





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

# Monthly Budget Statement S71 Monthly Report July 2025

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 August 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 31 July 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 R4,423,907 billion, of which 88% of the debt is owed in excess of 90 days. The total debt by customer group is classified as follows; R896,984 million is owed by government, R732,869 million by businesses and R2,661,238 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.

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

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 **31 July 2025**, the ten working day reporting limit expires on **14 August 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 August 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 July 2025	YTD Actual July 2025	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	269,516	456,171	186,655	169.3%	69.3%
Total Revenue (including capital transfers and contributions)	326,529	456,171	129,641	139.7%	39.7%
Total Operational Expenditure	317,066	95,245	(221,821)	30.0%	-70.0%

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

As indicated in Table 1.1 above, as at 31 July 2025, the billed revenue excluding capital grants amounted to R456,171 million which resulted in a satisfactory variance of 69.3% when compared to the YTD Budget of R269,516 million. The billed revenue including capital grants amounted to R456,171 million, resulting in a satisfactory variance of 39.7% when compared to the YTD budget of R326,529 million. 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 R95,245 million versus the YTD Budget of R317,066 resulting in an unsatisfactory variance of minus 70.0%. Reasons for the variance are articulated in Section 4.2 below.

Summary Statement of Financial Performance: Adjustment Budget					
Description R thousand	Original Budget	YTD Actual July 2025	Variance Favourable (Unfavourable)	% YTD Actual vs Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 8.33%
Total Revenue (excluding capital transfers and contributions)	3,234,188	456,171	186,655	14.1%	5.8%
Total Revenue (including capital transfers and contributions)	3,918,354	456,171	129,641	11.6%	3.3%
Total Operational Expenditure	3,212,506	95,245	(172,464)	3.0%	-5.4%

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

Indicated in Table 1.2 above is the YTD actual compared to the Original Budget. When calculating the ideal In-Year-Monitoring percentage of 8.33% [calculated as follow: (100/12 months x 1 months of the year)] as at the end of July 2025, the Total operational revenue excluding capital grants versus the Original Budget resulted in a satisfactory variance of 5.8%. The Total operational revenue including capital grants versus the Original Budget resulted in a satisfactory variance of 3.3%. The Total Operational Expenditure resulted in a marginally unsatisfactory variance of minus 5.4%.

**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 Original budget for 2025/26 financial year. The Original budget for 2025/26 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	2025/26					
	Budget	First Quarter			Year to Date	
	Main appropriation	Adjusted Budget	Actual	1st Q as % of Main appropriation	Actual	Total Expenditure as % of adjusted budget
<b>Operating Revenue and Expenditure</b>						
Operating Revenue	3,234,188	3,234,188	456,171	14.1%	456,171	14.1%
Operating Expenditure	3,212,506	3,212,506	95,245	3.0%	95,245	3.0%
Transfers and subsidies - capital (monetary allocations)	684,166	684,166	-	-	-	-
<b>Total Revenue</b>	<b>3,918,354</b>	<b>3,918,354</b>	<b>456,171</b>	<b>11.6%</b>	<b>456,171</b>	<b>11.6%</b>

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 Main appropriation standing at 14.1% versus the ideal percentage of 8.33%. This is largely attributable to the annual billing on Property rates. Operational expenditure is 3.0% spent. It should be noted that Post-retirement health benefits and Depreciation is not yet accounted for, the bulk electricity account for July 2025 will be captured during August 2025. Transfers and subsidies – capital transferred to revenue amounts to 0% of the Main appropriation, as grants will be recognized when the conditions are met.

## Capital Revenue and Expenditure

Part 2: Capital Revenue and Expenditure						
R thousands	2024/25					
	Budget	Adjusted Budget	First Quarter		Year to Date	
	Main appropriation		Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	Total Expenditure as % of Adjusted budget
<b>Capital Revenue and Expenditure</b>						
<b>Source of Finance</b>	<b>627,331</b>	<b>627,331</b>	<b>193</b>	<b>-</b>	<b>193</b>	<b>-</b>
Transfers recognised - capital	594,927	594,927	193	-	193	-
Borrowing	-	-	-	-	-	-
Internally generated funds	32,404	32,404	-	-	-	-

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 0.03% spent versus the Main appropriation, whilst conditional grants spent amount to 0.03% and internally generated funds at 0% spent. This is 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. Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes and/or work still in progress. 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

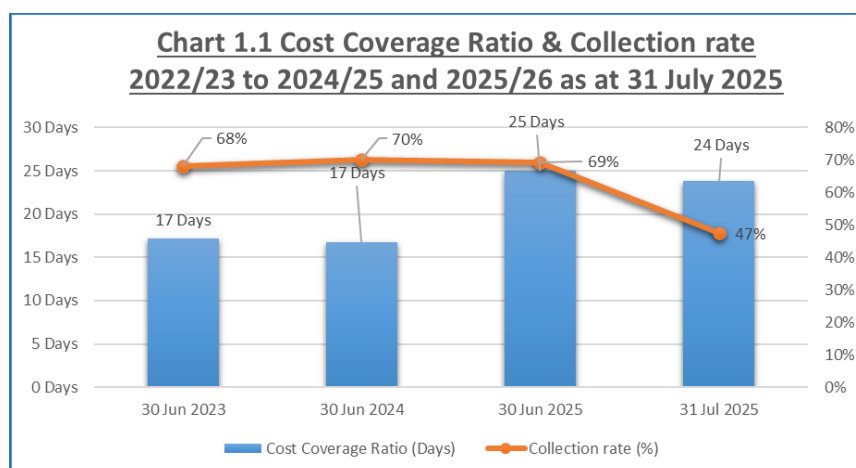
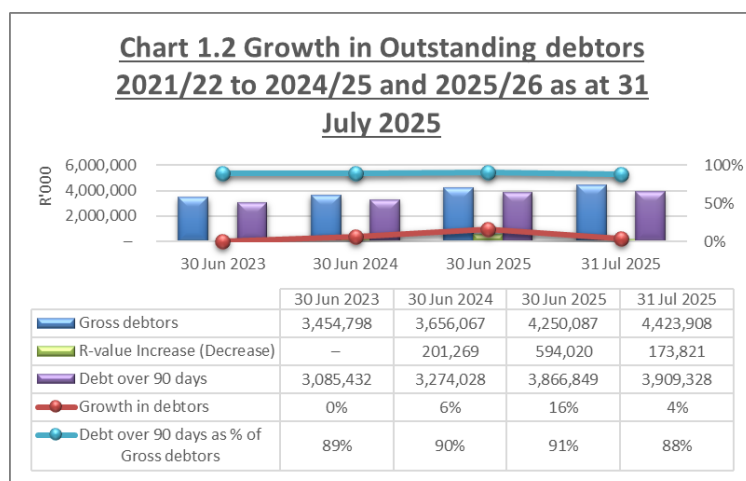


Chart 1.2 Growth in Outstanding debtors



- 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 2022/23 to 2024/25 and 2025/26 until 31 July 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 less than one month 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 31 July 2025 is critically low, standing at 24 days. The collection rate for July 2025, is distorted as a result of the annual billing on Property rates.
- Debtors increased by R201,269m (6%) from 2022/23 to 2023/24, by R594,020m (16%) from 2023/24 to 2024/25, and by R173,821 (4%) from 30 June 2025 to 31 July 2025 for the current financial year
- Debt over 90 days is on average 88% 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. National Treasury approved the write-off of one third (1/3) of the municipal debt amounting to R248 million.

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 June 2025 account is unpaid. The account for July 2024 is fully settled. Interest charges for the current year, as at end of July 2025, amounts to R5,424 million. 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 2024/25 financial year. It is of paramount importance to be in good standing with ESKOM. To be in good standing with ESKOM, the municipality has an obligation to settle **R373,473,692.06**, as indicated in the Table 2.1 below. Arrears on the outstanding invoices including interest amounts to R299,773,692.06 and the arrears on the payment arrangement, which is now in arrears with eleven instalments, amounting to R73,700,000.00.

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 50,000,000.00	R 27,292,217.25	R 6,700,000.00	R 33,992,217.25	R 2,094,272.25
Jun-25	R 131,969,878.88	R -	R 131,969,878.88	R 6,700,000.00	R 138,669,878.88	R 1,975,092.68
<b>TOTAL ESKOM</b>	<b>R 1,055,591,115.04</b>	<b>R 755,817,422.98</b>	<b>R 299,773,692.06</b>	<b>R 73,700,000.00</b>	<b>R 373,473,692.06</b>	<b>R 19,389,422.78</b>

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**. National Treasury approved the write-off of one third (1/3) of the municipal debt amounting to R248 million. Should the municipality fail to comply with the conditions and fail to settle the current year accumulative arrears, the debt relief benefit that the municipality will forfeit is R496 million. 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 -
Jun-25	R 3,179,334.42	R -	R 3,179,334.42	R -	R 3,179,334.42	R -
<b>TOTAL WATER</b>	<b>R 164,017,782.07</b>	<b>R 35,425,992.39</b>	<b>R 128,591,789.68</b>	<b>-R 14,703,680.46</b>	<b>R 113,888,109.22</b>	<b>R -</b>
<b>Current Year arrears</b>			<b>R 91,033,401.38</b>			

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, March 2025 and June 2025 account for Water amounting to **R91,033,401.38**. 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 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 **R113,888,109.22** 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 6 months' invoices (October, November, December 2024, January, April and June 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 and April, May and June 2025 Eskom bulk account. The ring-fencing of cash received for Electricity and Water & Sanitation is accounted for on a daily basis. However, the municipality is running into serious financial trouble as cash receipts are below the projected target. The ring-fencing of funds has put severe pressure on the municipality's ability to settle Supply Chain and other sundry creditors. This is tarnishing the relationship with the municipality's suppliers and will have a severe impact on service delivery and the local economy. The biggest concern is the settling of the Eskom accounts for the high months (June to August).

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

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

Overtime has been capped to 40 hours across all sections.

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

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

The smart meter grant was approved by National Treasury and implementation by the appointed service provider is 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 14<sup>th</sup> 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

Description	Original Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance	Achieved Original Budget	Original Budget Variance	Original Budget Variance IYM % - 8.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity	1,218,923	98,482	98,482	101,577	97.0%	(3,095)	-3.0%	8.1%	(3,095)	-0.3%
Service charges - Water	362,722	20,228	20,228	30,227	66.9%	(9,999)	-33.1%	5.6%	(9,999)	-2.8%
Service charges - Waste Water Management	106,274	8,680	8,680	8,856	98.0%	(176)	-2.0%	8.2%	(176)	-0.2%
Service charges - Waste management	73,593	7,113	7,113	6,133	116.0%	980	16.0%	9.7%	980	1.3%
Sale of Goods and Rendering of Services	18,644	1,085	1,085	1,554	69.8%	(469)	-30.2%	5.8%	(469)	-2.5%
Agency services	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	142,100	15,331	15,331	11,842	129.5%	3,490	29.5%	10.8%	3,490	2.5%
Interest from Current and Non Current Assets	18,000	(817)	(817)	1,500	-54.5%	(2,317)	-154.5%	-4.5%	(2,317)	-12.9%
Dividends	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	29,740	1,690	1,690	2,478	68.2%	(788)	-31.8%	5.7%	(788)	-2.7%
Licence and permits	1,000	35	35	83	42.3%	(48)	-57.7%	3.5%	(48)	-4.8%
Operational Revenue	3,383	240	240	282	85.0%	(42)	-15.0%	7.1%	(42)	-1.3%
<b>Non-Exchange Revenue</b>										
Property rates	717,920	165,288	165,288	59,827	276.3%	105,461	176.3%	23.0%	105,461	14.7%
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	34,743	1,631	1,631	2,895	56.3%	(1,265)	-43.7%	4.7%	(1,265)	-3.6%
Licence and permits	8,200	1,635	1,635	683	239.2%	951	139.2%	19.9%	951	11.6%
Transfers and subsidies - Operational	323,676	125,718	125,718	26,973	466.1%	98,745	366.1%	38.8%	98,745	30.5%
Interest	117,020	8,879	8,879	9,752	91.1%	(872)	-8.9%	7.6%	(872)	-0.7%
Fuel Levy	-	-	-	-	-	-	-	-	-	-
Operational Revenue	58,250	954	954	4,854	19.6%	(3,901)	-80.4%	1.6%	(3,901)	-6.7%
Gains on disposal of Assets	-	-	-	-	#DIV/0!	-	-	#DIV/0!	-	#DIV/0!
Other Gains	-	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>3,234,188</b>	<b>456,171</b>	<b>456,171</b>	<b>269,516</b>	<b>169.3%</b>	<b>186,655</b>	<b>69.3%</b>	<b>14.1%</b>	<b>186,655</b>	<b>5.8%</b>
Transfers and subsidies - capital	684,166	-	-	57,014	0.0%	(57,014)	-100.0%	0.0%	(57,014)	-8.3%
<b>Total Revenue (including capital transfers and contributions)</b>	<b>3,918,354</b>	<b>456,171</b>	<b>456,171</b>	<b>326,529</b>	<b>139.7%</b>	<b>129,641</b>	<b>39.7%</b>	<b>11.6%</b>	<b>129,641</b>	<b>3.3%</b>

Table 3: Table C4 Financial Performance (Revenue)

### Comparison against the YTD Budget

#### Exchange Revenue

- ❖ Service charges - Electricity is showing a satisfactory variance of minus 0.3%. The basic and capacity charges for households for the 2025/26 financial year must still be resolved. Service charges Water is unsatisfactory with a variance of minus 33.1%. 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. Sanitation is showing a satisfactory variance of minus 0.2%, whilst Refuse is showing an over-recovery when compared to the YTD budget.
- ❖ Sale of Goods and Rendering of Services is performing unsatisfactorily with a negative variance of 30.2%, when compared to the YTD Budget. Various line items is showing an under-recovery inter alia camping fees, burial fees, building plan approvals etc.
- ❖ Interest earned from Receivables is showing a positive variance of 29.5% due to the increase in specifically debt over 90 days and high level of debt over 90 days.
- ❖ Interest from Current and Non-current Assets shows a negative variance of 154.5%. This is due to the accrued interest relating to the prior financial year. The municipality is improving on its cash and investment management and regularly invest funds not immediately needed for operations. The municipality invests capital grants already received, whilst keeping the unspent portion in the investment account. The bulk of the interest earned gets recognised at year-end.

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- ❖ Rental from Fixed Assets, is showing a negative variance of 31.8% when compared to the YTD budget. This will be investigated.
- ❖ Licences and permits are showing a negative variance of 57.7%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated, 3.52% achievement versus a budget of R1,000 million.
- ❖ Operational Revenue is showing a negative variance of 15.0%, due lower than anticipated revenue from Insurance refunds.

### **Non-Exchange Revenue**

- ❖ Property Rates is showing a satisfactory variance of 176.3%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing an unsatisfactory variance of minus 43.7%, due to an under-recovery on Fines: Law Enforcement that is standing at 1.94% achieved versus a target of R13,000 million.
- ❖ Licence and permits are showing a positive variance of 139.2%, due to possible outstanding payments due to the Department of Transport, Safety and Liaison.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 366.1% as a result of the receipt of the first tranche of the Equitable share.
- ❖ Interest is showing an under-recovery of minus 8.9%, showing a slight under-recovery for interest from for Property rates.
- ❖ Operational Revenue is showing an unsatisfactory variance of minus 80.4%. An in-depth investigation must be performed.
- ❖ Transfers and subsidies - Capital is showing an unsatisfactory variance of minus 100% when compared to the YTD budget. Capital grants are recognised monthly in the Statement of Financial Performance, as soon as the conditions of the grant have been met. No recognition was done for the month under review, due to lower expenditure.



## **Comparison against Original Budget**

Based on the IYM percentage of 8.33%, the majority of revenue sources are performing satisfactorily.

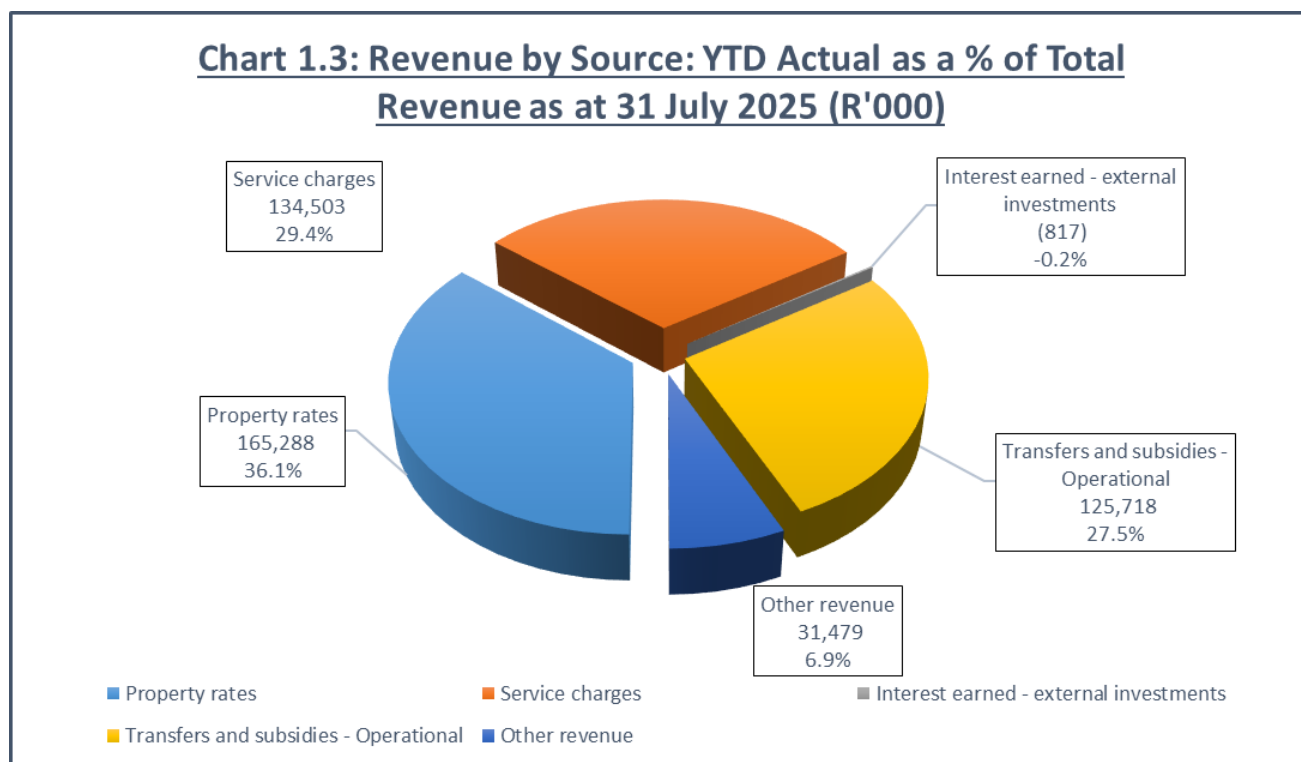
### **Exchange Revenue**

- ❖ Overall, Service charges when compared to the Original budget is performing satisfactorily. Same factors are applicable as described in the paragraph above.
- ❖ Sale of Goods and Rendering of Services is showing a satisfactory variance of minus 2.5%. Same factors are applicable as described in the paragraph above.
- ❖ Interest earned from Receivables is showing a positive variance of 2.5%. Same factors are applicable as described in the paragraph above.
- ❖ Interest from Current and Non-current Assets shows a negative variance of 12.9%. Same factors are applicable as described in the paragraph above.
- ❖ Rental from Fixed Assets is showing a negative variance of 2.7%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing a satisfactory variance of minus 4.8%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a satisfactory variance of minus 1.3%. Same factors are applicable as described in the paragraph above.

### **Non-Exchange Revenue**

- ❖ Property Rates is showing a positive variance of 14.7%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a satisfactory variance of minus 3.6%. Same factors are applicable as described in the paragraph above.
- ❖ Licence and permits are showing a positive variance of 11.6%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 30.5%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a negative variance of 6.7%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Capital is showing an unsatisfactory variance of minus 8.3%. Capital grants remains lower than anticipated due to poor capital grant expenditure. 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 31 July 2025. The main contributors of the municipality's revenue are Service Charges (29.4%), Property Rates (36.1%) and Other Revenue (6.9%). The weighting is distorted due to the annual billing on Property rates.



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

## 4.2 Operating Expenditure by Type

Description	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance	Achieved Original Budget	Original Budget Variance	Original Budget Variance IYM % - 8.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	1,004,532	68,753	68,753	83,711	82.1%	(14,958)	-17.9%	6.8%	(14,958)	-1.5%
Remuneration of councillors	37,083	2,743	2,743	3,090	88.8%	(348)	-11.2%	7.4%	(348)	-0.9%
Bulk purchases - electricity	1,000,000	-	-	134,000	0.0%	(134,000)	-100.0%	0.0%	(83,333)	-8.3%
Inventory consumed	331,852	7,843	7,843	27,654	28.4%	(19,811)	-71.6%	2.4%	(19,811)	-6.0%
Debt impairment	437,149	-	-	36,429	0.0%	(36,429)	-100.0%	0.0%	(36,429)	-8.3%
Depreciation and amortisation	90,200	-	-	7,517	0.0%	(7,517)	-100.0%	0.0%	(7,517)	-8.3%
Interest	15,880	0	0	14	2.0%	(14)	-98.0%	0.0%	(1,323)	-8.3%
Contracted services	45,856	120	120	3,821	3.1%	(3,701)	-96.9%	0.3%	(3,701)	-8.1%
Transfers and subsidies	4,300	-	-	358	0.0%	(358)	-100.0%	0.0%	(358)	-8.3%
Irrecoverable debts written off	-	-	-	-	-	-	-	-	-	-
Operational costs	176,654	15,786	15,786	14,721	107.2%	1,065	7.2%	8.9%	1,065	0.6%
Losses on Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Other Losses	69,000	-	-	5,750	0.0%	(5,750)	-100.0%	0.0%	(5,750)	-8.3%
<b>Total Expenditure</b>	<b>3,212,506</b>	<b>95,245</b>	<b>95,245</b>	<b>317,066</b>	<b>30.0%</b>	<b>(221,821)</b>	<b>-70.0%</b>	<b>3.0%</b>	<b>(172,464)</b>	<b>-5.4%</b>

Table 4: Table C4 Financial Performance (Expenditure)

### Comparison against YTD Budget

As indicated in the Table 4 above, as at 31 July 2025 current YTD expenditure shows an unsatisfactory variance of minus 70%. The YTD actual amounted to R95,245 million against the YTD Budget of R317,066 million.

- ❖ Employee related costs show an unsatisfactory variance of minus 17.9%, 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. The sub-item for Long service awards changed and those transactions were rejected and a corrective journal was processed during August 2025.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 11.2%. The gazette for the upper limits of political office bearers will be issued during December for the current year and will be implemented accordingly.
- ❖ Bulk purchases – Electricity is showing a negative variance of minus 8.3%. The invoice for July 2025 will be processed during August 2025.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 71.6%. Expenditure for the first month of the year is normally low, due to the later re-opening of the financial year after year-end closure. Various commitments are raised on the system, awaiting delivery of goods and services. It has been reiterated monthly that expenditure on Inventory consumed needs to be monitored closely and remedial action be taken to ensure that funds are spent effectively with good value for money and that funds will be fully spent at year-end. The major backlog and deterioration of infrastructure and high-level of crisis management is negatively influencing this expenditure line items and sound financial management of budgets is not adequately exercised. Deviations and re-directing of funds to manage crisis's is severely and rapidly depleting the R&M budget, impeding on the funds required for day-to-day maintenance. Lack of maintenance plans and planned maintenance is impeding on the municipality's ability to maintain assets optimally. There are limited resources available with severe budgetary constraints with the current cash flow position putting major strain on the municipality's finances to actually address service delivery challenges. The municipality is obligated to ensure that tariffs are cost-reflective whilst ensuring that tariff increases are inflationary related as prescribed by NT's annual MFMA Budget circulars. This is a major impediment for the municipality to increase the R&M budget to a desired level to actually address backlogs, whilst employee costs, provision for bad debts and other expenditure is putting further strain on the budgets each year.

R&M Expenditure per Directorate per Inventory type as at 31 July 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 8.33%
<b>VOTE 1 - COUNCILLORS AND ADMIN</b>	<b>140,000</b>	<b>140,000</b>	-	-	<b>0.00%</b>	<b>0.00%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	70,000	70,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	69,000	69,000	-	-	0.00%	0.00%	UNSATISFACTORY
<b>VOTE 2 - MUNICIPAL AND GENERAL</b>	<b>25,297,000</b>	<b>25,297,000</b>	<b>2,079,148</b>	<b>2,079,148</b>	<b>8.22%</b>	<b>8.22%</b>	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	755,000	755,000	23,000	23,000	3.05%	3.05%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	350,000	350,000	4,097	4,097	1.17%	1.17%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	24,192,000	24,192,000	2,052,051	2,052,051	8.48%	8.48%	OVERSPENT
<b>VOTE 3 - MUNICIPAL MANAGER</b>	<b>157,000</b>	<b>157,000</b>	-	-	<b>0.00%</b>	<b>0.00%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	140,000	136,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	17,000	21,000	-	-	0.00%	0.00%	UNSATISFACTORY
<b>VOTE 4 - CORPORATE SERVICES</b>	<b>2,304,000</b>	<b>2,304,000</b>	<b>15,401</b>	<b>15,401</b>	<b>0.67%</b>	<b>0.67%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	871,000	771,000	365	365	0.04%	0.05%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	51,000	152,000	633	633	1.24%	0.42%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	650,000	650,000	12,895	12,895	1.98%	1.98%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	732,000	731,000	1,508	1,508	0.21%	0.21%	UNSATISFACTORY
<b>VOTE 5 - COMMUNITY SERVICES</b>	<b>33,989,400</b>	<b>33,989,400</b>	<b>754,523</b>	<b>754,523</b>	<b>2.22%</b>	<b>2.22%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,021,000	1,021,000	7,782	7,782	0.76%	0.76%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	48,000	48,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	217,000	217,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,116,000	1,116,000	10,046	10,046	0.90%	0.90%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	9,204,000	9,204,000	385,718	385,718	4.19%	4.19%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	336,400	336,400	4,909	4,909	1.46%	1.46%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	22,047,000	22,047,000	346,068	346,068	1.57%	1.57%	UNSATISFACTORY
<b>VOTE 6 - FINANCIAL SERVICES</b>	<b>2,190,000</b>	<b>2,190,000</b>	<b>102,515</b>	<b>102,515</b>	<b>4.68%</b>	<b>4.68%</b>	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,226,000	1,222,000	83,597	83,597	6.82%	6.84%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	172,000	172,000	7,141	7,141	4.15%	4.15%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	180,000	180,000	5,645	5,645	3.14%	3.14%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	612,000	616,000	6,132	6,132	1.00%	1.00%	UNSATISFACTORY
<b>VOTE 7 - STRATEGY &amp; ECONOMIC DEVELOPMENT</b>	<b>11,968,000</b>	<b>11,968,000</b>	<b>30,150</b>	<b>30,150</b>	<b>0.25%</b>	<b>0.25%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	387,000	387,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	65,000	65,000	321	321	0.49%	0.49%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	410,000	410,000	6,098	6,098	1.49%	1.49%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	14,000	14,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	11,092,000	11,092,000	23,731	23,731	0.21%	0.21%	UNSATISFACTORY
<b>VOTE 8 - INFRASTRUCTURE SERVICES</b>	<b>255,806,914</b>	<b>255,806,914</b>	<b>4,861,540</b>	<b>4,861,540</b>	<b>1.90%</b>	<b>1.90%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	620,000	620,000	6,525	6,525	1.05%	1.05%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	23,171,000	23,171,000	49,680	49,680	0.21%	0.21%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,845,000	1,845,000	38,189	38,189	2.07%	2.07%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	10,040,000	10,040,000	422,300	422,300	4.21%	4.21%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	575,000	575,000	3,766	3,766	0.65%	0.65%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	146,553,914	146,553,914	4,179,988	4,179,988	2.85%	2.85%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	73,000,000	73,000,000	161,092	161,092	0.22%	0.22%	UNSATISFACTORY
<b>Grand Total</b>	<b>331,852,314</b>	<b>331,852,314</b>	<b>7,843,278</b>	<b>7,843,278</b>	<b>2.36%</b>	<b>2.36%</b>	UNSATISFACTORY

Table 4.1 R&M Expenditure per Directorate per inventory type



R&M Expenditure per Service per Inventory Type as at 31 July 2025 (Amounts in Rand)	Sum of Original Budget	Sum of Adjustment Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original Budget	Sum of % Spent Adj Budget	% Spent compared against ideal IYM % of 8.33%
<b>2480 - REFUSE</b>	<b>20,450,000</b>	<b>20,450,000</b>	<b>553,593</b>	<b>553,593</b>	<b>2.71%</b>	<b>2.71%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	100,000	100,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	150,000	150,000	230	230	0.15%	0.15%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,400,000	6,400,000	318,109	318,109	4.97%	4.97%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	100,000	100,000	1,133	1,133	1.13%	1.13%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	13,700,000	13,700,000	234,121	234,121	1.71%	1.71%	UNSATISFACTORY
<b>2830 - ROADS</b>	<b>44,461,000</b>	<b>44,461,000</b>	<b>53,547</b>	<b>53,547</b>	<b>0.12%</b>	<b>0.12%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	68,000	68,000	3,550	3,550	5.22%	5.22%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	67,000	67,000	4,489	4,489	6.70%	6.70%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	44,326,000	44,326,000	45,508	45,508	0.10%	0.10%	UNSATISFACTORY
<b>2840 - HOUSING</b>	<b>3,407,000</b>	<b>3,407,000</b>	<b>99,550</b>	<b>99,550</b>	<b>2.92%</b>	<b>2.92%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	121,000	121,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	135,000	135,000	2,647	2,647	1.96%	1.96%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-SR/FUEL FLEET)	140,000	140,000	4,682	4,682	3.34%	3.34%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,010,000	3,010,000	92,221	92,221	3.06%	3.06%	UNSATISFACTORY
<b>2850 - SEWERAGE</b>	<b>27,165,000</b>	<b>27,165,000</b>	<b>1,858,043</b>	<b>1,858,043</b>	<b>6.84%</b>	<b>6.84%</b>	<b>SATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	35,000	35,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	170,000	170,000	18,630	18,630	10.96%	10.96%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	295,000	295,000	5,900	5,900	2.00%	2.00%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,900,000	2,900,000	143,967	143,967	4.96%	4.96%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	100,000	100,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,665,000	23,665,000	1,689,546	1,689,546	7.14%	7.14%	SATISFACTORY
<b>2860 - WATER</b>	<b>129,773,000</b>	<b>129,773,000</b>	<b>785,663</b>	<b>785,663</b>	<b>0.61%</b>	<b>0.61%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	76,000	76,000	2,015	2,015	2.65%	2.65%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	23,001,000	23,001,000	31,050	31,050	0.13%	0.13%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	141,000	141,000	2,354	2,354	1.67%	1.67%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,500,000	2,500,000	100,673	100,673	4.03%	4.03%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	475,000	475,000	3,766	3,766	0.79%	0.79%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	30,580,000	30,580,000	484,713	484,713	1.59%	1.59%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	73,000,000	73,000,000	161,092	161,092	0.22%	0.22%	UNSATISFACTORY
<b>2880 - ELECTRICITY</b>	<b>53,268,000</b>	<b>53,268,000</b>	<b>2,246,955</b>	<b>2,246,955</b>	<b>4.22%</b>	<b>4.22%</b>	<b>SATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	180,000	180,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	87,000	87,000	3,346	3,346	3.85%	3.85%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	53,000,000	53,000,000	2,243,609	2,243,609	4.23%	4.23%	SATISFACTORY
<b>Grand Total</b>	<b>278,524,000</b>	<b>278,524,000</b>	<b>5,597,351</b>	<b>5,597,351</b>	<b>2.01%</b>	<b>2.01%</b>	<b>UNSATISFACTORY</b>

