24	-	14,612,654.24	
Sundry DUNA008309 Creditor Control	15,007,662.62	-	15,007,662.62	
Sundry DUNA008346 Creditor Control	13,444,331.73	-	13,444,331.73	
Grand Total	75,707,352.42	76,008,950.65	(301,598.23)	

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



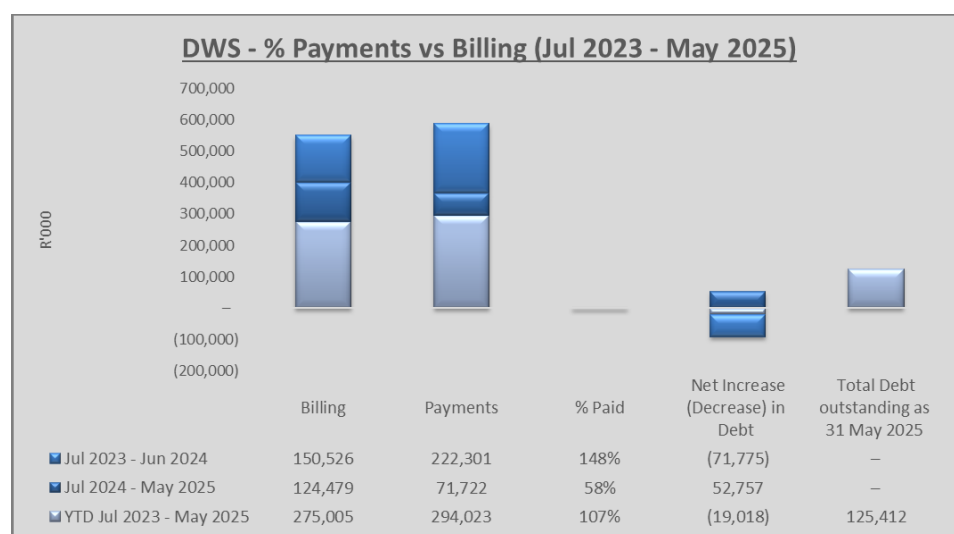
Please refer to section 4.2 for more in-depth information of the debt owed to ESKOM and DWS.



Indicated in the adjacent chart is a summary of the percentage payments versus billed charges for Eskom for the period March 2023 to May 2025. The June account is excluded as it not yet due and payable.

The total billed charges for the period amounted to R2,089,669 billion, and payments made amounted to R1,794,621 billion. For the period the municipality managed to settle 85.9% of the billed charges.

The debt outstanding post March 2023 amounts to R295,048m, 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 April 2025.

The total billing for the period amounted to R275,005m, and payments made amounted to R294,023m. 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 and March 2025. This resulted in an escalation of outstanding debt of R52,757m for the current year. The net debt reduction amounts to R19,018m.

The debt outstanding as at 31 May 2025 amounts to R125,412m, 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 – June 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)	Partially Compliant - ESKOM The municipality partially settled the May 2025 invoice, amounting to R40,000 million on 27 June 2025. Total invoice amount was R77,292 million including interest amounting to R2,094 million. Compliant - DWS No account was billed for May 2025 due to our servitude that commences 1st of April each year.
	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 30 June 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 July 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	Compliant Email was sent within one day of making payment to ESKOM. DWS current account was not billed due to servitude period that commences 1st April each year
	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 Jun 2025 was uploaded onto GoMuni on 2 July 2025.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period – June 2025
	<p>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</p>	Monthly, within 10 working days after month end	Monthly financial data strings	<p>Compliant</p> <p>Transactions as per the ledger reconciles with the monthly datastrings.</p> <p>However minor account payments for Eskom and DWS are posted to the same bulk control votes. Erroneous transactions will be journalised, where applicable.</p> <p>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.</p>
6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)	<p>6.6.1 Issue monthly billing and allocate payment received from customers in the following priority order:</p> <p>(1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity</p>	Monthly	Monthly billing reconciliation / Financial system generated hierarchy allocation report	<p>Compliant</p> <p>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.</p>
	<p>6.6.2 The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner</p>	Monthly	Number of disconnected / blocked meters	<p>Prepaid disconnections = 575 Conventional disconnections = 56 Total = 631</p>
	<p>6.6.3 The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner</p>	Monthly	Number of restricted / interrupted supply	<p>Due to the fact that our water meters 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).</p>
	<p>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.</p>	Monthly	No of indigent consumers	<p>Partially compliant</p> <p>Current meters do not have the capability to apply restrictions. Technical analysis is required to implement this functionality.</p> <p>Partially compliant as all indigents have prepaid electricity meters and therefore cannot build up debt on electricity.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period – June 2025
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 = 60%. Quarterly S71 Revenue Collection rate per Ward outcome Q4 = 66% Municipality's average collection rate = 76.8% (Prepaid electricity sales are included) Not achieved Average daily cash collection for June 2025, was R5,942m.
	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.
	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)	Smart meter project is completed. YTD installations until 30 April 2025 = 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.
	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	Smart meter project is completed. YTD installations until 30 April 2025 = 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 fourth quarter will be completed 15 July 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 to be submitted 15 July 2025.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period – June 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 June 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 be 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 May 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 (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation	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 monthly basis, once subsidies have been allocated on the system. Partially Compliant The ESKOM current account was partially paid, directly from the Primary bank account. Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period – June 2025
	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 partially paid, directly 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 June 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 May 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 R67,000 million and DWS amounts to R37,558 million (R14m must still be written off by the Department).
 - 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 90% as per the Municipal Debt Relief for the second cycle. The first cycle required an 85% collection rate.
 - 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. The project is now complete.
 - 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 few 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 the 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 fact that Sol Plaatje may be affected with Eskom's proposed intervention which includes entering into Distribution Agency Agreements, that would give the utility direct control over metering, billing and revenue collection. This would allow Eskom to deduct its share for bulk electricity purchases upfront and return the balance to municipalities
9. That the Mayoral committee take note of the Fruitless and Wasteful expenditure incurred on interest on overdue accounts amounting to R19,389 million for bulk electricity for the period Jul 2024 to June 2025.
10. 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 **R244,803,813.18**, as indicated in the table below. Arrears on the outstanding invoices including interest amounts to R177,803,813.18 and the arrears on the payment arrangement amounts to R67,000,000.00.

