



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

Monthly Budget Statement S71 Monthly Report September 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 October 2025

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Table of Contents

PART 1: IN-YEAR REPORT

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

PART 2 - SUPPORTING DOCUMENTATION

6. Debtors' Analysis.....	35
7. Creditors' Analysis.....	42
8. Investment portfolio analysis.....	43
9. Allocation and grant receipts and expenditure.....	45
10. Councillor and board member allowances and employee benefits.....	48
11. Material variances to the service delivery and budget implementation plan.....	52
12. Capital programme performance.....	52
13. Other supporting documents.....	54
14. Conclusion.....	54
15. Annexure A: C-schedules.....	56
16. Annexure B: Compliance with the conditions for Municipal Debt Relief.....	63
16.1 MFMA Circular 124 – Municipality Compliance Self-Assessment.....	63
16.2 Municipal Debt Relief Performance across the period of debt relief participation.....	66
16.3 The National Treasury Debt Relief Compliance Assessment.....	67
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).....	67
16.5 MFMA Circular 124 – Condition 6.8 (Completeness of the revenue base).....	72
16.6 MFMA Circular 124 – Condition 6.3 (Maintaining the Eskom bulk current account) and Condition 6.12 (Proper Management of Resources).....	73
16.7 Municipal Debt Relief Monitoring Plan – Progress report.....	84
17. Recommendations.....	89
18. Municipal Manager's quality certification.....	92

List of Tables

Table 1.1: Consolidated summary: Statement of Financial Performance: YTD Budget.....	3
Table 1.2: Consolidated summary: Statement of Financial Performance: Original Budget.....	4
Table 1.3: Part 1: Operating Revenue and Expenditure	4
Table 1.4: Part 2: Capital Revenue and Expenditure	5
Table 2.1: Arrear debt payable to Eskom.	7
Table 3: Table C4 Financial Performance (Revenue).....	13
Table 4: Table C4 Financial Performance (Expenditure)	17
Table 4.1 R&M Expenditure per Directorate per inventory type	18
Table 4.2 R&M Expenditure per Service per inventory type.....	19
Table 5.1: Summary of YTD Bulk Electricity expenditure.....	23
Table 5.2: Summary of YTD Bulk Water expenditure	23
Table 6.1: Summary of outstanding ESKOM debt	24
Table 6.2: Summary of outstanding DWS debt.....	26
Table 6.4: Reconciliation Eskom Payment Arrangement	30
Table 6.5: Reconciliation DWS Debt Agreement	30
Table 7: High level summary: Capital Expenditure	31
Table 8: Part 4: Debtors Age Analysis	35
Table 9: Monthly collection rate	38
Table 10: Revised Average collection rate	38
Table 11: Part 5: Creditors Age Analysis	42
Table 12: Supporting Table SC5: Investment portfolio.....	43
Table 13: Supporting Table SC6: Transfers and grant receipts	45
Table 14: Supporting Table SC7(1): Transfers and grant expenditure	46
Table 15: Summary of expenditure per grant.....	46
Table 16: Supporting Table SC7(2) - Expenditure against approved rollovers.....	47
Table 17: Supporting Table SC8: Councillor and staff benefits	48
Table 18: Current YTD Overtime expenditure excl Night-shift allowance	49

List of Charts

Chart 1.1 Cost Coverage Ratio & Collection rate.....	6
Chart 1.2 Growth in Outstanding debtors	6
Chart 1.3: Revenue by Source: YTD Actual as a percentage of Total Revenue	16
Chart 1.4: Expenditure by Type: YTD Actual as a percentage of Total Expenditure	21
Chart 2.1: Eskom - Comparison Invoices vs Payments	25
Chart 2.2: DWS - Comparison Invoices vs Payments.....	27
Chart 2.3: Monthly payments to DWS & ESKOM	28
Chart 3: Monthly & YTD comparison – Bulk Electricity & Water debt.....	29
Chart 4: Total Capital expenditure	31
Chart 5: Call investment deposits and Cash & cash equivalents at year-end.....	32
Chart 6: Cash & cash equivalents and Cost coverage ratio	33
Chart 7: Debt over 90 days as a percentage of Total O/S Debt	36
Chart 8: Aged Consumer Debtor Analysis	37
Chart 9: Consumer Debtors (total by Debtor Customer Category).....	37
Chart 10: Comparative trend: Monthly and Revised average collection rate	39
Chart 11: Month-to-month - Total Billing Receipts incl Prepaid Electricity	40
Chart 12: Billing receipts per Customer Group	41
Chart 13: Aged Creditors Analysis.....	42
Chart 14: Call investment deposits at month-end	44
Chart 15.1: Overtime Actual vs Budget.....	50
Chart 15.2: Monthly and Annual Overtime Comparison.....	50
Chart 16.1: Capital Expenditure Monthly Trend: actual v target.....	52
Chart 16.2: Capital Expenditure: YTD actual vs YTD target.....	52

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
CRU - Community Residential Unit
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
EEDSM - 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
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 April 2009)
MBS – Monthly Budget Statement
MFMA - Municipal Finance Management Act (Act 56 of 2003)
MM - Municipal Manager
mSCOA – Municipal Standard Chart of Accounts
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
SDBIP - Service Delivery and Budget Implementation Plan
SEDP - Strategic Economic Development and Planning
SLA - Service Level Agreement
SMME - Small, Medium and Micro Enterprises
SPCA - Society for the Prevention of Cruelty to Animals
SPLM - Sol Plaatje Local Municipality
VAT – Value Added Tax
YTD – Year-to-date
WRM - Water Resource Management
WRL - Water Research Levy
WSIG – Water Services Infrastructure Grant

PART 1: IN-YEAR REPORT

TO: THE EXECUTIVE MAYOR

DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT: S71 MONTHLY REPORT FOR THE PERIOD ENDING 30 September 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 R4,462,217 billion, of which 88% of the debt is owed in excess of 90 days. The total debt by customer group is classified as follows; R843,588 million is owed by government, R742,375 million by businesses and R2,740,160 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: September 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 **30 September 2025**, the ten working day reporting limit expires on **14 October 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 October 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 1.1 and Table 1.2 below:

Summary Statement of Financial Performance: YTD Budget					
Description R thousand	YTD Budget September 2025	YTD Actual September 2025	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	808,547	912,667	104,121	112.9%	12.9%
Total Revenue (including capital transfers and contributions)	979,588	1,016,270	36,682	103.7%	3.7%
Total Operational Expenditure	875,198	792,110	(83,088)	90.5%	-9.5%

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

As indicated in Table 1.1 above, as at 30 September 2025, the billed revenue excluding capital grants amounted to R912,667 million which resulted in a satisfactory variance of 12.9% when compared to the YTD Budget of R808,547 million. The billed revenue including capital grants amounted to R1,016,270 million, resulting in a satisfactory variance of 3.7% when compared to the YTD budget of R979,588 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 R792,110 million versus the YTD Budget of R875,198 million resulting in an unsatisfactory variance of minus 9.5%. 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 September 2025	Variance Favourable (Unfavourable)	% YTD Actual vs Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 25%
Total Revenue (excluding capital transfers and contributions)	3,234,188	912,667	643,152	28.2%	3.2%
Total Revenue (including capital transfers and contributions)	3,918,354	1,016,270	689,741	25.9%	0.9%
Total Operational Expenditure	3,212,506	792,110	524,401	24.7%	-0.3%

Table 1.2: Consolidated summary: Statement of Financial Performance: Original 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 25% [calculated as follow: (100/12 months x 3 months of the year)] as at the end of September 2025, the Total operational revenue excluding capital grants versus the Original Budget resulted in a satisfactory variance of 3.2%. The Total operational revenue including capital grants versus the Original Budget resulted in a satisfactory variance of 0.9%. The Total Operational Expenditure resulted in a satisfactory variance of minus 0.3%.

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

4. Budget performance overview

The municipality is implementing the 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	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
R thousands						
Operating Revenue and Expenditure						
Operating Revenue	3,234,188	3,234,188	912,667	28.2%	912,667	28.2%
Operating Expenditure	3,212,506	3,212,506	792,110	24.7%	792,110	24.7%
Transfers and subsidies - capital (monetary allocations)	684,166	684,166	103,603	15.1%	103,603	15.1%
Total Revenue	3,918,354	3,918,354	1,016,270	25.9%	1,016,270	25.9%

Table 1.3: Part 1: Operating Revenue and Expenditure

As per Table 1.3 above, overall Operational revenue is performing satisfactorily, with the actual achieved versus the Main appropriation standing at 28.2% versus the ideal percentage of 25%. This is largely attributable to the annual billing on Property rates. Operational expenditure is 24.7% spent. It should be noted that Post-retirement health benefits and Depreciation is not yet accounted for, the bulk electricity account for September 2025 will be captured during October 2025. Transfers and subsidies – capital transferred to revenue amounts to 15.1% 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		First Quarter		Year to Date	
	Main appropriation	Adjusted Budget	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	Total Expenditure as % of Adjusted budget
Capital Revenue and Expenditure						
Source of Finance	627,331	627,331	94,214	15.0%	94,214	15.0%
Transfers recognised - capital	594,927	594,927	90,089	15.1%	90,089	15.1%
Borrowing	-	-	-	-	-	-
Internally generated funds	32,404	32,404	4,125	12.7%	4,125	12.7%

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 15.0% spent versus the Main appropriation, whilst conditional grants spent amount to 15.1% and internally generated funds at 12.7% 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

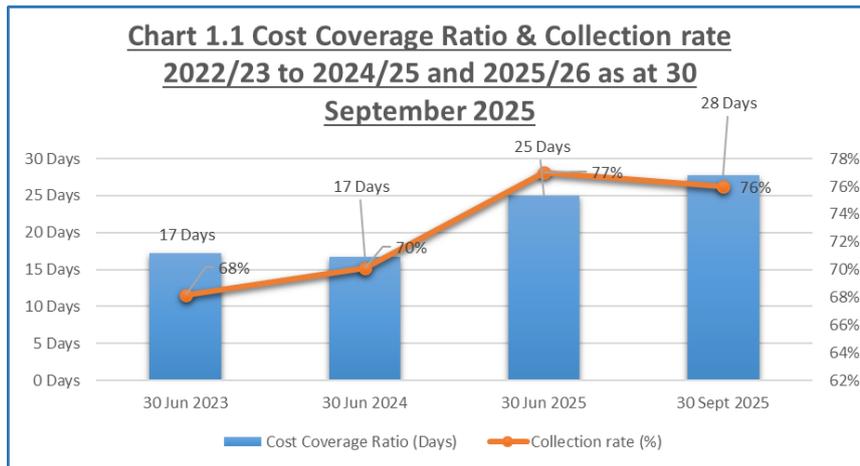
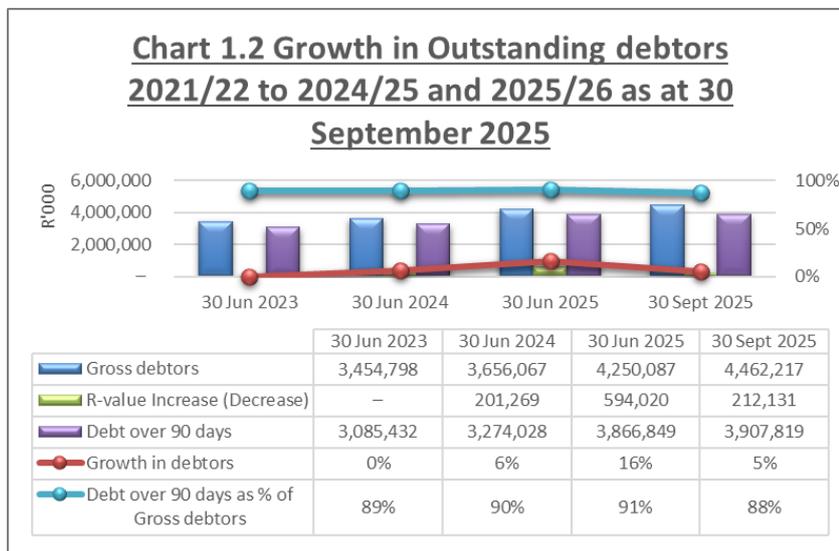


Chart 1.2 Growth in Outstanding debtors



- 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 30 September 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 30 September 2025 is critically low, standing at 28 days. The collection rate for September 2025, is 76%.
- Debtors increased by R201,269m (6%) from 2022/23 to 2023/24, by R594,020m (16%) from 2023/24 to 2024/25, and by R212,131m (5%) from 30 June 2025 to 30 September 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 long 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 long 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 2025 account amounting to R70 million for the month of September 2025. There are outstanding balances on the November 2024, June, July and August 2025 accounts. The following accounts are settled in full August 2024, January, April and May 2025. Interest charges for the current year, as at end of September 2025, amounts to R13,800 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 and 2025/26 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 **R440,230,110.67**, as indicated in the Table 2.1 below. Arrears on the outstanding invoices including interest amounts to R353,130,110.67 and the arrears on the payment arrangement amounts to R87,100,000.00.

Month	Invoice Amount incl Interest	Paid Amount	Balance due incl Interest	Arrear instalments Payment Arrangement	Total Due to be in Good standing	Interest
Jul-24	R 148,333,011.78	R 148,333,011.78	R -	R -	R -	R 273,911.75
Aug-24	R 127,600,942.44	R 127,600,942.44	R -	R 6,700,000.00	R 6,700,000.00	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 75,731,838.36	R -	R 6,700,000.00	R 6,700,000.00	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 68,058,315.40	R -	R 6,700,000.00	R 6,700,000.00	R 1,809,020.57
May-25	R 77,292,217.25	R 77,292,217.25	R -	R 6,700,000.00	R 6,700,000.00	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
Jul-25	R 146,873,234.81	R 100,000,000.00	R 46,873,234.81	R 6,700,000.00	R 53,573,234.81	R 5,423,957.99
Aug-25	R 129,313,188.86	R -	R 129,313,188.86	R 6,700,000.00	R 136,013,188.86	R 4,112,190.15
TOTAL ESKOM	R 1,331,777,538.71	R 978,647,428.04	R 353,130,110.67	R 87,100,000.00	R 440,230,110.67	R 28,925,570.92

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 16,769,310.95	-R 0.00	R -	-R 0.00	R -
Jun-25	R 3,179,334.42	R -	R 3,179,334.42	R -	R 3,179,334.42	R -
Jul-25	R 21,433,972.20	R -	R 21,433,972.20	R -	R 21,433,972.20	R -
Aug-25	R 14,866,090.79	R -	R 14,866,090.79	R -	R 14,866,090.79	R -
TOTAL WATER	R 200,317,845.06	R 52,195,303.34	R 148,122,541.72	-R 14,703,680.46	R 133,418,861.26	R -

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, June, July and August 2025 account for Water. The February and March 2025 account is settled in full. 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. The total amount due and payable to DWS is **R133,418,861.26** 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:

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

- account; and
- 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 the invoices for October, November, December 2024, January, April, June, July and August 2025 have not been paid. The municipality ratified the short payment on the August and January 2025 and April and May 2025. Balance are still outstanding for November 2024 and June and July 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..

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 cost and loss to the Municipality. The issue has been raised on numerous occasions and a permanent solution is yet to be implemented by the Electrical Department.

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

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

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

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

PRE-LEGAL process will entail the following:

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

LEGAL PROCESS will entail the following:

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

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

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

4.1 Operating Revenue by Source

Table C4 Monthly Budget Statement - Financial Performance (Revenue) - M03 September

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 % - 25%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Revenue										
Exchange Revenue										
Service charges - Electricity	1,218,923	100,359	294,391	304,731	96.6%	(10,340)	-3.4%	24.2%	(10,340)	-0.8%
Service charges - Water	362,722	25,806	70,882	90,680	78.2%	(19,799)	-21.8%	19.5%	(19,799)	-5.5%
Service charges - Waste Water Management	106,274	10,014	28,622	26,568	107.7%	2,053	7.7%	26.9%	2,053	1.9%
Service charges - Waste management	73,593	7,540	22,125	18,398	120.3%	3,726	20.3%	30.1%	3,726	5.1%
Sale of Goods and Rendering of Services	18,644	897	6,202	4,661	133.1%	1,541	33.1%	33.3%	1,541	8.3%
Agency services	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	142,100	15,665	46,426	35,525	130.7%	10,901	30.7%	32.7%	10,901	7.7%
Interest from Current and Non Current Assets	18,000	618	152	4,500	3.4%	(4,348)	-96.6%	0.8%	(4,348)	-24.2%
Dividends	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	29,740	4,181	8,068	7,435	108.5%	633	8.5%	27.1%	633	2.1%
Licence and permits	1,000	36	106	250	42.5%	(144)	-57.5%	10.6%	(144)	-14.4%
Operational Revenue	3,383	300	786	846	93.0%	(60)	-7.0%	23.2%	(60)	-1.8%
Non-Exchange Revenue										
Property rates	717,920	53,196	271,496	179,480	151.3%	92,016	51.3%	37.8%	92,016	12.8%
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	34,743	1,179	3,489	8,686	40.2%	(5,197)	-59.8%	10.0%	(5,197)	-15.0%
Licence and permits	8,200	1,116	3,024	2,050	147.5%	974	47.5%	36.9%	974	11.9%
Transfers and subsidies - Operational	323,676	1,441	127,693	80,919	157.8%	46,773	57.8%	39.5%	46,773	14.5%
Interest	117,020	8,838	26,326	29,255	90.0%	(2,929)	-10.0%	22.5%	(2,929)	-2.5%
Fuel Levy	-	-	-	-	-	-	-	-	-	-
Operational Revenue	58,250	961	2,879	14,563	19.8%	(11,683)	-80.2%	4.9%	(11,683)	-20.1%
Gains on disposal of Assets	-	-	-	-	#DIV/0!	-	-	#DIV/0!	-	#DIV/0!
Other Gains	-	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	3,234,188	232,147	912,667	808,547	112.9%	104,121	12.9%	28.2%	104,121	3.2%
Transfers and subsidies - capital	684,166	65,582	103,603	171,041	60.6%	(67,439)	-39.4%	15.1%	(67,439)	-9.9%
Total Revenue (including capital transfers and contributions)	3,918,354	297,729	1,016,270	979,588	103.7%	36,682	3.7%	25.9%	36,682	0.9%

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

Exchange Revenue

- ❖ Service charges - Electricity is showing a satisfactory variance of minus 3.4%. 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 21.8%. 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 7.7%, whilst Refuse is showing an over-recovery when compared to the YTD budget.
- ❖ Sale of Goods and Rendering of Services is performing satisfactorily with a positive variance of 33.1%, when compared to the YTD Budget. Building plan approvals and income from the Market is showing an over-recovery.
- ❖ Interest earned from Receivables is showing a positive variance of 30.7% due to the increase in outstanding debt and high level of debt over 90 days.
- ❖ Interest from Current and Non-current Assets shows a negative variance of 96.6%. 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.

- ❖ Rental from Fixed Assets, is showing a positive variance of 8.5% when compared to the YTD budget. It was established that rentals for the CRU's was allocated to an incorrect vote. A corrective journal was processed in September 2025.
- ❖ Licences and permits are showing a negative variance of 57.5%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated, 10.61% achievement versus a budget of R1,000 million.
- ❖ Operational Revenue is showing a negative variance of 7.0%, due lower than anticipated revenue from Insurance refunds.

Non-Exchange Revenue

- ❖ Property Rates is showing a satisfactory variance of 51.3%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing an unsatisfactory variance of minus 59.8%, due to an under-recovery on Fines: Law Enforcement that is standing at 3.25% achieved versus a target of R13,000 million.
- ❖ Licence and permits are showing a positive variance of 47.5%, due to possible outstanding payments due to the Department of Transport, Safety and Liaison.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 57.8% as a result of the receipt of the first tranche of the Equitable share.
- ❖ Interest is showing an under-recovery of minus 10.0%, as a result of a slight under-recovery for interest from Property rates.
- ❖ Operational Revenue is showing an unsatisfactory variance of minus 80.2%. An in-depth investigation must be performed.
- ❖ Transfers and subsidies - Capital is showing an unsatisfactory variance of minus 39.4% 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.

Comparison against Original Budget

Based on the IYM percentage of 25%, 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 8.3%. Same factors are applicable as described in the paragraph above.
- ❖ Interest earned from Receivables is showing a positive variance of 7.7%. Same factors are applicable as described in the paragraph above.
- ❖ Interest from Current and Non-current Assets shows a negative variance of 24.2%. Same factors are applicable as described in the paragraph above.
- ❖ Rental from Fixed Assets is showing a positive variance of 2.1%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing a satisfactory variance of minus 14.4%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a satisfactory variance of minus 1.8%. Same factors are applicable as described in the paragraph above.

Non-Exchange Revenue

- ❖ Property Rates is showing a positive variance of 12.8%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a satisfactory variance of minus 15.0%. Same factors are applicable as described in the paragraph above.
- ❖ Licence and permits are showing a positive variance of 11.9%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 14.5%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a negative variance of 20.1%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Capital is showing an unsatisfactory variance of minus 9.9%. Capital grants remains lower than anticipated due to poor capital grant expenditure. Serious intervention will have to be taken by Management to improve on monthly capital grant expenditure and capital expenditure overall. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met.

Indicated in Chart 1.3 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 30 September 2025. The main contributors of the municipality's revenue are Service Charges (45.6%), Property Rates (29.7%) and Other Revenue (10.7%). The weighting is distorted due to the annual billing on Property rates.

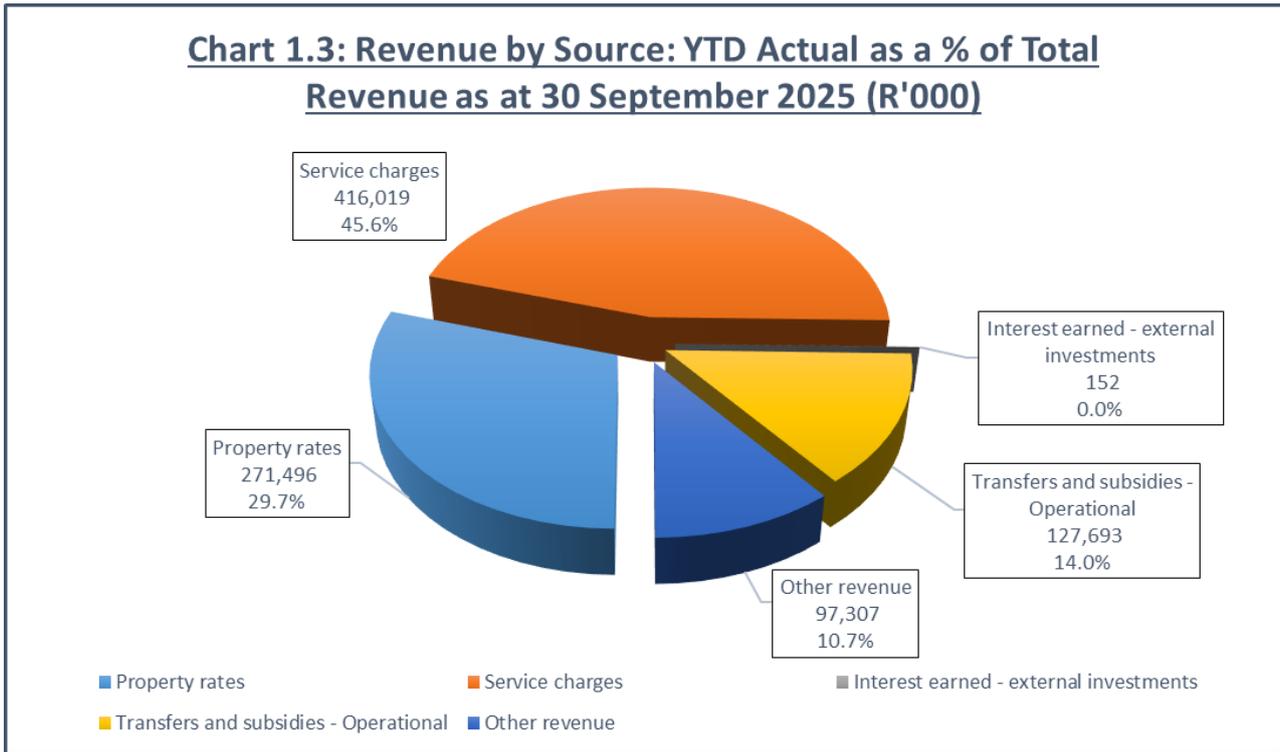


Chart 1.3: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Operating Expenditure by Type

Table C4 Monthly Budget Statement - Financial Performance (Expenditure) - M03 September										
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 % - 25%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	1,004,532	72,746	212,684	251,133	84.7%	(38,449)	-15.3%	21.2%	(38,449)	-3.8%
Remuneration of councillors	37,083	2,738	8,262	9,271	89.1%	(1,009)	-10.9%	22.3%	(1,009)	-2.7%
Bulk purchases - electricity	1,000,000	173,852	328,362	326,000	100.7%	2,362	0.7%	32.8%	78,362	7.8%
Inventory consumed	331,852	31,928	63,222	82,963	76.2%	(19,741)	-23.8%	19.1%	(19,741)	-5.9%
Debt impairment	437,149	-	109,287	109,287	100.0%	(0)	0.0%	25.0%	-	0.0%
Depreciation and amortisation	90,200	-	-	22,550	0.0%	(22,550)	-100.0%	0.0%	(22,550)	-25.0%
Interest	15,880	3	5	41	12.2%	(36)	-87.8%	0.0%	(3,965)	-25.0%
Contracted services	45,856	2,513	3,673	11,464	32.0%	(7,791)	-68.0%	8.0%	(7,791)	-17.0%
Transfers and subsidies	4,300	650	650	1,075	60.5%	(425)	-39.5%	15.1%	(425)	-9.9%
Irrecoverable debts written off	-	4	6	-		6			6	
Operational costs	176,654	21,307	50,704	44,163	114.8%	6,541	14.8%	28.7%	6,541	3.7%
Losses on Disposal of Assets	-	-	-	-		-			-	
Other Losses	69,000	15,253	15,253	17,250	88.4%	(1,997)	-11.6%	22.1%	(1,997)	-2.9%
Total Expenditure	3,212,506	320,995	792,110	875,198	90.5%	(83,088)	-9.5%	24.7%	(11,017)	-0.3%

Table 4: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 30 September 2025 current YTD expenditure shows an unsatisfactory variance of minus 9.5%. The YTD actual amounted to R792,110 million against the YTD Budget of R875,198 million.

- ❖ Employee related costs show an unsatisfactory variance of minus 15.3%, due to Post-retirement benefit obligations that are not factored in and which will only be finalised as part of year-end procedures. There is a moratorium on the filling of non-critical vacancies and the sale of leave has been suspended.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 10.9%. 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 satisfactory variance of 0.7%. The invoice for September 2025 will be processed during October 2025.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 23.8%. 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 is negatively influencing this expenditure line items and sound financial management of budgets is not always adequately exercised. Re-directing of funds to manage crisis's is severely and rapidly depleting the R&M budget, impeding on the funds required for day-to-day maintenance. Lack of maintenance plans and planned maintenance is impeding on the municipality's ability to maintain assets optimally. There are limited resources available with severe budgetary constraints with the current cash flow position putting major strain on the municipality's finances to actually address service delivery challenges. The municipality is obligated to ensure that tariffs are cost-reflective whilst ensuring that tariff increases are inflationary related as prescribed by NT's annual MFMA Budget circulars. This is a major impediment for the municipality to increase the R&M budget to a desired level to actually address backlogs, whilst employee costs, provision for bad debts and other expenditure is putting further strain on the budgets each year.

R&M Expenditure per Directorate per Inventory type as at 30 September 2025 (Amounts in Rand)	Sum of Original Budget	Sum of Adjustment Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original	% Spent compared against ideal IVM % of 25.00%
☐ VOTE 1 - COUNCILLORS AND ADMIN	140,000	140,000	15,110	15,110	10.79%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	70,000	70,000	7,610	7,610	10.87%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,000	1,000	-	-	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	69,000	69,000	7,500	7,500	10.87%	UNSATISFACTORY
☐ VOTE 2 - MUNICIPAL AND GENERAL	25,297,000	25,297,000	2,279,430	6,762,305	26.73%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	755,000	755,000	19,628	52,628	6.97%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	350,000	350,000	19,736	41,808	11.95%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	24,192,000	24,192,000	2,240,066	6,667,869	27.56%	SATISFACTORY
☐ VOTE 3 - MUNICIPAL MANAGER	157,000	157,000	4,642	18,527	11.80%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	140,000	136,000	4,642	18,527	13.23%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	17,000	21,000	-	-	0.00%	UNSATISFACTORY
☐ VOTE 4 - CORPORATE SERVICES	2,304,000	2,304,000	102,843	273,437	11.87%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	871,000	771,000	32,178	90,333	10.37%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	51,000	152,000	17,292	67,652	132.65%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	650,000	650,000	36,143	87,529	13.47%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	732,000	731,000	17,231	27,924	3.81%	UNSATISFACTORY
☐ VOTE 5 - COMMUNITY SERVICES	33,989,400	33,989,400	1,474,357	4,107,157	12.08%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,021,000	961,000	69,960	128,745	12.61%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	48,000	48,000	-	-	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	217,000	217,000	12,420	18,630	8.59%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,116,000	1,116,000	46,978	231,210	20.72%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	9,204,000	9,204,000	541,177	1,493,402	16.23%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	336,400	336,400	33,181	82,855	24.63%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	22,047,000	22,107,000	770,642	2,152,315	9.76%	UNSATISFACTORY
☐ VOTE 6 - FINANCIAL SERVICES	2,190,000	2,190,000	269,830	575,698	26.29%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,226,000	1,222,000	204,395	398,203	32.48%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	172,000	172,000	4,335	48,733	28.33%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	180,000	180,000	13,026	31,329	17.40%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	612,000	616,000	48,075	97,433	15.92%	UNSATISFACTORY
☐ VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	11,968,000	11,968,000	467,157	820,634	6.86%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	387,000	392,000	58,394	89,928	23.24%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	65,000	65,000	401	2,793	4.30%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	410,000	405,000	21,598	41,962	10.23%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	14,000	14,000	-	-	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	11,092,000	11,092,000	386,765	685,951	6.18%	UNSATISFACTORY
☐ VOTE 8 - INFRASTRUCTURE SERVICES	255,806,914	255,806,914	27,314,640	50,649,487	19.80%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	620,000	620,000	19,885	74,183	11.97%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2,000	2,000	-	-	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	23,171,000	23,171,000	4,465,899	7,866,891	33.95%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,845,000	1,845,000	121,073	260,935	14.14%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	10,040,000	10,040,000	786,783	2,066,898	20.59%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	575,000	575,000	925	11,899	2.07%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	146,553,914	146,553,914	11,077,151	24,231,197	16.53%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	73,000,000	73,000,000	10,842,925	16,137,484	22.11%	SATISFACTORY
Grand Total	331,852,314	331,852,314	31,928,010	63,222,355	19.05%	UNSATISFACTORY

Table 4.1 R&M Expenditure per Directorate per inventory type

R&M Expenditure per Service per Inventory Type as at 30 September 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	% Spent compared against ideal IYM % of 25.00%
2480 - REFUSE	20,450,000	20,450,000	790,822	2,358,450	11.53%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	100,000	100,000	3,554	3,554	3.55%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	150,000	150,000	-	26,326	17.55%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,400,000	6,400,000	406,440	1,116,867	17.45%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	100,000	100,000	772	1,905	1.91%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	13,700,000	13,700,000	380,055	1,209,798	8.83%	UNSATISFACTORY
2830 - ROADS	44,461,000	44,461,000	6,574,656	8,176,025	18.39%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	68,000	68,000	57	15,153	22.28%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	67,000	67,000	-	8,514	12.71%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	44,326,000	44,326,000	6,574,599	8,152,358	18.39%	UNSATISFACTORY
2840 - HOUSING	3,407,000	3,407,000	677,767	990,243	29.06%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	121,000	121,000	850	19,099	15.78%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	135,000	135,000	1,200	39,156	29.00%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	140,000	140,000	9,150	29,360	20.97%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,010,000	3,010,000	666,567	902,628	29.99%	SATISFACTORY
2850 - SEWERAGE	27,165,000	27,165,000	1,347,872	7,206,775	26.53%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	35,000	35,000	-	7,062	20.18%	SATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	170,000	170,000	43,470	111,780	65.75%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	295,000	295,000	11,168	40,115	13.60%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,900,000	2,900,000	211,262	590,548	20.36%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	100,000	100,000	-	-	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,665,000	23,665,000	1,081,971	6,457,270	27.29%	SATISFACTORY
2860 - WATER	129,773,000	129,773,000	16,677,432	27,200,705	20.96%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	76,000	76,000	2,684	7,792	10.25%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	23,001,000	23,001,000	4,422,429	7,755,111	33.72%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	141,000	141,000	5,392	20,634	14.63%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,500,000	2,500,000	188,792	514,724	20.59%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	475,000	475,000	925	11,899	2.50%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	30,580,000	30,580,000	1,214,286	2,753,062	9.00%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	73,000,000	73,000,000	10,842,925	16,137,484	22.11%	SATISFACTORY
2880 - ELECTRICITY	53,268,000	53,268,000	2,587,502	8,202,394	15.40%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	180,000	180,000	12,209	16,887	9.38%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	87,000	87,000	2,750	9,027	10.38%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	53,000,000	53,000,000	2,572,544	8,176,480	15.43%	UNSATISFACTORY
Grand Total	278,524,000	278,524,000	28,656,050	54,134,592	19.44%	UNSATISFACTORY

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. This did not transpire for first quarter 2025, the matter is being investigated.
- ❖ Debt impairment will be provided for on a quarterly basis. The journal for the second quarter will be processed before the end of December 2025.
- ❖ Interest is showing an unsatisfactory variance of minus 87.8%. 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 R13,800 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 68.0%, as various line items is showing lower expenditure than anticipated.
- ❖ Transfers and subsidies showing negative variance of minus 39.5%. 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 an unsatisfactory variance of 14.8%. The municipality is offering a 10% discount on the early settlement of a consumer's municipal bill. This discount is reflected as an expense under OC: Cash Discount of R9,739 million with a zero budget, but these costs will be transferred and debited against Revenue at year-end because it is considered Revenue foregone. The pro-rata split is done manually between Property rates and service charges, excluding Electricity Revenue because the system cannot handle the automated split per Revenue source.