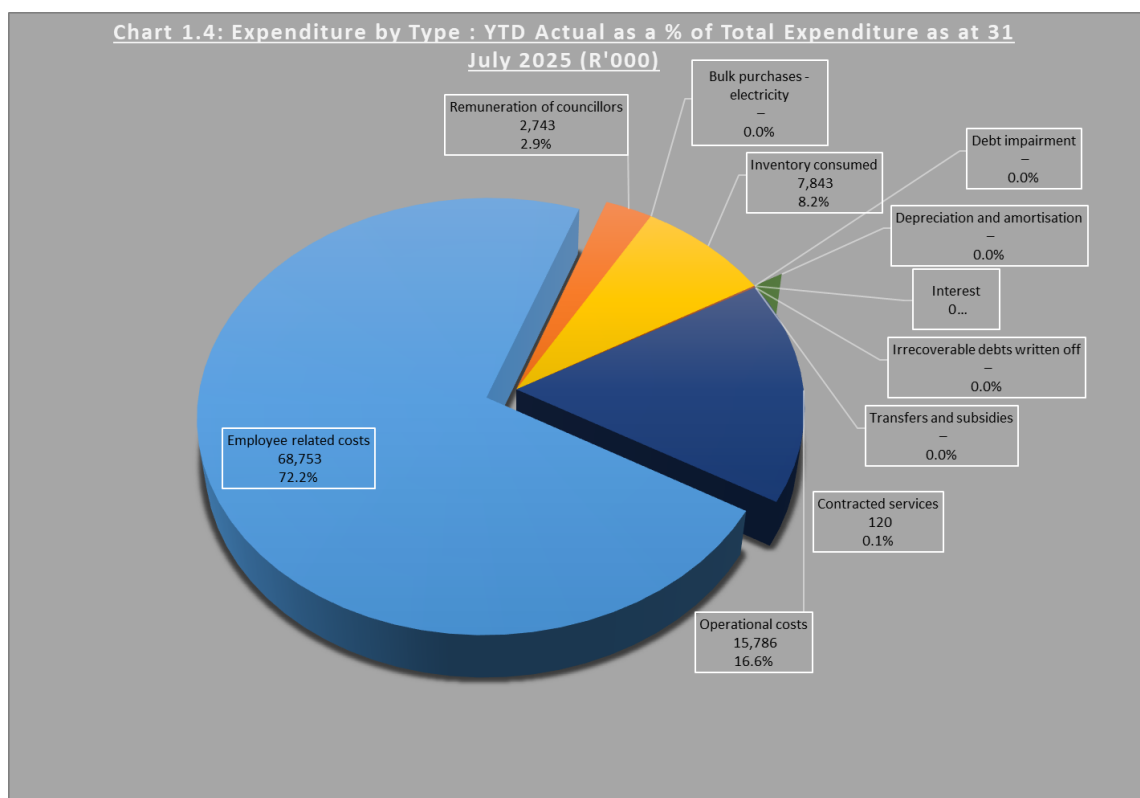
Table 4.2 R&M Expenditure per Service per inventory type

- ❖ 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 service provider is busy finalising the Asset Register.
- ❖ Debt impairment will be provided for on a quarterly basis. The journal for the first quarter will be processed before end of September 2025.
- ❖ Interest is showing an unsatisfactory variance of minus 98%. Interest on External borrowing is paid bi-annually at the end of December and June each year. The total interest charges on overdue accounts on the Eskom bulk account, for the current financial year amounts to R5,424 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. The budget will be corrected during the Adjustments budget.
- ❖ Expenditure on Contracted services is showing an unsatisfactory variance of minus 96.9%, as various line items is showing lower expenditure than anticipated.
- ❖ Transfers and subsidies showing negative variance of minus 100%. Due to cash constraints the municipality will be paying the allocation of R2,600 million, due to the SPCA over instalments, as and when sufficient cash is available.
- ❖ Operational cost is showing a satisfactory variance of 7.2%.
- ❖ Other Losses is showing an unsatisfactory variance of minus 100%. 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 for July 2025 will be processed on the system.

## Operating Expenditure by Type: Comparison against Original Budget

Indicated in Table 4 above, is the YTD actual compared to the Original Budget. The ideal In-Year-Monitoring percentage as at the end of July 2025 is 8.33%. The total operational expenditure against the Original budget is 3% spent, resulting in a satisfactory variance of minus 5.4%.

- ❖ Employee related costs show a satisfactory variance of minus 1.5%. Same factors are applicable as explained above.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 0.9%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing a unsatisfactory variance of minus 8.3%. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 6.0%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing an unsatisfactory variance of minus 8.3%. Same factors are applicable as explained above.
- ❖ Depreciation shows an unsatisfactory variance of minus 8.3%. Same factors are applicable as explained above.
- ❖ Interest is showing a negative variance of minus 8.3%. Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is unsatisfactory at minus 8.1%, when compared to the Original budget. The YTD expenditure is lower than anticipated.
- ❖ Transfers and subsidies show an unsatisfactory variance of minus 8.3%. Same factors are applicable as explained above.
- ❖ Operational cost is showing a satisfactory variance of 0.6%. Same factors are applicable as explained above.
- ❖ Other Losses is showing an unsatisfactory variance of minus 8.3%. 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 31 July 2025. The main cost drivers of the municipality are Employee Related Costs, Bulk Purchases – Electricity, Debt Impairment and Inventory consumed.

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. The service provider is busy finalizing the Asset Register.
- ❖ Interest on the long-term borrowing is paid bi-annually in December and June of each year.
- ❖ The Eskom account for July 2025 will be captured during August 2025.
- ❖ Debt impairment will be provided for on a quarterly basis. The journal for the first quarter will be processed before end of September 2025

## **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 8.33% as at end of July 2025, Bulk Purchases Electricity is showing an unsatisfactory variance minus of minus 8.33%. The bulk invoice for July 2025 will be processed during August 2025.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 8.33%
BULK PURCHASES: ELECTRICITY	1,000,000,000	-	-	0.00%	-8.33%
<b>Total</b>	<b>1,000,000,000</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-8.33%</b>

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 8.2%, when compared to the ideal percentage of 8.33%. 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 July 2025 for the recognition of Water inventory and losses must be processed on the system. The movement of R161 thousand relates to a payment for the Oranje Riet Water Users Association. This was processed against an incorrect vote and will be journalized during August 2025.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 8.33%
INVENTORY - WATER	73,000,000	161,092	161,092	0.22%	-8.11%
NON-REVENUE WATER LOSSES	69,000,000	-	-	0.00%	-8.33%
<b>Total</b>	<b>142,000,000</b>	<b>161,092</b>	<b>161,092</b>	<b>0.1%</b>	<b>-8.2%</b>

Table 5.2: Summary of YTD Bulk Water expenditure

## Outstanding debt: ESKOM

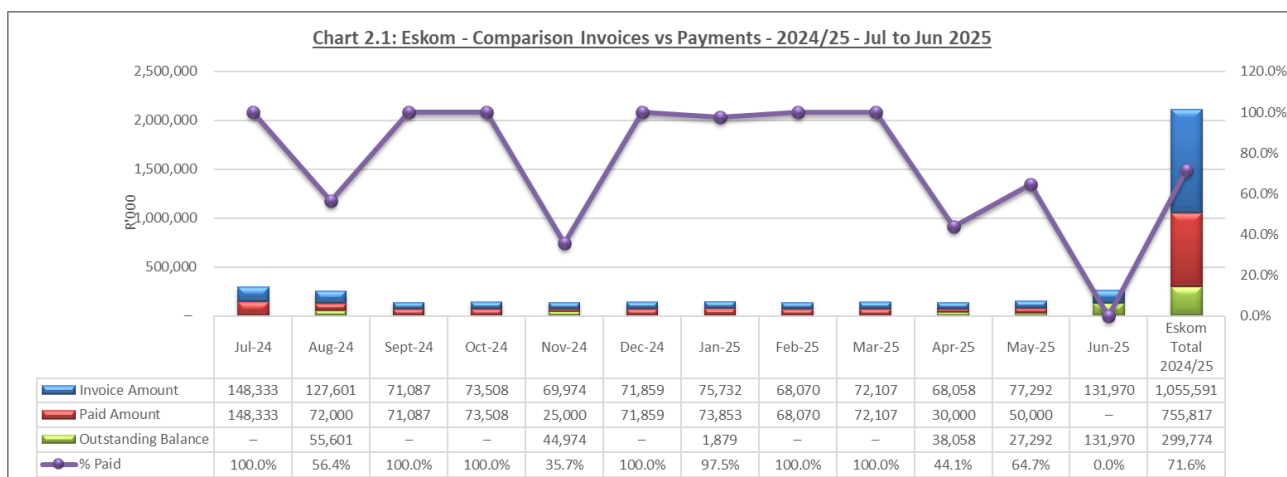
ESKOM - Outstanding debt (R'000)	Sum of Invoice amount	Sum of Bulk Payments (2023/24 & 2024/25)	Sum of Interest written-off	Sum of Outstanding Balance	Sum of Arrear Debt	Sum of Interest Charges
<b>2021/22</b>	<b>523,811</b>	<b>–</b>		<b>523,811</b>	<b>523,811</b>	<b>–</b>
Oct-21	51,028	–		51,028	51,028	–
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	–
<b>2022/23</b>	<b>389,602</b>	<b>103,242</b>	<b>(37,482)</b>	<b>248,878</b>	<b>248,878</b>	<b>–</b>
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)	–	–	–
<b>2023/24</b>	<b>975,208</b>	<b>819,809</b>	<b>(69,632)</b>	<b>85,767</b>	<b>85,767</b>	<b>–</b>
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)	–	–	–
<b>2024/25</b>	<b>1,055,591</b>	<b>755,817</b>	<b>–</b>	<b>299,774</b>	<b>299,774</b>	<b>19,389</b>
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	50,000	–	27,292	27,292	2,094
Jun-25	131,970	–	–	131,970	131,970	1,975
<b>2025/26</b>	<b>146,873</b>	<b>–</b>	<b>–</b>	<b>146,873</b>		<b>5,424</b>
Jul-25	146,873	–	–	146,873		5,424
<b>Grand Total ESKOM</b>	<b>3,091,085</b>	<b>1,678,868</b>	<b>(107,114)</b>	<b>1,305,102</b>	<b>1,158,229</b>	<b>24,813</b>

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R1,305,102 billion. The total arrear debt amounts to R1,158,229 million summarized as follow 2021/22 (R523,811m); 2022/23 (R248,878m); 2023/24 (R85,767m) and 2024/25 (R299,774m). The total



interest charges on overdue accounts for the current financial year amounted to R5,424 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. The budget on Interest on overdue accounts will be corrected during the Adjustments budget.



**Chart 2.1: Eskom - Comparison Invoices vs Payments**

Indicated in Chart 2.1 above, is the comparison of Eskom invoices versus payments for the 2024/25 financial year, from July 2024 to June 2025. The current account for July 2025 is excluded because it is not yet due and payable. It will also distort the percentage paid. The YTD actual until June 2025 show that 71.6% of invoices were settled, based on invoices raised of R1,055,591 billion versus payments of R755,817 million. The percentage on partially paid invoices are August 2024 (56.4%); November 2024 (35.7%); April 2025 (44.1%), May 2025 (64.7%) and June 2025 (0%). The total arrear outstanding balance for the 2024/25 financial year amounts to R299,774 million.

## Outstanding debt: DWS

DWs - Outstanding debt (R'00)	Sum of Invoice amount	Sum of Bulk Payments (2023/24 & 2024/25)	Sum of Outstanding Balance	Sum of Arrear Debt
<b>2021/22</b>	<b>126,431</b>	<b>88,873</b>	<b>37,558</b>	<b>37,558</b>
INTEREST (APR-JUN 2022)	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
<b>2023/24</b>	<b>150,526</b>	<b>150,526</b>	<b>–</b>	<b>–</b>
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	–	–
<b>2024/25</b>	<b>162,756</b>	<b>71,722</b>	<b>91,033</b>	<b>91,033</b>
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
Jun-25	3,179	–	3,179	3,179
<b>2025/26</b>	<b>21,434</b>	<b>–</b>	<b>21,434</b>	
Jul-25	21,434	–	21,434	
<b>Grand Total</b>	<b>461,147</b>	<b>311,121</b>	<b>150,026</b>	<b>128,592</b>

Table 6.2: Summary of outstanding DWS debt

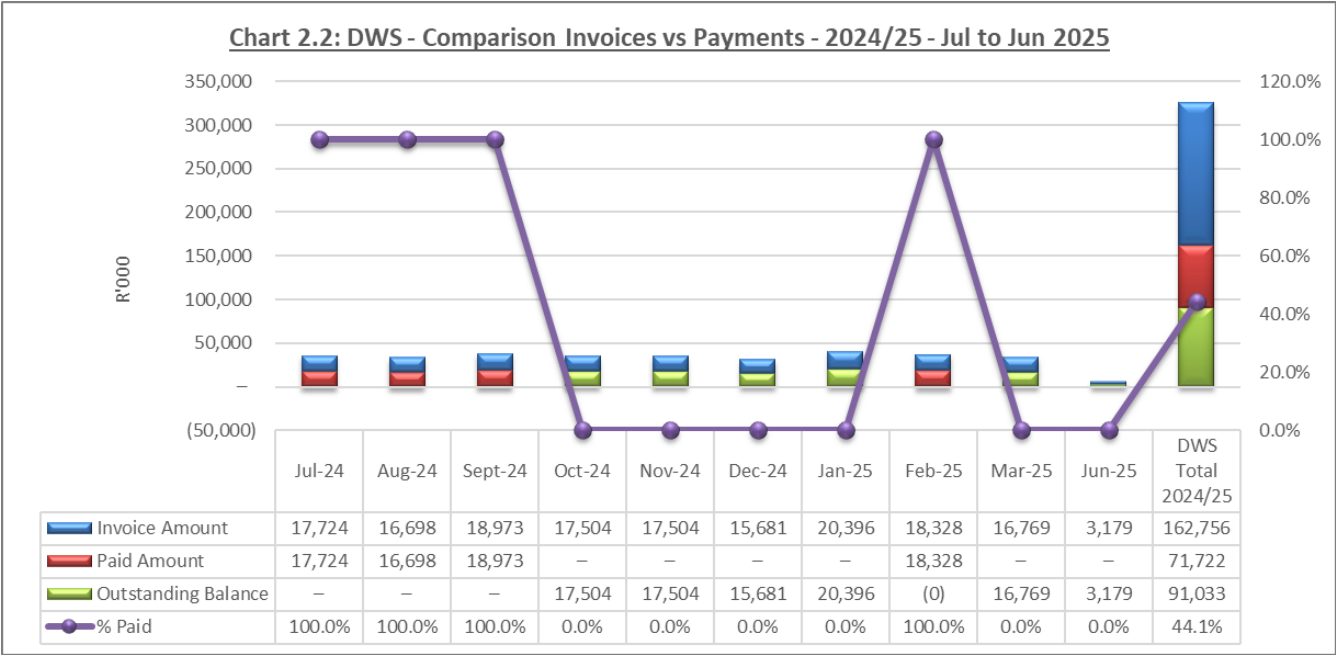
Indicated in Table 6.2 above, is the total outstanding debt owed to DWS which amounts to R150,026 million. The total debt must be concurred with the Department. The total arrear debt amounts to R128,592 million which pertains to outstanding invoices for 2021/22 (R37,558m) and 2024/25 (R91,033m). The 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 R91,033 million. The municipality defaulted on the October, November, December 2024 and January, March and June 2025 account. The current account for July 2025, is payable on or before the end of August 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 date, 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, March and June 2025 invoices and incurred accumulative arrear debt for the current year of R128,592 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.

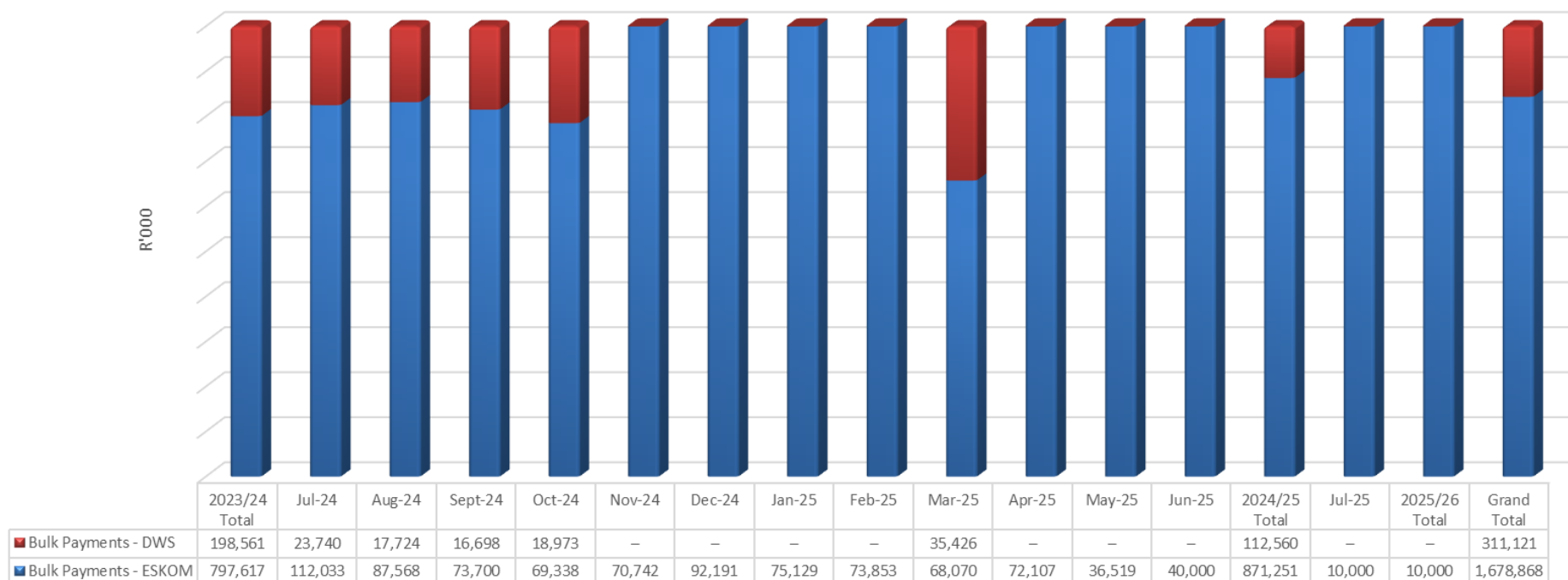
- Repayment of debt over 12 months (municipality requested 24-month repayment period, which was approved by the Department)
- Also included in the Incentive scheme, is the writing-off of all accrued interest and suppression of interest going forward, hence no interest was charged for the prior and current 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 June 2025. The current account for July 2025 is excluded because it is not yet due and payable. The YTD actual until June 2025 show that 44.9% of invoices were settled, based on invoices raised of R162,756 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, March and June 2025 remain unpaid. The total arrear outstanding balance amounts to R91,033 million.

**Chart 2.3: Monthly Bulk Payments: DWS & ESKOM: 2023/24; 2024/25 and 2025/26**



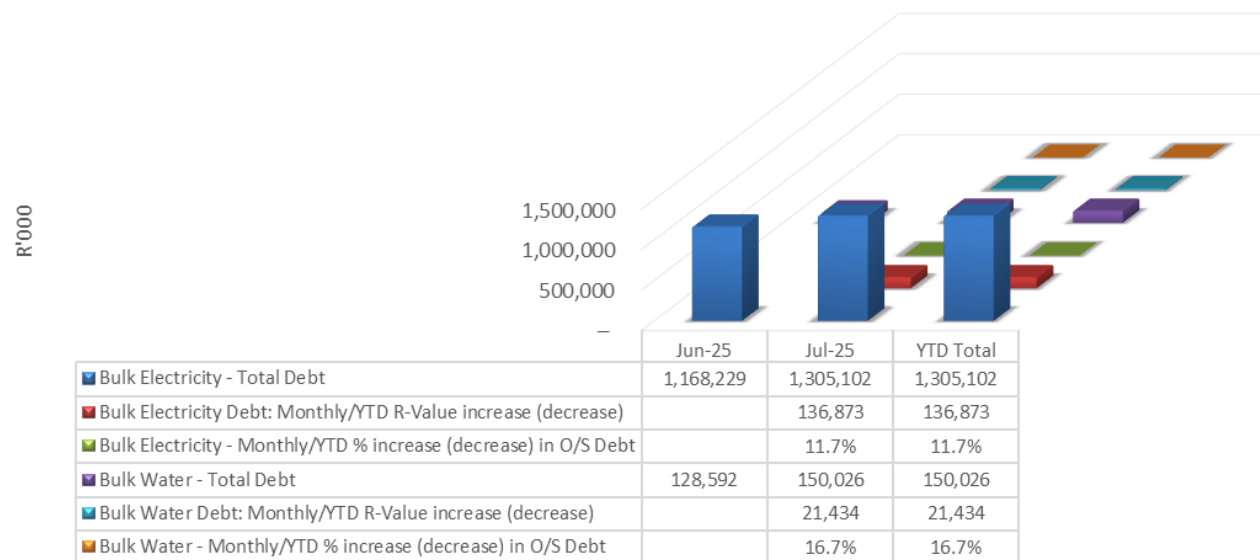
**Chart 2.3: Monthly payments to DWS & ESKOM**

Indicated in Chart 2.3 above, are the monthly payments made to DWS and ESKOM for 2023/24, 2024/25 and 2025/26 financial year as at 31 July 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 2022/23 and 2023/24 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 six months (October 2024 to January 2025, March and June 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 R10 million during July 2025 on the May 2025 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 and for 2025/26 financial year the payments amounts to R10,000 million, resulting in the total payments for the three periods amounting to R1,678,868 billion. The high months remains a major concern. The municipality could not settle the August and November 2024 and April, May and June 2025 account in full.

**Chart 3: Monthly & YTD comparison of Bulk Electricity and Water debt - Jun 2024 to Jul 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 June 2025 to July 2025, debt owed to ESKOM increased by R136,873 million or 11.7%, from R1,168,229 billion to R1,305,102 billion. When comparing the total outstanding debt to June 2025, the outstanding debt increased by R136,873 million or 11.7%, from R1,168,229 million to R1,305,102 billion.

**DWS** - From June 2025 to July 2025, debt owed to DWS increased by R21,434 million or 16.7% from R128,592 million to R150,026 million. When comparing the total outstanding debt to June 2025, the outstanding debt increased by R21,434 million or 16.7% from R128,592 million to R150,026 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 did not transpire for the 2024/25 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, March and June 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
18	2025/07/30								R 6,700,000.00
<b>TOTAL</b>					<b>R 49,162,000.00</b>		<b>R 113,900,000.00</b>		<b>R 73,700,000.00</b>

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	-
NOV 2021 BULK ACCOUNT	R 14,522,530.48	R 14,522,530.48		R 14,522,530.48	-
DEC 2021 BULK ACCOUNT	R 11,107,773.22	R 11,107,773.22		R 11,107,773.22	-
JAN 2022 BULK ACCOUNT	R 17,098,078.18	R 17,098,078.18		R 17,098,078.18	-
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	-
<b>Total Debt as per SPM</b>	<b>R 174,076,331.87</b>	<b>R 157,684,572.81</b>	<b>R 16,391,759.06</b>	<b>R 136,517,943.57</b>	<b>R 37,558,388.30</b>
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
<b>TOTAL INTEREST CHARGES</b>	<b>-R 14,703,680.46</b>				<b>-R 14,703,680.46</b>
<b>NET OUTSTANDING</b>	<b>R 159,372,651.41</b>			<b>R 136,517,943.57</b>	<b>R 22,854,707.84</b>

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 eleven instalments amounting to R73,700 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 - M01 July										
Capital expenditure	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Budget Variance IYM % - 8.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	627,331	193	193	52,278	0.37%	(52,084)	-99.6%	0.0%	(52,084)	-8.3%
Funded by										
Capital transfers recognised	594,927	193	193	49,577	0.39%	(49,384)	-99.6%	0.0%	(49,384)	-8.3%
Internally generated funds	32,404	–	–	2,700	0.0%	(2,700)	-100.0%	0.0%	(2,700)	-8.3%
Weighting Capital transfer recognised	94.8%	100.0%	100.0%	94.8%						
Weighting Internally generated funds	5.2%	0.0%	0.0%	5.2%						

Table 7: High level summary: Capital Expenditure

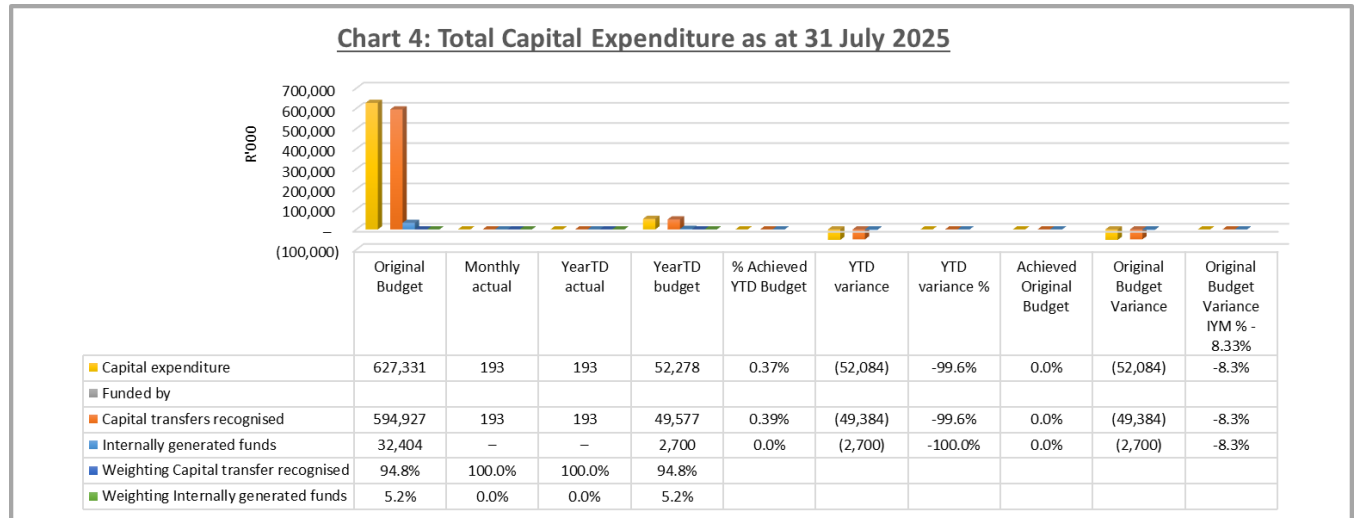


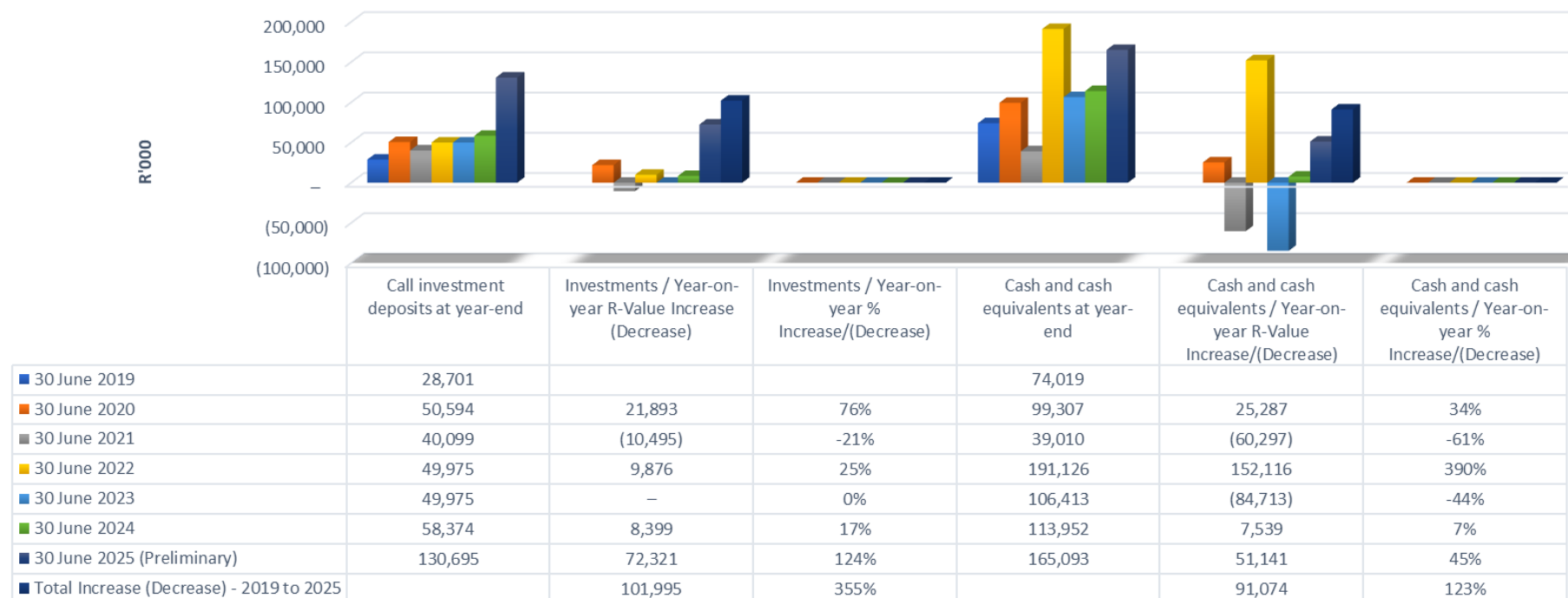
Chart 4: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of July 2025 amounted to R193 thousand and 0.37% spent when compared to the YTD budget of R52,278 million and 0.37% spent when compared to the Original Budget of R627,331 million. The total YTD capex is funded from Capital grants R193 thousand (100%) and Internally generated funds R0 (0%). 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.