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 148,333,011.78	R -	R 6,700,000.00	R 6,700,000.00	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 71,086,942.52	R -	R 6,700,000.00	R 6,700,000.00	R 1,749,230.28
Oct-24	R 73,507,839.50	R 73,507,839.50	R -	R 6,700,000.00	R 6,700,000.00	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 71,858,904.48	R -	R 6,700,000.00	R 6,700,000.00	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
Mar-25	R 72,107,023.50	R 72,107,023.50	R -	R 6,700,000.00	R 6,700,000.00	R 1,733,370.12
Apr-25	R 68,058,315.40	R 30,000,000.00	R 38,058,315.40	R 6,700,000.00	R 44,758,315.40	R 1,809,020.57
May-25	R 77,292,217.25	R 40,000,000.00	R 37,292,217.25	R 6,700,000.00	R 43,992,217.25	R 2,094,272.25
TOTAL ESKOM	R 923,621,236.16	R 745,817,422.98	R 177,803,813.18	R 67,000,000.00	R 244,803,813.18	R 17,414,330.10

11. 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 March 2025 amounting to a combined total of **R87,854,066.95** and the arrears on the debt agreement amounts to **R22,854,707.84**. 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 **R110,708,774.79**, 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 54,656,466.48	R 17,098,078.18	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 18,327,914.21	R 0.00	R -	-R 0.00	R -
Mar-25	R 16,769,310.95	R -	R 16,769,310.95	R -	R 16,769,310.95	R -
TOTAL WATER	R 160,838,447.64	R 35,425,992.39	R 125,412,455.25	-R 14,703,680.46	R 110,708,774.79	R -
Current Year arrears			R 87,854,066.95			

12. **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 **June 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: 16/07/2025



national treasury

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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
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Mr Sadesh Ramjathan
Director: Revenue Management
National Treasury
Private Bag X 115
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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 MAY 2025

In May 2025, the National Treasury conducted a comprehensive compliance assessment of Sol Plaatje Local Municipality as part of the second cycle of the Municipal Debt Relief Programme (MDRP), in accordance with the guidelines outlined in MFMA Circular No. 124. The purpose of this review was to evaluate the municipality's adherence to the stringent conditions of the programme, with particular emphasis on its progress in financial recovery, governance reform, and operational efficiency.

The assessment highlighted that Sol Plaatje has made meaningful improvements across several key areas since the commencement of the debt relief initiative. Notably, the municipality demonstrated enhanced performance in budget formulation, financial reporting accuracy, and overall governance structures. These developments indicate a growing institutional commitment to fiscal discipline and transparency.

However, despite these positive strides, the review identified ongoing challenges that continue to hinder full compliance with the programme's requirements. Critical issues were noted in expenditure control, revenue collection inefficiencies, and poor management of outstanding arrears. These shortcomings pose significant risks to the municipality's long-term financial sustainability and may compromise its eligibility for future phases of debt relief support.

A notable achievement from the assessment was the municipality's compliance score of 88%, which reflects commendable progress and improved internal systems. However, persistent underperformance in core areas—particularly in enforcing credit control policies and collecting overdue payments—remains a concern. Most notably, the municipality continues to carry substantial

arrears owed to Eskom, which, if not addressed urgently, could undermine the gains achieved through the MDRP.

The findings affirm the necessity of immediate, targeted interventions to consolidate progress and close existing compliance gaps. A top priority is the resolution of the Eskom debt, which remains a critical liability affecting both service delivery and financial viability. Without timely and decisive action, the municipality risks reversing recent progress and slipping further into financial distress.

The National Treasury remains fully committed to supporting Sol Plaatje Local Municipality in addressing these structural challenges. Key focus areas moving forward include strengthening revenue management systems, ensuring strict enforcement of credit control policies, and improving overall cash flow management. These steps are essential to restoring financial stability and meeting all conditions set out by the Municipal Debt Relief Programme.

Nonetheless, it is imperative that the municipality takes urgent and sustained corrective measures to improve its collection rates, reduce outstanding debts—particularly the Eskom arrears—and demonstrate consistent compliance with national fiscal frameworks. Doing so will be crucial not only for maintaining eligibility for continued debt relief but also for laying the foundation for long-term financial resilience and effective service delivery to the community.

Condition 6.1 – Municipality non-compliance

The performance results for May 2025 reflect Sol Plaatje Local Municipality's ongoing commitment to the implementation of the Municipal Debt Relief Programme (MDRP), in line with the mandatory requirements outlined in MFMA Circular No. 124 and as stipulated in the National Treasury's debt relief approval letter.

Building on the momentum from previous reporting periods, the municipality has continued to make steady progress toward strengthening financial governance and operational compliance. In May 2025, the municipality achieved a compliance score of 88%, maintaining its position within the high-performing category under the second cycle of the programme.