The YTD actual on OC: Professional Bodies M/Ship & Subs is R9,929 million for predominantly annual SALGA membership fees. Monthly payments are being made to SALGA amounting to R1,241 million.

- ❖ Other Losses is showing an unsatisfactory variance of minus 11.6%. 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 and August 2025 was 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 September 2025 is 25%. The total operational expenditure against the Original budget is 24.7% spent, resulting in a satisfactory variance of minus 0.3%.

- ❖ Employee related costs show a satisfactory variance of minus 3.8%. Same factors are applicable as explained above.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 2.7%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of 7.8%. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 5.9%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing a satisfactory variance of 0.0%. Same factors are applicable as explained above.
- ❖ Depreciation shows an unsatisfactory variance of minus 25.0%. Same factors are applicable as explained above.
- ❖ Interest is showing a negative variance of minus 25%. Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is unsatisfactory at minus 17.0%, when compared to the Original budget. The YTD expenditure is lower than anticipated.
- ❖ Transfers and subsidies show an unsatisfactory variance of minus 9.9%. Same factors are applicable as explained above.
- ❖ Operational cost is showing a satisfactory variance of 3.7%. Same factors are applicable as explained above.
- ❖ Other Losses is showing an unsatisfactory variance of minus 2.9%. Same factors are applicable as explained above.

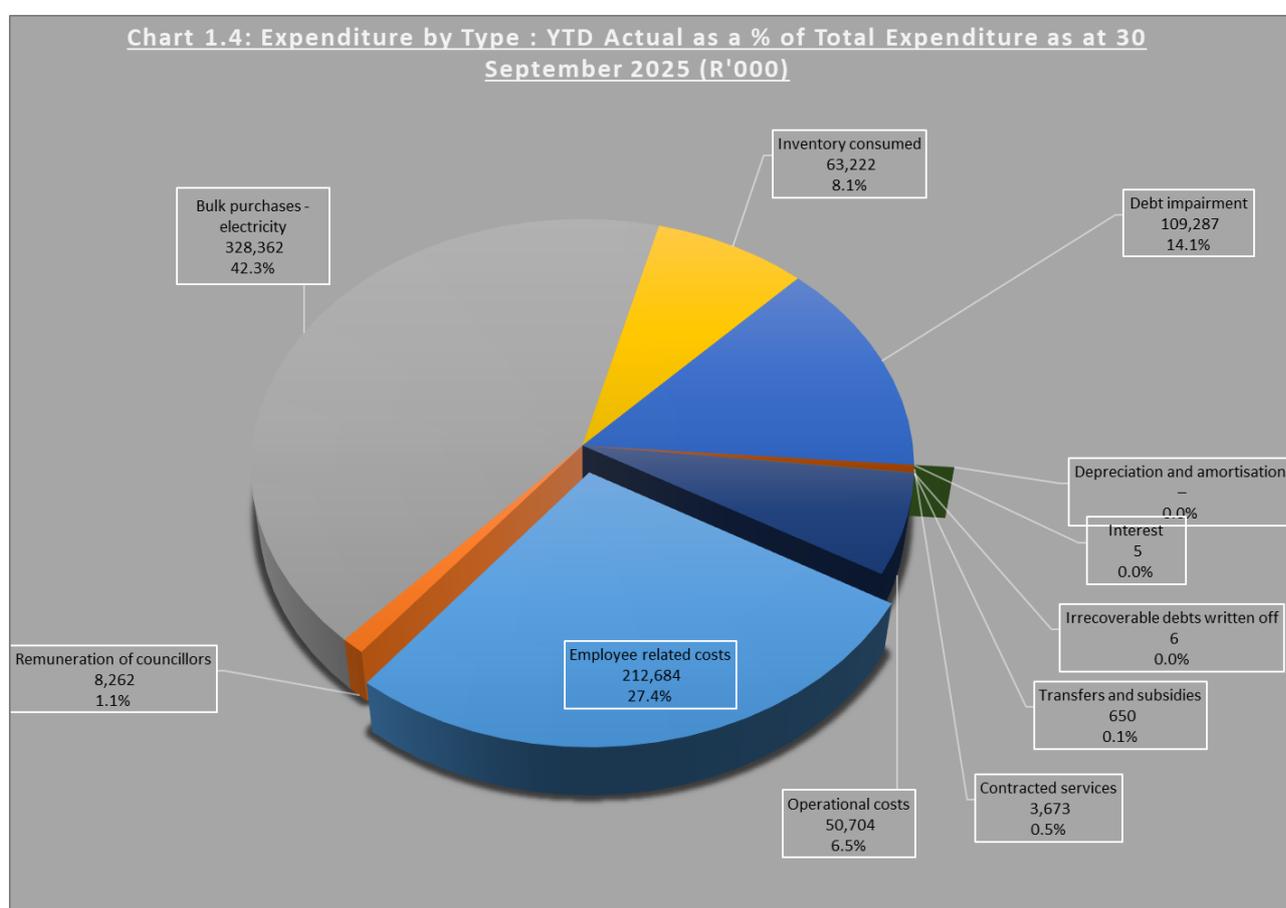


Chart 1.4: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

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

Also indicated in Chart 1.4 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 30 September 2025. The main cost drivers of the municipality are Employee Related Costs (27.4%), Bulk Purchases – Electricity (42.3%), Debt Impairment (14.1%) and Inventory consumed (8.1%).

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 automated integration from the Asset module is being investigated.
- ❖ Interest on the long-term borrowing is paid bi-annually in December and June of each year.
- ❖ The Eskom account for September 2025 will be captured during October 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 25% as at end of September 2025, Bulk Purchases Electricity is showing a satisfactory variance of 7.84%. The bulk invoice for September 2025 will be processed during October 2025.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 25%
BULK PURCHASES: ELECTRICITY	1,000,000,000	173,852,189	328,362,475	32.84%	7.84%
Total	1,000,000,000	173,852,189	328,362,475	32.84%	7.84%

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 an unsatisfactory variance of minus 2.9%, when compared to the ideal percentage of 25%. 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 and August 2025 for the recognition of Water inventory and losses was processed on the system.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 25%
INVENTORY - WATER	73,000,000	10,842,925	16,137,484	22.11%	-2.89%
NON-REVENUE WATER LOSSES	69,000,000	15,253,238	15,253,238	22.11%	-2.89%
Total	142,000,000	26,096,163	31,390,722	22.1%	-2.9%

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
2021/22	523,811	-		523,811	523,811	-
Oct-21	51,028	-		51,028	51,028	-
Nov-21	50,813	-		50,813	50,813	-
Dec-21	51,379	-		51,379	51,379	-
Jan-22	53,401	-		53,401	53,401	-
Feb-22	51,445	-		51,445	51,445	-
Mar-22	54,652	-		54,652	54,652	-
Apr-22	51,835	-		51,835	51,835	-
May-22	57,826	-		57,826	57,826	-
Jun-22	101,431	-		101,431	101,431	-
2022/23	389,602	103,242	(37,482)	248,878	248,878	-
Dec-22	48,088	-		48,088	48,088	-
Jan-23	59,491	-		59,491	59,491	-
Feb-23	56,821	-	(9,504)	47,317	47,317	-
Apr-23	45,106	-	(7,923)	37,183	37,183	-
May-23	65,831	-	(9,033)	56,798	56,798	-
Jun-23	114,264	103,242	(11,022)	-	-	-
2023/24	975,208	819,809	(69,632)	85,767	85,767	-
Jul-23	131,032	110,162	(8,736)	12,134	12,134	-
Aug-23	123,594	70,000	(10,784)	42,810	42,810	-
Sept-23	71,421	30,000	(10,598)	30,823	30,823	-
Oct-23	76,317	62,679	(13,638)	-	-	-
Nov-23	70,580	62,348	(8,232)	0	0	-
Dec-23	64,311	61,246	(3,065)	-	-	-
Jan-24	65,735	63,044	(2,691)	-	-	-
Feb-24	64,371	62,479	(1,893)	-	-	-
Mar-24	66,311	62,973	(3,338)	-	-	-
Apr-24	61,436	59,697	(1,739)	-	-	-
May-24	66,327	63,149	(3,178)	-	-	-
Jun-24	113,772	112,033	(1,739)	-	-	-
2024/25	1,055,591	878,647	-	176,944	176,944	19,389
Jul-24	148,333	148,333	-	-	-	274
Aug-24	127,601	127,601	-	-	-	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	75,732	-	-	-	1,879
Feb-25	68,070	68,070	-	-	-	1,066
Mar-25	72,107	72,107	-	-	-	1,733
Apr-25	68,058	68,058	-	-	-	1,809
May-25	77,292	77,292	-	-	-	2,094
Jun-25	131,970	-	-	131,970	131,970	1,975
2025/26	357,987	100,000	-	257,987	176,186	13,800
Jul-25	146,873	100,000	-	46,873	46,873	5,424
Aug-25	129,313	-	-	129,313	129,313	4,112
Sept-25	81,800	-	-	81,800	-	4,264
Grand Total ESKOM	3,302,198	1,901,698	(107,114)	1,293,386	1,211,585	33,189

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R1,293,386 billion. The first debt write off of R248 million must still be effected in the municipality's books. The total arrear debt amounts to R1,211,585 million summarized as follow 2021/22 (R523,811m); 2022/23 (R248,878m); 2023/24 (R85,767m); 2024/25 (R176,944m) and 2025/26 (R176,186m). The total interest charges on overdue accounts for the current financial year amounted to R13,800 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.

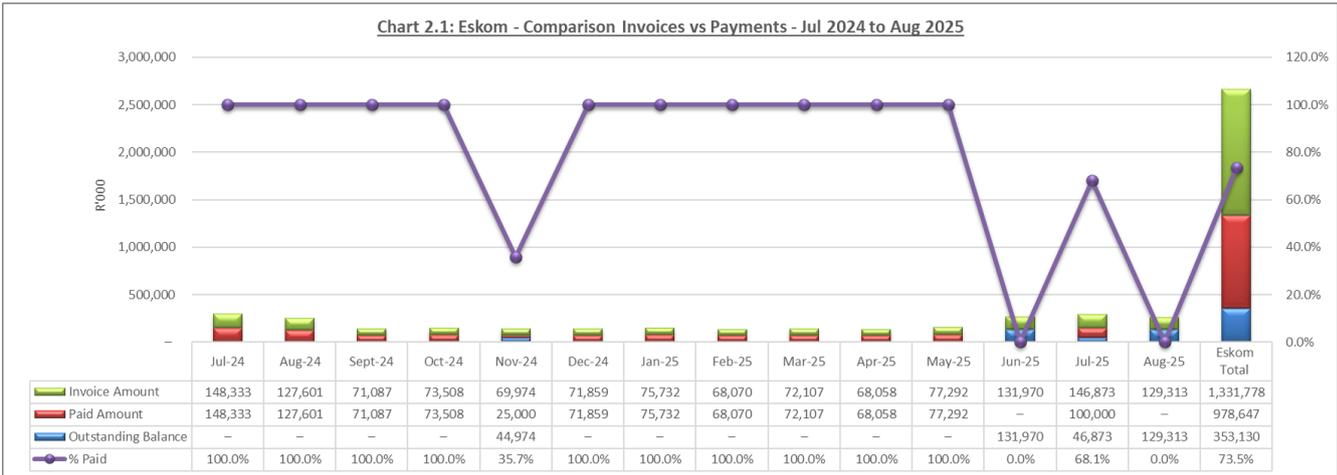


Chart 2.1: Eskom - Comparison Invoices vs Payments

Indicated in Chart 2.1 above, is the comparison of Eskom invoices versus payments for the 2024/25 and 2025/26 financial year. The current account for September 2025 is excluded because it is not yet due and payable. It will also distort the percentage paid. The YTD actual until August 2025 show that 73.5% of invoices were settled, based on invoices raised of R1,331,778 billion versus payments of R978,647 million. The percentage on partially paid invoices are November 2024 (35.7%); June 2025 (0%) and July 2025 (68.1%). The total arrear outstanding balance amounts to R353,130 million.

Outstanding debt: DWS

DWS - Outstanding debt (R'000)	Sum of Invoice amount	Sum of Bulk Payments (2023/24 & 2024/25)	Sum of Outstanding Balance	Sum of Arrear Debt
2021/22	126,431	88,873	37,558	37,558
INTEREST (APR-JUN 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
2023/24	150,526	150,526	–	–
Jul-23	15,303	15,303	–	–
Aug-23	13,588	13,588	–	–
Sept-23	18,332	18,332	–	–
Oct-23	17,633	17,633	–	–
Nov-23	17,070	17,070	–	–
Dec-23	13,333	13,333	–	–
Jan-24	13,333	13,333	–	–
Feb-24	36,046	36,046	–	–
Mar-24	5,194	5,194	–	–
Jun-24	694	694	–	–
2024/25	162,756	88,492	74,264	74,264
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	(0)	(0)
Jun-25	3,179	–	3,179	3,179
2025/26	56,343	–	56,343	36,300
Jul-25	21,434	–	21,434	21,434
Aug-25	14,866	–	14,866	14,866
Sept-25	20,043	–	20,043	–
Grand Total	496,056	327,891	168,166	148,123

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 R168,166 million. The total debt must be concurred with the Department. The total arrear debt amounts to R148,123 million which pertains to outstanding invoices for 2021/22 (R37,558m); 2024/25 (74,264m) and 2025/26 (R36,300m). 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. The municipality defaulted on the October, November, December 2024 and January, March, June, July and August 2025 account. The March 2025 account was settled on 29 September 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, June, July and August 2025 invoices. The March 2025 was settled. The municipality incurred accumulative arrear debt for the prior and current year of R148,123 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 and 2025/26 financial year from July 2024 to August 2025. The current account for September 2025 is excluded because it is not yet due and payable. The YTD actual until August 2025 show that 44.5% of invoices were settled, based on invoices raised of R199,056 million versus payments of R88,492 million. Invoices for July to September 2024 were settled in full, whilst the invoices for October 2024 to January 2025, and June, July and August 2025 remain unpaid. The total arrear outstanding balance amounts to R110,564 million.

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

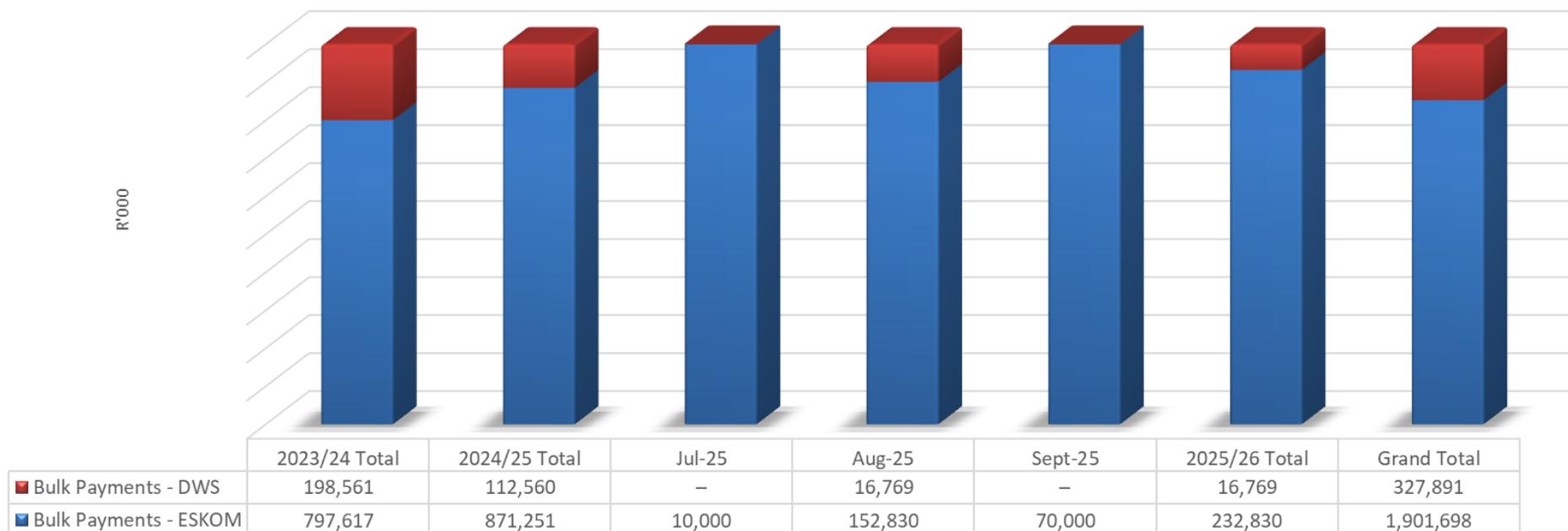


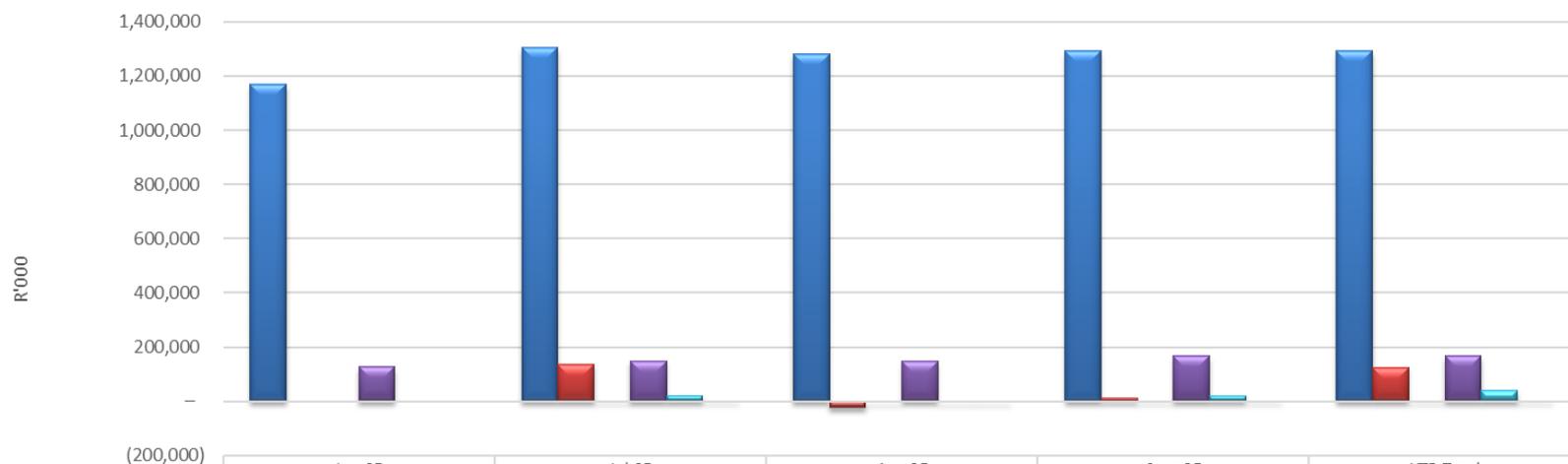
Chart 2.3: Monthly payments to DWS & ESKOM

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 30 September 2025.

DWS - The invoice payments for 2023/24 amounts to R198,561 million, whilst payments for 2024/25 amounts to R112,560 million. The payments for 2025/26 amounts to R16,679 million. The total payments amount to R327,891 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 seven months (October 2024 to January 2025, June, July and August 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 R70,000 million during September 2025. 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 amounted to R871,251 million and for 2025/26 financial year the payments amounts to R232,830 million, resulting in the total payments for the three periods amounting to R1,901,698 billion. The high months remains a major concern.

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



	Jun-25	Jul-25	Aug-25	Sept-25	YTD Total
■ Bulk Electricity - Total Debt	1,168,229	1,305,102	1,281,585	1,293,386	1,293,386
■ Bulk Electricity Debt: Monthly/YTD R-Value increase (decrease)		136,873	(23,517)	11,800	125,157
■ Bulk Electricity - Monthly/YTD % increase (decrease) in O/S Debt		11.7%	-1.8%	0.9%	10.7%
■ Bulk Water - Total Debt	128,592	150,026	148,123	168,166	168,166
■ Bulk Water Debt: Monthly/YTD R-Value increase (decrease)		21,434	(1,903)	20,043	39,574
■ Bulk Water - Monthly/YTD % increase (decrease) in O/S Debt		16.7%	-1.3%	13.5%	30.8%

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 August 2025 to September 2025, debt owed to ESKOM increased by R11,800 million or 0.9%, from R1,281,585 billion to R1,293,386 billion. When comparing the total outstanding debt to June 2025, the outstanding debt increased by R125,157 million or 10.7%, from R1,168,229 billion to R1,293,386 billion.

DWS - From August 2025 to September 2025, debt owed to DWS increased by R20,043 million or 13.5% from R148,123 million to R168,166 million. When comparing the total outstanding debt to June 2025, the outstanding debt increased by R39,574 million or 30.8% from R128,592 million to R168,166 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, June, July and August 2025 accounts which remains unpaid. The March 2025 account was settled during September 2025. 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	77068429	2024/08/29	544917625256 - Jul 2023	R 6,700,000.00	R 42,462,000.00	R 120,600,000.00	26.04%	
7	2024/08/31	77068766	2024/09/30	544917625256 - Jul 2023	R 6,700,000.00	R 49,162,000.00	R 113,900,000.00	30.15%	
8	2024/09/30								R 6,700,000.00
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
19	2025/08/30								R 6,700,000.00
20	2025/09/30								R 6,700,000.00
TOTAL					R 49,162,000.00		R 113,900,000.00		R 87,100,000.00

Table 6.4: Reconciliation Eskom Payment Arrangement

Debt agreement (Instalment R5,957,537.18)	Invoice amount	Arrear Debt	10 % Down Payment	Amount paid	Balance O/S on Debt Agreement
INTEREST CHARGES - APR TO JUN 2022	R 6,191,399.16	R 6,191,399.16			R 6,191,399.16
AUG 2021 BULK ACCOUNT	R 15,074,754.70	R 15,074,754.70		R 15,074,754.70	-
SEP 2021 BULK ACCOUNT	R 15,794,682.80	R 15,794,682.80		R 15,794,682.80	-
OCT 2021 BULK ACCOUNT	R 15,275,086.61	R 15,275,086.61		R 15,275,086.61	-
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	-
Total Debt as per SPM	R 174,076,331.87	R 157,684,572.81	R 16,391,759.06	R 136,517,943.57	R 37,558,388.30
INTEREST CHARGES - APR TO JUN 2022	-R 6,191,399.16				-R 6,191,399.16
INTEREST PAID	-R 8,512,281.30				-R 8,512,281.30
TOTAL INTEREST CHARGES	-R 14,703,680.46				-R 14,703,680.46
NET OUTSTANDING	R 159,372,651.41			R 136,517,943.57	R 22,854,707.84

Table 6.5: Reconciliation DWS Debt Agreement

As articulated in adjacent Table 6.4, the total amount that was subject to the payment arrangement was R163,062 million for the debt that accrued after March 2023. To date the municipality settled an amount of R49,162 million on the payment arrangement, resulting in the total current balance outstanding of R113,900 million. The municipality is in arrears with repayment instalments amounting to R87,100 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 - M03 September										
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 % - 25%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	627,331	59,318	94,214	156,833	60.07%	(62,619)	-39.9%	15.0%	(62,619)	-10.0%
Funded by										
Capital transfers recognised	594,927	57,045	90,089	148,732	60.57%	(58,643)	-39.4%	15.1%	(58,643)	-9.9%
Internally generated funds	32,404	2,273	4,125	8,101	50.9%	(3,976)	-49.1%	12.7%	(3,976)	-12.3%
Weighting Capital transfer recognised	94.8%	96.2%	95.6%	94.8%						
Weighting Internally generated funds	5.2%	3.8%	4.4%	5.2%						

Table 7: High level summary: Capital Expenditure

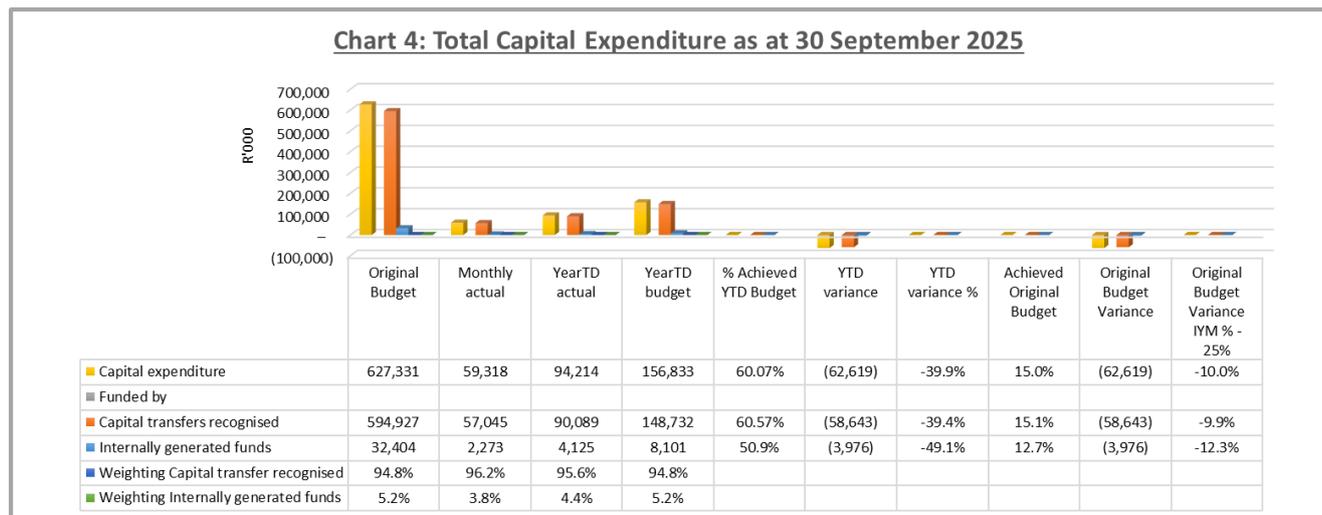


Chart 4: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of September 2025 amounted to R94,214 million and 60.07% spent when compared to the YTD budget of R156,833 million and 15% spent when compared to the Original Budget of R627,331 million. The total YTD capex is funded from Capital grants R90,089 million (95.6%) and Internally generated funds R4,125 million (4.4%). 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. 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

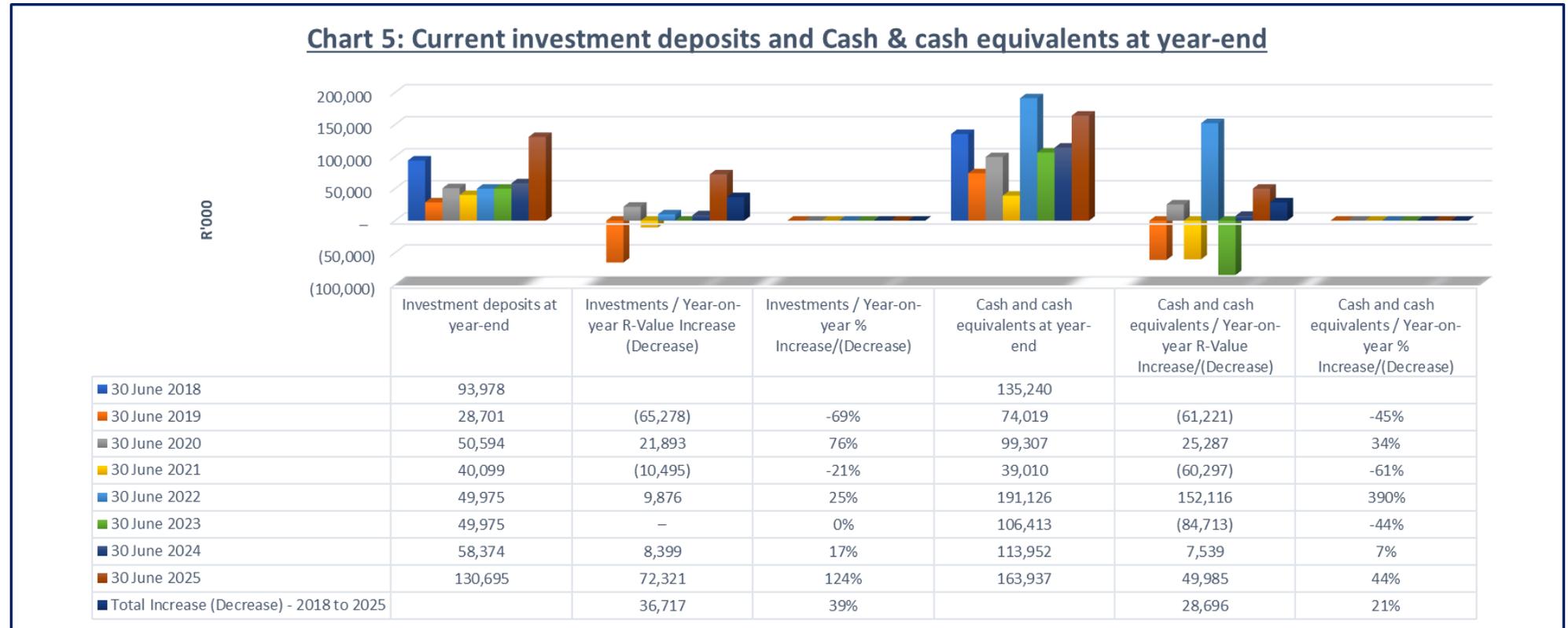


Chart 5: Call investment deposits and Cash & cash equivalents at year-end

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 2018 to 2025, the total investments increased by R36,717 million (39%). 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.

