






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

Monthly Budget Statement S71 Monthly Report November 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 and National 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: 12 December 2025

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List of Abbreviations and Acronyms used in the Monthly Budget Statement

AFS – Annual Financial Statements
AGSA - Auditor-General of South Africa
BTO - Budget and Treasury Office
CAPEX – Capital Expenditure
CFO - Chief Financial Officer
COGHSTA - Department of Co-operative Governance, Human Settlement and Traditional Affairs
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 NOVEMBER 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 and National 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 R4,471,660 billion, of which 90% of the debt is owed in excess of 90 days. The total debt by customer group is classified as follows; R767,693 million is owed by government, R748,332 million by businesses and R2,815,728 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: November 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 November 2025**, the ten working day reporting limit expires on **12 December 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 **12 December 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 November 2025 | YTD Actual November 2025 | Variance Favourable (Unfavourable) | % YTD Actual vs YTD Budget | % Variance Favourable (Unfavourable) |
| Total Revenue (excluding capital transfers and contributions) | 1,347,578 | 1,327,260 | (20,318) | 98.5% | -1.5% |
| Total Revenue (including capital transfers and contributions) | 1,632,647 | 1,609,932 | (22,715) | 98.6% | -1.4% |
| Total Operational Expenditure | 1,376,330 | 1,219,885 | (156,445) | 88.6% | -11.4% |

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

As indicated in Table 1.1 above, as at 30 November 2025, the billed revenue excluding capital grants amounted to R1,327,260 billion which resulted in an unsatisfactory variance of minus 1.5% when compared to the YTD Budget of R1,347,578 billion. The billed revenue including capital grants amounted to R1,609,932 billion, resulting in an unsatisfactory variance of minus 1.4% when compared to the YTD budget of R1,632,647 billion. Capital grants are recognised in the Statement of Financial Performance, monthly as soon as the conditions of the grant have been met. Reasons for the variances are articulated in Section 4.1 below. The Total Operational Expenditure amounted to R1,219,885 billion versus the YTD Budget of R1,376,330 billion resulting in an unsatisfactory variance of minus 11.4%. Reasons for the variance are articulated in Section 4.2 below.

| Summary Statement of Financial Performance: Original Budget | | | | | |
|---|-----------------|--------------------------|------------------------------------|---------------------------------|---|
| Description R thousand | Original Budget | YTD Actual November 2025 | Variance Favourable (Unfavourable) | % YTD Actual vs Original Budget | % Variance Favourable (Unfavourable) Ideal IYM % - 41.67% |
| Total Revenue (excluding capital transfers and contributions) | 3,234,188 | 1,327,260 | 1,057,744 | 41.0% | -0.6% |
| Total Revenue (including capital transfers and contributions) | 3,918,354 | 1,609,932 | 1,283,403 | 41.1% | -0.6% |
| Total Operational Expenditure | 3,212,506 | 1,219,885 | 952,176 | 38.0% | -3.7% |

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 41.67% [calculated as follow: (100/12 months x 5 months of the year)] as at the end of November 2025, the Total operational revenue excluding capital grants versus the Original Budget resulted in an unsatisfactory variance of minus 0.6%. The Total operational revenue including capital grants versus the Original Budget resulted in an unsatisfactory variance of minus 0.6%. The Total Operational Expenditure resulted in an unsatisfactory variance of minus 3.7%.

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

4. Budget performance overview

The municipality is implementing the Original budget for 2025/26 financial year. The Original budget for 2025/26 was assessed as funded with a firm recommendation from NT that the collection rate must improve.

Operating Revenue and Expenditure

| Part1: Operating Revenue and Expenditure | | | | | | | | |
|--|--------------------|-----------------|-----------|----------------------------------|---------|----------------------------------|-----------|---|
| R thousands | 2025/26 | | | | | | | |
| | Budget | First Quarter | | Second Quarter | | Year to Date | | |
| | Main appropriation | Adjusted Budget | Actual | 1st Q as % of Main appropriation | Actual | 2nd Q as % of Main appropriation | Actual | Total Expenditure as % of adjusted budget |
| Operating Revenue and Expenditure | | | | | | | | |
| Operating Revenue | 3,234,188 | 3,234,188 | 912,667 | 28.2% | 414,593 | 12.8% | 1,327,260 | 41.0% |
| Operating Expenditure | 3,212,506 | 3,212,506 | 792,110 | 24.7% | 427,776 | 13.3% | 1,219,885 | 38.0% |
| Transfers and subsidies - capital (monetary allocations) | 684,166 | 684,166 | 103,603 | 15.1% | 179,070 | 26.2% | 282,672 | 41.3% |
| Total Revenue | 3,918,354 | 3,918,354 | 1,016,270 | 25.9% | 593,662 | 15.2% | 1,609,932 | 41.1% |

Table 1.3: Part 1: Operating Revenue and Expenditure

As per Table1.3 above, overall Operational revenue is performing satisfactorily, with the actual achieved versus the Main appropriation standing at 41.0% versus the ideal percentage of 41.67%. This is largely attributable to the annual billing on Property rates. Operational expenditure is 38.0% spent. It should be noted that Post-retirement health benefits and Depreciation is not yet accounted for, the bulk electricity account for November 2025 will be captured during December 2025. Transfers and subsidies – capital transferred to revenue amounts to 41.3% of the Main appropriation, as grants will be recognized when the conditions are met.

Capital Revenue and Expenditure

| Part 2: Capital Revenue and Expenditure | | | | | | | | |
|---|--------------------|-----------------|--------------------|----------------------------------|--------------------|----------------------------------|--------------------|---|
| R thousands | 2024/25 | | | | | | | |
| | Budget | Adjusted Budget | First Quarter | | Second Quarter | | Year to Date | |
| | Main appropriation | | Actual Expenditure | 1st Q as % of Main appropriation | Actual Expenditure | 2nd 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% | 156,537 | 25.0% | 250,751 | 40.0% |
| Transfers recognised - capital | 594,927 | 594,927 | 90,089 | 15.1% | 155,713 | 26.2% | 245,802 | 41.3% |
| Borrowing | - | - | - | - | - | - | - | - |
| Internally generated funds | 32,404 | 32,404 | 4,125 | 12.7% | 824 | 2.5% | 4,949 | 15.3% |

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 40.0% spent versus the Main appropriation, whilst conditional grants spent amount to 41.3% and internally generated funds at 15.3% 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

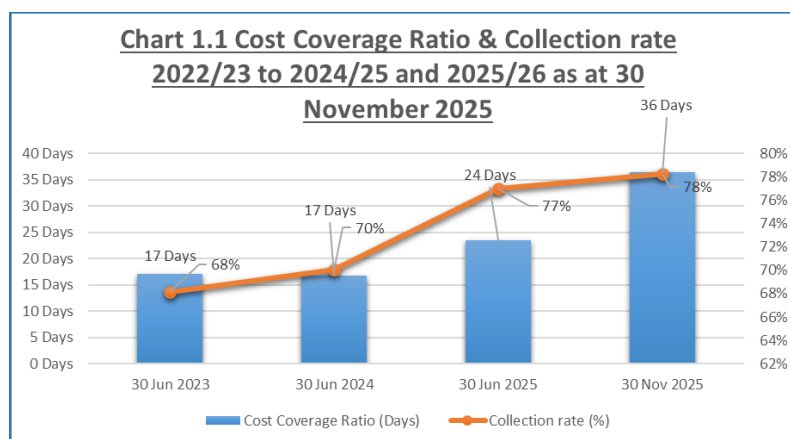
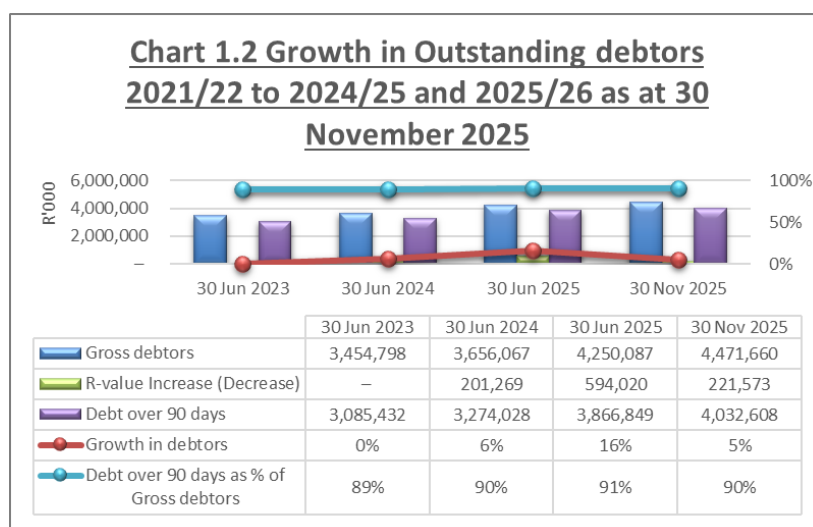


Chart 1.2 Growth in Outstanding debtors



- 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 November 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 Cost coverage ratio as at 30 November 2025 is critically low, standing at 36 days. The average collection rate for November 2025, is 78%.
- Debtors increased by R201,269m (6%) from 2022/23 to 2023/24, by R594,020m (16%) from 2023/24 to 2024/25, and by R221,573m (5%) from 30 June 2025 to 30 November 2025 for the current financial year.
- Debt over 90 days is on average 90% of gross debtors over the periods, further emphasizing the municipality's struggle 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 a partial payment on the October 2025 account amounting to R40,000 million for the month of November 2025. There are outstanding balances on the November 2024, June, July, August and October 2025 accounts. The following accounts are settled in full July to October 2024 and December 2024, January to May 2025 and September 2025. Interest charges for the period July 2024 to November 2025, amount to R40,563 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 **R499,695,918.40**, as indicated in the Table 2.1 below. Arrears on the outstanding invoices including interest amounts to R399,195,918.40 and the arrears on the payment arrangement amounts to R100,500,000.00.

| 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 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 129,313,188.86 | R 6,700,000.00 | R 136,013,188.86 | R 4,112,190.15 |
| Sept-25 | R 81,800,313.25 | R 81,800,313.25 | R - | R 6,700,000.00 | R 6,700,000.00 | R 4,263,618.92 |
| Oct-25 | R 86,065,807.73 | R 40,000,000.00 | R 46,065,807.73 | R 6,700,000.00 | R 52,765,807.73 | R 7,374,557.04 |
| TOTAL ESKOM | R 1,499,643,659.69 | R 1,100,447,741.29 | R 399,195,918.40 | R 100,500,000.00 | R 499,695,918.40 | R 40,563,746.88 |

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 - |
| Sept-25 | R 20,043,140.87 | R - | R 20,043,140.87 | R - | R 20,043,140.87 | R - |
| Oct-25 | R 24,801,206.74 | R - | R 24,801,206.74 | R - | R 24,801,206.74 | R - |
| TOTAL WATER | R 245,162,192.67 | R 52,195,303.34 | R 192,966,889.33 | -R 14,703,680.46 | R 178,263,208.87 | R - |

Table 2.2 Arrear debt payable to DWS

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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, August, September and October 2025 account for Water. The February and March 2025 accounts are 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 **R178,263,208.87** to remain on the Department's Debt Incentive Programme. If the municipality fails to pay the outstanding arrear debt, the municipality will forfeit the interest write-off of R14 million and the Department will resume in charging interest on overdue accounts, leading to an escalation in Fruitless and Wasteful expenditure and further impede on the municipality's financial recovery.

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

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

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

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

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

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

Municipalities are reminded of MFMA s.173 to the effect that the accounting officer of a municipality is guilty of an offence if that accounting officer, deliberately or in a gross negligent way contravenes or fails to comply with MFMA s. 65(2)(f). Moreover, MFMA s.174 provides for penalties, to the extent where a

person is liable on conviction of an offence in terms of section 173 to imprisonment for a period not exceeding five years or to an appropriate fine determined in terms of applicable legislation.”

Monitor and report on implementation –

As per MFMA Circular 124,

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

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

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

For the two previous financial years, 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 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, August, September and October 2025 have not been paid. The municipality ratified the short payment on August 2024 and January, April and May 2025, due to Eskom. Balances are still outstanding for November 2024 and June, July, August and October 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 finalised 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.

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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 April 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).

In terms of Council resolution number C236/12/25, Council resolved on a Debt Relief Programme afforded to all Sol Plaatje Municipality Customers owing the Municipality for a period equal to or over 90 days. **FULL AND FINAL SETTLEMENT OF ACCOUNT - 50% SETTLEMENT DISCOUNT (ON TOTAL MUNICIPAL ACCOUNT) Valid until 28 February 2026**

4.1 Operating Revenue by Source

Table C4 Monthly Budget Statement - Financial Performance (Revenue) - M05 November

| 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 % - 41.67% |
|--|------------------|----------------|------------------|------------------|---------------------|-----------------|--------------|--------------------------|--------------------------|---|
| | R'000 | R'000 | R'000 | R'000 | % | R'000 | % | % | R'000 | % |
| Revenue | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | |
| Service charges - Electricity | 1,218,923 | 75,009 | 446,546 | 507,885 | 87.9% | (61,338) | -12.1% | 36.6% | (61,338) | -5.0% |
| Service charges - Water | 362,722 | 27,620 | 131,222 | 151,134 | 86.8% | (19,912) | -13.2% | 36.2% | (19,912) | -5.5% |
| Service charges - Waste Water Management | 106,274 | 9,913 | 48,474 | 44,281 | 109.5% | 4,194 | 9.5% | 45.6% | 4,194 | 3.9% |
| Service charges - Waste management | 73,593 | 7,448 | 36,903 | 30,664 | 120.3% | 6,240 | 20.3% | 50.1% | 6,240 | 8.5% |
| Sale of Goods and Rendering of Services | 18,644 | 746 | 8,256 | 7,768 | 106.3% | 487 | 6.3% | 44.3% | 487 | 2.6% |
| Agency services | - | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | 142,100 | 15,611 | 77,459 | 59,208 | 130.8% | 18,251 | 30.8% | 54.5% | 18,251 | 12.8% |
| Interest from Current and Non Current Assets | 18,000 | 620 | 1,341 | 7,500 | 17.9% | (6,159) | -82.1% | 7.5% | (6,159) | -34.2% |
| Dividends | - | - | - | - | - | - | - | - | - | - |
| Rent on Land | - | - | - | - | - | - | - | - | - | - |
| Rental from Fixed Assets | 29,740 | 2,304 | 12,678 | 12,392 | 102.3% | 287 | 2.3% | 42.6% | 287 | 1.0% |
| Licence and permits | 1,000 | 27 | 162 | 417 | 39.0% | (254) | -61.0% | 16.2% | (254) | -25.4% |
| Operational Revenue | 3,383 | 222 | 1,387 | 1,410 | 98.4% | (23) | -1.6% | 41.0% | (23) | -0.7% |
| Non-Exchange Revenue | | | | | | | | | | |
| Property rates | 717,920 | 53,125 | 376,085 | 299,133 | 125.7% | 76,952 | 25.7% | 52.4% | 76,952 | 10.7% |
| Surcharges and Taxes | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | 34,743 | (4,763) | 635 | 14,476 | 4.4% | (13,842) | -95.6% | 1.8% | (13,842) | -39.8% |
| Licence and permits | 8,200 | 865 | 4,184 | 3,417 | 122.5% | 768 | 22.5% | 51.0% | 768 | 9.4% |
| Transfers and subsidies - Operational | 323,676 | 578 | 133,437 | 134,865 | 98.9% | (1,428) | -1.1% | 41.2% | (1,428) | -0.4% |
| Interest | 117,020 | 8,737 | 43,708 | 48,758 | 89.6% | (5,050) | -10.4% | 37.4% | (5,050) | -4.3% |
| Fuel Levy | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | 58,250 | 987 | 4,781 | 24,271 | 19.7% | (19,490) | -80.3% | 8.2% | (19,490) | -33.5% |
| 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 | 199,049 | 1,327,260 | 1,347,578 | 98.5% | (20,318) | -1.5% | 41.0% | (20,318) | -0.6% |
| Transfers and subsidies - capital | 684,166 | 82,849 | 282,672 | 285,069 | 99.2% | (2,397) | -0.8% | 41.3% | (2,397) | -0.4% |
| Total Revenue (including capital transfers and contributions) | 3,918,354 | 281,899 | 1,609,932 | 1,632,647 | 98.6% | (22,715) | -1.4% | 41.1% | (22,715) | -0.6% |

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

Exchange Revenue

- ❖ Service charges - Electricity is showing an unsatisfactory variance of minus 12.1%. 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 13.2%. It is imperative that the Billing section does a proper investigation to ensure that all properties have functional meters installed and are billed accurately. This can be achieved by considering all properties on the General Valuation Roll. The same applies to all Service charges. Sanitation and Refuse is performing satisfactorily and 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 6.3%, 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 30.8% 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 82.1%. 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 2.3% when compared to the YTD budget.
- ❖ Licences and permits are showing a negative variance of 61.0%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated, 16.23% achievement versus a budget of R1,000 million.
- ❖ Operational Revenue is showing a satisfactory variance of minus 1.6%.

Non-Exchange Revenue

- ❖ Property Rates is showing a satisfactory variance of 25.7%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing an unsatisfactory variance of minus 95.6%, due to an under-recovery on Fines: Law Enforcement that is standing at 5.52% achieved versus a target of R13,000 million. Penalties: Disconnection Fees standing at minus 0.49% versus a target of R21,500 million, this was due to erroneous penalty charges that needed to be reversed on the system, however there was an error in loading the correct charges which must still be resolved.
- ❖ Licence and permits are showing a positive variance of 22.5%, due to possible outstanding payments due to the Department of Transport, Safety and Liaison.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of minus 1.1%.
- ❖ Interest is showing an under-recovery of minus 10.4%, as a result of a slight under-recovery for interest from Property rates.
- ❖ Operational Revenue is showing an unsatisfactory variance of minus 80.3%. Revenue from non-exchange transaction for electricity is not materialising but an in-depth investigation must be performed.
- ❖ Transfers and subsidies - Capital is showing an unsatisfactory variance of minus 0.8% 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 41.67%, 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 2.6%. Same factors are applicable as described in the paragraph above.
- ❖ Interest earned from Receivables is showing a positive variance of 12.8%. Same factors are applicable as described in the paragraph above.
- ❖ Interest from Current and Non-current Assets shows a negative variance of 34.2%. Same factors are applicable as described in the paragraph above.
- ❖ Rental from Fixed Assets is showing a positive variance of 1.0%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing an unsatisfactory variance of minus 25.4%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing an unsatisfactory variance of minus 0.7%. Same factors are applicable as described in the paragraph above.

Non-Exchange Revenue

- ❖ Property Rates is showing a positive variance of 10.7%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing an unsatisfactory variance of minus 39.8%. Same factors are applicable as described in the paragraph above.
- ❖ Licence and permits are showing a positive variance of 9.4%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of minus 0.4%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a negative variance of 33.5%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Capital is showing a satisfactory variance of minus 0.4%. Capital grants remains lower than anticipated due to lower 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 November 2025. The main contributors of the municipality's revenue are Service Charges (50.0%), Property Rates (28.3%) and Other Revenue (11.5%). The weighting is distorted due to the annual billing on Property rates and the receipt of the first tranche of the Equitable share.

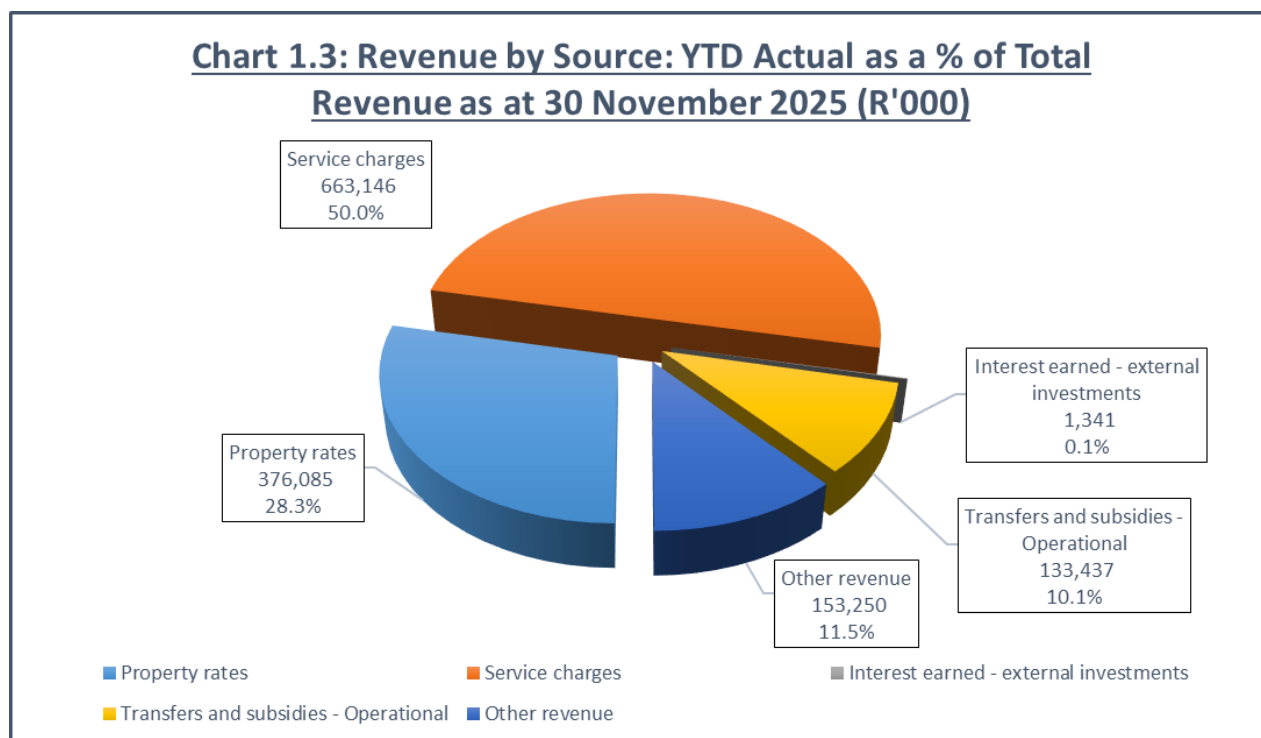


Chart 1.3: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Operating Expenditure by Type

| Description | 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 % - 41.67% |
|---------------------------------|------------------|----------------|------------------|------------------|-----------------------|------------------|---------------|--------------------------|--------------------------|---|
| | R'000 | R'000 | R'000 | R'000 | % | R'000 | % | % | R'000 | % |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | 1,004,532 | 74,402 | 360,641 | 418,555 | 86.2% | (57,914) | -13.8% | 35.9% | (57,914) | -5.8% |
| Remuneration of councillors | 37,083 | 2,900 | 13,934 | 15,451 | 90.2% | (1,518) | -9.8% | 37.6% | (1,518) | -4.1% |
| Bulk purchases - electricity | 1,000,000 | (11,155) | 388,895 | 461,000 | 84.4% | (72,105) | -15.6% | 38.9% | (27,772) | -2.8% |
| Inventory consumed | 331,852 | 24,664 | 116,532 | 138,272 | 84.3% | (21,740) | -15.7% | 35.1% | (21,740) | -6.6% |
| Debt impairment | 437,149 | 109,287 | 218,574 | 182,145 | 120.0% | 36,429 | 20.0% | 50.0% | 36,429 | 8.3% |
| Depreciation and amortisation | 90,200 | - | - | 37,583 | 0.0% | (37,583) | -100.0% | 0.0% | (37,583) | -41.7% |
| Interest | 15,880 | 2 | 7 | 69 | 10.0% | (62) | -90.0% | 0.0% | (6,610) | -41.6% |
| Contracted services | 45,856 | 3,066 | 10,036 | 19,107 | 52.5% | (9,071) | -47.5% | 21.9% | (9,071) | -19.8% |
| Transfers and subsidies | 4,300 | 21 | 671 | 1,792 | 37.4% | (1,121) | -62.6% | 15.6% | (1,121) | -26.1% |
| Irrecoverable debts written off | - | (4) | 2 | - | | 2 | | | 2 | |
| Operational costs | 176,654 | 18,109 | 84,966 | 73,606 | 115.4% | 11,361 | 15.4% | 48.1% | 11,361 | 6.4% |
| Losses on Disposal of Assets | - | - | - | - | | - | | | - | |
| Other Losses | 69,000 | 10,375 | 25,629 | 28,750 | 89.1% | (3,121) | -10.9% | 37.1% | (3,121) | -4.5% |
| Total Expenditure | 3,212,506 | 231,668 | 1,219,885 | 1,376,330 | 88.6% | (156,445) | -11.4% | 38.0% | (118,659) | -3.7% |

Table 4: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 30 November 2025 current YTD expenditure shows an unsatisfactory variance of minus 11.4%. The YTD actual amounted to R1,219,885 billion against the YTD Budget of R1,376,330 billion.