This result marks a significant improvement compared to earlier months and confirms that key corrective actions and interventions are beginning to yield tangible outcomes. Notable achievements include improved management of Eskom and bulk water accounts, successful submission of funded budgets, and the implementation of financial recovery strategies and tariff adjustment plans.


Despite this encouraging progress, the May assessment also identified several critical areas requiring urgent attention. One such area is the consistent application of electricity and water disconnection mechanisms as tools for enforcing credit control. While these measures are vital for improving revenue collection, they remain underutilized and inconsistent across operations.

Furthermore, there is a pressing need to strengthen Council oversight and accountability, particularly in relation to regular monitoring and review of the debt relief implementation process. The lack of consistent Council engagement—highlighted by the ongoing “No” rating under condition C41—points to a governance gap that must be addressed to ensure long-term sustainability and institutional effectiveness.

In addition, it is important to note that partial or irregular payments to Eskom and the regional Water Boards may negatively impact the municipality’s eligibility for full debt write-offs under the MDRP. Full settlement of outstanding liabilities to these service providers remains a prerequisite for accessing the full benefits of the programme. Any deviation from agreed payment schedules could compromise the municipality’s standing and reduce the potential for future debt relief.

Nonetheless, the overall performance in May reaffirms the municipality’s positive trajectory and growing institutional resolve to meet all conditions of the MDRP. The sustained improvement over recent months indicates that Sol Plaatje is moving in the right direction. However, to consolidate these gains, the municipality must now intensify efforts in reinforcing governance structures, tightening enforcement of credit control policies, and implementing more strategic revenue maximization initiatives.

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



National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Province

NW

Code

NC091

District

Frances Baard

Code Description

Sol Plaatje

Monthly Performance Report

Municipal Details				Part A						Part B					Part C			Part D				Part E					Part F					Score	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	
2 July	Sol Plaatje	NC091		Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	Yes	No	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	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	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	88%	Non Compliance
4 September	Sol Plaatje	NC091		Yes	Yes	Yes	No	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	88%	Non Compliance
5 October	Sol Plaatje	NC091		No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	Yes	NA	NA	NA	NA	Yes	Yes	No	Yes	Yes	Yes	Yes	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	NA	NA	Yes	Yes	Yes	Yes	No	Yes	NA	NA	NA	NA	Yes	No	Yes	No	Yes	Yes	Yes	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	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	73%	Non Compliance	
8 January	Sol Plaatje	NC091		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	No	No	Yes	Yes	86%	Non Compliance		
9 February	Sol Plaatje	NC091		No	No	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	90%	Non Compliance	
10 March	Sol Plaatje	NC091		Yes	Yes	Yes	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	Yes	Yes	Yes	Yes	90%	Non Compliance	
11 April	Sol Plaatje	NC091		No	No	No	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	No	No	Yes	Yes	83%	Non Compliance		
12 May	Sol Plaatje	NC091		Yes	Yes	Yes	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	No	No	Yes	Yes	88%	Non Compliance		
1 June	Sol Plaatje	NC091																																											0%	Non Compliance	

Sol Plaatje Local Municipality is strongly urged to sustain and accelerate its efforts toward achieving full compliance with the conditions of the municipal debt relief programme. While progress has been made, the continued failure to fully settle outstanding Eskom payments during the second compliance cycle remains a serious concern. This shortfall places the municipality’s eligibility for the debt write-off at significant risk and undermines the broader objectives of restoring financial stability and ensuring long-term sustainability.

To fully realise the benefits of the debt relief initiative, immediate and decisive action is required. The municipality must prioritise the settlement of all outstanding Eskom debt in line with programme

requirements. A critical enabler of this objective is the effective reduction of debtor balances. Strengthening credit control measures, rigorously enforcing the council-approved debt collection policy, and intensifying arrears recovery efforts are essential to improving revenue inflows and creating the fiscal space necessary to meet Eskom obligations.

Meeting these financial commitments is not only a programme compliance requirement but also a strategic imperative for reinforcing the municipality's financial health, restoring stakeholder confidence, and safeguarding the continuity of essential service delivery.

Failure to act decisively may result in the forfeiture of debt relief benefits and the exacerbation of financial pressures, significantly limiting the municipality's capacity to invest in infrastructure and operational needs. A strong, visible commitment to financial discipline—evidenced by reducing debtor balances and consistently honouring key financial obligations—is critical to achieving long-term fiscal sustainability and strengthening confidence in the municipality's governance and financial management practices.

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

Sol Plaatje Local Municipality has successfully attained final approval to participate in the Municipal Debt Relief Programme (MDRP), following a formal resolution by the municipal council and subsequent endorsement by the National Treasury. This approval was initially granted on a conditional basis, requiring the municipality to address critical weaknesses in its financial management and administrative systems.

Recognising the strategic significance of this opportunity, the municipality's leadership—underpinned by strong political will and administrative commitment—launched a comprehensive institutional assessment. This initiative aimed to identify key areas requiring reform and served as the foundation for a targeted action plan. The plan focused on strengthening internal controls, improving revenue collection processes, optimising expenditure management, and enhancing overall governance practices.

In response to the conditions set forth by the National Treasury, Sol Plaatje implemented a coordinated package of institutional reforms. Key interventions included:

Strengthening Financial Oversight: The establishment of enhanced financial monitoring mechanisms to ensure transparency, accountability, and adherence to national fiscal frameworks.

Disciplined Budgeting Practices: Adoption of rigorous and transparent budgeting procedures to improve financial planning and resource allocation.

Good Governance Frameworks: Institutionalisation of governance principles that promote integrity, accountability, and ethical decision-making within municipal operations.