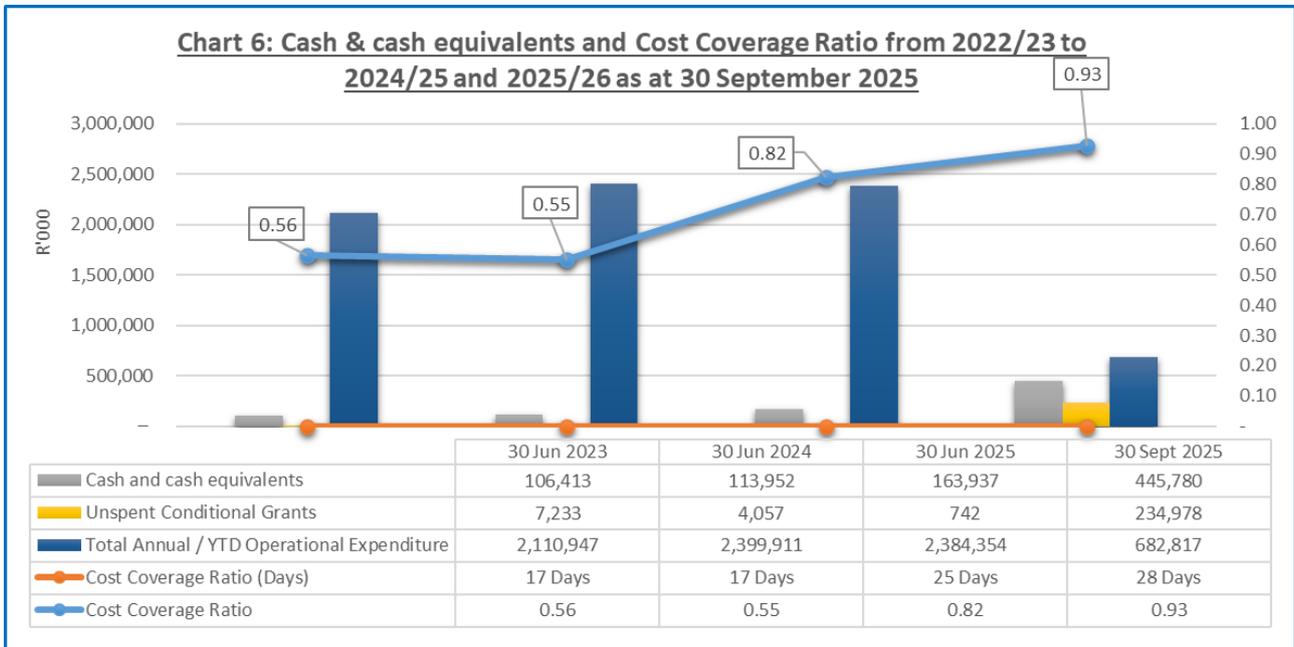


Chart 6: Cash & cash equivalents and Cost coverage ratio

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 pre-audited outcome for the year ended 30 June 2025 is (0.82; 25 days; R163,937m). The Cost coverage ratio as at 30 September 2025 is calculated at (0.93; 28 days; R445,780m). Unspent conditional grants amounted to R234,978 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. 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										
R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	41,230	4.8%	27,466	3.2%	19,518	2.3%	772,341	89.7%	860,555	19.3%
Trade and Other Receivables from Exchange Transactions - Electricity	80,124	20.7%	43,084	11.1%	21,604	5.6%	243,038	62.7%	387,851	8.7%
Receivables from Non-exchange Transactions - Property Rates	43,405	4.6%	21,889	2.3%	116,735	12.4%	762,084	80.7%	944,113	21.2%
Receivables from Exchange Transactions - Waste Water Management	10,411	3.3%	7,413	2.4%	6,888	2.2%	290,180	92.2%	314,892	7.1%
Receivables from Exchange Transactions - Waste Management	8,376	3.4%	5,684	2.3%	5,221	2.1%	223,810	92.1%	243,091	5.4%
Receivables from Exchange Transactions - Property Rental Debtors	962	.9%	948	.9%	987	.9%	103,349	97.3%	106,246	2.4%
Interest on Arrear Debtor Accounts	23,738	2.0%	23,232	2.0%	23,690	2.0%	1,104,575	94.0%	1,175,236	26.3%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-	-	-	-	-	-	-	-	-
Other	7,071	1.6%	7,684	1.8%	7,037	1.6%	408,441	94.9%	430,232	9.6%
Total By Income Source	215,317	4.8%	137,400	3.1%	201,681	4.5%	3,907,819	87.6%	4,462,217	100.0%
Debtors Age Analysis By Customer Group										
Organs of State	40,455	4.8%	28,078	3.3%	112,266	13.3%	662,789	78.6%	843,588	18.9%
Commercial	76,698	10.3%	35,854	4.8%	22,000	3.0%	607,823	81.9%	742,375	16.6%
Households	95,292	3.5%	70,721	2.6%	65,052	2.4%	2,509,095	91.6%	2,740,160	61.4%
Other	2,872	2.1%	2,747	2.0%	2,363	1.7%	128,112	94.1%	136,095	3.0%
Total By Customer Group	215,317	4.8%	137,400	3.1%	201,681	4.5%	3,907,819	87.6%	4,462,217	100.0%

Table 8: Part 4: Debtors Age Analysis

Indicated in Table 8 above is the total outstanding debt by Income Source, including the debt over 90 days, the percentage of total Debt over 90 days and percentage weighting. The total O/S Debt amounts to R4,462,217 billion as at the end of September 2025 and the bulk of SPM's debt is aged over 90 days with an overall weighting of 87.6%.

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

- ❖ Interest on Arrear Debtor Accounts at 94% and Other at 94.9%.
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 97.3%
- ❖ Receivables from Exchange Transactions – Property Rates (80.7%); Waste Water Management (92.2%) 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 21.2%
- ❖ Interest on Arrear Debtor Accounts 26.3%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 19.%

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 78.6%; Commercial at 81.9%; Households at 91.6% and Other at 94.1%.

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

- ❖ Organs of state at 18.9%, total debt outstanding is R843,588 million
- ❖ Businesses at 16.6%, total debt outstanding is R742,375 million
- ❖ Households at 61.4%, total debt outstanding is R2,740,160 billion
- ❖ Other at 3.0%, total debt outstanding is R136,095 million.

Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt remained constant at 88% for the month under review. Debt over 90 days decreased by R45,865 million in respect of the month-to-month comparison. The month-to-month decrease, on total debt amounted to R46,814 million. It is concerning that total debt over 90 days is hovering at an average of 88 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.

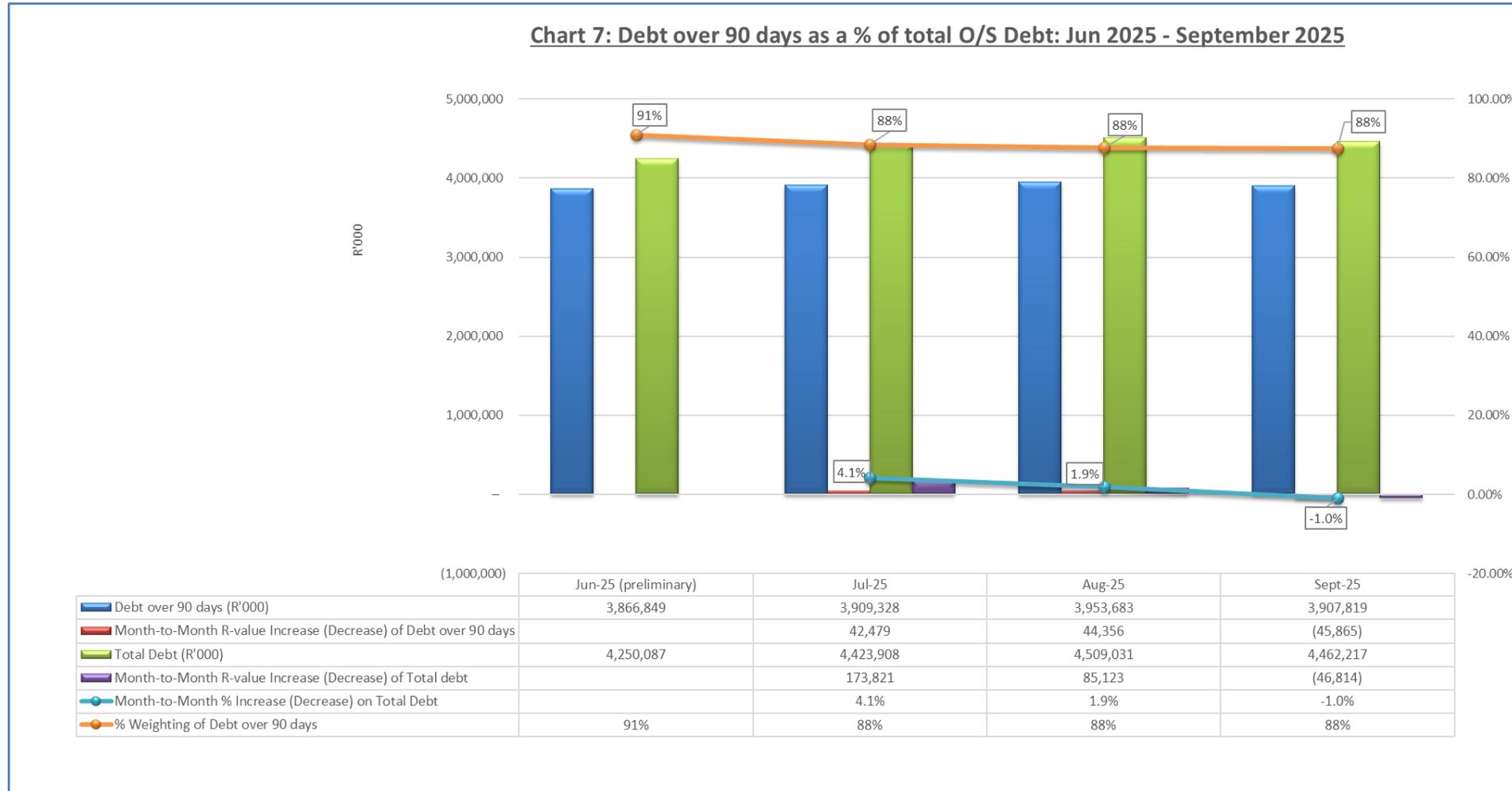


Chart 7: Debt over 90 days as a percentage of Total O/S Debt

- 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 August 2024, this will have to be 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.

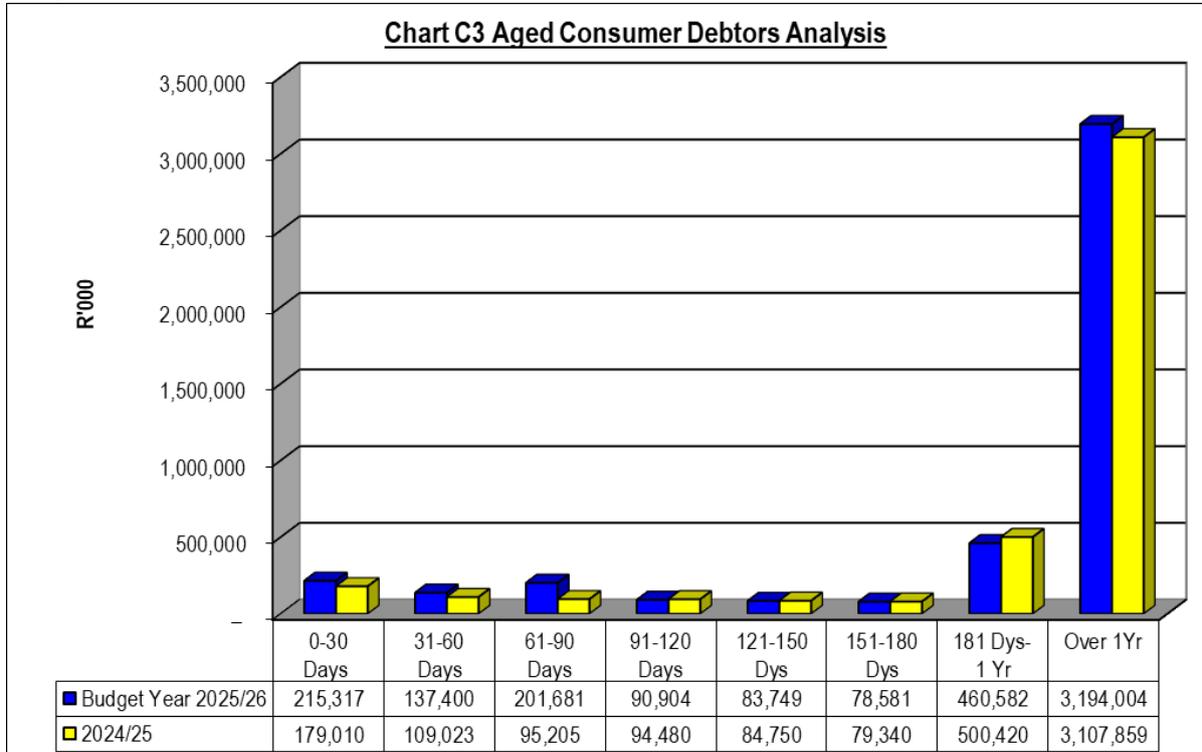


Chart 8: Aged Consumer Debtor Analysis

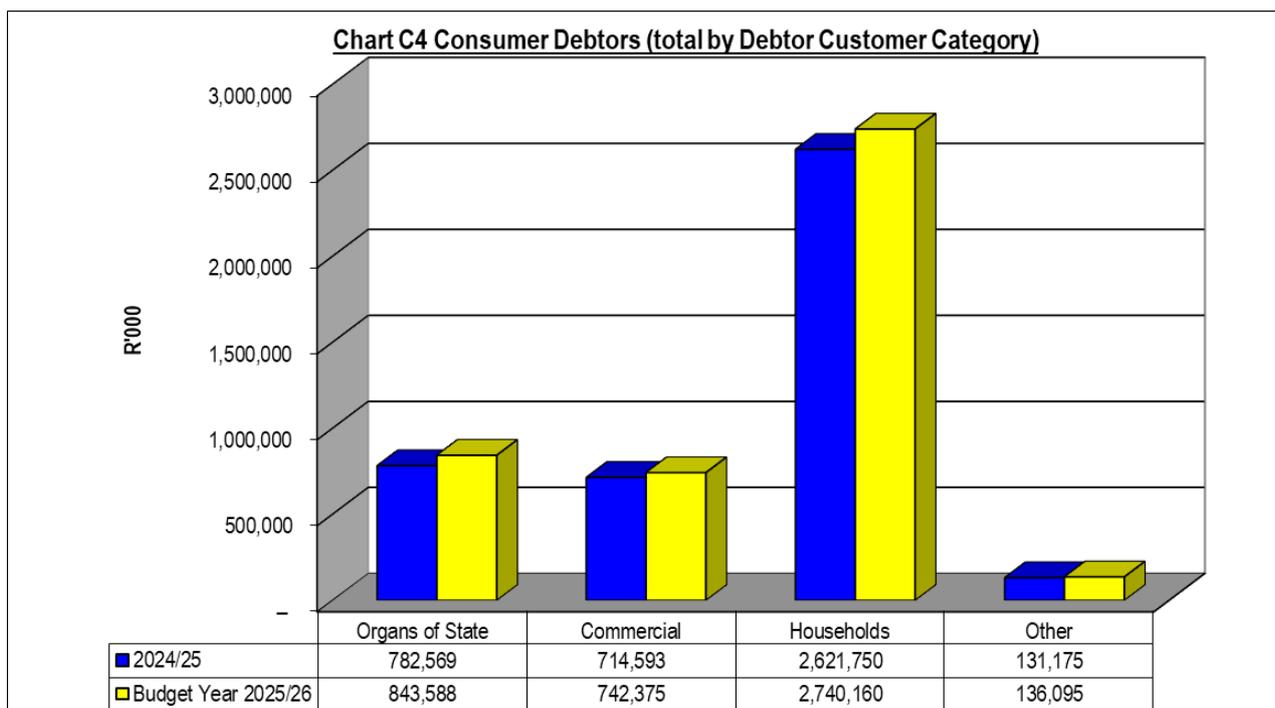


Chart 9: Consumer Debtors (total by Debtor Customer Category)

Revised collection rate

As per Table 9 below, when taking into consideration what was billed in August 2025 and received in September 2025, the monthly collection rate is 111%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 104%. It should be noted that receipts are aligned to the billing cycle which is normally from the 26th of the prior month to the 25th of the current month. The monthly collection rate is satisfactory for the month under review. Unallocated receipts amounted to R9,288 million and will be allocated during October 2025. The improved monthly collection rate is as a result of the R95 million that the municipality received from the Department of Roads and Public works. Indicated in Table 10 below is the revised average collection rate of 76.4%, 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 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 95%, 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 September to 30 September 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.

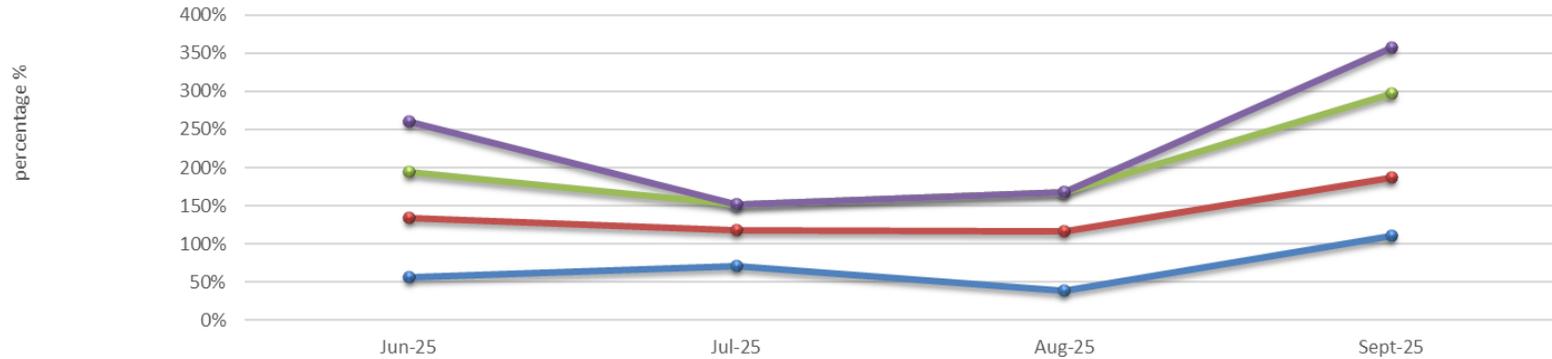
Monthly Collection Rate	Debits (Billed August 2025)	Credits (Received September)	% Collected
PROPERTY RATES	53,193,929	117,955,667	222%
ELECTRICITY	67,464,346	46,504,848	69%
WATER	27,164,644	12,155,995	45%
SEWERAGE	10,571,827	5,124,534	48%
REFUSE	8,447,472	3,970,607	47%
PROPERTY RATES & SERVICES	166,842,218	185,711,650	111%
OTHER	29,061,415	17,638,272	61%
TOTAL	195,903,634	203,349,923	104%

Table 9: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL SEPTEMBER 2025	YTD RECEIPTS	Rate
PROPERTY RATES	R 271,496,384	R 198,862,619	73.2%
SERVICE CHARGE ELECTRICITY	R 196,225,825	R 153,000,751	78.0%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 98,165,521	R 98,165,521	100.0%
SERVICE CHARGE WATER	R 70,881,716	R 41,387,253	58.4%
SERVICE CHARGE SANITATION	R 28,621,807	R 13,821,779	48.3%
SERVICE CHARGE REFUSE	R 22,124,589	R 11,950,109	54.0%
SERVICE CHARGES NON-EXCHANGE	R 2,879,280	R 697,634	24.2%
UNALLOCATED CREDITS		R 9,288,089	
REVISED AVERAGE COLLECTION RATE - September 2025	R 690,395,121	R 527,173,755	76.4%

Table 10: Revised Average collection rate

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

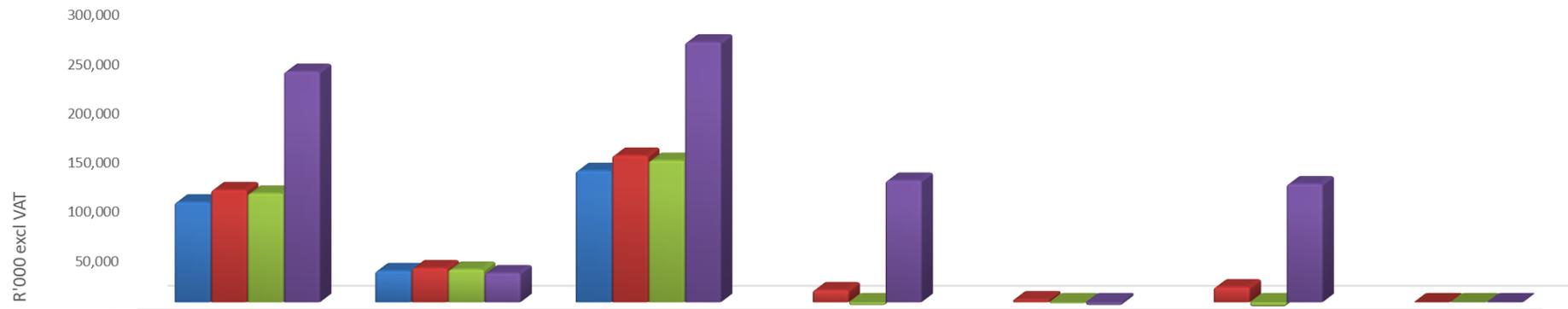


	Jun-25	Jul-25	Aug-25	Sept-25
Collection rate per Ward (Quarterly)	66%	-	-	60%
Collection rate per Ward (Monthly)	60%	34%	51%	109%
Revised average collection rate (SPLM)	77%	47%	77%	76%
Monthly collection rate (Property rates and Services)	57%	71%	39%	111%

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 September 2025. The monthly collection rate (Property rates & Services) for September 2025 is satisfactory at 111%. The revised average collection for September 2025 which includes Prepaid sales and unallocated credits is 76%, for the month under review. The situation is exacerbated by the receipts on annual billing that is not materializing. It should be noted that the monthly collection rate takes into account what was billed in the previous month and received in the current month. The receipts are also based on the billing cycle, which will normally be from 26th of the previous month to 25th of the current month. The monthly collection rate also excludes Prepaid electricity sales and Other billing. It should be noted the collection rate is based on the receipts versus billing for Property Rates and Service charges only. The lower collection levels are not ideal because on a monthly basis, the municipality is not receiving enough cash to cover its short-term commitments. For the municipal debt relief, the municipality is also expected to report on the collection rate per ward which includes receipts from Property Rates, Services and Interest, but excludes Prepaid Electricity sales. The monthly collection rate per ward was 109% for the month under review. The quarterly collection rate per ward is 60%. 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 R9,288 million was unallocated at month-end.

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



	Billing Receipts	Prepaid Electricity Sales	Total Receipts	Billing Receipts - R-value Increase (Decrease)	Prepaid Electricity Sales - R-value Increase (Decrease)	Total Receipts - R-value Increase (Decrease)	Total Receipts - % Increase (Decrease)
■ Jun-25	101,712	31,972	133,685				
■ Jul-25	114,255	34,931	149,186	12,542	2,959	15,501	12%
■ Aug-25	110,647	33,408	144,055	(3,607)	(1,523)	(5,130)	-3%
■ Sept-25	234,415	29,827	264,242	123,768	(3,581)	120,187	83%

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

As indicated in Chart 11 above, the Total Receipts for September 2025 amounted to R264,242 million which resulted in an increase of R120,187 million (83%) in respect of the month-to-month comparison. Billing receipts increased by R123,768 million, whilst Prepaid Electricity Sales decreased by R3,581 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 R9,288 million. Unallocated receipts are not factored into the actual receipts as per the chart above. All unallocated receipts are investigated, and assistance is sourced from the bank, when the municipality is unable to trace receipts so that it can be allocated accurately.

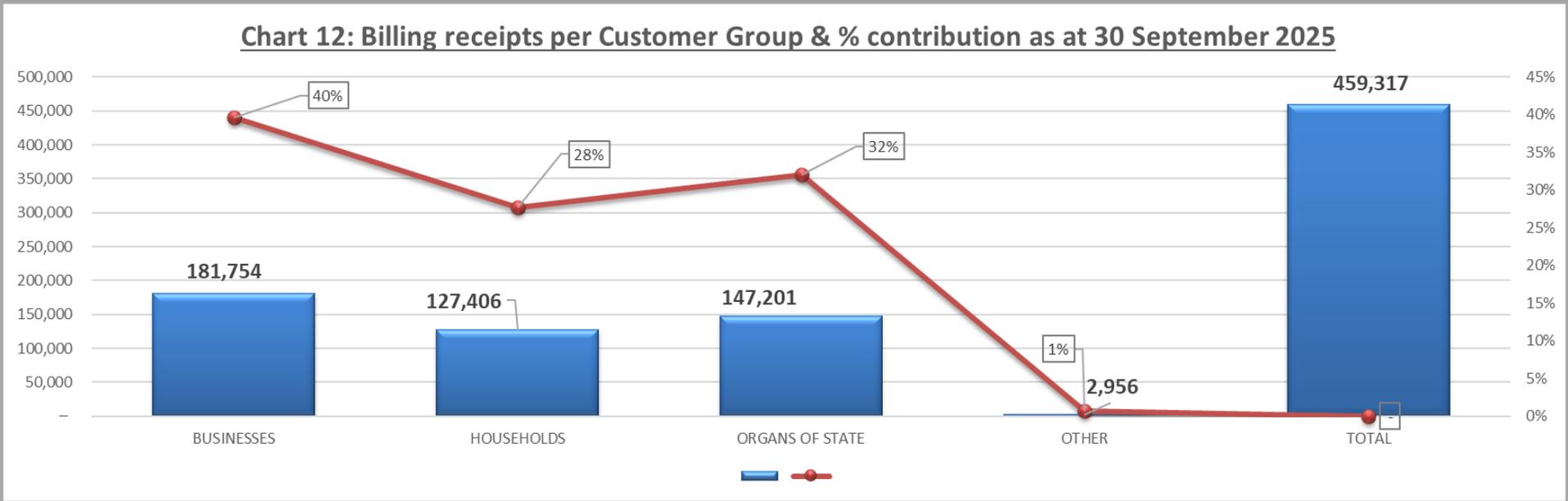


Chart 12: Billing receipts per Customer Group

Indicated in Chart 12 above, is the billing receipts and percentage contribution per major Customer group as at 30 September 2025. The municipality received R181,754 million (40%) from Businesses, Households R127,406 million (28%), Organs of State R147,201 million (32%) and Other R2,956 million (1%).

7. Creditors' Analysis

Part 5: Creditor Age Analysis										
R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Creditor Age Analysis										
Bulk Electricity	129,313	10.1%	116,873	9.1%	131,970	10.3%	903,429	70.5%	1,281,585	85.6%
Bulk Water	14,866	10.0%	21,434	14.5%	3,179	2.1%	108,643	73.3%	148,123	9.9%
PAYE deductions	11,973	100.0%	-	-	-	-	-	-	11,973	8%
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	8,665	100.0%	-	-	-	-	-	-	8,665	6%
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	10,484	83.3%	2,084	16.6%	15	.1%	5	-	12,989	8%
Auditor-General	857	100.0%	-	-	-	-	-	-	857	.1%
Other	11,945	36.7%	913	2.8%	270	8%	19,410	59.7%	32,539	2.2%
Medical Aid deductions	-	-	-	-	-	-	-	-	-	-
Total	188,103	12.6%	141,305	9.4%	135,435	9.1%	1,031,488	68.9%	1,496,330	100.0%

Table 11: Part 5: Creditors Age Analysis

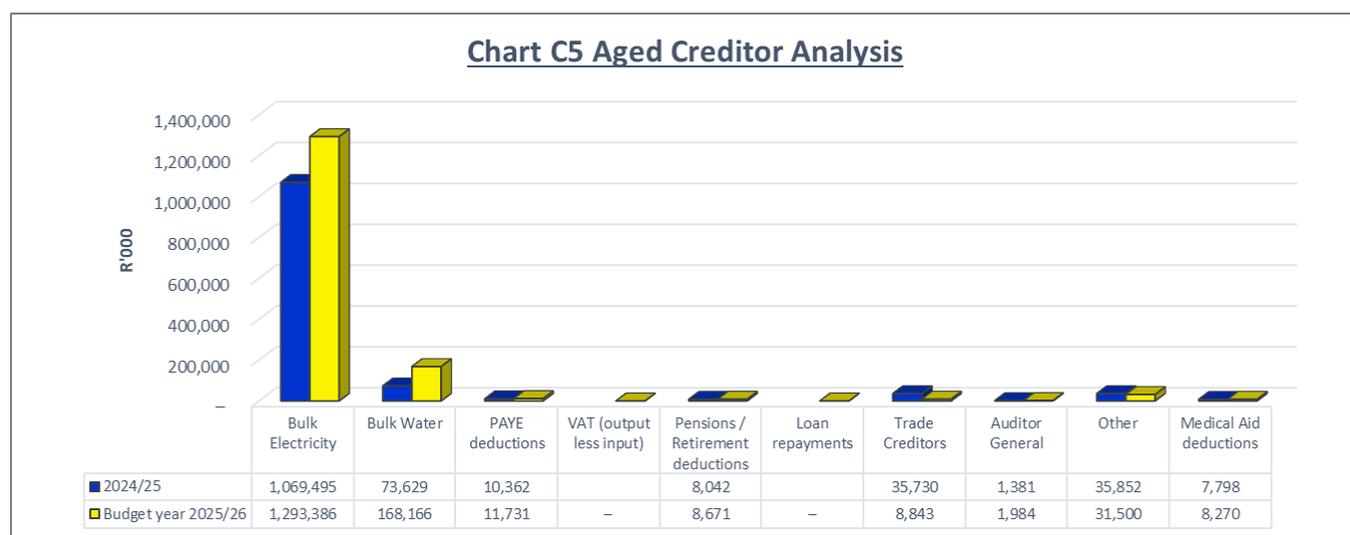


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2024/25 in Chart 13 is based on the outstanding creditors as at 31 August 2024 (prior year totals for the same period). Articulated in Table 11 above, is the age creditors analysis, which is standing at R1,496,330 billion owed to creditors. The analysis shows that 12.6% of creditors is owed between 0 to 30 days, whilst 68.9% of creditors is owed over 90 days. Bulk Electricity is the largest creditor at 85.6%.