- ❖ Employee related costs show an unsatisfactory variance of minus 13.8%, 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 9.8%. 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 an unsatisfactory variance of minus 15.6%. The invoice for November 2025 will be processed during December 2025.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 15.7%. 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 November 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 IYM % of 41.67% |
|---|------------------------|--------------------------|-----------------------|--------------------|-------------------------|--|
| VOTE 1 - COUNCILLORS AND ADMIN | 140,000 | 140,000 | - | 32,083 | 22.92% | UNSATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 70,000 | 70,000 | - | 19,133 | 27.33% | UNSATISFACTORY |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 1,000 | 1,000 | - | - | 0.00% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 69,000 | 69,000 | - | 12,950 | 18.77% | UNSATISFACTORY |
| VOTE 2 - MUNICIPAL AND GENERAL | 25,297,000 | 25,297,000 | 2,379,853 | 11,849,903 | 46.84% | OVERSPENT |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 755,000 | 755,000 | 26,135 | 78,763 | 10.43% | UNSATISFACTORY |
| 2320611 (INV-CONSUMABLE-ZR/FUEL FLEET) | 350,000 | 350,000 | 5,321 | 47,129 | 13.47% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 24,192,000 | 24,192,000 | 2,348,397 | 11,724,011 | 48.46% | OVERSPENT |
| VOTE 3 - MUNICIPAL MANAGER | 157,000 | 157,000 | 11,739 | 32,938 | 20.98% | UNSATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 140,000 | 136,000 | - | 21,199 | 15.14% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 17,000 | 21,000 | 11,739 | 11,739 | 69.05% | OVERSPENT |
| VOTE 4 - CORPORATE SERVICES | 2,304,000 | 2,304,000 | 195,993 | 577,375 | 25.06% | UNSATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 871,000 | 771,000 | 172,633 | 325,678 | 37.39% | SATISFACTORY |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 51,000 | 152,000 | 11,177 | 113,025 | 221.62% | OVERSPENT |
| 2320611 (INV-CONSUMABLE-ZR/FUEL FLEET) | 650,000 | 650,000 | - | 87,529 | 13.47% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 732,000 | 731,000 | 12,182 | 51,143 | 6.99% | UNSATISFACTORY |
| VOTE 5 - COMMUNITY SERVICES | 33,989,400 | 33,989,400 | 1,599,753 | 7,944,619 | 23.37% | UNSATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 1,021,000 | 1,073,500 | 27,441 | 217,543 | 21.31% | UNSATISFACTORY |
| 2320602 (INV-CONSUMABLE-SR/FIRST AID) | 48,000 | 48,000 | 1,934 | 1,934 | 4.03% | UNSATISFACTORY |
| 2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS) | 217,000 | 267,000 | 59,887 | 98,889 | 45.57% | SATISFACTORY |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 1,116,000 | 1,116,000 | 64,397 | 373,916 | 33.51% | UNSATISFACTORY |
| 2320611 (INV-CONSUMABLE-ZR/FUEL FLEET) | 9,204,000 | 9,171,000 | 356,721 | 2,231,498 | 24.24% | UNSATISFACTORY |
| 2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET) | 336,400 | 336,400 | 3,694 | 90,010 | 26.76% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 22,047,000 | 21,977,500 | 1,085,679 | 4,930,829 | 22.37% | UNSATISFACTORY |
| VOTE 6 - FINANCIAL SERVICES | 2,190,000 | 2,190,000 | 188,138 | 968,161 | 44.21% | SATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 1,226,000 | 1,221,000 | 63,802 | 588,831 | 48.03% | OVERSPENT |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 172,000 | 172,000 | 6,651 | 57,418 | 33.38% | UNSATISFACTORY |
| 2320611 (INV-CONSUMABLE-ZR/FUEL FLEET) | 180,000 | 180,000 | - | 32,232 | 17.91% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 612,000 | 617,000 | 117,685 | 289,680 | 47.33% | OVERSPENT |
| VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT | 11,968,000 | 11,968,000 | 206,745 | 1,194,727 | 9.98% | UNSATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 387,000 | 396,000 | 5,301 | 113,272 | 29.27% | UNSATISFACTORY |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 65,000 | 65,000 | 8,766 | 14,284 | 21.97% | UNSATISFACTORY |
| 2320611 (INV-CONSUMABLE-ZR/FUEL FLEET) | 410,000 | 394,000 | - | 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 | 11,099,000 | 192,677 | 1,025,210 | 9.24% | UNSATISFACTORY |
| VOTE 8 - INFRASTRUCTURE SERVICES | 255,806,914 | 255,806,914 | 20,082,182 | 93,931,803 | 36.72% | SATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 620,000 | 620,000 | 15,216 | 127,174 | 20.51% | 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 | 1,180,425 | 11,041,621 | 47.65% | OVERSPENT |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 1,845,000 | 1,845,000 | 31,623 | 411,113 | 22.28% | UNSATISFACTORY |
| 2320611 (INV-CONSUMABLE-ZR/FUEL FLEET) | 10,040,000 | 10,040,000 | 451,752 | 3,037,284 | 30.25% | UNSATISFACTORY |
| 2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET) | 575,000 | 575,000 | 7,182 | 19,081 | 3.32% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 146,553,914 | 146,553,914 | 12,559,673 | 52,181,204 | 35.61% | UNSATISFACTORY |
| 2326600 (INVENTORY - WATER) | 73,000,000 | 73,000,000 | 5,836,310 | 27,114,325 | 37.14% | SATISFACTORY |
| Grand Total | 331,852,314 | 331,852,314 | 24,664,403 | 116,531,610 | 35.12% | UNSATISFACTORY |

Table 4.1 R&M Expenditure per Directorate per inventory type

| R&M Expenditure per Service per Inventory Type as at 30 November 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 41.67% |
|---|------------------------|--------------------------|-----------------------|-------------------|--------------------------------|--|
| 2480 - REFUSE | 20,450,000 | 20,450,000 | 802,094 | 4,787,369 | 23.41% | UNSATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 100,000 | 100,000 | - | 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 | 339,603 | 1,824,692 | 28.51% | UNSATISFACTORY |
| 2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET) | 100,000 | 100,000 | - | 1,905 | 1.91% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 13,700,000 | 13,700,000 | 462,492 | 2,930,892 | 21.39% | UNSATISFACTORY |
| 2830 - ROADS | 44,461,000 | 44,461,000 | 6,001,112 | 20,557,361 | 46.24% | SATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 68,000 | 68,000 | 2,816 | 18,993 | 27.93% | UNSATISFACTORY |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 67,000 | 67,000 | 192 | 12,148 | 18.13% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 44,326,000 | 44,326,000 | 5,998,104 | 20,526,220 | 46.31% | SATISFACTORY |
| 2840 - HOUSING | 3,407,000 | 3,407,000 | 489,847 | 1,690,762 | 49.63% | OVERSPENT |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 121,000 | 121,000 | 1,675 | 20,774 | 17.17% | UNSATISFACTORY |
| 2320602 (INV-CONSUMABLE-SR/FIRST AID) | 1,000 | 1,000 | - | - | 0.00% | UNSATISFACTORY |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 135,000 | 135,000 | - | 48,716 | 36.09% | UNSATISFACTORY |
| 2320611 (INV-CONSUMABLE-ZR/FUEL FLEET) | 140,000 | 140,000 | 13,994 | 54,354 | 38.82% | SATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 3,010,000 | 3,010,000 | 474,178 | 1,566,917 | 52.06% | OVERSPENT |
| 2850 - SEWERAGE | 27,165,000 | 27,165,000 | 2,190,681 | 13,234,995 | 48.72% | OVERSPENT |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 35,000 | 35,000 | - | 11,900 | 34.00% | UNSATISFACTORY |
| 2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS) | 170,000 | 170,000 | - | 111,780 | 65.75% | OVERSPENT |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 295,000 | 295,000 | 15,290 | 68,860 | 23.34% | UNSATISFACTORY |
| 2320611 (INV-CONSUMABLE-ZR/FUEL FLEET) | 2,900,000 | 2,900,000 | 173,355 | 944,819 | 32.58% | UNSATISFACTORY |
| 2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET) | 100,000 | 100,000 | - | - | 0.00% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 23,665,000 | 23,665,000 | 2,002,036 | 12,097,637 | 51.12% | OVERSPENT |
| 2860 - WATER | 129,773,000 | 129,773,000 | 8,371,228 | 44,580,090 | 34.35% | UNSATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 76,000 | 76,000 | 735 | 18,074 | 23.78% | UNSATISFACTORY |
| 2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS) | 23,001,000 | 23,001,000 | 1,180,425 | 10,929,841 | 47.52% | OVERSPENT |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 141,000 | 141,000 | 6,700 | 51,021 | 36.18% | UNSATISFACTORY |
| 2320611 (INV-CONSUMABLE-ZR/FUEL FLEET) | 2,500,000 | 2,500,000 | 75,635 | 680,051 | 27.20% | UNSATISFACTORY |
| 2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET) | 475,000 | 475,000 | 7,182 | 19,081 | 4.02% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 30,580,000 | 30,580,000 | 1,264,242 | 5,767,698 | 18.86% | UNSATISFACTORY |
| 2326600 (INVENTORY - WATER) | 73,000,000 | 73,000,000 | 5,836,310 | 27,114,325 | 37.14% | SATISFACTORY |
| 2880 - ELECTRICITY | 53,268,000 | 53,268,000 | 2,560,703 | 14,241,457 | 26.74% | UNSATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 180,000 | 180,000 | 7,498 | 34,705 | 19.28% | UNSATISFACTORY |
| 2320602 (INV-CONSUMABLE-SR/FIRST AID) | 1,000 | 1,000 | - | - | 0.00% | UNSATISFACTORY |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 87,000 | 87,000 | 290 | 21,917 | 25.19% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 53,000,000 | 53,000,000 | 2,552,915 | 14,184,835 | 26.76% | UNSATISFACTORY |
| Grand Total | 278,524,000 | 278,524,000 | 20,415,665 | 99,092,034 | 35.58% | 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 monthly but the matter should be resolved once the audit process is completed.
- ❖ Debt impairment will be provided for on a quarterly basis. The journal for the second quarter was processed during November 2025.
- ❖ Interest is showing an unsatisfactory variance of minus 90.0%. 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 R25,606 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 47.5%, as various line items is showing lower expenditure than anticipated.
- ❖ Transfers and subsidies showing negative variance of minus 62.6%. 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.
- ❖ The movement under Irrecoverable debts written off is an error and needs to be investigated.
- ❖ Operational cost is showing an unsatisfactory variance of 15.4%.
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 R18,338 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 R9,962 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 10.9%. 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 to October 2025 was processed on the system. The recognition for November 2025 will be finalised during December 2025.

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 November 2025 is 41.67%. The total operational expenditure against the Original budget is 38.0% spent, resulting in a satisfactory variance of minus 3.7%.

- ❖ Employee related costs show a satisfactory variance of minus 5.8%. Same factors are applicable as explained above.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 4.1%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing an unsatisfactory variance of minus 2.8%. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 6.6%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing a satisfactory variance of 8.3%. Same factors are applicable as explained above.
- ❖ Depreciation shows an unsatisfactory variance of minus 41.7%. Same factors are applicable as explained above.
- ❖ Interest is showing a negative variance of minus 41.6%. Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is unsatisfactory at minus 19.8%, when compared to the Original budget. The YTD expenditure is lower than anticipated.
- ❖ Transfers and subsidies show an unsatisfactory variance of minus 26.1%. Same factors are applicable as explained above.
- ❖ Operational cost is showing a satisfactory variance of 6.4%. Same factors are applicable as explained above.
- ❖ Other Losses is showing an unsatisfactory variance of minus 4.5%. Same factors are applicable as explained above.

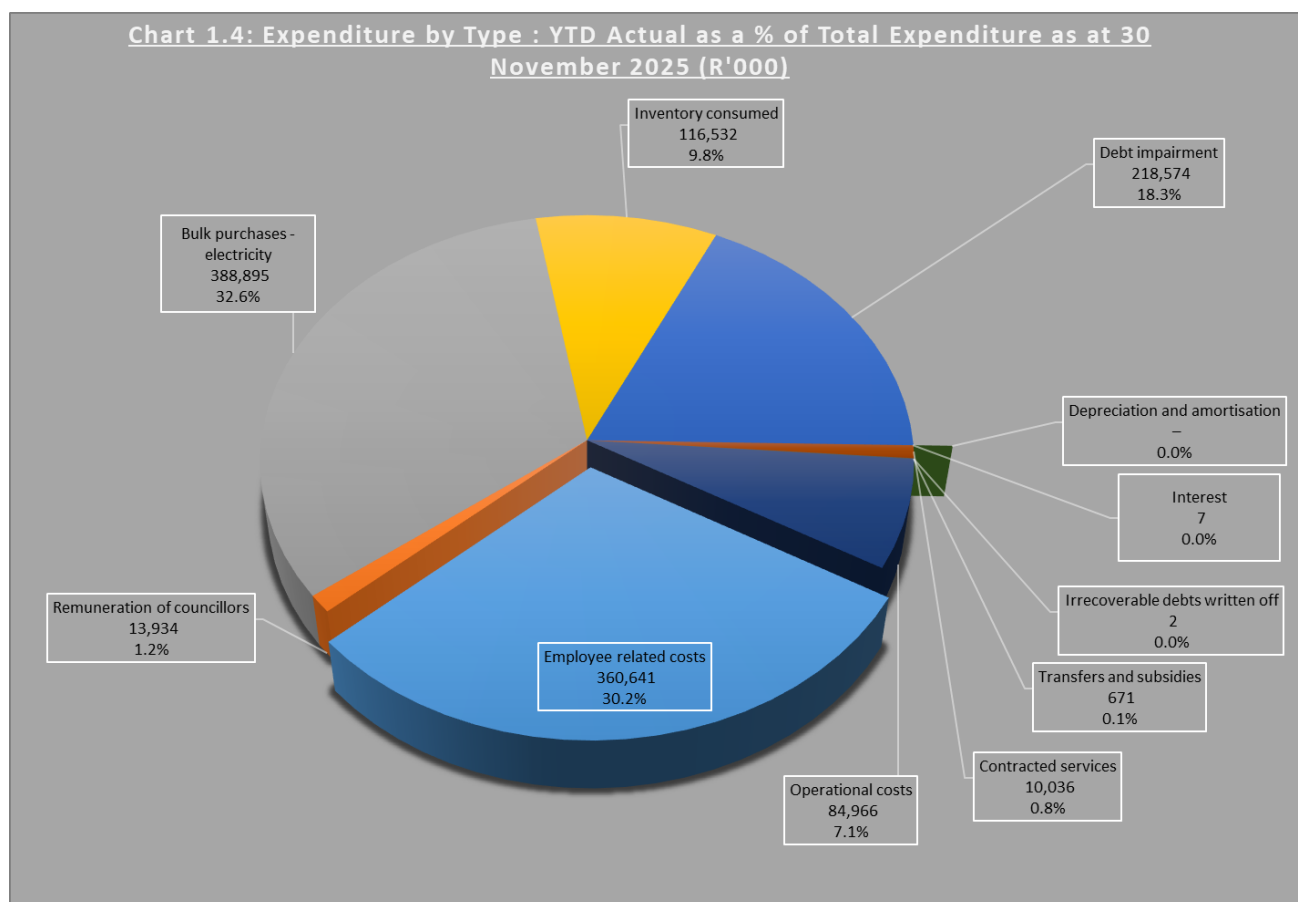


Chart 1.4: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

Also indicated in Chart 1.4 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 30 November 2025. The main cost drivers of the municipality are Employee Related Costs (30.2%), Bulk Purchases – Electricity (32.6%), Debt Impairment (18.3%) and Inventory consumed (9.8%).

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 should be finalised, once the audit process is finalised.
- ❖ Interest on the long-term borrowing is paid bi-annually in December and June of each year
- ❖ Debt Impairment is provided for, quarterly. The journal for the second quarter was processed during November 2025.
- ❖ The Eskom account for November 2025 will be captured during December 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 41.67% as at end of November 2025, Bulk Purchases Electricity is showing a satisfactory variance of minus 2.78%. The bulk invoice for November 2025 will be processed during December 2025. Corrections were done on the bulk vote pertaining to payments that need to be cancelled as they were paid in prior months.

| Description | Original Budget | Monthly Actual | YTD Actual | % Spent Original Budget | % Variance Favourable (Unfavourable) Ideal IYM % - 41.67% |
|-----------------------------|----------------------|--------------------|--------------------|-------------------------|---|
| BULK PURCHASES: ELECTRICITY | 1,000,000,000 | -11,154,790 | 388,894,516 | 38.89% | -2.78% |
| Total | 1,000,000,000 | -11,154,790 | 388,894,516 | 38.89% | -2.78% |

Table 5.1: Summary of YTD Bulk Electricity expenditure

- ❖ Indicated in Table 5.2 below, is the Water inventory and Water losses which is showing a satisfactory variance of minus 4.5%, when compared to the ideal percentage of 41.67%. 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 to October 2025 for the recognition of Water inventory and losses was processed on the system. The recognition for November 2025 will be processed during December 2025.

| Description | Original Budget | Monthly Actual | YTD Actual | % Spent Original Budget | % Variance Favourable (Unfavourable) Ideal IYM % - 41.67% |
|--------------------------|--------------------|-------------------|-------------------|-------------------------|---|
| INVENTORY - WATER | 73,000,000 | 5,836,310 | 27,114,325 | 37.14% | -4.52% |
| NON-REVENUE WATER LOSSES | 69,000,000 | 10,375,371 | 25,628,609 | 37.14% | -4.52% |
| Total | 142,000,000 | 16,211,680 | 52,742,934 | 37.1% | -4.5% |

Table 5.2: Summary of YTD Bulk Water expenditure

Outstanding debt: ESKOM

| ESKOM - Outstanding debt (R'000) | Sum of Invoice amount | Sum of Bulk Payments (2023/24, 2024/25 & 2025/26) | Sum of Interest written-off | Sum of Debt written off Bulk account | Sum of Outstanding Balance | Sum of Arrear Debt | Sum of Interest Charges |
|----------------------------------|-----------------------|---|-----------------------------|--------------------------------------|----------------------------|--------------------|-------------------------|
| 2021/22 | 275,682 | - | | (248,128) | 275,682 | 275,682 | - |
| Oct-21 | - | - | | (51,028) | - | - | - |
| Nov-21 | - | - | | (50,813) | - | - | - |
| Dec-21 | - | - | | (51,379) | - | - | - |
| Jan-22 | - | - | | (53,401) | - | - | - |
| Feb-22 | 9,938 | - | | (41,507) | 9,938 | 9,938 | - |
| 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 | 524,417 | 221,800 | - | | 302,617 | 222,252 | 25,606 |
| 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 |
| Oct-25 | 86,066 | 40,000 | - | | 46,066 | 46,066 | 7,375 |
| Nov-25 | 80,365 | - | - | | 80,365 | - | 4,432 |
| Grand Total ESKOM | 3,220,501 | 2,023,498 | (107,114) | (248,128) | 1,089,888 | 1,009,523 | 44,996 |

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R1,089,888 billion. The first debt write off of R248 million must still be effected in the municipality's books. The total arrear debt amounts to R1,009,523 million summarized as follow 2021/22 (R275,682m); 2022/23 (R248,878m); 2023/24 (R85,767m); 2024/25 (R176,944m) and 2025/26 (R302,617m). The total interest charges on overdue accounts for the current financial year amounted to R25,606 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.

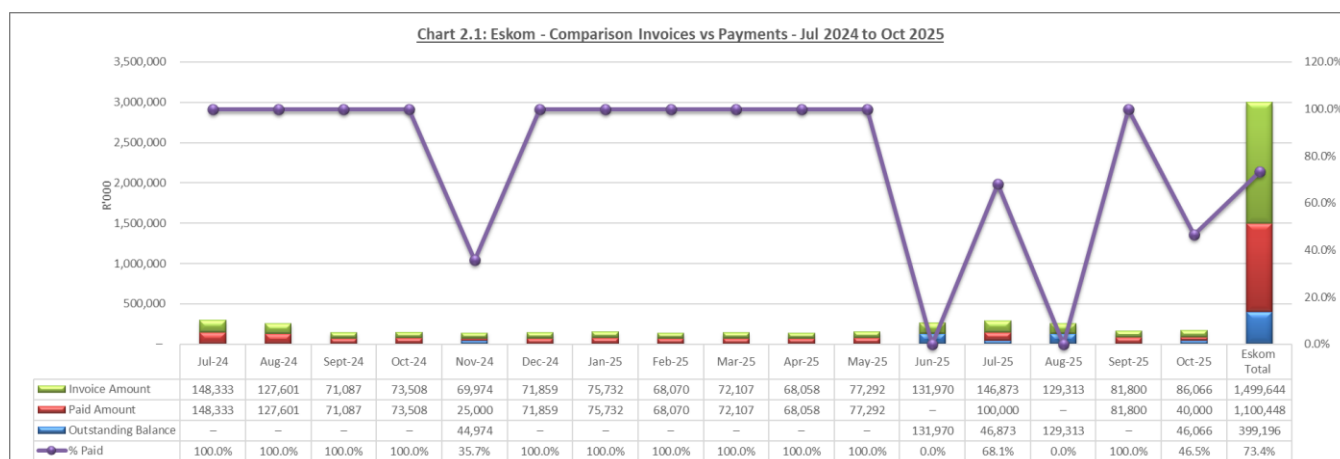


Chart 2.1: Eskom - Comparison Invoices vs Payments

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 November 2025 is excluded because it is not yet due and payable. It will also distort the percentage paid. The YTD actual until October 2025 show that 73.4% of invoices were settled, based on invoices raised of R1,499,644 billion versus payments of R1,100,448 billion. The percentage on partially paid invoices are November 2024 (35.7%); June 2025 (0%); July 2025 (68.1%); August 2025 (0%) and October 2025 (46.5%). The total arrear outstanding balance amounts to R399,196 million.

Outstanding debt: DWS

| DWS - Outstanding debt (R'000) ▾ | Sum of Invoice amount | Sum of Bulk Payments (2023/24, 2024/25 & 2025/26) | 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 | 96,011 | – | 96,011 | 81,144 |
| Jul-25 | 21,434 | – | 21,434 | 21,434 |
| Aug-25 | 14,866 | – | 14,866 | 14,866 |
| Sept-25 | 20,043 | – | 20,043 | 20,043 |
| Oct-25 | 24,801 | – | 24,801 | 24,801 |
| Nov-25 | 14,866 | – | 14,866 | |
| Grand Total | 535,724 | 327,891 | 207,833 | 192,967 |

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 R207,833 million. The total debt must be concurred with the Department. The total arrear debt amounts to R192,967 million which pertains to outstanding invoices for 2021/22 (R37,558m); 2024/25 (74,264m) and 2025/26 (R81,144m). 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, August, September and October 2025 account.

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, August, September and October 2025 invoices. The February and March 2025 accounts were settled. The municipality incurred accumulative arrear debt for the prior and current year of R192,967 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.

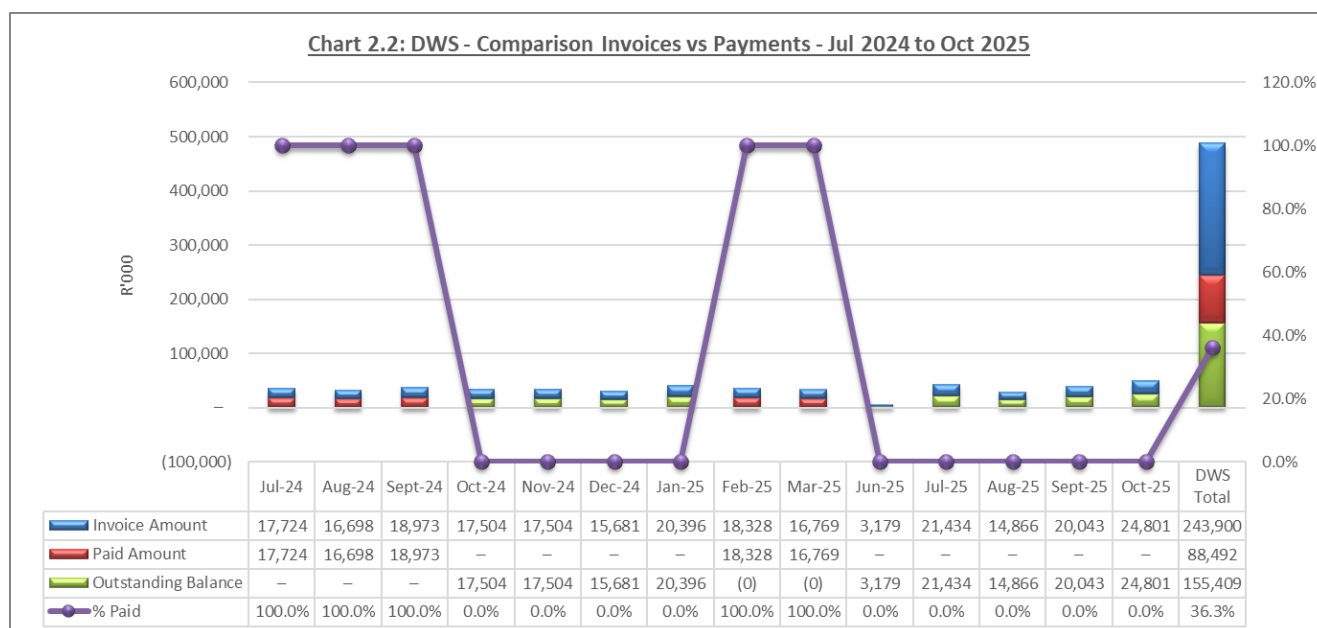


Chart 2.2: DWS - Comparison Invoices vs Payments

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 October 2025. The current account for November 2025 is excluded because it is not yet due and payable. The YTD actual until October 2025 show that 36.3% of invoices were settled, based on invoices raised of R243,900 million versus payments of R88,492 million. Invoices for July to September 2024, February and March were settled in full, whilst the invoices for October 2024 to January 2025, and June, July, August, September and October 2025 remain unpaid. The total arrear outstanding balance amounts to R155,409 million.

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

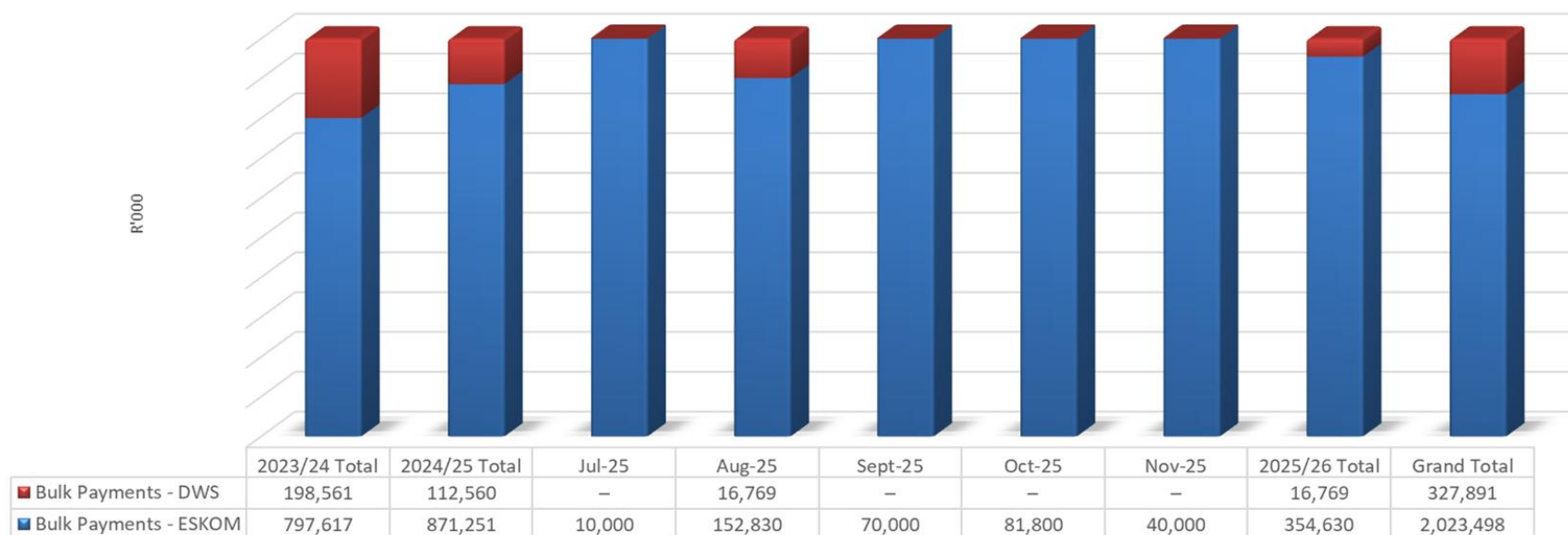


Chart 2.3: Monthly payments to DWS & ESKOM

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 November 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 during the 2024/25 financial year invoices for October 2024 to January 2025, June, July, August, September and October 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 partially settled an amount of R40,000 million on the October 2025 account during November 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 R354,630 million, resulting in the total payments for the three periods amounting to R2,023,498 billion. The high months remains a major concern.