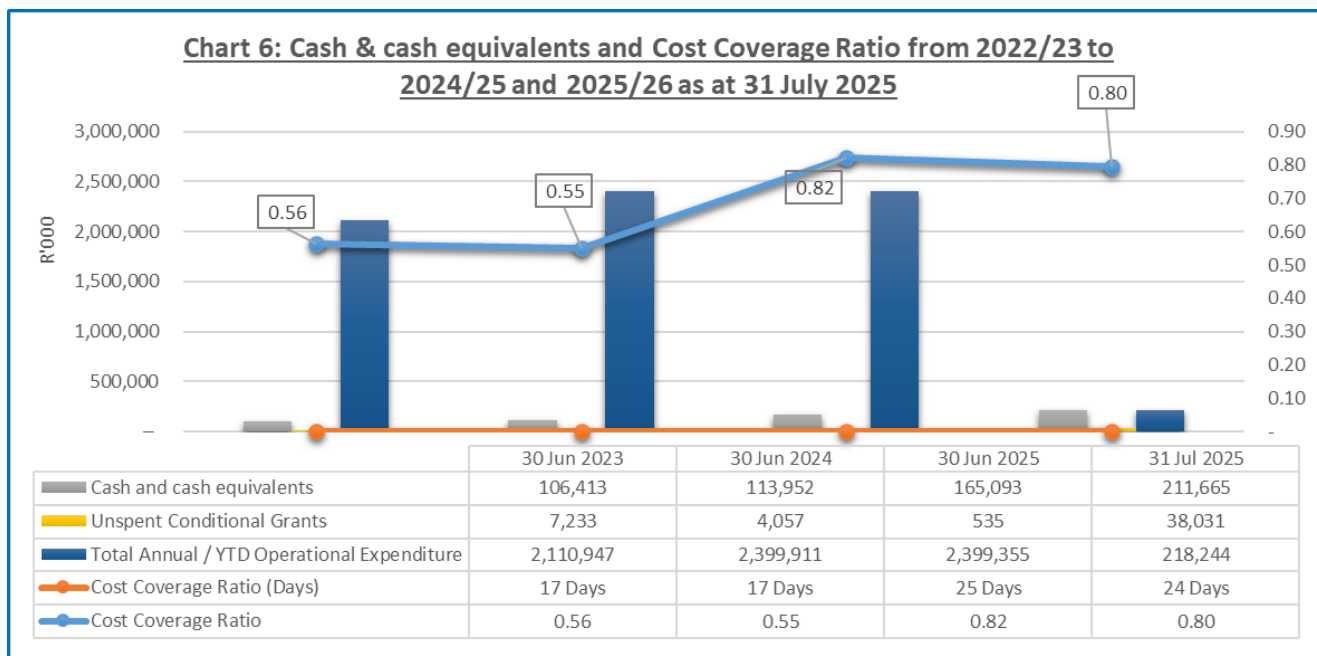
## 4.4 Cash flows

**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 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 and increased by R72,321 million (124%) from 2024 to 2025. From 2019 to 2025, the total investments increased by R101,995 million (355%). 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**

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 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 preliminary outcome for the year ended 30 June 2025 is (0.82; 25 days; R165,093m). The Cost coverage ratio as at 31 July 2025 is calculated at (0.80; 24 days; R211,665m). Unspent conditional grants amounted to R38,031 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 2024/25 financial year as six 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 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										
	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
R thousands	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	32,355	3.9%	20,321	2.4%	20,747	2.5%	763,486	91.2%	836,909	18.9%
Trade and Other Receivables from Exchange Transactions - Electricity	72,802	20.5%	24,408	6.9%	18,661	5.2%	239,764	67.4%	355,635	8.0%
Receivables from Non-exchange Transactions - Property Rates	149,636	14.7%	19,688	1.9%	15,580	1.5%	830,465	81.8%	1,015,369	23.0%
Receivables from Exchange Transactions - Waste Water Management	10,173	3.3%	7,078	2.3%	6,574	2.1%	282,221	92.2%	306,046	6.9%
Receivables from Exchange Transactions - Waste Management	8,255	3.5%	5,419	2.3%	4,918	2.1%	217,732	92.1%	236,325	5.3%
Receivables from Exchange Transactions - Property Rental Debtors	1,016	1.0%	1,966	1.9%	2,193	2.1%	100,982	95.1%	106,157	2.4%
Interest on Arrear Debtor Accounts	23,902	2.1%	23,448	2.1%	23,264	2.0%	1,068,481	93.8%	1,139,096	25.7%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-	-	-	-	-	-	-	-	-
Other	8,674	2.0%	8,657	2.0%	4,844	1.1%	406,196	94.8%	428,372	9.7%
<b>Total By Income Source</b>	<b>306,813</b>	<b>6.9%</b>	<b>110,986</b>	<b>2.5%</b>	<b>96,781</b>	<b>2.2%</b>	<b>3,909,328</b>	<b>88.4%</b>	<b>4,423,908</b>	<b>100.0%</b>
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	132,987	14.8%	17,148	1.9%	11,519	1.3%	735,331	82.0%	896,984	20.3%
Commercial	76,882	10.5%	27,823	3.8%	22,494	3.1%	605,670	82.6%	732,869	16.6%
Households	94,212	3.5%	63,649	2.4%	60,493	2.3%	2,442,885	91.8%	2,661,238	60.2%
Other	2,732	2.1%	2,366	1.8%	2,276	1.7%	125,442	94.4%	132,816	3.0%
<b>Total By Customer Group</b>	<b>306,813</b>	<b>6.9%</b>	<b>110,986</b>	<b>2.5%</b>	<b>96,781</b>	<b>2.2%</b>	<b>3,909,328</b>	<b>88.4%</b>	<b>4,423,908</b>	<b>100.0%</b>

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 R4,423,908 billion as at the end of July 2025 and the bulk of SPM's debt is aged over 90 days with an overall weighting of 88.4%.

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 94.8%.
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 95.1%
- ❖ Receivables from Exchange Transactions – Property Rates (81.8%); Waste Water Management (92.1%) and Waste Management (92.1%).

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

- ❖ Receivables from Non-exchange Transactions - Property Rates at 23%
- ❖ Interest on Arrear Debtor Accounts 25.7%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 18.9%

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 82.0%; Commercial at 82.6%; Households at 91.8% and Other at 94.4%.

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

- ❖ Organs of state at 20.3%, total debt outstanding is R896,984 million
- ❖ Businesses at 16.6%, total debt outstanding is R732,869 million
- ❖ Households at 60.2%, total debt outstanding is R2,661,238 billion
- ❖ Other at 3.0%, total debt outstanding is R132,816 million.



Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt decreased to 88% for the month under review. Debt over 90 days increased by R42,479 million in respect of the month-to-month comparison. The month-to-month increase, on total debt amounted to R173,821 million. This is attributable to the annual billing on Property rates. 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.

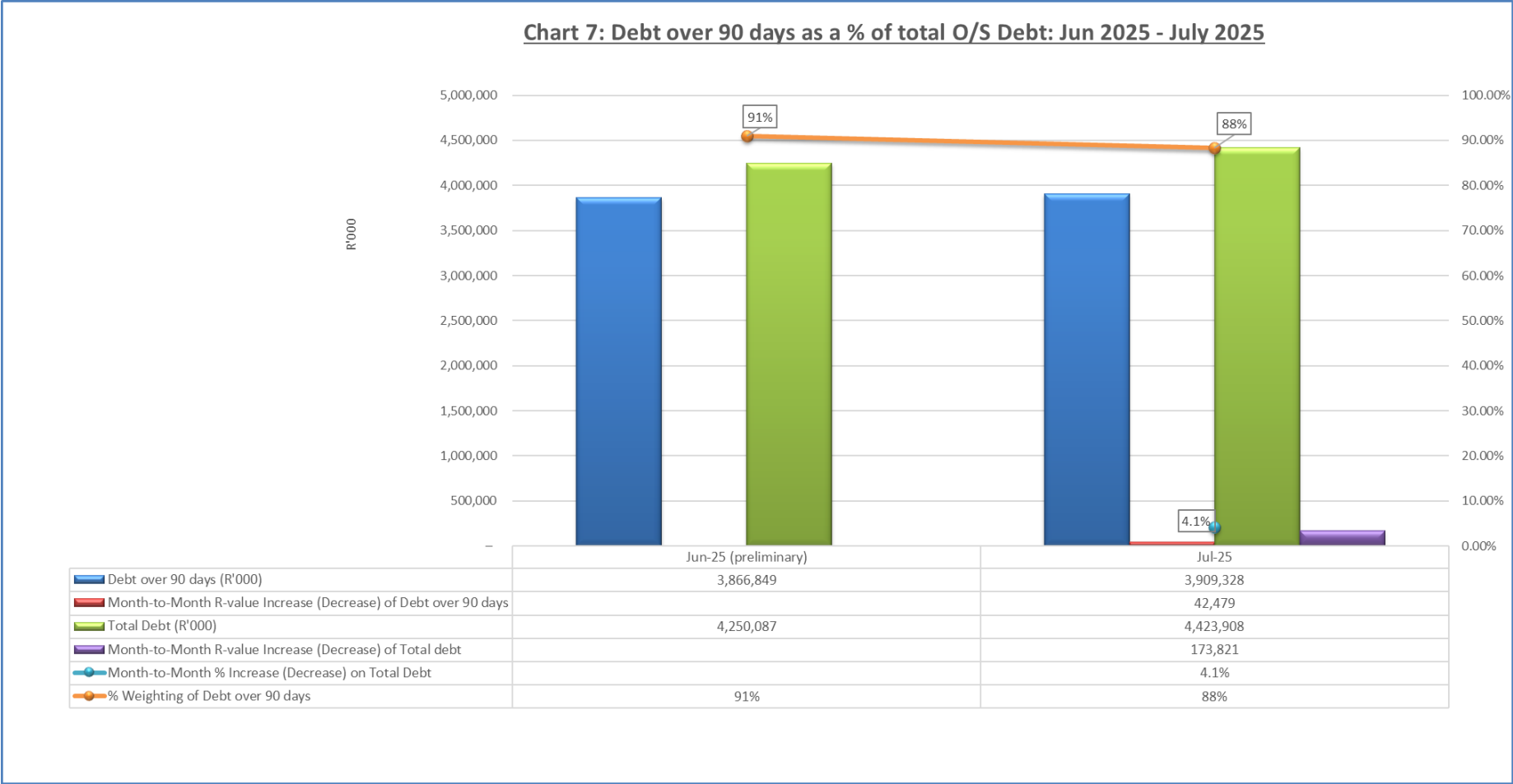
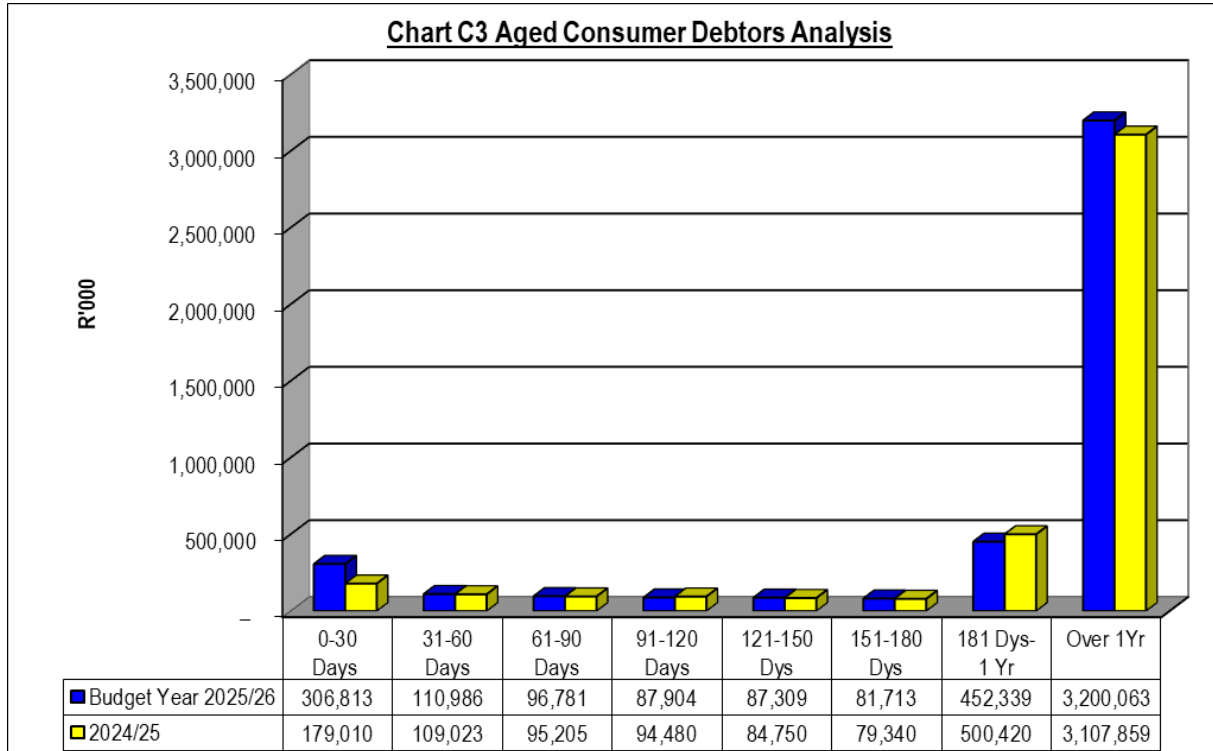
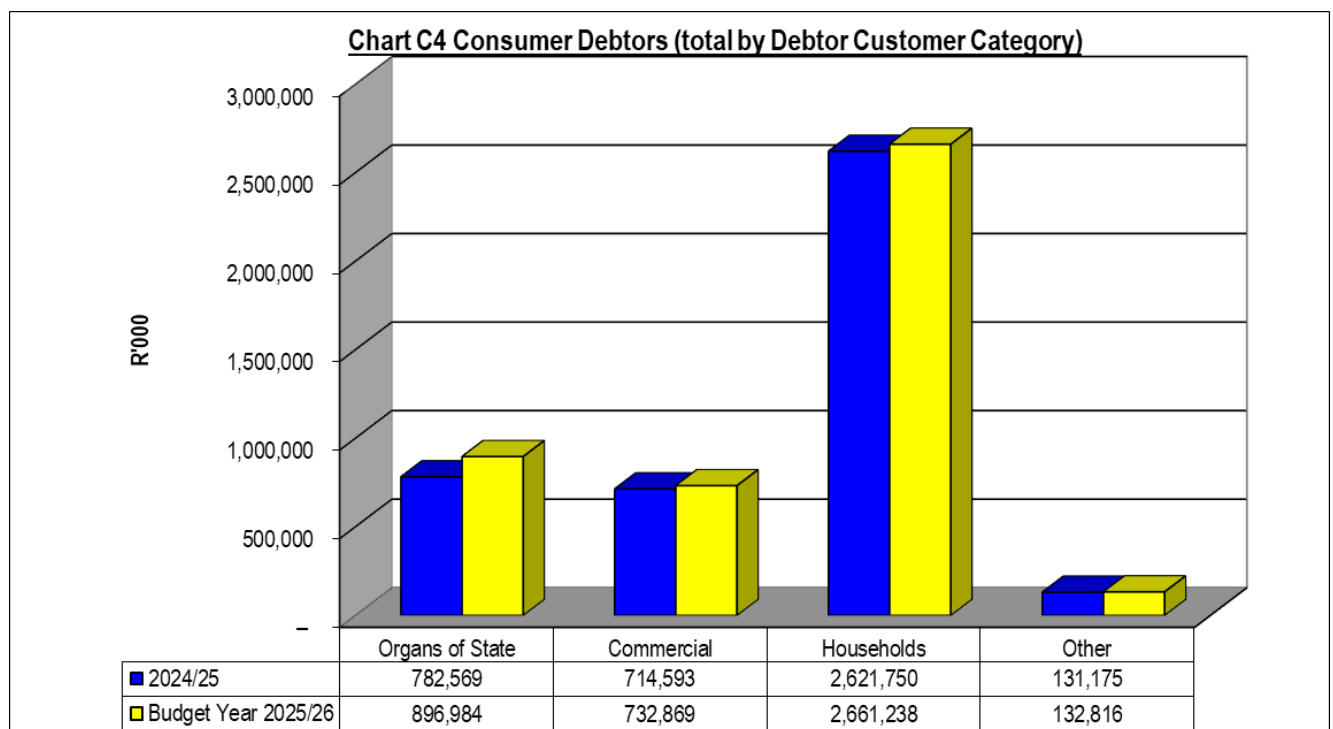


Chart 7: Debt over 90 days as a percentage of Total O/S Debt

- 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 July 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 2024/25 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 June 2025 and received in July 2025, the monthly collection rate is 71%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 64%. It should be noted that receipts are aligned to the billing cycle which is normally from the 26<sup>th</sup> of the prior month to the 25<sup>th</sup> of the current month. The monthly collection rate is not satisfactory for the month under review. Unallocated receipts amounted to R3,197 million and will be allocated during August 2025. Indicated in Table 10 below is the revised average collection rate of 47.4%, 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 collection rate is distorted due to the annual billing on Property rates. 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 90%, for the second cycle of the municipal debt relief.

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 July to 31 July 2025. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, have until the end of September 2025 to settle their outstanding accounts.

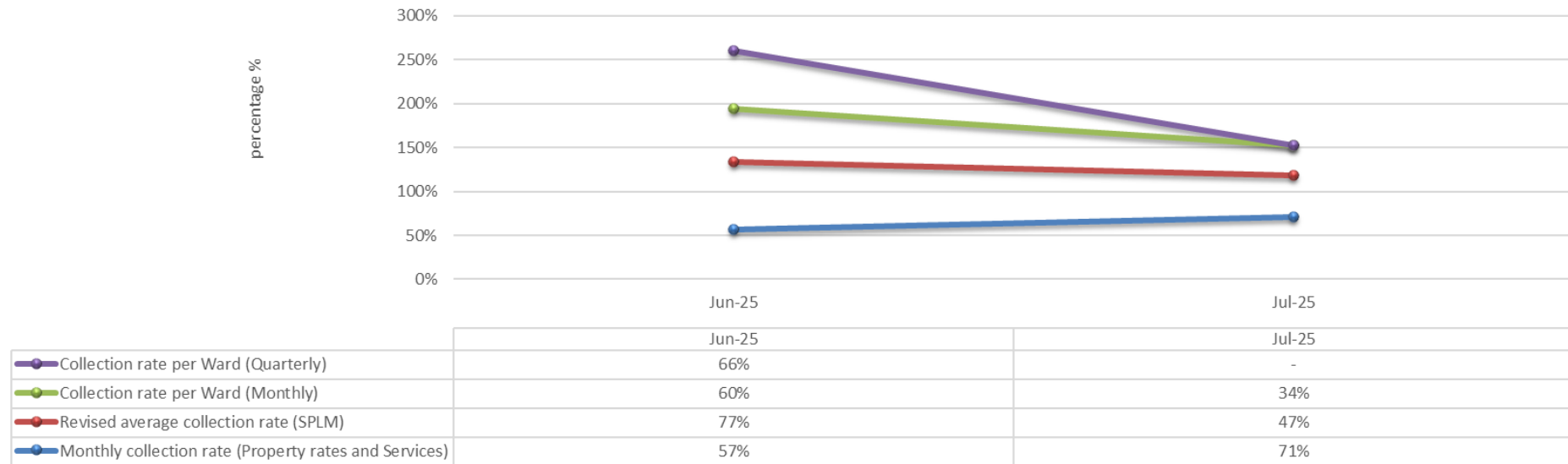
<b>Monthly Collection Rate</b>	<b>Debits (Billed June 2025)</b>	<b>Credits (Received July 2025)</b>	<b>% Collected</b>
PROPERTY RATES	50,689,885	37,054,544	73%
ELECTRICITY	50,626,280	45,718,570	90%
WATER	27,479,883	13,344,926	49%
SEWERAGE	10,128,379	3,849,476	38%
REFUSE	8,101,009	3,731,231	46%
<b>PROPERTY RATES &amp; SERVICES</b>	<b>147,025,435</b>	<b>103,698,747</b>	<b>71%</b>
OTHER	29,136,249	9,624,412	33%
<b>TOTAL</b>	<b>176,161,684</b>	<b>113,323,158</b>	<b>64%</b>

Table 9: Monthly collection rate

<b>REVENUE BY SOURCE</b>	<b>YTD ACTUAL JULY 2025</b>	<b>YTD RECEIPTS</b>	<b>Rate</b>
PROPERTY RATES	R 165,287,886	R 37,221,088	<b>22.5%</b>
SERVICE CHARGE ELECTRICITY	R 63,551,173	R 45,324,609	<b>71.3%</b>
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 34,930,874	R 34,930,874	<b>100.0%</b>
SERVICE CHARGE WATER	R 20,227,510	R 13,490,218	<b>66.7%</b>
SERVICE CHARGE SANITATION	R 8,680,381	R 4,010,486	<b>46.2%</b>
SERVICE CHARGE REFUSE	R 7,112,884	R 3,840,775	<b>54.0%</b>
UNALLOCATED CREDITS		R 3,197,340	
<b>REVISED AVERAGE COLLECTION RATE - JULY 2025</b>	<b>R 299,790,708</b>	<b>R 142,015,389</b>	<b>47.4%</b>

Table 10: Revised Average collection rate

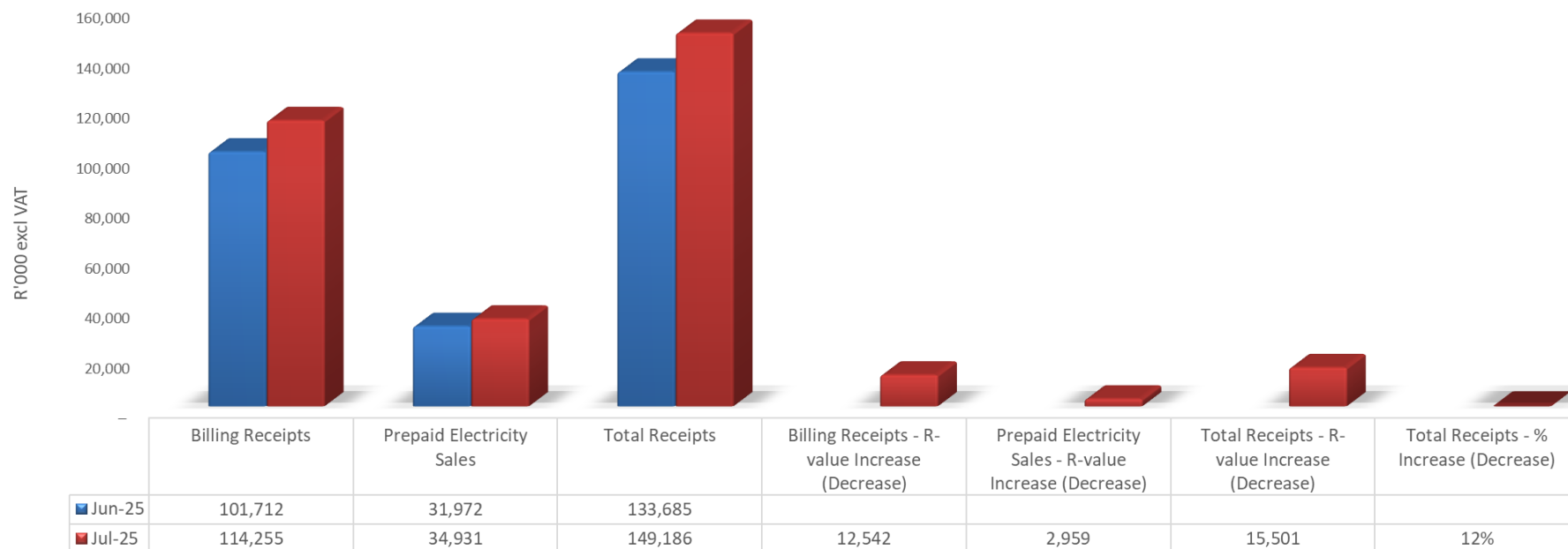
**Chart 10: Comparative trend: Monthly and Revised average collection rate - Jun 2025 to July 2025**



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

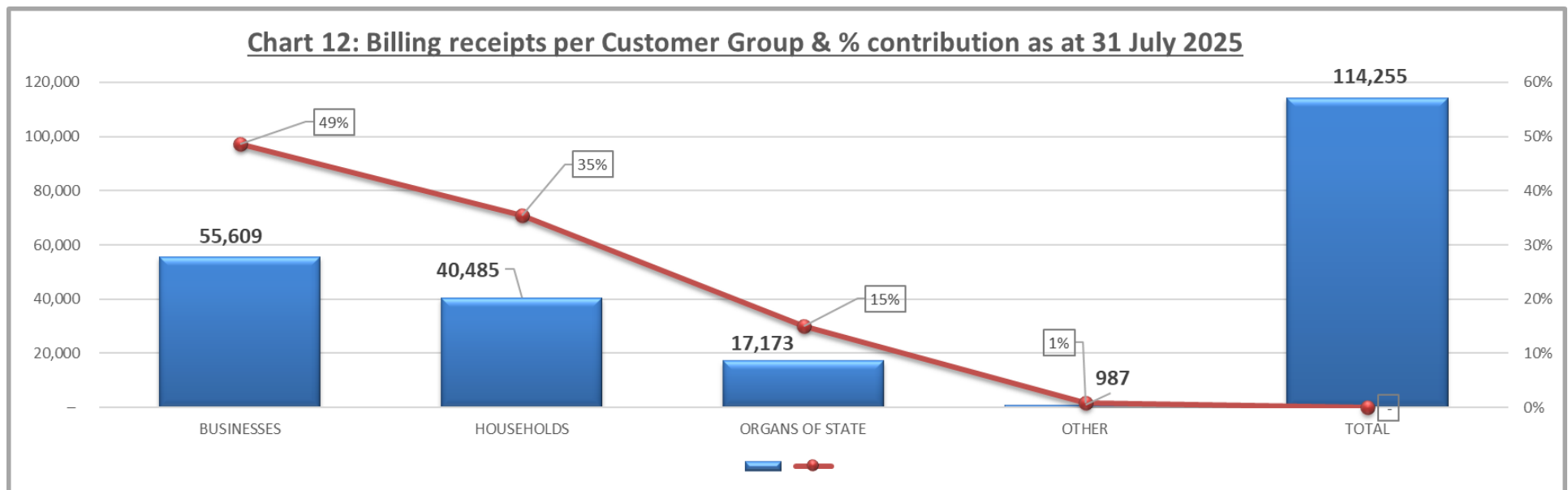
Indicated in Chart 10 above, is the comparative trend between the monthly and average collection rate from June 2025 to July 2025. The monthly collection rate (Property rates & Services) for July 2025 is not satisfactory at 71%. The revised average collection for July 2025 which includes Prepaid sales is 47%, for the month under review. The collection rate is distorted due to the annual billing on Property rates. 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 26<sup>th</sup> of the previous month to 25<sup>th</sup> 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 34% for the month under review. This is due to the annual billing on Property rates. 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 R3,197 million was unallocated at month-end.

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



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

As indicated in Chart 11 above, the Total Receipts for July 2025 amounted to R149,186 million which resulted in an increase of R15,501 million (12%) in respect of the month-to-month comparison. Billing receipts increased by R12,542 million, whilst Prepaid Electricity Sales increased by R2,959 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 R3,197 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 31 July 2025. The municipality received R55,609 million (49%) from Businesses, Households R40,485 million (35%), Organs of State R17,173 million (15%) and Other R987 thousand (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
<b>Creditor Age Analysis</b>									
Bulk Electricity	146,873	11.3%	131,970	10.1%	27,292	2.1%	998,967	76.5%	1,305,102
Bulk Water	21,434	14.3%	3,179	2.1%	-	-	125,412	83.6%	150,026
PAYE deductions	11,710	100.0%	-	-	-	-	-	-	11,710
VAT (output less input)	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	8,668	100.0%	-	-	-	-	-	-	8,668
Loan repayments	-	-	-	-	-	-	-	-	-
Trade Creditors	7,255	69.8%	1,643	15.8%	1,497	14.4%	-	-	10,394
Auditor-General	5	13.8%	32	86.2%	-	-	-	-	37
Other	11,777	35.1%	841	2.5%	270	8%	20,659	61.6%	33,548
Medical Aid deductions	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>207,722</b>	<b>13.7%</b>	<b>137,665</b>	<b>9.1%</b>	<b>29,059</b>	<b>1.9%</b>	<b>1,145,038</b>	<b>75.4%</b>	<b>1,519,485</b>

Table 11: Part 5: Creditors Age Analysis

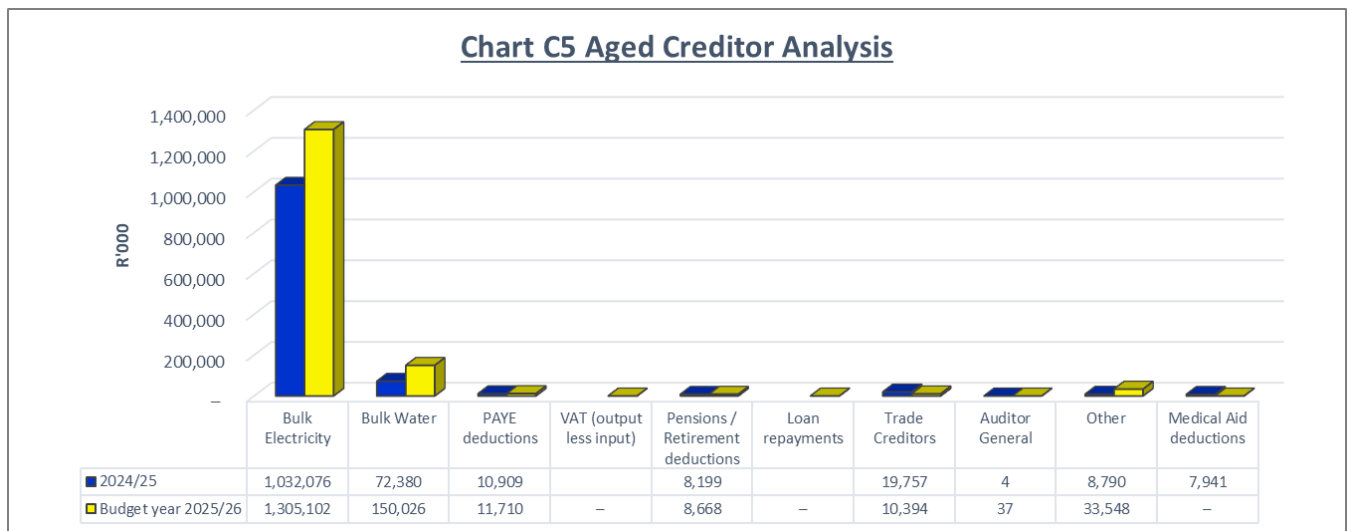


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2024/25 in Chart 13 is based on the outstanding creditors as at 31 July 2024 (prior year totals for the same period). Articulated in Table 11 above, is the age creditors analysis, which is standing at R1,519,485 billion owed to creditors. The analysis shows that 13.7% of creditors is owed between 0 to 30 days, whilst 75.4% of creditors is owed over 90 days. Bulk Electricity is the largest creditor at 85.9%.