Bulk Electricity – As at the 30 September 2025, the outstanding debt owed to ESKOM amounted to R1,281,585 billion. The write-off of R248 million has not yet been factored in.

Bulk Water – As at the 30 September 2025, the outstanding debt owed to DWS amounted R148,123 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 R5,497 million to SARS.

PAYE and Pension statutory deductions are paid over monthly to the relevant institutions on or before 7 September 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 R857 thousand.

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

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

8. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 30 September 2025, the value of total investments made was R394,437 million. Partially or prematurely withdrawn investments amounted to R2,143 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.	22,620
• 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.	7,495
• Unspent Capital grant receipts that was invested for the current year.	341,357
• Own funds invested - Ring-fenced Eskom income / If amount is NEGATIVE, it means that there is Grant funds in the main account	22,964
Total	394,437

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

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 ^a	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												
R thousands														
Municipality														
Standard Bank 048466271-089		6 months	Call a/c	No	Variable	6.9	0			-	-	-	-	-
Standard Bank 04 846 6271- 090		48 hours	Notice	No	Fixed	8.85%	0	n/a		-	-	-	-	-
Standard Bank - 04 846 6271-092		6 months	Notice	No	Fixed	892.00%	0	n/a		359,321	2,113	(2,113)	-	359,321
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	9.71%	0		2023/06/28	7,401	94	-	-	7,495
Standard Bank - 04 846 6271-091		Monthly	Notice	No	Fixed	890.00%	0	n/a	2024/06/30	5,000	30	(30)	-	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	22,467	153	-	-	22,620
Municipality sub-total										394,190	2,390	(2,143)	-	394,437

Table 12: Supporting Table SC5: Investment portfolio

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

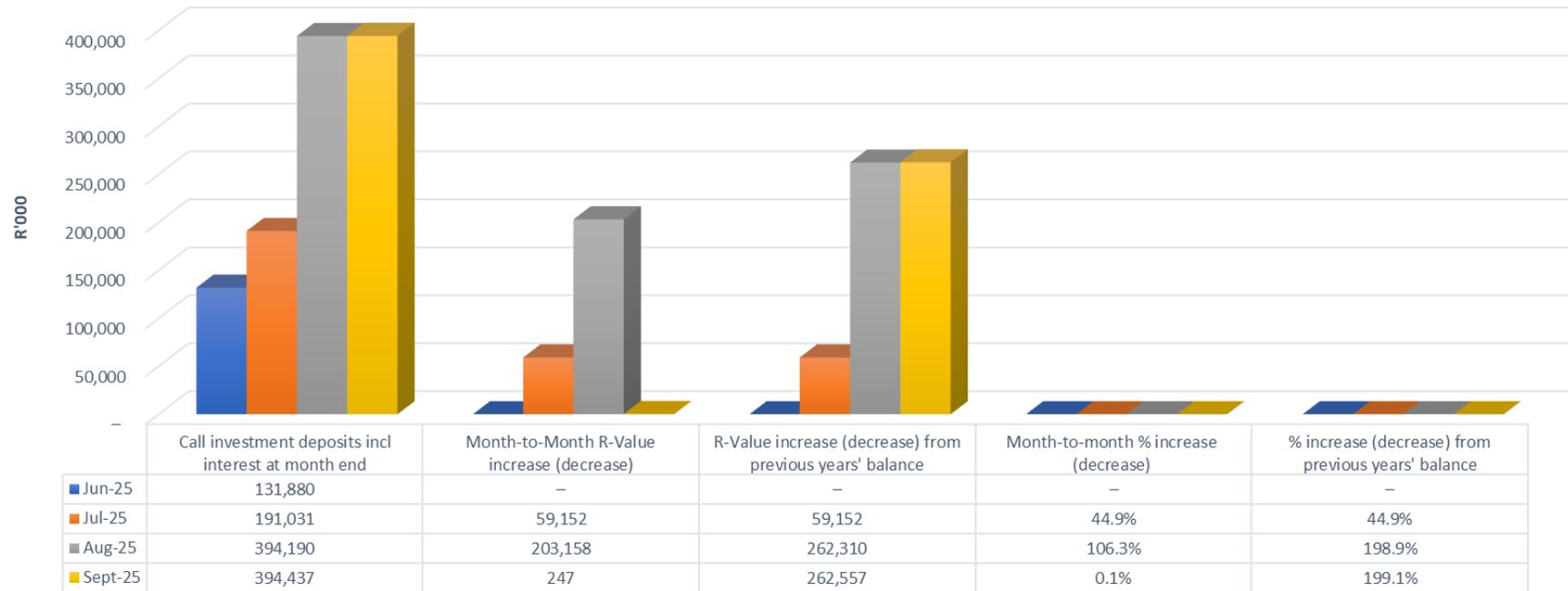


Chart 14: Call investment deposits at month-end

As indicated in the Chart 14 above from August 2025 to September 2025 investments incl interest increased by R247 thousand (0.1%), in respect of the month-to-month comparison. Investments increased by R262,557 million (199.1%) 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, 2024/25 and 2025/26 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 - M03 September

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:		294,090	314,669	314,669	1,314	127,423	78,667	48,756	62.0%	314,669
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		282,104	301,722	301,722	-	125,718	75,431	50,288	66.7%	301,722
Expanded Public Works Programme Integrated Grant		2,927	4,442	4,442	-	-	1,111	(1,111)	-100.0%	4,442
Infrastructure Skills Development Grant		4,500	4,400	4,400	423	945	1,100	(155)	-14.1%	4,400
Integrated Urban Development Grant		2,759	2,305	2,305	352	352	576	(225)	-39.0%	2,305
Local Government Financial Management Grant	3	1,800	1,800	1,800	538	408	450	(42)	-9.3%	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	127	270	2,252	(1,982)	-88.0%	9,007
Capacity Building and Other Grants		9,264	9,007	9,007	127	270	2,252	(1,982)	-88.0%	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	313,411	323,676	323,676	1,441	127,693	80,919	46,773	57.8%	323,676
Capital Transfers and Grants										
National Government:		574,062	684,166	684,166	65,582	103,603	171,041	(67,439)	-39.4%	684,166
Energy Efficiency and Demand Side Management Grant		5,000	5,000	5,000	24	700	1,250	(550)	-44.0%	5,000
Integrated National Electrification Programme Grant		4,500	19,000	19,000	968	1,184	4,750	(3,566)	-75.1%	19,000
Integrated Urban Development Grant		72,562	76,066	76,066	2,021	12,050	19,016	(6,967)	-36.6%	76,066
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	100	100	-	-	25	(25)	-100.0%	100
Regional Bulk Infrastructure Grant		492,000	574,000	574,000	62,569	89,669	143,500	(53,831)	-37.5%	574,000
Water Services Infrastructure Grant		-	10,000	10,000	-	-	2,500	(2,500)	-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	65,582	103,603	171,041	(67,439)	-39.4%	684,166
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	887,473	1,007,842	1,007,842	67,023	231,296	251,961	(20,665)	-8.2%	1,007,842

Table 13: Supporting Table SC6: Transfers and grant receipts

No Operational grant monies were received for the month under review.

No Capital grant monies were received for the month under review.

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 - M03 September

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:		263,684	252,673	252,673	10,583	52,515	60,370	(7,855)	-13.0%	252,673
Equitable Share		251,739	239,722	239,722	9,740	50,716	57,132	(6,416)	-11.2%	239,722
Expanded Public Works Programme Integrated Grant		3,143	4,442	4,442	36	118	1,111	(933)	-89.4%	4,442
Infrastructure Skills Development Grant		4,373	4,400	4,400	423	945	1,100	(155)	-14.1%	4,400
Integrated Urban Development Grant		2,629	2,305	2,305	105	329	576	(247)	-42.9%	2,305
Local Government Financial Management Grant		1,800	1,804	1,804	278	408	451	(43)	-9.5%	1,804
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		14,526	8,942	11,442	239	572	2,861	(2,289)	-80.0%	11,442
Capacity Building and Other Grants		9,055	8,942	8,942	118	261	2,236	(1,975)	-88.3%	8,942
Infrastructure Grant		5,471	-	2,500	121	311	625	(314)	-50.3%	2,500
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		278,210	261,615	264,115	10,822	53,087	63,230	(10,144)	-16.0%	264,115
Capital expenditure of Transfers and Grants										
National Government:		504,592	594,927	594,927	57,045	90,089	148,732	(58,643)	-39.4%	594,927
Energy Efficiency and Demand Side Management Grant		4,545	4,348	4,348	20	609	1,087	(478)	-44.0%	4,348
Integrated National Electrification Programme Grant		3,958	16,522	16,522	859	1,029	4,130	(3,101)	-75.1%	16,522
Integrated Urban Development Grant		64,588	66,144	66,144	1,758	10,478	16,536	(6,058)	-36.6%	66,144
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	87	87	-	-	22	(22)	-100.0%	87
Regional Bulk Infrastructure Grant		431,501	499,130	499,130	54,408	77,973	124,783	(46,810)	-37.5%	499,130
Water Services Infrastructure Grant		-	8,696	8,696	-	-	2,174	(2,174)	-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	57,045	90,089	148,732	(58,643)	-39.4%	594,927
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		782,802	856,542	859,042	67,867	143,176	211,962	(68,786)	-32.5%	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. 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.

Description (R'000)	Original Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,144	1,758	10,478	2,876	15.84%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,348	20	609	-	14.01%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	499,130	54,408	77,973	-	15.62%
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	16,522	859	1,029	4	6.23%
NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)	87	-	-	-	0.00%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	8,696	-	-	-	0.00%
Grand Total	594,927	57,045	90,089	2,881	15.14%

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R90,089 million or 15.4% 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 was 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 - M03 September

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		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		-	30,893	30,893	179	4,748	7,723	(2,975)	-39%	30,893
Pension and UIF Contributions		1,040	1,540	1,540	77	231	385	(154)	-40%	1,540
Medical Aid Contributions		657	710	710	54	162	178	(15)	-9%	710
Motor Vehicle Allowance		-	950	950	93	280	238	42	18%	950
Cellphone Allowance		3,048	2,910	2,910	251	757	727	30	4%	2,910
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		29,049	80	80	2,084	2,084	20	2,064	10321%	80
Sub Total - Councillors		33,794	37,083	37,083	2,738	8,262	9,271	(1,009)	-11%	37,083
% increase	4		9.7%	9.7%						9.7%
Senior Managers of the Municipality										
Basic Salaries and Wages		5,763	8,743	8,743	353	1,146	2,186	(1,039)	-48%	8,743
Pension and UIF Contributions		747	1,351	1,351	33	98	338	(240)	-71%	1,351
Medical Aid Contributions		208	140	140	16	47	35	13	36%	140
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1,136	2,113	2,113	87	260	528	(268)	-51%	2,113
Cellphone Allowance		115	198	198	8	25	50	(24)	-49%	198
Housing Allowances		21	24	24	2	5	6	(1)	-12%	24
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		29	31	31	1	4	8	(4)	-50%	31
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		8,018	12,601	12,601	500	1,587	3,150	(1,564)	-50%	12,601
% increase	4		57.2%	57.2%						57.2%
Other Municipal Staff										
Basic Salaries and Wages		463,558	538,612	537,985	41,900	124,013	134,516	(10,503)	-8%	537,985
Pension and UIF Contributions		83,957	99,661	99,661	7,327	21,917	24,915	(2,999)	-12%	99,661
Medical Aid Contributions		58,162	69,790	69,790	5,135	16,694	17,448	(754)	-4%	69,790
Overtime		78,779	58,301	58,301	6,399	15,327	14,575	752	5%	58,301
Performance Bonus		30,549	39,432	39,432	874	3,190	9,858	(6,668)	-68%	39,432
Motor Vehicle Allowance		41,631	50,362	50,362	3,471	10,333	12,590	(2,257)	-18%	50,362
Cellphone Allowance		1,585	1,740	1,740	131	397	435	(38)	-9%	1,740
Housing Allowances		4,158	3,152	3,152	240	714	788	(74)	-9%	3,152
Other benefits and allowances		31,886	32,935	33,562	2,941	8,500	8,371	129	2%	33,562
Payments in lieu of leave		10,012	16,200	16,200	304	757	4,050	(3,293)	-81%	16,200
Long service awards		30,742	31,845	31,845	2,642	7,928	7,961	(33)	0%	31,845
Post-retirement benefit obligations		41,384	49,900	49,900	882	1,328	12,475	(11,147)	-89%	49,900
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		876,402	991,931	991,931	72,245	211,097	247,983	(36,885)	-15%	991,931
% increase	4		13.2%	13.2%						13.2%
Total Parent Municipality		918,214	1,041,615	1,041,615	75,484	220,946	260,404	(39,458)	-15%	1,041,615
TOTAL SALARY, ALLOWANCES & BENEFITS		918,214	1,041,615	1,041,615	75,484	220,946	260,404	(39,458)	-15%	1,041,615
% increase	4		13.4%	13.4%						13.4%
TOTAL MANAGERS AND STAFF		884,420	1,004,532	1,004,532	72,746	212,684	251,133	(38,449)	-15%	1,004,532

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 15%. There is currently a moratorium on the filling of non-critical vacancies and on the sale of leave. Post-retirement benefit obligations will be finalized as part of year-end procedures. It should be noted that the disclosure under Performance bonus, is the annual bonuses or 13th cheques that is budgeted for and paid out to employees. This is not subject to any performance appraisal. Individuals do act on positions from time to time, but all such acting allowances forms part of the basic salary line item. Councillors' Remuneration is showing a satisfactory variance of minus 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. 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, this had 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.

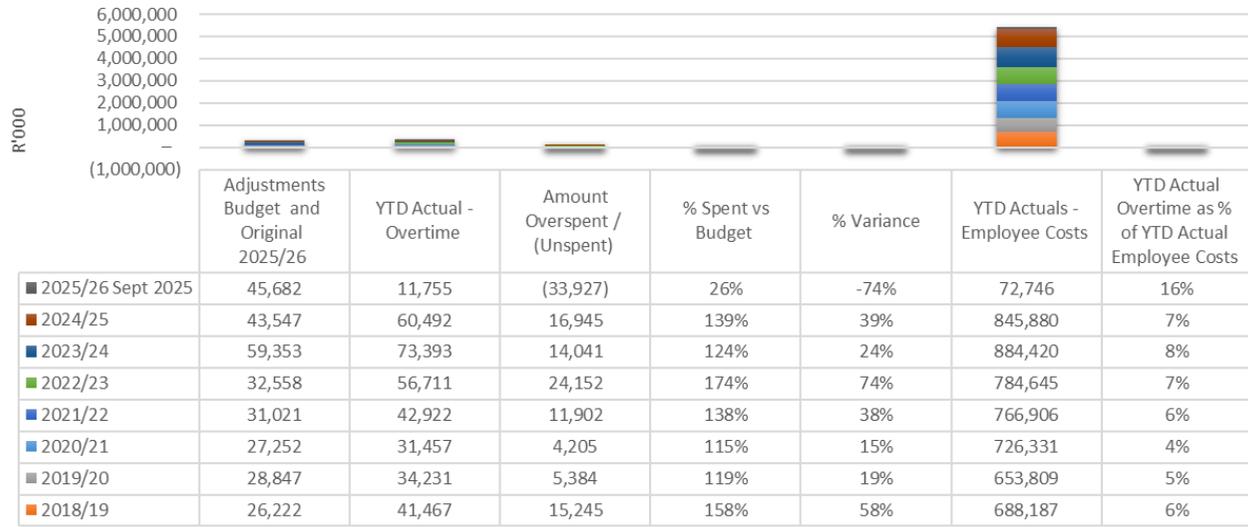
And indicated in Table 18 below, is the YTD Overtime expenditure per line item and also per Directorate as at end of September 2025.

Description per line item (Amount in Rand)	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget
MS: OVERTIME - NON STRUCTURED	42,176,000	5,029,050	11,199,686	27%
MS: OVERTIME - STRUCTURED	3,506,000	322,213	554,936	16%
Overtime as at 31 August 2025	45,682,000	5,351,263	11,754,622	26%
Row Labels	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget
20-EXECUTIVE AND COUNCIL	560,000	86,918	184,691	33%
21-MUNICIPAL AND GENERAL	-	-	-	
22-MUNICIPAL MANAGER	-	-	6,832	
23-CORPORATE SERVICES	2,035,000	207,958	810,270	40%
24-COMMUNITY SERVICES	17,145,000	1,493,651	3,076,658	18%
26-FINANCIAL SERVICES	1,216,000	210,489	436,976	36%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	1,112,000	71,835	191,136	17%
28-INFRASTRUCTURE SERVICES	23,614,000	3,280,412	7,048,059	30%
Overtime as at 31 August 2025	45,682,000	5,351,263	11,754,622	26%

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 26% spent versus the Original budget, resulting in a fairly satisfactory variance of 0.7% for the period under review, when compared to the ideal IYM percentage of 25%.

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 fairly 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 Sept 2025

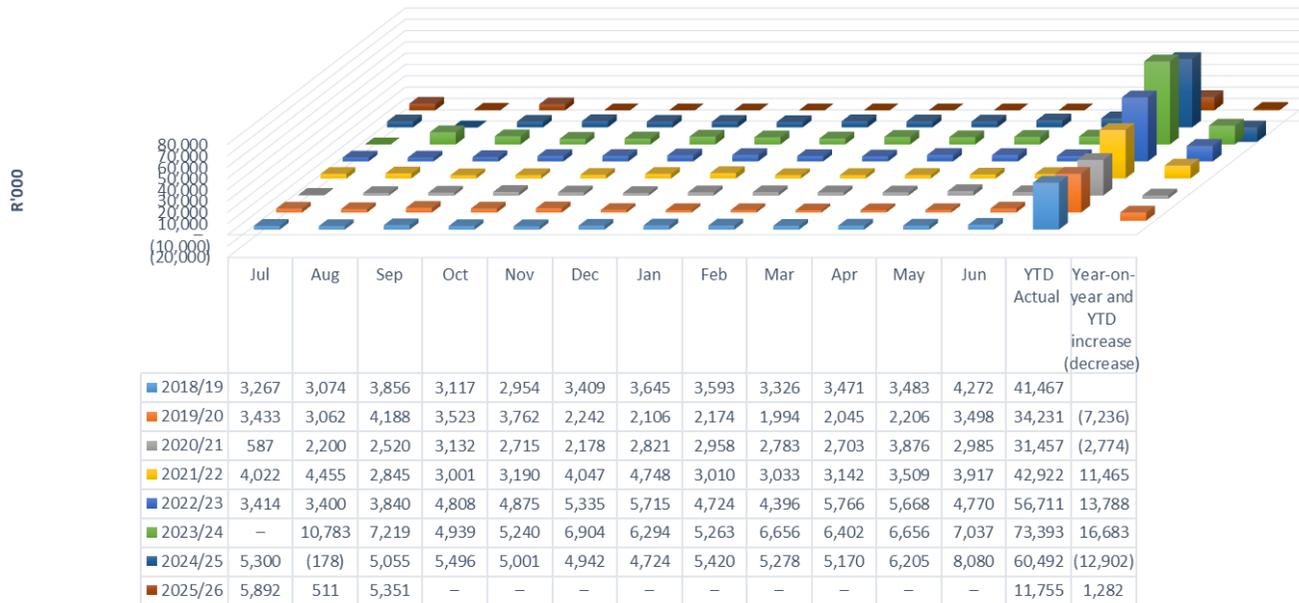


Chart 15.2: Monthly and Annual Overtime Comparison

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.

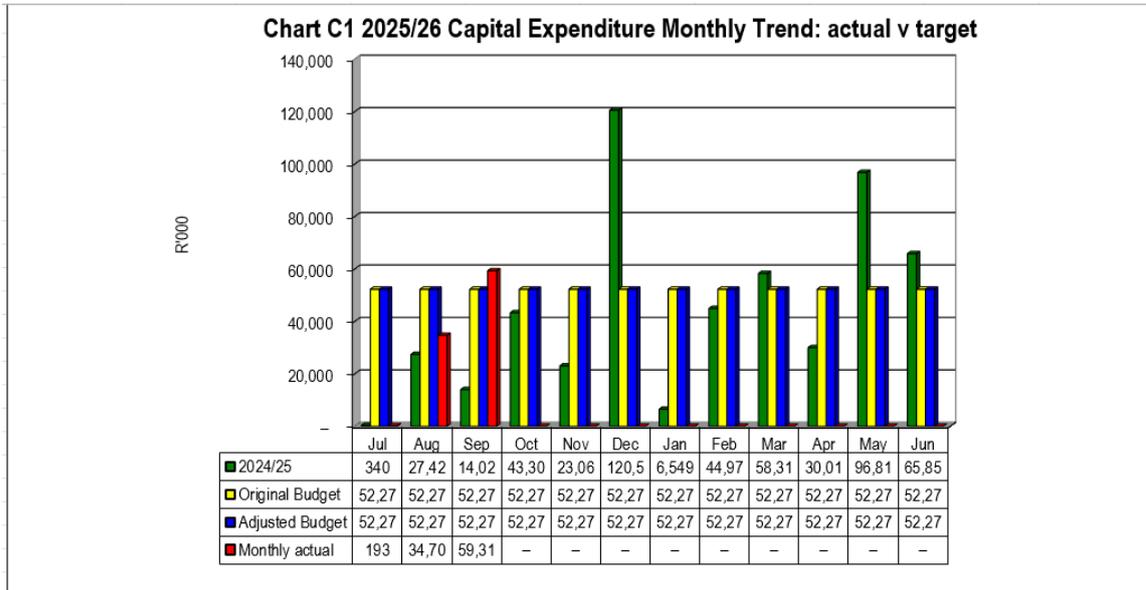


Chart 16.1: Capital Expenditure Monthly Trend: actual v target

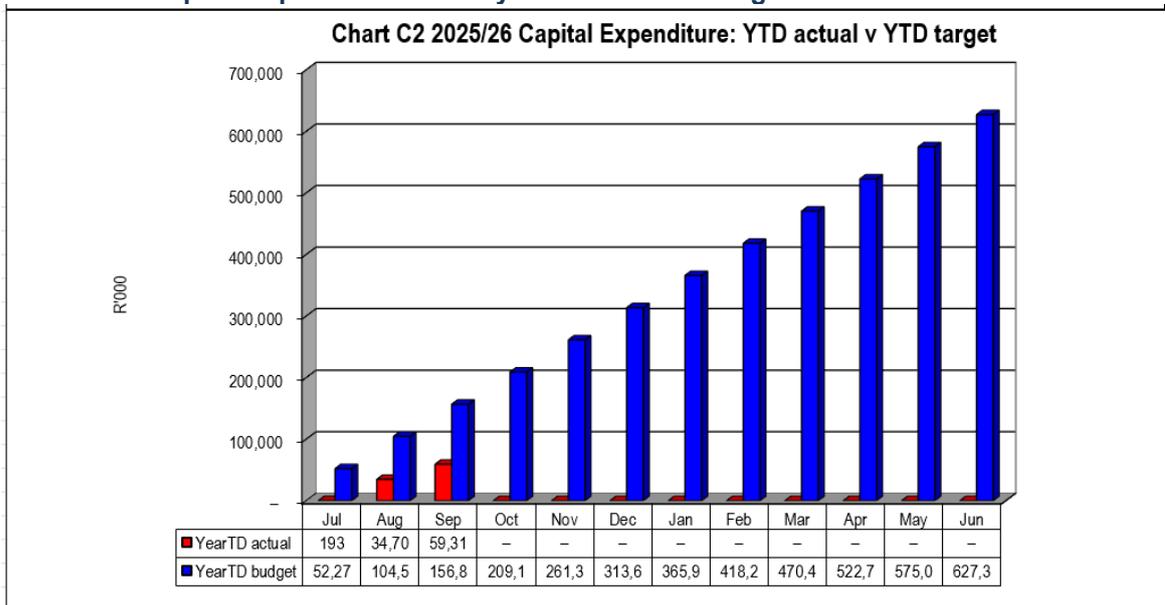


Chart 16.2: Capital Expenditure: YTD actual vs YTD target

Projects per funding source (R'000)	Original Budget	Adjusted Budget	Monthly Actuals	YTD Actuals	Commitments	% Original Bud	% Adjusted Bud
INTERNALLY GENERATED FUNDS	32,404	32,404	2,273	4,125	1,219	12.73%	12.73%
ACQ-COMPUTER EQUIPMENT REPLACEMENT	6,783	6,783	436	436	800	6.43%	6.43%
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	206	206	-	15.75%	15.75%
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	-	1,070	-	61.54%	61.54%
TOWNSHIP REVITALISATION	870	870	-	-	-	0.00%	0.00%
FENCING OF MARKET	2,039	2,039	1,631	1,631	408	80.00%	80.00%
REFURBISHMENT OF HOMEVALE WWTW	4,348	4,348	-	782	-	17.99%	17.99%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,144	66,144	1,758	10,478	2,876	15.84%	15.84%
UPGRADE GRAVEL ROADS WARDS VARIOUS	8,261	8,261	1,308	1,919	1,800	23.23%	23.23%
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	341	996	521	38.16%	38.16%
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	-	99.99%	99.99%
SATELITE OFFICE CONTAINERS	870	870	-	-	-	0.00%	0.00%
GREENPOINT BUSINESS DEVELOPMENT CENTRE	2,174	2,174	108	108	555	4.97%	4.97%
BEACONSFIELD WASTE WATER TREATMENT WORKS	12,609	12,609	-	-	-	0.00%	0.00%
HIGH MAST LIGHTS	8,696	8,696	-	2,238	-	25.74%	25.74%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,348	4,348	20	609	-	14.01%	14.01%
STREETLIGHTS AND HIGH MAST RETROFITTING	4,348	4,348	20	609	-	14.01%	14.01%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	499,130	499,130	54,408	77,973	-	15.62%	15.62%
UPGRADE EXISTING/NEW RESERVOIR CONSTRUCT	46,541	46,541	176	1,450	-	3.12%	3.12%
REFURBISHMENT/REPLACEMENT BULK PIPELINE	366,547	366,547	39,212	46,776	-	12.76%	12.76%
KBY/RITCHIE NETWORK LEAK DETECT/REPAIR	32,220	32,220	5,817	7,207	-	22.37%	22.37%
KBY/RITCHIE BULK METERS/PRESSURE MANAGE	3,698	3,698	2,050	2,896	-	78.33%	78.33%
NEWTON AND RIVERTON WWTW	50,125	50,125	7,152	19,643	-	39.19%	39.19%
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	16,522	16,522	859	1,029	4	6.23%	6.23%
ELECTRIFICATION OF JACKSONVILLE	5,891	5,891	-	-	-	0.00%	0.00%
NETWORKS ACQ - ELECTR SANTA CENTRE	2,804	2,804	859	1,029	4	36.71%	36.71%
GALESHEWE TRANSFORMER	7,826	7,826	-	-	-	0.00%	0.00%
NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)	87	87	-	-	-	0.00%	0.00%
REDEVELOPMENT OF RC ELLIOT HALL	87	87	-	-	-	0.00%	0.00%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	8,696	8,696	-	-	-	0.00%	0.00%
ACQ - CARTERS GLEN SEWER PUMP STATION	8,696	8,696	-	-	-	0.00%	0.00%
Grand Total	627,331	627,331	59,318	94,214	4,100	15.02%	15.02%

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 September 2025 is not at a desired level. Capital expenditure requires constant monitoring from management to improve the final outcome. The actual monthly expenditure for September 2025 amounted to R59,318 million. The total YTD Capex amounts to R94,214 million. Please note that Commitments is excluded from the YTD actual. Capital expenditure is also exclusive of VAT. Spending on grants needs improvement. The percentage expenditure per funding source IUDG (15.84%), EEDSM (14.01%), RBIG (15.62%), INEP (6.23%), WSIG (0%). Spending on Internally generated funds is also 12.73% 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 pre-audited figures, and are subject to change as the municipality is busy finalizing the audit process for the year ending 30 June 2025.

Additional information or supporting documentation for September 2025.