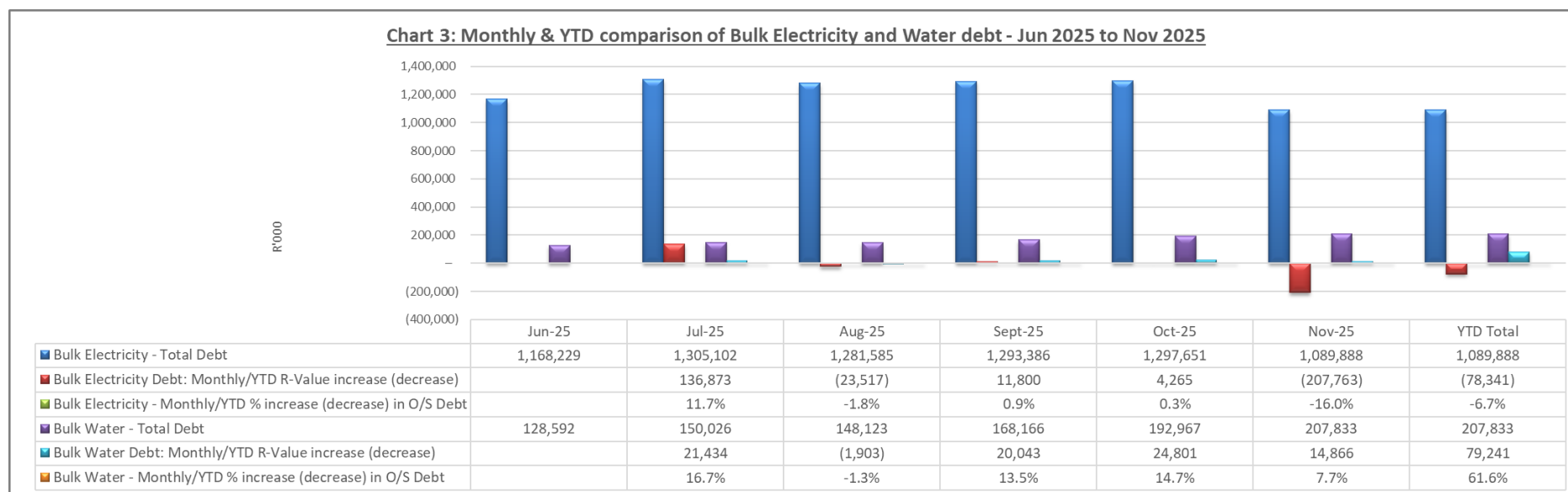


Chart 3: Monthly & YTD comparison – Bulk Electricity & Water debt

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

ESKOM - From October 2025 to November 2025, debt owed to ESKOM decreased by R207,763 million or 16.0%, from R1,297,651 billion to R1,089,888 billion. When comparing the total outstanding debt to June 2025, the outstanding debt decreased by R78,341 million or 6.7%, from R1,168,229 billion to R1,089,888 billion. It should be noted that the debt write off for the first cycle is accounted for.

DWS - From October 2025 to November 2025, debt owed to DWS increased by R14,866 million or 7.7% from R192,967 million to R207,833 million. When comparing the total outstanding debt to June 2025, the outstanding debt increased by R79,241 million or 61.6% from R128,592 million to R207,833 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 and 2025/26 financial 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, August, September and October 2025 accounts which remains unpaid. The February and March 2025 accounts were settled in full. 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 |
| 21 | 2025/10/30 | | | | | | | | R 6,700,000.00 |
| 22 | 2025/11/30 | | | | | | | | R 6,700,000.00 |
| TOTAL | | | | | R 49,162,000.00 | | R 113,900,000.00 | | R 100,500,000.00 |

Table 6.4: Reconciliation Eskom Payment Arrangement

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

Table 6.5: Reconciliation DWS Debt Agreement

As articulated in adjacent Table 6.4, the total amount that was subject to the payment arrangement was R163,062 million for the debt that accrued after March 2023. To date the municipality settled an amount of R49,162 million on the payment arrangement, resulting in the total current balance outstanding of R113,900 million. The municipality is in arrears with repayment instalments amounting to R100,500,000 million.

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

4.3 Capital expenditure

| NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - M05 November | | | | | | | | | | |
|--|-----------------|----------------|---------------|---------------|-----------------------|--------------|----------------|--------------------------|--------------------------|---|
| 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 % - 41.67% |
| | R'000 | R'000 | R'000 | R'000 | % | R'000 | % | % | R'000 | % |
| Capital expenditure | 627,331 | 72,302 | 250,751 | 261,388 | 95.93% | (10,637) | -4.1% | 40.0% | (10,637) | -1.7% |
| Funded by | | | | | | | | | | |
| Capital transfers recognised | 594,927 | 72,043 | 245,802 | 247,886 | 99.16% | (2,084) | -0.8% | 41.3% | (2,084) | -0.4% |
| Internally generated funds | 32,404 | 259 | 4,949 | 13,502 | 36.7% | (8,553) | -63.3% | 15.3% | (8,553) | -26.4% |
| Weighting Capital transfer recognised | 94.8% | 99.6% | 98.0% | 94.8% | | | | | | |
| Weighting Internally generated funds | 5.2% | 0.4% | 2.0% | 5.2% | | | | | | |

Table 7: High level summary: Capital Expenditure

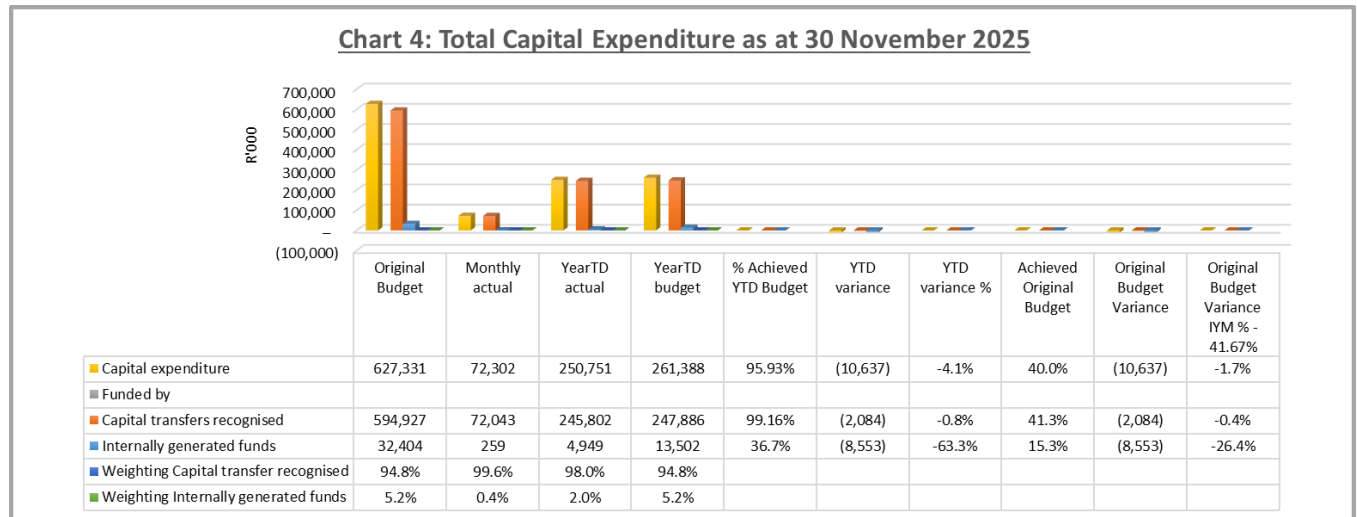


Chart 4: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of November 2025 amounted to R250,751 million and 95.93% spent when compared to the YTD budget of R261,388 million and 40.0% spent when compared to the Original Budget of R627,331 million. The total YTD capex is funded from Capital grants R245,802 million (98.0%) and Internally generated funds R4,949 million (2.0%). Capex is lower than anticipated but shows improvement when comparing the actual to the YTD budget. 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: Current investment deposits and Cash & cash equivalents at year-end

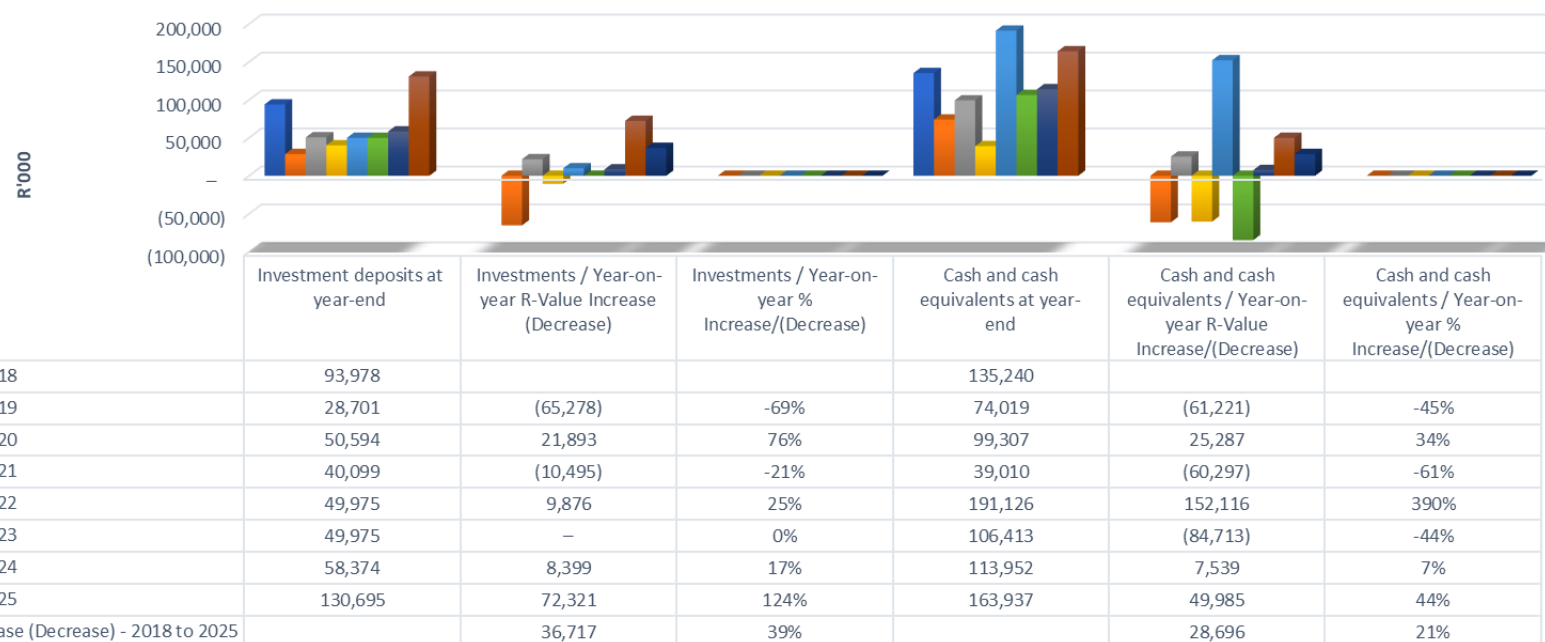


Chart 5: Call investment deposits and Cash & cash equivalents at year-end

Investments increased by R21,893 million (76%) from 2019 to 2020. Investments decreased by R10,495 million (21%) from 2020 to 2021. Investments increased by R9,876 million (25%) from 2021 to 2022. The total investment remained the same from 2022 to 2023 and increased by R8,399 million (17%) from 2023 to 2024 and increased by R72,321 million (124%) from 2024 to 2025. From 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, 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.

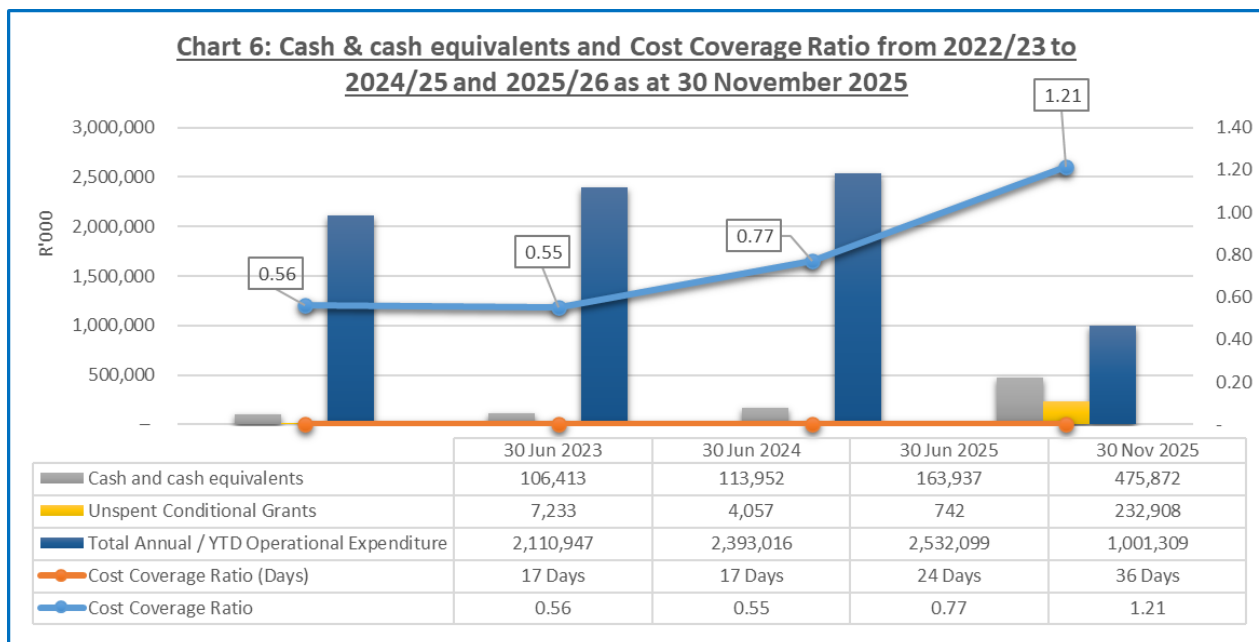


Chart 6: Cash & cash equivalents and Cost coverage ratio

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 audited outcome for the year ended 30 June 2025 is (0.77; 24 days; R163,937m). The Cost coverage ratio as at 30 November 2025 is calculated at (1.21; 36 days; R475,872m). Unspent conditional grants amounted to R232,908 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 and 2025/26 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 | | | | | | | | | | |
|---|----------------|-------------|----------------|-------------|----------------|-------------|------------------|--------------|------------------|---------------|
| | 0 - 30 Days | | 31 - 60 Days | | 61 - 90 Days | | Over 90 Days | | Total | |
| R thousands | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Debtors Age Analysis By Income Source | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 40,081 | 4.5% | 29,493 | 3.3% | 25,595 | 2.9% | 789,878 | 89.2% | 885,046 | 19.8% |
| Trade and Other Receivables from Exchange Transactions - Electricity | 54,407 | 15.0% | 24,766 | 6.8% | 26,972 | 7.4% | 257,403 | 70.8% | 363,549 | 8.1% |
| Receivables from Non-exchange Transactions - Property Rates | 45,402 | 4.9% | 21,133 | 2.3% | 18,646 | 2.0% | 847,071 | 90.9% | 932,253 | 20.8% |
| Receivables from Exchange Transactions - Waste Water Management | 10,520 | 3.2% | 7,444 | 2.3% | 6,976 | 2.2% | 298,946 | 92.3% | 323,886 | 7.2% |
| Receivables from Exchange Transactions - Waste Management | 8,431 | 3.4% | 5,704 | 2.3% | 5,240 | 2.1% | 230,293 | 92.2% | 249,668 | 5.6% |
| Receivables from Exchange Transactions - Property Rental Debtors | 962 | .9% | 931 | .9% | 937 | .9% | 104,355 | 97.4% | 107,185 | 2.4% |
| Interest on Arrear Debtor Accounts | 23,565 | 2.0% | 23,383 | 2.0% | 23,579 | 2.0% | 1,105,520 | 94.0% | 1,176,047 | 26.3% |
| Recoverable unauthorised, irregular or fruitless and wasteful Expenditure | - | - | - | - | - | - | - | - | - | - |
| Other | 22,523 | 5.2% | 6,307 | 1.5% | 6,054 | 1.4% | 399,141 | 92.0% | 434,025 | 9.7% |
| Total By Income Source | 205,892 | 4.6% | 119,161 | 2.7% | 113,999 | 2.5% | 4,032,608 | 90.2% | 4,471,660 | 100.0% |
| Debtors Age Analysis By Customer Group | | | | | | | | | | |
| Organs of State | 29,849 | 3.9% | 17,992 | 2.3% | 20,064 | 2.6% | 699,788 | 91.2% | 767,693 | 17.2% |
| Commercial | 66,112 | 8.8% | 28,082 | 3.8% | 25,702 | 3.4% | 628,436 | 84.0% | 748,332 | 16.7% |
| Households | 106,780 | 3.8% | 70,273 | 2.5% | 65,748 | 2.3% | 2,572,927 | 91.4% | 2,815,728 | 63.0% |
| Other | 3,151 | 2.3% | 2,814 | 2.0% | 2,485 | 1.8% | 131,457 | 94.0% | 139,907 | 3.1% |
| Total By Customer Group | 205,892 | 4.6% | 119,161 | 2.7% | 113,999 | 2.5% | 4,032,608 | 90.2% | 4,471,660 | 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 R4,471,660 billion as at the end of November 2025 and the bulk of SPM's debt is aged over 90 days with an overall weighting of 90.2%.

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

- ❖ Interest on Arrear Debtor Accounts at 94.0% and Other at 92%.
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 97.4%
- ❖ Receivables from Exchange Transactions – Property Rates (90.9%); Waste Water Management (92.3%) and Waste Management (92.2%).

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

- ❖ Receivables from Non-exchange Transactions - Property Rates at 20.8%
- ❖ Interest on Arrear Debtor Accounts 26.3%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 19.8%

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:

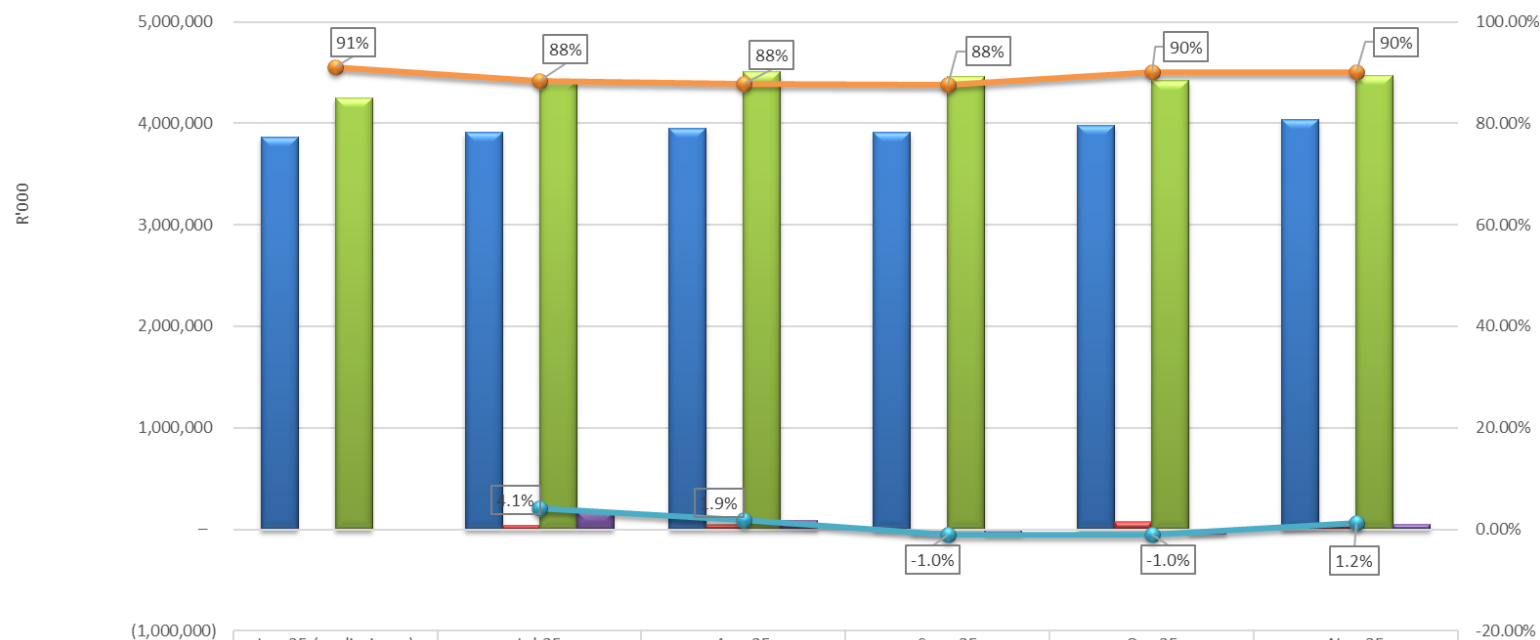
- ❖ Organs of State at 91.2%; Commercial at 84.0%; Households at 91.4% and Other at 94.0%.

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

- ❖ Organs of state at 17.2%, total debt outstanding is R767,693 million
- ❖ Businesses at 16.7%, total debt outstanding is R748,322 million
- ❖ Households at 63.0%, total debt outstanding is R2,815,728 billion
- ❖ Other at 3.1%, total debt outstanding is R139,907 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 90% for the month under review. Debt over 90 days increased by R50,332 million in respect of the month-to-month comparison. The month-to-month increase, on total debt amounted to R53,046 million. It is concerning that total debt over 90 days is hovering at an average of 89 percent.

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



| | Jun-25 (preliminary) | Jul-25 | Aug-25 | Sept-25 | Oct-25 | Nov-25 |
|---|----------------------|-----------|-----------|-----------|-----------|-----------|
| Debt over 90 days (R'000) | 3,866,849 | 3,909,328 | 3,953,683 | 3,907,819 | 3,982,276 | 4,032,608 |
| Month-to-Month R-value Increase (Decrease) of Debt over 90 days | | 42,479 | 44,356 | (45,865) | 74,458 | 50,332 |
| Total Debt (R'000) | 4,250,087 | 4,423,908 | 4,509,031 | 4,462,217 | 4,418,613 | 4,471,660 |
| Month-to-Month R-value Increase (Decrease) of Total debt | | 173,821 | 85,123 | (46,814) | (43,604) | 53,046 |
| Month-to-Month % Increase (Decrease) on Total Debt | | 4.1% | 1.9% | -1.0% | -1.0% | 1.2% |
| % Weighting of Debt over 90 days | 91% | 88% | 88% | 88% | 90% | 90% |

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 2024/25. 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 November 2024, this will have to confirmed with NT, if it is for the same period of the prior year or the audited outcomes that are required. The error on Chart C4 Consumer Debtors (total by Debtor Customer Category) must be communicated to NT as the 2024/25 audited actuals is not aligned to the AFS and is based on an erroneous formula which the municipality is strictly prohibited from fixing manually. The C-schedule for this reason, is completely password protected. The corrected charts are indicated below.