Performance Monitoring Systems: Introduction of robust tracking and reporting structures to monitor compliance, assess progress, and support data-driven decision-making for continuous improvement. These interventions have enabled the municipality to meet all stipulated conditions under the MDRP, leading to the granting of final approval. This achievement marks a major milestone in Sol Plaatje's financial recovery journey and underscores its steadfast commitment to institutional reform and responsible fiscal governance.

With these foundational reforms now embedded, the municipality is better equipped to pursue long-term financial sustainability. Improved systems and processes are expected to stabilise the revenue base, enhance service delivery performance, and foster greater public confidence.

Condition 6.3 – Maintaining the Eskom bulk current account

As of May 2025, Sol Plaatje Local Municipality continues to demonstrate a committed effort toward managing its financial obligations to Eskom and the Department of Water and Sanitation (DWS), in line with the requirements of the Municipal Debt Relief Programme. While the municipality has made some strides in settling portions of its current accounts, significant financial constraints remain, particularly concerning its historical arrears owed to Eskom.

During the May 2025 billing cycle, the municipality received an Eskom invoice amounting to R68.058 million, which included R1.809 million in interest charges. Due to ongoing cash flow limitations, the municipality was only able to partially settle this invoice. A payment of R30.000 million was made on 28 May 2025. Additionally, an earlier payment of R6.518 million was made on 8 May 2025 specifically to cover interest charges.

These payments reflect a continued willingness by the municipality to meet its current obligations, despite its constrained financial position. However, the shortfall in settling the full April invoice underscores the need for stronger financial management and a more robust approach to liquidity planning.

Moreover, the municipality's legacy arrears to Eskom remain a substantial concern. The outstanding historical debt, currently standing at R112 million, continues to pose a material risk to the municipality's compliance status under the debt relief programme. Failure to address these arrears decisively may undermine Sol Plaatje's eligibility for continued support and could threaten the progress made to date.

To address these challenges, it is critical that the municipality intensify efforts to improve cash flow forecasting, tighten internal expenditure controls, and prioritise payments to bulk service providers. Implementing a structured arrears settlement plan and aligning expenditure with available revenue streams will be essential in restoring financial stability.

Condition 6.4 – A funded MTREF

Sol Plaatje Local Municipality has successfully secured full funding for its 2025/26 fiscal year budget, marking a significant milestone in its ongoing efforts to strengthen financial governance and planning.

This achievement guarantees that all planned programmes, capital investments, and operational activities will proceed without interruption—establishing a solid foundation for sustained service delivery, infrastructure development, and socio-economic advancement.

With a fully funded and Council-approved budget in place, the municipality is strategically positioned to implement high-impact projects and community-focused initiatives. Priority areas for the 2025/26 financial year include the rehabilitation and expansion of water networks and road infrastructure upgrades. Simultaneously, the budget ensures the continued delivery of essential municipal services such as safety and security, basic healthcare, waste management, and other core functions vital to community well-being.

This financial accomplishment highlights the municipality's firm commitment to sound fiscal management, effective resource mobilisation, and development-oriented planning. By securing the required funding ahead of the financial year, Sol Plaatje is better equipped to meet immediate service delivery obligations while advancing its long-term developmental agenda.

Conditions 6.5 – Cost reflective tariffs

Although Sol Plaatje Local Municipality has presented a fully funded budget for the 2025/26 financial year, the accompanying tariff assessment reveals a consistent misalignment between budgeted revenues and the revenue requirements determined by the National Treasury's cost-reflective tariff tool. This analysis highlights that the tariffs remain not cost reflective across all four major service categories: water, wastewater, electricity, and solid waste, for the entire MTREF period covering 2025/26, 2026/27, and 2027/28.

In Year 1 (2025/26), the tariff tool calculated the required revenue for full cost recovery at R2.208 billion across all services. However, only R1.757 billion was budgeted, resulting in a shortfall of R450.428 million. The largest deficit was observed in electricity, with a gap of R333.416 million, followed by water (R77.545 million), wastewater (R17.887 million), and solid waste (R21.581 million). Each service category was therefore assessed as not cost reflective.

For Year 2 (2026/27), the pattern persists. The required revenue increased to R2.355 billion, but budgeted revenue was R1.894 billion, leading to a shortfall of R461.123 million. Again, electricity accounted for the largest deficit of R344.965 million. The water service fell short by R76.825 million, wastewater by R17.515 million, and solid waste by R21.818 million. These figures clearly indicate that the under-recovery trend continues into the second year of the medium-term framework.

By Year 3 (2027/28), the revenue requirement further escalated to R2.538 billion, with the budgeted revenue at R2.044 billion—reflecting a cumulative shortfall of R494.013 million. The electricity service maintained the highest gap at R374.252 million, while water, wastewater, and solid waste recorded deficits of R79.083 million, R17.883 million, and R22.795 million respectively. Once again, none of the services met cost-reflective standards.



Condition 6.6 – Electricity and water as collection tools

Sol Plaatje Local Municipality's approved Credit Control and Debt Collection Policy outlines a structured approach for the allocation of consumer payments, serving as a critical tool in managing municipal revenue. However, inconsistencies in the practical application of this policy have resulted in discrepancies in account reconciliation and debt management processes. These irregularities pose a risk to the municipality's financial stability and may compromise the accuracy of debt recovery and reporting efforts.

A key constraint impacting the effective enforcement of credit control is the municipality's current technological limitation. Specifically, it lacks the infrastructure required to restrict water supply to non-indigent consumers who default on their municipal accounts. This limitation weakens the municipality's ability to enforce payment discipline. In response, the municipality is actively assessing viable technology options and evaluating the associated costs of implementation to strengthen enforcement capabilities.