**Bulk Electricity** – As at the 31 July 2025, the outstanding debt owed to ESKOM amounted to R1,305,102 billion.

**Bulk Water** – As at the 31 July 2025, the outstanding debt owed to DWS amounted R150,026 million. A payment agreement with DWS for the 2022/23 financial year was concluded for a period of 24 months as the municipality 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, the municipality paid an amount of R106 million to SARS.

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

**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 R5 thousand. The June invoice of R32 thousand was settled on 4 August 2025.

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

**Medical Aid deductions** –medical aid contributions were settled on or before 31 July 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 31 July 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:

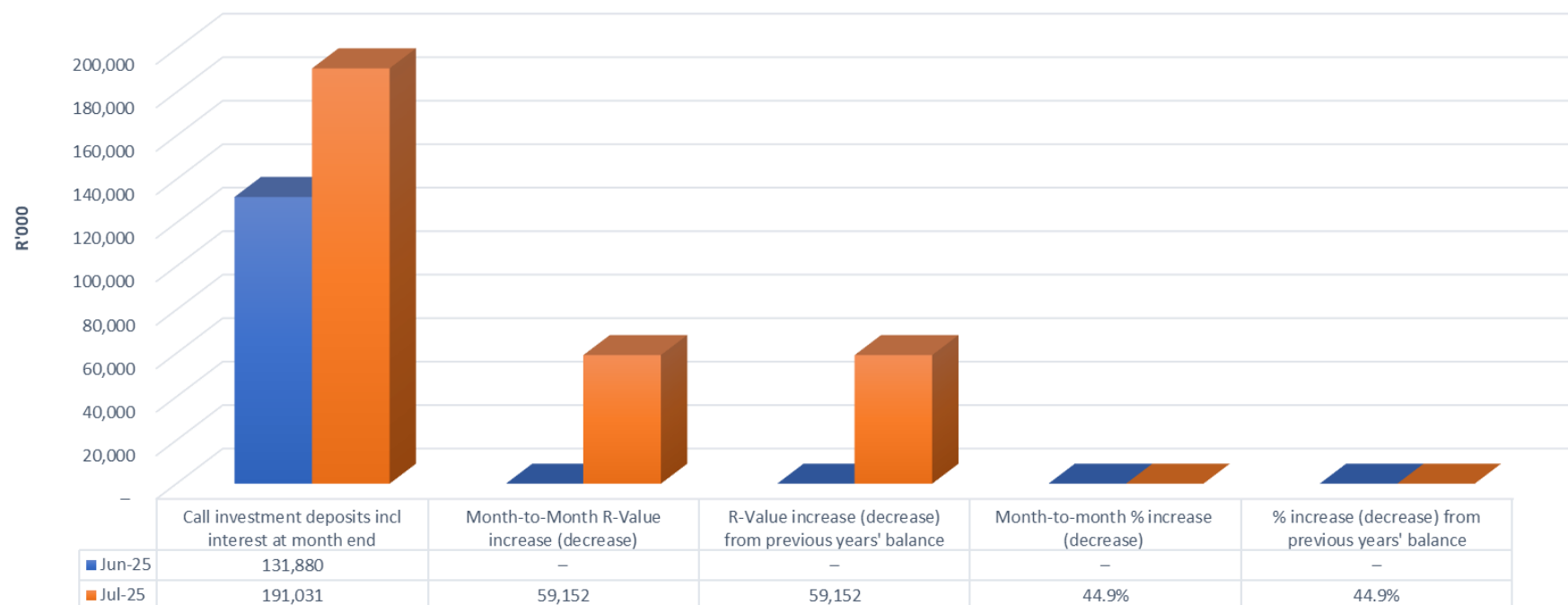
Purpose	R'000
• A fixed deposit that was invested and ceded to Development Bank of South Africa representing the equivalent of one instalment of the long-term loan.	22,309
• A fixed deposit that was made as a security to the Self-Insurance Workman Compensation reserve as required by the Department of Labour - Compensation Commissioner.	7,401
• Unspent Capital grant receipts that was invested for the current year.	74,928
• Own funds invested - Ring-fenced Eskom income / If amount is NEGATIVE, it means that there is Grant funds in the main account	86,393
<b>Total</b>	<b>191,031</b>

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July

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
		Yrs/Months												
<b>R thousands</b>														
<b>Municipality</b>														
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		97,321	1,193	(106,193)	164,000	156,321
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	9.71%	0		2023/06/28	7,408	53	(59)	-	7,401
Standard Bank - 04 846 6271-091		Monthly	Notice	No	Fixed	890.00%	0	n/a	2024/06/30	5,000	34	(34)	-	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	22,151	158	-	-	22,309
<b>Municipality sub-total</b>										<b>131,880</b>	<b>1,438</b>	<b>(106,286)</b>	<b>164,000</b>	<b>191,031</b>

Table 12: Supporting Table SC5: Investment portfolio

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



**Chart 14: Call investment deposits at month-end**

As indicated in the Chart 14 above from June 2025 to July 2025 investments incl interest increased by R59,152 million (44.9)%, in respect of the month-to-month comparison. Investments increased by R59,152 million (44.9%) when compared to the previous years' balance of R131,880 million. 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 - M01 July

Description	Ref	2024/25	Budget Year 2025/26							
		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:		294,064	314,669	314,669	125,718	125,718	26,222	99,496	379.4%	314,669
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Equitable Share		282,104	301,722	301,722	125,718	125,718	25,144	100,575	400.0%	301,722
Expanded Public Works Programme Integrated Grant		2,927	4,442	4,442	–	–	370	(370)	-100.0%	4,442
Infrastructure Skills Development Grant		4,474	4,400	4,400	–	–	367	(367)	-100.0%	4,400
Integrated Urban Development Grant		2,759	2,305	2,305	–	–	192	(192)	-100.0%	2,305
Local Government Financial Management Grant		1,800	1,800	1,800	–	–	150	(150)	-100.0%	1,800
Municipal Disaster Relief Grant		–	–	–	–	–	–	–		–
Municipal Infrastructure Grant		–	–	–	–	–	–	–		–
Municipal Systems Improvement Grant		–	–	–	–	–	–	–		–
Other transfers and grants [insert description]										
Provincial Government:		19,321	9,007	9,007	–	–	751	(751)	-100.0%	9,007
Capacity Building and Other Grants		9,264	9,007	9,007	–	–	751	(751)	-100.0%	9,007
Infrastructure Grant		10,057			–	–	–	–		–
Other transfers and grants [insert description]										
District Municipality:		–	–	–	–	–	–	–		–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–		–
ESKOM		–	–	–	–	–	–	–		–
European Union		–	–	–	–	–	–	–		–
Higher Education SA (HESA)		–	–	–	–	–	–	–		–
Unspecified		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants	5	313,385	323,676	323,676	125,718	125,718	26,973	98,745	366.1%	323,676
Capital Transfers and Grants										
National Government:		574,062	684,166	684,166	–	–	57,014	(57,014)	-100.0%	684,166
Energy Efficiency and Demand Side Management Grant		5,000	5,000	5,000	–	–	417	(417)	-100.0%	5,000
Integrated National Electrification Programme Grant		4,500	19,000	19,000	–	–	1,583	(1,583)	-100.0%	19,000
Integrated Urban Development Grant		72,562	76,066	76,066	–	–	6,339	(6,339)	-100.0%	76,066
Municipal Infrastructure Grant		–	–	–	–	–	–	–		–
Neighbourhood Development Partnership Grant		–	100	100	–	–	8	(8)	-100.0%	100
Regional Bulk Infrastructure Grant		492,000	574,000	574,000	–	–	47,833	(47,833)	-100.0%	574,000
Water Services Infrastructure Grant		–	10,000	10,000	–	–	833	(833)	-100.0%	10,000
Provincial Government:		–	–	–	–	–	–	–		–
Infrastructure Grant		–	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Specify (Add grant description)		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]										
European Union		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants	5	574,062	684,166	684,166	–	–	57,014	(57,014)	-100.0%	684,166
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	887,448	1,007,842	1,007,842	125,718	125,718	83,987	41,731	49.7%	1,007,842

Table 13: Supporting Table SC6: Transfers and grant receipts

Operational grant monies received for the month under review.

Equitable Share - R125,718 million

ISDG - R2,400 million

Capital grant monies received for the month under review.

WSIG - R3,000 million

INEP - R8,550 million

IUDG - R37,496 million

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

## Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M01 July

Description	Ref	2024/25	Budget Year 2025/26							
		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:		263,764	252,673	252,673	7,318	7,318	20,123	(12,805)	-63.6%	252,673
Equitable Share		252,416	239,722	239,722	6,925	6,925	19,044	(12,119)	-63.6%	239,722
Expanded Public Works Programme Integrated Grant		3,143	4,442	4,442	36	36	370	(334)	-90.3%	4,442
Infrastructure Skills Development Grant		4,349	4,400	4,400	244	244	367	(123)	-33.5%	4,400
Integrated Urban Development Grant		2,056	2,305	2,305	71	71	192	(121)	-63.0%	2,305
Local Government Financial Management Grant		1,800	1,804	1,804	42	42	150	(108)	-72.1%	1,804
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		14,118	8,942	11,442	100	100	954	(853)	-89.5%	11,442
Capacity Building and Other Grants		8,647	8,942	8,942	40	40	745	(705)	-94.6%	8,942
Infrastructure Grant		5,471	-	2,500	60	60	208	(148)	-71.1%	2,500
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		277,882	261,615	264,115	7,418	7,418	21,077	(13,658)	-64.8%	264,115
Capital expenditure of Transfers and Grants										
National Government:		504,592	594,927	594,927	193	193	49,577	(49,384)	-99.6%	594,927
Energy Efficiency and Demand Side Management Grant		4,545	4,348	4,348	-	-	362	(362)	-100.0%	4,348
Integrated National Electrification Programme Grant		3,958	16,522	16,522	-	-	1,377	(1,377)	-100.0%	16,522
Integrated Urban Development Grant		64,588	66,144	66,144	193	193	5,512	(5,319)	-96.5%	66,144
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	87	87	-	-	7	(7)	-100.0%	87
Regional Bulk Infrastructure Grant		431,501	499,130	499,130	-	-	41,594	(41,594)	-100.0%	499,130
Water Services Infrastructure Grant		-	8,696	8,696	-	-	725	(725)	-100.0%	8,696
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		504,592	594,927	594,927	193	193	49,577	(49,384)	-99.6%	594,927
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		782,474	856,542	859,042	7,612	7,612	70,654	(63,042)	-89.2%	859,042

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 R1,987 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 allocation for the EPWP is R4,442 million. In addition to this, the municipality budgeted R15,000 million for this programme.

	Original Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original	% Spent Adj Budget
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,144	193	193	6,282	0.29%	0.29%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,348	-	-	-	0.00%	0.00%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	499,130	-	-	-	0.00%	0.00%
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	16,522	-	-	-	0.00%	0.00%
NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)	87	-	-	-	0.00%	0.00%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	8,696	-	-	-	0.00%	0.00%
<b>Grand Total</b>	<b>594,927</b>	<b>193</b>	<b>193</b>	<b>6,282</b>	<b>0.03%</b>	<b>0.03%</b>

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R193 thousand or 0.03% spent against the Original capital grant allocation of R594,927 million. Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes and/or work still in progress. It remains concerning that YTD capital expenditure is so low. It should be noted that grant budget and 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 2024/25 financial year will be submitted to National Treasury on or before 31 August 2025.

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 - M01 July

Summary of Employee and Councillor remuneration	Ref	2024/25	Budget Year 2025/26							
		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
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		–	30,893	30,893	2,268	2,268	2,574	(307)	-12%	30,893
Pension and UIF Contributions		985	1,540	1,540	77	77	128	(51)	-40%	1,540
Medical Aid Contributions		628	710	710	54	54	59	(5)	-9%	710
Motor Vehicle Allowance		–	950	950	93	93	79	14	18%	950
Cellphone Allowance		3,048	2,910	2,910	251	251	242	8	3%	2,910
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		29,890	80	80	–	–	7	(7)	-100%	80
<b>Sub Total - Councillors</b>		<b>34,551</b>	<b>37,083</b>	<b>37,083</b>	<b>2,743</b>	<b>2,743</b>	<b>3,090</b>	<b>(348)</b>	<b>-11%</b>	<b>37,083</b>
<b>% increase</b>	4		7.3%	7.3%						7.3%
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		4,593	8,743	8,743	353	353	729	(375)	-52%	8,743
Pension and UIF Contributions		407	1,351	1,351	33	33	113	(80)	-71%	1,351
Medical Aid Contributions		186	140	140	16	16	12	4	36%	140
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		1,041	2,113	2,113	87	87	176	(89)	-51%	2,113
Cellphone Allowance		101	198	198	8	8	17	(8)	-49%	198
Housing Allowances		21	24	24	2	2	2	(0)	-12%	24
Other benefits and allowances		–	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		15	31	31	1	1	3	(1)	-50%	31
Post-retirement benefit obligations		–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>		<b>6,364</b>	<b>12,601</b>	<b>12,601</b>	<b>500</b>	<b>500</b>	<b>1,050</b>	<b>(550)</b>	<b>-52%</b>	<b>12,601</b>
<b>% increase</b>	4		98.0%	98.0%						98.0%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		464,728	538,612	538,115	40,907	40,907	44,843	(3,936)	-9%	538,115
Pension and UIF Contributions		84,296	99,661	99,661	7,299	7,299	8,305	(1,006)	-12%	99,661
Medical Aid Contributions		63,817	69,790	69,790	5,363	5,363	5,816	(452)	-8%	69,790
Overtime		72,922	58,301	58,301	7,317	7,317	4,858	2,458	51%	58,301
Performance Bonus		30,549	39,432	39,432	783	783	3,286	(2,503)	-76%	39,432
Motor Vehicle Allowance		41,726	50,362	50,362	3,431	3,431	4,197	(766)	-18%	50,362
Cellphone Allowance		1,599	1,740	1,740	128	128	145	(17)	-12%	1,740
Housing Allowances		4,158	3,152	3,152	234	234	263	(29)	-11%	3,152
Other benefits and allowances		32,490	32,935	33,432	2,725	2,725	2,786	(61)	-2%	33,432
Payments in lieu of leave		5,258	16,200	16,200	65	65	1,350	(1,285)	-95%	16,200
Long service awards		30,757	31,845	31,845	–	–	2,654	(2,654)	-100%	31,845
Post-retirement benefit obligations		7,217	49,900	49,900	–	–	4,158	(4,158)	-100%	49,900
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
<b>Sub Total - Other Municipal Staff</b>		<b>839,516</b>	<b>991,931</b>	<b>991,931</b>	<b>68,253</b>	<b>68,253</b>	<b>82,661</b>	<b>(14,408)</b>	<b>-17%</b>	<b>991,931</b>
<b>% increase</b>	4		18.2%	18.2%						18.2%
<b>Total Parent Municipality</b>		<b>880,431</b>	<b>1,041,615</b>	<b>1,041,615</b>	<b>71,495</b>	<b>71,495</b>	<b>86,801</b>	<b>(15,306)</b>	<b>-18%</b>	<b>1,041,615</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>880,431</b>	<b>1,041,615</b>	<b>1,041,615</b>	<b>71,495</b>	<b>71,495</b>	<b>86,801</b>	<b>(15,306)</b>	<b>-18%</b>	<b>1,041,615</b>
<b>% increase</b>	4		18.3%	18.3%						18.3%
<b>TOTAL MANAGERS AND STAFF</b>		<b>845,880</b>	<b>1,004,532</b>	<b>1,004,532</b>	<b>68,753</b>	<b>68,753</b>	<b>83,711</b>	<b>(14,958)</b>	<b>-18%</b>	<b>1,004,532</b>

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 18%. Long service award sub-item changed and these transactions rejected, but a corrective journal was processed during August 2025. 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 13<sup>th</sup> 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 11% 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 is normally issued and implemented during December of the year.

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 and 2024/25 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.

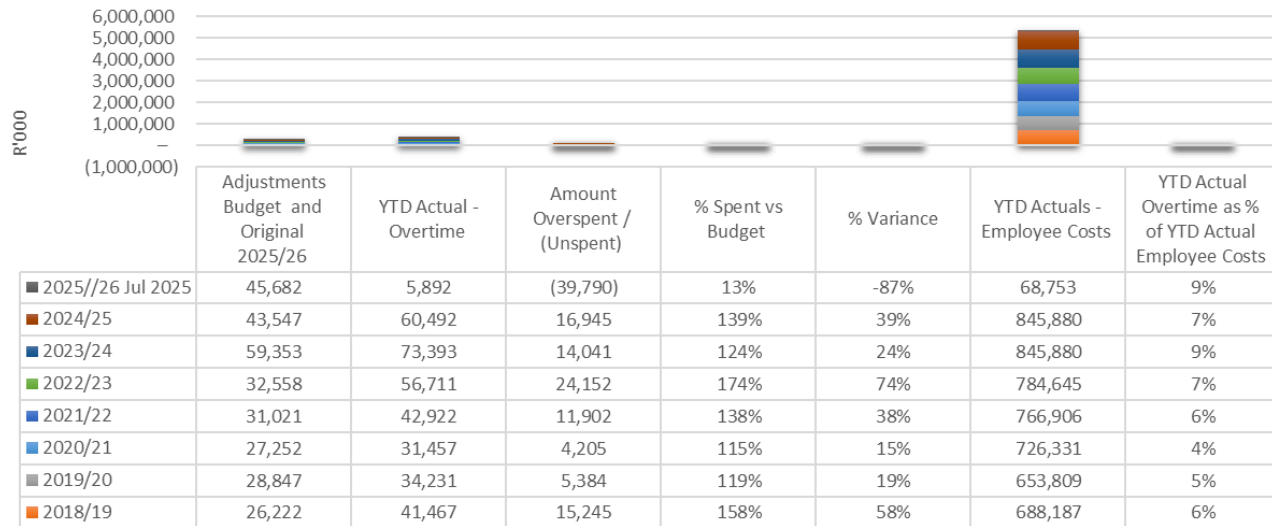
And indicated in Table 18 below, is the YTD Overtime expenditure per line item and also per Directorate as at end of July 2025.

Description per line item (Amount in Rand)	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget
MS: OVERTIME - NON STRUCTURED	42,176,000	5,627,745	5,627,745	13%
MS: OVERTIME - STRUCTURED	3,506,000	264,238	264,238	8%
<b>Overtime as at 31 July 2025</b>	<b>45,682,000</b>	<b>5,891,983</b>	<b>5,891,983</b>	<b>13%</b>
Row Labels	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget
20-EXECUTIVE AND COUNCIL	560,000	48,518	48,518	9%
21-MUNICIPAL AND GENERAL	-	-	-	
22-MUNICIPAL MANAGER	-	14,326	14,326	
23-CORPORATE SERVICES	2,035,000	574,771	574,771	28%
24-COMMUNITY SERVICES	17,145,000	1,626,513	1,626,513	9%
26-FINANCIAL SERVICES	1,216,000	212,656	212,656	17%
27-STRATEGY, ECONOMIC DEVELOPMENT & PL	1,112,000	53,882	53,882	5%
28-INFRASTRUCTURE SERVICES	23,614,000	3,361,318	3,361,318	14%
<b>Overtime as at 31 July 2025</b>	<b>45,682,000</b>	<b>5,891,983</b>	<b>5,891,983</b>	<b>13%</b>

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 13% spent versus the Original budget, resulting in a fairly satisfactory variance of 4.6% for the period under review, when compared to the ideal IYM percentage of 8.33%.

**Chart 15.1: Overtime Actual vs Budget - 2018/19 to 2025/26**

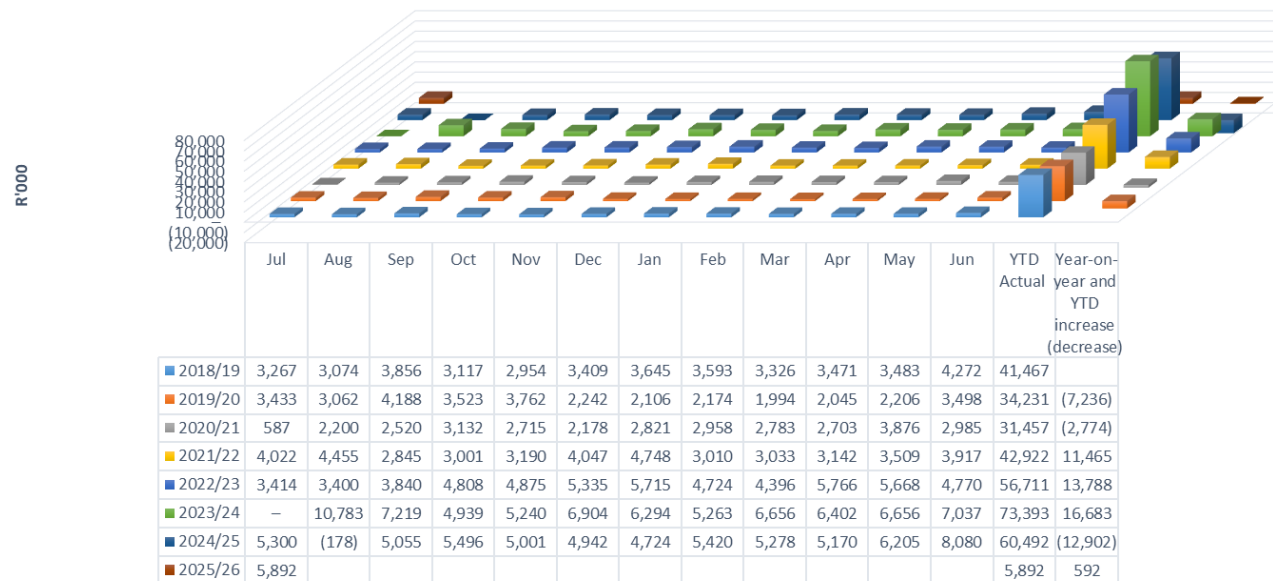


Indicated in Chart 15.1, is the actual Overtime versus Budget from 2018/19 to 2024/25 financial year, disclosing the percentage spent and the amount overspent/unspent per financial year. The chart also articulates the actual Overtime as a percentage of Total Employee costs for the same period.

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 July 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.

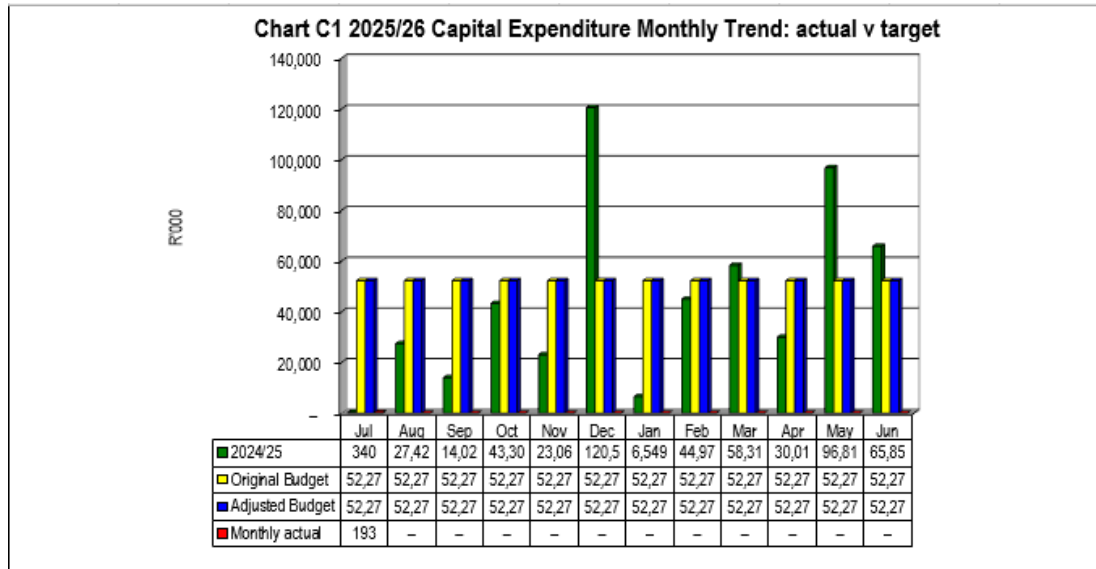
- Ensuring accountability across all directorates and ensuring that Executive directors, Line Managers and Supervisors take full responsibility.
- Identify and investigate possible abuse and alleged fraudulent allegations and taking disciplinary action, where applicable.
- Ensuring the compliance and 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

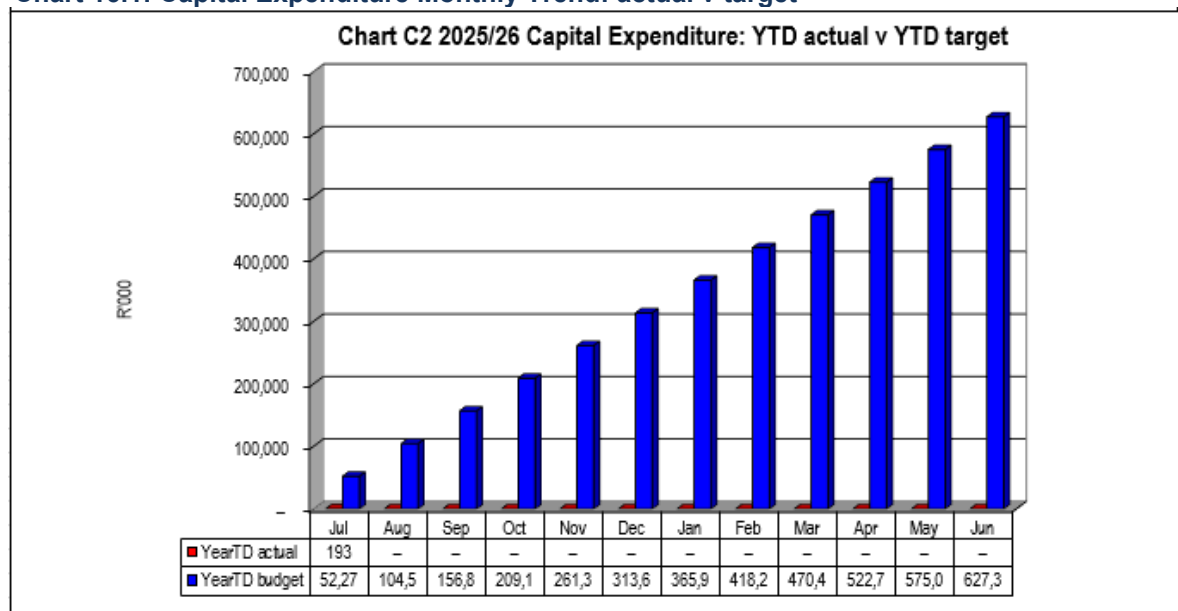
Material variances pertaining to financial performance are primarily addressed in the Executive summary under Sections 4.1 to 4.3 or emphasised elsewhere in this Monthly Budget Statement. Any other material variances to the SDBIP will be included in the quarterly Section 52 (d) report for the period ending 30 September 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
<b>INTERNALLY GENERATED FUNDS</b>	<b>32,404</b>	<b>32,404</b>	<b>-</b>	<b>-</b>	<b>2,844</b>	<b>0.00%</b>	<b>0.00%</b>
ACQ-COMPUTER EQUIPMENT REPLACEMENT	6,783	6,783	-	-	549	0.00%	0.00%
ACQ-FLEET REPLACEMENT	4,348	4,348	-	-	11	0.00%	0.00%
ACQ-FURNITURE AND OFFICE EQUIP REPLACEMENT	870	870	-	-	-	0.00%	0.00%
CAPITAL SPARES-ACQ-PREPAID METERS	435	435	-	-	-	0.00%	0.00%
DSITRBUTION-ACQ-WAT METER REPLACEMENT	435	435	-	-	-	0.00%	0.00%
PHDA PLANNING & SURVEYING	1,304	1,304	-	-	-	0.00%	0.00%
RUFURBISHMENT OF THE VINTAGE TRAM	1,409	1,409	-	-	-	0.00%	0.00%
PLANNING & DEVELOPMENT	870	870	-	-	-	0.00%	0.00%
CARTERS GLEN SEWER PUMP STATION	6,957	6,957	-	-	-	0.00%	0.00%
TOWNSHIP ESTABLISHMENT	1,739	1,739	-	-	245	0.00%	0.00%
TOWNSHIP REVITALISATION	870	870	-	-	-	0.00%	0.00%
FENCING OF MARKET	2,039	2,039	-	-	2,039	0.00%	0.00%
REFURBISHMENT OF HOMEVALE WWTW	4,348	4,348	-	-	-	0.00%	0.00%
<b>IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)</b>	<b>66,144</b>	<b>66,144</b>	<b>193</b>	<b>193</b>	<b>6,282</b>	<b>0.29%</b>	<b>0.29%</b>
UPGRADE GRAVEL ROADS WARDS VARIOUS	8,261	8,261	100	100	395	1.21%	1.21%
SPECIALISED FLEET REPLACEMENT	7,826	7,826	-	-	-	0.00%	0.00%
REFURBISHMENT OF HALLS	3,536	3,536	-	-	-	0.00%	0.00%
LINING OF STORMWATER CHANNELS WARD 16	2,609	2,609	93	93	670	3.58%	3.58%
CONSTRUCTION OLD SINK TOILETS	9,565	9,565	-	-	-	0.00%	0.00%
UPGRADE OF RITCHIE SPORTS GROUNDS	1,739	1,739	-	-	-	0.00%	0.00%
REDEVELOPMENT OF RC ELLIOT HALL	2,174	2,174	-	-	-	0.00%	0.00%
DEVELOPMENT OF RIVERTON HALL	870	870	-	-	-	0.00%	0.00%
FENCING OF ABC CEMETERY	5,217	5,217	-	-	5,217	0.00%	0.00%
SATELITE OFFICE CONTAINERS	870	870	-	-	-	0.00%	0.00%
GREENPOINT BUSINESS DEVELOPMENT CENTRE	2,174	2,174	-	-	-	0.00%	0.00%
BEACONSFIELD WASTE WATER TREATMENT WORKS	12,609	12,609	-	-	-	0.00%	0.00%
HIGH MAST LIGHTS	8,696	8,696	-	-	-	0.00%	0.00%
<b>EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)</b>	<b>4,348</b>	<b>4,348</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
STREETLIGHTS AND HIGH MAST RETROFITTING	4,348	4,348	-	-	-	0.00%	0.00%
<b>RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)</b>	<b>499,130</b>	<b>499,130</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
UPGRADE EXISTING/NEW RESERVOIR CONSTRUCT	46,541	46,541	-	-	-	0.00%	0.00%
REFURBISHMENT/REPLACEMENT BULK PIPELINE	366,547	366,547	-	-	-	0.00%	0.00%
KBY/RITCHIE NETWORK LEAK DETECT/REPAIR	32,220	32,220	-	-	-	0.00%	0.00%
KBY/RITCHIE BULK METERS/PRESSURE MANAGE	3,698	3,698	-	-	-	0.00%	0.00%
NEWTON AND RIVERTON WWTW	50,125	50,125	-	-	-	0.00%	0.00%
<b>INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)</b>	<b>16,522</b>	<b>16,522</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
ELECTRIFICATION OF JACKSONVILLE	5,891	5,891	-	-	-	0.00%	0.00%
NETWORKS ACQ - ELECTR SANTA CENTRE	2,804	2,804	-	-	-	0.00%	0.00%
GALESHEWE TRANSFORMER	7,826	7,826	-	-	-	0.00%	0.00%
<b>NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)</b>	<b>87</b>	<b>87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
REDEVELOPMENT OF RC ELLIOT HALL	87	87	-	-	-	0.00%	0.00%
<b>WSIG (WATER SERVICES INFRASTRUCTURE GRANT)</b>	<b>8,696</b>	<b>8,696</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
ACQ - CARTERS GLEN SEWER PUMP STATION	8,696	8,696	-	-	-	0.00%	0.00%
<b>Grand Total</b>	<b>627,331</b>	<b>627,331</b>	<b>193</b>	<b>193</b>	<b>9,126</b>	<b>0.03%</b>	<b>0.03%</b>

Table 19: Detailed capital expenditure report

Indicated in Table 19 above, is a list of projects with the applicable funding source compared to the Original budget. Capital expenditure as at the end of July 2025 is not at a desired level. Capital expenditure requires constant monitoring from management to improve the final outcome. The actual monthly expenditure for July 2025 amounted to R193 thousand. The total YTD Capex amounts to R139 thousand. 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 (0.29%), EEDSM (0%), RBIG (0%), INEP (0%), WSIG (0%). Spending on Internally generated funds is also 0% 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 for June 2025 is 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 July 2025.