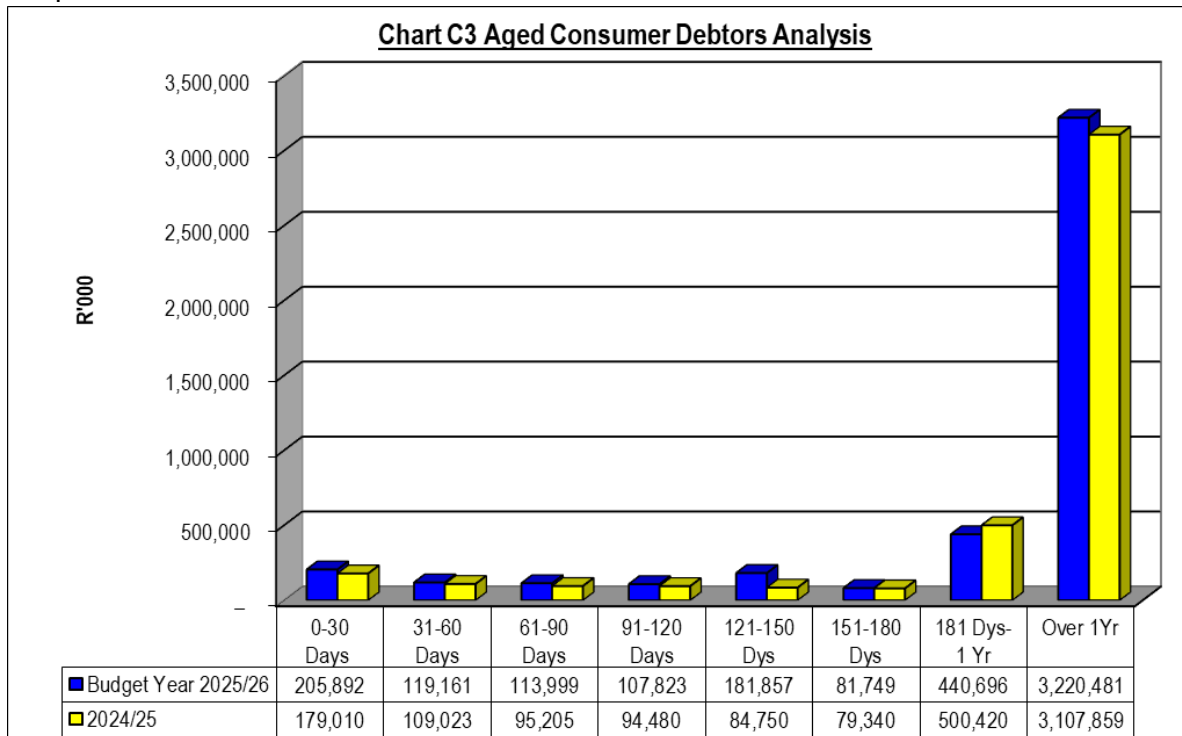


Chart 8: Aged Consumer Debtor Analysis

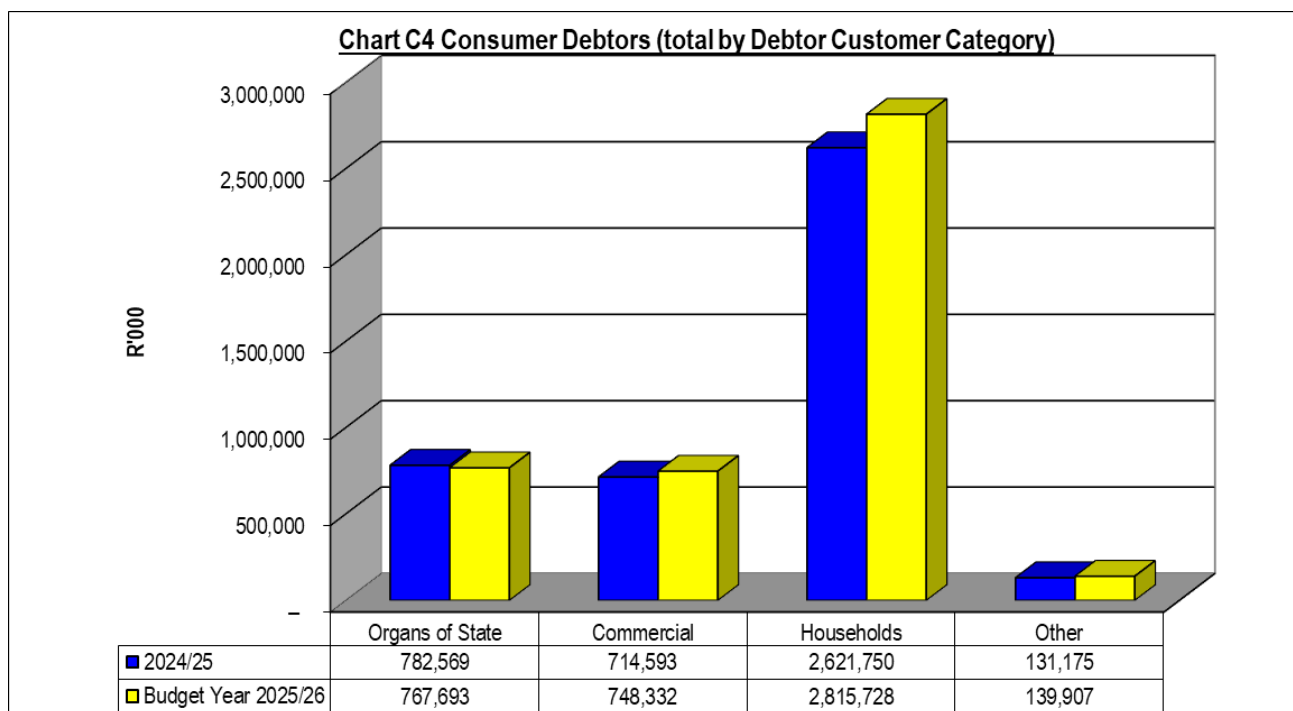


Chart 9: Consumer Debtors (total by Debtor Customer Category)

Revised collection rate

As per Table 9 below, when taking into consideration what was billed in October 2025 and received in November 2025, the monthly collection rate is 69%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 63%. It should be noted that receipts are aligned to the billing cycle which is normally from the 26th of the prior month to the 25th of the current month. The monthly collection rate is not satisfactory for the month under review. Unallocated receipts amounted to R10,073 million and will be allocated during December 2025. Indicated in Table 10 below is the revised average collection rate of 78.2%, 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 November to 30 November 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 October 2025) | Credits (Received November) | % Collected |
|--------------------------------------|-------------------------------------|------------------------------------|--------------------|
| PROPERTY RATES | 53,148,517 | 35,208,257 | 66% |
| ELECTRICITY | 49,417,472 | 46,617,886 | 94% |
| WATER | 34,495,744 | 17,481,809 | 51% |
| SEWERAGE | 10,572,483 | 4,501,517 | 43% |
| REFUSE | 8,444,200 | 3,851,109 | 46% |
| PROPERTY RATES & SERVICES | 156,078,416 | 107,660,579 | 69% |
| OTHER | 29,728,384 | 9,034,801 | 30% |
| TOTAL | 185,806,800 | 116,695,380 | 63% |

Table 9: Monthly collection rate

| REVENUE BY SOURCE | YTD ACTUAL NOVEMBER 2025 | YTD RECEIPTS | Rate |
|--|---------------------------------|----------------------|---------------|
| PROPERTY RATES | R 376,084,800 | R 269,317,212 | 71.6% |
| SERVICE CHARGE ELECTRICITY | R 288,686,525 | R 261,698,892 | 90.7% |
| SERVICE CHARGE ELECTRICITY - PREPAIDS | R 157,859,768 | R 157,859,768 | 100.0% |
| SERVICE CHARGE WATER | R 131,222,156 | R 74,543,741 | 56.8% |
| SERVICE CHARGE SANITATION | R 48,474,427 | R 22,671,070 | 46.8% |
| SERVICE CHARGE REFUSE | R 36,903,186 | R 19,707,157 | 53.4% |
| SERVICE CHARGES NON-EXCHANGE | R 4,780,552 | R 1,066,135 | 22.3% |
| UNALLOCATED CREDITS | | R 10,073,331 | |
| REVISED AVERAGE COLLECTION RATE - November 2025 | R 1,044,011,415 | R 816,937,305 | 78.2% |

Table 10: Revised Average collection rate

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

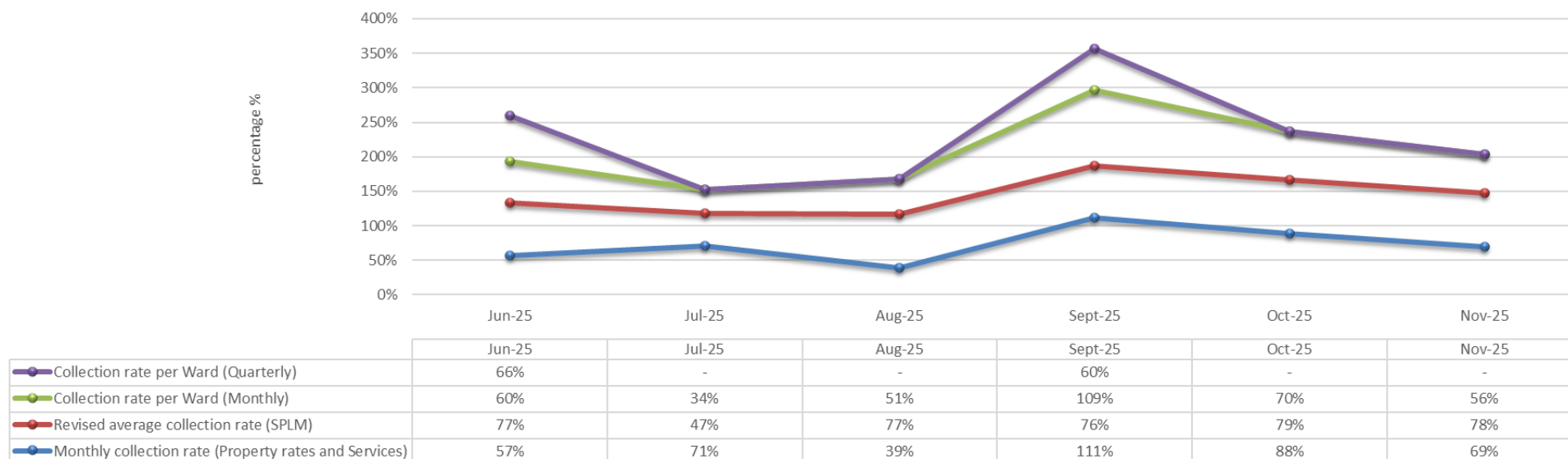


Chart 10: Comparative trend: Monthly and Revised average collection rate

Indicated in Chart 10 above, is the comparative trend between the monthly and average collection rate from June 2025 to November 2025. The monthly collection rate (Property rates & Services) for November 2025 is not satisfactory at 69%. The revised average collection for November 2025 which includes Prepaid sales and unallocated credits is 78%, 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 56% for the month under review. The quarterly collection rate per ward for the second quarter will be included in the December 2025 report. 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 R10,073 million was unallocated at month-end.

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

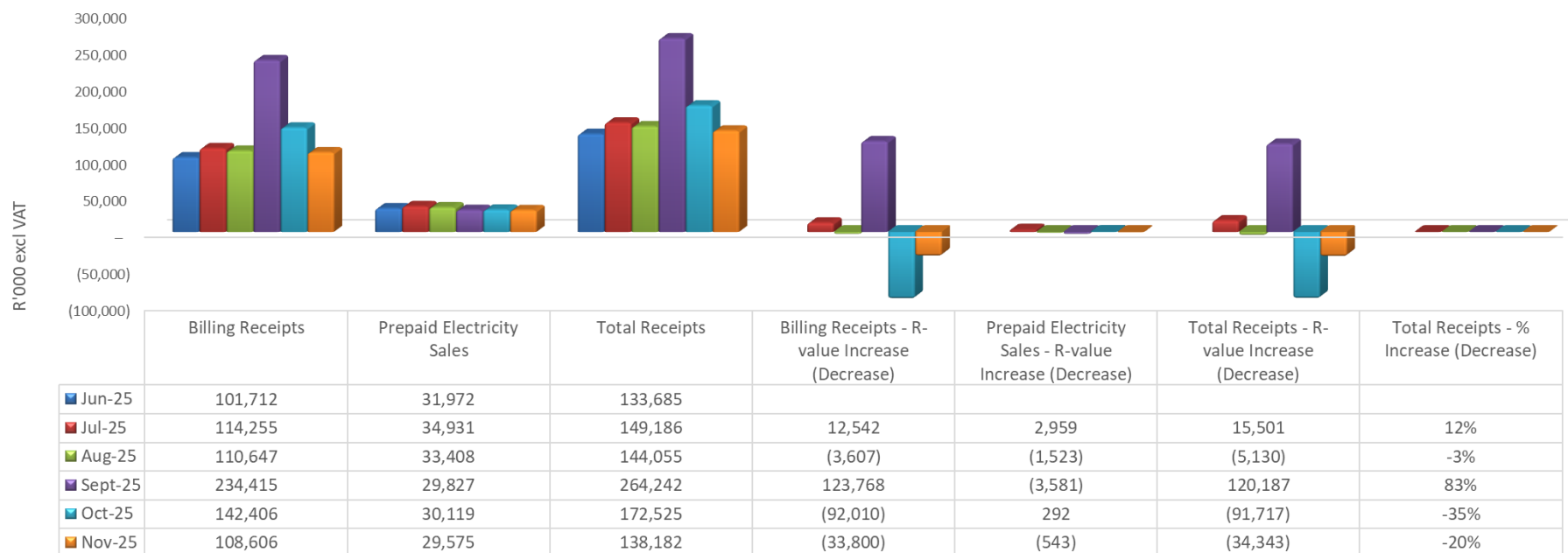


Chart 11: Month-to-month - Total Billing Receipts incl Prepaid Electricity

As indicated in Chart 11 above, the Total Receipts for November 2025 amounted to R138,182 million which resulted in a decrease of R34,343 million (20%) in respect of the month-to-month comparison. Billing receipts decreased by R33,800 million, whilst Prepaid Electricity Sales decreased by R543 thousand. 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 R10,073 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.

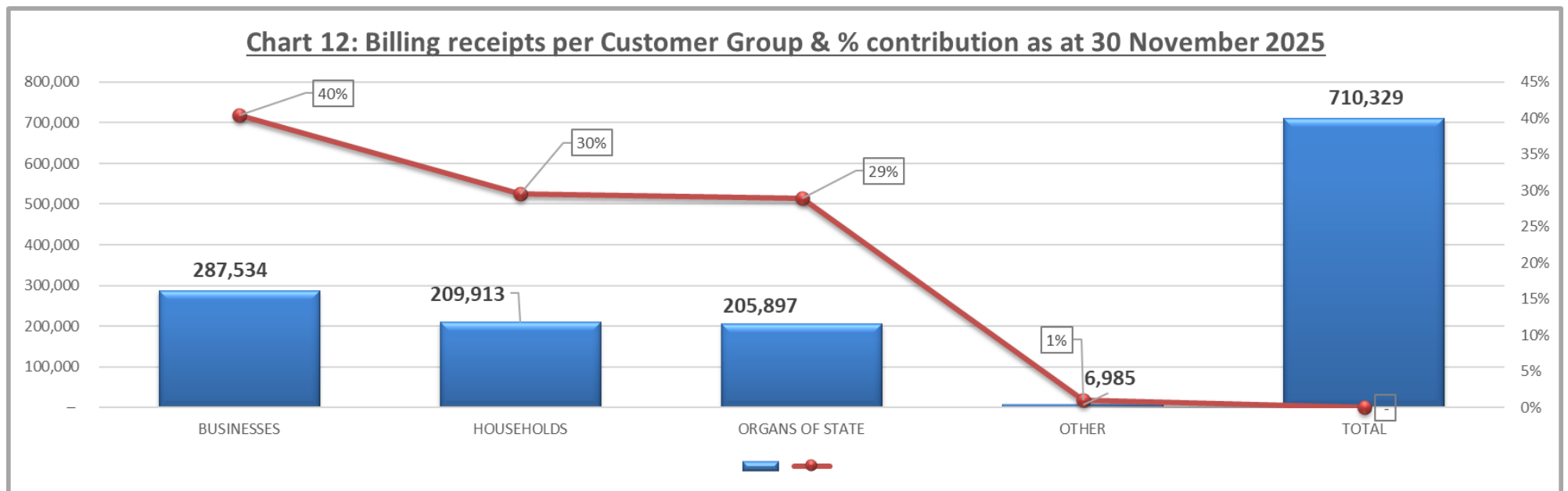


Chart 12: Billing receipts per Customer Group

Indicated in Chart 12 above, is the billing receipts and percentage contribution per major Customer group as at 30 November 2025 which amounts to R710,329 million. The municipality received R287,534 million (40%) from Businesses, Households R209,913 million (30%), Organs of State R205,897 million (29%) and Other R6,985 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 | 80,365 | 7.4% | 46,066 | 4.2% | - | - | 963,457 | 88.4% | 1,089,888 |
| Bulk Water | 14,866 | 7.2% | 24,801 | 11.9% | 20,043 | 9.6% | 148,123 | 71.3% | 207,833 |
| PAYE deductions | 12,198 | 100.0% | - | - | - | - | - | - | 12,198 |
| VAT (output less input) | - | - | - | - | - | - | - | - | - |
| Pensions / Retirement deductions | 8,617 | 100.0% | - | - | - | - | - | - | 8,617 |
| Loan repayments | - | - | - | - | - | - | - | - | - |
| Trade Creditors | 13,230 | 79.5% | 3,403 | 20.4% | 6 | - | 10 | .1% | 16,650 |
| Auditor-General | 3,453 | 100.0% | - | - | - | - | - | - | 3,453 |
| Other | 12,142 | 45.2% | - | - | - | - | 14,743 | 54.8% | 26,885 |
| Medical Aid deductions | 8,210 | 100.0% | - | - | - | - | - | - | 8,210 |
| Total | 153,081 | 11.1% | 74,270 | 5.4% | 20,049 | 1.5% | 1,126,333 | 82.0% | 1,373,733 |

Table 11: Part 5: Creditors Age Analysis

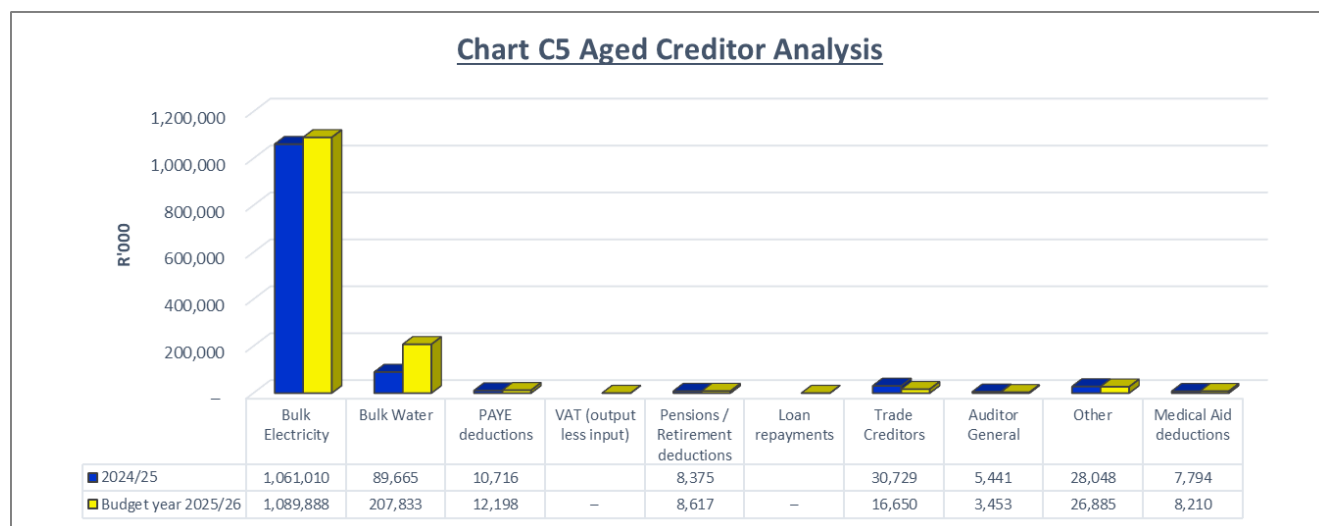


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2024/25 in Chart 13 is based on the outstanding creditors as at 30 November 2024 (prior year totals for the same period). Articulated in Table 11 above, is the age creditors analysis, which is standing at R1,373,733 billion owed to creditors. The analysis shows that 11.1% of creditors is owed between 0 to 30 days, whilst 82.0% of creditors is owed over 90 days. Bulk Electricity is the largest creditor at 79.3%.

Bulk Electricity – As at the 30 November 2025, the outstanding debt owed to ESKOM amounted to R1,089,888 billion. The write-off of R248 million for the first cycle of the Municipal Debt relief has been accounted, after receiving confirmation from Eskom.

Bulk Water – As at the 30 November 2025, the outstanding debt owed to DWS amounted R207,833 million. The debt owed to DWS is spiralling out of control. This is a huge concern, and management will have to take drastic action to ratify the situation. 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 Debt 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 claimed an amount of R8,997 million to SARS.

PAYE and Pension statutory deductions are paid over monthly to the relevant institutions on or before 7 December 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 R3,453 million.

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

Medical Aid deductions –medical aid contributions were settled on or before 7 December 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 November 2025, the value of total investments made was R396,022 million. Partially or prematurely withdrawn investments amounted to R95,254 million. The investment top-up amounted to R193,973 million for the month under review. The current status quo does not bode well for the municipality and we are running into major trouble in terms of meeting commitments to pay salaries, Eskom, DWS and even other creditors. The disclosure of interest has to be discussed with NT so that the municipality can align interest received to the data strings, whilst NT must provide guidance of the YTD accrued interest that are not yet reflected in the books. This exercise is normally performed during year-end procedures. Please note that the investments are committed and/or held for the following reasons:

| Purpose | R'000 |
|---|----------------|
| • A fixed deposit that was invested and ceded to Development Bank of South Africa representing the equivalent of one instalment of the long-term loan. | 21,054 |
| • 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. | 7,647 |
| • Unspent Capital grant receipts that was invested for the current year. | 238,056 |
| • Own funds invested - Ring-fenced Eskom income / If amount is NEGATIVE, it means that there are Grant funds in the main account | 129,265 |
| Total | 396,022 |

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M05 November

| Investments by maturity Name of institution & investment ID | Ref | Period of Investment | Type of Investment | Capital Guarantee (Yes/ No) | Variable or Fixed interest rate | Interest Rate * | Commission Paid (Rands) | Commission Recipient | Expiry date of investment | Opening balance | Interest to be realised | Partial / Premature Withdrawal (4) | Investment Top Up | Closing Balance |
|--|-----|----------------------|--------------------|-----------------------------|---------------------------------|-----------------|-------------------------|----------------------|---------------------------|-----------------|-------------------------|------------------------------------|-------------------|-----------------|
| | | Yrs/Months | | | | | | | | | | | | |
| 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 | | 259,321 | 1,516 | (71,516) | - | 189,321 |
| Absa Bank 20-6295-4443 | | 12 months | Notice | Yes | Fixed | 9.71% | 0 | | 2023/06/28 | 7,607 | 40 | - | - | 7,647 |
| Standard Bank - 04 846 6271-091 | | Monthly | Notice | No | Fixed | 890.00% | 0 | n/a | 2024/06/30 | 5,000 | 32 | (32) | - | 5,000 |
| Standard Bank 048466271-088 | | 12 months | Notice | No | Fixed | 970.00% | 0 | | 2024/11/10 | - | - | - | - | - |
| Standard Bank - 048466271-093 | | 12 months | Fixed | No | Fixed | 887.00% | 0 | | 2025/11/10 | 22,778 | 56 | (22,835) | - | - |
| Absa - 94 0279 0375 | | Monthly | Notice | No | Variable | 745.00% | 0 | n/a | 2026/06/30 | - | 871 | (871) | 173,000 | 173,000 |
| Standard Bank - 04 846 6271-094 | | 12 months | Fixed | No | Fixed | 742.50% | 0 | n/a | 2026/11/12 | - | 81 | - | 20,973 | 21,054 |
| Municipality sub-total | | | | | | | | | | 294,707 | 2,596 | (95,254) | 193,973 | 396,022 |

Table 12: Supporting Table SC5: Investment portfolio

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

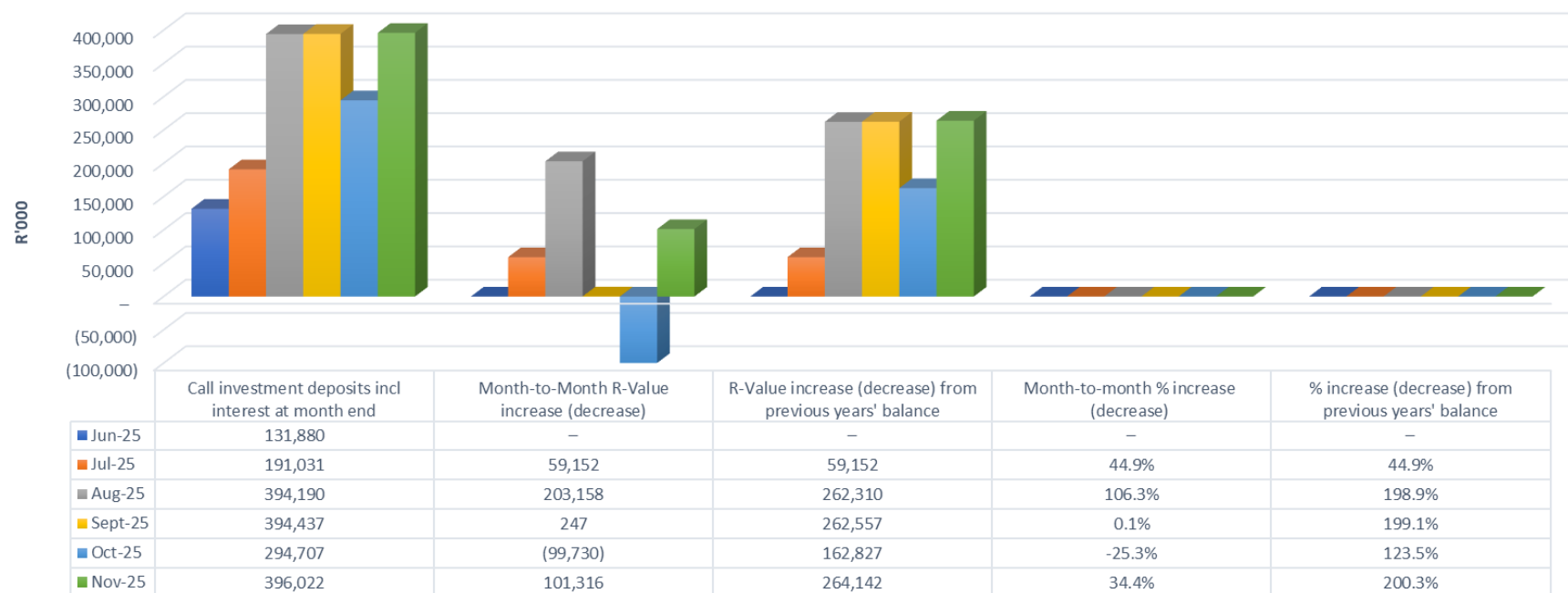


Chart 14: Call investment deposits at month-end

As indicated in the Chart 14 above from October 2025 to November 2025 investments incl interest increased by R101,316 million (34.4%), in respect of the month-to-month comparison. Investments increased by R264,142 million (200.3%) 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 - M05 November

| 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 | 448 | 132,944 | 131,112 | 1,832 | 1.4% | 314,669 |
| Energy Efficiency and Demand Side Management Grant | | – | – | – | – | – | – | – | – | – |
| Equitable Share | | 282,104 | 301,722 | 301,722 | – | 125,718 | 125,718 | 1 | 0.0% | 301,722 |
| Expanded Public Works Programme Integrated Grant | | 2,927 | 4,442 | 4,442 | – | 4,442 | 1,851 | 2,591 | 140.0% | 4,442 |
| Infrastructure Skills Development Grant | | 4,500 | 4,400 | 4,400 | 338 | 1,512 | 1,833 | (322) | -17.6% | 4,400 |
| Integrated Urban Development Grant | | 2,759 | 2,305 | 2,305 | 198 | 780 | 960 | (180) | -18.7% | 2,305 |
| Local Government Financial Management Grant | | 1,800 | 1,800 | 1,800 | (88) | 492 | 750 | (258) | -34.4% | 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 | 130 | 493 | 3,753 | (3,260) | -86.9% | 9,007 |
| Capacity Building and Other Grants | | 9,264 | 9,007 | 9,007 | 130 | 493 | 3,753 | (3,260) | -86.9% | 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 | 578 | 133,437 | 134,865 | (1,428) | -1.1% | 323,676 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | 574,062 | 684,166 | 684,166 | 82,849 | 282,672 | 285,069 | (2,397) | -0.8% | 684,166 |
| Energy Efficiency and Demand Side Management Grant | | 5,000 | 5,000 | 5,000 | 24 | 1,949 | 2,083 | (135) | -6.5% | 5,000 |
| Integrated National Electrification Programme Grant | | 4,500 | 19,000 | 19,000 | 1,320 | 5,999 | 7,917 | (1,918) | -24.2% | 19,000 |
| Integrated Urban Development Grant | | 72,562 | 76,066 | 76,066 | 573 | 15,892 | 31,694 | (15,802) | -49.9% | 76,066 |
| Municipal Infrastructure Grant | | – | – | – | – | – | – | – | – | – |
| Neighbourhood Development Partnership Grant | | – | 100 | 100 | – | – | 42 | (42) | -100.0% | 100 |
| Regional Bulk Infrastructure Grant | | 492,000 | 574,000 | 574,000 | 80,931 | 258,832 | 239,167 | 19,665 | 8.2% | 574,000 |
| Water Services Infrastructure Grant | | – | 10,000 | 10,000 | – | – | 4,167 | (4,167) | -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 | 82,849 | 282,672 | 285,069 | (2,397) | -0.8% | 684,166 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 5 | 887,473 | 1,007,842 | 1,007,842 | 83,428 | 416,110 | 419,934 | (3,825) | -0.9% | 1,007,842 |

Table 13: Supporting Table SC6: Transfers and grant receipts

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

Capital grant monies received for the month under review.