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

14. Conclusion

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

Communication

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

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

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

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

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

- New charges (basic and capacity charges for households) regarding electricity must be resolved by Council – huge financial loss (possible recovery plan is needed)
- Non-implementation of basic and capacity charges for households 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

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

- 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, July and August 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 2025/26 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 - M03 September

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
R thousands									
Financial Performance									
Property rates	687,339	717,920	717,920	53,196	271,496	179,480	92,016	51%	717,920
Service charges	1,449,088	1,761,512	1,761,512	143,719	416,019	440,378	(24,358)	-6%	1,761,512
Investment revenue	21,841	18,000	18,000	618	152	4,500	(4,348)	-97%	18,000
Transfers and subsidies - Operational	313,411	323,676	323,676	1,441	127,693	80,919	46,773	0	323,676
Other own revenue	430,140	413,080	413,080	33,173	97,307	103,270	(5,963)	-6%	413,080
Total Revenue (excluding capital transfers and contributions)	2,901,820	3,234,188	3,234,188	232,147	912,667	808,547	104,121	13%	3,234,188
Employee costs	884,420	1,004,532	1,004,532	72,746	212,684	251,133	(38,449)	-15%	1,004,532
Remuneration of Councillors	33,794	37,083	37,083	2,738	8,262	9,271	(1,009)	-11%	37,083
Depreciation and amortisation	96,037	90,200	90,200	-	-	22,560	(22,560)	-100%	90,200
Interest	104,569	15,880	15,880	3	5	41	(36)	-88%	15,880
Inventory consumed and bulk purchases	1,182,440	1,331,852	1,331,852	205,780	391,585	408,963	(17,378)	-4%	1,331,852
Transfers and subsidies	2,807	4,300	4,300	650	1,075	650	(425)	-40%	4,300
Other expenditure	780,530	728,658	728,658	39,077	178,924	182,165	(3,241)	-2%	728,658
Total Expenditure	3,084,597	3,212,506	3,212,506	320,995	792,110	875,198	(83,088)	-9%	3,212,506
Surplus/(Deficit)	(182,777)	21,682	21,682	(88,847)	120,558	(66,651)	187,209	-281%	21,682
Transfers and subsidies - capital (monetary)	574,062	684,166	684,166	65,582	103,603	171,041	(67,439)	-39%	684,166
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	391,285	705,848	705,848	(23,266)	224,160	104,390	119,770	115%	705,848
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	391,285	705,848	705,848	(23,266)	224,160	104,390	119,770	115%	705,848
Capital expenditure & funds sources									
Capital expenditure	536,075	627,331	627,331	59,318	94,214	156,833	(62,619)	-40%	627,331
Capital transfers recognised	504,592	594,927	594,927	57,045	90,089	148,732	(58,643)	-39%	594,927
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	31,484	32,404	32,404	2,273	4,125	8,101	(3,976)	-49%	32,404
Total sources of capital funds	536,075	627,331	627,331	59,318	94,214	156,833	(62,619)	-40%	627,331
Financial position									
Total current assets	2,957,797	3,027,796	3,027,796	-	3,521,654	-	-	-	3,027,796
Total non current assets	2,257,023	3,131,060	3,131,060	-	2,351,237	-	-	-	3,131,060
Total current liabilities	1,204,094	1,669,231	1,669,231	-	1,638,004	-	-	-	1,669,231
Total non current liabilities	1,177,512	442,927	442,927	-	1,177,512	-	-	-	442,927
Community wealth/Equity	2,833,214	4,046,698	4,046,698	-	3,057,374	-	-	-	4,046,698
Cash flows									
Net cash from (used) operating	515,176	753,802	753,802	(189,697)	20,985	188,451	167,466	89%	753,802
Net cash from (used) investing	(529,312)	(721,431)	(721,431)	(59,318)	(94,214)	(180,358)	(86,144)	48%	(721,431)
Net cash from (used) financing	100	(16,688)	(16,688)	(1,326)	30	(4,172)	(4,202)	101%	(16,688)
Cash/cash equivalents at the month/year end	99,690	146,574	146,574	90,709	90,709	134,812	44,102	33%	179,592
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	215,317	137,400	201,681	90,904	83,749	78,581	460,582	3,194,004	4,462,217
Creditors Age Analysis									
Total Creditors	140,536	157,861	68,491	135,149	270	176	123,504	906,563	1,532,549

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		1,770,560	1,815,862	1,815,862	133,128	539,883	453,965	85,918	19%	1,815,862
Executive and council		1,049,209	1,067,130	1,067,130	77,726	263,529	266,783	(3,254)	-1%	1,067,130
Finance and administration		721,351	748,732	748,732	55,402	276,354	187,183	89,171	48%	748,732
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		52,398	46,152	46,152	4,689	9,706	11,538	(1,832)	-16%	46,152
Community and social services		12,453	12,888	12,888	418	1,117	3,222	(2,105)	-65%	12,888
Sport and recreation		3,217	2,910	2,910	92	388	728	(340)	-47%	2,910
Public safety		818	570	570	18	197	143	55	39%	570
Housing		31,910	29,708	29,708	4,160	8,003	7,427	576	8%	29,708
Health		4,000	75	75	-	-	19	(19)	-100%	75
<i>Economic and environmental services</i>		21,781	23,377	23,377	1,029	4,031	5,844	(1,813)	-31%	23,377
Planning and development		8,200	9,207	9,207	843	3,359	2,302	1,057	46%	9,207
Road transport		13,581	14,170	14,170	186	672	3,542	(2,871)	-81%	14,170
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1,619,577	2,020,883	2,020,883	157,669	457,877	505,221	(47,344)	-9%	2,020,883
Energy sources		984,262	1,305,623	1,305,623	102,559	300,907	326,406	(25,498)	-8%	1,305,623
Water management		387,287	448,093	448,093	32,503	91,169	112,023	(20,854)	-19%	448,093
Waste water management		141,634	157,774	157,774	12,909	37,245	39,443	(2,199)	-6%	157,774
Waste management		106,393	109,393	109,393	9,698	28,556	27,348	1,207	4%	109,393
<i>Other</i>	4	11,566	12,081	12,081	1,213	4,773	3,020	1,753	58%	12,081
Total Revenue - Functional	2	3,475,882	3,918,354	3,918,354	297,729	1,016,270	979,588	36,682	4%	3,918,354
Expenditure - Functional										
<i>Governance and administration</i>		805,135	756,026	756,026	45,830	184,666	189,007	(4,341)	-2%	756,026
Executive and council		566,498	532,963	532,963	22,822	119,439	133,241	(13,802)	-10%	532,963
Finance and administration		234,475	219,046	219,046	22,566	64,014	54,762	9,253	17%	219,046
Internal audit		4,162	4,017	4,017	442	1,213	1,004	209	21%	4,017
<i>Community and public safety</i>		195,831	219,901	219,901	16,562	47,095	54,975	(7,880)	-14%	219,901
Community and social services		48,397	52,711	52,711	3,930	11,130	13,178	(2,048)	-16%	52,711
Sport and recreation		63,434	66,957	66,957	4,988	14,879	16,739	(1,860)	-11%	66,957
Public safety		42,589	47,422	47,422	3,621	10,623	11,855	(1,233)	-10%	47,422
Housing		22,733	31,345	31,345	2,359	5,863	7,836	(1,973)	-25%	31,345
Health		18,679	21,467	21,467	1,665	4,600	5,367	(767)	-14%	21,467
<i>Economic and environmental services</i>		179,646	189,177	189,177	19,568	45,281	47,294	(2,013)	-4%	189,177
Planning and development		48,260	55,838	55,838	4,378	12,359	13,960	(1,601)	-11%	55,838
Road transport		130,479	132,364	132,364	15,115	32,697	33,091	(394)	-1%	132,364
Environmental protection		907	975	975	75	226	244	(18)	-7%	975
<i>Trading services</i>		1,878,985	2,016,320	2,016,320	237,022	508,791	576,151	(67,361)	-12%	2,016,320
Energy sources		1,239,137	1,303,951	1,303,951	182,524	374,138	399,189	(25,052)	-6%	1,303,951
Water management		439,992	445,043	445,043	42,223	84,821	110,537	(25,716)	-23%	445,043
Waste water management		117,220	158,834	158,834	6,912	28,806	39,302	(10,497)	-27%	158,834
Waste management		82,637	108,493	108,493	5,363	21,027	27,123	(6,096)	-22%	108,493
<i>Other</i>		25,000	31,081	31,081	2,013	6,277	7,770	(1,494)	-19%	31,081
Total Expenditure - Functional	3	3,084,597	3,212,506	3,212,506	320,995	792,110	875,198	(83,088)	-9%	3,212,506
Surplus/ (Deficit) for the year		391,285	705,848	705,848	(23,266)	224,160	104,390	119,770	1.1473258	705,848

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

Vote Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		1,049,209	1,067,130	1,067,130	77,726	263,529	266,783	(3,254)	-1.2%	1,067,130
Vote 03 - Municipal Manager		2,759	2,305	2,305	352	352	576	(225)	-39.0%	2,305
Vote 04 - Corporate Services		6,263	6,110	6,110	428	958	1,528	(570)	-37.3%	6,110
Vote 05 - Community Services		149,002	148,586	148,586	11,526	33,951	37,147	(3,195)	-8.6%	148,586
Vote 06 - Financial Services		714,281	742,122	742,122	54,914	275,228	185,530	89,698	48.3%	742,122
Vote 07 - Strategy Econ Development And Planning		8,419	10,003	10,003	561	4,701	2,501	2,201	88.0%	10,003
Vote 08 - Infrastructure And Services		1,545,949	1,942,098	1,942,098	152,223	437,551	485,525	(47,974)	-9.9%	1,942,098
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	3,475,882	3,918,354	3,918,354	297,729	1,016,270	979,588	36,682	3.7%	3,918,354
Expenditure by Vote	1									
Vote 01 - Executive & Council		57,033	61,221	61,221	4,616	13,703	15,305	(1,602)	-10.5%	61,221
Vote 02 - Municipal And General		495,206	464,832	464,832	17,101	102,263	116,208	(13,945)	-12.0%	464,832
Vote 03 - Municipal Manager		29,886	30,614	30,614	2,274	6,898	7,654	(756)	-9.9%	30,614
Vote 04 - Corporate Services		73,335	81,513	81,513	6,550	18,643	20,378	(1,735)	-8.5%	81,513
Vote 05 - Community Services		320,158	363,848	363,848	24,823	77,960	90,962	(13,002)	-14.3%	363,848
Vote 06 - Financial Services		143,187	173,366	173,366	12,690	35,391	43,342	(7,951)	-18.3%	173,366
Vote 07 - Strategy Econ Development And Planning		55,692	76,090	76,090	4,783	13,317	19,022	(5,705)	-30.0%	76,090
Vote 08 - Infrastructure And Services		1,910,101	1,961,023	1,961,023	248,158	523,935	562,327	(38,392)	-6.8%	1,961,023
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	3,084,597	3,212,506	3,212,506	320,995	792,110	875,198	(83,088)	-9.5%	3,212,506
Surplus/ (Deficit) for the year	2	391,285	705,848	705,848	(23,266)	224,160	104,390	119,770	114.7%	705,848

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

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	100,359	294,391	304,731	(10,340)	-3%	1,218,923
Service charges - Water		312,941	362,722	362,722	25,806	70,882	90,680	(19,799)	-22%	362,722
Service charges - Waste Water Management		110,559	106,274	106,274	10,014	28,622	26,568	2,053	8%	106,274
Service charges - Waste management		83,147	73,593	73,593	7,540	22,125	18,398	3,726	20%	73,593
Sale of Goods and Rendering of Services		16,897	18,644	18,644	897	6,202	4,661	1,541	33%	18,644
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		166,017	142,100	142,100	15,665	46,426	35,525	10,901	31%	142,100
Interest from Current and Non Current Assets		21,841	18,000	18,000	618	152	4,500	(4,348)	-97%	18,000
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		32,057	29,740	29,740	4,181	8,068	7,435	633	9%	29,740
Licence and permits		660	1,000	1,000	36	106	250	(144)	-58%	1,000
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		3,152	3,383	3,383	300	786	846	(60)	-7%	3,383
Non-Exchange Revenue										
Property rates		687,339	717,920	717,920	53,196	271,496	179,480	92,016	51%	717,920
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		36,851	34,743	34,743	1,179	3,489	8,686	(5,197)	-60%	34,743
Licence and permits		8,435	8,200	8,200	1,116	3,024	2,050	974	48%	8,200
Transfers and subsidies - Operational		313,411	323,676	323,676	1,441	127,693	80,919	46,773	58%	323,676
Interest		103,759	117,020	117,020	8,838	26,326	29,255	(2,929)	-10%	117,020
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		27,322	58,250	58,250	961	2,879	14,563	(11,683)	-80%	58,250
Gains on disposal of Assets		6,763	-	-	-	-	-	-	-	-
Other Gains		28,227	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		2,901,820	3,234,188	3,234,188	232,147	912,667	808,547	104,121	13%	3,234,188
Expenditure By Type										
Employee related costs		884,420	1,004,532	1,004,532	72,746	212,684	251,133	(38,449)	-15%	1,004,532
Remuneration of councillors		33,794	37,083	37,083	2,738	8,262	9,271	(1,009)	-11%	37,083
Bulk purchases - electricity		901,045	1,000,000	1,000,000	173,852	328,362	326,000	2,362	1%	1,000,000
Inventory consumed		281,395	331,852	331,852	31,928	63,222	82,963	(19,741)	-24%	331,852
Debt impairment		476,743	437,149	437,149	-	109,287	109,287	(0)	0%	437,149
Depreciation and amortisation		96,037	90,200	90,200	-	-	22,550	(22,550)	-100%	90,200
Interest		104,569	15,880	15,880	3	5	41	(36)	-88%	15,880
Contracted services		53,129	45,856	45,856	2,513	3,673	11,464	(7,791)	-68%	45,856
Transfers and subsidies		2,807	4,300	4,300	650	650	1,075	(425)	-40%	4,300
Irrecoverable debts written off		-	-	-	4	6	-	6	#DIV/0!	-
Operational costs		151,187	176,654	176,654	21,307	50,704	44,163	6,541	15%	176,654
Losses on Disposal of Assets		4,924	-	-	-	-	-	-	-	-
Other Losses		94,546	69,000	69,000	15,253	15,253	17,250	(1,997)	-12%	69,000
Total Expenditure		3,084,597	3,212,506	3,212,506	320,995	792,110	875,198	(83,088)	-9%	3,212,506
Surplus/(Deficit)		(182,777)	21,682	21,682	(88,847)	120,558	(66,651)	187,209	(0)	21,682
Transfers and subsidies - capital (monetary allocations)		574,062	684,166	684,166	65,582	103,603	171,041	(67,439)	(0)	684,166
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		391,285	705,848	705,848	(23,266)	224,160	104,390	119,770	0	705,848
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		391,285	705,848	705,848	(23,266)	224,160	104,390	119,770	0	705,848
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		391,285	705,848	705,848	(23,266)	224,160	104,390	119,770	0	705,848
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		391,285	705,848	705,848	(23,266)	224,160	104,390	119,770	0	705,848

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

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	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		2,214	1,739	1,739	-	-	435	(435)	-100%	1,739
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		3,043	6,579	6,579	-	-	1,645	(1,645)	-100%	6,579
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		143	3,130	3,130	206	1,276	783	493	63%	3,130
Vote 08 - Infrastructure And Services		509,323	524,952	524,952	48,211	73,631	131,238	(57,606)	-44%	524,952
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	514,722	536,400	536,400	48,417	74,907	134,100	(59,199)	-44%	536,400
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		16,951	19,826	19,826	436	436	4,957	(4,521)	-91%	19,826
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		2,014	5,217	5,217	-	5,217	1,304	3,912	300%	5,217
Vote 06 - Financial Services		-	870	870	-	-	217	(217)	-100%	870
Vote 07 - Strategy Econ Development And Planning		1,518	7,361	7,361	1,739	1,739	1,840	(101)	-5%	7,361
Vote 08 - Infrastructure And Services		871	57,657	57,657	8,726	11,915	14,414	(2,499)	-17%	57,657
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	21,353	90,931	90,931	10,901	19,307	22,733	(3,426)	-15%	90,931
Total Capital Expenditure		536,075	627,331	627,331	59,318	94,214	156,833	(62,619)	-40%	627,331
Capital Expenditure - Functional Classification										
Governance and administration		19,165	22,435	22,435	436	436	5,609	(5,173)	-92%	22,435
Executive and council		19,165	21,565	21,565	436	436	5,391	(4,955)	-92%	21,565
Finance and administration		-	870	870	-	-	217	(217)	-100%	870
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		5,056	11,797	11,797	-	5,217	2,949	2,268	77%	11,797
Community and social services		3,043	11,797	11,797	-	5,217	2,949	2,268	77%	11,797
Sport and recreation		2,014	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		38,159	17,913	17,913	1,963	4,299	4,478	(180)	-4%	17,913
Planning and development		1,415	7,043	7,043	314	1,384	1,761	(377)	-21%	7,043
Road transport		36,744	10,870	10,870	1,650	2,915	2,717	197	7%	10,870
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		473,450	571,739	571,739	55,287	82,632	142,935	(60,303)	-42%	571,739
Energy sources		8,503	30,000	30,000	880	3,877	7,500	(3,623)	-48%	30,000
Water management		444,716	499,565	499,565	54,408	77,973	124,891	(46,919)	-38%	499,565
Waste water management		20,231	42,174	42,174	-	782	10,543	(9,761)	-93%	42,174
Waste management		-	-	-	-	-	-	-	-	-
Other		246	3,448	3,448	1,631	1,631	862	769	89%	3,448
Total Capital Expenditure - Functional Classification	3	536,075	627,331	627,331	59,318	94,214	156,833	(62,619)	-40%	627,331
Funded by:										
National Government		504,592	594,927	594,927	57,045	90,089	148,732	(58,643)	-39%	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)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital	6	504,592	594,927	594,927	57,045	90,089	148,732	(58,643)	-39%	594,927
Borrowing										
Internally generated funds		31,484	32,404	32,404	2,273	4,125	8,101	(3,976)	-49%	32,404
Total Capital Funding		536,075	627,331	627,331	59,318	94,214	156,833	(62,619)	-40%	627,331

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		163,909	146,574	146,574	445,780	146,574
Trade and other receivables from exchange transactions		1,517,568	1,518,421	1,518,421	1,591,890	1,518,421
Receivables from non-exchange transactions		993,234	1,060,605	1,060,605	1,041,959	1,060,605
Current portion of non-current receivables		-	-	-	-	-
Inventory		107,239	112,013	112,013	104,682	112,013
VAT		175,145	189,484	189,484	336,674	189,484
Other current assets		704	699	699	669	699
Total current assets		2,957,797	3,027,796	3,027,796	3,521,654	3,027,796
Non current assets						
Investments						
Investment property		197,016	205,599	205,599	198,291	205,599
Property, plant and equipment		2,006,820	2,873,339	2,873,339	2,099,758	2,873,339
Biological assets						
Living and non-living resources						
Heritage assets		12,071	13,480	13,480	12,071	13,480
Intangible assets		41,117	38,642	38,642	41,117	38,642
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		2,257,023	3,131,060	3,131,060	2,351,237	3,131,060
TOTAL ASSETS		5,214,820	6,158,856	6,158,856	5,872,891	6,158,856
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	(16,688)	(16,688)	-	(16,688)
Consumer deposits		50,445	49,962	49,962	51,659	49,962
Trade and other payables from exchange transactions		900,690	1,191,824	1,191,824	1,062,351	1,191,824
Trade and other payables from non-exchange transactions		742	106,409	106,409	238,307	106,409
Provision		788	788	788	788	788
VAT		251,429	336,936	336,936	284,900	336,936
Other current liabilities		-	-	-	-	-
Total current liabilities		1,204,094	1,669,231	1,669,231	1,638,004	1,669,231
Non current liabilities						
Financial liabilities		860,485	139,019	139,019	860,485	139,019
Provision		317,027	303,908	303,908	317,027	303,908
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
Total non current liabilities		1,177,512	442,927	442,927	1,177,512	442,927
TOTAL LIABILITIES		2,381,606	2,112,158	2,112,158	2,815,517	2,112,158
NET ASSETS	2	2,833,214	4,046,698	4,046,698	3,057,374	4,046,698
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2,758,410	3,971,894	3,971,894	2,982,570	3,971,894
Reserves and funds		74,804	74,804	74,804	74,804	74,804
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	2,833,214	4,046,698	4,046,698	3,057,374	4,046,698

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M03 September

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	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		468,755	610,232	610,232	125,913	196,382	152,558	43,824	29%	610,232
Service charges		1,254,616	1,891,008	1,891,008	124,779	322,544	472,752	(150,208)	-32%	1,891,008
Other revenue		1,079,730	421,814	421,814	(239,585)	(19,685)	105,454	(125,138)	-119%	421,814
Transfers and Subsidies - Operational		312,601	323,676	323,676	(130)	130,684	80,919	49,765	61%	323,676
Transfers and Subsidies - Capital		574,597	684,166	684,166	-	338,046	171,041	167,005	98%	684,166
Interest		29,685	46,525	46,525	5,043	9,244	11,631	(2,387)	-21%	46,525
Dividends								-		
Payments										
Suppliers and employees		(3,205,722)	(3,207,739)	(3,207,739)	(205,717)	(957,437)	(801,935)	155,502	-19%	(3,207,739)
Interest		914	(15,880)	(15,880)	-	1,207	(3,970)	(5,177)	130%	(15,880)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		515,176	753,802	753,802	(189,697)	20,985	188,451	167,466	89%	753,802
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		6,763	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments										
Payments										
Capital assets		(536,075)	(721,431)	(721,431)	(59,318)	(94,214)	(180,358)	(86,144)	48%	(721,431)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(529,312)	(721,431)	(721,431)	(59,318)	(94,214)	(180,358)	(86,144)	48%	(721,431)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		100	-	-	(1,326)	30	-	30	#DIV/0!	-
Payments										
Repayment of borrowing		-	(16,688)	(16,688)	-	-	(4,172)	(4,172)	100%	(16,688)
NET CASH FROM/(USED) FINANCING ACTIVITIES		100	(16,688)	(16,688)	(1,326)	30	(4,172)	(4,202)	101%	(16,688)
NET INCREASE/ (DECREASE) IN CASH HELD		(14,037)	15,684	15,684	(250,341)	(73,199)	3,921			15,684
Cash/cash equivalents at beginning:		113,726	130,891	130,891	341,051	163,909	130,891			163,909
Cash/cash equivalents at month/year end:		99,690	146,574	146,574	90,709	90,709	134,812			179,592

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 R445,780 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			
 <p>National Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003</p>			
Municipality Self-Assessment			
Certificate of Compliance: Municipal Debt Relief Conditions for Application			
Period	Sept25		
National Financial Year	2025/26		
Demarcation Code of Municipality being assessed	NC091		
District	Frances Baard		
Demarcation Description	Sol Plaatje		
I, _____, 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 + Maintaining the Eskom and bulk water current account – <small>(current account for the purpose of this exercise means the account for a single month's consumption):</small>			
Condition 6.12	6.12.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	No
1	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://iguploadportal.treasury.gov.za?	Yes
2	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
3	6.3.1	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	No
4	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://iguploadportal.treasury.gov.za?	Yes
5	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	6.4	Compliance with a funded MTREF – <small>(choose from drop down list the MTREF assessed)</small>	2025/26 Adopted MTREF
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?	Yes
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
9	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations? <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	- <i>If the municipality's MTREF is not funded</i> , 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 funde
12	6.4.2	- <i>If the municipality has an FRP</i> , 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>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	N/a
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.?)	Yes
14	6.5	Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes

Notes/Comments

The municipality did not have sufficient cash available to settle the current account for Water for August 2025 amounting to R14,866 million.

During the month of September 2025, the municipality made a partial payment of R70,000 million towards the July 2025 account. The current account for August 2025 amounting to R129,313 million including interest of R4,112 million is 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	Supporting evidence: The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.		
	6.7	Maintain a minimum average quarterly collection of property rates and services charges –		
19	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	No	Quarterly collection rate is 60%
		<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.	No	
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	Does not have function	
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <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	Smart meter project is completed. YTD installations till end of 31 March 2025 = 15,328
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes	
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes	
	6.8	Municipality's Completeness of the revenue base –		
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes	
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes	
28	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://uploadportal.treasury.gov.za ?	Yes	

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

The municipality did not have sufficient cash available to settle the current account for Water for August 2025 amounting to R14,866 million. Partial payment was made to Eskom.

The municipality must still account for the first third of the debt written off by National Treasury

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 procuration of the HOD / MM must be attached as an Annexure to this Certificate of Compliance.**

****Note – The Signed Certificate to be uploaded on Gomuni must not include comments column - comments need to be 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 of its debt relief participation from July 2025 to September 2025. The National Treasury debt relief approval was effective from 1 October 2023.

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		

Municipal Details		Monthly Performance Report																												Scoring and Rating															
		Part A					Part B					Part C					Part D					Part E																							
Month	Code Descr	C1	C2	C3	C4	C5	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating		
25 July 25	Sol Plaatje NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	83%	Above Moderate			
26 August 25	Sol Plaatje NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	86%	Above Moderate		
27 September 25	Sol Plaatje NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	76%	Above Moderate		
28 October 25	Sol Plaatje NC091																																									0%	Not completed		
29 November 25	Sol Plaatje NC091																																										0%	Not completed	
30 December 25	Sol Plaatje NC091																																										0%	Not completed	
31 January 26	Sol Plaatje NC091																																										0%	Not completed	
32 February 26	Sol Plaatje NC091																																										0%	Not completed	
33 March 26	Sol Plaatje NC091																																										0%	Not completed	
34 April 26	Sol Plaatje NC091																																											0%	Not completed
35 May 26	Sol Plaatje NC091																																											0%	Not completed
36 June 26	Sol Plaatje NC091																																											0%	Not completed
37 July 26	Sol Plaatje NC091																																											0%	Not completed
38 August 26	Sol Plaatje NC091																																											0%	Not completed
39 September 26	Sol Plaatje NC091																																											0%	Not completed
40 October 26	Sol Plaatje NC091																																											0%	Not completed
41 November 26	Sol Plaatje NC091																																											0%	Not completed

The overall performance for the month under review stood at 76% compliance. However, it should be noted that some of the conditions are required to be reported on, on a quarterly basis and is therefore reported as “not yet end of quarter”. This affects the percentage achieved. These are the major factors that negatively influenced the performance for the month and the quarter under review.

- ❖ The partial payment on the current account of Eskom and non payment of DWS current water account.
- ❖ The municipality could not settle the Eskom payment arrangement instalment of R6.7 million which was due at the end of September 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 from the second cycle it should be at 95%. The average collection rate calculated by the municipality is standing at 76% for the month of September 2025, is not at a desired level, and below 95%, for the second cycle. 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 109%, whilst the quarterly collection rate is 60% below 95% for the second cycle as well. The collection rate is still slightly distorted due to the annual billing on Property rates. Prepaid electricity sales are excluded from the calculation. 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

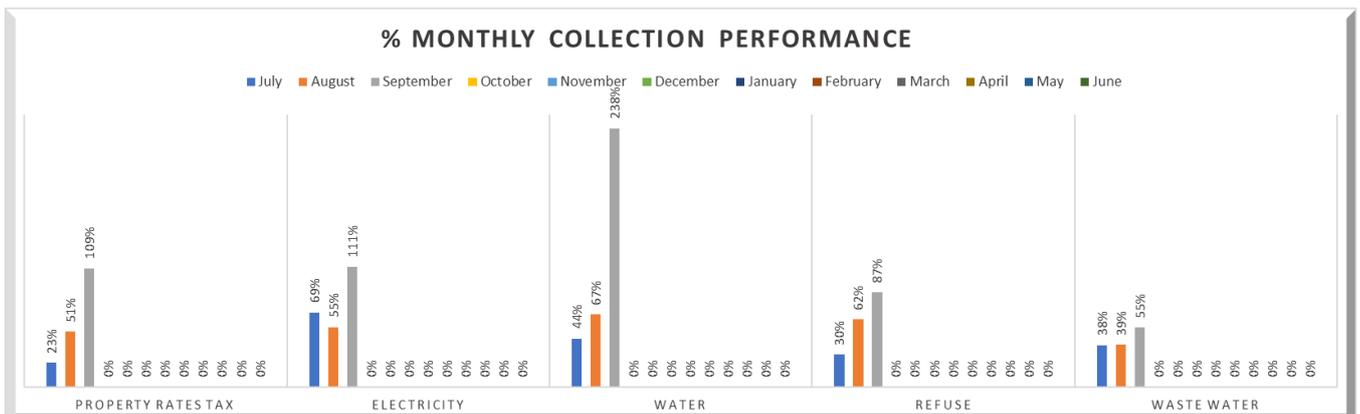
The latest National Treasury debt relief compliance certificate and non-compliance report issued to the municipality for the month of August 2025 is attached to this S71 report.

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

1. Strengthen credit control enforcement. Apply disconnection and restriction measures consistently across all services, including water, while safeguarding the minimum basic supply. Enforce indigent consumption limits to ensure subsidies are targeted and financially sustainable;
2. Address Eskom and DWS arrears urgently. Prioritise full and timely settlement of Eskom and Water Board accounts, moving away from partial payments. Adopt a time-bound repayment plan linked to realistic revenue flows;
3. Improve revenue collection systems. Implement a consolidated billing system to ensure structured allocation of partial payments (rates, water, sanitation, refuse, electricity). Strengthen debt recovery capacity through ward-level enforcement teams;
4. Enhance council oversight. Institutionalise MDRP progress reporting as a standing council agenda item. Require formal resolutions on arrears repayment, compliance updates, and corrective actions to restore political accountability;
5. Rebase budgeting assumptions. Revise revenue forecasts and debt impairment provisions to align with actual collection rates. Avoid over-optimism in projecting cash flow and strengthen credibility of the MTREF;
6. Move towards cost-reflective tariffs. Undertake cost-of-supply studies across all trading services. Phase in tariff adjustments to close structural deficits, while balancing affordability considerations for households;
7. Stabilise liquidity and cash flow. Implement strict expenditure controls, curtail overtime and non-essential contracted services, and protect available cash for priority obligations and arrears reduction;
8. Strengthen institutional capacity. Accelerate filling of critical vacancies (finance, revenue, and technical services). Re-establish internal audit and risk management capacity to improve governance and compliance monitoring;
9. Improve transparency and reporting. Maintain accurate and timely uploads to GoMuni, including bank reconciliations, indigent data, and Section 71 statements. Use these reports as a management tool, not just a compliance exercise; and
10. Mitigate long-term risks. Develop a comprehensive risk management report (by the Risk Manager) with mitigation strategies for arrears, low collections, and governance gaps. Table this with a draft council resolution to embed accountability.