- Monthly Debt Relief Non-Compliance Report accompanied by the Municipal Debt Relief Compliance Certificate issued by National Treasury for June 2025.

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



- The municipality's self-assessment for the month of July 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](http://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 second 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 R496 million for the second and third cycle.
- 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, June and July 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 - M01 July

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	687,339	717,920	717,920	165,288	165,288	59,827	105,461	176%	717,920
Service charges	1,449,312	1,761,512	1,761,512	134,503	134,503	146,793	(12,290)	-8%	1,761,512
Investment revenue	21,841	18,000	18,000	(817)	(817)	1,500	(2,317)	-154%	18,000
Transfers and subsidies - Operational	313,385	323,676	323,676	125,718	125,718	26,973	98,745	0	323,676
Other own revenue	402,648	413,080	413,080	31,479	31,479	34,423	(2,944)	-9%	413,080
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,874,526</b>	<b>3,234,188</b>	<b>3,234,188</b>	<b>456,171</b>	<b>456,171</b>	<b>269,516</b>	<b>186,655</b>	<b>69%</b>	<b>3,234,188</b>
Employee costs	845,880	1,004,532	1,004,532	68,753	68,753	83,711	(14,958)	-18%	1,004,532
Remuneration of Councillors	34,551	37,083	37,083	2,743	2,743	3,090	(348)	-11%	37,083
Depreciation and amortisation	10,092	90,200	90,200	—	—	7,517	(7,517)	-100%	90,200
Interest	37,362	15,880	15,880	0	0	14	(14)	-98%	15,880
Inventory consumed and bulk purchases	1,183,254	1,331,852	1,331,852	7,843	7,843	161,654	(153,811)	-95%	1,331,852
Transfers and subsidies	2,807	4,300	4,300	—	—	358	(358)	-100%	4,300
Other expenditure	2,029,949	728,658	728,658	15,906	15,906	60,722	(44,815)	-74%	728,658
<b>Total Expenditure</b>	<b>4,143,895</b>	<b>3,212,506</b>	<b>3,212,506</b>	<b>95,245</b>	<b>95,245</b>	<b>317,066</b>	<b>(221,821)</b>	<b>-70%</b>	<b>3,212,506</b>
<b>Surplus/(Deficit)</b>	<b>(1,269,370)</b>	<b>21,682</b>	<b>21,682</b>	<b>360,926</b>	<b>360,926</b>	<b>(47,550)</b>	<b>408,476</b>	<b>-859%</b>	<b>21,682</b>
Transfers and subsidies - capital (monetary)	574,062	684,166	684,166	—	—	57,014	(57,014)	-100%	684,166
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(695,307)</b>	<b>705,848</b>	<b>705,848</b>	<b>360,926</b>	<b>360,926</b>	<b>9,463</b>	<b>351,462</b>	<b>3714%</b>	<b>705,848</b>
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
<b>Surplus/ (Deficit) for the year</b>	<b>(695,307)</b>	<b>705,848</b>	<b>705,848</b>	<b>360,926</b>	<b>360,926</b>	<b>9,463</b>	<b>351,462</b>	<b>3714%</b>	<b>705,848</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>537,525</b>	<b>627,331</b>	<b>627,331</b>	<b>193</b>	<b>193</b>	<b>52,278</b>	<b>(52,084)</b>	<b>-100%</b>	<b>627,331</b>
Capital transfers recognised	504,592	594,927	594,927	193	193	49,577	(49,384)	-100%	594,927
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	32,933	32,404	32,404	—	—	2,700	(2,700)	-100%	32,404
<b>Total sources of capital funds</b>	<b>537,525</b>	<b>627,331</b>	<b>627,331</b>	<b>193</b>	<b>193</b>	<b>52,278</b>	<b>(52,084)</b>	<b>-100%</b>	<b>627,331</b>
<b>Financial position</b>									
Total current assets	2,957,223	3,027,796	3,027,796		3,301,921				3,027,796
Total non current assets	1,629,176	3,131,060	3,131,060		2,886,634				3,131,060
Total current liabilities	1,193,935	1,669,231	1,669,231		1,177,263				1,669,231
Total non current liabilities	1,097,187	442,927	442,927		1,097,187				442,927
Community wealth/Equity	3,553,181	4,046,698	4,046,698		3,914,106				4,046,698
<b>Cash flows</b>									
Net cash from (used) operating	506,637	753,802	753,802	269,405	269,405	62,817	(206,588)	-329%	753,802
Net cash from (used) investing	(524,082)	(721,431)	(721,431)	(193)	(193)	(60,119)	(59,926)	100%	(721,431)
Net cash from (used) financing	106	(16,688)	(16,688)	1,337	1,337	(1,391)	(2,728)	196%	(16,688)
<b>Cash/cash equivalents at the month/year end</b>	<b>96,388</b>	<b>146,574</b>	<b>146,574</b>	<b>435,641</b>	<b>435,641</b>	<b>132,198</b>	<b>(303,443)</b>	<b>-230%</b>	<b>180,776</b>
<b>Debtors &amp; creditors analysis</b>									
	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
<b>Debtors Age Analysis</b>									
Total By Income Source	306,813	110,986	96,781	87,904	87,309	81,713	452,339	3,200,063	4,423,908
<b>Creditors Age Analysis</b>									
Total Creditors	207,722	137,665	29,059	38,234	26,696	—	173,546	906,562	1,519,485

**NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July**

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>1,742,985</b>	<b>1,815,862</b>	<b>1,815,862</b>	<b>302,973</b>	<b>302,973</b>	<b>151,322</b>	151,651	100%	<b>1,815,862</b>
Executive and council		1,021,659	1,067,130	1,067,130	136,166	136,166	88,928	47,239	53%	1,067,130
Finance and administration		721,325	748,732	748,732	166,806	166,806	62,394	104,412	167%	748,732
Internal audit		—	—	—	—	—	—	—	—	—
<i><b>Community and public safety</b></i>		<b>52,398</b>	<b>46,152</b>	<b>46,152</b>	<b>2,276</b>	<b>2,276</b>	<b>3,846</b>	(1,569)	-41%	<b>46,152</b>
Community and social services		12,453	12,888	12,888	303	303	1,074	(771)	-72%	12,888
Sport and recreation		3,217	2,910	2,910	157	157	243	(85)	-35%	2,910
Public safety		818	570	570	148	148	48	100	211%	570
Housing		31,910	29,708	29,708	1,668	1,668	2,476	(808)	-33%	29,708
Health		4,000	75	75	—	—	6	(6)	-100%	75
<i><b>Economic and environmental services</b></i>		<b>21,781</b>	<b>23,377</b>	<b>23,377</b>	<b>585</b>	<b>585</b>	<b>1,948</b>	(1,363)	-70%	<b>23,377</b>
Planning and development		8,200	9,207	9,207	255	255	767	(512)	-67%	9,207
Road transport		13,581	14,170	14,170	330	330	1,181	(851)	-72%	14,170
Environmental protection		—	—	—	—	—	—	—	—	—
<i><b>Trading services</b></i>		<b>1,619,859</b>	<b>2,020,883</b>	<b>2,020,883</b>	<b>148,625</b>	<b>148,625</b>	<b>168,407</b>	(19,781)	-12%	<b>2,020,883</b>
Energy sources		984,262	1,305,623	1,305,623	100,666	100,666	108,802	(8,136)	-7%	1,305,623
Water management		387,287	448,093	448,093	27,166	27,166	37,341	(10,175)	-27%	448,093
Waste water management		141,916	157,774	157,774	11,543	11,543	13,148	(1,605)	-12%	157,774
Waste management		106,393	109,393	109,393	9,251	9,251	9,116	135	1%	109,393
<i><b>Other</b></i>	<b>4</b>	<b>11,566</b>	<b>12,081</b>	<b>12,081</b>	<b>1,711</b>	<b>1,711</b>	<b>1,007</b>	<b>704</b>	<b>70%</b>	<b>12,081</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>3,448,588</b>	<b>3,918,354</b>	<b>3,918,354</b>	<b>456,171</b>	<b>456,171</b>	<b>326,529</b>	<b>129,641</b>	<b>40%</b>	<b>3,918,354</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>1,322,395</b>	<b>756,026</b>	<b>756,026</b>	<b>42,517</b>	<b>42,517</b>	<b>63,002</b>	(20,485)	-33%	<b>756,026</b>
Executive and council		1,084,922	532,963	532,963	22,269	22,269	44,414	(22,145)	-50%	532,963
Finance and administration		233,305	219,046	219,046	19,838	19,838	18,254	1,584	9%	219,046
Internal audit		4,169	4,017	4,017	410	410	335	75	23%	4,017
<i><b>Community and public safety</b></i>		<b>195,064</b>	<b>219,901</b>	<b>219,901</b>	<b>14,520</b>	<b>14,520</b>	<b>18,325</b>	(3,805)	-21%	<b>219,901</b>
Community and social services		48,520	52,711	52,711	3,500	3,500	4,393	(893)	-20%	52,711
Sport and recreation		63,278	66,957	66,957	4,244	4,244	5,580	(1,335)	-24%	66,957
Public safety		42,051	47,422	47,422	3,808	3,808	3,952	(144)	-4%	47,422
Housing		22,558	31,345	31,345	1,622	1,622	2,612	(990)	-38%	31,345
Health		18,657	21,467	21,467	1,346	1,346	1,789	(443)	-25%	21,467
<i><b>Economic and environmental services</b></i>		<b>178,585</b>	<b>189,177</b>	<b>189,177</b>	<b>11,649</b>	<b>11,649</b>	<b>15,765</b>	(4,116)	-26%	<b>189,177</b>
Planning and development		47,535	55,838	55,838	3,878	3,878	4,653	(775)	-17%	55,838
Road transport		130,143	132,364	132,364	7,698	7,698	11,030	(3,333)	-30%	132,364
Environmental protection		907	975	975	73	73	81	(8)	-10%	975
<i><b>Trading services</b></i>		<b>2,422,836</b>	<b>2,016,320</b>	<b>2,016,320</b>	<b>24,736</b>	<b>24,736</b>	<b>217,384</b>	(192,647)	-89%	<b>2,016,320</b>
Energy sources		1,351,535	1,303,951	1,303,951	6,797	6,797	158,396	(151,600)	-96%	1,303,951
Water management		596,631	445,043	445,043	5,706	5,706	36,846	(31,139)	-85%	445,043
Waste water management		394,252	158,834	158,834	7,280	7,280	13,101	(5,820)	-44%	158,834
Waste management		80,418	108,493	108,493	4,953	4,953	9,041	(4,088)	-45%	108,493
<i><b>Other</b></i>		<b>25,015</b>	<b>31,081</b>	<b>31,081</b>	<b>1,823</b>	<b>1,823</b>	<b>2,590</b>	(768)	-30%	<b>31,081</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>4,143,895</b>	<b>3,212,506</b>	<b>3,212,506</b>	<b>95,245</b>	<b>95,245</b>	<b>317,066</b>	<b>(221,821)</b>	<b>-70%</b>	<b>3,212,506</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(695,307)</b>	<b>705,848</b>	<b>705,848</b>	<b>360,926</b>	<b>360,926</b>	<b>9,463</b>	<b>351,462</b>	<b>37.138778</b>	<b>705,848</b>

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

Vote Description	Ref	2024/25	Budget Year 2025/26							
		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		1,021,659	1,067,130	1,067,130	136,166	136,166	88,928	47,239	53.1%	1,067,130
Vote 03 - Municipal Manager		2,759	2,305	2,305	-	-	192	(192)	-100.0%	2,305
Vote 04 - Corporate Services		6,237	6,110	6,110	4	4	509	(505)	-99.1%	6,110
Vote 05 - Community Services		149,002	148,586	148,586	11,828	11,828	12,382	(554)	-4.5%	148,586
Vote 06 - Financial Services		714,281	742,122	742,122	166,749	166,749	61,843	104,905	169.6%	742,122
Vote 07 - Strategy Econ Development And Planning		8,419	10,003	10,003	317	317	834	(517)	-62.0%	10,003
Vote 08 - Infrastructure And Services		1,546,231	1,942,098	1,942,098	141,106	141,106	161,842	(20,736)	-12.8%	1,942,098
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Revenue by Vote	2	3,448,588	3,918,354	3,918,354	456,171	456,171	326,529	129,641	39.7%	3,918,354
Expenditure by Vote	1									
Vote 01 - Executive & Council		57,748	61,221	61,221	4,516	4,516	5,102	(586)	-11.5%	61,221
Vote 02 - Municipal And General		1,012,917	464,832	464,832	16,917	16,917	38,736	(21,819)	-56.3%	464,832
Vote 03 - Municipal Manager		29,303	30,614	30,614	1,964	1,964	2,551	(587)	-23.0%	30,614
Vote 04 - Corporate Services		72,710	81,513	81,513	5,834	5,834	6,793	(959)	-14.1%	81,513
Vote 05 - Community Services		317,239	363,848	363,848	22,716	22,716	30,321	(7,605)	-25.1%	363,848
Vote 06 - Financial Services		142,992	173,366	173,366	10,763	10,763	14,447	(3,684)	-25.5%	173,366
Vote 07 - Strategy Econ Development And Planning		55,599	76,090	76,090	3,644	3,644	6,341	(2,697)	-42.5%	76,090
Vote 08 - Infrastructure And Services		2,455,388	1,961,023	1,961,023	28,892	28,892	212,776	(183,884)	-86.4%	1,961,023
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Expenditure by Vote	2	4,143,895	3,212,506	3,212,506	95,245	95,245	317,066	(221,821)	-70.0%	3,212,506
Surplus/ (Deficit) for the year	2	(695,307)	705,848	705,848	360,926	360,926	9,463	351,462	3713.9%	705,848

**NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July**

Description		Ref	2024/25	Budget Year 2025/26							
			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			942,441	1,218,923	1,218,923	98,482	98,482	101,577	(3,095)	-3%	1,218,923
Service charges - Water			313,165	362,722	362,722	20,228	20,228	30,227	(9,999)	-33%	362,722
Service charges - Waste Water Management			110,559	106,274	106,274	8,680	8,680	8,856	(176)	-2%	106,274
Service charges - Waste management			83,147	73,593	73,593	7,113	7,113	6,133	980	16%	73,593
Sale of Goods and Rendering of Services			16,672	18,644	18,644	1,085	1,085	1,554	(469)	-30%	18,644
Agency services			-	-	-	-	-	-	-	-	-
Interest			-	-	-	-	-	-	-	-	-
Interest earned from Receivables			166,017	142,100	142,100	15,331	15,331	11,842	3,490	29%	142,100
Interest from Current and Non Current Assets			21,841	18,000	18,000	(817)	(817)	1,500	(2,317)	-154%	18,000
Dividends			-	-	-	-	-	-	-	-	-
Rent on Land			-	-	-	-	-	-	-	-	-
Rental from Fixed Assets			32,057	29,740	29,740	1,690	1,690	2,478	(788)	-32%	29,740
Licence and permits			660	1,000	1,000	35	35	83	(48)	-58%	1,000
Special rating levies			-	-	-	-	-	-	-	-	-
Operational Revenue			3,152	3,383	3,383	240	240	282	(42)	-15%	3,383
Non-Exchange Revenue											
Property rates			687,339	717,920	717,920	165,288	165,288	59,827	105,461	176%	717,920
Surcharges and Taxes			-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits			36,851	34,743	34,743	1,631	1,631	2,895	(1,265)	-44%	34,743
Licence and permits			8,435	8,200	8,200	1,635	1,635	683	951	139%	8,200
Transfers and subsidies - Operational			313,385	323,676	323,676	125,718	125,718	26,973	98,745	366%	323,676
Interest			103,759	117,020	117,020	8,879	8,879	9,752	(872)	-9%	117,020
Fuel Levy			-	-	-	-	-	-	-	-	-
Operational Revenue			27,322	58,250	58,250	954	954	4,854	(3,901)	-80%	58,250
Gains on disposal of Assets			7,571	-	-	-	-	-	-	-	-
Other Gains			151	-	-	-	-	-	-	-	-
Discontinued Operations											
			2,874,526	3,234,188	3,234,188	456,171	456,171	269,516	186,655	69%	3,234,188
Total Revenue (excluding capital transfers and contributions)											
Expenditure By Type											
Employee related costs			845,880	1,004,532	1,004,532	68,753	68,753	83,711	(14,958)	-18%	1,004,532
Remuneration of councillors			34,551	37,083	37,083	2,743	2,743	3,090	(348)	-11%	37,083
Bulk purchases - electricity			901,045	1,000,000	1,000,000	-	-	134,000	(134,000)	-100%	1,000,000
Inventory consumed			282,209	331,852	331,852	7,843	7,843	27,654	(19,811)	-72%	331,852
Debt impairment			476,743	437,149	437,149	-	-	36,429	(36,429)	-100%	437,149
Depreciation and amortisation			10,092	90,200	90,200	-	-	7,517	(7,517)	-100%	90,200
Interest			37,362	15,880	15,880	0	0	14	(14)	-98%	15,880
Contracted services			53,129	45,856	45,856	120	120	3,821	(3,701)	-97%	45,856
Transfers and subsidies			2,807	4,300	4,300	-	-	358	(358)	-100%	4,300
Irrecoverable debts written off			-	-	-	-	-	-	-	-	-
Operational costs			147,908	176,654	176,654	15,786	15,786	14,721	1,065	7%	176,654
Losses on Disposal of Assets			1,257,705	-	-	-	-	-	-	-	-
Other Losses			94,463	69,000	69,000	-	-	5,750	(5,750)	-100%	69,000
			4,143,895	3,212,506	3,212,506	95,245	95,245	317,066	(221,821)	-70%	3,212,506
Total Expenditure											
Surplus/(Deficit)			(1,269,370)	21,682	21,682	360,926	360,926	(47,550)	408,476	(0)	21,682
Transfers and subsidies - capital (monetary allocations)			574,062	684,166	684,166	-	-	57,014	(57,014)	(0)	684,166
Transfers and subsidies - capital (in-kind)			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			(695,307)	705,848	705,848	360,926	360,926	9,463	351,462	0	705,848
Income Tax			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax			(695,307)	705,848	705,848	360,926	360,926	9,463	351,462	0	705,848
Share of Surplus/Deficit attributable to Joint Venture			-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality			(695,307)	705,848	705,848	360,926	360,926	9,463	351,462	0	705,848
Share of Surplus/Deficit attributable to Associate			-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions			-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year			(695,307)	705,848	705,848	360,926	360,926	9,463	351,462	0	705,848



NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

Vote Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 02 - Municipal And General		2,214	1,739	1,739	-	-	145	(145)	-100%	1,739
Vote 03 - Municipal Manager		-	-	-	-	-	-	-		-
Vote 04 - Corporate Services		-	-	-	-	-	-	-		-
Vote 05 - Community Services		3,043	6,579	6,579	-	-	548	(548)	-100%	6,579
Vote 06 - Financial Services		-	-	-	-	-	-	-		-
Vote 07 - Strategy Econ Development And Planning		143	3,130	3,130	-	-	261	(261)	-100%	3,130
Vote 08 - Infrastructure And Services		509,323	524,952	524,952	193	193	43,746	(43,552)	-100%	524,952
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
<b>Total Capital Multi-year expenditure</b>	4,7	514,722	536,400	536,400	193	193	44,700	(44,507)	-100%	536,400
<b>Single Year expenditure appropriation</b>	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 02 - Municipal And General		18,400	19,826	19,826	-	-	1,652	(1,652)	-100%	19,826
Vote 03 - Municipal Manager		-	-	-	-	-	-	-		-
Vote 04 - Corporate Services		-	-	-	-	-	-	-		-
Vote 05 - Community Services		2,014	5,217	5,217	-	-	435	(435)	-100%	5,217
Vote 06 - Financial Services		-	870	870	-	-	72	(72)	-100%	870
Vote 07 - Strategy Econ Development And Planning		1,518	7,361	7,361	-	-	613	(613)	-100%	7,361
Vote 08 - Infrastructure And Services		871	57,657	57,657	-	-	4,805	(4,805)	-100%	57,657
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
<b>Total Capital single-year expenditure</b>	4	22,803	90,931	90,931	-	-	7,578	(7,578)	-100%	90,931
<b>Total Capital Expenditure</b>		537,525	627,331	627,331	193	193	52,278	(52,084)	-100%	627,331
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		20,614	22,435	22,435	-	-	1,870	(1,870)	-100%	22,435
Executive and council		20,614	21,565	21,565	-	-	1,797	(1,797)	-100%	21,565
Finance and administration		-	870	870	-	-	72	(72)	-100%	870
Internal audit		-	-	-	-	-	-	-		-
<b>Community and public safety</b>		5,056	11,797	11,797	-	-	983	(983)	-100%	11,797
Community and social services		3,043	11,797	11,797	-	-	983	(983)	-100%	11,797
Sport and recreation		2,014	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
<b>Economic and environmental services</b>		38,159	17,913	17,913	193	193	1,493	(1,299)	-87%	17,913
Planning and development		1,415	7,043	7,043	-	-	587	(587)	-100%	7,043
Road transport		36,744	10,870	10,870	193	193	906	(712)	-79%	10,870
Environmental protection		-	-	-	-	-	-	-		-
<b>Trading services</b>		473,450	571,739	571,739	-	-	47,645	(47,645)	-100%	571,739
Energy sources		8,503	30,000	30,000	-	-	2,500	(2,500)	-100%	30,000
Water management		444,716	499,565	499,565	-	-	41,630	(41,630)	-100%	499,565
Waste water management		20,231	42,174	42,174	-	-	3,514	(3,514)	-100%	42,174
Waste management		-	-	-	-	-	-	-		-
<b>Other</b>		246	3,448	3,448	-	-	287	(287)	-100%	3,448
<b>Total Capital Expenditure - Functional Classification</b>	3	537,525	627,331	627,331	193	193	52,278	(52,084)	-100%	627,331
<b>Funded by:</b>										
National Government		504,592	594,927	594,927	193	193	49,577	(49,384)	-100%	594,927
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm		-	-	-	-	-	-	-		-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-		-
<b>Transfers recognised - capital</b>		504,592	594,927	594,927	193	193	49,577	(49,384)	-100%	594,927
<b>Borrowing</b>	6	-	-	-	-	-	-	-		-
<b>Internally generated funds</b>		32,933	32,404	32,404	-	-	2,700	(2,700)	-100%	32,404
<b>Total Capital Funding</b>		537,525	627,331	627,331	193	193	52,278	(52,084)	-100%	627,331

**NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M01 July**

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		165,093	146,574	146,574	211,665	146,574
Trade and other receivables from exchange transactions		1,517,568	1,518,421	1,518,421	1,583,552	1,518,421
Receivables from non-exchange transactions		991,886	1,060,605	1,060,605	1,111,288	1,060,605
Current portion of non-current receivables		–	–	–	–	–
Inventory		106,827	112,013	112,013	106,486	112,013
VAT		175,146	189,484	189,484	288,794	189,484
Other current assets		704	699	699	137	699
<b>Total current assets</b>		<b>2,957,223</b>	<b>3,027,796</b>	<b>3,027,796</b>	<b>3,301,921</b>	<b>3,027,796</b>
<b>Non current assets</b>						
Investments						
Investment property		201,205	205,599	205,599	205,256	205,599
Property, plant and equipment		1,373,655	2,873,339	2,873,339	2,627,062	2,873,339
Biological assets						
Living and non-living resources						
Heritage assets		12,317	13,480	13,480	12,317	13,480
Intangible assets		42,000	38,642	38,642	42,000	38,642
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
<b>Total non current assets</b>		<b>1,629,176</b>	<b>3,131,060</b>	<b>3,131,060</b>	<b>2,886,634</b>	<b>3,131,060</b>
<b>TOTAL ASSETS</b>		<b>4,586,399</b>	<b>6,158,856</b>	<b>6,158,856</b>	<b>6,188,556</b>	<b>6,158,856</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	(16,688)	(16,688)	–	(16,688)
Consumer deposits		50,445	49,962	49,962	52,023	49,962
Trade and other payables from exchange transactions		890,483	1,191,824	1,191,824	814,862	1,191,824
Trade and other payables from non-exchange transactions		768	106,409	106,409	38,049	106,409
Provision		788	788	788	788	788
VAT		251,452	336,936	336,936	271,541	336,936
Other current liabilities		–	–	–	–	–
<b>Total current liabilities</b>		<b>1,193,935</b>	<b>1,669,231</b>	<b>1,669,231</b>	<b>1,177,263</b>	<b>1,669,231</b>
<b>Non current liabilities</b>						
Financial liabilities		793,279	139,019	139,019	793,279	139,019
Provision		303,908	303,908	303,908	303,908	303,908
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
<b>Total non current liabilities</b>		<b>1,097,187</b>	<b>442,927</b>	<b>442,927</b>	<b>1,097,187</b>	<b>442,927</b>
<b>TOTAL LIABILITIES</b>		<b>2,291,122</b>	<b>2,112,158</b>	<b>2,112,158</b>	<b>2,274,450</b>	<b>2,112,158</b>
<b>NET ASSETS</b>	<b>2</b>	<b>2,295,277</b>	<b>4,046,698</b>	<b>4,046,698</b>	<b>3,914,106</b>	<b>4,046,698</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		3,478,377	3,971,894	3,971,894	3,839,302	3,971,894
Reserves and funds		74,804	74,804	74,804	74,804	74,804
Other		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>3,553,181</b>	<b>4,046,698</b>	<b>4,046,698</b>	<b>3,914,106</b>	<b>4,046,698</b>

**NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M01 July**


Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		468,755	610,232	610,232	34,740	34,740	50,853	(16,112)	-32%	610,232
Service charges		1,254,565	1,891,008	1,891,008	100,017	100,017	157,584	(57,567)	-37%	1,891,008
Other revenue		1,084,783	421,814	421,814	192,348	192,348	35,151	157,197	447%	421,814
Transfers and Subsidies - Operational		308,416	323,676	323,676	125,503	125,503	26,973	98,530	365%	323,676
Transfers and Subsidies - Capital		574,597	684,166	684,166	37,496	37,496	57,014	(19,518)	-34%	684,166
Interest		29,685	46,525	46,525	1,600	1,600	3,877	(2,277)	-59%	46,525
Dividends								-		
<b>Payments</b>										
Suppliers and employees		(3,216,284)	(3,207,739)	(3,207,739)	(223,507)	(223,507)	(267,312)	(43,805)	16%	(3,207,739)
Interest		2,121	(15,880)	(15,880)	1,207	1,207	(1,323)	(2,530)	191%	(15,880)
Transfers and Subsidies		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>506,637</b>	<b>753,802</b>	<b>753,802</b>	<b>269,405</b>	<b>269,405</b>	<b>62,817</b>	<b>(206,588)</b>	<b>-329%</b>	<b>753,802</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		7,131	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments								-		
<b>Payments</b>										
Capital assets		(531,212)	(721,431)	(721,431)	(193)	(193)	(60,119)	(59,926)	100%	(721,431)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(524,082)</b>	<b>(721,431)</b>	<b>(721,431)</b>	<b>(193)</b>	<b>(193)</b>	<b>(60,119)</b>	<b>(59,926)</b>	<b>100%</b>	<b>(721,431)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								-		
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		106	-	-	1,337	1,337	-	1,337	#DIV/0!	-
<b>Payments</b>										
Repayment of borrowing		-	(16,688)	(16,688)	-	-	(1,391)	(1,391)	100%	(16,688)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>106</b>	<b>(16,688)</b>	<b>(16,688)</b>	<b>1,337</b>	<b>1,337</b>	<b>(1,391)</b>	<b>(2,728)</b>	<b>196%</b>	<b>(16,688)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(17,338)</b>	<b>15,684</b>	<b>15,684</b>	<b>270,548</b>	<b>270,548</b>	<b>1,307</b>			<b>15,684</b>
Cash/cash equivalents at beginning:		113,726	130,891	130,891	165,093	165,093	130,891			165,093
Cash/cash equivalents at month/year end:		96,388	146,574	146,574	435,641	435,641	132,198			180,776

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 R211,665 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> <b>National Treasury</b>  <b>Municipal Debt Relief</b>  <b>MFMA Circular No. 124</b>  <b>Municipal Finance Management Act No. 56 of 2003</b> </div>			
<b>Municipality Self-Assessment</b>			
<b>Certificate of Compliance: Municipal Debt Relief Conditions for Application</b>			
Period		Jul25	
National Financial Year		2025/26	
Demarcation Code of Municipality being assessed		NC091	
District		Frances Baard	
Demarcation Description		Sol Plaatje	
<p>I, <u>Bartholomew Matlala Municipal Manager</u>, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in <b>MFMA Circular No. 124</b> 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>			
<b>Municipal Debt Relief Conditions (Monthly reporting)</b>			
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 <b>bulk water current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	No
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal <a href="https://guploadportal.treasury.gov.za">https://guploadportal.treasury.gov.za</a> ?	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 <b>Eskom bulk current account</b> 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 <a href="https://guploadportal.treasury.gov.za">https://guploadportal.treasury.gov.za</a> ?	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 - <a href="http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx">http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx</a> ?	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.2)?	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

Invoice for June 2025 was received late. Invoice was received on the 6th of August 2025. The Department was offline for some time.