INEP – R3,800 million

RBIG – R172,200 million

EEDSM – R1,000 million

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

Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M05 November

| Description | | Ref | 2024/25 Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | Budget Year 2025/26 | | | | |
|--|--|-----|-------------------------------|--------------------|--------------------|----------------|---------------------|-----------------|----------------------|-----------------------|---------|
| | | | | | | 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 | 40,289 | 106,559 | 100,616 | 5,943 | 5.9% | 252,673 |
| Equitable Share | | | 251,739 | 239,722 | 239,722 | 39,668 | 103,579 | 95,220 | 8,359 | 8.8% | 239,722 |
| Expanded Public Works Programme Integrated Grant | | | 3,143 | 4,442 | 4,442 | 40 | 195 | 1,851 | (1,656) | -89.5% | 4,442 |
| Infrastructure Skills Development Grant | | | 4,373 | 4,400 | 4,400 | 338 | 1,512 | 1,833 | (322) | -17.6% | 4,400 |
| Integrated Urban Development Grant | | | 2,629 | 2,305 | 2,305 | 201 | 781 | 960 | (179) | -18.6% | 2,305 |
| Local Government Financial Management Grant | | | 1,800 | 1,804 | 1,804 | 42 | 492 | 752 | (259) | -34.5% | 1,804 |
| Municipal Disaster Relief Grant | | | - | - | - | - | - | - | - | - | - |
| Provincial Government: | | | 14,526 | 8,942 | 11,442 | 379 | 2,121 | 4,768 | (2,646) | -55.5% | 11,442 |
| Capacity Building and Other Grants | | | 9,055 | 8,942 | 8,942 | 126 | 494 | 3,726 | (3,232) | -86.7% | 8,942 |
| Infrastructure Grant | | | 5,471 | - | 2,500 | 253 | 1,627 | 1,042 | 586 | 56.2% | 2,500 |
| District Municipality: | | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | | - | - | - | - | - | - | - | - | - |
| European Union | | | - | - | - | - | - | - | - | - | - |
| Total operating expenditure of Transfers and Grants: | | | 278,210 | 261,615 | 264,115 | 40,667 | 108,680 | 105,384 | 3,296 | 3.1% | 264,115 |
| Capital expenditure of Transfers and Grants | | | | | | | | | | | |
| National Government: | | | 504,592 | 594,927 | 594,927 | 72,043 | 245,802 | 247,886 | (2,084) | -0.8% | 594,927 |
| Energy Efficiency and Demand Side Management Grant | | | 4,545 | 4,348 | 4,348 | 21 | 1,694 | 1,812 | (117) | -6.5% | 4,348 |
| Integrated National Electrification Programme Grant | | | 3,958 | 16,522 | 16,522 | 1,148 | 5,217 | 6,884 | (1,667) | -24.2% | 16,522 |
| Integrated Urban Development Grant | | | 64,588 | 66,144 | 66,144 | 498 | 13,820 | 27,560 | (13,741) | -49.9% | 66,144 |
| Municipal Infrastructure Grant | | | - | - | - | - | - | - | - | - | - |
| Neighbourhood Development Partnership Grant | | | - | 87 | 87 | - | - | 36 | (36) | -100.0% | 87 |
| Regional Bulk Infrastructure Grant | | | 431,501 | 499,130 | 499,130 | 70,375 | 225,071 | 207,971 | 17,100 | 8.2% | 499,130 |
| Water Services Infrastructure Grant | | | - | 8,696 | 8,696 | - | - | 3,623 | (3,623) | -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 | 72,043 | 245,802 | 247,886 | (2,084) | -0.8% | 594,927 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | | 782,802 | 856,542 | 859,042 | 112,710 | 354,482 | 353,270 | 1,212 | 0.3% | 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 | 498 | 13,820 | 4,089 | 20.89% |
| EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT) | 4,348 | 21 | 1,694 | 249 | 38.97% |
| RBIG (REGIONAL BULK INFRASTRUCTURE GRANT) | 499,130 | 70,375 | 225,071 | - | 45.09% |
| INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT) | 16,522 | 1,148 | 5,217 | 2 | 31.57% |
| NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT) | 87 | - | - | - | 0.00% |
| WSIG (WATER SERVICES INFRASTRUCTURE GRANT) | 8,696 | - | - | - | 0.00% |
| Grand Total | 594,927 | 72,043 | 245,802 | 4,340 | 41.32% |

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R245,802 million or 41.32% 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 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.

“Approval is hereby granted in terms of section 21(2) of the 2024 Division of Revenue Act, (Act No. 24 of 2024) (DoRA), as amended by the Division of Revenue Amendment Act, (Act No. 48 of 2024) (DoRAA) to retain an amount of **R535 thousand** allocated to your municipality in the 2024/25 financial year through the DoRA. This approval is in respect of the Integrated Urban Development Grant (IUDG).

The National Treasury in assessing your roll over request used the criteria set out in Circular No.130 of the Municipal Finance Management Act, 2003 (Act No.56 of 2003) as a guide for the consideration of the roll over submission by your municipality.

The approval amount of R535 thousand is for the following projects:

- Ablution Block- Kenilworth and Phutanang Cemetery (R287 thousand); and
- Construction- Old Sink Toilets (R248 thousand).”

| NC091 Sol Plaatje - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M05 November | | | | | | |
|--|-----|---------------------------|----------------|---------------|--------------|----------------|
| Description | Ref | Budget Year 2025/26 | | | | |
| | | Approved Rollover 2022/23 | Monthly actual | YearTD actual | YTD variance | YTD variance % |
| R thousands | | | | | | |
| EXPENDITURE | | | | | | |
| Capital expenditure of Approved Roll-overs | | | | | | |
| National Government: | | 535 | - | - | 535 | 100.0% |
| Integrated Urban Development Grant | | 535 | | | 535 | 100.0% |
| Provincial Government: | | - | - | - | - | |
| | | | | | - | |
| District Municipality: | | - | - | - | - | |
| | | | | | - | |
| Other grant providers: | | - | - | - | - | |
| | | | | | - | |
| Total capital expenditure of Approved Roll-overs | | 535 | - | - | 535 | 100.0% |
| | | | | | | |
| TOTAL EXPENDITURE OF APPROVED ROLL-OVERS | | 535 | - | - | 535 | 100.0% |

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

10. Councillor and board member allowances and employee benefits

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M05 November

| Summary of Employee and Councillor remuneration R thousands | 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 |
| | 1 | A | B | C | | | | | | D |
| Councillors (Political Office Bearers plus Other) | | | | | | | | | | |
| Basic Salaries and Wages | | - | 30,893 | 30,893 | 2,411 | 11,527 | 12,872 | (1,346) | -10% | 30,893 |
| Pension and UIF Contributions | | 1,040 | 1,540 | 1,540 | 78 | 387 | 642 | (254) | -40% | 1,540 |
| Medical Aid Contributions | | 657 | 710 | 710 | 54 | 270 | 296 | (25) | -9% | 710 |
| Motor Vehicle Allowance | | - | 950 | 950 | 101 | 485 | 396 | 89 | 22% | 950 |
| Cellphone Allowance | | 3,048 | 2,910 | 2,910 | 257 | 1,265 | 1,212 | 52 | 4% | 2,910 |
| Housing Allowances | | - | - | - | - | - | - | - | - | - |
| Other benefits and allowances | | 29,049 | 80 | 80 | - | - | 33 | (33) | -100% | 80 |
| Sub Total - Councillors | | 33,794 | 37,083 | 37,083 | 2,900 | 13,934 | 15,451 | (1,518) | -10% | 37,083 |
| % increase | 4 | | 9.7% | 9.7% | | | | | | 9.7% |
| Senior Managers of the Municipality | 3 | | | | | | | | | |
| Basic Salaries and Wages | | 5,763 | 8,743 | 8,743 | 353 | 1,943 | 3,643 | (1,700) | -47% | 8,743 |
| Pension and UIF Contributions | | 747 | 1,351 | 1,351 | 33 | 164 | 563 | (400) | -71% | 1,351 |
| Medical Aid Contributions | | 208 | 140 | 140 | 16 | 79 | 58 | 21 | 36% | 140 |
| Overtime | | - | - | - | - | - | - | - | - | - |
| Performance Bonus | | - | - | - | - | - | - | - | - | - |
| Motor Vehicle Allowance | | 1,136 | 2,113 | 2,113 | 87 | 434 | 881 | (447) | -51% | 2,113 |
| Cellphone Allowance | | 115 | 198 | 198 | 8 | 42 | 83 | (41) | -49% | 198 |
| Housing Allowances | | 21 | 24 | 24 | 2 | 9 | 10 | (1) | -12% | 24 |
| Other benefits and allowances | | - | - | - | - | - | - | - | - | - |
| Payments in lieu of leave | | - | - | - | - | - | - | - | - | - |
| Long service awards | | 29 | 31 | 31 | 1 | 6 | 13 | (7) | -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 | 2,677 | 5,250 | (2,573) | -49% | 12,601 |
| % increase | 4 | | 57.2% | 57.2% | | | | | | 57.2% |
| Other Municipal Staff | | | | | | | | | | |
| Basic Salaries and Wages | | 463,558 | 538,612 | 537,385 | 41,614 | 206,985 | 224,052 | (17,067) | -8% | 537,385 |
| Pension and UIF Contributions | | 83,957 | 99,661 | 99,661 | 7,272 | 36,481 | 41,525 | (5,045) | -12% | 99,661 |
| Medical Aid Contributions | | 58,162 | 69,790 | 69,790 | 4,855 | 27,366 | 29,079 | (1,713) | -6% | 69,790 |
| Overtime | | 78,779 | 58,301 | 58,601 | 7,967 | 30,641 | 24,359 | 6,282 | 26% | 58,601 |
| Performance Bonus | | 30,549 | 39,432 | 39,432 | 1,657 | 6,152 | 16,430 | (10,278) | -63% | 39,432 |
| Motor Vehicle Allowance | | 41,631 | 50,362 | 50,362 | 3,383 | 17,044 | 20,984 | (3,940) | -19% | 50,362 |
| Cellphone Allowance | | 1,585 | 1,740 | 1,740 | 128 | 657 | 725 | (68) | -9% | 1,740 |
| Housing Allowances | | 4,158 | 3,152 | 3,152 | 237 | 1,188 | 1,313 | (126) | -10% | 3,152 |
| Other benefits and allowances | | 31,886 | 32,935 | 33,862 | 3,090 | 14,358 | 14,026 | 332 | 2% | 33,862 |
| Payments in lieu of leave | | 10,012 | 16,200 | 16,200 | 91 | 1,149 | 6,750 | (5,601) | -83% | 16,200 |
| Long service awards | | 30,742 | 31,845 | 31,845 | 2,725 | 13,280 | 13,269 | 11 | 0% | 31,845 |
| Post-retirement benefit obligations | | 41,384 | 49,900 | 49,900 | 884 | 2,664 | 20,792 | (18,128) | -87% | 49,900 |
| Entertainment | | - | - | - | - | - | - | - | - | - |
| Scarcity | | - | - | - | - | - | - | - | - | - |
| Acting and post related allowance | | - | - | - | - | - | - | - | - | - |
| In kind benefits | | - | - | - | - | - | - | - | - | - |
| Sub Total - Other Municipal Staff | | 876,402 | 991,931 | 991,931 | 73,902 | 357,964 | 413,305 | (55,341) | -13% | 991,931 |
| % increase | 4 | | 13.2% | 13.2% | | | | | | 13.2% |
| Total Parent Municipality | | 918,214 | 1,041,615 | 1,041,615 | 77,302 | 374,575 | 434,006 | (59,432) | -14% | 1,041,615 |
| TOTAL SALARY, ALLOWANCES & BENEFITS | | 918,214 | 1,041,615 | 1,041,615 | 77,302 | 374,575 | 434,006 | (59,432) | -14% | 1,041,615 |
| % increase | 4 | | 13.4% | 13.4% | | | | | | 13.4% |
| TOTAL MANAGERS AND STAFF | | 884,420 | 1,004,532 | 1,004,532 | 74,402 | 360,641 | 418,555 | (57,914) | -14% | 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 14%. 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 10% 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.

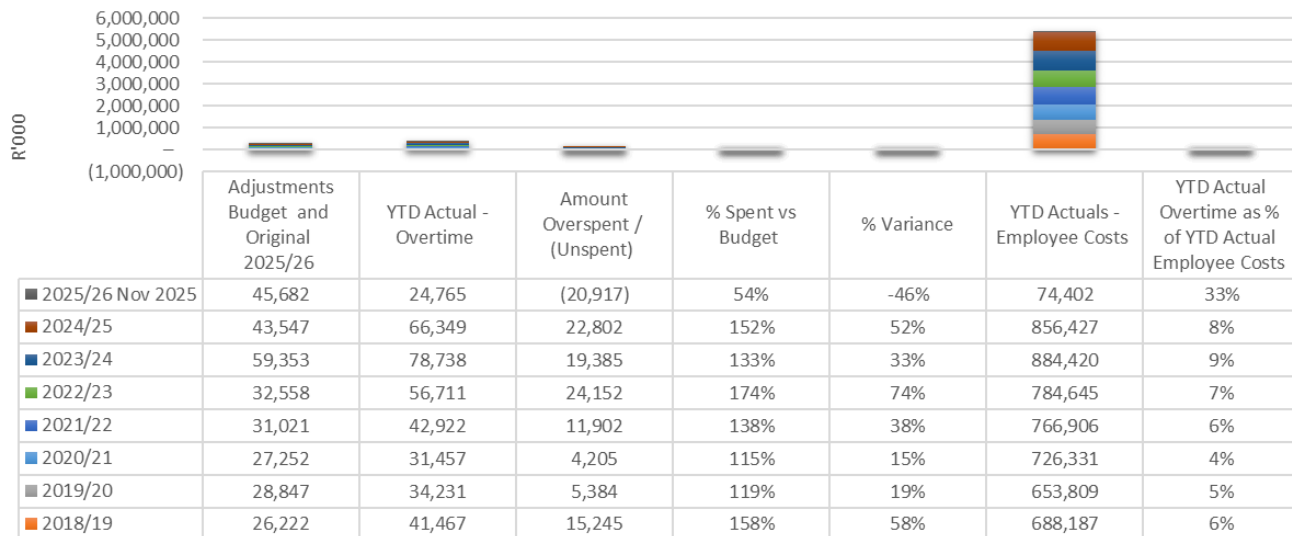
And indicated in Table 18 below, is the YTD Overtime expenditure per line item and also per Directorate as at end of November 2025.

| Description per line item (Amount in Rand) | Original Budget | Monthly Actual | YTD Actual | % Spent Original Budget |
|--|-------------------|------------------|-------------------|-------------------------|
| MS: OVERTIME - NON STRUCTURED | 42,176,000 | 6,565,381 | 23,182,560 | 55% |
| MS: OVERTIME - STRUCTURED | 3,506,000 | 300,708 | 1,582,763 | 45% |
| Overtime as at 30 November 2025 | 45,682,000 | 6,866,089 | 24,765,323 | 54% |
| | | | | |
| Row Labels | Original Budget | Monthly Actual | YTD Actual | % Spent Original Budget |
| 20-EXECUTIVE AND COUNCIL | 560,000 | 112,235 | 423,982 | 76% |
| 21-MUNICIPAL AND GENERAL | - | - | - | |
| 22-MUNICIPAL MANAGER | - | 2,633 | 12,097 | |
| 23-CORPORATE SERVICES | 2,035,000 | 426,060 | 1,989,621 | 98% |
| 24-COMMUNITY SERVICES | 17,145,000 | 1,645,544 | 6,223,641 | 36% |
| 26-FINANCIAL SERVICES | 1,216,000 | 208,675 | 801,704 | 66% |
| 27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING | 1,112,000 | 49,945 | 348,707 | 31% |
| 28-INFRASTRUCTURE SERVICES | 23,614,000 | 4,420,997 | 14,965,572 | 63% |
| Overtime as at 30 November 2025 | 45,682,000 | 6,866,089 | 24,765,323 | 54% |

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 54% spent versus the Original budget, resulting in an unsatisfactory variance of 12.5% for the period under review, when compared to the ideal IYM percentage of 41.67%.

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 R12.4 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 Nov 2025

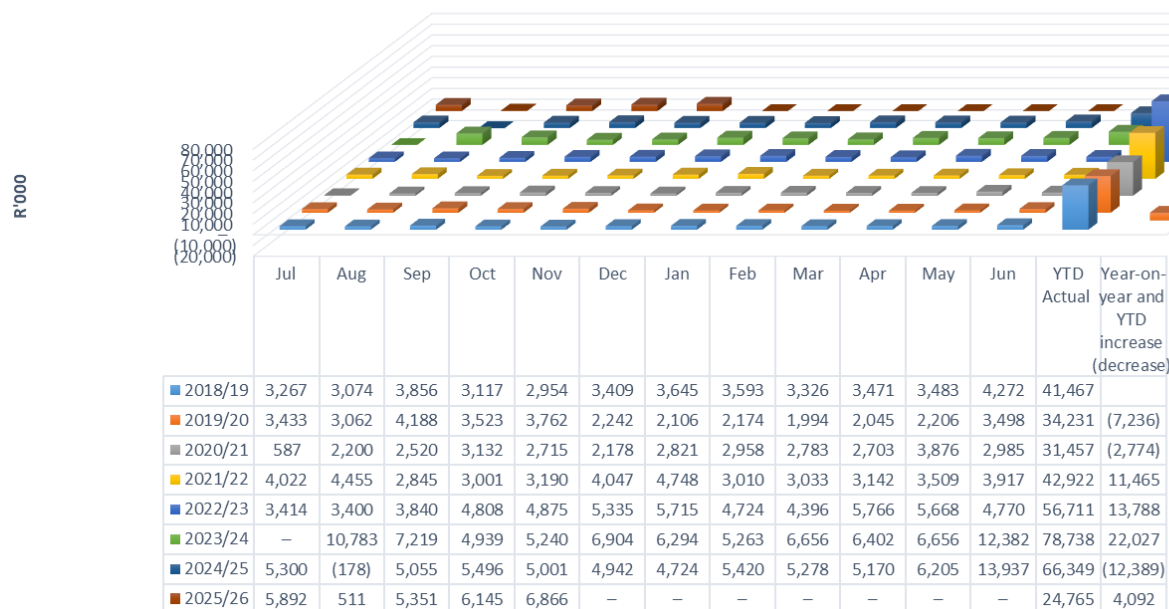


Chart 15.2: Monthly and Annual Overtime Comparison

The BTO office recommended the following precautionary measures.

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

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

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

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

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

12. Capital programme performance

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

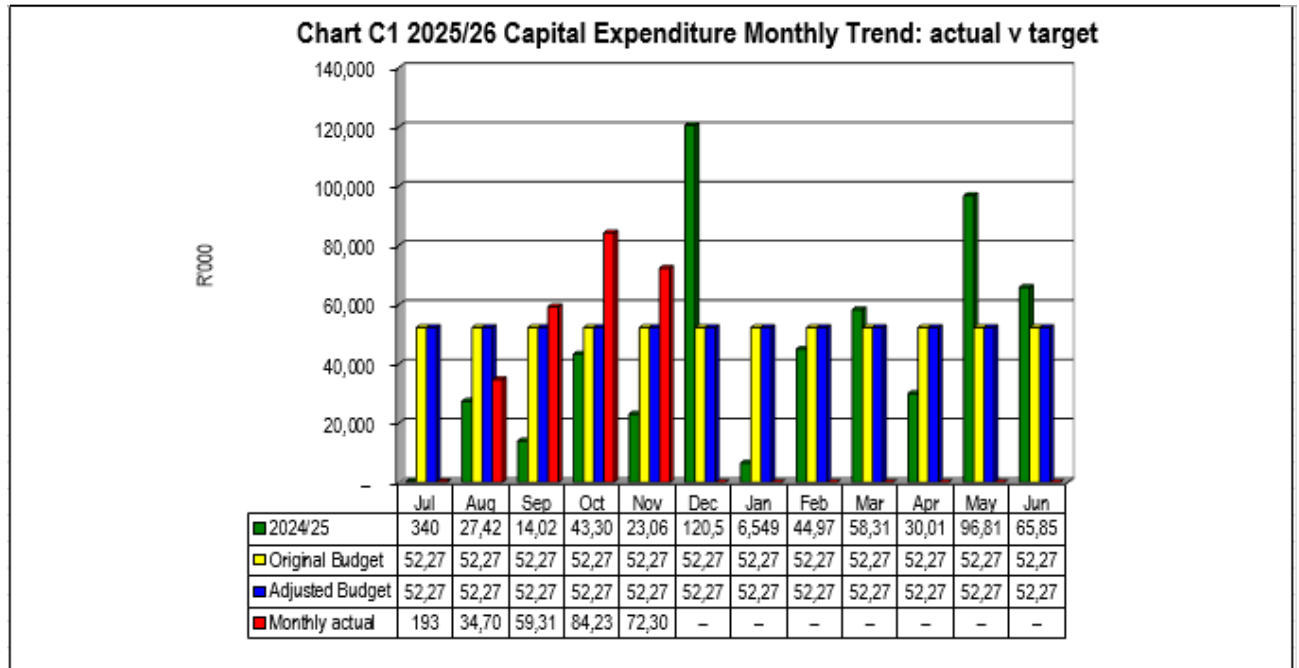


Chart 16.1: Capital Expenditure Monthly Trend: actual v target

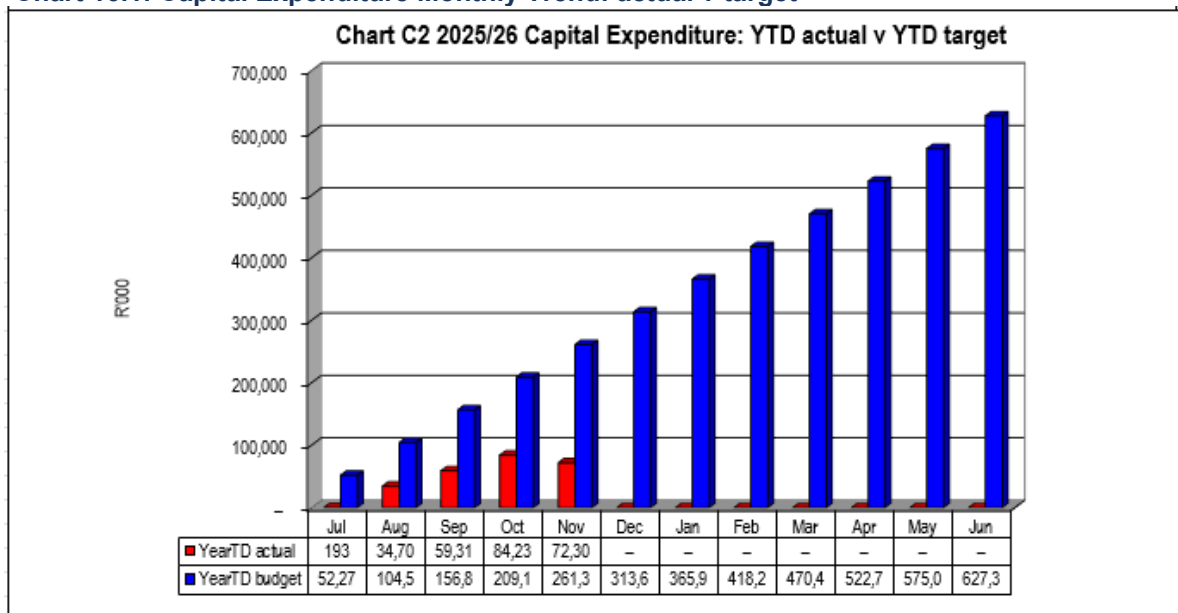


Chart 16.2: Capital Expenditure: YTD actual vs YTD target

| 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 | 259 | 4,949 | 583 | 15.27% | 15.27% |
| ACQ-COMPUTER EQUIPMENT REPLACEMENT | 6,783 | 6,783 | 100 | 692 | 572 | 10.21% | 10.21% |
| 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 | – | 15.75% | 15.75% |
| RUFURBISHMENT OF THE VINTAGE TRAM | 1,409 | 1,409 | – | – | – | 0.00% | 0.00% |
| PLANNING & DEVELOPMENT | 870 | 870 | 160 | 160 | – | 18.36% | 18.36% |
| 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 | – | 2,039 | – | 100.00% | 100.00% |
| REFURBISHMENT OF HOMEVALE WWTW | 4,348 | 4,348 | – | 782 | – | 17.99% | 17.99% |
| IUDG (INTEGRATED URBAN DEVELOPMENT GRANT) | 66,144 | 66,144 | 498 | 13,820 | 4,089 | 20.89% | 20.89% |
| UPGRADE GRAVEL ROADS WARDS VARIOUS | 8,261 | 8,261 | 79 | 3,832 | 2,389 | 46.39% | 46.39% |
| 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 | 261 | 1,666 | 624 | 63.85% | 63.85% |
| 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 | 158 | 866 | 95 | 39.85% | 39.85% |
| BEACONSFIELD WASTE WATER TREATMENT WORKS | 12,609 | 12,609 | – | – | – | 0.00% | 0.00% |
| HIGH MAST LIGHTS | 8,696 | 8,696 | – | 2,238 | 981 | 25.74% | 25.74% |
| EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT) | 4,348 | 4,348 | 21 | 1,694 | 249 | 38.97% | 38.97% |
| STREETLIGHTS AND HIGH MAST RETROFITTING | 4,348 | 4,348 | 21 | 1,694 | 249 | 38.97% | 38.97% |
| RBIG (REGIONAL BULK INFRASTRUCTURE GRANT) | 499,130 | 499,130 | 70,375 | 225,071 | – | 45.09% | 45.09% |
| UPGRADE EXISTING/NEW RESERVOIR CONSTRUCT | 46,541 | 46,541 | 3,952 | 9,764 | – | 20.98% | 20.98% |
| REFURBISHMENT/REPLACEMENT BULK PIPELINE | 366,547 | 366,547 | 51,382 | 150,355 | – | 41.02% | 41.02% |
| KBY/RITCHIE NETWORK LEAK DETECT/REPAIR | 32,220 | 32,220 | 5,743 | 21,359 | – | 66.29% | 66.29% |
| KBY/RITCHIE BULK METERS/PRESSURE MANAGE | 3,698 | 3,698 | 131 | 3,202 | – | 86.59% | 86.59% |
| NEWTON AND RIVERTON WWTW | 50,125 | 50,125 | 9,167 | 40,392 | – | 80.58% | 80.58% |
| INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT) | 16,522 | 16,522 | 1,148 | 5,217 | 2 | 31.57% | 31.57% |
| ELECTRIFICATION OF JACKSONVILLE | 5,891 | 5,891 | 1,147 | 2,414 | – | 40.98% | 40.98% |
| NETWORKS ACQ - ELECTR SANTA CENTRE | 2,804 | 2,804 | 2 | 2,802 | 2 | 99.93% | 99.93% |
| 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 | 72,302 | 250,751 | 4,922 | 39.97% | 39.97% |

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 November 2025 is fairly satisfactory but not totally at a desired level. Capital expenditure requires constant monitoring from management to improve the final outcome. The actual monthly expenditure for November 2025 amounted to R72,302 million. The total YTD Capex amounts to R250,751 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 (20.89%), EEDSM (38.97%), RBIG (45.09%), INEP (31.57%), WSIG (0%). Spending on Internally generated funds is 15.27% spent. Implementation of projects is normally delayed due to the finalization of procurement processes. Payment certificates are settled once work is completed. Capex for the first quarter is normally slow for this reason, in that commencement of procurement processes is not aligned to the budget approval and specifications are not done early so that it can be advertised timeously.