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



Complete This Section				Quarter 1 Performance Per Ward															
Services	Electricity Supplier	Ward Name & Number	Billing For June	1 July			2 August			3 September			Billing	Collection	R. Billing not collected	% Collection	Q1		
				Collection for June in July	Rand Value of Billing not collected	% Collection	Billing For July	Collection for July in August	Rand Value of Billing not collected	% Collection	Billing For August	Collection for August in September						Rand Value of Billing not collected	% Collection
Property Rates Tax			175,019	38,512	136,507	22%	158,680	55,887	102,793	35%	158,680	59,970	98,710	38%	428,278	154,560	138,609	31%	31%
Electricity	Man Supplied		3,219,903	1,289,520	1,930,379	40%	(3,860,648)	57,991	0	-14%	3,208,398	2,475,155	832,241	75%	3,567,655	4,322,077	(7,544,433)	168%	168%
Water			1,905,500	1,325,101	580,400	70%	2,201,886	424,098	1,777,789	19%	2,189,321	1,853,741	335,580	85%	6,296,977	3,602,939	2,693,658	57%	57%
Refuse			107,815	37,533	70,281	35%	129,511	9,294	119,857	7%	129,511	59,800	69,351	46%	366,116	106,627	259,488	29%	29%
Waste Water			107,824	13,580	94,244	13%	111,029	10,198	100,831	9%	110,836	57,270	53,566	52%	329,689	81,047	248,642	25%	25%
Interest			723,116	12,745	710,370	2%	718,604	77,984	640,620	11%	729,173	8,853	720,319	1%	2,170,893	95,883	2,075,101	5%	5%
Property Rates Tax			3,209,866	489,714	2,720,153	15%	1,017,699	521,277	496,422	51%	1,015,265	2,873,639	0	283%	1,242,831	3,884,629	(1,384,201)	74%	74%
Electricity			329,859	142,950	186,909	43%	349,195	198,890	150,305	57%	340,326	264,087	116,239	69%	1,059,380	656,837	403,643	57%	57%
Water			708,639	165,877	542,762	23%	493,229	234,966	256,963	48%	776,084	274,039	502,044	35%	1,976,652	674,882	1,301,770	34%	34%
Refuse			418,084	107,440	310,645	26%	445,206	114,601	330,605	26%	440,038	102,309	337,729	23%	1,393,328	334,500	978,978	25%	25%
Waste Water			608,893	140,514	469,379	23%	653,759	182,962	470,796	28%	649,126	162,813	486,313	25%	1,912,778	486,290	1,426,488	25%	25%
Interest			861,191	16,750	844,441	2%	850,119	49,365	800,754	6%	855,996	30,012	825,984	4%	2,567,306	96,237	2,471,179	4%	4%
Property Rates Tax			2,312,283	322,539	1,989,744	14%	665,603	285,168	380,435	43%	665,403	257,370	408,034	39%	3,843,200	865,077	2,778,212	24%	24%
Electricity			238,062	95,307	142,755	40%	221,517	155,942	65,575	70%	220,122	113,003	107,109	51%	649,692	364,252	285,440	56%	56%
Water			486,575	113,127	373,448	23%	498,769	143,272	355,497	29%	531,685	126,638	405,047	24%	1,517,029	389,037	1,133,992	25%	25%
Refuse			253,532	67,229	186,303	27%	256,624	74,759	181,865	29%	256,084	64,783	191,300	25%	766,239	206,771	559,468	27%	27%
Waste Water			361,890	100,118	261,772	28%	365,365	104,092	261,273	28%	364,332	96,491	267,840	26%	1,091,587	300,702	790,885	28%	28%
Interest			555,576	19,050	536,526	3%	548,163	35,805	512,358	7%	573,254	25,614	547,640	6%	1,676,993	80,468	1,596,524	5%	5%
Property Rates Tax			1,432,934	163,850	1,269,085	11%	431,124	227,996	203,128	53%	430,520	179,490	251,030	42%	2,294,578	571,336	1,723,243	25%	25%
Electricity			139,157	53,454	85,703	62%	280,232	131,283	148,949	47%	341,603	396,356	0	110%	1,004,993	767,096	237,897	76%	76%
Water			582,854	119,354	463,500	20%	597,225	122,362	474,863	15%	523,503	209,570	313,933	40%	1,903,582	483,385	1,420,296	24%	24%
Refuse			229,577	77,566	152,191	34%	228,946	64,634	164,313	28%	223,002	68,904	154,097	31%	681,705	211,004	470,601	31%	31%
Waste Water			327,790	84,057	243,733	26%	326,632	108,000	218,632	33%	318,765	101,687	216,579	32%	972,687	293,743	678,944	30%	30%
Interest			444,139	7,886	436,253	2%	439,815	28,005	411,810	6%	454,762	25,466	429,295	6%	1,338,712	61,357	1,277,355	5%	5%
Property Rates Tax			663,487	124,989	538,498	19%	286,949	111,575	175,374	39%	286,949	106,247	180,702	37%	1,237,385	342,812	894,573	28%	28%
Electricity			53,872	46,674	7,198	67%	67,517	35,252	32,264	52%	45,556	37,388	8,168	82%	166,945	119,314	47,631	71%	71%
Water			339,307	65,503	273,804	19%	243,063	77,788	165,276	27%	337,942	95,127	242,815	28%	920,402	238,418	681,984	26%	26%
Refuse			228,792	53,818	174,974	24%	225,955	43,580	182,375	19%	226,630	46,696	179,935	21%	681,377	144,004	537,374	21%	21%
Waste Water			320,845	78,075	242,770	24%	316,918	64,212	252,705	20%	317,883	63,272	254,611	20%	955,645	205,599	750,046	22%	22%
Interest			407,344	8,297	399,047	2%	404,743	6,386	398,357	2%	410,291	11,719	398,572	3%	1,222,179	26,403	1,195,776	2%	2%
Property Rates Tax			186,766	54,408	132,359	29%	187,016	48,771	138,245	26%	187,016	66,489	120,527	36%	560,799	169,668	391,131	30%	30%
Electricity			13,797	8,242	5,555	60%	14,952	3,157	11,795	21%	15,225	5,573	9,653	37%	43,975	16,972	27,003	38%	38%
Water			3,816,821	48,251	3,768,570	1%	19,451	39,113	280,338	12%	492,687	49,001	443,687	10%	4,628,969	135,464	4,493,505	3%	3%
Refuse			217,227	29,488	187,739	14%	213,174	26,046	187,128	12%	212,498	35,726	176,772	17%	642,899	91,261	551,638	14%	14%
Waste Water			305,677	35,697	269,980	12%	299,229	36,108	263,821	12%	299,006	44,116	254,889	15%	904,612	115,921	788,690	13%	13%
Interest			517,669	8,718	508,950	2%	513,464	8,480	504,984	2%	519,817	7,134	512,683	1%	1,550,950	24,332	1,526,617	2%	2%
Property Rates Tax			1,356,864	94,424	1,262,440	7%	231,867	99,624	132,243	43%	231,543	452,035	0	195%	1,820,273	646,084	1,174,190	35%	35%
Electricity			126,756	27,967	98,789	23%	104,119	57,892	46,227	56%	142,295	55,466	86,829	39%	373,270	114,325	258,945	30%	30%
Water			327,161	81,266	245,895	25%	536,721	81,784	454,940	15%	404,161	97,023	307,147	24%	1,266,046	300,933	965,113	21%	21%
Refuse			225,293	41,794	183,499	19%	223,567	47,813	175,754	21%	221,477	53,892	167,585	24%	670,936	148,499	522,437	21%	21%
Waste Water			326,983	58,884	268,099	18%	324,554	65,751	258,804	20%	321,980	80,675	241,305	25%	973,517	205,309	768,208	21%	21%
Interest			407,260	9,865	397,395	2%	404,909	9,823	395,026	2%	413,438	15,347	398,091	4%	1,225,607	35,035	1,190,572	3%	3%
Property Rates Tax			2,699,792	24,985	2,674,807	1%	135,376	22,157	113,219	16%	135,376	9,353,495	0	6009%	2,864,544	9,400,637	(6,536,093)	317%	317%
Electricity			131,950	92,077	39,873	70%	176,268	121,134	55,134	69%	155,082	66,324	88,758	43%	462,800	279,536	183,265	60%	60%
Water			310,041	45,469	264,571	15%	635,012	39,134	605,878	6%	355,784	22,727	333,057	6%	1,300,856	107,230	1,193,626	8%	8%
Refuse			245,060	17,837	227,223	7%	243,559	17,289	226,270	7%	247,684	13,992	233,691	7%	736,303	49,118	687,185	7%	7%
Waste Water			351,510	20,990	330,520	6%	348,421	23,240	325,181	7%	356,064	18,353	337,711	5%	1,055,996	62,884	993,112	6%	6%
Interest			509,750	3,695	506,055	1%	503,588	4,177	499,411	1%	434,238	3,330	430,908	1%	1,447,576	11,204	1,436,374	1%	1%
Property Rates Tax			1,634,569	494,706	1,139,863	30%	813,806	589,160	224,646	72%	813,480	786,354	27,127	97%	3,261,865	1,870,220	1,391,646	57%	57%
Electricity			272,345	152,058	120,288	56%	173,208	105,476	67,732	61%	205,664	189,654	16,010	92%	651,217	447,188	204,029	69%	69%
Water			717,239	82,462	634,777	11%	798,233	167,016	631,217	13%	785,868	187,161	598,707	26%	2,182,801	392,030	1,790,771	30%	30%
Refuse			227,447	107,121	120,326	47%	227,171	129,038	98,133	57%	226,090	106,785	119,305	47%	680,707	342,943	337,764	50%	50%
Waste Water			325,238	148,728	176,510	46%	324,802	160,589	164,212	49%	323,300	142,159	181,141	44%	973,319	451,676	521,643	46%	46%
Interest			443,364	22,948	420,416	5%	429,999	41,891	388,108	10%	431,420	32,678	398,743	7%	1,304,783	97,516	1,207,266	7%	7%
Property Rates Tax			2,085,376	183,763	1,901,613	9%	404,204	155,149	249,055	38%	404,204								

Complete This Section				Quarter 1 Performance Per Ward															
Services	Electricity Supplier	Ward Name & Number	1 July				2 August				3 September				Billing	Collection	R-Billing not collected	% Collection	Q1
			Billing for June	Collection for June in July	Rand Value of Billing not collected	% Collection	Billing for July	Collection for July in August	Rand Value of Billing not collected	% Collection	Billing for August	Collection for August in September	Rand Value of Billing not collected	% Collection					
Property Rates Tax			477,709	203,838	273,851	43%	460,953	217,667	243,286	47%	460,953	246,133	214,820	53%	1,399,614	667,658	711,956	48%	48%
Electricity	Mani Supplied		49,154	26,184	22,978	53%	53,580	27,534	28,047	100%	51,540	31,833	19,807	63%	156,375	85,551	70,824	55%	55%
Water			416,053	74,008	342,045	18%	417,127	103,958	313,169	25%	609,350	105,879	503,470	20%	1,442,529	283,845	1,158,685	20%	20%
Refuse			306,669	54,927	250,642	18%	306,839	63,557	242,282	21%	305,028	63,638	241,390	21%	916,437	182,122	734,315	20%	20%
Waste Water			420,649	76,184	344,465	18%	421,035	86,772	334,263	21%	419,877	83,837	336,040	20%	1,261,560	246,793	1,014,768	20%	20%
Interest			6,207,571	11,699	609,052	2%	6,146,146	28,732	583,413	5%	6,156,662	13,115	602,547	2%	1,869,559	53,547	1,797,013	3%	3%
Property Rates Tax			9,123,575	833,538	8,290,037	9%	11,587,972	772,849	386,127	67%	11,587,972	6,505,642	0	561%	11,441,510	8,112,026	3,329,484	71%	71%
Electricity			1,873,831	1,245,487	627,344	67%	2,824,554	887,460	1,937,094	31%	1,915,358	330,895	1,584,472	28%	4,542,643	2,648,831	1,893,812	60%	40%
Water			728,320	326,872	401,559	45%	807,894	307,263	500,631	38%	929,944	503,172	426,772	54%	2,466,009	1,137,307	1,328,701	46%	46%
Refuse			231,993	132,742	99,251	57%	235,339	121,643	113,696	52%	235,474	131,371	104,104	56%	702,806	385,756	317,051	55%	55%
Waste Water			303,940	170,399	133,541	56%	308,548	173,244	135,224	56%	308,741	180,550	126,691	58%	921,228	523,773	397,456	57%	57%
Interest			745,511	62,200	683,311	8%	735,523	107,428	628,095	15%	727,887	63,936	663,951	9%	2,086,921	233,564	1,852,357	11%	11%
Property Rates Tax			637,484	122,538	514,946	19%	250,008	102,813	147,195	41%	250,008	94,784	155,224	38%	1,337,499	300,135	1,037,364	28%	28%
Electricity			63,085	20,285	42,800	32%	69,929	37,678	52,255	23%	65,809	34,800	31,010	55%	198,823	72,759	126,065	37%	37%
Water			578,411	98,759	479,652	17%	737,925	73,853	700,072	10%	524,887	101,335	423,552	19%	1,877,222	279,947	1,597,275	15%	15%
Refuse			204,414	48,814	155,600	24%	206,225	43,995	161,230	21%	203,873	45,296	158,578	22%	613,512	138,005	475,407	23%	23%
Waste Water			274,927	58,526	216,401	21%	276,085	53,773	222,312	19%	274,154	51,071	223,084	19%	825,166	163,889	661,277	20%	20%
Interest			560,767	23,045	537,722	4%	552,524	11,999	540,525	2%	564,466	11,428	553,038	2%	1,677,738	46,472	1,631,266	3%	3%
Property Rates Tax			27,433,063	10,029,935	17,403,128	37%	33,544,847	9,583,897	3,960,949	71%	33,544,847	33,498,519	0	249%	54,028,075	33,112,352	21,515,724	98%	98%
Electricity			14,665,960	10,163,761	4,502,099	69%	17,097,315	11,615,258	5,480,057	68%	15,719,867	15,523,274	195,593	99%	47,483,431	37,300,293	10,183,138	79%	79%
Water			2,617,411	1,940,547	676,864	74%	3,542,976	2,703,500	1,339,476	62%	4,006,686	2,574,490	1,432,196	64%	10,637,073	6,218,537	3,448,536	66%	66%
Refuse			1,101,172	734,900	366,272	67%	1,143,120	769,472	373,648	67%	1,133,568	975,096	158,473	86%	3,377,860	2,479,467	898,393	73%	73%
Waste Water			930,228	558,001	372,227	60%	923,590	688,828	264,522	72%	951,185	764,864	186,321	80%	2,834,763	2,011,693	823,070	71%	71%
Interest			2,265,057	140,169	2,124,888	6%	2,254,496	270,186	1,954,311	12%	2,090,007	2,426,422	0	116%	6,579,561	2,836,777	3,742,784	43%	43%
Property Rates Tax			7,680,339	3,267,156	4,413,184	43%	3,329,581	2,589,148	740,433	78%	3,319,505	6,960,280	0	210%	14,329,425	12,816,943	1,512,482	89%	89%
Electricity			4,393,971	4,704,265	0	107%	4,231,188	3,171,645	1,059,453	75%	4,608,343	3,858,878	749,465	84%	11,333,500	11,734,788	1,608,712	89%	89%
Water			995,277	1,845,826	850,549	85%	1,420,056	743,189	676,868	62%	1,292,216	314,703	384,513	70%	2,742,629	1,503,518	1,239,111	84%	94%
Refuse			423,043	366,602	54,441	87%	426,831	268,114	156,717	63%	425,486	498,906	0	117%	1,271,361	1,133,623	137,738	89%	89%
Waste Water			477,662	321,761	155,901	67%	486,134	326,782	159,352	67%	486,682	450,773	35,919	93%	1,450,478	1,099,116	351,363	76%	76%
Interest			950,835	258,907	691,927	27%	933,746	403,120	500,626	46%	933,157	312,120	621,037	33%	2,817,237	1,004,247	1,813,000	36%	36%
Property Rates Tax			8,846,279	964,631	7,881,648	11%	1,407,579	1,064,523	343,055	76%	1,407,579	4,441,305	0	316%	11,662,437	6,470,460	5,190,977	55%	55%
Electricity			3,213,557	2,205,919	1,007,638	69%	3,699,468	2,350,413	1,349,075	64%	3,575,923	3,312,296	263,617	93%	10,488,960	7,608,328	2,880,632	75%	75%
Water			732,215	269,109	463,106	37%	808,506	298,146	496,361	40%	858,217	398,997	475,220	46%	2,450,882	975,252	1,474,730	40%	40%
Refuse			310,916	101,171	209,745	33%	308,326	94,995	213,331	31%	308,326	101,950	206,375	33%	927,567	298,116	629,451	32%	32%
Waste Water			413,556	111,274	302,282	27%	414,135	110,302	303,834	27%	414,135	130,861	283,274	32%	1,241,827	352,436	889,391	28%	28%
Interest			517,298	40,671	476,626	8%	509,596	22,209	487,387	4%	552,102	96,006	456,096	17%	1,578,996	158,886	1,420,110	10%	10%
Property Rates Tax			26,481,155	7,461,960	19,019,195	28%	9,213,090	7,083,113	2,129,976	77%	9,063,821	25,512,545	0	286%	44,758,065	40,437,618	4,320,447	90%	90%
Electricity			12,644,869	10,559,337	2,285,532	82%	17,113,155	9,329,936	7,783,199	55%	17,240,898	13,843,495	3,397,403	80%	25,671,000	23,520,588	2,150,412	79%	79%
Water			1,944,210	1,944,210	84,181	86%	1,813,104	1,397,173	415,931	83%	1,871,173	1,312,804	558,369	72%	5,585,673	5,259,856	325,817	94%	94%
Refuse			485,511	391,482	94,029	81%	498,178	383,254	114,924	77%	496,544	444,104	52,441	89%	1,480,333	1,183,839	296,494	82%	82%
Waste Water			621,104	434,944	186,160	70%	633,661	464,821	168,840	73%	630,354	563,082	67,271	89%	1,885,118	1,462,397	422,721	78%	78%
Interest			888,540	101,409	787,130	11%	891,381	129,332	762,049	15%	884,043	103,294	780,748	12%	2,663,964	334,035	2,329,929	13%	13%
Property Rates Tax			8,533,762	3,387,684	5,146,077	40%	3,747,561	3,901,470	0	104%	3,522,333	3,577,528	0	102%	15,803,265	10,866,682	4,936,583	69%	69%
Electricity			2,967,071	1,864,674	1,102,349	63%	3,283,066	1,996,116	1,286,590	61%	2,965,201	3,042,653	0	103%	9,213,285	6,501,000	2,712,285	70%	70%
Water			1,103,380	846,760	256,620	77%	1,310,490	884,269	426,221	64%	1,354,338	1,223,547	130,891	91%	3,968,468	2,914,676	1,053,792	73%	73%
Refuse			324,013	260,138	63,874	83%	324,673	265,329	59,345	82%	324,943	300,023	24,920	93%	973,629	805,990	167,639	83%	83%
Waste Water			460,331	337,859	122,472	73%	460,031	366,655	93,376	80%	460,417	893,740	0	194%	1,380,480	1,598,254	217,774	116%	116%
Interest			348,831	84,997	263,835	24%	339,010	102,409	236,600	30%	331,146	357,034	0	108%	1,018,887	544,440	474,446	53%	53%
Property Rates Tax			6,155,699	1,397,497	4,758,201	23%	1,749,706	1,546,865	202,841	88%	1,772,321	3,458,460	0	195%	9,677,726	6,402,822	3,274,903	66%	66%
Electricity			1,686,702	1,211,015	475,688	72%	2,411,428	1,167,901	1,243,527	48%	1,612,069	1,401,689	210,380	87%	5,710,199	3,780,605	1,929,594	66%	66%
Water			913,263	486,947	426,316	47%	901,495	631,566	269,929	73%	902,495	601,395	301,100	67%	2,779,026	1,918,881	860,145	70%	70%
Refuse			209,928	149,769	60,159	71%	226,808	165,747	61,060	73%	217,458	147,282	70,175	68%	654,193	462,799	191,394	71%	71%
Waste Water			279,850	190,208	89,642	68%	292,005	206,180	85,825	71%	291,638	207,111	84,527						

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.



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

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

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

Description	Ref	As Per Debt Relief Application		2025/2026 - Monthly Monitoring															
		Current Year - 2025/2026		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12
Indigent Household service targets																			
Water: (Include All Indigent households also in Eskom supplied areas)																			
Indigent HHs with piped water inside dwelling	1			7,390	11,800	11,800	11,800	7,659	7,518	7,196									
Indigent HHs with piped water inside yard (but not in dwelling)	2																		
Indigent HHs using public tap (at least min.service level)	3																		
Indigent HHs with other water supply (at least min.service level)	4																		
Total no. of Indigent HHs receiving Minimum Service Level and Above sub-total	5			7,390	11,800	11,800	11,800	7,659	7,518	7,196									
Indigent HHs using public tap (< min.service level)	6																		
Indigent HHs with other water supply (< min.service level)	7																		
Indigent HHs with No water supply	8																		
Total no. of Indigent HHs receiving - Below Minimum Service Level sub-total	9																		
Total number of registered indigent households	10			7,390	11,800	11,800	11,800	7,659	7,518	7,196									
Status of Water meters:																			
Number of Indigent HHs with prepaid Water	11																		
Number of Indigent HHs with conventional metered Water	12			7,390	11,800	11,800	11,800	7,659	7,518	7,196									
Number of Indigent HHs NOT metered currently - Water	13																		
Number of Indigent HHs with NO Water supply - No metering	14																		
Total number of registered indigent households	15			7,390	11,800	11,800	11,800	7,659	7,518	7,196									
Status of unlimited supply of Water:																			
Number of Indigent HHs with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month	16																		
Number of Indigent HHs NOT metered currently receiving unlimited supply - Water	17																		
Total number of registered indigent households receiving unlimited supply - Water	18																		
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HHs billed for consumption above the 6 kilolitres	19																		
Energy: (Include All Indigent households also in Eskom supplied areas)																			
Indigent HHs with Electricity (at least min.service level)	20																		
Indigent HHs with Electricity - prepaid (min.service level)	21																		
Total no. of Indigent HHs receiving Minimum Service Level and Above sub-total	22																		
Indigent HHs with Electricity (< min.service level)	23																		
Indigent HHs with Electricity - prepaid (< min. service level)	24																		
Indigent HHs with other energy sources	25																		
Total no. of Indigent HHs receiving - Below Minimum Service Level sub-total	26																		
Total number of registered indigent households	27																		
Status of Electricity meters:																			
Number of Indigent HHs with prepaid Electricity	28																		
Number of Indigent HHs with conventional metered Electricity	29			7,390	11,800	11,800	11,800	6,899	6,793	6,276									
Number of Indigent HHs NOT metered currently - Electricity	30																		
Number of Indigent HHs with other energy sources - No metering	31																		
Total number of registered indigent households	32			7,390	11,800	11,800	11,800	6,899	6,793	6,276									
Status of unlimited supply of Electricity:																			
Number of Indigent HHs with conventional metered Electricity - where the municipality is NOT physically restricting Electricity to the national free basic limit of 50kwh per household per month	33																		
Number of Indigent HHs NOT metered currently receiving unlimited supply - Electricity	34																		
Total number of registered indigent households receiving unlimited supply - Electricity	35																		
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HHs billed for consumption above the 50 kwh	36																		
Number of ALL Households receiving Free Basic Service (including registered Indigent Households)																			
Water (6 kilolitres per household per month)	37			7,390	11,800	11,800	11,800	7,659	7,518	7,196									
Electricity/other energy (50kwh per household per month)	38			7,390	11,800	11,800	11,800	6,899	6,793	6,276									
Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)																			
Water (6 kilolitres per household per month)	39			10,000,000	8,000,000	8,000,000	8,000,000	258,044	275,513	271,989									
Electricity/other energy (50kwh per household per month)	40			12,000,000	13,000,000	13,000,000	13,000,000	884,716	18,128	854,021									
Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)																			
Water (6 kilolitres per household per month)	41																		
Electricity/other energy (50kwh per household per month)	42																		
Total cost of FBS Water and Electricity provided to ALL Households	43			22,000,000	21,000,000	21,000,000	21,000,000	1,142,760	293,641	1,126,011									
Highest level of free service provided per household (ALL Households)																			
Property rates (R value threshold)	44			15,000	15,000	15,000	15,000	15,000	15,000	15,000									
Water (kilolitres per household per month)	45			6	6	6	6	6	6	6									
Sanitation (kilolitres per household per month)	46			213	213	213	213	213	213	213									
Sanitation (Rand per household per month)	47			198	198	198	198	198	198	198									
Electricity (kwh per household per month)	48			50	50	50	50	50	50	50									
Refuse (average litres per week)	49			21	21	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)																			
PSI Category: Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)																			
Additional Subsidies: Property rates exemptions, reductions and rebates in excess of section 17 of MPRA																			
Water (in excess of 6 kilolitres per indigent household per month)	50			37,240,000	36,400,000	36,400,000	36,400,000	641,608	591,385	591,983									
Sanitation (in excess of free sanitation service to indigent households)	51			21,500,000	20,000,000	20,000,000	20,000,000	-	766,241	714,745									
Electricity/other energy (in excess of 50 kwh per indigent household per month)	52			3,400,000	3,500,000	3,500,000	3,500,000	-	-	-									
Refuse (in excess of one removal a week for indigent households)	53			41,000,000	41,000,000	41,000,000	41,000,000	-	1,756,506	1,085,859									
Municipal Housing - rental rebates	54			4,400,000	4,800,000	4,800,000	4,800,000	-	126,511	126,511									
Housing - top structure subsidies	55																		
Other	56																		
Total revenue cost of subsidised services provided	57			107,540,000	#####	105,700,000	105,700,000	641,608	3,240,643	2,519,098									

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 - 30/06/2027					
Financial Year	2025/2026					
Reconciliation Period	Quarter 1					
Part A - Reconciliation Summary						
Property Categories	Number of Properties			Market Values		
	Valuation Roll	Mun System	Variance	Valuation Roll	Mun System	Variance
Residential	51180	51180	0	24,236,963,603	24,236,963,603	-
Industrial	203	203	0	802,440,000	802,440,000	-
Business and Commercial	2325	2325	0	7,645,898,001	7,645,898,001	-
Agricultural	425	425	0	2,636,716,700	2,636,716,700	-
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	240	240	0	609,359,000	609,359,000	-
Municipal	9302	9302	0	1,577,108,503	1,577,108,503	-
Other	0	0	0	-	-	-
Total	64,478	64,478	-	40,770,149,208	40,770,149,208	-
Part B - Detailed Reconciliation						
Property Categories	Monthly Billing - Mapped Accounts			Monthly Billing - Un Mapped Accounts		
	GV	MFS	Variance	GV	MFS	Variance
Residential	25,541,720	23,915,339	1,626,381	25,541,720	24,055,811	1,485,909
Industrial	2,536,914	2,409,133	127,781	2,536,914	2,479,002	57,912
Business and Commercial	24,172,507	21,950,163	2,222,344	24,172,507	22,092,470	2,080,036
Agricultural	694,775	478,856	215,919	694,775	479,574	215,201
Mining	649,288	622,019	27,270	649,288	622,019	27,270
State Owned for Public Purpose	10,796,997	3,453,148	7,343,849	10,796,997	3,453,148	7,343,849
PSI	-	-	-	-	-	-
PBO	-	2,498	- 2,498	-	-	-
Multi Use	-	-	-	-	-	-
Vacant	-	-	-	-	-	-
POW	-	13,554	- 13,554	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	0	0
Total	64,392,201	52,844,710	11,547,491	64,392,201	53,182,024	11,210,177

Properties reconciliation

After populating the GVR Reconciliation for the first quarter for the 2025/26 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.

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 August 2025 which was due and payable during the month of reporting, on or before 2 October 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	2025-09-02
TAX INVOICE NO	544319969840
ACCOUNT MONTH	AUGUST 2025
CURRENT DUE DATE	2025-10-02
VAT REG NO	4370102313

TAX INVOICE

E-MAIL: tmotlwa@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	907,716.19
URBAN LOW VOLTAGE SUBSIDY	R	247,530.00
ANCILLARY SERVICE (ALL)	R	154,026.20
GENERATOR CAPACITY CHARGE	R	717,060.00
LEGACY CHARGE (ALL)	R	8,712,887.71
ENERGY CHARGE (OFF)	15,891,859.00	R 17,873,276.01
ENERGY CHARGE (PEAK)	7,561,178.00	R 48,002,894.65
ENERGY CHARGE (STD)	17,175,667.00	R 27,261,218.66
SERVICE CHARGE	R	35,213.52
ELECTRIFICATION AND RURAL SUBS (ALL)	R	2,089,760.94
SERVICE CHARGE	R	0.01
TOTAL CHARGES FOR BILLING PERIOD	R	108,870,433.66

ACCOUNT SUMMARY FOR AUGUST 2025		
BALANCE BROUGHT FORWARD	(Due Date 2025-09-01)	R 1,235,840,284.19
PAYMENT(S) RECEIVED	Cash - 2025-08-22	R -57,479,472.41
PAYMENT(S) RECEIVED	Cash - 2025-08-25	R -38,058,315.40
PAYMENT(S) RECEIVED	Cash - 2025-08-26	R -27,292,217.25
PAYMENT(S) RECEIVED	Cash - 2025-08-29	R -30,000,000.00
TOTAL CHARGES FOR BILLING PERIOD		R 108,870,433.66
ADJUSTMENT	Interest on overdue account	R 3,273,486.42
ADJUSTMENT	Interest on overdue payment arrangement debt	R 838,703.73
PAYMENT ARRANGEMENT	5447737377 (Balance o/s R 69,262,000.00)	R 6,700,000.00
VAT RAISED ON ITEMS AT 15%		R 16,330,565.05

ACCOUNT NO / REFERENCE NO
5449407898

NAME
SOL PLAATJE LOCAL MUNICIPALITY

FAX NUMBER
0538331005

Unipay 7100 10 0010

27215700154494078984



9207 2544 9407 8987



PayIT

easy pay

CURRENT	TOTAL DUE	R 1,219,023,467.99
136,013,188.86		
ARREARS		
>90 DAYS	81-90 DAYS	31-90 DAYS
790,767,165.44	138,669,878.88	153,573,234.81
		18-30 DAYS
		0.00

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

TOTAL AMOUNT DUE

1,219,023,467.99

PAYMENT ARRANGEMENT

INSTALMENT

6,700,000.00

ARREARS (Due immediately)

1,083,010,279.13

DUE DATE (For Current Amount)

2025-10-02

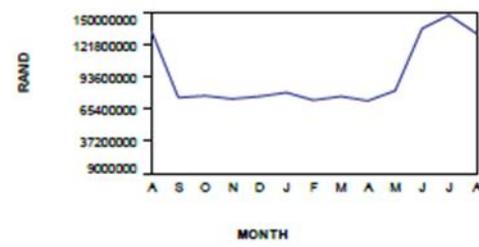
AMOUNT PAID

PAGE RUN NO **EE 27**

BILL GROUP

BILL PAGE **1 OF 2**

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT



- ii) Indicated below is the municipality's proof of payment of the Eskom Bulk account payments for the month of September 2025. The total payments made by the municipality amounted to R70,000 million.

SOL PLAATJE MUNICIPALITY
 PRIVATE BAG X5030
 KIMBERLEY 8300

REMITTANCE ADVICE

ESKOM HOLDINGS
 PRIVATE BAG X16
 WESTVILLE
 3630

29/09/2025

SUPPLIER No: SESK01

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

FAX NO:

VOUCHER NO: CATA013606

CHEQUE/ELE NO: 77074674

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
02/08/2025	SUN	544573733354/02	34782608.70		5217391.30	40000000.00

SUB TOTAL: 5217391.30 40000000.00
 5217391.30 40000000.00

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

COMPILED BY... :
 CHECKED BY... :
 AUTHORISED BY:

SOL PLAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

ESKOM HOLDINGS
PRIVATE BAG X16
WESTVILLE
3630

30/09/2025

SUPPLIER No: SESK01

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

FAX NO:

VOUCHER NO: CATA013608

CHEQUE/ELE NO: 77074682

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
02/08/2025	SUN	544573733354/03	26086956.52		3913043.48	30000000.00

SUB TOTAL: 3913043.48 30000000.00
3913043.48 30000000.00

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 M03 – September 2025 pertaining to electricity.