Despite these operational challenges, the municipality continues to uphold its commitment to social equity and the protection of vulnerable households. All registered indigent consumers receive essential basic services in accordance with the municipality's pro-poor policy framework. This includes the provision of 50 kilowatt-hours of electricity and 6 kilolitres of water per household per month, ensuring that low-income residents maintain access to critical services.

Condition 6.7: Maintain a Minimum Average Quarterly Collection Rate

Throughout the 2024/25 financial year, Sol Plaatje Local Municipality experienced fluctuating collection rates, with sustained underperformance against the 95% benchmark set by the Municipal Debt Relief Programme. In Quarter 1, the municipality recorded an overall collection rate of 52%, which improved to 70% in Quarter 2, followed by a slight increase to 71% in Quarter 3, and finally 68% in Quarter 4. While these figures reflect moderate progress, particularly after a low base in Quarter 1, the average performance across all four quarters remains significantly below the required threshold, posing a risk to financial sustainability and programme compliance.

Service-specific analysis reveals that property rates and electricity (municipal supply) performed relatively well. Property rates improved steadily from 46% in Q1 to a peak of 83% in Q3, closing the year at 78%. Similarly, electricity collections remained robust, peaking at 115% in Q2 and ending at 96% in Q4, demonstrating effective revenue recovery in this category. In contrast, water, wastewater, and refuse consistently underperformed. Water collections rose from 48% in Q1 to 68% in Q4, indicating gradual improvement, while wastewater hovered around 45–50%, closing at 47%. Refuse collection rates remained stagnant, averaging around 53% across the year. Most concerning is the persistently low collection of interest charges, which remained below 11% in every quarter, ending at 6% in Q4—a clear indicator of systemic billing and recovery inefficiencies.

The persistent gap between billing and actual collections, especially in non-electricity services, continues to strain the municipality's cash flow and undermines budget credibility. Addressing this challenge requires targeted reforms, including the consistent implementation of the Credit Control and

Debt Collection Policy, improved billing accuracy, and enhanced debtor engagement strategies. Priority should be given to upgrading revenue management systems, deploying technological solutions for enforcement, and providing training to frontline staff to support debt recovery processes.

Ultimately, improving collection rates is not only a compliance requirement but a strategic imperative for financial resilience. Sustained underperformance risks jeopardising the municipality's standing in the debt relief programme and may limit its ability to fund essential service delivery. Strong leadership, data-driven planning, and accountability mechanisms will be critical as the municipality prepares for the 2025/26 budget cycle and seeks to restore public trust, operational stability, and long-term fiscal sustainability.

Conditions 6.8 – Completeness of the Revenue Base

Part A - Reconciliation Summary						
Property Categories	Number of Properties			Market Values		
	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						
Property Categories	Monthly Billing - Mapped Accounts			Monthly Billing - Un Mapped Accounts		
	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 full alignment between the Valuation Roll and the Municipal Financial System (MFS), both in terms of property counts and market values. A total of 64,322 properties are accurately recorded across both systems, with no discrepancies identified in any property category. These include Residential,

Business and Commercial, Industrial, Agricultural, State-Owned, Public Service Infrastructure, Public Benefit Organisations, and Municipal properties. The consolidated and reconciled total market value amounts to R40.5 billion, with Residential properties representing the largest share.

This complete alignment reflects the municipality's strong property data management practices and sound administrative oversight. Such accuracy is critical to ensuring reliable billing, supporting transparent financial reporting, and maintaining the integrity of the municipality's revenue base.

However, while this alignment marks a major achievement in data accuracy and system integration, challenges remain downstream in the revenue value chain—particularly in billing efficiency and revenue collection. Accurate property and valuation data provide the foundation for effective billing, but without corresponding improvements in collection strategies and credit control enforcement, the municipality's ability to convert potential revenue into actual income is constrained.

To achieve long-term financial sustainability, it is essential that the municipality builds on this data integrity by strengthening revenue management processes. This includes improving billing accuracy, enhancing collection efficiency, and enforcing credit control measures to ensure that the full revenue potential of the property base is realised. Only by addressing these downstream gaps can the municipality translate sound valuation practices into meaningful financial gains and improved service delivery outcomes.

Condition 6.9 – Monitor and Report on compliance

The data strings have been successfully uploaded to the GoMuni platform, the official system designated for municipalities to submit operational and financial data. As part of its ongoing commitment to regulatory compliance, Sol Plaatje Local Municipality has consistently submitted its monthly reports in accordance with Section 71 of the Municipal Finance Management Act (MFMA). These reports are critical for assessing the municipality's financial health, offering comprehensive insights into revenue performance, expenditure trends, and overall budget execution. Serving as a cornerstone of financial transparency and accountability, the Section 71 reports empower stakeholders with accurate information and support sound, evidence-based governance and decision-making.

MFMA S71 Statement component		Compliance (Yes / No)
1.	<i>The Budget Performance Overview (paragraph 4) of the MFMA S71 statement</i> 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



MFMA S71 Statement component		Compliance (Yes / No)
2.	The conclusion (paragraph 14) of the MFMA S71 statement explicitly advised as part of the MFMA Circular 124: Condition 6.9 reporting - i. Any risk associated; and ii. 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 i. the overall performance graph; ii. Summary worksheet; and iii. Collection per ward indicating who supplies electricity in the ward	Yes
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

MFMA S71 Statement component		Compliance (Yes / No)
3.8	Recommendations noting explicitly the debt relief reporting to the Mayor and / or Mayoral Committee meeting	Yes

Sol Plaatje Local Municipality continues to face a significant challenge in meeting its monthly current account obligations to Eskom and the Department of Water and Sanitation (DWS). This ongoing inability to fully settle these accounts is placing sustained pressure on the municipality's cash flow, resulting in the accumulation of arrears and posing a serious risk to its continued compliance with the conditions of the Municipal Debt Relief Programme.