13. Other supporting documents

Additional information or supporting documentation for November 2025.

- Monthly Debt Relief Non-Compliance Report accompanied by the Municipal Debt Relief Compliance Certificate issued by National Treasury for October 2025.
- The municipality's self-assessment for the month of November 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
- 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, Absorption of contract workers 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, August and November 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 April 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 - M05 November

| 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 | 53,125 | 376,085 | 299,133 | 76,952 | 26% | 717,920 |
| Service charges | 1,449,088 | 1,761,512 | 1,761,512 | 119,990 | 663,146 | 733,963 | (70,817) | -10% | 1,761,512 |
| Investment revenue | 21,841 | 18,000 | 18,000 | 620 | 1,341 | 7,500 | (6,159) | -82% | 18,000 |
| Transfers and subsidies - Operational | 313,411 | 323,676 | 323,676 | 578 | 133,437 | 134,865 | (1,428) | (0) | 323,676 |
| Other own revenue | 430,140 | 413,080 | 413,080 | 24,736 | 153,250 | 172,117 | (18,866) | -11% | 413,080 |
| Total Revenue (excluding capital transfers and contributions) | 2,901,820 | 3,234,188 | 3,234,188 | 199,049 | 1,327,260 | 1,347,578 | (20,318) | -2% | 3,234,188 |
| Employee costs | 884,420 | 1,004,532 | 1,004,532 | 74,402 | 360,641 | 418,555 | (57,914) | -14% | 1,004,532 |
| Remuneration of Councillors | 33,794 | 37,083 | 37,083 | 2,900 | 13,934 | 15,451 | (1,518) | -10% | 37,083 |
| Depreciation and amortisation | 96,037 | 90,200 | 90,200 | — | — | 37,583 | (37,583) | -100% | 90,200 |
| Interest | 104,569 | 15,880 | 15,880 | 2 | 7 | 69 | (62) | -90% | 15,880 |
| Inventory consumed and bulk purchases | 1,182,440 | 1,331,852 | 1,331,852 | 13,510 | 505,426 | 599,272 | (93,846) | -16% | 1,331,852 |
| Transfers and subsidies | 2,807 | 4,300 | 4,300 | 21 | 1,792 | 1,121 | (671) | -63% | 4,300 |
| Other expenditure | 780,530 | 728,658 | 728,658 | 140,833 | 339,207 | 303,608 | 35,599 | 12% | 728,658 |
| Total Expenditure | 3,084,597 | 3,212,506 | 3,212,506 | 231,668 | 1,219,885 | 1,376,330 | (156,445) | -11% | 3,212,506 |
| Surplus/(Deficit) | (182,777) | 21,682 | 21,682 | (32,618) | 107,375 | (28,752) | 136,127 | -473% | 21,682 |
| Transfers and subsidies - capital (monetary) | 574,062 | 684,166 | 684,166 | 82,849 | 282,672 | 285,069 | (2,397) | -1% | 684,166 |
| Transfers and subsidies - capital (in-kind) | — | — | — | — | — | — | — | — | — |
| Surplus/(Deficit) after capital transfers & contributions | 391,285 | 705,848 | 705,848 | 50,231 | 390,047 | 256,317 | 133,730 | 52% | 705,848 |
| Share of surplus/ (deficit) of associate | — | — | — | — | — | — | — | — | — |
| Surplus/ (Deficit) for the year | 391,285 | 705,848 | 705,848 | 50,231 | 390,047 | 256,317 | 133,730 | 52% | 705,848 |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 536,075 | 627,331 | 627,331 | 72,302 | 250,751 | 261,388 | (10,637) | -4% | 627,331 |
| Capital transfers recognised | 504,592 | 594,927 | 594,927 | 72,043 | 245,802 | 247,886 | (2,084) | -1% | 594,927 |
| Borrowing | — | — | — | — | — | — | — | — | — |
| Internally generated funds | 31,484 | 32,404 | 32,404 | 259 | 4,949 | 13,502 | (8,553) | -63% | 32,404 |
| Total sources of capital funds | 536,075 | 627,331 | 627,331 | 72,302 | 250,751 | 261,388 | (10,637) | -4% | 627,331 |
| Financial position | | | | | | | | | |
| Total current assets | 2,957,797 | 3,027,796 | 3,027,796 | | 3,526,512 | | | | 3,027,796 |
| Total non current assets | 2,257,023 | 3,131,060 | 3,131,060 | | 2,507,774 | | | | 3,131,060 |
| Total current liabilities | 1,204,094 | 1,669,231 | 1,669,231 | | 1,633,512 | | | | 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 | | 3,223,261 | | | | 4,046,698 |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | 515,176 | 753,802 | 753,802 | 243,033 | 221,036 | 314,084 | 93,048 | 30% | 753,802 |
| Net cash from (used) investing | (529,312) | (721,431) | (721,431) | (72,302) | (250,751) | (300,596) | (49,845) | 17% | (721,431) |
| Net cash from (used) financing | 100 | (16,688) | (16,688) | (12) | 36 | (6,953) | (6,989) | 101% | (16,688) |
| Cash/cash equivalents at the month/year end | 99,690 | 146,574 | 146,574 | 134,230 | 134,230 | 137,425 | 3,196 | 2% | 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 | 205,892 | 119,161 | 113,999 | 107,823 | 181,857 | 81,749 | 440,696 | 3,220,481 | 4,471,660 |
| Creditors Age Analysis | | | | | | | | | |
| Total Creditors | 153,081 | 74,270 | 20,049 | 144,179 | 68,307 | 135,420 | 36,077 | 742,350 | 1,373,733 |

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M05 November

| 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 | | | | | | | | | |
| Revenue - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | 1,770,560 | 1,815,862 | 1,815,862 | 143,163 | 849,031 | 756,609 | 92,422 | 12% | 1,815,862 |
| Executive and council | | 1,049,209 | 1,067,130 | 1,067,130 | 94,507 | 470,213 | 444,638 | 25,576 | 6% | 1,067,130 |
| Finance and administration | | 721,351 | 748,732 | 748,732 | 48,656 | 378,818 | 311,971 | 66,846 | 21% | 748,732 |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| <i>Community and public safety</i> | | 52,398 | 46,152 | 46,152 | 2,778 | 15,751 | 19,230 | (3,479) | -18% | 46,152 |
| Community and social services | | 12,453 | 12,888 | 12,888 | 333 | 1,797 | 5,370 | (3,573) | -67% | 12,888 |
| Sport and recreation | | 3,217 | 2,910 | 2,910 | 118 | 1,102 | 1,213 | (110) | -9% | 2,910 |
| Public safety | | 818 | 570 | 570 | 43 | 278 | 238 | 40 | 17% | 570 |
| Housing | | 31,910 | 29,708 | 29,708 | 2,284 | 12,574 | 12,378 | 195 | 2% | 29,708 |
| Health | | 4,000 | 75 | 75 | - | - | 31 | (31) | -100% | 75 |
| <i>Economic and environmental services</i> | | 21,781 | 23,377 | 23,377 | 607 | 5,519 | 9,740 | (4,222) | -43% | 23,377 |
| Planning and development | | 8,200 | 9,207 | 9,207 | 455 | 4,388 | 3,836 | 552 | 14% | 9,207 |
| Road transport | | 13,581 | 14,170 | 14,170 | 152 | 1,131 | 5,904 | (4,773) | -81% | 14,170 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 1,619,577 | 2,020,883 | 2,020,883 | 134,417 | 733,556 | 842,034 | (108,479) | -13% | 2,020,883 |
| Energy sources | | 984,262 | 1,305,623 | 1,305,623 | 77,355 | 457,706 | 544,010 | (86,304) | -16% | 1,305,623 |
| Water management | | 387,287 | 448,093 | 448,093 | 34,509 | 165,121 | 186,705 | (21,585) | -12% | 448,093 |
| Waste water management | | 141,634 | 157,774 | 157,774 | 12,887 | 63,010 | 65,739 | (2,729) | -4% | 157,774 |
| Waste management | | 106,393 | 109,393 | 109,393 | 9,665 | 47,720 | 45,580 | 2,139 | 5% | 109,393 |
| <i>Other</i> | 4 | 11,566 | 12,081 | 12,081 | 934 | 6,075 | 5,034 | 1,042 | 21% | 12,081 |
| Total Revenue - Functional | 2 | 3,475,882 | 3,918,354 | 3,918,354 | 281,899 | 1,609,932 | 1,632,647 | (22,715) | -1% | 3,918,354 |
| Expenditure - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | 805,135 | 756,026 | 756,026 | 103,583 | 331,962 | 315,011 | 16,951 | 5% | 756,026 |
| Executive and council | | 566,498 | 532,963 | 532,963 | 80,822 | 221,901 | 222,068 | (167) | 0% | 532,963 |
| Finance and administration | | 234,475 | 219,046 | 219,046 | 22,396 | 108,117 | 91,269 | 16,848 | 18% | 219,046 |
| Internal audit | | 4,162 | 4,017 | 4,017 | 365 | 1,945 | 1,674 | 271 | 16% | 4,017 |
| <i>Community and public safety</i> | | 195,831 | 219,901 | 219,901 | 16,186 | 78,897 | 91,626 | (12,729) | -14% | 219,901 |
| Community and social services | | 48,397 | 52,711 | 52,711 | 3,923 | 18,866 | 21,963 | (3,097) | -14% | 52,711 |
| Sport and recreation | | 63,434 | 66,957 | 66,957 | 4,981 | 24,812 | 27,899 | (3,086) | -11% | 66,957 |
| Public safety | | 42,589 | 47,422 | 47,422 | 3,618 | 17,823 | 19,759 | (1,936) | -10% | 47,422 |
| Housing | | 22,733 | 31,345 | 31,345 | 2,156 | 9,857 | 13,060 | (3,203) | -25% | 31,345 |
| Health | | 18,679 | 21,467 | 21,467 | 1,508 | 7,537 | 8,944 | (1,407) | -16% | 21,467 |
| <i>Economic and environmental services</i> | | 179,646 | 189,177 | 189,177 | 19,357 | 83,646 | 78,824 | 4,822 | 6% | 189,177 |
| Planning and development | | 48,260 | 55,838 | 55,838 | 4,027 | 20,552 | 23,266 | (2,714) | -12% | 55,838 |
| Road transport | | 130,479 | 132,364 | 132,364 | 15,255 | 62,718 | 55,152 | 7,566 | 14% | 132,364 |
| Environmental protection | | 907 | 975 | 975 | 75 | 376 | 406 | (30) | -7% | 975 |
| <i>Trading services</i> | | 1,878,985 | 2,016,320 | 2,016,320 | 90,489 | 715,085 | 877,919 | (162,834) | -19% | 2,016,320 |
| Energy sources | | 1,239,137 | 1,303,951 | 1,303,951 | 20,833 | 476,349 | 582,982 | (106,633) | -18% | 1,303,951 |
| Water management | | 439,992 | 445,043 | 445,043 | 45,236 | 148,621 | 184,228 | (35,607) | -19% | 445,043 |
| Waste water management | | 117,220 | 158,834 | 158,834 | 13,349 | 51,834 | 65,504 | (13,670) | -21% | 158,834 |
| Waste management | | 82,637 | 108,493 | 108,493 | 11,071 | 38,281 | 45,205 | (6,925) | -15% | 108,493 |
| <i>Other</i> | | 25,000 | 31,081 | 31,081 | 2,053 | 10,295 | 12,950 | (2,655) | -21% | 31,081 |
| Total Expenditure - Functional | 3 | 3,084,597 | 3,212,506 | 3,212,506 | 231,668 | 1,219,885 | 1,376,330 | (156,445) | -11% | 3,212,506 |
| Surplus/ (Deficit) for the year | | 391,285 | 705,848 | 705,848 | 50,231 | 390,047 | 256,317 | 133,730 | 0.5217346 | 705,848 |

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M05 November

| Vote Description | Ref | 2024/25 | Budget Year 2025/26 | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| Revenue by Vote | 1 | | | | | | | | | |
| Vote 01 - Executive & Council | | - | - | - | - | - | - | - | | - |
| Vote 02 - Municipal And General | | 1,049,209 | 1,067,130 | 1,067,130 | 94,507 | 470,213 | 444,638 | 25,576 | 5.8% | 1,067,130 |
| Vote 03 - Municipal Manager | | 2,759 | 2,305 | 2,305 | 198 | 780 | 960 | (180) | -18.7% | 2,305 |
| Vote 04 - Corporate Services | | 6,263 | 6,110 | 6,110 | 342 | 1,533 | 2,546 | (1,012) | -39.8% | 6,110 |
| Vote 05 - Community Services | | 149,002 | 148,586 | 148,586 | 11,167 | 56,179 | 61,911 | (5,732) | -9.3% | 148,586 |
| Vote 06 - Financial Services | | 714,281 | 742,122 | 742,122 | 48,286 | 377,033 | 309,217 | 67,816 | 21.9% | 742,122 |
| Vote 07 - Strategy Econ Development And Planning | | 8,419 | 10,003 | 10,003 | 294 | 5,402 | 4,168 | 1,234 | 29.6% | 10,003 |
| Vote 08 - Infrastructure And Services | | 1,545,949 | 1,942,098 | 1,942,098 | 127,105 | 698,791 | 809,208 | (110,417) | -13.6% | 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 | 281,899 | 1,609,932 | 1,632,647 | (22,715) | -1.4% | 3,918,354 |
| Expenditure by Vote | 1 | | | | | | | | | |
| Vote 01 - Executive & Council | | 57,033 | 61,221 | 61,221 | 4,773 | 23,179 | 25,509 | (2,330) | -9.1% | 61,221 |
| Vote 02 - Municipal And General | | 495,206 | 464,832 | 464,832 | 74,561 | 192,827 | 193,680 | (853) | -0.4% | 464,832 |
| Vote 03 - Municipal Manager | | 29,886 | 30,614 | 30,614 | 2,621 | 11,638 | 12,756 | (1,118) | -8.8% | 30,614 |
| Vote 04 - Corporate Services | | 73,335 | 81,513 | 81,513 | 6,681 | 32,031 | 33,964 | (1,933) | -5.7% | 81,513 |
| Vote 05 - Community Services | | 320,158 | 363,848 | 363,848 | 30,437 | 133,776 | 151,603 | (17,827) | -11.8% | 363,848 |
| Vote 06 - Financial Services | | 143,187 | 173,366 | 173,366 | 10,935 | 57,288 | 72,236 | (14,948) | -20.7% | 173,366 |
| Vote 07 - Strategy Econ Development And Planning | | 55,692 | 76,090 | 76,090 | 4,120 | 21,650 | 31,704 | (10,054) | -31.7% | 76,090 |
| Vote 08 - Infrastructure And Services | | 1,910,101 | 1,961,023 | 1,961,023 | 97,539 | 747,496 | 854,878 | (107,383) | -12.6% | 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 | 231,668 | 1,219,885 | 1,376,330 | (156,445) | -11.4% | 3,212,506 |
| Surplus/ (Deficit) for the year | 2 | 391,285 | 705,848 | 705,848 | 50,231 | 390,047 | 256,317 | 133,730 | 52.2% | 705,848 |

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November

| 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 | 75,009 | 446,546 | 507,885 | (61,338) | -12% | 1,218,923 |
| Service charges - Water | | | 312,941 | 362,722 | 362,722 | 27,620 | 131,222 | 151,134 | (19,912) | -13% | 362,722 |
| Service charges - Waste Water Management | | | 110,559 | 106,274 | 106,274 | 9,913 | 48,474 | 44,281 | 4,194 | 9% | 106,274 |
| Service charges - Waste management | | | 83,147 | 73,593 | 73,593 | 7,448 | 36,903 | 30,664 | 6,240 | 20% | 73,593 |
| Sale of Goods and Rendering of Services | | | 16,897 | 18,644 | 18,644 | 746 | 8,256 | 7,768 | 487 | 6% | 18,644 |
| Agency services | | | — | — | — | — | — | — | — | — | — |
| Interest | | | — | — | — | — | — | — | — | — | — |
| Interest earned from Receivables | | | 166,017 | 142,100 | 142,100 | 15,611 | 77,459 | 59,208 | 18,251 | 31% | 142,100 |
| Interest from Current and Non Current Assets | | | 21,841 | 18,000 | 18,000 | 620 | 1,341 | 7,500 | (6,159) | -82% | 18,000 |
| Dividends | | | — | — | — | — | — | — | — | — | — |
| Rent on Land | | | — | — | — | — | — | — | — | — | — |
| Rental from Fixed Assets | | | 32,057 | 29,740 | 29,740 | 2,304 | 12,678 | 12,392 | 287 | 2% | 29,740 |
| Licence and permits | | | 660 | 1,000 | 1,000 | 27 | 162 | 417 | (254) | -61% | 1,000 |
| Special rating levies | | | — | — | — | — | — | — | — | — | — |
| Operational Revenue | | | 3,152 | 3,383 | 3,383 | 222 | 1,387 | 1,410 | (23) | -2% | 3,383 |
| Non-Exchange Revenue | | | | | | | | | | | |
| Property rates | | | 687,339 | 717,920 | 717,920 | 53,125 | 376,085 | 299,133 | 76,952 | 26% | 717,920 |
| Surcharges and Taxes | | | — | — | — | — | — | — | — | — | — |
| Fines, penalties and forfeits | | | 36,851 | 34,743 | 34,743 | (4,763) | 635 | 14,476 | (13,842) | -96% | 34,743 |
| Licence and permits | | | 8,435 | 8,200 | 8,200 | 865 | 4,184 | 3,417 | 768 | 22% | 8,200 |
| Transfers and subsidies - Operational | | | 313,411 | 323,676 | 323,676 | 578 | 133,437 | 134,865 | (1,428) | -1% | 323,676 |
| Interest | | | 103,759 | 117,020 | 117,020 | 8,737 | 43,708 | 48,758 | (5,050) | -10% | 117,020 |
| Fuel Levy | | | — | — | — | — | — | — | — | — | — |
| Operational Revenue | | | 27,322 | 58,250 | 58,250 | 987 | 4,781 | 24,271 | (19,490) | -80% | 58,250 |
| Gains on disposal of Assets | | | 6,763 | — | — | — | — | — | — | — | — |
| Other Gains | | | 28,227 | — | — | — | — | — | — | — | — |
| Discontinued Operations | | | | | | | | | | | |
| | | | 2,901,820 | 3,234,188 | 3,234,188 | 199,049 | 1,327,260 | 1,347,578 | (20,318) | -2% | 3,234,188 |
| Total Revenue (excluding capital transfers and contributions) | | | | | | | | | | | |
| Expenditure By Type | | | | | | | | | | | |
| Employee related costs | | | 884,420 | 1,004,532 | 1,004,532 | 74,402 | 360,641 | 418,555 | (57,914) | -14% | 1,004,532 |
| Remuneration of councillors | | | 33,794 | 37,083 | 37,083 | 2,900 | 13,934 | 15,451 | (1,518) | -10% | 37,083 |
| Bulk purchases - electricity | | | 901,045 | 1,000,000 | 1,000,000 | (11,155) | 388,895 | 461,000 | (72,105) | -16% | 1,000,000 |
| Inventory consumed | | | 281,395 | 331,852 | 331,852 | 24,664 | 116,532 | 138,272 | (21,740) | -16% | 331,852 |
| Debt impairment | | | 476,743 | 437,149 | 437,149 | 109,287 | 218,574 | 182,145 | 36,429 | 20% | 437,149 |
| Depreciation and amortisation | | | 96,037 | 90,200 | 90,200 | — | — | 37,583 | (37,583) | -100% | 90,200 |
| Interest | | | 104,569 | 15,880 | 15,880 | 2 | 7 | 69 | (62) | -90% | 15,880 |
| Contracted services | | | 53,129 | 45,856 | 45,856 | 3,066 | 10,036 | 19,107 | (9,071) | -47% | 45,856 |
| Transfers and subsidies | | | 2,807 | 4,300 | 4,300 | 21 | 671 | 1,792 | (1,121) | -63% | 4,300 |
| Irrecoverable debts written off | | | — | — | — | (4) | 2 | — | 2 | #DIV/0! | — |
| Operational costs | | | 151,187 | 176,654 | 176,654 | 18,109 | 84,966 | 73,606 | 11,361 | 15% | 176,654 |
| Losses on Disposal of Assets | | | 4,924 | — | — | — | — | — | — | — | — |
| Other Losses | | | 94,546 | 69,000 | 69,000 | 10,375 | 25,629 | 28,750 | (3,121) | -11% | 69,000 |
| Total Expenditure | | | 3,084,597 | 3,212,506 | 3,212,506 | 231,668 | 1,219,885 | 1,376,330 | (156,445) | -11% | 3,212,506 |
| Surplus/(Deficit) | | | (182,777) | 21,682 | 21,682 | (32,618) | 107,375 | (28,752) | 136,127 | (0) | 21,682 |
| Transfers and subsidies - capital (monetary allocations) | | | 574,062 | 684,166 | 684,166 | 82,849 | 282,672 | 285,069 | (2,397) | (0) | 684,166 |
| Transfers and subsidies - capital (in-kind) | | | — | — | — | — | — | — | — | — | — |
| Surplus/(Deficit) after capital transfers & contributions | | | 391,285 | 705,848 | 705,848 | 50,231 | 390,047 | 256,317 | 133,730 | 0 | 705,848 |
| Income Tax | | | — | — | — | — | — | — | — | — | — |
| Surplus/(Deficit) after income tax | | | 391,285 | 705,848 | 705,848 | 50,231 | 390,047 | 256,317 | 133,730 | 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 | 50,231 | 390,047 | 256,317 | 133,730 | 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 | 50,231 | 390,047 | 256,317 | 133,730 | 0 | 705,848 |