	2026	
	M03	
Account Name		
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Deposits	-205 530 599	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	173 852 189	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	-97 634 779	76 217 410
Expenditure:Bulk Purchases:Electricity:ESKOM	173 852 189	

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

Datastrings & FMS Recon - Sept 2025 M03	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
BULK PURCHASES:ELECTRICITY:ESKOM	234,721,754.25	60,869,565.22	173,852,189.03	Bulk Purchases vote reconciles to datastrings
Sundry Accruals	173,852,189.03	-	173,852,189.03	
Sundry CATA013541	112,982,623.81	-	112,982,623.81	
Sundry CATA013606	34,782,608.70	-	34,782,608.70	
Sundry CATA013608	26,086,956.52	-	26,086,956.52	
Sundry Accruals Reversals	-	60,869,565.22	- 60,869,565.22	
Cheque No : 77074674 Bank No : 901	-	34,782,608.70	- 34,782,608.70	
Cheque No : 77074682 Bank No : 901	-	26,086,956.52	- 26,086,956.52	
Sundry Payments	60,869,565.22	-	60,869,565.22	
Cheque No : 77074674 Bank No : 901	34,782,608.70	-	34,782,608.70	Payment of R40 million
Cheque No : 77074682 Bank No : 901	26,086,956.52	-	26,086,956.52	Payment of R30 million
Grand Total	234,721,754.25	60,869,565.22	173,852,189.03	

Datastrings & FMS Recon - Sept 2025 M03	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment	
ELECTRICITY BULK PURCH ACC 01:WITHDRAWAL	76,217,410.42	-	76,217,410.42	Withdrawal vote reconciles to datastrings	
Create Cheque 77074208 Voucher No CATA013468	4,398.13	-	4,398.13	Minor Eskom account payments	
Create Cheque 77074209 Voucher No CATA013469	11,097.49	-	11,097.49		
Create Cheque 77074210 Voucher No CATA013470	21,733.31	-	21,733.31		
Create Cheque 77074211 Voucher No CATA013471	23,589.24	-	23,589.24		
Create Cheque 77074212 Voucher No CATA013472	136,278.55	-	136,278.55		
Create Cheque 77074244 Voucher No CATA013484	42,189.92	-	42,189.92		
Create Cheque 77074245 Voucher No CATA013504	11,675.30	-	11,675.30		
Create Cheque 77074246 Voucher No CATA013508	48,123.39	-	48,123.39		
Create Cheque 77074530 Voucher No CATA013539	11,267.38	-	11,267.38		
Create Cheque 77074574 Voucher No CATA013560	5,834.39	-	5,834.39		
Create Cheque 77074575 Voucher No CATA013561	3,316.95	-	3,316.95		
Create Cheque 77074576 Voucher No CATA013562	16,291.48	-	16,291.48		
Create Cheque 77074577 Voucher No CATA013563	16,541.01	-	16,541.01		
Create Cheque 77074578 Voucher No CATA013564	15,565.50	-	15,565.50		
Create Cheque 77074579 Voucher No CATA013565	48,428.05	-	48,428.05		
Create Cheque 77074580 Voucher No CATA013566	11,012.92	-	11,012.92		
Create Cheque 77074581 Voucher No CATA013567	23,384.70	-	23,384.70		
Create Cheque 77074582 Voucher No CATA013568	25,664.71	-	25,664.71		
Create Cheque 77074583 Voucher No CATA013569	19,935.24	-	19,935.24		
Create Cheque 77074665 Voucher No CATA013536	5,721,082.76	-	5,721,082.76		Riverton account
Create Cheque 77074674 Voucher No CATA013606	40,000,000.00	-	40,000,000.00		Payment on bulk Eskom account
Create Cheque 77074682 Voucher No CATA013608	30,000,000.00	-	30,000,000.00		Payment on bulk Eskom account
ELECTRICITY BULK PURCHASE ACC 01:DEPOSIT	76,217,410.42	281,748,009.70	- 205,530,599.28		Deposits vote reconciles to datastrings
Create Cheque 77074208 Voucher No CATA013468	4,398.13	4,398.13	-		
Create Cheque 77074209 Voucher No CATA013469	11,097.49	11,097.49	-		
Create Cheque 77074210 Voucher No CATA013470	21,733.31	21,733.31	-		
Create Cheque 77074211 Voucher No CATA013471	23,589.24	23,589.24	-		
Create Cheque 77074212 Voucher No CATA013472	136,278.55	136,278.55	-		
Create Cheque 77074244 Voucher No CATA013484	42,189.92	42,189.92	-		
Create Cheque 77074245 Voucher No CATA013504	11,675.30	11,675.30	-		
Create Cheque 77074246 Voucher No CATA013508	48,123.39	48,123.39	-		
Create Cheque 77074530 Voucher No CATA013539	11,267.38	11,267.38	-		
Create Cheque 77074574 Voucher No CATA013560	5,834.39	5,834.39	-		
Create Cheque 77074575 Voucher No CATA013561	3,316.95	3,316.95	-		
Create Cheque 77074576 Voucher No CATA013562	16,291.48	16,291.48	-		
Create Cheque 77074577 Voucher No CATA013563	16,541.01	16,541.01	-		
Create Cheque 77074578 Voucher No CATA013564	15,565.50	15,565.50	-		
Create Cheque 77074579 Voucher No CATA013565	48,428.05	48,428.05	-		
Create Cheque 77074580 Voucher No CATA013566	11,012.92	11,012.92	-		
Create Cheque 77074581 Voucher No CATA013567	23,384.70	23,384.70	-		
Create Cheque 77074582 Voucher No CATA013568	25,664.71	25,664.71	-		
Create Cheque 77074583 Voucher No CATA013569	19,935.24	19,935.24	-		
Create Cheque 77074665 Voucher No CATA013536	5,721,082.76	5,721,082.76	-		
Create Cheque 77074674 Voucher No CATA013606	40,000,000.00	40,000,000.00	-		
Create Cheque 77074682 Voucher No CATA013608	30,000,000.00	30,000,000.00	-		
Sundry CATA013468 Creditor Control	-	4,398.13	- 4,398.13		
Sundry CATA013469 Creditor Control	-	11,097.49	- 11,097.49		
Sundry CATA013470 Creditor Control	-	21,733.31	- 21,733.31		
Sundry CATA013471 Creditor Control	-	23,589.24	- 23,589.24		
Sundry CATA013472 Creditor Control	-	136,278.55	- 136,278.55		
Sundry CATA013484 Creditor Control	-	42,189.92	- 42,189.92		
Sundry CATA013504 Creditor Control	-	11,675.30	- 11,675.30		
Sundry CATA013508 Creditor Control	-	48,123.39	- 48,123.39		
Sundry CATA013536 Creditor Control	-	5,721,082.76	- 5,721,082.76		
Sundry CATA013539 Creditor Control	-	11,267.38	- 11,267.38		
Sundry CATA013541 Creditor Control	-	129,313,188.86	- 129,313,188.86	August 2025 account	
Sundry CATA013560 Creditor Control	-	5,834.39	- 5,834.39		
Sundry CATA013561 Creditor Control	-	3,316.95	- 3,316.95		
Sundry CATA013562 Creditor Control	-	16,291.48	- 16,291.48		
Sundry CATA013563 Creditor Control	-	16,541.01	- 16,541.01		
Sundry CATA013564 Creditor Control	-	15,565.50	- 15,565.50		
Sundry CATA013565 Creditor Control	-	48,428.05	- 48,428.05		
Sundry CATA013566 Creditor Control	-	11,012.92	- 11,012.92		
Sundry CATA013567 Creditor Control	-	23,384.70	- 23,384.70		
Sundry CATA013568 Creditor Control	-	25,664.71	- 25,664.71		
Sundry CATA013569 Creditor Control	-	19,935.24	- 19,935.24		
Sundry CATA013606 Creditor Control	-	40,000,000.00	- 40,000,000.00		
Sundry CATA013608 Creditor Control	-	30,000,000.00	- 30,000,000.00		
Grand Total	152,434,820.84	281,748,009.70	- 129,313,188.86		

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 August 2025 amounted to R14,866,886.20,090.79 which was due and payable on or before the 4³⁰ September 2025.

Page 1 of 1

NWRI Customer Ref no: 60005150
 Customer No: 25014305
 Contract Acc. No: 100478320
 Document No: 412713165
 Document Date: 31.08.2025
 Payment Terms: 30 Days
 Due Date: 30.09.2025
 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: D&I WATER SUPPLY SERVICE Water Source Type: SCHEME;				
Contract No: 10087405 (25014305/13)				
Water Use Period: 01.08.2025 to 31.08.2025				
	Consumptive (O&M)	2342,083.00	38.68	905,917.70
	Consumptive (ROA)	2342,083.00	34.37	804,973.93
	Consumptive (Depr)	2342,083.00	20.22	473,569.18
	TCTA (AMD)	2342,083.00	8.45	197,906.01
	TCTA (LHWP)	2342,083.00	443.20	10,380,111.86
	Plus 15.00% VAT			1,914,371.80
	Subtotal			14,676,850.48
	WRL	2342,083.00	8.08	189,240.31
	Total Charges			14,866,090.79

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

Page 1 of 1

NWRI Customer Ref no: 60005150
 Customer No: 25014305
 Contract Acc. No: 100478320
 Document No: 412753193
 Document Date: 30.09.2025
 Payment Terms: 30 Days
 Due Date: 30.10.2025
 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: 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 is 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: 18504,637.00 Water Use Period: 01.09.2025 to 30.09.2025				
	Consumptive (O&M)	3,157,703.00	38.68	1,221,399.52
	Consumptive (ROA)	3,157,703.00	34.37	1,085,302.52
	Consumptive (Depr)	3,157,703.00	20.22	638,487.55
	TCTA (AMD)	3,157,703.00	8.45	266,825.90
	TCTA (LHWP)	3,157,703.00	443.20	13,994,939.70
	Plus 15.00% VAT			2,581,043.28
	Subtotal			19,787,998.47
	WRL(0%VAT)	3,157,703.000	8.08	255,142.40
	WRL(0%VAT)	0.000	0.00	0.00
	Total Charges			20,043,140.87

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

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

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

- iii) There is no proof of payment for DWS because the municipality had insufficient cash to settle the current account for August 2025.

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 M02 – September 2025).

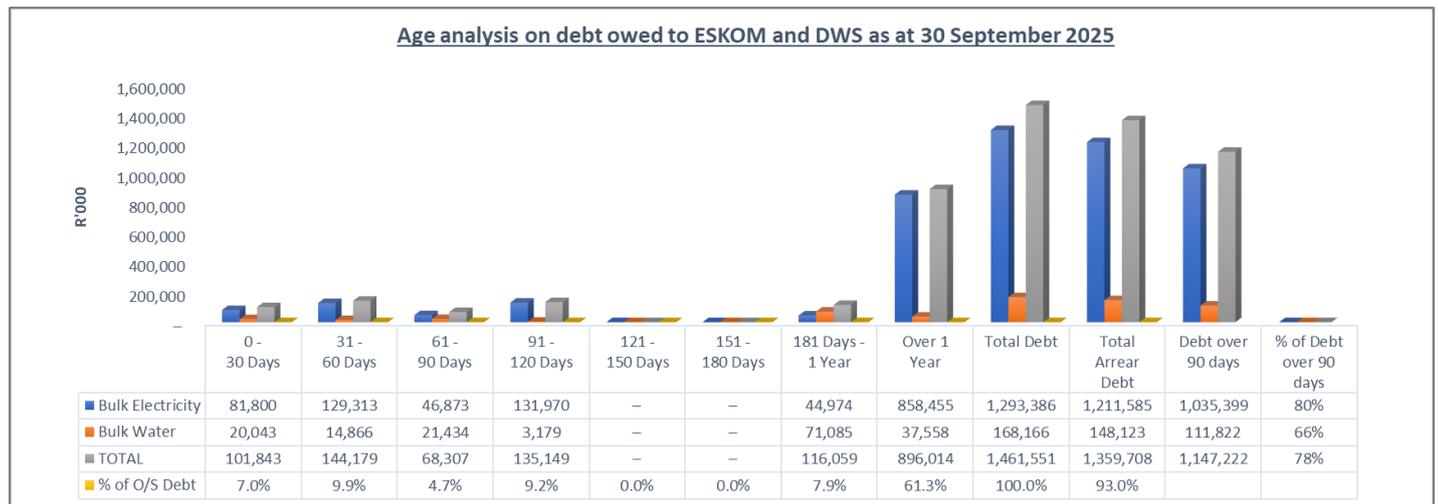
	2026	
	M03	
Account Name		
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Deposits	-15 145 964	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Withdrawals	10 842 925	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Withdrawals	-10 563 052	279 873
Assets:Current Assets:Inventory:Water:System Input Volume:Bulk Purchases	12 820 533	

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

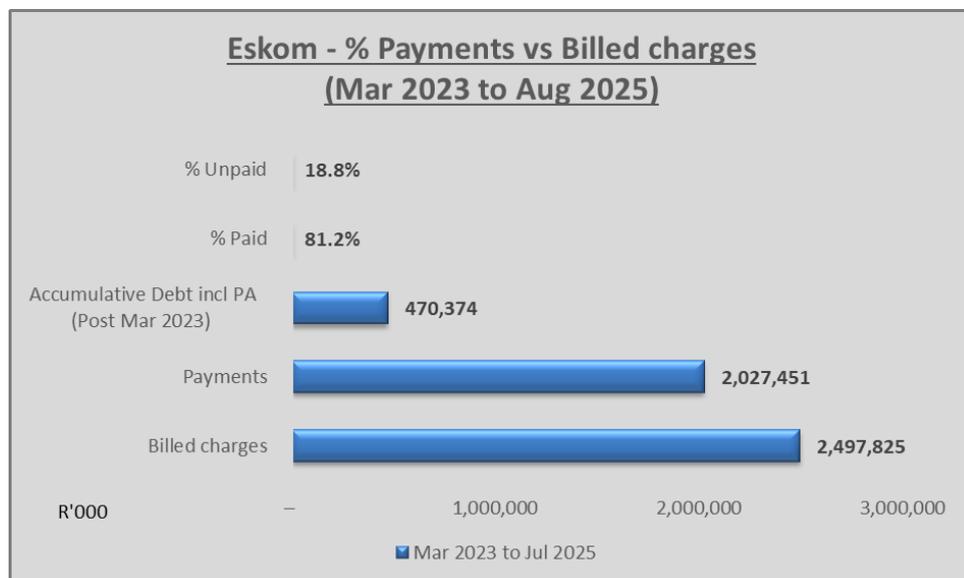
Datastrings & FMS Recon - Sept 2025 M03	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
WATER:INPUT VOL: BULK PURCHASES	12,878,587.14	58,054.23	12,820,532.91	Deposits vote reconciles to datastrings
Sundry Accruals	12,820,532.91	-	12,820,532.91	
SORA01:ORANJE RIET WATER USERS ASSOCIATION	58,054.23	-	58,054.23	
SWAT01:DEPARTMENT OF WATER AND SANITATION	12,762,478.68	-	12,762,478.68	DWS account for August 2025
Sundry Accruals Reversals	-	58,054.23	58,054.23	
SORA01 : ORANJE RIET WATER USERS ASSOCIATION	-	58,054.23	58,054.23	
Sundry Payments	58,054.23	-	58,054.23	
SORA01 : ORANJE RIET WATER USERS ASSOCIATION	58,054.23	-	58,054.23	Payment Oranje Riet Water Association
Grand Total	12,878,587.14	58,054.23	12,820,532.91	

Datastrings & FMS Recon - Sept 2025 M03	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
WATER BULK PURCHASE:DEPOSITS	279,873.06	15,425,836.91	15,145,963.85	Deposits vote reconciles to datastrings
Create Cheque 77074218 Voucher No CATA013465	139,276.53	139,276.53	-	
Create Cheque 77074590 Voucher No CATA013571	140,596.53	140,596.53	-	
Sundry CATA013465 Creditor Control	-	139,276.53	139,276.53	
Sundry CATA013571 Creditor Control	-	140,596.53	140,596.53	
Sundry CATA013572 Creditor Control	-	14,866,090.79	14,866,090.79	August 2025 DWS account
WATER BULK PURCHASE:WITHDRAWALS	279,873.06	-	279,873.06	Withdrawal vote reconciles to datastrings
Create Cheque 77074218 Voucher No CATA013465	139,276.53	-	139,276.53	
Create Cheque 77074590 Voucher No CATA013571	140,596.53	-	140,596.53	Minor DWS account payments
Grand Total	559,746.12	15,425,836.91	14,866,090.79	

vii) Total outstanding debt owed to Eskom and DWS as at 30 September 2025



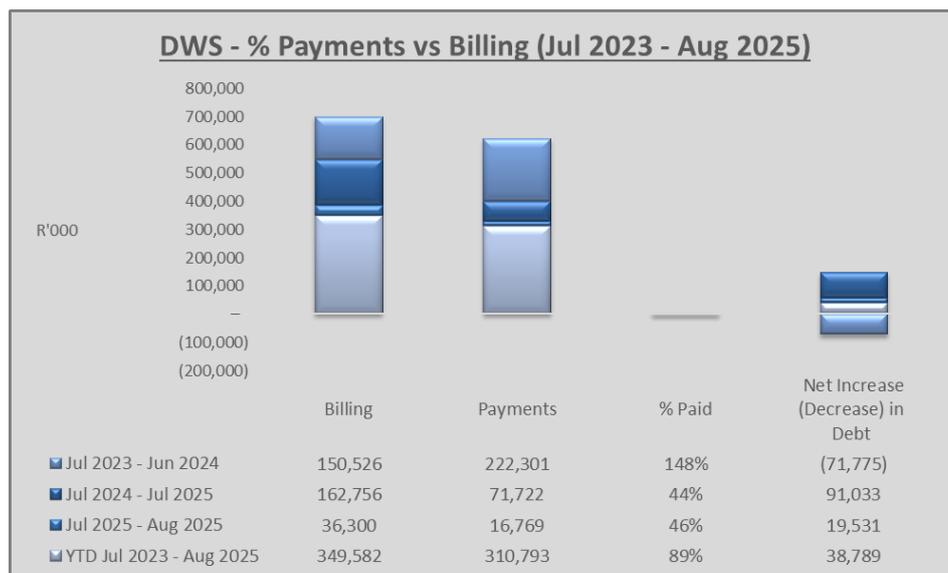
Please refer to section 4.2 for more in-depth information of the debt owed to Eskom and DWS.



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

The total billed charges for the period amounted to R2,497,825 billion, and payments made amounted to R2,027,451 billion. For the period the municipality managed to settle 81.2% of the billed charges.

The debt outstanding post March 2023 amounts to R470,374 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 August 2025.

The total billing for the period amounted to R349,582m, and payments made amounted to R310,793m. For the 2023/24 financial year the municipality reduced the arrear debt by R71,775m. Unpaid invoices for 2024/25 resulted in an escalation of outstanding debt of R91,033m. For the current year, outstanding debt escalated by R19,531m. The net increase in outstanding debt amounts to R38,789m.

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 - September 2025
<p>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)</p>	<p>6.3.1 The municipality must monthly pay and maintain its Eskom bulk current account and bulk water current account - Department of Water and Sanitation (DWS), within 30 days of receiving the relevant invoice</p>	<p>Monthly, within 30 days of receiving invoice on or before due date as per the monthly invoice</p>	<p>Proof of payment (which includes, remittance advice, invoice and extract of corresponding bank statement)</p>	<p>Partially Compliant - ESKOM During the month of September 2025, the municipality made a partial payment of R70,000 million towards the July 2025 account. The current account for August 2025 amounting to R129,313 million including interest of R4,112 million is unpaid. Non-Compliant - DWS The municipality did not have sufficient cash available to settle the current account for Water for August 2025 amounting to R14,866 million.</p>
	<p>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</p>	<p>Monthly, 5th of each month</p>		<p>Non-Compliant - ESKOM The municipality had insufficient cash available from operations to settle R6.7m instalment on the ESKOM payment arrangement on 30 September 2025. Non-compliant - DWS The municipality had insufficient cash available from operations to settle the debt repayment instalment to DWS of R6m on or before 5th of October 2025.</p>
	<p>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</p>	<p>Within 1 day after making payment</p>	<p>Proof of payment and proof of email submission</p>	<p>Compliant Email was sent within one day of making payment to ESKOM. Submission to DWS was late.</p>
	<p>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.</p>	<p>Monthly, within 10 working days after month end</p>	<p>GoMuni Status of Schedule of Revenue Documents Submissions Report</p>	<p>Compliant Proof of Payments made in September 2025 will be uploaded onto GoMuni on 13 October 2025.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - September 2025
	<p>6.3.4 - The amount as per the proof of payment must reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom and DWS</p>	Monthly, within 10 working days after month end	Monthly financial data strings	<p>Compliant 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>
<p>6.6 Electricity and Water Collection <i>(Demonstration through by-laws and budget related policies)</i></p>	<p>6.6.1 Issue monthly billing and allocate payment received from customers in the following priority order: (1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity</p>	Monthly	Monthly billing reconciliation / Financial system generated hierarchy allocation report	<p>Compliant Priority of order of allocations was corrected on the system. This is a once-off correction that the system will apply when payments are made.</p>
	<p>6.6.2 The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner</p>	Monthly	Number of disconnected / blocked meters	Prepaid disconnections = 1,450 Conventional disconnection = 70
	<p>6.6.3 The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner</p>	Monthly	Number of restricted / interrupted supply	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>6.6.4 If the defaulting consumer/ property owner is registered as an indigent consumer with the municipality, the monthly supply of electricity and water to that consumer/property owner must be physically restricted to the monthly national basic free electricity and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively.</p>	Monthly	No of indigent consumers	<p>Partially compliant 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 - September 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 80% (Monthly S71 Revenue Collection Ward Template)	Non-Compliant Monthly S71 Revenue Collection rate per Ward for Property rates and Services only = 109%. Quarterly S71 Revenue Collection rate per Ward outcome Q1 = 60% Municipality's average collection rate = 76% (Prepaid electricity sales and allocated credits are included) Not achieved Average daily cash collection for September 2025, was R7,300m.
	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 31 March 2025 = 15,328
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 = 15,328

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - September 2025
6.8 Completeness of the revenue base	6.8.1 The municipality must demonstrate by completing the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer and demonstrate the steps taken to correct the variances identified; and	Quarterly	GVR Reconciliation & GoMuni Status of Schedule of Revenue Documents Submissions Report	Compliant GVR reconciliation for the first quarter was completed 10 October 2025.
	6.8.2 The municipality must submit its completed billing system, GVR and/ or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury			Compliant GVR reconciliation was submitted on 10 October 2025.
6.9 Monitor and report on implementation	6.9.1 MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Monthly, within 10 working days after month end	Progress report to be included in Monthly S71 Report	Compliant Report included in the monthly S71 report for September 2025 as per guideline from NT.
	6.9.2 If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?			
	6.9.3 Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, it must monthly report its progress in implementing its FRP to the Provincial Executive			
6.10 Provincial Treasury's Certification of municipal compliance	6.10 Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA to be performed by the relevant PT			
	Executive Management Team (EMT) to review the National Treasury: Local Government Budget Analysis (NT: LGBA) compliance certification for the prior month and take immediate remedial action	Monthly, within 1 days after issue	NT: LGBA Compliance Certification	The municipality received the compliance certificate for August 2025. Management must take remedial actions as per the recommendations made by National Treasury

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - September 2025
6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)	6.12.1 Open a separate investment account to serve as a sub-account	Once-off	Investment account confirmation	Compliant A call deposit account to serve as a sub-account was opened on 13 November 2023 with our primary banker. Sub-account account is no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No.124
	6.12.1 must apportion and ring-fence in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation	Funds ito be invested weekly and withdrawn monthly	Investment account and primary bank statement	Finalised Daily process developed to identify amounts received per service. EQS portion to be considered on a monthly basis, once subsidies have been allocated on the system. Partially Compliant The ESKOM account was partially paid, directly from the Primary bank account. No payment was made to DWS. Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124
	6.12.2 must monthly first apply the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it may apply the revenue in the sub-account for any other purpose.	Monthly	Investment account and bank statement and proof of payment aligned to actual receipts	Partially Compliant The ESKOM account was partially paid, directly from the Primary bank account. No payment was made to DWS. The municipality has shown improvement on its cash flow management, however substantial receipts from debtors are not materialising. Municipality has a backlog in terms of built-up reserves. Salaries and third-party salary payments including commitments to other creditors make this requirement difficult to maintain.
	The municipality monthly submit a copy of the bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue	Monthly, within 10 working days after month end	Bank statement and proof of payment aligned to actual receipts	Compliant Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124. Primary bank account statement was uploaded onto GoMuni. Payments made directly from Primary bank account.

17. Recommendations

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

1. The monthly budget statement (S71 Report) for the month of September 2025.
2. The non-compliance emanating from the municipality's debt relief self-assessment and overall performance from July 2025, 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 August 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 for several months and this does not count in the municipality's favour. Arrear Eskom instalments amount to R87,100 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 95% 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. The municipality will embark on an indigent drive to improve on the number of registered indigents.
 - 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 adequately ring-fenced.
 - n. Building up of cash reserves as a matter of urgency.
 - o. The 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 30 September 2025 amounts to R13,800 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 **R440,230,110.67**, as indicated in the table below. Arrears on the outstanding invoices including interest amounts to R353.130,110.67 and the arrears on the payment arrangement amounts to R87,100,000.00.

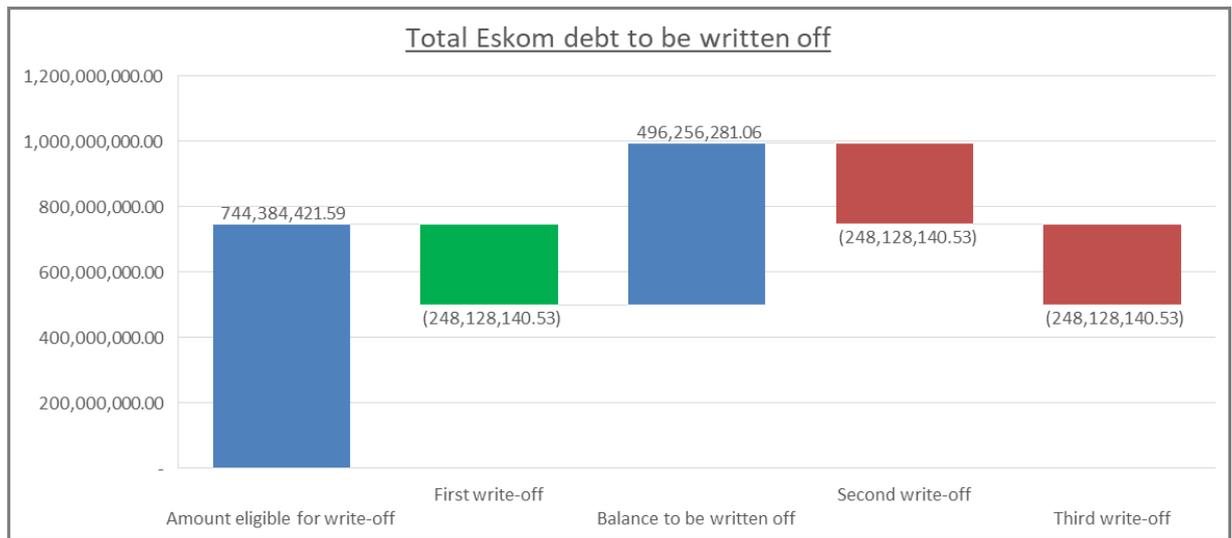
Month	Invoice Amount incl Interest	Paid Amount	Balance due incl Interest	Arrear instalments Payment Arrangement	Total Due to be in Good standing	Interest
Jul-24	R 148,333,011.78	R 148,333,011.78	R -	R -	R -	R 273,911.75
Aug-24	R 127,600,942.44	R 127,600,942.44	R -	R 6,700,000.00	R 6,700,000.00	R 154,610.92
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 75,731,838.36	R -	R 6,700,000.00	R 6,700,000.00	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 68,058,315.40	R -	R 6,700,000.00	R 6,700,000.00	R 1,809,020.57
May-25	R 77,292,217.25	R 77,292,217.25	R -	R 6,700,000.00	R 6,700,000.00	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
Jul-25	R 146,873,234.81	R 100,000,000.00	R 46,873,234.81	R 6,700,000.00	R 53,573,234.81	R 5,423,957.99
Aug-25	R 129,313,188.86	R -	R 129,313,188.86	R 6,700,000.00	R 136,013,188.86	R 4,112,190.15
TOTAL ESKOM	R 1,331,777,538.71	R 978,647,428.04	R 353,130,110.67	R 87,100,000.00	R 440,230,110.67	R 28,925,570.92

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, June, July and August 2025 amounting to a combined total of **R148,122,541.72** 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 **R133,418,861.26**, 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 16,769,310.95	R 0.00	R -	R 0.00	R -
Jun-25	R 3,179,334.42	R -	R 3,179,334.42	R -	R 3,179,334.42	R -
Jul-25	R 21,433,972.20	R -	R 21,433,972.20	R -	R 21,433,972.20	R -
Aug-25	R 14,866,090.79	R -	R 14,866,090.79	R -	R 14,866,090.79	R -
TOTAL WATER	R 200,317,845.06	R 52,195,303.34	R 148,122,541.72	-R 14,703,680.46	R 133,418,861.26	R -

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 **September 2025** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name:

B. Matlala

Acting Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature: _____

B. Matlala

Date: 11/10/2025



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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

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

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

Email: BMatlala@solplaatje.org.za

Dear Mr Matlala and Mr Ramjathan

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

In August 2025, the National Treasury conducted a rigorous compliance assessment of Sol Plaatje Local Municipality under the second cycle of the Municipal Debt Relief Programme (MDRP), in accordance with MFMA Circular No. 124. The purpose of this review was to evaluate the municipality's adherence to the binding conditions of the programme, with particular focus on financial recovery efforts, governance reforms, and operational effectiveness.

The assessment recorded incremental improvements in areas such as budget formulation, accuracy of financial reporting, and the strengthening of governance mechanisms. Yet these gains remain overshadowed by systemic weaknesses that continue to undermine the credibility of the debt relief intervention.

Of immediate concern is the municipality's persistent failure in basic financial management practices. Expenditure control remains weak, and revenue collection performance is far below the MDRP threshold of 95%. While Sol Plaatje recorded a temporary increase to 51% in August 2025, the overall collection rate for the period stood at just 41%. This severe shortfall places significant strain on cash flow and compromises the municipality's ability to maintain service delivery. Arrears management—especially with respect to Eskom—has also been grossly inadequate, further threatening financial sustainability and calling into question the municipality's readiness to progress to subsequent phases of the MDRP.

The municipality's compliance score held at 80% during July and 83% for August 2025, compared with 90% in the prior review cycle. This stagnation highlights the lack of sustained improvement. Weak enforcement of credit control policies, combined with the mounting backlog of unpaid accounts, underscores systemic revenue management failures. These shortcomings are not merely operational inefficiencies—they constitute breaches of the core obligations set out in the MDRP framework.



Eskom arrears remain a material liability and represent one of the highest risk exposures facing the municipality. Without decisive solutions to reduce or restructure these overdue accounts, the possibility of a second write-off will not be entertained. To safeguard the integrity of the programme, the municipality must urgently implement stricter credit control and debt collection measures. In addition, immediate attention is required to address the growing Organ of State debt. Failure to act will deepen financial instability and compromise the objectives of the MDRP.