The municipality made a partial payment, amounting to R10,000,000 million on 31 July 2025. Payment was towards the account of May 2025. The invoice for June 2025 amounting to R131,970 million including interest of R1,975 million remains unpaid.

	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	<b>Supporting evidence:</b> 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	<b>Maintain a minimum average quarterly collection of property rates and services charges –</b>		
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 mSCO data strings uploaded via the GoMuni Upload Portal?	Not yet end of quarter	
		<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 <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1.	not yet the end of a quarter	
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	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 <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 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	<b>Municipality's Completeness of the revenue base –</b>		
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 <a href="https://luploadportal.treasury.gov.za">https://luploadportal.treasury.gov.za</a> ?	Yes	

6.9		Monitor and report on implementation –	
29	6.9.1	- <b>MFMA section 71 reporting</b> – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	<input type="text" value="Yes"/>
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the <b>active intervention evident</b> from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	<input type="text" value="Yes"/>
31	6.9.3	- <b>Municipalities with financial recovery plans (FRP)</b> – 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 <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ? <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		<b>Provincial Treasury Note - Provincial Treasury certification of municipal compliance</b> – 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 <b>conditions for provincial treasuries</b> (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 <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ? <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 <b>conditions for provincial treasuries</b> (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	<b>Limitation on municipality borrowing powers</b> - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme? <i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for 18-year bridging purposes are not considered within the ambit of this condition.</i>	<input type="text" value="No"/>
6.12		<b>For the duration of the Municipal Debt Relief (to ensure proper management of resources):</b>	
37	6.12.1	- has the municipality <b>apportioned and ring-fenced in a sub-account</b> to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) <b>the component of the Local Government Equitable Share (LGES)</b> 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"/>
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"/>
39		<b>Supporting evidence</b> : 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	<b>Accounting Treatment</b> - 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	<b>NERSA License</b> - 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 July 2025.

Monthly Performance Report																																												
Municipal Details		Part A																																									Scoring and Rating	
		Part B						Part C					Part D				Part E								Part F																			
		Compliance with a funded MTRF						FRP/BPP & Tariff Assessment					Electricity and water as collection tools				Quarterly collection of property rates and services charges								Maximization of Revenue Base																			

The overall performance for the month under review stood at 83% compliance. However, it should be noted that some of the conditions are required to be reported on, on a quarterly basis and is therefore reported as “not yet end of quarter”. This 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.
- ❖ The municipality could not settle the Eskom payment arrangement instalment of R6.7 million which was due at the end of July 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 47% for the month of July 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 34%, below 90% for the second cycle as well. The collection rate is distorted due to the annual billing on Property rates. The collection rate is one of the items that gets reported on, on a quarterly basis in terms of Compliance certificate Annexure B.
- ❖ A tangible solution must be sought for the interrupting or restricting of water supply. The majority of properties have conventional water meters installed. These are old meters that do not have the capability or functionality to restrict and/or interrupt the supply of water. The current infrastructure design and connection hampers the municipality from effecting this for one property only. The Municipality planned to install about 15 000 new water meters funded through Reginal Bulk Infrastructure Grant programme which is underway and would explore the procurement of the requisite functionality and technology to restrict water to 6 Kilolitre indigent subsidised quota.
- ❖ The municipality cannot prove that the poorer collection rate is attributable to the non-collection of the ESKOM supplied area in Ritchie because it is a poor community and will therefore not have a significant impact on the collection rate.
- ❖ 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.



## 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 June 2025 is attached to this S71 report.

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

### 1. Prioritise Full and Timely Settlement of Eskom Arrears

The municipality must urgently develop and implement a credible arrears repayment strategy for its substantial outstanding Eskom debt. While partial payments have been made, the consistent failure to fully settle these invoices threatens the municipality's compliance with the Municipal Debt Relief Programme (MDRP) and could lead to disqualification from future debt write-offs. A structured, Council-approved arrears settlement plan—aligned to realistic revenue forecasts—is essential to mitigate financial risk and ensure uninterrupted electricity supply.

### 2. Enforce Uniform and Systematic Credit Control Measures

The inconsistent implementation of disconnection protocols for non-paying consumers severely undermines the municipality's ability to enforce payment discipline. A critical recommendation is to strengthen the application of the Credit Control and Debt Collection Policy, especially the use of electricity and water as enforcement tools. This should include investment in technological infrastructure to support automated disconnection, training of enforcement teams, and systematic tracking of non-compliance.

### 3. Undertake Immediate Tariff Restructuring to Achieve Cost Reflectivity

All four main trading services—electricity, water, sanitation, and solid waste—were found to be non-cost reflective, with cumulative budget shortfalls exceeding R447 million. This systemic under-pricing endangers the sustainability of service delivery. The municipality must urgently review and adjust its tariff structure using the National Treasury's tariff setting tool, align charges to actual cost drivers, and embed long-term financial viability into the tariff policy framework.

### 4. Strengthen Political and Administrative Oversight of the MDRP

The absence of consistent Council engagement on MDRP implementation, as evidenced by the “No” rating for Condition 6.1, reflects a serious governance shortfall. The Council must institutionalise regular progress reporting, adopt resolutions tied to debt relief implementation, and actively monitor key performance indicators. Without political oversight and formalised Council involvement, institutional reforms and compliance efforts risk losing momentum.

### 5. Improve Revenue Collection and Liquidity Management

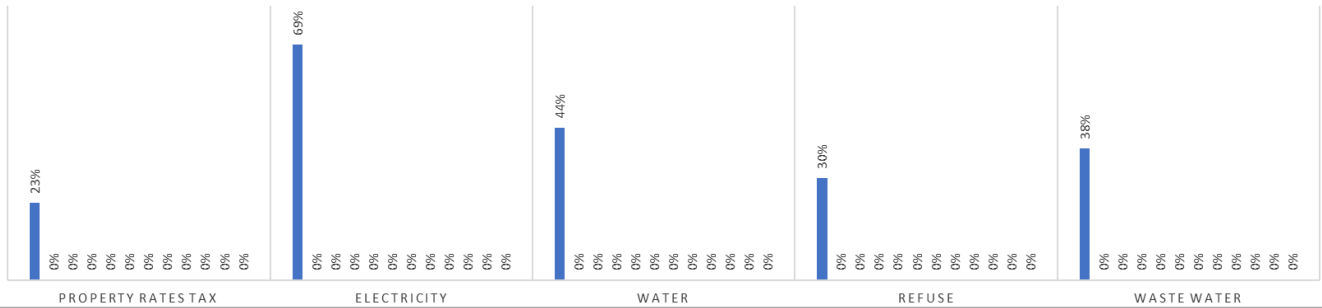
With an average quarterly collection rate of only 60.06% in the fourth quarter and a debtor book of R4.2 billion (73% overdue beyond 12 months), the municipality's cash flow remains under severe strain. Enhanced revenue recovery initiatives—such as targeted indigent register updates, ward-based collection campaigns, and improved billing accuracy—must be coupled with tighter expenditure control and realistic budgeting assumptions to improve liquidity and reduce reliance on grants.

## 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	July	34

Collection Rate Assessment																				
Aggregate Collection	Summary - Quarter 1				Q1	Summary - Quarter 2				Q2	Summary - Quarter 3				Q3	Summary - Quarter 4				Q4
	Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection	
1. Collection for whole demarcation	309,914,761	105,156,963	204,757,798	34%	34%	-	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
2. Collection <u>excl Eskom supplied areas</u>	265,114,892	95,790,874	169,324,019	36%	36%	-	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
3. Collection: <b>Property Rates</b>	165,386,155	37,220,943	128,165,212	23%	23%	-	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
4. Total average collection: <b>Electricity</b> (Municipal supplied areas)	65,905,877	45,324,609	20,581,268	69%	69%	-	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
5. Total average collection: <b>Water</b>	30,326,717	13,490,487	16,836,230	44%	44%	-	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
6. Total average collection: <b>Wastewater</b>	13,465,381	4,010,771	9,454,611	30%	30%	-	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
7. Total average collection: <b>Refuse</b>	9,982,799	3,841,034	6,141,765	38%	38%	-	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
8. Total average collection: <b>Interest</b>	24,847,833	1,269,120	23,578,713	5%	5%	-	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!

Description	Jun-25	Jul-25
Monthly collection rate (Property rates and Services)	57%	71%
Revised average collection rate (SPLM)	77%	47%
Collection rate per Ward (Monthly)	60%	34%
Collection rate per Ward (Quarterly)	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 34%. Due to the annual billing on Property rates. The average collection rate calculated by the municipality for July 2025 is 47%, 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 90% collection rate for the second cycle of the municipal debt relief.

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

1. July - Reporting for June in July										
Total Aggregate Collection					Summary - Quarter 1				Q1	
Billing For June	Collection in July	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		
1. Collection for whole demarcation	309,914,761	105,156,963	204,757,798	34%	309,914,761	105,156,963	204,757,798	34%	34%	
2. Collection <u>excl Eskom supplied areas</u>	265,114,892	95,790,874	170,484,782	36%	265,114,892	95,790,874	169,324,019	36%	36%	
3. Collection: <b>Property Rates</b>	165,386,155	37,220,943	128,165,212	23%	165,386,155	37,220,943	128,165,212	23%	23%	
4. Total average collection: <b>Electricity</b> (Municipal supplied areas)	65,905,877	45,324,609	20,581,268	69%	65,905,877	45,324,609	20,581,268	69%	69%	
5. Total average collection: <b>Water</b>	30,326,717	13,490,487	16,836,230	44%	30,326,717	13,490,487	16,836,230	44%	44%	
6. Total average collection: <b>Wastewater</b>	13,465,381	4,010,771	9,454,611	30%	13,465,381	4,010,771	9,454,611	30%	30%	
7. Total average collection: <b>Refuse</b>	9,982,799	3,841,034	6,141,765	38%	9,982,799	3,841,034	6,141,765	38%	38%	
8. Total average collection: <b>Interest</b>	24,847,833	1,269,120	23,578,713	5%	24,847,833	1,269,120	23,578,713	5%		

Complete This Section			Quarter 1 Performance Per Ward								
Services	Electricity Supplier	Ward Name & Number	1 July				Billing	Collection	R - Billing not collected	% Collection	Q1
			Billing For June	Collection for June in July	Rand Value of Billing not collected	% Collection					
Property Rates Tax	Mun Supplied	Ward 1 - Platfontein, Sunset Manor, Lagange (Letlaba Park)	175,019	38,512	136,507	22%	175,019	38,512	136,507	22%	22%
Electricity			3,219,903	1,289,529	1,930,373	40%	3,219,903	1,289,529	1,930,373	40%	40%
Water			1,905,590	1,325,101	580,490	70%	1,905,590	1,325,101	580,490	70%	70%
Refuse			107,815	37,533	70,281	35%	107,815	37,533	70,281	35%	35%
Waste Water			107,824	13,580	94,244	13%	107,824	13,580	94,244	13%	13%
Interest			723,116	12,745	710,370	2%	723,116	12,745	710,370	2%	2%
Property Rates Tax	Mun Supplied	Ward 2 - Roodepan	3,209,866	489,714	2,720,153	15%	3,209,866	489,714	2,720,153	15%	15%
Electricity			329,859	142,950	186,909	43%	329,859	142,950	186,909	43%	43%
Water			708,639	165,877	542,762	23%	708,639	165,877	542,762	23%	23%
Refuse			418,084	107,440	310,645	26%	418,084	107,440	310,645	26%	26%
Waste Water			609,893	140,514	469,379	23%	609,893	140,514	469,379	23%	23%
Interest			861,191	16,750	844,441	2%	861,191	16,750	844,441	2%	2%
Property Rates Tax	Mun Supplied	Ward 3 - Homevale, Homevale, Homevale, Sol Plaatje RE, Ramona	2,312,283	322,539	1,989,744	14%	2,312,283	322,539	1,989,744	14%	14%
Electricity			208,062	95,307	112,756	46%	208,062	95,307	112,756	46%	46%
Water			486,575	113,127	373,448	23%	486,575	113,127	373,448	23%	23%
Refuse			253,532	67,229	186,303	27%	253,532	67,229	186,303	27%	27%
Waste Water			361,890	100,118	261,772	28%	361,890	100,118	261,772	28%	28%
Interest			555,576	19,050	536,526	3%	555,576	19,050	536,526	3%	3%
Property Rates Tax	Mun Supplied	Ward 4 - Vergelegen Ext 3, Vergelegen Ext 4, Vergelegen 3, Witdam	1,432,934	163,850	1,269,085	11%	1,432,934	163,850	1,269,085	11%	11%
Electricity			383,157	239,454	143,703	62%	383,157	239,454	143,703	62%	62%
Water			582,854	119,354	463,500	20%	582,854	119,354	463,500	20%	20%
Refuse			229,757	77,566	152,191	34%	229,757	77,566	152,191	34%	34%
Waste Water			327,790	84,057	243,733	26%	327,790	84,057	243,733	26%	26%
Interest			444,139	7,886	436,254	2%	444,139	7,886	436,254	2%	2%
Property Rates Tax	Mun Supplied	Ward 5 - Vergelegen Ext 2, Redcliffe, Thuisano	663,487	124,989	538,498	19%	663,487	124,989	538,498	19%	19%
Electricity			53,872	46,674	7,198	87%	53,872	46,674	7,198	87%	87%
Water			339,397	65,503	273,893	19%	339,397	65,503	273,893	19%	19%
Refuse			228,792	53,818	174,974	24%	228,792	53,818	174,974	24%	24%
Waste Water			320,845	78,075	242,770	24%	320,845	78,075	242,770	24%	24%
Interest			407,344	8,297	399,047	2%	407,344	8,297	399,047	2%	2%
Property Rates Tax	Mun Supplied	Ward 6 - Vergelegen Ext 10, Boelidatsone, Solly, Legad, Bikkies	186,766	54,408	132,359	29%	186,766	54,408	132,359	29%	29%
Electricity			13,797	8,242	5,555	60%	13,797	8,242	5,555	60%	60%
Water			3,816,831	48,351	3,768,480	1%	3,816,831	48,351	3,768,480	1%	1%
Refuse			217,227	29,488	187,739	14%	217,227	29,488	187,739	14%	14%
Waste Water			305,677	35,697	269,980	12%	305,677	35,697	269,980	12%	12%
Interest			517,669	8,718	508,950	2%	517,669	8,718	508,950	2%	2%
Property Rates Tax	Mun Supplied	Ward 7 - Sol Plaatje RE, Solly, Legad, Vergelegen Ext 1, Vergelegen, Uburu Golf Course/Nlemaamak	1,356,864	94,424	1,262,439	7%	1,356,864	94,424	1,262,439	7%	7%
Electricity			126,756	27,967	98,789	22%	126,756	27,967	98,789	22%	22%
Water			327,161	81,266	245,895	25%	327,161	81,266	245,895	25%	25%
Refuse			225,293	41,794	183,499	19%	225,293	41,794	183,499	19%	19%
Waste Water			326,983	58,884	268,099	18%	326,983	58,884	268,099	18%	18%
Interest			407,260	9,865	397,395	2%	407,260	9,865	397,395	2%	2%
Property Rates Tax	Mun Supplied	Ward 8 - John Maraga 1, Manje Ext, Latlhi Laballo, Park, Donkerhoek	2,693,792	24,985	2,668,807	1%	2,693,792	24,985	2,668,807	1%	1%
Electricity			131,950	92,077	39,873	70%	131,950	92,077	39,873	70%	70%
Water			310,041	45,469	264,571	15%	310,041	45,469	264,571	15%	15%
Refuse			245,060	17,837	227,223	7%	245,060	17,837	227,223	7%	7%
Waste Water			351,510	20,990	330,520	6%	351,510	20,990	330,520	6%	6%
Interest			509,750	3,695	506,055	1%	509,750	3,695	506,055	1%	1%
Property Rates Tax	Mun Supplied	Ward 9 - Jopeneil, Retwelle	1,634,569	494,706	1,139,863	30%	1,634,569	494,706	1,139,863	30%	30%
Electricity			272,345	152,058	120,288	56%	272,345	152,058	120,288	56%	56%
Water			717,088	161,987	555,101	23%	717,088	161,987	555,101	23%	23%
Refuse			227,447	107,121	120,326	47%	227,447	107,121	120,326	47%	47%
Waste Water			325,238	148,728	176,510	46%	325,238	148,728	176,510	46%	46%
Interest			443,364	22,948	420,416	5%	443,364	22,948	420,416	5%	5%
Property Rates Tax	Mun Supplied	Ward 10 - Tloarangano, Vergelegen Ext 7, Vergelegen Ext 5	2,085,376	183,763	1,901,613	9%	2,085,376	183,763	1,901,613	9%	9%
Electricity			544,024	336,339	207,685	62%	544,024	336,339	207,685	62%	62%
Water			757,299	120,525	636,774	16%	757,299	120,525	636,774	16%	16%
Refuse			228,897	60,614	168,284	26%	228,897	60,614	168,284	26%	26%
Waste Water			303,288	70,937	232,351	23%	303,288	70,937	232,351	23%	23%
Interest			442,960	13,833	429,127	3%	442,960	13,833	429,127	3%	3%
Property Rates Tax	Mun Supplied	Ward 11 - Retwelle, Agisama, Vergelegen Ext 8, Vergelegen Ext 6	4,634,880	55,999	4,578,881	1%	4,634,880	55,999	4,578,881	1%	1%
Electricity			401,162	240,605	160,557	60%	401,162	240,605	160,557	60%	60%
Water			420,364	97,888	322,475	23%	420,364	97,888	322,475	23%	23%
Refuse			173,028	37,828	135,200	22%	173,028	37,828	135,200	22%	22%
Waste Water			271,871	67,553	204,319	25%	271,871	67,553	204,319	25%	25%
Interest			425,022	7,241	417,781	2%	425,022	7,241	417,781	2%	2%
Property Rates Tax	Mun Supplied	Ward 12 - KwaNobantu Ext 1, KwaNobantu, Galeshewe proper, Galeshewe Ext 2	1,808,186	142,562	1,665,624	8%	1,808,186	142,562	1,665,624	8%	8%
Electricity			186,637	65,587	121,049	35%	186,637	65,587	121,049	35%	35%
Water			416,605	92,889	323,717	22%	416,605	92,889	323,717	22%	22%
Refuse			194,893	52,605	142,288	27%	194,893	52,605	142,288	27%	27%
Waste Water			276,563	69,525	207,038	25%	276,563	69,525	207,038	25%	25%
Interest			432,678	14,204	418,474	3%	432,678	14,204	418,474	3%	3%
Property Rates Tax	Mun Supplied	Ward 13 - Santa Centre, Galeshewe Ext 6, Galeshewe Ext 1, Gendene	1,842,504	95,097	1,747,407	5%	1,842,504	95,097	1,747,407	5%	5%
Electricity			603,425	384,890	218,535	64%	603,425	384,890	218,535	64%	64%
Water			461,360	85,395	375,965	19%	461,360	85,395	375,965	19%	19%
Refuse			108,499	36,854	71,644	34%	108,499	36,854	71,644	34%	34%
Waste Water			166,144	58,556	107,588	35%	166,144	58,556	107,588	35%	35%
Interest			280,537	11,103	269,434	4%	280,537	11,103	269,434	4%	4%
Property Rates Tax	Mun Supplied	Ward 14 - Northview, Cobville, Gendene, Square Hill Park, Roon, Uthly, Arriburnham	9,502,807	1,172,384	8,330,423	12%	9,502,807	1,172,384	8,330,423	12%	12%
Electricity			2,315,648	1,227,917	1,087,732	53%	2,315,648	1,227,917	1,087,732	53%	53%
Water			854,465	461,571	392,894	54%	854,465	461,571	392,894	54%	54%
Refuse			387,589	303,810	83,779	78%	387,589	303,810	83,779	78%	78%
Waste Water			379,861	224,321	155,540	59%	379,861	224,321	155,540	59%	59%
Interest			855,473	63,328	792,145	7%	855,473	63,328	792,145	7%	7%
Property Rates Tax	Mun Supplied	Ward 15 - Jopeneil, Phomolong, Phuranning, Sol Plaatje RE	1,863,519	121,793	1,741,726	7%	1,863,519	121,793	1,741,726	7%	7%
Electricity			173,526	83,239	90,287	48%	173,526	83,239	90,287	48%	48%
Water			336,916	59,727	277,189	18%	336,916	59,727	277,189	18%	18%
Refuse			261,949	39,115	222,834	15%	261,949	39,115	222,834	15%	15%
Waste Water			370,334	52,712	317,622	14%	370,334	52,712	317,622	14%	14%
Interest			514,832	6,488	508,344	1%	514,832	6,488	508,344	1%	1%
Property Rates Tax	Mun Supplied	Ward 16 - Phuranning Cemetery, Promise Land, Lindlani, Snake Park, Twakeleng	165,070	21,279	143,790	13%	165,070	21,279	143,790	13%	13%
Electricity			53,022	237	52,785	0%	53,022	237	52,785	0%	0%
Water			405,477	27,966	377,510	7%	405,477	27,966	377,510	7%	7%
Refuse			232,284	20,193	212,091	9%	232,284	20,193	212,091	9%	9%
Waste Water			333,640	29,425	304,216	9%	333,640	29,425	304,216	9%	9%
Interest			553,880	10,018	543,862	2%	553,880	10,018	543,862	2%	2%



#### **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 July 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.



**Municipal Debt Relief - Monthly Reporting - Indigent Households Information (MFMA Circular 124 (Condition 6.6))**

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

Description	Ref	As Per Debt Relief Application		Current Year - 2025/2026		2025/2026 - Monthly Monitoring												
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12	
Indigent Household service targets	1																	
Water : ( Include All Indigent households also in Eskom supplied areas )																		
Indigent HH's with piped water inside dwelling		7,390	11,800	11,800	11,800	7,659												
Indigent HH's with piped water inside yard (but not in dwelling)																		
Indigent HH's using public tap (at least min.service level)	2																	
Indigent HH's with other water supply (at least min.service level)	3	7,390	11,800	11,800	11,800	7,659	-	-	-	-	-	-	-	-	-	-	-	-
Total no. of indigent HH's receiving Minimum Service Level and Above sub-total	4																	
Indigent HH's using public tap (< min.service level)																		
Indigent HH's with other water supply (< min.service level)	4																	
Indigent HH's with No water supply		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total no. of indigent HH's receiving - Below Minimum Service Level sub-total	5	7,390	11,800	11,800	11,800	7,659												
Total number of registered indigent households																		
Status of Water meters :																		
Number of Indigent HH's with prepaid Water																		
Number of Indigent HH's with conventional metered Water		7,390	11,800	11,800	11,800	7,659												
Number of Indigent HH's NOT metered currently - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Number of Indigent HH's with NO Water supply - No metering		7,390	11,800	11,800	11,800	7,659	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	10																	
Status of unlimited supply of Water :																		
Number of indigent HH's with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month																		
Number of indigent HH's NOT metered currently receiving unlimited supply - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households receiving unlimited supply - Water																		
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's billed for consumption above the 6 kilolitres	11																	
Energy: ( Include All Indigent households also in Eskom supplied areas )																		
Indigent HH's with Electricity (at least min.service level)																		
Indigent HH's with Electricity - prepaid (min.service level)																		
Total no. of indigent HH's receiving Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indigent HH's with Electricity (< min.service level)																		
Indigent HH's with Electricity - prepaid (< min. service level)																		
Indigent HH's with other energy sources																		
Total no. of indigent HH's receiving - Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	5																	
Status of Electricity meters :																		
Number of Indigent HH's with prepaid Electricity		7,390	11,800	11,800	11,800	6,899												
Number of Indigent HH's with conventional metered Electricity																		
Number of Indigent HH's NOT metered currently - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Number of indigent HH's with other energy sources - No metering		7,390	11,800	11,800	11,800	6,899	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	12																	
Status of unlimited supply of Electricity :																		
Number of Indigent HH's with conventional metered Electricity - where the municipality is NOT physically restricting Electricity to the national free basic limit of 50kwh per household per month																		
Number of indigent HH's NOT metered currently receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's billed for consumption above the 50 kwh	13																	
Number of ALL Households receiving Free Basic Service (including registered indigent Households)																		
Water (6 kilolitres per household per month)	7	7,390	11,800	11,800	11,800	7,659												
Electricity/other energy (50kwh per household per month)		7,390	11,800	11,800	11,800	6,899												
Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)																		
Water (6 kilolitres per household per month)		10,000,000	8,000,000	8,000,000	8,000,000	258,044												
Electricity/other energy (50kwh per household per month)		12,000,000	13,000,000	13,000,000	13,000,000	867,490												
Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)																		
Water (6 kilolitres per household per month)																		
Electricity/other energy (50kwh per household per month)																		
Total cost of FBS Water and Electricity provided to ALL Households	8	22,000,000	21,000,000	21,000,000	21,000,000	1,125,534	-	-	-	-	-	-	-	-	-	-	-	-
Highest level of free service provided per household (ALL Households)																		
Property rates (R value threshold)		15,000	15,000	15,000	15,000	15,000												
Water (kilolitres per household per month)		6	6	6	6	6												
Sanitation (kilolitres per household per month)		213	213	213	213	213												
Sanitation (Rand per household per month)		189	198	198	198	198												
Electricity (kwh per household per month)		50	50	50	50	50												
Refuse (average litres per week)		21	21	21	21	21												
Revenue cost of subsidised services provided for ALL Households (R'000)																		
Residential Category : Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)	14(a)																	
PSI Category : Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)	14(b)																	
Additional Subsidies: Property rates exemptions, reductions and rebates in excess of section 17 of MPRA		37,240,000	36,400,000	36,400,000	36,400,000	641,608												
Water (in excess of 6 kilolitres per indigent household per month)	15	21,500,000	20,000,000	20,000,000	20,000,000	-												
Sanitation (in excess of free sanitation service to indigent households)	16	3,400,000	3,500,000	3,500,000	3,500,000	-												
Electricity/other energy (in excess of 50 kwh per indigent household per month)		41,000,000	41,000,000	41,000,000	41,000,000	-												
Refuse (in excess of one removal a week for indigent households)		4,400,000	4,800,000	4,800,000	4,800,000	-												
Municipal Housing - rental rebates																		
Housing - top structure subsidies																		
Other	6																	
Total revenue cost of subsidised services provided		107,540,000	105,700,000	105,700,000	105,700,000	641,608	-	-	-	-	-	-	-	-	-	-	-	-



## 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.



## 16.6 MFMA Circular 124 – Condition 6.3 (Maintaining the Eskom bulk current account) and Condition 6.12 (Proper Management of Resources)

- i) Indicated below is the Eskom Bulk invoice for June 2025 which was due and payable during the month of reporting, 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) 0375665baraca  
FAX NO: 0862 437 566  
E-MAIL: NorthernCape@eskom.co.za  
WEB: WWW.ESKOM.CO.ZA



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

NORTH WESTERN REGION  
PRIVATE BAG X16 Westville 3630

DIRECT DEPOSIT DETAIL  
BANK: First National Bank  
BRANCH CODE: 223626  
BANK ACC NO: 66070087318

YOUR ACCOUNT NO	5449407898
SECURITY HELD	31243194.11
BILLING DATE	2025-07-02
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](mailto: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)	18,369,612.00 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
<b>TOTAL CHARGES FOR BILLING PERIOD</b>	<b>R</b>	<b>113,038,944.52</b>

**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

ACCOUNT NO / REFERENCE NO  
**5449407898**

NAME  
SOL PLAATJE LOCAL MUNICIPALITY


FAX NUMBER  
0538331005

7100 10 0010

<b>CURRENT</b>		<b>TOTAL DUE</b>		<b>R</b>	<b>1,092,267,049.38</b>
138,669,878.88					
<b>ARREARS</b>					
<b>&gt;90 DAYS</b>	<b>61-90 DAYS</b>	<b>31-90 DAYS</b>	<b>18-30 DAYS</b>		
794,846,637.85	73,969,327.15	84,781,205.50	0.00		

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

2721570015449407898 4

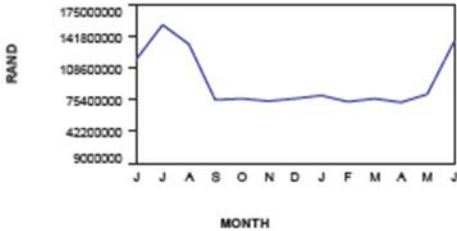


7100 10 0010

easy pay

**TOTAL AMOUNT DUE**

**1,092,267,049.38**



RAND

MONTH

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BILL GROUP	
BILL PAGE	1 OF 2

**PAYMENT ARRANGEMENT**

INSTALMENT

6,700,000.00

ARREARS (Due immediately)

993,597,170.50

DUE DATE (For Current Amount)

2025-08-01

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

Indicated below is the July 2025 account which is due and payable on or before 1 September 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**

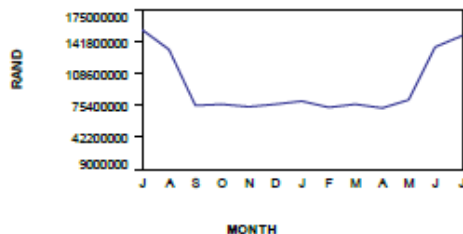
BANK: First National Bank  
BRANCH CODE: 223626  
BANK ACC NO: 66070087318

YOUR ACCOUNT NO	5449407898
SECURITY HELD	31243194.11
BILLING DATE	2025-08-02
TAX INVOICE NO	544573733354
ACCOUNT MONTH	JULY 2025
CURRENT DUE DATE	2025-09-01
VAT REG NO	4370102313

## TAX INVOICE

E-MAIL: [tsotlwa@solplaatje.org.za](mailto:tsotlwa@solplaatje.org.za)

ACCOUNT TRANSACTION SUMMARY			
ADMINISTRATION CHARGE		R	609.77
TRANSMISSION NETWORK CAPACITY		R	1,065,600.00
DIST. NETWORK CAPACITY CHARGE		R	1,802,640.00
NETWORK DEMAND CHARGE		R	915,582.14
URBAN LOW VOLTAGE SUBSIDY		R	247,530.00
ANCILLARY SERVICE (ALL)		R	170,267.81
GENERATOR CAPACITY CHARGE		R	717,060.00
LEGACY CHARGE (ALL)		R	9,631,635.53
ENERGY CHARGE (OFF)	16,888,874.00	R	17,870,117.58
ENERGY CHARGE (PEAK)	8,820,668.00	R	55,998,892.86
ENERGY CHARGE (STD)	20,308,784.00	R	32,234,101.96
SERVICE CHARGE		R	35,213.52
ELECTRIFICATION AND RURAL SUBS (ALL)		R	2,310,119.97
SERVICE CHARGE		R	0.01
<b>TOTAL CHARGES FOR BILLING PERIOD</b>		R	<b>122,999,371.15</b>
ACCOUNT SUMMARY FOR JULY 2025			
BALANCE BROUGHT FORWARD	(Due Date 2025-08-01)	R	1,092,267,049.38
PAYMENT(S) RECEIVED	Cash - 2025-07-31	R	-10,000,000.00
TOTAL CHARGES FOR BILLING PERIOD		R	122,999,371.15
ADJUSTMENT	Interest on overdue account	R	3,820,258.04
ADJUSTMENT	Interest on overdue account	R	144,165.30
ADJUSTMENT	Interest on overdue account	R	530,436.42
ADJUSTMENT	Interest on overdue payment arrangement debt	R	58,882.52
ADJUSTMENT	Interest on overdue payment arrangement debt	R	870,215.71
PAYMENT ARRANGEMENT	5447737577 (Balance o/s R 75,962,000.00)	R	6,700,000.00
VAT RAISED ON ITEMS AT 15%		R	18,449,905.67
<b>CURRENT</b>			
153,573,234.81			
<b>TOTAL DUE</b>		R	<b>1,235,840,284.19</b>
ARREARS			
>90 DAYS	61-90 DAYS	31-90 DAYS	18-30 DAYS
858,815,965.00	84,781,205.50	138,669,878.88	0.00
Total outstanding debt must be settled immediately, subject to disconnection without further notice			



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ACCOUNT NO / REFERENCE NO	
5449407898	
NAME	
SOL PLAATJE LOCAL MUNICIPALITY	
FAX NUMBER	
0538331005	
unipay 7100 10 0010	

2721570015449407898 4



>>>>>>> 9207 2544 9407 8987



### TOTAL AMOUNT DUE

**1,235,840,284.19**

### PAYMENT ARRANGEMENT

INSTALMENT	
	6,700,000.00
ARREARS (Due immediately)	
	1,082,267,049.38
DUE DATE (For Current Amount)	
2025-09-01	
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 R10,000 million on 31 July 2025. The municipality had insufficient cash to settle the June 2025 invoice.