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M05 November

| 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 | - | - | 725 | (725) | -100% | 1,739 |
| Vote 03 - Municipal Manager | | - | - | - | - | - | - | - | | - |
| Vote 04 - Corporate Services | | - | - | - | - | - | - | - | | - |
| Vote 05 - Community Services | | 3,043 | 6,579 | 6,579 | - | - | 2,741 | (2,741) | -100% | 6,579 |
| Vote 06 - Financial Services | | - | - | - | - | - | - | - | | - |
| Vote 07 - Strategy Econ Development And Planning | | 143 | 3,130 | 3,130 | - | 1,276 | 1,304 | (29) | -2% | 3,130 |
| Vote 08 - Infrastructure And Services | | 509,323 | 524,952 | 524,952 | 64,863 | 209,942 | 218,730 | (8,788) | -4% | 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 | 64,863 | 211,217 | 223,500 | (12,283) | -5% | 536,400 |
| Single Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 01 - Executive & Council | | - | - | - | - | - | - | - | | - |
| Vote 02 - Municipal And General | | 16,951 | 19,826 | 19,826 | 100 | 692 | 8,261 | (7,569) | -92% | 19,826 |
| Vote 03 - Municipal Manager | | - | - | - | - | - | - | - | | - |
| Vote 04 - Corporate Services | | - | - | - | - | - | - | - | | - |
| Vote 05 - Community Services | | 2,014 | 5,217 | 5,217 | - | 5,217 | 2,174 | 3,043 | 140% | 5,217 |
| Vote 06 - Financial Services | | - | 870 | 870 | - | - | 362 | (362) | -100% | 870 |
| Vote 07 - Strategy Econ Development And Planning | | 1,518 | 7,361 | 7,361 | 318 | 3,065 | 3,067 | (2) | 0% | 7,361 |
| Vote 08 - Infrastructure And Services | | 871 | 57,657 | 57,657 | 7,022 | 30,559 | 24,024 | 6,535 | 27% | 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 | 7,440 | 39,533 | 37,888 | 1,645 | 4% | 90,931 |
| Total Capital Expenditure | | 536,075 | 627,331 | 627,331 | 72,302 | 250,751 | 261,388 | (10,637) | -4% | 627,331 |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| Governance and administration | | 19,165 | 22,435 | 22,435 | 100 | 692 | 9,348 | (8,656) | -93% | 22,435 |
| Executive and council | | 19,165 | 21,565 | 21,565 | 100 | 692 | 8,986 | (8,293) | -92% | 21,565 |
| Finance and administration | | - | 870 | 870 | - | - | 362 | (362) | -100% | 870 |
| Internal audit | | - | - | - | - | - | - | - | | - |
| Community and public safety | | 5,056 | 11,797 | 11,797 | - | 5,217 | 4,915 | 302 | 6% | 11,797 |
| Community and social services | | 3,043 | 11,797 | 11,797 | - | 5,217 | 4,915 | 302 | 6% | 11,797 |
| Sport and recreation | | 2,014 | - | - | - | - | - | - | | - |
| Public safety | | - | - | - | - | - | - | - | | - |
| Housing | | - | - | - | - | - | - | - | | - |
| Health | | - | - | - | - | - | - | - | | - |
| Economic and environmental services | | 38,159 | 17,913 | 17,913 | 658 | 7,800 | 7,464 | 336 | 5% | 17,913 |
| Planning and development | | 1,415 | 7,043 | 7,043 | 318 | 2,302 | 2,935 | (633) | -22% | 7,043 |
| Road transport | | 36,744 | 10,870 | 10,870 | 340 | 5,498 | 4,529 | 969 | 21% | 10,870 |
| Environmental protection | | - | - | - | - | - | - | - | | - |
| Trading services | | 473,450 | 571,739 | 571,739 | 71,545 | 235,003 | 238,225 | (3,222) | -1% | 571,739 |
| Energy sources | | 8,503 | 30,000 | 30,000 | 1,169 | 9,150 | 12,500 | (3,350) | -27% | 30,000 |
| Water management | | 444,716 | 499,565 | 499,565 | 70,375 | 225,071 | 208,152 | 16,919 | 8% | 499,565 |
| Waste water management | | 20,231 | 42,174 | 42,174 | - | 782 | 17,572 | (16,790) | -96% | 42,174 |
| Waste management | | - | - | - | - | - | - | - | | - |
| Other | | 246 | 3,448 | 3,448 | - | 2,039 | 1,437 | 603 | 42% | 3,448 |
| Total Capital Expenditure - Functional Classification | 3 | 536,075 | 627,331 | 627,331 | 72,302 | 250,751 | 261,388 | (10,637) | -4% | 627,331 |
| Funded by: | | | | | | | | | | |
| National Government | | 504,592 | 594,927 | 594,927 | 72,043 | 245,802 | 247,886 | (2,084) | -1% | 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 | | 504,592 | 594,927 | 594,927 | 72,043 | 245,802 | 247,886 | (2,084) | -1% | 594,927 |
| Borrowing | 6 | | | | | | | | | |
| Internally generated funds | | 31,484 | 32,404 | 32,404 | 259 | 4,949 | 13,502 | (8,553) | -63% | 32,404 |
| Total Capital Funding | | 536,075 | 627,331 | 627,331 | 72,302 | 250,751 | 261,388 | (10,637) | -4% | 627,331 |

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M05 November

| 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 | 475,872 | 146,574 |
| Trade and other receivables from exchange transactions | | 1,517,568 | 1,518,421 | 1,518,421 | 1,581,677 | 1,518,421 |
| Receivables from non-exchange transactions | | 993,234 | 1,060,605 | 1,060,605 | 1,032,245 | 1,060,605 |
| Current portion of non-current receivables | | – | – | – | – | – |
| Inventory | | 107,239 | 112,013 | 112,013 | 97,370 | 112,013 |
| VAT | | 175,145 | 189,484 | 189,484 | 338,676 | 189,484 |
| Other current assets | | 704 | 699 | 699 | 671 | 699 |
| Total current assets | | 2,957,797 | 3,027,796 | 3,027,796 | 3,526,512 | 3,027,796 |
| Non current assets | | | | | | |
| Investments | | | | | | |
| Investment property | | 197,016 | 205,599 | 205,599 | 198,451 | 205,599 |
| Property, plant and equipment | | 2,006,820 | 2,873,339 | 2,873,339 | 2,256,135 | 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 | 2,507,774 | 3,131,060 |
| TOTAL ASSETS | | 5,214,820 | 6,158,856 | 6,158,856 | 6,034,285 | 6,158,856 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | | – | – | – | – | – |
| Financial liabilities | | – | (16,688) | (16,688) | – | (16,688) |
| Consumer deposits | | 50,445 | 49,962 | 49,962 | 51,705 | 49,962 |
| Trade and other payables from exchange transactions | | 900,690 | 1,191,824 | 1,191,824 | 1,058,184 | 1,191,824 |
| Trade and other payables from non-exchange transactions | | 742 | 106,409 | 106,409 | 239,145 | 106,409 |
| Provision | | 788 | 788 | 788 | 788 | 788 |
| VAT | | 251,429 | 336,936 | 336,936 | 283,690 | 336,936 |
| Other current liabilities | | – | – | – | – | – |
| Total current liabilities | | 1,204,094 | 1,669,231 | 1,669,231 | 1,633,512 | 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 | 2,811,024 | 2,112,158 |
| NET ASSETS | 2 | 2,833,214 | 4,046,698 | 4,046,698 | 3,223,261 | 4,046,698 |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated surplus/(deficit) | | 2,758,410 | 3,971,894 | 3,971,894 | 3,148,457 | 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 | 3,223,261 | 4,046,698 |

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M05 November


| 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 | 31,869 | 266,836 | 254,263 | 12,573 | 5% | 610,232 |
| Service charges | | 1,254,616 | 1,891,008 | 1,891,008 | 98,413 | 545,899 | 787,920 | (242,021) | -31% | 1,891,008 |
| Other revenue | | 1,079,730 | 421,814 | 421,814 | 208,518 | 218,763 | 175,756 | 43,007 | 24% | 421,814 |
| Transfers and Subsidies - Operational | | 312,601 | 323,676 | 323,676 | 6,890 | 139,467 | 134,865 | 4,602 | 3% | 323,676 |
| Transfers and Subsidies - Capital | | 574,597 | 684,166 | 684,166 | 177,000 | 515,046 | 285,069 | 229,977 | 81% | 684,166 |
| Interest | | 29,685 | 46,525 | 46,525 | 2,455 | 14,003 | 19,385 | (5,383) | -28% | 46,525 |
| Dividends | | | | | | | | - | | |
| Payments | | | | | | | | | | |
| Suppliers and employees | | (3,205,722) | (3,207,739) | (3,207,739) | (282,112) | (1,480,184) | (1,336,558) | 143,627 | -11% | (3,207,739) |
| Interest | | 914 | (15,880) | (15,880) | - | 1,207 | (6,617) | (7,823) | 118% | (15,880) |
| Transfers and Subsidies | | - | - | - | - | - | - | - | | - |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 515,176 | 753,802 | 753,802 | 243,033 | 221,036 | 314,084 | 93,048 | 30% | 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) | (72,302) | (250,751) | (300,596) | (49,845) | 17% | (721,431) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (529,312) | (721,431) | (721,431) | (72,302) | (250,751) | (300,596) | (49,845) | 17% | (721,431) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | | | | | | | | - | | |
| Borrowing long term/refinancing | | - | - | - | - | - | - | - | | - |
| Increase (decrease) in consumer deposits | | 100 | - | - | (12) | 36 | - | 36 | #DIV/0! | - |
| Payments | | | | | | | | | | |
| Repayment of borrowing | | - | (16,688) | (16,688) | - | - | (6,953) | (6,953) | 100% | (16,688) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | 100 | (16,688) | (16,688) | (12) | 36 | (6,953) | (6,989) | 101% | (16,688) |
| NET INCREASE/ (DECREASE) IN CASH HELD | | (14,037) | 15,684 | 15,684 | 170,718 | (29,679) | 6,535 | | | 15,684 |
| Cash/cash equivalents at beginning: | | 113,726 | 130,891 | 130,891 | (36,488) | 163,909 | 130,891 | | | 163,909 |
| Cash/cash equivalents at month/year end: | | 99,690 | 146,574 | 146,574 | 134,230 | 134,230 | 137,425 | | | 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 R475,872 million as per the Cash book balance.**

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

16.1 MFMA Circular 124 – Municipality Compliance Self-Assessment

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

Notes/Comments

| | | | | |
|----|---------|--|------------------------------|---|
| | 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? | Not yet end of quarter | |
| | | <i>Note – although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i> | | |
| | 6.7.2 | - If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following : | | |
| 20 | 6.7.2.1 | * the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool 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)? | Does not have function | |
| 22 | 6.7.2.3 | * the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure? | not yet the end of a quarter | |
| 23 | 6.7.3 | - The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process? | 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://goportal.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: | | |
| | 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://goportal.treasury.gov.za ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i> | <input type="text" value="Yes"/> | |
| 35 | 6.10.3 | - has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring? | <input type="text" value="No"/> | |
| <i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i> | | | | |
| 36 | 6.11 | Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme? | <input type="text" value="No"/> | |
| <i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i> | | | | |
| | 6.12 | For the duration of the Municipal Debt Relief (to ensure proper management of resources): | | |
| 37 | 6.12.1 | - has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation? | <input type="text" value="No"/> | The municipality had insufficient cash to settle the Water account for October 2025 |
| 38 | 6.12.2 | - has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose? | <input type="text" value="No"/> | The municipality had insufficient cash to settle the Water account for October 2025 |
| <i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i> | | | | |
| 39 | | Supporting evidence : Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue. | <input type="text" value="Yes"/> | |
| 40 | 6.13 | Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i> | <input type="text" value="No"/> | The municipality must still account for the first third of the debt written off by National Treasury |
| 41 | 6.14 | NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief? | <input type="text" value="Yes"/> | |
| <i>Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i> | | | | |

PT: HOD/ NT / MM Name:

Signature of HOD/ NT/ MM:

Date:

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

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

16.3 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 October 2025 is attached to this S71 report.

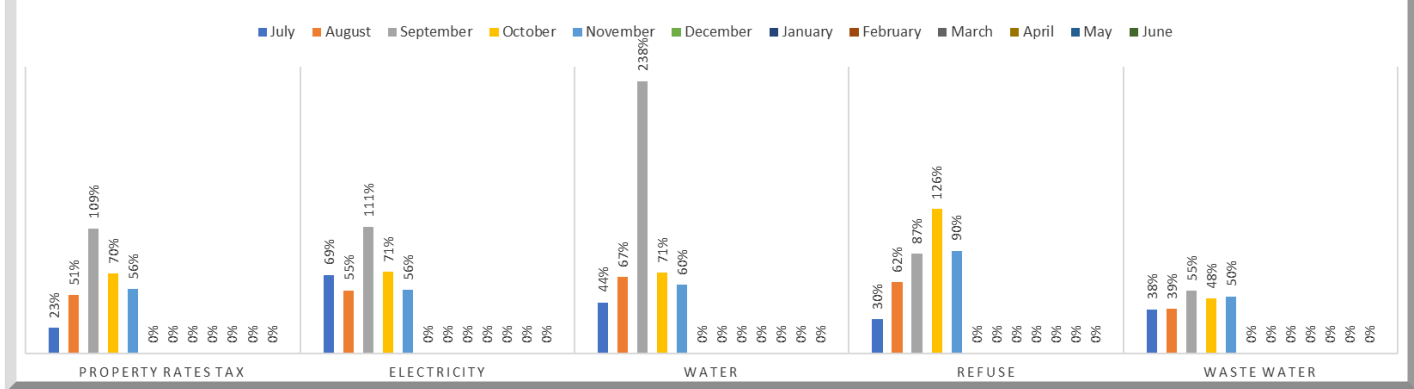
Here are the specific high-level recommendations for October 2025 according to the non-compliance report:

1. Normalise Eskom and Water Board accounts: Prioritise full and on-time payment of all Eskom and Water Board current accounts, while strictly implementing the approved arrears repayment plan. This is critical to reduce breach risk and protect the approved debt write-off.
2. Lift the collection rate towards 95% Implement a focused revenue recovery plan to move the overall collection rate from 70% closer to the 95% MDRP benchmark. This should include uniform application of electricity disconnections, introduction of controlled water restrictions (excluding indigents within national norms), and firm follow-up on high-value and chronic defaulters.
3. Fix credit control and indigent management: Enhance the consolidated billing per customer account, apply the approved order of payment allocation, and tighten indigent management by physically limiting free basic services to the national norms. Ensure indigent information is captured, verified and reported consistently in the monthly Section 71 process.
4. Use smart meters and basic charges effectively: Integrate the more than 15 000 smart meters into a clear enforcement strategy, including remote disconnections, load limiting and tamper monitoring. At the same time, ensure all Council-approved basic charges are actually billed to strengthen cost recovery.
5. Move trading services towards cost-reflective tariffs: Use the tariff analysis to phase in cost-reflective tariffs for water, sanitation, electricity and solid waste over a defined period. Protect poor households through a targeted indigent policy, but close structural deficits in the trading services.
6. Close the property rates under-billing gap: Implement the corrective actions from the property rates reconciliation to remove the under-billing, especially in high-value categories such as business, commercial, state-owned and residential. Fix mapping issues, correct property categories and verify billing against the valuation roll. National Treasury takes cognisance of the fact that the under-billing is predominantly due to the annual billing on Property rates.
7. Strengthen MTREF credibility and expenditure discipline: Adjust the MTREF to include realistic collection assumptions, adequate debt-impairment provisions and tighter control over employee costs and bulk purchases. Align spending decisions to actual cash flow to avoid in-year funding gaps and further arrears build-up. Deepen Council oversight and use Section 71 as a management tool: Make MDRP compliance, revenue performance, Eskom and Water payments, and implementation of corrective actions standing items on Council or Mayoral Committee agendas. Use the Section 71 reporting pack actively to track risks, enforce accountability and drive timely management decisions, rather than treating it as a compliance formality.

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

16.4.1 Monthly / Quarterly collection per ward

% MONTHLY COLLECTION PERFORMANCE



Municipal Finance Management Act No. 56 of 2003

NC091

Sol Plaatje

July

34

| Collection Rate Assessment | | | | | | | | | | | | | | | | | | | |
|--|--|---------------------|-------------|---------------------------|--------------|---------------------|-------------|---------------------------|--------------|---------------------|------------|---------------------------|--------------|---------------------|------------|---------------------------|--------------|--|--|
| Aggregate Collection | | Summary - Quarter 1 | | | | Summary - Quarter 2 | | | | Summary - Quarter 3 | | | | Summary - Quarter 4 | | | | | |
| | | Billing | Collection | R - Billing not collected | % Collection | Billing | Collection | R - Billing not collected | % Collection | Billing | Collection | R - Billing not collected | % Collection | Billing | Collection | R - Billing not collected | % Collection | | |
| 1. Collection for whole demarcation | | 712,602,749 | 427,760,345 | 284,842,404 | 60% | 389,448,095 | 233,592,468 | 135,855,587 | 60% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | |
| 2. Collection <u>excl Eskom supplied areas</u> | | 615,488,939 | 386,831,143 | 228,657,797 | 63% | 320,768,531 | 203,857,821 | 116,908,710 | 64% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | |
| 3. Collection: Property Rates | | 271,762,961 | 198,901,285 | 72,861,677 | 73% | 107,825,424 | 70,600,626 | 37,174,797 | 66% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | |
| 4. Total average collection: Electricity (Municipal supplied areas) | | 210,307,976 | 153,191,710 | 57,116,267 | 73% | 100,964,540 | 109,203,110 | (8,238,565) | 108% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | |
| 5. Total average collection: Water | | 89,997,083 | 41,522,306 | 48,474,778 | 46% | 68,070,125 | 33,303,345 | 34,766,780 | 49% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | |
| 6. Total average collection: Wastewater | | 37,866,749 | 14,045,569 | 23,821,181 | 37% | 24,445,177 | 9,018,588 | 15,426,589 | 37% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | |
| 7. Total average collection: Refuse | | 29,158,008 | 12,148,152 | 17,010,356 | 42% | 19,403,079 | 7,839,185 | 11,563,894 | 40% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | |
| 8. Total average collection: Interest | | 73,909,471 | 7,951,324 | 65,958,146 | 11% | 48,735,708 | 3,577,615 | 45,158,094 | 7% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | |

| Description | Jun-25 | Jul-25 | Aug-25 | Sept-25 | Oct-25 | Nov-25 |
|---|--------|--------|--------|---------|--------|--------|
| Monthly collection rate (Property rates and Services) | 57% | 71% | 39% | 111% | 88% | 69% |
| Revised average collection rate (SPLM) | 77% | 47% | 77% | 76% | 79% | 78% |
| Collection rate per Ward (Monthly) | 60% | 34% | 51% | 109% | 70% | 56% |
| Collection rate per Ward (Quarterly) | 66% | - | - | 60% | - | - |

The monthly collection rate per ward is a major concern and it not at a desired level. This has deteriorated for the month under review from 70% to 56%. The collection rate for July 2025 is distorted, due to the annual billing on Property rates. The average collection rate calculated by the municipality for November 2025 is 78%, which is slightly higher due to prepaid electricity sales and unallocated credits being taken into consideration. The outcome is well below the condition of a minimum 95% collection rate for the second cycle of the municipal debt relief.

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

| Collection Rate Assessment | | | | | | | | | | | | | | | | | | | |
|--|--|---------------------|-------------|---------------------------|--------------|---|-------------|---------------------------|--------------|---------------------|-------------|---------------------------|--------------|------|--|-------------|-------------|---------------------------|--------------|
| Total Aggregate Collection | | Summary - Quarter 1 | | | | 5. November - Reporting for October in November | | | | Summary - Quarter 2 | | | | | | | | | |
| | | Billing | Collection | R - Billing not collected | % Collection | Billing | Collection | R - Billing not collected | % Collection | Billing | Collection | R - Billing not collected | % Collection | | | Billing | Collection | R - Billing not collected | % Collection |
| 1. Collection for whole demarcation | | 712,602,749 | 427,760,345 | 284,842,404 | 60% | 181,162,939 | 102,217,652 | 78,945,288 | 56% | 369,448,055 | 233,592,468 | 135,855,587 | 63% | 63% | | 369,448,055 | 233,592,468 | 135,855,587 | 63% |
| 2. Collection <u>excl Eskom supplied areas</u> | | 615,488,939 | 386,831,143 | 228,657,797 | 63% | 159,084,688 | 88,566,215 | 72,654,170 | 56% | 320,768,531 | 203,857,821 | 116,908,710 | 64% | 64% | | 320,768,531 | 203,857,821 | 116,908,710 | 64% |
| 3. Collection: Property Rates | | 271,762,961 | 198,901,285 | 72,861,677 | 73% | 53,073,126 | 31,902,649 | 21,170,477 | 60% | 107,825,424 | 70,600,626 | 37,174,797 | 66% | 66% | | 107,825,424 | 70,600,626 | 37,174,797 | 66% |
| 4. Total average collection: Electricity (Municipal supplied areas) | | 210,307,976 | 153,191,710 | 57,116,267 | 73% | 49,864,129 | 44,751,200 | 5,112,929 | 90% | 100,964,540 | 109,203,110 | (8,238,566) | 108% | 108% | | 100,964,540 | 109,203,110 | (8,238,566) | 108% |
| 5. Total average collection: Water | | 89,997,083 | 41,522,306 | 48,474,778 | 46% | 31,940,611 | 15,919,852 | 15,980,759 | 50% | 68,070,125 | 33,303,345 | 34,766,780 | 49% | 49% | | 68,070,125 | 33,303,345 | 34,766,780 | 49% |
| 6. Total average collection: Wastewater | | 37,866,749 | 14,045,569 | 23,821,181 | 37% | 12,336,097 | 4,197,328 | 8,038,769 | 34% | 24,445,177 | 9,018,588 | 15,426,589 | 37% | 37% | | 24,445,177 | 9,018,588 | 15,426,589 | 37% |
| 7. Total average collection: Refuse | | 29,158,008 | 12,148,152 | 17,010,356 | 42% | 9,668,701 | 3,569,977 | 6,098,724 | 37% | 19,403,079 | 7,839,185 | 11,563,894 | 40% | 40% | | 19,403,079 | 7,839,185 | 11,563,894 | 40% |
| 8. 7. Total average collection: Interest | | 73,909,471 | 7,951,324 | 65,958,146 | 11% | 24,394,581 | 1,836,645 | 22,547,937 | 8% | 48,735,708 | 3,577,615 | 45,158,094 | 7% | 7% | | 48,735,708 | 3,577,615 | 45,158,094 | 7% |