The failure to consistently honour these payments not only threatens the municipality's eligibility for critical debt relief benefits but also increases the likelihood of stricter enforcement actions by creditors. Such measures could further compromise the municipality's financial position and service delivery capabilities. Immediate focus is therefore required to address the root causes of the cash flow constraints and to enhance revenue collection efforts.

Ensuring the timely and full settlement of current obligations is vital for maintaining programme compliance, securing uninterrupted service delivery, and preserving long-term financial stability.

Considering the elevated risk exposure, the Risk Manager is requested to prepare a comprehensive report detailing the municipality's financial and operational risks, with specific emphasis on the arrears with Eskom and DWS. The report should include an in-depth impact assessment, clearly defined risk mitigation strategies, and be accompanied by a draft council resolution for review. This proactive step will support informed decision-making at council level and reaffirm the municipality's commitment to robust financial management and effective risk oversight.

Condition 6.10 – National Treasury certification of municipal compliance

The National Treasury plays a pivotal role in overseeing the implementation of the Municipal Debt Relief Programme (MDRP), ensuring that participating municipalities meet the rigorous conditions required for effective debt resolution and long-term financial recovery. This oversight function is essential in promoting fiscal discipline, transparency, and stability across the local government sector.

As part of the certification process, the National Treasury formally confirmed that Sol Plaatje Local Municipality has successfully fulfilled all prescribed programme requirements. This certification goes beyond a procedural formality—it represents a significant milestone that underscores the municipality's dedication to sound financial governance and compliance with national regulatory standards. It serves as official recognition of responsible fiscal stewardship and marks a critical step toward achieving enduring financial sustainability.

To maintain high standards of performance, the National Treasury applies a robust monitoring and evaluation framework. This system is designed to ensure continued adherence to best financial practices, prevent the recurrence of unsustainable debt levels, promote disciplined budgeting, and reinforce principles of accountable governance. By doing so, it empowers municipalities to enhance service delivery, rebuild public confidence, and foster local economic development within financially viable parameters.

The ongoing support provided by the National Treasury strengthens the financial resilience of municipalities, directly contributing to improved quality of life for the communities they serve. This collaborative partnership promotes the development of a more efficient, transparent, and sustainable local government system. Ultimately, it ensures that municipalities not only fulfil their constitutional mandate of delivering essential services but also contribute meaningfully to national economic growth and social development.

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 pillar of the regulatory framework supporting the Municipal Debt Relief Programme. These controls are specifically designed to enforce fiscal discipline, requiring a thorough review of all borrowing activities to ensure strict alignment with programme conditions and statutory borrowing limits. By curbing excessive debt accumulation and alleviating short-term fiscal pressures, the framework directly 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 been instrumental in protecting the municipality's creditworthiness, reducing financial exposure, and reaffirming its commitment to sound and responsible financial governance.

Adherence to these borrowing controls enhances the municipality's financial resilience and strengthens the confidence of key stakeholders, including residents, creditors, oversight bodies, and potential investors. By limiting new debt obligations and prioritising responsible fiscal management, the municipality is better equipped to maintain financial stability while honouring its service delivery commitments.

This steadfast commitment to prudent debt management reflects a forward-looking governance philosophy—one that promotes sustainable development, ensures regulatory compliance, and reinforces the municipality's capacity to meet the evolving needs of its community both 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 important enhancements aimed at strengthening the management, oversight, and reporting of municipal debt relief funds. These updates are intended to reinforce accountability, promote transparency, and uphold financial discipline, thereby ensuring that the funds are utilised efficiently and in full compliance with the conditions of the Municipal Debt Relief Programme.

A key revision requires municipalities to incorporate debt relief funds into their general accounts while maintaining distinct reporting through monthly *mSCOA* submissions. This dual approach balances operational integration with traceability, enabling effective monitoring and audit oversight.

To enhance transparency and align with National Treasury's financial governance standards, municipalities must now upload monthly bank reconciliations and comprehensive bank statements to the GoMuni platform. This centralised reporting mechanism promotes uniformity, strengthens oversight, and improves access to financial information by relevant stakeholders.

The guide places particular emphasis on the accurate accounting of debt relief benefits, such as interest write-offs granted by creditors like Eskom. Municipalities are expected to ensure that such adjustments are correctly recorded in their accounting ledgers, thereby safeguarding the integrity of financial statements and maintaining audit preparedness.

To mitigate the risk of future debt accumulation, municipalities must maintain verifiable records of all transactions related to debt relief and conduct regular reconciliations. These enhanced reporting obligations, supported by a structured evaluation framework, are designed to protect the funds from misuse and ensure sustained compliance with programme requirements.

Finally, the guide underscores the critical role of transparency and stakeholder engagement. The use of standardised platforms like GoMuni reflects a strong commitment to sound financial governance and public accountability. Collectively, these improvements empower municipalities to manage debt relief funds more effectively, strengthen their financial position, and contribute to sustainable and accountable public financial management.

Condition 6.14 – NERSA Licence

Participation in the **Municipal Debt Relief Programme** is governed by strict compliance conditions, underscoring a municipality's commitment to financial recovery and responsible governance. One of the most consequential provisions states that, in cases of **sustained 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 per **Section 17 of the Electricity Regulation Act, 2006**. This clause acts as a strong enforcement tool, directly tying programme participation to the municipality's capacity to deliver electricity services.