Condition 6.1 – Municipality non-compliance

Despite some incremental progress, the August 2025 compliance assessment highlighted several critical shortcomings that demand urgent corrective action.

A central concern is the municipality's inconsistent enforcement of disconnection measures for non-payment of municipal services. Electricity and water disconnections are core tools within the credit control and debt collection framework, yet their application remains sporadic and poorly monitored. This weak enforcement erodes payment discipline and directly undermines revenue collection. To restore credibility, disconnection procedures must be applied consistently across all service areas, supported by properly resourced enforcement teams and aligned with the municipality's approved credit control policy.

Equally troubling is the lack of active Council oversight in the implementation of the Municipal Debt Relief Programme (MDRP). The continued "No" rating under Condition C41 underscores a serious governance gap: Council has not consistently tabled MDRP progress reports, adopted the necessary resolutions, or monitored outcomes through established oversight structures. This absence of political leadership and accountability weakens institutional momentum and limits the sustainability of compliance gains. Council's involvement must be strengthened through standing agenda items, structured performance briefings, and formally adopted resolutions to ensure transparency, accountability, and institutional buy-in.

The municipality also continues to fall short in meeting payment obligations to Eskom and regional Water Boards. Although some improvements in account management have been noted, payments remain irregular and are frequently partial, in direct contravention of agreed repayment terms. This ongoing non-compliance not only jeopardises eligibility for future phases of debt write-offs but also raises serious concerns about financial sustainability. Full and timely settlement of bulk service provider accounts must therefore be treated as a non-negotiable obligation under the MDRP.

Unless these areas of weakness are urgently addressed, the municipality risks further regression and the erosion of progress achieved to date. Strengthening governance oversight, enforcing credit control measures consistently, and adhering strictly to repayment agreements are essential to securing compliance with MFMA Circular No. 124 and maintaining eligibility for continued debt relief support.

NC091 Sol Plaatje Local Municipality overall relief performance for August 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

Municipal Details		Monthly Performance Report																												Scoring and Rating															
		Part A				Part B				Part C				Part D				Part E				Part F																							
Month	Code Descr	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating	
25 July 25	Sol Plaatje NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	No	Yes	No	No	No	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	0%	Not completed	
26 August 25	Sol Plaatje NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	No	Yes	No	No	No	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	0%	Not completed	
27 September 25	Sol Plaatje NC091																																											0%	Not completed
28 October 25	Sol Plaatje NC091																																										0%	Not completed	
29 November 25	Sol Plaatje NC091																																										0%	Not completed	
30 December 25	Sol Plaatje NC091																																										0%	Not completed	
31 January 26	Sol Plaatje NC091																																										0%	Not completed	
32 February 26	Sol Plaatje NC091																																										0%	Not completed	
11 March 26	Sol Plaatje NC091																																										0%	Not completed	
14 April 26	Sol Plaatje NC091																																										0%	Not completed	
16 May 26	Sol Plaatje NC091																																										0%	Not completed	
18 June 26	Sol Plaatje NC091																																										0%	Not completed	
17 July 26	Sol Plaatje NC091																																										0%	Not completed	
18 August 26	Sol Plaatje NC091																																										0%	Not completed	
19 September 26	Sol Plaatje NC091																																										0%	Not completed	
40 October 25	Sol Plaatje NC091																																										0%	Not completed	
41 November 26	Sol Plaatje NC091																																										0%	Not completed	

Sol Plaatje Local Municipality is strongly cautioned that, despite limited progress in selected areas, its continued failure to fully settle outstanding Eskom obligations during the second compliance cycle constitutes a material breach of the Municipal Debt Relief Programme (MDRP). This persistent non-compliance severely undermines the credibility of the municipality’s financial recovery efforts and places its eligibility for the approved debt write-off at serious risk.

The arrears with Eskom are not only a direct contravention of MFMA Circular No. 124 but also a fundamental threat to financial stability, service delivery, and the broader objectives of the debt relief intervention. Without decisive action, the intended benefits of the programme will be nullified, exposing the municipality to escalating financial and operational risks.

The municipality must urgently demonstrate financial discipline by:

- Fully settling Eskom arrears without further delay or partial payments;
- Strictly enforcing credit control and debt collection policies, ensuring that disconnection measures are applied consistently and without exception; and
- Recovering consumer debt at scale to improve liquidity, noting that while August 2025 collections reached 51%, the overall rate for the review period was just 41%—far below the 95% threshold required under the MDRP.

Unless immediate and measurable corrective action is taken, Sol Plaatje risks forfeiting all debt relief benefits, deepening its financial crisis, and stripping away the fiscal space required to sustain essential services and invest in critical infrastructure. Continued non-compliance will also erode the confidence of Provincial Treasury, National Treasury, and other key stakeholders, potentially triggering escalated interventions and a further loss of municipal autonomy.

The warning is unambiguous: decisive action is no longer optional—it is the only path to restoring financial stability and safeguarding the municipality’s future.



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 Council resolution and formal endorsement by the National Treasury. This approval, which was initially conditional, required the municipality to demonstrate progress in strengthening its financial management, administrative capacity, and governance systems.

In preparation, the municipality’s leadership undertook a comprehensive institutional assessment to identify critical weaknesses and inform a structured reform plan. The plan focused on tightening internal controls, improving revenue management, enhancing expenditure efficiency, and reinforcing governance oversight.

Key interventions included:

- Strengthened financial oversight: New monitoring mechanisms were introduced to improve transparency, align with national fiscal frameworks, and enhance accountability;
- Disciplined budgeting: More rigorous budgeting practices were adopted to improve planning, prioritisation, and allocation of resources;
- Governance reform: Ethical leadership, integrity, and accountability principles were embedded in operational and decision-making processes; and
- Performance monitoring: Compliance tracking and reporting systems were established to measure progress, inform decisions, and support continuous improvement.

Through these interventions, Sol Plaatje successfully met the conditions set by National Treasury, paving the way for final MDRP approval. This milestone marks an important step in the municipality’s financial recovery journey and underscores its commitment to sound fiscal management and institutional reform.

With stronger systems now in place, the municipality is better positioned to stabilise its revenue base, improve service delivery, and rebuild public trust in its financial and administrative stewardship.

Condition 6.3 – Maintaining the Eskom bulk current account

As of August 2025, Sol Plaatje Local Municipality continues to exhibit partial effort in meeting its bulk electricity obligations; however, the failure to fully settle Eskom accounts remains a direct breach of the commitments Council made when applying for inclusion in the Municipal Debt Relief Programme (MDRP).

When the municipality submitted its MDRP application, Council expressly undertook to:

- Honour all current account payments to Eskom and other bulk service providers in full and on time;
- Develop and adhere to a credible repayment plan for arrears; and



- Demonstrate consistent financial discipline to justify access to phased debt write-offs.

The July 2025 position reveals that these undertakings have not been honoured. Despite payments made, the Eskom invoice of R146.873 million (including R5.424 million interest) remains only partially settled. A payment of R30.000 million was made towards this July account, but the balance is still outstanding. This pattern of partial payments may indicate willingness but falls short of the Council-approved commitment to full settlement.

In addition, the municipality made a payment of R16.769 million on 29 August 2025 towards the March 2025 account, while the July 2025 invoice of R21.434 million remains unpaid. Although the municipality effected total payments to Eskom amounting to R152.830 million during August 2025, these efforts have not been sufficient to achieve full compliance. Only the August 2024, January 2025, April 2025, and May 2025 accounts were settled in full.

This non-compliance has two serious consequences:

1. Programme Integrity Risk – By failing to comply with its own Council resolution and the binding MDRP conditions, the municipality undermines the integrity of the national debt relief initiative; and
2. Loss of Eligibility for Future Write-Offs – The continued inability to fully settle Eskom accounts and to address legacy arrears jeopardises Sol Plaatje’s access to subsequent phases of debt write-offs, which were explicitly conditional on sustained compliance.

Council’s resolutions, adopted at the point of application, were not symbolic. They constituted a binding undertaking to National Treasury, Provincial Treasury, and the Department of Water and Sanitation. Failure to adhere to these obligations reflects a breakdown in political accountability and financial governance at the highest level of the municipality.

If Sol Plaatje is to restore its credibility and maintain eligibility under the MDRP, it must:

- Honour in full the financial commitments endorsed by Council, beginning with the outstanding Eskom arrears;
- Establish a formal, time-bound arrears repayment strategy linked to realistic revenue streams; and
- Demonstrate Council leadership through transparent reporting, adoption of binding resolutions on repayment, and visible oversight of implementation.

Anything less will not only disqualify the municipality from future debt write-offs but will also further entrench its financial instability, limiting its capacity to deliver essential services and undermining the confidence of all stakeholders.

Condition 6.4 – A funded MTREF

The Sol Plaatje Local Municipality's approved 2025/26 MTREF budget projects revenue and expenditure of R3.2 billion, with an operating surplus of R21.7 million. While technically funded, National Treasury cautioned that sustainability depends on stronger revenue collection and tighter expenditure control. Revenue is expected to rise 8.7%, driven by electricity, water, property rates, and national grants. Tariff increases include 4.4% for property rates and water, and 9.6% for electricity. However, distribution losses remain high at 25.8% for electricity and 67.03% for water, far above national norms.

Employee-related costs account for 28.8% of the operating budget (R1 billion), while bulk purchases of electricity and water remain significant. NT flagged under-budgeting for debt impairment: the municipality provided R437.1 million, compared to NT's estimate of R760.2 million based on a 73.4% collection rate. This underestimation risks overstating revenue and undermining cash flow stability.

The capital budget of R627.3 million allocates R557.8 million to trading services, mainly water infrastructure (R499.6 million). With 95% grant funding and only R32.4 million from internal reserves, NT questioned whether the municipality has the liquidity to meet its contribution.

Cash flow projections are also concerning. While the municipality forecasted a year-end balance of R251.1 million, NT projected a deficit of R398.1 million. The debtor book stands at R4.5 billion, with 72% overdue beyond 12 months, leaving little flexibility. Liquidity and cash coverage ratios suggest the municipality cannot meet short-term obligations without immediate revenue improvement.

Although the budget aligns with the IDP and followed Council and public processes, credibility is weakened by optimistic collection assumptions and underfunded free basic services. The R73.8 million budgeted for indigent support is well below the R292 million available through the equitable share, raising concern about service delivery for vulnerable households.

In summary, Sol Plaatje's 2025/26 budget shows intent but remains fragile. Strengthening sustainability will require improved collections, realistic budgeting, and filling key vacancies. Without corrective action, both service delivery and debt relief eligibility remain at risk.

Conditions 6.5 – Cost reflective tariffs

An evaluation of Sol Plaatje Local Municipality's 2025/26 MTREF tariffs reveals that none of the four major trading services—water, sanitation, electricity, and solid waste—are cost reflective. The revenue budgeted for these services is consistently below the levels required to cover the full cost of operations, maintenance, and infrastructure renewal, as calculated through the National Treasury tariff tool. This systemic underfunding creates a growing structural deficit across the MTREF period, undermining the financial sustainability of the municipality and placing long-term service delivery at risk.



Water Services

For 2025/26, the National Treasury tariff tool estimates that R438.58 million is required to sustainably provide water services, while the municipality has budgeted only R362.72 million, creating a shortfall of R75.86 million. The funding gap grows across the MTREF, with an R84.89 million deficit projected in 2026/27 and R97.65 million in 2027/28.

This persistent underfunding demonstrates that the water function is structurally unsustainable, leaving little scope for system upgrades, infrastructure renewal, or efforts to address high water losses. Without corrective action, the service will continue to face operational pressures, deferred maintenance, and a risk of deteriorating supply reliability.

Sanitation (Waste Water) Services

Sanitation services also reflect non-cost reflective tariffs. For 2025/26, the required revenue is R124.91 million, but only R106.27 million has been budgeted, leaving a gap of R18.64 million. Similar deficits appear across the MTREF, with shortfalls of R20.14 million in 2026/27 and R17.88 million in 2027/28.

Although the shortfall is smaller than other services, the continued underfunding weakens the municipality's capacity to manage wastewater infrastructure, maintain treatment plants, and expand sanitation networks to informal and underserved areas. The long-term risk includes growing service backlogs and health-related challenges.

Electricity Services

Electricity presents the most critical shortfall. For 2025/26, the cost of providing electricity is R1.55 billion, but the municipality has budgeted only R1.22 billion, resulting in a deficit of R332.18 million. The gap grows to R370.96 million in 2026/27 and R374.25 million in 2027/28.

This underfunding is compounded by high bulk Eskom purchase costs and technical and non-technical losses of approximately 34%, far exceeding acceptable benchmarks. The inability to achieve cost-reflective tariffs undermines the municipality's ability to honour Eskom obligations, maintain infrastructure, and reduce losses. Unless tariffs are adjusted and enforcement improved, the electricity service will remain unsustainable, with severe consequences for both municipal finances and service delivery.

Solid Waste Services

Solid waste services are also underfunded. In 2025/26, the required revenue is R94.75 million, while the budget provides only R73.59 million, creating a deficit of R21.16 million. Shortfalls persist across the MTREF, with R23.83 million in 2026/27 and R22.79 million in 2027/28.

This continued underfunding places pressure on refuse removal services, already affected by an ageing fleet and frequent breakdowns. The result is a risk of irregular collections, growing service backlogs, and declining public confidence in the municipality's ability to provide basic waste management services.

Condition 6.6 – Electricity and water as collection tools

The municipality does in most instances issue a consolidated monthly bill to consumers and property owners, in which payments or partial payments are allocated in a set order of priority (property rates, then water, wastewater, refuse removal, and lastly electricity). The municipality is urged to strengthen its arrears management and debt collection. Instead of systematically recovering all key revenue streams, the current fragmented approach fuels consumer debt growth and poor cash flow outcomes.

On enforcement, the municipality does apply electricity disconnections and blocks prepaid purchases in cases of default, except for registered indigents. This demonstrates partial compliance with credit control requirements, as electricity remains an effective enforcement tool. However, no equivalent restrictions are applied to water supply for defaulting consumers. By failing to enforce water restrictions—while still safeguarding the minimum basic supply—the municipality neglects one of the most powerful recovery mechanisms, weakening overall revenue enforcement.

In addition, indigent households are exempt from disconnections but are not physically restricted to the national free basic service limits of 50 kWh of electricity and 6 kilolitres of water per month. Without these controls, consumption often exceeds subsidy levels, creating unsustainable financial pressure and diluting the targeting of benefits. National Treasury further requires indigent information to be reported in the prescribed Section 71 format, yet this condition is not being met.

Collectively, these weaknesses reveal a fragmented and inconsistent application of credit control. While electricity disconnections are enforced, the absence of consolidated billing, failure to apply water restrictions, and lack of physical limits for indigent use continue to undermine disciplined revenue collection. As a result, the municipality recorded a collection rate of only 34% in July 2025 and 51% in August, averaging 41% overall—well below the MDRP threshold of 95%. Urgent reform of billing, enforcement, and indigent management systems is required if the municipality is to restore compliance and stabilise revenue performance.

Condition 6.7: Maintain a Minimum Average Quarterly Collection Rate

The municipality's billing and collection performance for August 2025 highlights persistent structural weaknesses in revenue management, with outcomes falling far short of the 95% collection threshold required under the second cycle of the Municipal Debt Relief Programme (MDRP).

For the month, the municipality reported an overall collection rate of 77%. However, this figure is distorted by the annual billing of property rates and does not reflect the underlying performance across service categories. When measured on a ward basis, the effective monthly collection rate drops to 51%, which is substantially below the 95% benchmark.

This underperformance underscores systemic challenges in enforcing credit control, managing arrears, and maintaining sustainable cash flows. While the required collection rate in the first MDRP

cycle was 85%, the threshold has now increased to 95%. The current trajectory places the municipality at risk of non-compliance and jeopardises continued access to debt relief benefits.

To restore compliance, the municipality must strengthen implementation of its Credit Control Policy across all consumer categories, tighten enforcement measures, and improve arrears recovery strategies. Without decisive action, the structural weaknesses reflected in the August performance will continue to undermine both financial stability and MDRP eligibility

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						
Property Categories	Number of Properties			Market Values		
	Valuation Roll	Mun System	Variance	Valuation Roll	Mun System	Variance
Residential	5 1050	5 1050	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						
Property Categories	Monthly Billing - Mapped Accounts			Monthly Billing - Un Mapped Accounts		
	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; and
- 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, which serves as the official system for municipalities to submit both operational and financial information. In line with its commitment to regulatory compliance and sound governance, Sol Plaatje Local Municipality has consistently ensured the timely submission of its monthly reports in accordance with Section 71 of the Municipal Finance Management Act (MFMA).



These Section 71 reports are a critical accountability tool, providing stakeholders with a clear and detailed picture of the municipality’s financial position. They highlight key aspects such as revenue performance, expenditure trends, budget implementation, and emerging variances. By making this information available in a structured and transparent manner, the reports strengthen the credibility of municipal finances and serve as an early warning mechanism for potential risks.

As a cornerstone of transparency and oversight, the Section 71 submissions not only promote accountability but also support informed decision-making at both Council and administrative levels. They enable National Treasury, Provincial Treasury, and other oversight institutions to evaluate financial sustainability, monitor compliance with statutory requirements, and guide corrective actions where necessary. For Sol Plaatje, consistent and accurate reporting through GoMuni reflects a commitment to improving governance standards, enhancing fiscal discipline, and building the confidence of both citizens and external stakeholders in the municipality’s ability to manage public resources responsibly.

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



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

Sol Plaatje Local Municipality continues to experience serious difficulty in meeting its monthly current account obligations to Eskom and the Department of Water and Sanitation (DWS). The ongoing inability to settle these accounts in full is placing sustained pressure on cash flow, contributing to the accumulation of arrears, and creating a direct risk to compliance with the conditions of the Municipal Debt Relief Programme (MDRP).

Failure to consistently honour these commitments threatens not only the municipality's eligibility for future debt relief benefits but also heightens the risk of stricter enforcement measures by creditors. Such actions would further weaken the municipality's financial position and undermine its ability to deliver basic services. Addressing the root causes of these cash flow constraints, alongside strengthening revenue collection, must therefore remain an immediate priority.

Ensuring the full and timely settlement of current obligations is critical for maintaining compliance with the MDRP, safeguarding uninterrupted service delivery, and stabilising the municipality's long-term financial outlook.

Given the elevated risk exposure, the Risk Manager is requested to compile a comprehensive report outlining the municipality's financial and operational risks, with specific focus on arrears owed to



Eskom and DWS. This report should include a detailed impact assessment, clearly defined risk mitigation strategies, and a draft council resolution for consideration. Such a proactive intervention will enable informed decision-making at council level and demonstrate the municipality's commitment to sound financial management and effective risk oversight.

Condition 6.10 – National Treasury certification of municipal compliance

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

As part of this process, the National Treasury has formally certified that Sol Plaatje Local Municipality has complied with all MDRP conditions. This certification is more than an administrative requirement—it is a significant milestone that reflects the municipality's commitment to sound financial governance and alignment with national regulatory frameworks. It stands as recognition of improved fiscal management and signals progress toward long-term financial sustainability.

To uphold these standards, the National Treasury has established a comprehensive monitoring and evaluation framework. This system promotes disciplined budgeting, prevents the re-emergence of unsustainable debt, and reinforces accountability in financial governance. In turn, it helps municipalities strengthen service delivery, restore public confidence, and support local economic development within a framework of fiscal integrity.

Through continued oversight and support, the National Treasury enhances the financial resilience of municipalities, ensuring they are better positioned to meet their constitutional service delivery mandates. This collaborative approach not only stabilises local governance but also contributes to national economic growth and social development, laying the foundation for a more transparent, efficient, and sustainable municipal sector.

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 key reforms aimed at strengthening the management, oversight, and reporting of municipal debt relief funds. These enhancements are designed to reinforce accountability, improve transparency, and enforce financial discipline, ensuring that debt relief resources are applied effectively and in full compliance with the conditions of the Municipal Debt Relief Programme (MDRP).

A central revision requires municipalities to integrate debt relief funds within their general accounts while maintaining separate reporting through monthly mSCOA submissions. This dual approach aligns debt relief with daily operations yet preserves clear traceability, enabling effective monitoring and audit oversight.

To promote uniformity and improve governance standards, municipalities must now upload monthly bank reconciliations and full bank statements onto the GoMuni platform. This centralised reporting mechanism enhances transparency, allows for stronger oversight, and provides stakeholders with timely access to financial information.

The guide also underscores the need for accurate accounting of debt relief benefits, such as interest write-offs granted by creditors like Eskom. Municipalities are required to reflect these adjustments in their records to ensure credible financial statements and audit readiness.

To mitigate the risk of renewed debt accumulation, municipalities must keep verifiable records of all debt relief transactions and conduct regular reconciliations. These strengthened reporting and evaluation measures protect debt relief funds from misuse and reinforce long-term compliance with programme requirements.

Finally, the guide emphasises transparency and stakeholder engagement as critical elements of sustainable financial management. The use of standardised systems such as GoMuni reflects

National Treasury's commitment to improving accountability across the local government sector. Collectively, these reforms will enable municipalities to manage debt relief more effectively, strengthen their financial positions, and contribute to a more transparent and sustainable framework for local public finance.

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. Strengthen credit control enforcement. Apply disconnection and restriction measures consistently across all services, including water, while safeguarding the minimum basic supply. Enforce indigent consumption limits to ensure subsidies are targeted and financially sustainable;
2. Address Eskom and DWS arrears urgently. Prioritise full and timely settlement of Eskom and Water Board accounts, moving away from partial payments. Adopt a time-bound repayment plan linked to realistic revenue flows;
3. Improve revenue collection systems. Implement a consolidated billing system to ensure structured allocation of partial payments (rates, water, sanitation, refuse, electricity). Strengthen debt recovery capacity through ward-level enforcement teams;



4. Enhance council oversight. Institutionalise MDRP progress reporting as a standing council agenda item. Require formal resolutions on arrears repayment, compliance updates, and corrective actions to restore political accountability;
5. Rebase budgeting assumptions. Revise revenue forecasts and debt impairment provisions to align with actual collection rates. Avoid over-optimism in projecting cash flow and strengthen credibility of the MTREF;
6. Move towards cost-reflective tariffs. Undertake cost-of-supply studies across all trading services. Phase in tariff adjustments to close structural deficits, while balancing affordability considerations for households;
7. Stabilise liquidity and cash flow. Implement strict expenditure controls, curtail overtime and non-essential contracted services, and protect available cash for priority obligations and arrears reduction;
8. Strengthen institutional capacity. Accelerate filling of critical vacancies (finance, revenue, and technical services). Re-establish internal audit and risk management capacity to improve governance and compliance monitoring;
9. Improve transparency and reporting. Maintain accurate and timely uploads to GoMuni, including bank reconciliations, indigent data, and Section 71 statements. Use these reports as a management tool, not just a compliance exercise; and
10. Mitigate long-term risks. Develop a comprehensive risk management report (by the Risk Manager) with mitigation strategies for arrears, low collections, and governance gaps. Table this with a draft council resolution to embed accountability.

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

Kind regards

MANDLA GILIMANI
DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS
DATE: 29/09/2025

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

Annexures (August 2025 Compliance Certificates)

Annexure A2 - Monthly

		National Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003	
National Treasury			
Certificate of Compliance: Municipal Debt Relief Conditions for Application		Aug'25	
Period		2025/26	
National Financial Year		NC091	
Demarcation Code of Municipality being assessed			
District		Frances Baard	
Demarcation Description		Sol Plaatje	
<p>I, Mandla Gilimani, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below:</p>			
Municipal Debt Relief Conditions (Monthly reporting)			<i>Choose from drop down list</i>
Condition	6,3 + 6,12	Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption):	
1	6.12.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? Note - refer condition 6.12.2	No
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ?	Yes
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes
4	6.3.1	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? 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 liabilities.	No
5	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ?	Yes
6	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes
6.4	Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)		Select
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ?	Yes
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
9	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations? <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)?	N/A - the MTREF is funded
<p><i>Note - If the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT/ NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i></p>			
12	6.4.2	- If the municipality's MTREF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.	N/a
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.?)	Yes
14	6.5	Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes
<p>6.6 Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:</p>			
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? 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.	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? Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.	No
<p>6.6 Supporting evidence: The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.</p>			
<p>6.7 Maintain a minimum average quarterly collection of property rates and services charges –</p>			
19	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	Not yet end of quarter
<p><i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i></p>			
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following :	
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool 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



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)?	No
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	No
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
6.8 Municipality's Completeness of the revenue base –			
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement	Yes
28	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za ?	Yes
6.9 Monitor and report on implementation –			
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes



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



PT: HOD/ NT / MM Name: **Mandla Gilimani**

Signature of HOD/ NT/ MM:

Date: **30/09/2025**

** 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 Goniwe 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

Municipal Details		Monthly Performance Report																												Scoring and Rating																				
		Part A					Part B					Part C				Part D				Part E				Part F																										
		Eskom And Bulk water current account					Compliance with a funded MTRRF					FRP/BFP & Tariff Assessment				Electricity and water as collection tools				Quarterly collection of property rates and service charges				Maximization of Revenue Base				Oversight																						
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating					
25 July 25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	Yes	No	No	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	80%	Above Moderate				
26 August 25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	Yes	No	No	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	83%	Above Moderate			
27 September 25	Sol Plaatje	NC091																																											0%	Not completed				
28 October 25	Sol Plaatje	NC091																																												0%	Not completed			
29 November 25	Sol Plaatje	NC091																																												0%	Not completed			
30 December 25	Sol Plaatje	NC091																																												0%	Not completed			
31 January 26	Sol Plaatje	NC091																																												0%	Not completed			
12 February 26	Sol Plaatje	NC091																																													0%	Not completed		
13 March 26	Sol Plaatje	NC091																																													0%	Not completed		
14 April 26	Sol Plaatje	NC091																																														0%	Not completed	
15 May 26	Sol Plaatje	NC091																																														0%	Not completed	
16 June 26	Sol Plaatje	NC091																																														0%	Not completed	
17 July 26	Sol Plaatje	NC091																																														0%	Not completed	
18 August 26	Sol Plaatje	NC091																																														0%	Not completed	
19 September 26	Sol Plaatje	NC091																																															0%	Not completed
40 October 26	Sol Plaatje	NC091																																															0%	Not completed
41 November 26	Sol Plaatje	NC091																																															0%	Not completed

HOD Name: **Mandla Gilimani**

Signature of HOD:

Date: **30/09/2025**

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

Monthly Performance Report

Municipal Details			Part A Eskom And Bulk water current account			Part B Compliance with a funded MTREF					Part C FRP/BFP & Tariff Assessment			Part D Electricity and water as collection tools				Part C Quarterly collection of property rates and services charges					Maximization of Revenue Base			Part E Oversight											Scoring and Rating								
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating
25.July25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	83%	Good
26.August25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	90%	Good
27.September25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	76%	Satisfactory
28.October25	Sol Plaatje	NC091																																										0%	Not completed
29.November25	Sol Plaatje	NC091																																										0%	Not completed
30.December25	Sol Plaatje	NC091																																										0%	Not completed
31.January26	Sol Plaatje	NC091																																										0%	Not completed
32.February26	Sol Plaatje	NC091																																										0%	Not completed
33.March26	Sol Plaatje	NC091																																										0%	Not completed
34.April26	Sol Plaatje	NC091																																										0%	Not completed
35.May26	Sol Plaatje	NC091																																										0%	Not completed
36.June26	Sol Plaatje	NC091																																										0%	Not completed
37.July26	Sol Plaatje	NC091																																										0%	Not completed
38.August26	Sol Plaatje	NC091																																										0%	Not completed
39.September26	Sol Plaatje	NC091																																										0%	Not completed
40.October26	Sol Plaatje	NC091																																										0%	Not completed
41.November26	Sol Plaatje	NC091																																										0%	Not completed

HOD Name:	<i>B. Apesani</i>	Comments/Motivation
Signature of HOD:	<i>[Signature]</i>	
Date:	<i>14/10/2025</i>	

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



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: Sept'25
National Financial Year: 2025/26
Demarcation Code of Municipality being assessed: NC001
District: Frances Baard
Demarcation Description: Sol Plaatje

I, B M GAGULI, 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+ Maintaining the Eskom and bulk water current account -

Condition 6.12 Payment account for the purpose of this exercise means the account for a single month's consumption.

Table with 4 columns: Condition ID, Description, Response, and Notes. Rows include conditions 6.12.2, 6.3.1, 6.3.2, 6.3.3, 6.3.4, 6.4, 6.4.1, 6.4.2, and 6.5.

Notes/Comments

6.4 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? 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.	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? Note – the municipality's monthly MFMA s 71 statement must include as part of the narratives the Indigent Information in the required NT format	No
6.6 Supporting evidence – The National Treasury and/or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by laws demonstrate compliance with paragraph 6.6.			
6.7 Maintain a minimum average quarterly collection of property rates and services charges –			
19	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	No Quarterly collection rate is 60%
Note – although the audit and standard for collection (MFMA Circular no. 71) is a 90 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.			
20	6.7.1	- 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 :	
21	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	No
22	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
23	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	No
24	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes Smart meter project is completed YTD installations till end of 31 March 2025 = 15,328
25	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
26	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
6.8 Municipality's Completeness of the revenue base –			
27	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
28	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? Note – monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s 71 statement	Yes
29	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://figuploadportal.treasury.gov.za ?	Yes

6.9 Monitor and report on implementation –			
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1</i>	Yes
31	6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://guploadportal.treasury.gov.za/ ? <i>Note - a municipality with a FRP may only benefit from the Municipal Debt Relief programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>	No FRP
6.10 Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:			
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://guploadportal.treasury.gov.za/ ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate</i>	Yes
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring? <i>Note - if the PT failed to address its failure with non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>	No
36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme? <i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or subsequent benefit in terms of this municipal debt support programme. NT Circulars 01 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 41. Short term borrowing, including making use of an overdraft for 12 year building purposes are not considered within the ambit of this condition.</i>	No
6.12 For the duration of the Municipal Debt Relief (to ensure proper management of resources):			
37	6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	No
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose? <i>Note - only if relevant in the specific circumstances, with a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s. 61.</i>	No
39	6.13	Supporting evidence: Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue. Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i>	No
40	6.14	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief? <i>Note - By applying for Municipal Debt Relief in terms of paragraph 5 of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme has to comply with the condition of the NERSA license to apply to NERSA to resolve 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 provided by the relevant province for consideration of the national regulator as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the mandatory service delivery agreement envisaged with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006, in terms of the condition of government's water support in Eskom. Eskom will only have to enforce its credit control and debt collection policies when it relates to the municipality's account that are the subject of municipal debt relief.</i>	Yes

The municipality did not have sufficient cash available to settle the current account for Water for August 2025 amounting to R14,866 million. Partial payment was made to Eskom.

The municipality must still account for the first third of the debt written off by National Treasury

PT: HOD/ NT / MM Name:

B. L. L. L.
R. L. L. L.
R. L. L. L.

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 procurement of the HOD / MM must be attached as an Annexure to this Certificate of Compliance.