SOL PLAATJE MUNICIPALITY		REMITTANCE ADVICE	
PRIVATE BAG X5030		-----	
KIMBERLEY 8300			
ESKOM HOLDINGS		31/07/2025	
PRIVATE BAG X16			
WESTVILLE			
3630		SUPPLIER No: SESK01	
CONTACT PERSON:		VOUCHER NO: CATA013347	
TEL NO: 0829413707		FAX NO:	
E-MAIL ADDRESS:		CHEQUE/ELE NO: 77073668	

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
02/06/2025	SUN	544845772648/01	8695652.17		1304347.83	10000000.00

SUB TOTAL:	1304347.83	10000000.00
	1304347.83	10000000.00

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 M01 – July 2025 pertaining to electricity.

	2026
	M01
Account Name	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Deposits	-256,018
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	15,845,621

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

Datastrings & FMS Recon - Jul 2025 M01	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
<b>ELECTRICITY BULK PURCH ACC 01:WITHDRAWAL</b>	<b>27,733,116.35</b>	<b>11,887,495.52</b>	<b>15,845,620.83</b>	Withdrawal vote reconciles to datastrings
CORRECTION INTEREST REVERSED ESKOM 2023/24	-	11,887,495.52	(11,887,495.52)	Cancelled ELE's Interest reversed
Create Cheque 77073553 Voucher No CATA011128	1,892,742.92	-	1,892,742.92	Cancelled ELE's Interest reversed
Create Cheque 77073554 Voucher No CATA011254	3,338,143.23	-	3,338,143.23	Cancelled ELE's Interest reversed
Create Cheque 77073555 Voucher No CATA011390	1,739,005.40	-	1,739,005.40	Cancelled ELE's Interest reversed
Create Cheque 77073556 Voucher No CATA011549	3,178,308.56	-	3,178,308.56	Cancelled ELE's Interest reversed
Create Cheque 77073557 Voucher No CATA011757	1,739,295.41	-	1,739,295.41	Cancelled ELE's Interest reversed
Create Cheque 77073563 Voucher No CATA013283	11,841.14	-	11,841.14	Minor Eskom Payments
Create Cheque 77073564 Voucher No CATA013295	138,617.65	-	138,617.65	
Create Cheque 77073565 Voucher No CATA013297	15,327.19	-	15,327.19	
Create Cheque 77073566 Voucher No CATA013310	14,938.78	-	14,938.78	
Create Cheque 77073567 Voucher No CATA013311	8,211.70	-	8,211.70	
Create Cheque 77073568 Voucher No CATA013312	17,884.80	-	17,884.80	
Create Cheque 77073649 Voucher No CATA013326	9,116.50	-	9,116.50	
Create Cheque 77073650 Voucher No CATA013327	5,404.89	-	5,404.89	
Create Cheque 77073651 Voucher No CATA013328	3,297.72	-	3,297.72	
Create Cheque 77073652 Voucher No CATA013329	18,155.02	-	18,155.02	
Create Cheque 77073653 Voucher No CATA013330	30,639.91	-	30,639.91	
Create Cheque 77073654 Voucher No CATA013331	16,245.16	-	16,245.16	
Create Cheque 77073655 Voucher No CATA013332	403.20	-	403.20	
Create Cheque 77073656 Voucher No CATA013333	4,412.34	-	4,412.34	
Create Cheque 77073667 Voucher No CATA013298	5,551,124.83	-	5,551,124.83	Payment for Riverton Account
Create Cheque 77073668 Voucher No CATA013347	10,000,000.00	-	10,000,000.00	Payment on bulk invoice for May 2025
<b>ELECTRICITY BULK PURCHASE ACC 01:DEPOSIT</b>	<b>256,018.33</b>	<b>512,036.66</b>	<b>(256,018.33)</b>	Deposits vote reconciles to datastrings
Create Cheque 77073563 Voucher No CATA013283	11,841.14	11,841.14	-	Minor Eskom Payments
Create Cheque 77073564 Voucher No CATA013295	138,617.65	138,617.65	-	
Create Cheque 77073568 Voucher No CATA013312	17,884.80	17,884.80	-	
Create Cheque 77073649 Voucher No CATA013326	9,116.50	9,116.50	-	
Create Cheque 77073650 Voucher No CATA013327	5,404.89	5,404.89	-	
Create Cheque 77073651 Voucher No CATA013328	3,297.72	3,297.72	-	
Create Cheque 77073652 Voucher No CATA013329	18,155.02	18,155.02	-	
Create Cheque 77073653 Voucher No CATA013330	30,639.91	30,639.91	-	
Create Cheque 77073654 Voucher No CATA013331	16,245.16	16,245.16	-	
Create Cheque 77073655 Voucher No CATA013332	403.20	403.20	-	
Create Cheque 77073656 Voucher No CATA013333	4,412.34	4,412.34	-	
Sundry CATA013283 Creditor Control	-	11,841.14	(11,841.14)	
Sundry CATA013295 Creditor Control	-	138,617.65	(138,617.65)	
Sundry CATA013312 Creditor Control	-	17,884.80	(17,884.80)	
Sundry CATA013326 Creditor Control	-	9,116.50	(9,116.50)	
Sundry CATA013327 Creditor Control	-	5,404.89	(5,404.89)	
Sundry CATA013328 Creditor Control	-	3,297.72	(3,297.72)	
Sundry CATA013329 Creditor Control	-	18,155.02	(18,155.02)	
Sundry CATA013330 Creditor Control	-	30,639.91	(30,639.91)	
Sundry CATA013331 Creditor Control	-	16,245.16	(16,245.16)	
Sundry CATA013332 Creditor Control	-	403.20	(403.20)	
Sundry CATA013333 Creditor Control	-	4,412.34	(4,412.34)	
<b>Grand Total</b>	<b>27,989,134.68</b>	<b>12,399,532.18</b>	<b>15,589,602.50</b>	

### 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.
- The system has been updated to provide for partial payments
- 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) The DWS current account for June 2025 amounted to R3,179,334.42 which was due and payable on or before the 30 July 2025. The municipality downloaded the June 2025 account on 6 August 2025. The Department was experiencing challenges with their billing system and was offline for quite some time.

Page 1 of 1

NWRI Customer Ref no: 60005150  
 Customer No: 25014305  
 Contract Acc. No: 100478320  
 Document No: 412692001  
 Document Date: 30.06.2025  
 Payment Terms: 30 Days  
 Due Date: 30.07.2025  
 Customer VAT Reg. No: 4370102313

## TAX INVOICE

DWS VAT Reg. no 4040112361



**water & sanitation**

Department:  
 Water and Sanitation  
 REPUBLIC OF SOUTH AFRICA

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

### YOUR CONTACT OFFICE:

Department: Water and Sanitation  
 Private Bag X313  
 Pretoria  
 0001

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

Water Use Description	Tariff Category	Quantity m3/HA Registered/Consumed	Unit Price(c/m3/HA)	Amount(Rand)
Property Details: Property Name: Property Number: Registration Division: Portion Number: Title Deed: Water Use Details: WMA: VAAL; Legal Sector Code: 21A Tk water fr a water resource; Water Use Sector: Water Source Type: SCHEME;				
<b>Contract No: 10087405 ( 25014305/13 )</b>				
Water Use Period: 01.06.2025 to 30.06.2025				
	Consumptive (O&M)	501,165.60	38.68	193,850.85
	Consumptive (ROA)	501,165.60	34.37	172,250.62
	Consumptive (Depr)	501,165.60	20.22	101,335.68
	TCTA (AMD)	501,165.60	8.45	42,348.49
	TCTA (LHWP)	501,165.60	443.20	2,221,165.94
Water Use Period: 01.04.2025 to 30.06.2025				
	Plus 15.00% VAT			409,642.74
	<b>Subtotal</b>			<b>3,140,594.32</b>
Water Use Period: 01.06.2025 to 30.06.2025				
	WRL	501,165.60	7.73	38,740.10
	<b>Total Charges</b>			<b>3,179,334.42</b>



- ii) Indicated below, is the DWS Bulk current account invoice for July 2025, which is due and payable, on or before 1 September 2025.

Page 1 of 1

NWRI Customer Ref no: 60005150  
 Customer No: 25014305  
 Contract Acc. No: 100478320  
 Document No: 412703352  
 Document Date: 31.07.2025  
 Payment Terms: 30 Days  
 Due Date: 01.09.2025  
 Customer VAT Reg. No: 4370102313

Bill To:

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

## TAX INVOICE

DWS VAT Reg. no 4040112361



**water & sanitation**

Department:  
 Water and Sanitation  
 REPUBLIC OF SOUTH AFRICA

### YOUR CONTACT OFFICE:

Department: Water and Sanitation  
 Private Bag X313  
 Pretoria  
 0001

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

Water Use Description	Tariff Category	Quantity m3/HA Registered/Consumed	Unit Price (c/m3/HA)	Amount (Rand)
Property Details: Property Name: DROOGFONTEIN; Property Number: 6866; Registration Division: KIMBERLEY RD; Portion Number: 1; Title Deed: T16761/1921 Water Use Details: WMA: VAAL; Legal Sector Code: 21A Tk water & a water resource; Water Use Sector: DOMESTIC & INDUSTRIAL; Water Source Type: SCHEME; Contract No: 10087405 ( 25014305/13 ) Serv.Vol:9,125,000.40; Ytd Consumed Vol:13004,851.00 Water Use Period: 01.07.2025 to 31.07.2025				
	Consumptive (O&M)	3,378,685.00	38.68	1,306,875.36
	Consumptive (ROA)	3,378,685.00	34.37	1,161,254.03
	Consumptive (Depr)	3,378,685.00	20.22	683,170.11
	TCTA (AMD)	3,378,685.00	8.45	285,498.88
	TCTA (LHWP)	3,378,685.00	443.20	14,974,331.92
	Plus 15.00% VAT			2,761,669.55
	Subtotal			21,172,799.85
	WRL(0%VAT)	3,378,685.000	7.73	261,172.35
	WRL(0%VAT)	0.000	0.00	0.00
	Total Charges			21,433,972.20

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

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

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

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 M01 – July 2025).

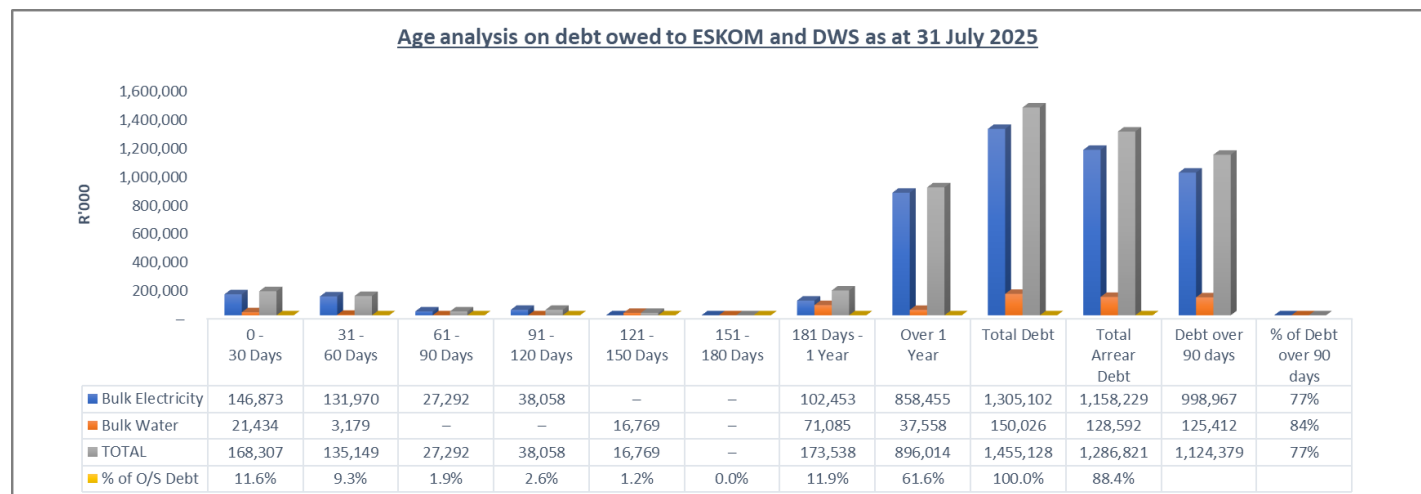
	2026	
	M01	
Account Name		
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Withdrawals	161,092	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Withdrawals	-20,496	140,596

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

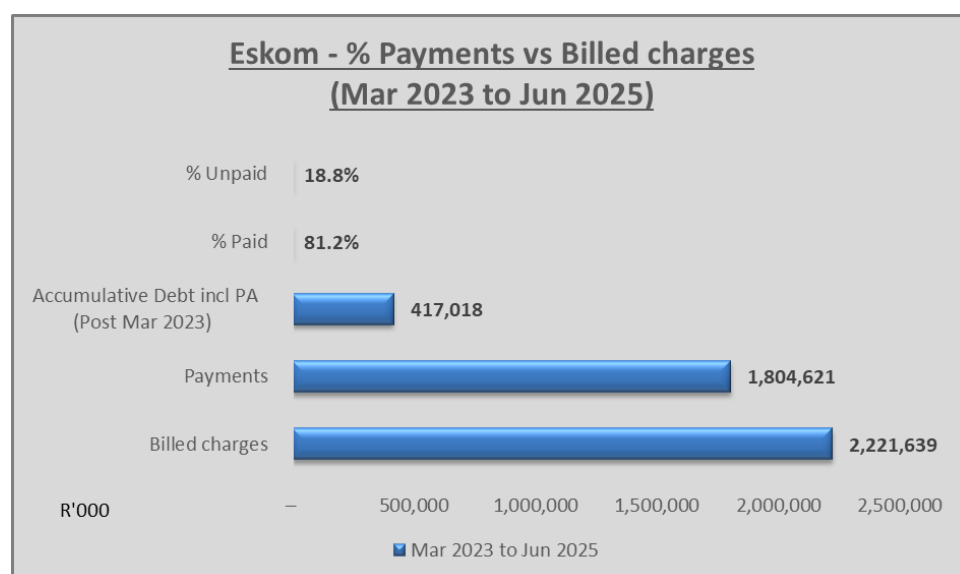
Datastrings & FMS Recon - July 2026 M01	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
WATER BULK PURCHASE:WITHDRAWALS	140,596.53	-	140,596.53	Withdrawal vote reconciles to datastrings
Create Cheque 77073662 Voucher No CATA013341	140,596.53	-	140,596.53	Payment of minor DWS account
Grand Total	140,596.53	-	140,596.53	



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



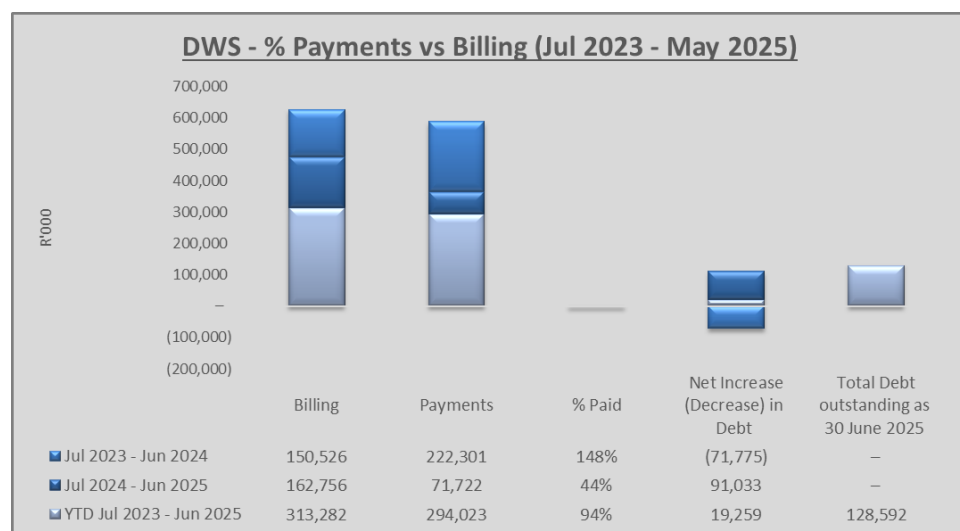
Please refer to section 4.2 for more in-depth information of the debt owed to ESKOM and DWS.



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

The total billed charges for the period amounted to R2,221,639 billion, and payments made amounted to R1,804,621 billion. For the period the municipality managed to settle 81.2% of the billed charges.

The debt outstanding post March 2023 amounts to R417,018 million, 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 June 2025.

The total billing for the period amounted to R313,282m, 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, March and June 2025. This resulted in an escalation of outstanding debt of R91,033m for the current year. The net debt increase amounts to R19,259m.

The debt outstanding as at 31 June 2025 amounts to R128,592m, 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 – July 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 <b>Eskom bulk current account</b> and <b>bulk water current account</b> - 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)	<b>Partially Compliant - ESKOM</b> The municipality made a partially payment of R10 million on 31 July 2025 on the May 2025 invoice. No payment was made on the June 2025 invoice amounting R131 million including interest amounting to R1,975 million. <b>Compliant - DWS</b> The municipality received the water account for June 2025 on 6th August 2025.
	6.3.1 (a) At a minimum, pay the monthly debt instalment on 5th of each month as per signed debt agreement with DWS. (b) Pay the monthly debt instalment of R6,700m to Eskom with the current account	Monthly, 5th of each month		<b>Non-Compliant - ESKOM</b> The municipality had insufficient cash available from operations to settle R6.7m instalment on the ESKOM payment arrangement on 31 July 2025. <b>Non-compliant - DWS</b> The municipality had insufficient cash available from operations to settle the debt repayment instalment to DWS of R6m on or before 5th of August 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	<b>Compliant</b> Email was sent within one day of making payment to ESKOM. The municipality received the water account for June 2025 on 6th August 2025
	6.3.3 Submit the proof of payment to the National Treasury in PDF format via the GoMuni Upload Portal to substantiate that payment was made.	Monthly, within 10 working days after month end	GoMuni Status of Schedule of Revenue Documents Submissions Report	<b>Compliant</b> Proof of Payments made in July 2025 was uploaded onto GoMuni on 4 August 2025.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period – July 2025
	<p><b>6.3.4</b> - 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><b>Compliant</b></p> <p>Transactions as per the ledger reconciles with the monthly datastrings. However minor account payments for Eskom and DWS are posted to the same bulk control votes. Erroneous transactions will be journalised, where applicable. Disclosure issue - the capturing of the current invoice on the system is problematic because it is only received in the new month and captured after month-end closure, resulting in a misalignment between the YTD actual and outstanding creditor amount.</p>
<b>6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)</b>	<p><b>6.6.1</b> Issue monthly billing and allocate payment received from customers in the following priority order:            (1) Property Rates            (2) Water            (3) Waste Water            (4) Refuse Removal and            (5) Electricity</p>	Monthly	Monthly billing reconciliation / Financial system generated hierarchy allocation report	<p><b>Compliant</b></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><b>6.6.2</b> 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	Prepaid disconnections = 1,188
	<p><b>6.6.3</b> The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner</p>	Monthly	Number of restricted / interrupted supply	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><b>6.6.4</b> 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><b>Partially compliant</b></p> <p>Current meters do not have the capability to apply restrictions. Technical analysis is required to implement this functionality. Partially compliant as all indigents have prepaid electricity meters and therefore cannot build up debt on electricity.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period – July 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)	<b>Non-Compliant</b> Monthly S71 Revenue Collection rate per Ward for Property rates and Services only = 34%. (Due annual billing on Property Rates) Quarterly S71 Revenue Collection rate per Ward outcome Q4 = Not yet end of quarter Municipality's average collection rate = 47.4% (Prepaid electricity sales are included) <b>Not achieved</b> Average daily cash collection for June 2025, was R5,658m.
	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 31 March 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 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	Quarterly	GVR Reconciliation & GoMuni Status of Schedule of Revenue Documents Submissions Report	<b>Compliant</b> GVR reconciliation for the fourth quarter was completed 15 July 2025. <b>Compliant</b> GVR reconciliation was submitted on 15 July 2025.

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

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period – July 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	<b>Compliant</b> Report included in the monthly S71 report for July 2025 as per guideline from NT.
	6.9.2 If progress is slow in terms of paragraph 6.9.1, is the <b>active intervention evident</b> 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 June 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	<b>Compliant</b> 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	<b>Finalised</b> 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. <b>Partially Compliant</b> 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 – July 2025
	<p><b>6.12.2</b> 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.</p>	Monthly	Investment account and bank statement and proof of payment aligned to actual receipts	<p><b>Partially Compliant</b></p> <p>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.</p>
	<p>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</p>	Monthly, within 10 working days after month end	Bank statement and proof of payment aligned to actual receipts	<p><b>Compliant</b></p> <p>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.</p>

## 17. Recommendations

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

1. The monthly budget statement (S71 Report) for the month of July 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 June 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 four 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. That the Mayoral committee take note that National Treasury approved the write-off of one third (1/3) of the municipal debt amounting to R248 million.



7. 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 for the second and third cycle of the municipal debt relief programme.
8. 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.
9. 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
10. 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. The interest incurred for the current year as at 31 July 2025 amounts to R5,424 million.
11. The municipality is in breach of the conditions and has accumulative arrears for the prior year. To be in good standing with ESKOM and to qualify for the recommendation for the second third debt write-off by National Treasury, the municipality have an obligation to settle **R373,473,692.06**, as indicated in the table below. Arrears on the outstanding invoices including interest amounts to R299,773,692.06 and the arrears on the payment arrangement amounts to R73,700,000.00.

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 -	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 -	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 -	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 -	R 44,758,315.40	R 1,809,020.57
May-25	R 77,292,217.25	R 50,000,000.00	R 27,292,217.25	R -	R 33,992,217.25	R 2,094,272.25
Jun-25	R 131,969,878.88	R -	R 131,969,878.88	R -	R 138,669,878.88	R 1,975,092.68
<b>TOTAL ESKOM</b>	<b>R 1,055,591,115.04</b>	<b>R 755,817,422.98</b>	<b>R 299,773,692.06</b>	<b>R 73,700,000.00</b>	<b>R 373,473,692.06</b>	<b>R 19,389,422.78</b>

12. The municipality is in breach of the conditions and has accumulative arrears for the prior year. To be in good standing with DWS, the municipality must settle the accounts for October to December 2024, January, March and June 2025 amounting to a combined total of **R91,033,401.38** 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 **R113,888,109.22**, 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 -
Jun-25	R 3,179,334.42	R -	R 3,179,334.42	R -	R 3,179,334.42	R -
<b>TOTAL WATER</b>	<b>R 164,017,782.07</b>	<b>R 35,425,992.39</b>	<b>R 128,591,789.68</b>	<b>-R 14,703,680.46</b>	<b>R 113,888,109.22</b>	<b>R -</b>
Current Year arrears			<b>R 91,033,401.38</b>			

### 13. **Municipal Debt Relief Benefit**

The total debt eligible for write-off, over the 3-year period amounts to **R744,384,421.59**. National Treasury approved the write-off of one third (1/3) of the municipal debt amounting to **R248,128,140.53**. Should the municipality fail to comply with the conditions and fail to settle the accumulative arrears, the debt relief benefit that the municipality will forfeit is R496 million. 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 **July 2025** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Mr. BS Matlala

Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature: \_\_\_\_\_



Date: 14/08/2025



**national treasury**

Department:  
National Treasury  
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**FROM: Mr Mandla Gilimani, Tel: 012 315 5807, Email: [mandla.gilimani@treasury.gov.za](mailto:mandla.gilimani@treasury.gov.za)**

Mr Bartholomew Matlala  
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Mr Sadesh Ramjathan  
Director: Revenue Management  
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**PRETORIA**  
0001

Email: [BMatlala@solplaatje.org.za](mailto: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 JUNE 2025**

In June 2025, the National Treasury undertook a rigorous compliance assessment of Sol Plaatje Local Municipality as part of the second cycle of the Municipal Debt Relief Programme (MDRP), in line with the requirements of MFMA Circular No. 124. The objective of this review was to evaluate the municipality's performance against the binding conditions of the programme, with scrutiny on financial recovery efforts, governance reforms, and operational effectiveness.

While some institutional progress has been recorded—specifically in budget formulation processes, financial reporting accuracy, and improved governance mechanisms—these incremental gains are overshadowed by serious and recurring deficiencies that threaten the integrity of the debt relief intervention.

Of immediate concern are the municipality's persistent failures in core financial management areas. Expenditure control remains weak, revenue collection performance is well below acceptable thresholds, and arrears management—particularly with respect to Eskom debt—has been grossly inadequate. These shortcomings directly compromise the municipality's financial sustainability and cast doubt on its readiness to progress to further phases of the MDRP.

Although the municipality achieved an 80% compliance score during this assessment period, this figure masks critical vulnerabilities. The continued inability to enforce credit control policies and the mounting backlog of unpaid accounts point to systemic revenue management failures. These issues are not merely operational inefficiencies; they constitute breaches of the foundational obligations set out in the MDRP framework.

Nkwama wa Tiko • Gwama la Muvhuso • Nasionale Tesourie • Lefapha la Bosetshaba la Matlotlo • uMnyango wezezimali • Litiko leTetimali taVelonkhe • Tirelo ya Matlotlo a Bosetshahaba  
Tshebetso ya Matlotlo a Naha • UMnyango weziMali • Isebe leNgxowa Mali yeLizwe



The Eskom arrears remain a major financial liability and a high-risk exposure for the municipality. Despite repeated engagements and clear directives, Sol Plaatje has not implemented any meaningful solution to reduce or restructure its overdue Eskom account. This failure poses a material threat to the success of the debt relief programme and undermines the fiscal efforts to assist municipalities to achieve financial stability.

### **Condition 6.1 – Municipality non-compliance**

Despite the municipality's overall progress, the June 2025 assessment revealed several critical areas of non-compliance that warrant immediate attention. One of the most pressing concerns is the inconsistent application of disconnection measures for non-payment of municipal services. While electricity and water disconnections are essential enforcement tools under the municipality's credit control and debt collection policy, their implementation remains sporadic and inadequately monitored. This weakens the municipality's ability to enforce payment discipline and undermines efforts to improve revenue collection. To address this, it is imperative that disconnection procedures be operationalized uniformly across all areas, supported by properly resourced enforcement teams and aligned with the municipality's approved credit control framework.

Another area of concern is the lack of active Council oversight and involvement in the implementation of the Municipal Debt Relief Programme. The continued "No" rating under Condition C41 highlights a significant governance gap, where Council has not consistently tabled MDRP progress reports, adopted relevant resolutions, or monitored programme outcomes through formal structures. This absence of political leadership and accountability at the Council level limits the institutional drive needed to sustain compliance and reforms. Strengthening Council engagement through scheduled agenda items, regular performance briefings, and documented resolutions is critical to improving transparency and institutional buy-in.

In addition, the municipality continues to experience challenges in meeting its payment obligations to Eskom and regional Water Boards. Although some improvements in account management have been observed, payments are still made irregularly or in partial amounts, deviating from the agreed repayment terms outlined in the approved debt relief framework. This non-compliance not only jeopardizes the municipality's access to future phases of debt write-offs but also raises concerns about long-term financial sustainability. Full and timeous settlement of bulk service provider accounts must be prioritized as a core condition of the MDRP to safeguard the municipality's standing in the programme.

These areas of non-compliance must be addressed decisively to prevent regression and to consolidate the gains achieved to date. Enhancing governance oversight, improving enforcement of credit control, and adhering strictly to repayment agreements with creditors are essential steps toward achieving full compliance with MFMA Circular No. 124 and maintaining the municipality's eligibility for continued debt relief support.