This requirement is only triggered if a municipality is formally **removed from the programme** due to ongoing non-compliance. Its presence highlights the critical importance of maintaining **financial discipline**, meeting programme obligations, and operating within a sound regulatory framework. The potential loss of an electricity license reinforces the seriousness of non-compliance and serves as a deterrent to regulatory failure.

The measure reflects the **National Treasury's commitment to accountability and lasting reform** in municipal financial management. Municipalities must not only meet technical conditions but also demonstrate ongoing operational discipline, governance capability, and prudent financial stewardship. Continued eligibility for the programme—and the ability to deliver essential services—depends on consistently meeting these standards.

Ultimately, this enforcement condition supports the core goals of the Debt Relief Programme: advancing **long-term financial sustainability**, restoring institutional credibility, and ensuring uninterrupted service delivery. By setting clear, enforceable consequences, the National Treasury keeps municipalities focused on recovery, accountability, and excellence in governance.

High-Level Recommendations

1. Urgently Resolve Eskom Arrears and Maintain Current Account Payments

The municipality must prioritise the full settlement of Eskom arrears and ensure consistent payment of monthly current invoices. A structured arrears repayment plan, linked to improved cash flow forecasting and strict expenditure controls, should be implemented to avoid jeopardising continued participation in the debt relief programme.

2. Strengthen Revenue Collection and Credit Control Enforcement

Despite policy frameworks being in place, enforcement is weak and inconsistent. Immediate action is required to improve collection rates by rigorously applying disconnection policies, upgrading technological enforcement tools (e.g., smart meters or restrictors), and targeting recovery of high-value arrears, particularly in water and refuse services.

3. Align Tariffs to Cost Reflective Levels Across All Services

There is a persistent misalignment between budgeted and required revenue as per the cost-reflective tariff tool. The municipality should revise its tariff structure annually to close these deficits and avoid underfunding of critical services. Stakeholder consultations and affordability analyses must inform this process to ensure buy-in and effectiveness.

4. Improve Cash Flow Management and Liquidity Planning

Cash flow constraints are undermining the municipality's ability to meet its obligations. A liquidity enhancement strategy should be developed, including tighter controls on non-priority spending, debt servicing prioritisation, and short-term revenue mobilisation campaigns to improve financial stability.

5. Institutionalise Council Oversight and Risk Reporting Mechanisms

To enhance governance, Council must actively monitor debt relief implementation through structured reporting schedules and enforce accountability for non-performance. The Risk Manager should produce quarterly risk reports—focusing on Eskom/DWS arrears, collection performance, and compliance risks—with clear mitigation actions and Council resolutions.

6. Consolidate and Leverage Compliance Gains to Achieve Long-Term Sustainability

With a compliance score of 88% and successful reforms already implemented (e.g., funded MTREF, GoMuni reporting, data alignment), the municipality must consolidate these achievements into long-term strategies. Focus should be placed on maintaining system integrity, audit readiness, and embedding a culture of performance-based planning and delivery.

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: 07/07/2025

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



Annexures (May 2025 Compliance Certificates)

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)? <i>Note - refer condition 6.12 .2</i>	Yes
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 ?	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>	No
5	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://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)	Select
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ?	Yes
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
9	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes
		<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 propert 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>	
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
		<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	<p>- 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)?</p> <p><i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i></p>	N/a
13	6.4.2	<p>- 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.?)</p>	Yes
14	6.5	<p>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?</p>	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	<p>- 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?</p>	Yes
16	6.6.2	<p>- 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?</p>	Yes
17	6.6.3	<p>- 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?</p> <p><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></p>	No
18	6.6.4	<p>- 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?</p> <p><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></p>	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	<p>- 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?</p>	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	<p>- 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 :</p>	
20	6.7.2.1	<p>* 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.</p>	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://lguploadportal.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 typing error and must refer to 6.9.1.</i>	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"/>
<p><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></p>			
	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?	<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 ?	<input type="text" value="Yes"/>
<p><i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate</i></p>			
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"/>
<p><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></p>			
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"/>
<p><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></p>			
	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="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?	<input type="text" value="No"/>
<p><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></p>			
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"/>
<p><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></p>			



PT: HOD/ NT/ MM Name:

Mandla Gilimani

Signature of HOD/ NT/ MM:

Date:

07/07/2025

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 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 Status		
2.July	Sol Plaatje	NC091	Yes	Yes	No	Yes	Yes	No	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	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance	
3.August	Sol Plaatje	NC091	Yes	Yes	Yes	No	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	NA	NA	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	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	No	Yes	Yes	Yes	Yes	Yes	78%	Non Compliance	
5.October	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	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	NA	NA	Yes	Yes	Yes	Yes	No	No	NA	NA	NA	NA	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	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	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	73%	Non Compliance
8.January	Sol Plaatje	NC091	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	No	Yes	Yes	Yes	80%	Non Compliance	
9.February	Sol Plaatje	NC091	No	No	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	90%	Non Compliance
10.March	Sol Plaatje	NC091	Yes	Yes	Yes	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	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance
11.April	Sol Plaatje	NC091	No	No	No	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	No	Yes	Yes	Yes	Yes	83%	Non Compliance
12.May	Sol Plaatje	NC091	Yes	Yes	Yes	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	No	Yes	Yes	Yes	Yes	88%	Non Compliance
1.June	Sol Plaatje	NC091	Yes	Yes	Yes	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	No	Yes	Yes	Yes	Yes	9%	Non Compliance
Comments/Motivation																																															
NT Name:			Mandla Gilimani																																												
Signature of NT:																																															
Date:			07/07/2025																																												
** 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.																																															



Annexure A2 - Monthly

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

Select Assessor -

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period Jun 25

National Financial Year 2024/25

Demarcation Code of Municipality being assessed NC091

Frances Baard

Soi Plaatje

District

Demarcation Description

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) Choose from drop down list

Condition	Requirement	Response	Notes/Comments
6.3 +	Maintaining the Eskom and bulk water current account – <small>(current account for the purpose of this exercise is view the account for a single month's consumption)</small>		
6.3.2	- 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 6.3.2.2</i>	Yes	No current account was billed for May 2025 due to our servitude that commences 1st of April each year
6.3.2.2	- 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://gumuniportal.treasury.gov.za/ ?	Yes	
6.3.2.2	- 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	
6.3.3	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <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>	No	The municipality settled the May 2025 invoice partially, amounting to R40,000 million on 27 June 2025. Total invoice amount was R77,292 million including interest amounting to R2,094 million.
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://gumuniportal.treasury.gov.za/ ?	Yes	
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 Adopted MTREF	
6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines – https://www.treasury.gov.za/Guidelines/Finance/funding.aspx ?	Yes	
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	
6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes	
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	
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	
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)?	N/A	
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	
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 this municipality, with effect from the tabling of the 2023/24 MTREF demonstrated, through its by-laws and budget related policies, that:		
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	
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	
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 the 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	

Notes/Comments

6.6.4	<p>- 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?</p> <p><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></p>	No	
6.6	<p>Supporting evidence: The National Treasury need not be provided with the required budget assessment confirms the municipality's adopted MFMA s.71 statement and the relevant documents compliance with paragraph 6.6.</p>		
6.7	<p>Maintain a minimum average quarterly collection of property rates and service charges</p>		
6.7.1	<p>- 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?</p>	No	Quarterly collection rate is 66%
6.7.2	<p><i>Note – although the items were covered by Eskom's 2023/24 Circular No. 781, it is a 10 per cent threshold, municipalities under the debt relief support will be monitored for the first two years from 2023/24 onwards.</i></p>		
6.7.3	<p>- 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:</p>		
6.7.2.1	<p>* 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;</p>	No	
6.7.2.2	<p>* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?</p>	Does not have function	
6.7.2.3	<p>* 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?</p>	No	
6.7.3	<p>- 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?</p>	No	Smart meter project is completed. YTD installations till end of 31 March 2025 = 15 284
6.7.4	<p>- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTRF with a smart pre-paid meter?</p>	Yes	
6.7.5	<p>- 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?</p>	Yes	
6.8	<p>Municipality's Completeness of the revenue base –</p>		
6.8.1	<p>- 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?</p>	Yes	
6.8.1	<p>- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified?</p> <p><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 statements</i></p>	Yes	
6.8.2	<p>- 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://governorportal.treasury.gov.za/?</p>	Yes	
6.9	<p>Monitor and report on implementation –</p>		
6.9.1	<p>- 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?</p>	Yes	
6.9.2	<p>- 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?</p> <p><i>Note – condition 6.9.2 has a typing error and must refer to 6.9.1</i></p>	Yes	
6.9.3	<p>- 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?</p>	No FRP	
6.9.4	<p>- 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://governorportal.treasury.gov.za/?</p>	No FRP	
6.10	<p><i>Note – municipalities with a debt relief plan or financial recovery plan must submit a compliance report to the Provincial Executive and NT.</i></p> <p>Provincial Treasury Note – Provincial Treasury's Review of municipal compliance – in terms of section 78 of the MFMA with effect from 01 April 2023, is envisaged bi-annually using the National Treasury Debt Relief system.</p>		
6.10.1	<p>- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?</p>	Yes	
6.10.2	<p>- 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://governorportal.treasury.gov.za/?</p> <p><i>Note – in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i></p>	Yes	
6.10.3	<p>- 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?</p>	No	
6.11	<p><i>Note – if the PT fails to address the listed non-compliance it will be considered as non-compliance by the municipality in terms of paragraph 4.1.5</i></p> <p>Limitation on municipality borrowing powers – has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?</p> <p><i>Note – there is a prohibition on municipal borrowing for those municipalities that have entered into a debt support programme. For assistance refer MFMA Circular no. 124, condition 4.1.5 (prohibition of municipalities borrowing powers) and the debt relief support programme. The debt relief support programme is a temporary measure to assist municipalities with financial recovery plans (FRP) to implement their FRP. The debt relief support programme is not a permanent measure and municipalities must ensure that they do not incur any further debt during the period of the debt relief support programme. The debt relief support programme is not a permanent measure and municipalities must ensure that they do not incur any further debt during the period of the debt relief support programme.</i></p>		
6.12	<p>For the duration of the Municipal Debt Relief (to ensure proper management of resources)</p>		
6.12.1	<p>- 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?</p>	No	Partial payment was made towards the Eskom account. No billing was raised for Water, due to our servitude period that commenced from 1st April 2025
6.12.2	<p>- 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?</p>	No	Partial payment was made towards the Eskom account. No billing was raised for Water, due to our servitude period that commenced from 1st April 2025.
6.13	<p><i>Note – only if revenue in the sub-account is sufficient, and reported to the National Treasury by the municipality, can the municipality claim the debt relief support from MFMA s.71.</i></p> <p>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.</p> <p>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?</p> <p><i>Note – to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA</i></p>		

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