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



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 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					
2.July	Sol Plaatje	NC091	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	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	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	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	88%	Non Compliance		
4.September	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	78%	Non Compliance		
5.October	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance	
6.November	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Non Compliance	
7.December	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	73%	Non Compliance
8.January	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Non Compliance
9.February	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance
10.March	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance
11.April	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	83%	Non Compliance	
12.May	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	88%	Non Compliance
1.June	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	No	No	No	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	80%	Non Compliance

Sol Plaatje Local Municipality is strongly encouraged to maintain and accelerate its efforts toward achieving full compliance with the conditions of the Municipal Debt Relief Programme. While measurable progress has been recorded, the continued failure to fully settle outstanding Eskom obligations during the second compliance cycle remains a material concern. This non-compliance poses a significant risk to the municipality's eligibility for the approved debt write-off and undermines the overarching goals of restoring financial stability and long-term sustainability.

To fully leverage the benefits of the debt relief initiative, urgent and focused action is required. The municipality must prioritise the full settlement of Eskom arrears in strict accordance with the requirements of the programme. A key enabler of this outcome is the effective reduction of outstanding consumer debt. Accordingly, it is imperative that the municipality strengthens its credit control functions, rigorously enforces the Council-approved debt collection policy, and intensifies revenue recovery initiatives to improve cash flow and create the fiscal space necessary to honour bulk electricity payments.

Meeting these financial obligations is not only a compliance requirement under MFMA Circular No. 124 but also a strategic necessity for enhancing financial resilience, rebuilding stakeholder trust, and ensuring the uninterrupted delivery of basic services.

Should the municipality fail to take decisive action, it risks forfeiting the associated debt relief benefits, thereby exacerbating its financial constraints and further limiting its ability to invest in critical infrastructure and operational priorities. Demonstrating a consistent commitment to financial discipline—through measurable reductions in debtor balances and timely settlement of key liabilities—is essential to advancing fiscal sustainability and reinforcing confidence in the municipality's governance and financial management capacity.



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

Sol Plaatje Local Municipality has secured final approval to participate in the Municipal Debt Relief Programme (MDRP), following the adoption of a formal Council resolution and subsequent endorsement by the National Treasury. This approval, initially granted on a conditional basis, required the municipality to address significant shortcomings in its financial management, administrative capacity, and governance systems.

In recognition of the strategic importance of this opportunity, the municipality’s leadership—driven by strong political resolve and administrative commitment—initiated a comprehensive institutional assessment. This diagnostic exercise identified key areas of concern and served as the basis for a targeted and structured action plan. The plan prioritised improvements in internal controls, revenue management, expenditure efficiency, and governance oversight.

In response to the conditions outlined by the National Treasury, Sol Plaatje implemented a coordinated programme of institutional reforms. Notable interventions included:

- **Enhanced Financial Oversight:** The municipality introduced strengthened monitoring mechanisms to improve transparency, ensure compliance with national fiscal frameworks, and promote greater accountability in financial management.
- **Disciplined Budgeting Practices:** Robust and transparent budgeting procedures were adopted to enhance financial planning, prioritisation, and resource allocation.
- **Good Governance Frameworks:** Governance principles promoting integrity, ethical leadership, and institutional accountability were embedded into the municipality’s operational and decision-making structures.
- **Performance Monitoring Systems:** Comprehensive compliance tracking and reporting mechanisms were established to monitor implementation progress, support evidence-based decisions, and drive continuous institutional improvement.

The implementation of these interventions has enabled the municipality to fulfil all conditions associated with the MDRP, culminating in the granting of final approval for programme participation. This milestone represents a significant achievement in Sol Plaatje’s financial recovery efforts and reaffirms its commitment to sound fiscal management and institutional reform. With these foundational reforms now in place, the municipality is well-positioned to pursue long-term financial sustainability. The strengthened systems and governance structures are expected to stabilise the revenue base, improve service delivery outcomes, and reinforce public trust in the municipality’s financial and administrative stewardship.



### **Condition 6.3 – Maintaining the Eskom bulk current account**

As of June 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 alignment with the requirements of the Municipal Debt Relief Programme. While some progress has been made in meeting current account obligations, significant financial constraints persist—particularly concerning legacy arrears to Eskom.

For the month of June 2025, no current account was billed for Water due to a special servitude arrangement that takes effect from 1 April each year. This annual agreement exempts the municipality from billing for the month of May, thereby altering the typical invoicing cycle and reflecting a unique contractual provision.

Notwithstanding this arrangement, the municipality received a separate Eskom invoice in respect of a prior billing cycle, amounting to R77.292 million, which included R2.094 million in interest charges. Due to ongoing liquidity constraints, the municipality was only able to partially settle this invoice, making a payment of R40.000 million on 27 June 2025. This follows earlier payments made in May toward the April 2025 invoice, indicating a pattern of partial but consistent settlement. These actions underscore the municipality's willingness to meet its obligations within its constrained fiscal environment. However, the continued inability to fully settle bulk electricity invoices highlights the urgent need for improved financial discipline, particularly in relation to cash flow management and expenditure control.

Of greater concern is the municipality's outstanding historical debt to Eskom, which remains unresolved and poses a material risk to its compliance status under the MDRP. Without a credible and structured arrears repayment plan, the municipality's eligibility for future debt write-offs may be jeopardised.

To mitigate these risks and build on the progress made, it is essential that Sol Plaatje Local Municipality strengthen its liquidity forecasting capabilities, reinforce expenditure controls, and ensure strict prioritisation of payments to bulk service providers. The development and implementation of a formal arrears settlement strategy, aligned to available revenue streams, will be critical to restoring financial stability and maintaining MDRP compliance.

### **Condition 6.4 – A funded MTREF**

The Sol Plaatje Local Municipality's approved MTREF budget for 2025/26 reflects total revenue and expenditure of approximately R3.2 billion, with a projected operating surplus of R21.7 million. While the budget is technically funded, the National Treasury noted that this relies heavily on improved revenue collection and careful expenditure management. The revenue outlook includes an 8.7% increase, mainly from electricity, water, property rates, and national grants. Tariff increases include 4.4% for property rates, 9.6% for electricity, and 4.4% for water, sanitation and waste management.

However, electricity and water losses remain a concern, with technical and non-technical losses reported at 25% and 67%, respectively—both well above national norms.

On the expenditure side, employee-related costs make up 28.8% of the operating budget (R1 billion), while bulk electricity and water purchases constitute a significant portion. National Treasury raised concerns about under-budgeting for debt impairment: the municipality projected R437.1 million, while NT's estimate—based on a 73.4% collection rate—was R760.2 million. This gap points to the risk of overstated revenue and under-provisioned costs, potentially undermining cash flow stability.

The capital budget totals R627.3 million, with R557.8 million allocated to trading services, mainly for water infrastructure (R499.6 million). Roads and governance receive smaller allocations. The capital programme is 95% grant-funded, with only R32.4 million budgeted from internal funds. Given ongoing liquidity constraints, NT expressed doubt about the availability of internal reserves to meet this contribution.

Cash flow projections also raised red flags. While the municipality forecasted a year-end balance of R251.1 million, NT projected a deficit of R398.1 million. The municipality's debtor book stands at R4.2 billion, with 73% overdue beyond 12 months, limiting its financial flexibility. Liquidity and cash coverage ratios indicate that the municipality would not be able to meet short-term obligations without immediate revenue.

Though the budget aligns with the IDP and underwent Council adoption and public participation, its credibility is weakened by optimistic collection assumptions and under-costed free basic services. The budgeted R73.8 million for indigent support falls far short of the R292 million allocated through the equitable share. This mismatch raises concern about service delivery adequacy for vulnerable households.

In summary, Sol Plaatje's 2025/26 budget reflects positive intentions but remains fragile. To strengthen its credibility and sustainability, the municipality must improve collections, finalise key appointments, and align budgeting assumptions with realistic cash flows and available funding. Failure to do so could undermine service delivery and compromise future debt relief eligibility.

## Conditions 6.5 – Cost reflective tariffs

**Water Services:** The municipality's water service is not cost reflective for the 2025/26 financial year. According to the National Treasury tariff tool, the revenue required to sustainably operate and maintain the water service amounts to R438.58 million. However, the municipality only budgeted R362.72 million in its original budget, resulting in a shortfall of R75.86 million. This deficit indicates that the municipality is under-recovering the actual cost of providing water services, which may lead to underfunded operations, deferred maintenance, and long-term service delivery risks. The non-cost reflective status signals the need for tariff reviews and stronger cost-recovery mechanisms to ensure the sustainability of this essential service.

**Waste Water (Sanitation) Services:** For sanitation services, the assessment also reflects a non-cost reflective status. The revenue required for waste water management is R124.91 million, while the amount budgeted is only R106.27 million, creating a funding gap of R18.64 million. This shortfall suggests that the tariffs charged do not fully recover the operational and capital costs associated with providing sewerage services. Without adjustment, the municipality may struggle to maintain infrastructure standards, respond to service demands, and expand access to sanitation in unserved areas, particularly in informal settlements.

**Electricity Services:** Electricity services present the most significant deficit among all trading services. The required revenue is R1.55 billion, whereas the municipality has budgeted only R1.22 billion, resulting in a substantial shortfall of R332.18 million. This underfunding is particularly concerning given the high bulk purchase costs from Eskom and the 24% reported electricity losses. The electricity function is also not cost reflective, which raises serious concerns about the municipality's ability to fund its obligations to Eskom, maintain infrastructure, and avoid passing unfunded liabilities into future budgets. Immediate attention is needed to adjust tariffs in line with cost structures and reduce losses through improved metering and enforcement.

**Solid Waste Services:** Solid waste management is similarly assessed as not cost reflective. The revenue requirement for 2025/26 stands at R94.75 million, while only R73.59 million was budgeted, leaving a shortfall of R21.16 million. This discrepancy implies that the municipality may not be adequately covering the full cost of waste collection and disposal, especially considering challenges such as ageing refuse fleet, breakdowns, and limited coverage. The underfunding could affect the reliability and efficiency of refuse removal, contributing to service backlogs and resident dissatisfaction.

All four trading services have been classified as **“Not Cost Reflective”**, which highlights systemic risks in the municipality's tariff setting process. The cumulative shortfall across all services reflects an unsustainable reliance on underpriced services, which undermines both financial stability and the municipality's ability to deliver consistent, quality services. To address this, the municipality must urgently review its tariff structure, improve billing and collections, and align service charges with actual cost drivers to ensure long-term financial viability.

Each of these trading services shows a negative variance between what is needed and what has been budgeted, reinforcing the need for urgent tariff restructuring and improved billing enforcement. Addressing these shortfalls is essential to achieve financial sustainability and ensure that basic services can be delivered reliably and at appropriate 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**

The revenue collection performance of Sol Plaatje Local Municipality during the 2024/25 financial year reflects persistent under-collection across all billing categories. Despite consistent billing processes and targeted recovery efforts, the municipality continued to fall short of its collection targets. This has negatively impacted liquidity and weakened the municipality's ability to meet key financial obligations, including payments to Eskom and water boards. The failure to translate billed revenue into actual receipts poses a material risk to operational sustainability and compliance with the Municipal Debt Relief Programme. The analysis below provides a detailed review of quarterly performance, now incorporating the verified data for Quarter 4.

**Quarter 1:** In the first quarter (July to September 2024), the municipality initiated the financial year with a standard billing schedule. However, collection rates were weaker than expected, driven by non-payment from residential accounts and inconsistent enforcement of disconnection policies. The billing-to-collection gap began to widen, reflecting early pressure on cash flow. The municipality also faced challenges in recovering historical debt, and the low first-quarter recovery rate necessitated intensified follow-ups for subsequent months.

**Quarter 2:** The second quarter (October to December 2024) saw marginal improvement in collections, supported by festive season awareness campaigns and limited enforcement drives. However, a large proportion of revenue billed remained uncollected, indicating structural weaknesses in credit control and indigent account management. The municipality attempted to improve collections, but the financial impact remained limited. The under-collection trend persisted, and pressure mounted to reconcile cash flows with rising bulk supply obligations.

**Quarter 3:** The third quarter (January to March 2025) marked the most challenging period of the year for collections. Post-holiday consumer fatigue and worsening household affordability led to increased arrears and decreased payment compliance. Informal settlements and indigent households were especially affected. Revenue shortfalls widened, and the municipality's debtor book continued to grow.

This quarter exposed the urgency of updating the indigent register and enforcing the council-approved debt collection policy to ensure better arrears management.

**Quarter 4:** During the final quarter (April to June 2025), verified data shows that the municipality billed approximately **R163.29 million**, but collected only **R98.07 million**, resulting in an uncollected balance of **R65.22 million**. The recorded collection rate for the quarter stood at **60.06%**. While this was a modest recovery compared to the third quarter, it still reflects a substantial shortfall. The municipality's financial position remained under pressure as the uncollected revenue continued to compromise service delivery obligations and hinder full compliance with Eskom and DWS repayment terms. The fourth quarter's performance underscores the need to intensify credit control enforcement and introduce automated disconnection and debt tracking systems ahead of the new financial year.

### Conditions 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 - 30/06/2027					
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

The General Valuation Roll (GVR) Reconciliation is a fundamental component of municipal revenue governance, serving as a mechanism to verify that the municipality's official valuation data is accurately and completely captured within its billing system. This process ensures that property rates



are billed based on reliable, legislatively compliant valuation figures, as required by the Municipal Property Rates Act (MPRA) and monitored under MFMA Circular No. 124, particularly in the context of the Municipal Debt Relief Programme (MDRP).

For the fourth quarter of the 2024/25 financial year, Sol Plaatje Local Municipality undertook a formal GVR reconciliation covering the current valuation period from 1 July 2023 to 30 June 2027. This exercise was aimed at confirming full integration and alignment between the Valuation Roll and the Municipal Billing System. It was led by the Revenue and Valuation units, with oversight from the finance directorate, and forms part of the ongoing financial controls linked to improving revenue assurance.

The reconciliation process involved a line-by-line verification of both the number of properties and the total market values across each billing category. The results of this exercise confirmed 100% alignment, with zero discrepancies recorded. The detailed breakdown is as follows:

- Residential properties: 51,050 accounts were recorded in both systems, with a combined market value of R24.23 billion.
- Industrial properties: 203 accounts aligned perfectly, with a total market value of R804.24 million.
- Business and Commercial properties: 2,326 accounts reconciled accurately, with a market value of R7.57 billion.
- Agricultural properties: 422 accounts matched across both platforms, valued at R2.61 billion.
- 

This complete reconciliation not only validates the technical integrity of the municipality's revenue base but also enhances the credibility of its billing operations. The accuracy of the GVR and its seamless integration into the billing system provides a solid foundation for improved financial forecasting, tariff modelling, and audit compliance.

However, while the GVR reconciliation confirms the accuracy of the property register and valuation inputs, it also highlights a strategic challenge: the consistent under-collection of revenue despite a technically sound billing base. The municipality must now focus on converting this accuracy into improved cash flow by strengthening credit control enforcement, finalising indigent register reviews, and applying disconnection protocols where necessary.

In summary, the Quarter 4 GVR reconciliation for Sol Plaatje Local Municipality confirms that all rateable properties are correctly reflected and valued in both the valuation roll and billing system. This achievement represents an important compliance milestone and lays the groundwork for enhanced revenue performance. Going forward, the municipality must translate this data integrity into improved collections, sustainable budgeting, and full compliance with MDRP conditions, particularly as it seeks eligibility for future debt write-off cycles.

## **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.	<b><i>The Budget Performance Overview (paragraph 4) of the MFMA S71 statement</i></b> explicitly advised on the municipality's progress in implementing the municipality's budget and (where relevant also the budget funding plan) – where implementation is slow, the statement advised explicitly on progress, challenges and corrective actions.	Yes
2.	<b><i>The conclusion (paragraph 14) of the MFMA S71 statement</i></b> 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.	<b><i>Annexure B of the MFMA S71 statement included the following debt relief reporting components-</i></b>	
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 <b>MFMA Budget Circular 128 (Annexure B)</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 <b>MFMA Budget Circular 128 (Annexure D)</b> .	Yes
3.5.1	The indigent management information	Yes





MFMA S71 Statement component		Compliance (Yes / No)
3.5.2	The indigent management information was included in the format of <b>MFMA Budget Circular 128 (Annexure C)</b> .	Yes
3.6.1	The summary of the municipality's property rates reconciliation undertaken in the National Treasury format.	Yes
3.6.2	The municipality's progress during the month against its planned corrective action to address any variances evident from the property rates reconciliation.	Yes
3.7.1	Any Eskom and Water (if the municipality has the Water function) Bulk current account invoice(s) due and payable during the month of reporting	Yes
3.7.2	The municipality's proof of payment of any such Eskom and / or Water Bulk current account invoice(s) during the month of reporting.	Yes
3.7.3	The municipality's reconciliation statement for electricity and water (if it has the function) aligning to the MFMA S71 mSCOA data strings upload.	Yes
3.8	Recommendations noting explicitly the 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 central role in overseeing the implementation of the Municipal Debt Relief Programme (MDRP), ensuring that participating municipalities comply with the stringent conditions necessary for effective debt resolution and long-term financial recovery. This oversight is critical to fostering fiscal discipline, transparency, and financial stability within the local government sphere.

To uphold these standards, the National Treasury implements a comprehensive monitoring and evaluation framework that promotes continued compliance with best financial practices. This framework helps prevent the re-emergence of unsustainable debt, supports disciplined budgeting, and reinforces accountable governance. In doing so, it empowers municipalities to strengthen service delivery, restore public trust, and stimulate local economic activity within a framework of fiscal integrity.

Through this continued support, the National Treasury enhances the financial resilience of municipalities, thereby contributing to improved living conditions for residents. This collaborative approach lays the foundation for a more transparent, effective, and financially sustainable system of local governance. Ultimately, it ensures that municipalities are equipped not only to fulfil their constitutional service delivery mandates but also to play a meaningful role in advancing national economic growth and social development.

#### **Condition 6.11 – Limitation on Municipal borrowing powers**

The restriction on municipal borrowing—and the explicit prohibition against incurring new debt during the designated debt relief period—constitutes a core element of the regulatory framework underpinning the Municipal Debt Relief Programme. These provisions are designed to promote fiscal discipline by requiring municipalities to subject all borrowing activities to rigorous scrutiny and ensure strict compliance with both programme requirements and statutory borrowing thresholds. By curbing the accumulation of new debt and alleviating short-term fiscal pressures, the framework supports the broader objective of achieving long-term financial sustainability.

Since the commencement of the Debt Relief Programme on 1 October 2023, Sol Plaatje Local Municipality has consistently complied with these borrowing restrictions. This disciplined financial approach has played a vital role in safeguarding the municipality's credit standing, limiting financial risk, and reinforcing its commitment to sound fiscal governance.

Maintaining adherence to borrowing controls not only enhances the municipality's financial resilience but also fosters greater confidence among stakeholders—ranging from residents and creditors to oversight institutions and potential investors. By avoiding unsustainable borrowing and prioritising responsible financial management, the municipality is better positioned to maintain fiscal stability while fulfilling its core service delivery obligations.

This unwavering commitment to prudent debt management reflects a progressive and responsible governance approach—one that supports sustainable development, ensures

regulatory compliance, and strengthens the municipality's long-term capacity to meet the evolving needs of its community.

### **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. Prioritise Full and Timely Settlement of Eskom Arrears

The municipality must urgently develop and implement a credible arrears repayment strategy for its substantial outstanding Eskom debt. While partial payments have been made, the consistent failure to fully settle these invoices threatens the municipality's compliance with the Municipal Debt Relief Programme (MDRP) and could lead to disqualification from future debt write-offs. A structured, Council-approved arrears settlement plan—aligned to realistic revenue forecasts—is essential to mitigate financial risk and ensure uninterrupted electricity supply.

### 2. Enforce Uniform and Systematic Credit Control Measures

The inconsistent implementation of disconnection protocols for non-paying consumers severely undermines the municipality's ability to enforce payment discipline. A critical recommendation is to strengthen the application of the Credit Control and Debt Collection Policy, especially the use of electricity and water as enforcement tools. This should include investment in technological infrastructure to support automated disconnection, training of enforcement teams, and systematic tracking of non-compliance.



### **3. Undertake Immediate Tariff Restructuring to Achieve Cost Reflectivity**

All four main trading services—electricity, water, sanitation, and solid waste—were found to be non-cost reflective, with cumulative budget shortfalls exceeding R447 million. This systemic under-pricing endangers the sustainability of service delivery. The municipality must urgently review and adjust its tariff structure using the National Treasury's tariff setting tool, align charges to actual cost drivers, and embed long-term financial viability into the tariff policy framework.

### **4. Strengthen Political and Administrative Oversight of the MDRP**

The absence of consistent Council engagement on MDRP implementation, as evidenced by the “No” rating for Condition 6.1, reflects a serious governance shortfall. The Council must institutionalise regular progress reporting, adopt resolutions tied to debt relief implementation, and actively monitor key performance indicators. Without political oversight and formalised Council involvement, institutional reforms and compliance efforts risk losing momentum.

### **5. Improve Revenue Collection and Liquidity Management**

With an average quarterly collection rate of only 60.06% in the fourth quarter and a debtor book of R4.2 billion (73% overdue beyond 12 months), the municipality's cash flow remains under severe strain. Enhanced revenue recovery initiatives—such as targeted indigent register updates, ward-based collection campaigns, and improved billing accuracy—must be coupled with tighter expenditure control and realistic budgeting assumptions to improve liquidity and reduce reliance on grants.

For enquiries, please feel free to contact Mr. Mandla Gilimani on [mandla.gilimani@treasury.gov.za](mailto:mandla.gilimani@treasury.gov.za).


Kind regards

**MANDLA GILIMANI**  
**DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS**  
**DATE: 31/07/2025**

CC: Mrs Marli van der Woude, MFIP Revenue Advisor – [marli@mfip.gov.za](mailto:marli@mfip.gov.za)

## Annexures (June 2025 Compliance Certificates)

### Annexure A2 - Monthly

 <b>National Treasury</b> <b>Municipal Debt Relief</b> <b>MFMA Circular No. 124</b> <b>Municipal Finance Management Act No. 56 of 2003</b>			
<b>National Treasury</b>			
<b>Certificate of Compliance: Municipal Debt Relief Conditions for Application</b>			
Period	Jun'25		
National Financial Year	2024/25		
Demarcation Code of Municipality being assessed	NC091		
District	Frances Baard		
Demarcation Description	Sol Plaatje		
<p>I, <b>Mandla Gilimani</b>, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in <b>MFMA Circular No. 124</b> 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>			
<b>Municipal Debt Relief Conditions (Monthly reporting)</b> <span style="float: right;">Choose from drop down list</span>			
6.3 + Condition 6.12	<b>Maintaining the Eskom and bulk water current account –</b> <small>(current account for the purpose of this exercise means the account for a single month's consumption):</small>		
1	6.12.2	- Has the municipality paid its <b>bulk water current account</b> 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 <a href="https://guploadportal.treasury.gov.za">https://guploadportal.treasury.gov.za</a> ?	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 <b>Eskom bulk current account</b> 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 <a href="https://guploadportal.treasury.gov.za">https://guploadportal.treasury.gov.za</a> ?	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	<b>Compliance with a funded MTREF –</b> <i>(choose from drop down list the MTREF assessed)</i>		2025/26 Tabled MTREF
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - <a href="http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx">http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx</a> ?	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 <i>(considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget)</i> 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 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>			
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment <i>(considering its asset register and physical state of assets)</i> 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>			





11	6.4.2	- <b>If the municipality's MTREF is not funded</b> , has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	N/A - the MTREF is funded
<p><i>Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i></p>			
12	6.4.2	- <b>If the municipality's MTREF is not funded and it has an FRP per the legislative framework</b> , 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	<b>Cost reflective tariffs</b> - (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes
<p><b>6.6 Electricity and water as collection tools</b> - has the municipality, with effect from the tabling of the 2023/24 MTREF, <b>demonstrated, through its by-laws and budget related policies</b> that:</p>			
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	No
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note - the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.</i>	No
<p><b>6.6 Supporting evidence:</b> 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><b>6.7 Maintain a minimum average quarterly collection of property rates and services charges -</b></p>			
19	6.7.1	- Has the municipality achieved a minimum of <b>80 per cent average quarterly collection</b> of property rates and service charges <b>with effect from 01 April 2023</b> and <b>85 per cent average quarterly collection with effect from 01 April 2024</b> during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	No
<p><i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i></p>			
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, <b>has the municipality demonstrated to the satisfaction of National Treasury the following :</b>	
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1.	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)?	6.7.1 = Yes
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> 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 <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
<b>6.8 Municipality's Completeness of the revenue base –</b>			
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	- <b>For the latest ending Quarter</b> -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 <a href="https://uploadportal.treasury.gov.za">https://uploadportal.treasury.gov.za</a> ?	Yes
<b>6.9 Monitor and report on implementation –</b>			
29	6.9.1	- <b>MFMA section 71 reporting</b> – 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 <b>active intervention evident</b> 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	- <b>Municipalities with financial recovery plans (FRP)</b> – 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 <a href="https://lguploadportal.treasury.gov.za?">https://lguploadportal.treasury.gov.za?</a>	<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	<b>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:</b>	
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 <b>conditions for provincial treasuries</b> (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 <a href="https://lguploadportal.treasury.gov.za?">https://lguploadportal.treasury.gov.za?</a> <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 <b>conditions for provincial treasuries</b> (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	<b>Limitation on municipality borrowing powers</b> - 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	<b>For the duration of the Municipal Debt Relief (to ensure proper management of resources):</b>	
37	6.12.1	- has the municipality <b>apportioned and ring-fenced in a sub-account</b> to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) <b>the component of the Local Government Equitable Share (LGES)</b> 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		<b>Supporting evidence:</b> 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	<b>Accounting Treatment</b> - 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	<b>'NERSA License</b> - 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:

31/07/2025

**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 C				Maximization of Revenue Base	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					Oversight																												
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Compliance Status				
2.July	Sol Plaatje	NC091	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	90%	Non Compliance			
3.August	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	88%	Non Compliance		
4.September	Sol Plaatje	NC091	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	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		
5.October	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	90%	Non Compliance		
6.November	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	Yes	N/A	N/A	N/A	N/A	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	88%	Non Compliance	
7.December	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	73%	Non Compliance		
8.January	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	80%	Non Compliance	
9.February	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	90%	Non Compliance	
10.March	Sol Plaatje	NC091	Yes	Yes	No	No	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	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	90%	Non Compliance	
11.April	Sol Plaatje	NC091	No	No	No	No	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	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	83%	Non Compliance
12.May	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	88%	Non Compliance	
1.June	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	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	80%	Non Compliance	
Comments/Motivation																																																	
NT Name:			Mandla Gilimani																																														
Signature of NT:																																																	
Date:			31/07/2025																																														
* 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**

**Municipality Self-Assessment**

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period: Jul26

National Financial Year: 2025/26

Demarcation Code of Municipality being assessed: NC091

District: Frances Baard

Demarcation Description: Sol Plaatje

I, **Bartholomey Matala 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

6.3	<p><b>Maintaining the Eskom and bulk water current account –</b></p> <p><i>applies to all municipalities except for the water boards, which are covered by a separate condition</i></p>		
6.3.2	<p>- Has the municipality paid its <b>bulk water current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)?</p> <p><i>Note - refer condition 6.3.2.2</i></p>	<span>No</span>	Invoice for June 2025 was received late. Invoice was received on the 8th of August 2025. The Department was offline for some time
6.3.2	- 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 <a href="https://go.muni.gov.za/treasury-accounts">https://go.muni.gov.za/treasury-accounts</a> ?	<span>Yes</span>	
6.3.2	- 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?	<span>Yes</span>	
6.3.3	<p>- Has the municipality paid its <b>Eskom bulk current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)?</p> <p><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 accounts) up to the date of MF approval of the application.</i></p>	<span>No</span>	The municipality made a partial payment, amounting to R10,000,000 million on 31 July 2025. Payment was towards the account of May 2025. The invoice for June 2025 amounting to R131,970 million including interest of R1,075 million remains unpaid.
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 <a href="https://go.muni.gov.za/treasury-accounts">https://go.muni.gov.za/treasury-accounts</a> ?	<span>Yes</span>	
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?	<span>Yes</span>	
6.4	<p><b>Compliance with a funded MTREF –</b></p> <p><i>(Choose from drop down list the MTREF assessed)</i></p>	<span>Select</span>	
6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - <a href="http://ofthe-treasury.gov.za/foia/mtref/mtref_funding_guidelines.pdf">http://ofthe-treasury.gov.za/foia/mtref/mtref_funding_guidelines.pdf</a> ?	<span>Yes</span>	
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?	<span>Yes</span>	
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?	<span>Yes</span>	
6.4.1	<p><i>Note: The amount of the municipality's debt impairment provision should be based on the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget. The amount of the debt impairment provision should be based on the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget. The amount of the debt impairment provision should be based on the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget.</i></p>		
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?	<span>Yes</span>	
6.4.2	<p><i>Note: If the municipality is not funded, it should not select "N/A" as it is not a funded MTREF. The municipality should select "N/A" if it is not a funded MTREF. The municipality should select "N/A" if it is not a funded MTREF.</i></p>		
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)?	<span>N/A – the MTREF is funded</span>	
6.4.2	<p><i>Note: If the municipality is not funded, it should not select "N/A" as it is not a funded MTREF. The municipality should select "N/A" if it is not a funded MTREF. The municipality should select "N/A" if it is not a funded MTREF.</i></p>		
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)?	<span>N/A</span>	
6.4.2	<p><i>Note: only if the municipality does not have an FRP may "N/A" be selected from the dropdown list</i></p>		
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.)?	<span>Yes</span>	
6.5	<p><b>Cost reflective tariffs –</b> (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>	<span>Yes</span>	

Notes/Comments



6.6	Electricity and water as collection tools – Has the municipality, with effect from the taking of the 2023/24 MTRE, 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	
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 M564 s.71 statement must include as part of the narratives the indigent consumer in the required RT form</i>	No	
6.6	<i>Supporting evidence: The following document(s) or parts of/primary's relevant budget operational can form the municipality's evidence MTRE's annual budget policies and decisions demonstrate compliance with paragraph 6.6</i>		
6.7	<b>Maintain a minimum average quarterly collection of property rates and services charges –</b>		
6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges <b>with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024</b> during any quarter – demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuti Upload Portal?	Not yet end of quarter	
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, <b>has the municipality demonstrated to the satisfaction of National Treasury the following:</b>		
6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	not yet the end of a quarter	
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	
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?	not yet the end of a quarter	
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.
6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTRE1 with a smart pre-paid meter?	Yes	
6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tables 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	<b>Municipality's Completeness of the revenue base –</b>		
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	
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	
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 <a href="https://gipportal.nationaltreasury.gov.za">https://gipportal.nationaltreasury.gov.za</a> ?	Yes	