| Complete This Section | | | Quarter 1 Performance Per Ward | | | | |
|-----------------------|-----------------------------|--|--------------------------------|------------|---------------------------|--------------|------|
| Services | Electricity Supplier | Ward Name & Number | Billing | Collection | R - Billing not collected | % Collection | Q1 |
| Property Rates Tax | Mon Supplied | Ward 17 - Lagoona, Mangrove Creek, Dealing | 1,399,614 | 667,658 | 731,956 | 48% | 48% |
| Electricity | | | 156,375 | 85,551 | 70,824 | 55% | 55% |
| Water | | | 1,442,529 | 283,845 | 1,158,685 | 20% | 20% |
| Refuse | | | 916,437 | 182,122 | 734,315 | 20% | 20% |
| Waste Water | | | 1,261,560 | 246,799 | 1,014,768 | 20% | 20% |
| Interest | | | 1,850,559 | 52,547 | 1,797,013 | 3% | 3% |
| Property Rates Tax | Mon Supplied | Ward 18 - Kintoreton, Normal Street Area, Glenelg Ext 2, Venetian Park, Tiersia | 11,441,519 | 8,112,026 | 3,329,494 | 71% | 71% |
| Electricity | | | 6,612,742 | 2,643,827 | 3,968,910 | 40% | 40% |
| Water | | | 2,456,069 | 1,137,307 | 1,328,761 | 46% | 46% |
| Refuse | | | 702,806 | 385,756 | 317,051 | 55% | 55% |
| Waste Water | | | 921,228 | 523,773 | 397,456 | 57% | 57% |
| Interest | | | 2,208,921 | 233,564 | 1,975,357 | 11% | 11% |
| Property Rates Tax | Mon Supplied | Ward 19 - Galeshurst Ext, Galeshurst Ex 4 | 1,137,499 | 300,135 | 837,364 | 28% | 28% |
| Electricity | | | 196,823 | 72,759 | 126,065 | 37% | 37% |
| Water | | | 1,877,222 | 273,947 | 1,603,275 | 15% | 15% |
| Refuse | | | 613,512 | 138,105 | 475,407 | 23% | 23% |
| Waste Water | | | 825,166 | 163,369 | 661,797 | 20% | 20% |
| Interest | | | 1,677,758 | 46,472 | 1,631,286 | 3% | 3% |
| Property Rates Tax | Mon Supplied | Ward 20 - West End, Kimberley North, Kimberley North, Dominant Industrial area | 54,428,002 | 53,112,262 | 1,315,724 | 98% | 98% |
| Electricity | | | 47,483,042 | 37,302,293 | 10,180,749 | 79% | 79% |
| Water | | | 10,167,073 | 6,718,537 | 3,448,536 | 66% | 66% |
| Refuse | | | 3,377,860 | 2,479,467 | 898,392 | 73% | 73% |
| Waste Water | | | 2,834,763 | 2,011,693 | 823,070 | 71% | 71% |
| Interest | | | 6,579,561 | 2,896,777 | 3,742,784 | 43% | 43% |
| Property Rates Tax | Mon Supplied | Ward 21 - De Bairs, Hull Street Area, Transvaal, Kimberley North, Dominant Industrial area | 14,329,425 | 12,816,583 | 1,512,842 | 89% | 89% |
| Electricity | | | 13,233,503 | 11,734,788 | 1,498,715 | 89% | 89% |
| Water | | | 3,714,629 | 3,503,718 | 210,911 | 94% | 94% |
| Refuse | | | 1,271,361 | 1,133,623 | 137,738 | 89% | 89% |
| Waste Water | | | 1,450,478 | 1,099,316 | 351,163 | 76% | 76% |
| Interest | | | 2,817,737 | 1,004,147 | 1,813,590 | 36% | 36% |
| Property Rates Tax | Mon Supplied | Ward 22 - South Ridge, Green Point, Fabrika | 11,661,437 | 6,470,460 | 5,190,977 | 55% | 55% |
| Electricity | | | 10,488,968 | 7,868,638 | 2,620,330 | 75% | 75% |
| Water | | | 2,410,982 | 976,252 | 1,434,730 | 40% | 40% |
| Refuse | | | 927,567 | 298,116 | 629,451 | 32% | 32% |
| Waste Water | | | 1,241,827 | 352,436 | 889,391 | 28% | 28% |
| Interest | | | 1,578,996 | 158,886 | 1,420,110 | 10% | 10% |
| Property Rates Tax | Mon Supplied | Ward 23 - Crookvale, New Park, Libram, Royston, Regent, Mount Heights, L'Amour Gardens | 44,758,065 | 40,457,618 | 4,300,447 | 90% | 90% |
| Electricity | | | 46,998,902 | 33,532,768 | 13,466,134 | 71% | 71% |
| Water | | | 5,585,673 | 5,259,856 | 325,817 | 94% | 94% |
| Refuse | | | 1,480,333 | 1,218,839 | 261,494 | 82% | 82% |
| Waste Water | | | 1,885,118 | 1,462,397 | 422,721 | 78% | 78% |
| Interest | | | 2,663,964 | 334,035 | 2,329,929 | 13% | 13% |
| Property Rates Tax | Mon Supplied | Ward 24 - Calcutta Dam, Howelling, Hudson Park | 15,803,655 | 10,866,682 | 4,936,973 | 69% | 69% |
| Electricity | | | 9,213,283 | 6,903,443 | 2,309,841 | 75% | 75% |
| Water | | | 3,968,428 | 2,914,676 | 1,053,732 | 73% | 73% |
| Refuse | | | 973,629 | 905,490 | 68,139 | 93% | 93% |
| Waste Water | | | 1,380,480 | 1,598,254 | (217,774) | 116% | 116% |
| Interest | | | 1,018,987 | 544,440 | 474,546 | 53% | 53% |
| Property Rates Tax | Mon Supplied | Ward 25 - De Bairs Area, Broad Area, Kooriville | 9,677,726 | 6,402,822 | 3,274,903 | 66% | 66% |
| Electricity | | | 5,710,199 | 3,780,605 | 1,929,594 | 66% | 66% |
| Water | | | 2,739,086 | 1,919,840 | 819,246 | 70% | 70% |
| Refuse | | | 654,193 | 462,799 | 191,394 | 71% | 71% |
| Waste Water | | | 863,494 | 603,499 | 259,995 | 70% | 70% |
| Interest | | | 1,525,726 | 444,556 | 1,081,170 | 29% | 29% |
| Property Rates Tax | Partial Estm's Mon Supplied | Ward 26 - Seifrieds Rd, Montrose, Montrose Square, Ritchie Dikobelo, De Bairs Mine | 40,867,894 | 33,269,852 | 27,598,042 | 32% | 32% |
| Electricity | | | 23,909,076 | 13,769,223 | 10,200,752 | 57% | 57% |
| Water | | | 9,589,653 | 5,128,323 | 4,461,330 | 53% | 53% |
| Refuse | | | 1,616,519 | 654,361 | 962,158 | 40% | 40% |
| Waste Water | | | 1,739,764 | 379,558 | 1,360,206 | 22% | 22% |
| Interest | | | 11,045,912 | 477,356 | 10,568,577 | 4% | 4% |
| Property Rates Tax | Partial Estm's Mon Supplied | Ward 27 - Betsale, Sol Plaatje RE | 1,400,487 | 7,258,548 | (5,854,062) | 518% | 518% |
| Electricity | | | 24,723 | 1,624 | 23,099 | 7% | 7% |
| Water | | | 2,639,017 | 15,570 | 2,623,447 | 1% | 1% |
| Refuse | | | 501,753 | 15,790 | 485,963 | 3% | 3% |
| Waste Water | | | 799,012 | 15,534 | 783,478 | 2% | 2% |
| Interest | | | 2,980,000 | 4,183 | 2,975,817 | 0% | 0% |
| Property Rates Tax | Mon Supplied | Ward 28 - Seifrieds Rd, Montrose, Montrose Square, Ritchie Dikobelo, De Bairs Mine | 9,251,326 | 5,221,182 | 4,030,144 | 56% | 56% |
| Electricity | | | 23,213,492 | 19,036,473 | 4,177,019 | 82% | 82% |
| Water | | | 3,734,591 | 2,974,422 | 760,170 | 80% | 80% |
| Refuse | | | 1,080,187 | 521,096 | 559,091 | 48% | 48% |
| Waste Water | | | 1,308,615 | 625,393 | 683,222 | 48% | 48% |
| Interest | | | 3,869,259 | 386,529 | 3,482,730 | 10% | 10% |
| Property Rates Tax | Mon Supplied | Ward 29 - Crookvale, New Park, Libram, Royston, Regent, Mount Heights, L'Amour Gardens | 518,884 | 111,211 | 407,674 | 21% | 21% |
| Electricity | | | 145,899 | 87,576 | 58,324 | 60% | 60% |
| Water | | | 298,738 | 87,121 | 211,617 | 29% | 29% |
| Refuse | | | 208,535 | 32,022 | 176,512 | 15% | 15% |
| Waste Water | | | 293,577 | 44,894 | 248,683 | 15% | 15% |
| Interest | | | 894,547 | 14,108 | 880,439 | 2% | 2% |
| Property Rates Tax | Mon Supplied | Ward 30 - Patersonville, Patersonville, Patersonville, Patersonville, Patersonville | 928,262 | 176,745 | 751,517 | 19% | 19% |
| Electricity | | | 240,145 | 111,594 | 128,551 | 46% | 46% |
| Water | | | 1,144,602 | 99,821 | 1,044,781 | 9% | 9% |
| Refuse | | | 1,285,312 | 62,600 | 1,222,712 | 5% | 5% |
| Waste Water | | | 2,479,041 | 75,931 | 2,403,110 | 3% | 3% |
| Interest | | | 2,991,131 | 16,909 | 2,974,222 | 1% | 1% |
| Property Rates Tax | Mon Supplied | Ward 31 - Patersonville, Patersonville, Patersonville, Patersonville, Patersonville | 1,430,348 | 226,665 | 1,203,684 | 16% | 16% |
| Electricity | | | 81,605 | 12,465 | 69,140 | 15% | 15% |
| Water | | | 1,730,492 | 179,937 | 1,550,555 | 10% | 10% |
| Refuse | | | 1,044,892 | 117,830 | 927,062 | 11% | 11% |
| Waste Water | | | 1,475,072 | 171,293 | 1,303,779 | 12% | 12% |
| Interest | | | 1,870,289 | 23,637 | 1,846,652 | 1% | 1% |
| Property Rates Tax | Mon Supplied | Ward 32 - Patersonville, Patersonville, Patersonville, Patersonville, Patersonville | 938,102 | 59,080 | 879,023 | 6% | 6% |
| Electricity | | | 385,938 | 132,790 | 253,149 | 34% | 34% |
| Water | | | 1,759,686 | 63,585 | 1,696,101 | 4% | 4% |
| Refuse | | | 554,891 | 37,764 | 517,128 | 7% | 7% |
| Waste Water | | | 754,786 | 48,195 | 706,591 | 6% | 6% |
| Interest | | | 1,121,573 | 7,959 | 1,113,614 | 1% | 1% |
| Property Rates Tax | Mon Supplied | Ward 33 - Chris Hani Park, Glenelg Ext 3, Chris Hani Park, Glenelg Ext 3, Chris Hani Park | 1,872,487 | 1,485,466 | 387,021 | 79% | 79% |
| Electricity | | | 849,593 | 632,068 | 217,524 | 72% | 72% |
| Water | | | 2,059,752 | 441,122 | 1,618,629 | 21% | 21% |
| Refuse | | | 662,532 | 197,947 | 464,585 | 30% | 30% |
| Waste Water | | | 845,683 | 212,597 | 633,085 | 25% | 25% |
| Interest | | | 1,589,437 | 55,088 | 1,534,349 | 3% | 3% |
| Property Rates Tax | Mon Supplied | Ward 34 - Unknown | 453,342 | 86,824 | 366,518 | 19% | 19% |
| Electricity | | | 180,036 | 44,098 | 135,937 | 24% | 24% |
| Water | | | 83,662 | 4,979 | 78,683 | 6% | 6% |
| Refuse | | | 23,395 | 3,515 | 19,880 | 15% | 15% |
| Waste Water | | | 40,730 | 4,797 | 35,933 | 12% | 12% |
| Interest | | | 155,344 | 1,611 | 153,733 | 1% | 1% |
| Property Rates Tax | Mon Supplied | Ward 35 - Chris Hani Park, Glenelg Ext 3, Chris Hani Park, Glenelg Ext 3, Chris Hani Park | 1,872,487 | 1,485,466 | 387,021 | 79% | 79% |
| Electricity | | | 849,593 | 632,068 | 217,524 | 72% | 72% |
| Water | | | 2,059,752 | 441,122 | 1,618,629 | 21% | 21% |
| Refuse | | | 662,532 | 197,947 | 464,585 | 30% | 30% |
| Waste Water | | | 845,683 | 212,597 | 633,085 | 25% | 25% |
| Interest | | | 1,589,437 | 55,088 | 1,534,349 | 3% | 3% |
| Property Rates Tax | Mon Supplied | Ward 36 - Unknown | 453,342 | 86,824 | 366,518 | 19% | 19% |
| Electricity | | | 180,036 | 44,098 | 135,937 | 24% | 24% |
| Water | | | 83,662 | 4,979 | 78,683 | 6% | 6% |
| Refuse | | | 23,395 | 3,515 | 19,880 | 15% | 15% |
| Waste Water | | | 40,730 | 4,797 | 35,933 | 12% | 12% |
| Interest | | | 155,344 | 1,611 | 153,733 | 1% | 1% |

| Quarter 2 Performance Per Ward | | | | | | | | |
|--------------------------------|-------------------------------|-------------------------------------|--------------|------------|------------|---------------------------|--------------|------|
| Billing For July | Collection for July in August | Rand Value of Billing not collected | % Collection | Billing | Collection | R - Billing not collected | % Collection | Q2 |
| 461,791 | 177,995 | 283,795 | 39% | 922,419 | 396,518 | 525,901 | 43% | 43% |
| 42,473 | 22,021 | 20,451 | 52% | 85,707 | 52,459 | 33,248 | 61% | 61% |
| 573,233 | 93,364 | 479,868 | 16% | 1,265,692 | 204,181 | 1,061,511 | 16% | 16% |
| 308,256 | 59,590 | 248,666 | 19% | 615,161 | 127,877 | 487,284 | 21% | 21% |
| 423,544 | 72,152 | 351,392 | 17% | 845,158 | 162,487 | 682,671 | 19% | 19% |
| 635,342 | 10,007 | 625,336 | 2% | 1,267,242 | 27,386 | 1,239,856 | 2% | 2% |
| 1,162,315 | 1,182,778 | 0 | 102% | 2,384,218 | 2,304,749 | 79,469 | 136% | 136% |
| 1,203,481 | 2,099,118 | 0 | 174% | 1,908,341 | 4,273,528 | 2,365,187 | 224% | 224% |
| 891,667 | 423,713 | 467,955 | 48% | 1,771,571 | 889,300 | 882,271 | 51% | 51% |
| 236,592 | 134,935 | 101,657 | 57% | 468,393 | 281,657 | 186,736 | 60% | 60% |
| 310,285 | 185,461 | 124,824 | 60% | 613,827 | 371,181 | 242,646 | 60% | 60% |
| 715,250 | 92,483 | 622,767 | 13% | 1,439,249 | 138,099 | 1,301,150 | 10% | 10% |
| 250,008 | 117,094 | 132,914 | 47% | 498,340 | 248,716 | 249,624 | 50% | 50% |
| 54,383 | 24,315 | 30,067 | 45% | 106,283 | 48,541 | 57,741 | 46% | 46% |
| 465,420 | 121,949 | 343,471 | 26% | 1,069,037 | 287,192 | 781,845 | 27% | 27% |
| 205,630 | 38,537 | 167,093 | 19% | 414,444 | 99,203 | 315,241 | 24% | 24% |
| 276,664 | 50,369 | 226,295 | 18% | 555,592 | 130,674 | 424,918 | 24% | 24% |
| 569,719 | 13,547 | 556,172 | 2% | 1,137,869 | 49,506 | 1,088,363 | 4% | 4% |
| 13,395,584 | 8,622,988 | 4,772,595 | 64% | 28,044,833 | 19,352,197 | 8,692,636 | 69% | 69% |
| 11,151,060 | 8,361,977 | 2,789,083 | 75% | 22,755,326 | 22,229,433 | 525,893 | 98% | 98% |
| 3,753,774 | 2,341,317 | 1,412,457 | 62% | 7,380,841 | 4,992,240 | 2,388,601 | 68% | 68% |
| 1,158,330 | 759,680 | 398,650 | 66% | 2,291,170 | 1,674,683 | 616,487 | 73% | 73% |
| 551,764 | 637,827 | 313,937 | 67% | 1,902,919 | 1,387,778 | 515,141 | 73% | 73% |
| 2,076,365 | 198,769 | 1,877,596 | 10% | 4,124,148 | 477,516 | 3,646,632 | 12% | 12% |
| 3,297,716 | 2,088,766 | 1,208,950 | 63% | 6,879,766 | 4,891,102 | 1,988,664 | 71% | 71% |
| 3,646,341 | 3,001,710 | 644,631 | 82% | 7,485,614 | 6,959,978 | 525,636 | 93% | 93% |
| 971,089 | 898,936 | 72,152 | 93% | 2,474,243 | 2,097,364 | 376,879 | 85% | 85% |
| 424,320 | 265,801 | 158,519 | 63% | 849,131 | 629,116 | 220,015 | 74% | 74% |
| 484,706 | 310,413 | 174,293 | 64% | 970,277 | 707,850 | 268,427 | 72% | 72% |
| 914,248 | 498,716 | 415,532 | 55% | 1,907,039 | 896,469 | 1,010,570 | 47% | 47% |
| 1,406,924 | 889,182 | 517,742 | 63% | 2,813,848 | 1,812,396 | 981,452 | 65% | 65% |
| 2,396,133 | 1,992,954 | 403,178 | 83% | 4,895,542 | 5,083,603 | (188,060) | 104% | 104% |
| 1,172,532 | 308,900 | 863,633 | 26% | 2,209,433 | 739,680 | 1,469,753 | 33% | 33% |
| 304,394 | 80,668 | 223,726 | 27% | 755,194 | | | | |

16.4.2 Monthly - Restriction of Free Basic Services to Indigent Households

Articulated in table below, is the Indigent information for the reporting for the month of November 2025. The municipality is experiencing challenges in the restricting/interrupting of water supply and intervention is required from the technical department. Various gaps have been identified in indigent reporting, which the municipality will attempt to address going forward. The municipality embarked on an indigent drive throughout the community to increase the number of indigent registrations. The indigent households in informal settlements cannot be loaded on the system, due to the areas not being formalised. It should be noted that as per the Indigent Policy, it is a prerequisite for approval that all indigent households must have a prepaid electricity meter installed. The R-values are not showing correctly on Annexure C, this was taken up with NT for correction and the municipality is awaiting feedback.



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

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

| Description | Ref | As Per Debt Relief Application | Current Year - 2025/2026 | 2025/2026 - Monthly Monitoring | | | | | | | | | | | | | | | |
|---|-------|--------------------------------|--------------------------|--------------------------------|--------------------|-----------|-----------|-----------|-----------|-----------|-----|-----|-----|-----|-----|-----|-----|--|--|
| | | Baseline | Adopted Budget | Adjusted Budget | Full Year Forecast | M01 | M02 | M03 | M04 | M05 | M06 | M07 | M08 | M09 | M10 | M11 | M12 | | |
| | | | | | | | | | | | | | | | | | | | |
| Indigent Household service targets | 1 | | | | | | | | | | | | | | | | | | |
| Water : (Include All Indigent households also in Eskom supplied areas) | | | | | | | | | | | | | | | | | | | |
| Indigent HH's with piped water inside dwelling | | 7,390 | 11,800 | 11,800 | 11,800 | 7,659 | 7,518 | 7,196 | 7,332 | 7,497 | | | | | | | | | |
| Indigent HH's with piped water inside yard (but not in dwelling) | | | | | | | | | | | | | | | | | | | |
| Indigent HH's using public tap (at least min.service level) | 2 | | | | | | | | | | | | | | | | | | |
| Indigent HH's with other water supply (at least min.service level) | 4 | 7,390 | 11,800 | 11,800 | 11,800 | 7,659 | 7,518 | 7,196 | 7,332 | 7,497 | -- | -- | -- | -- | -- | -- | -- | | |
| Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total | 3 | | | | | | | | | | | | | | | | | | |
| Indigent HH's using public tap (< min.service level) | 4 | | | | | | | | | | | | | | | | | | |
| Indigent HH's with other water supply (< min.service level) | | | | | | | | | | | | | | | | | | | |
| Indigent HH's with No water supply | | | | | | | | | | | | | | | | | | | |
| Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total | 5 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | | |
| Total number of registered indigent households | | 7,390 | 11,800 | 11,800 | 11,800 | 7,659 | 7,518 | 7,196 | 7,332 | 7,497 | -- | -- | -- | -- | -- | -- | -- | | |
| Status of Water meters : | | | | | | | | | | | | | | | | | | | |
| Number of Indigent HH's with prepaid Water | | | | | | | | | | | | | | | | | | | |
| Number of Indigent HH's with conventional metered Water | | 7,390 | 11,800 | 11,800 | 11,800 | 7,659 | 7,518 | 7,196 | 7,332 | 7,497 | | | | | | | | | |
| Number of Indigent HH's NOT metered currently - Water | | | | | | | | | | | | | | | | | | | |
| Number of Indigent HH's with NO Water supply - No metering | | | | | | | | | | | | | | | | | | | |
| Total number of registered indigent households | 10 | 7,390 | 11,800 | 11,800 | 11,800 | 7,659 | 7,518 | 7,196 | 7,332 | 7,497 | -- | -- | -- | -- | -- | -- | -- | | |
| Status of unlimited supply of Water : | | | | | | | | | | | | | | | | | | | |
| Number of Indigent HH's with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month | | | | | | | | | | | | | | | | | | | |
| Number of Indigent HH's NOT metered currently receiving unlimited supply - Water | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | | |
| Total number of registered indigent households receiving unlimited supply - Water | | | | | | | | | | | | | | | | | | | |
| Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's billed for consumption above the 6 kilolitres | 11 | | | | | | | | | | | | | | | | | | |
| Energy : (Include All Indigent households also in Eskom supplied areas) | | | | | | | | | | | | | | | | | | | |
| Indigent HH's with Electricity (at least min.service level) | | | | | | | | | | | | | | | | | | | |
| Indigent HH's with Electricity - prepaid (min.service level) | | | | | | | | | | | | | | | | | | | |
| Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | | |
| Indigent HH's with Electricity (< min.service level) | | | | | | | | | | | | | | | | | | | |
| Indigent HH's with Electricity - prepaid (< min. service level) | | | | | | | | | | | | | | | | | | | |
| Indigent HH's with other energy sources | | | | | | | | | | | | | | | | | | | |
| Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total | 5 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | | |
| Total number of registered indigent households | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | | |
| Status of Electricity meters : | | | | | | | | | | | | | | | | | | | |
| Number of Indigent HH's with prepaid Electricity | | 7,390 | 11,800 | 11,800 | 11,800 | 6,899 | 6,793 | 6,430 | 6,571 | 7,497 | | | | | | | | | |
| Number of Indigent HH's with conventional metered Electricity | | | | | | | | | | | | | | | | | | | |
| Number of Indigent HH's NOT metered currently - Electricity | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | | |
| Number of Indigent HH's with other energy sources - No metering | | | | | | | | | | | | | | | | | | | |
| Total number of registered indigent households | 12 | 7,390 | 11,800 | 11,800 | 11,800 | 6,899 | 6,793 | 6,430 | 6,571 | 7,497 | -- | -- | -- | -- | -- | -- | -- | | |
| Status of unlimited supply of Electricity : | | | | | | | | | | | | | | | | | | | |
| Number of Indigent HH's with conventional metered Electricity - where the municipality is NOT physically restricting Electricity to the national free basic limit of 50kwh per household per month | | | | | | | | | | | | | | | | | | | |
| Number of Indigent HH's NOT metered currently receiving unlimited supply - Electricity | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | | |
| Total number of registered indigent households receiving unlimited supply - Electricity | | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | | |
| Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's billed for consumption above the 50 kwh | 13 | | | | | | | | | | | | | | | | | | |
| Number of ALL Households receiving Free Basic Service (including registered Indigent Households) | 7 | | | | | | | | | | | | | | | | | | |
| Water (6 kilolitres per household per month) | | 7,390 | 11,800 | 11,800 | 11,800 | 7,659 | 7,518 | 7,196 | 7,332 | 7,497 | | | | | | | | | |
| Electricity/other energy (50kwh per household per month) | | 7,390 | 11,800 | 11,800 | 11,800 | 6,899 | 6,793 | 6,430 | 6,571 | 7,497 | | | | | | | | | |
| Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000) | | | | | | | | | | | | | | | | | | | |
| Water (6 kilolitres per household per month) | | 10,000,000 | 8,000,000 | 8,000,000 | 8,000,000 | 258,044 | 275,513 | 271,989 | 272,560 | 277,661 | | | | | | | | | |
| Electricity/other energy (50kwh per household per month) | | 12,000,000 | 13,000,000 | 13,000,000 | 13,000,000 | 884,716 | 18,128 | 870,917 | 1,649,889 | 794 | | | | | | | | | |
| Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000) | | | | | | | | | | | | | | | | | | | |
| Water (6 kilolitres per household per month) | | | | | | | | | | | | | | | | | | | |
| Electricity/other energy (50kwh per household per month) | | | | | | | | | | | | | | | | | | | |
| Total cost of FBS Water and Electricity provided to ALL Households | 8 | 22,000,000 | 21,000,000 | 21,000,000 | 21,000,000 | 1,142,760 | 293,641 | 1,142,907 | 1,922,450 | 278,455 | -- | -- | -- | -- | -- | -- | -- | | |
| Highest level of free service provided per household (ALL Households) | | | | | | | | | | | | | | | | | | | |
| Property rates (R value threshold) | | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | | | | | | | | | |
| Water (kilolitres per household per month) | | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | | | | | | | | | |
| Sanitation (kilolitres per household per month) | | 213 | 213 | 213 | 213 | 213 | 213 | 213 | 213 | 213 | | | | | | | | | |
| Sanitation (Rand per household per month) | | 189 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | | | | | | | | | |
| Electricity (kwh per household per month) | | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | | | | | | | | | |
| Refuse (average litres per week) | | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | | | | | | | | | |
| Revenue cost of subsidised services provided for ALL Households (R'000) | 9 | | | | | | | | | | | | | | | | | | |
| Residential Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRA) | 14(a) | | | | | | | | | | | | | | | | | | |
| PSI Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRA) | 14(b) | | | | | | | | | | | | | | | | | | |
| Additional Subsidies: Property rates exemptions, reductions and rebates in excess of section 17 of MPRA | | 37,240,000 | 36,400,000 | 36,400,000 | 36,400,000 | 641,608 | 591,385 | 591,983 | 593,904 | 595,500 | | | | | | | | | |
| Water (in excess of 6 kilolitres per indigent household per month) | 15 | 21,500,000 | 20,000,000 | 20,000,000 | 20,000,000 | -- | 766,241 | 714,745 | 720,957 | 976,728 | | | | | | | | | |
| Sanitation (in excess of free sanitation service to indigent households) | 16 | 3,400,000 | 3,500,000 | 3,500,000 | 3,500,000 | -- | -- | -- | -- | -- | | | | | | | | | |
| Electricity/other energy (in excess of 50 kwh per indigent household per month) | | 41,000,000 | 41,000,000 | 41,000,000 | 41,000,000 | -- | 1,756,506 | 1,085,859 | 877,648 | 687,242 | | | | | | | | | |
| Refuse (in excess of one removal a week for indigent households) | | 4,400,000 | 4,800,000 | 4,800,000 | 4,800,000 | -- | 126,511 | 126,511 | 130,950 | 126,781 | | | | | | | | | |
| Municipal Housing - rental rebates | | | | | | | | | | | | | | | | | | | |
| Housing - top structure subsidies | | | | | | | | | | | | | | | | | | | |
| Other | 6 | | | | | | | | | | | | | | | | | | |
| Total revenue cost of subsidised services provided | | 107,540,000 | ##### | 105,700,000 | 105,700,000 | 641,608 | 3,240,643 | 2,519,098 | 2,323,459 | 2,386,251 | -- | -- | -- | -- | -- | -- | -- | | |

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 | | | | | | |
| Number of Properties | | | | Market Values | | |
| Property Categories | 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 | | | | | | |
| Monthly Billing - Mapped Accounts | | | | Monthly Billing - Un Mapped Accounts | | |
| Property Categories | 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 October 2025 which was due and payable during the month of reporting, on or before 4 December 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) 037566/Shareca
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

| | |
|------------------|--------------|
| YOUR ACCOUNT NO | 5449407898 |
| SECURITY HELD | 31243194.11 |
| BILLING DATE | 2025-11-04 |
| TAX INVOICE NO | 544900167836 |
| ACCOUNT MONTH | OCTOBER 2025 |
| CURRENT DUE DATE | 2025-12-04 |
| VAT REG NO | 4370102313 |


TAX INVOICE

E-MAIL: tmoolwa@solplaatje.org.za

ACCOUNT NO / REFERENCE NO
5449407898

NAME
SOL PLAATJE LOCAL MUNICIPALITY

FAX NUMBER

 7100 10 0010

| 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 | 676,662.72 |
| URBAN LOW VOLTAGE SUBSIDY | | R | 247,530.00 |
| ANCILLARY SERVICE (ALL) | | R | 131,909.13 |
| GENERATOR CAPACITY CHARGE | | R | 717,060.00 |
| LEGACY CHARGE (ALL) | | R | 7,461,778.44 |
| ENERGY CHARGE (STD) | 15,154,634.00 | R | 22,450,074.81 |
| ENERGY CHARGE (PEAK) | 6,571,789.00 | R | 17,314,692.48 |
| ENERGY CHARGE (OFF) | 13,924,693.00 | R | 14,733,717.66 |
| SERVICE CHARGE | | R | 35,213.52 |
| ELECTRIFICATION AND RURAL SUBS (ALL) | | R | 1,789,685.97 |
| SERVICE CHARGE | | R | 0.01 |
| TOTAL CHARGES FOR BILLING PERIOD | | R | 68,427,174.51 |

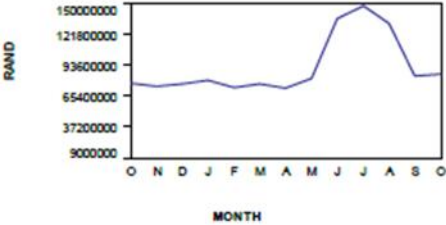
| ACCOUNT SUMMARY FOR OCTOBER 2025 | | | |
|----------------------------------|--|---|------------------|
| BALANCE BROUGHT FORWARD | (Due Date 2025-11-01) | R | 1,237,523,781.24 |
| PAYMENT(S) RECEIVED | Cash - 2025-10-30 | R | -40,000,000.00 |
| PAYMENT(S) RECEIVED | Cash - 2025-10-31 | R | -41,800,313.25 |
| TOTAL CHARGES FOR BILLING PERIOD | | R | 68,427,174.51 |
| ADJUSTMENT | Interest on overdue payment arrangement debt | R | 656,569.81 |
| ADJUSTMENT | Interest on overdue account | R | 6,717,987.23 |
| PAYMENT ARRANGEMENT | 5447737377 (Balance o/s R 49,162,000.00) | R | 6,700,000.00 |
| VAT RAISED ON ITEMS AT 15% | | R | 10,264,076.18 |

| | |
|---------|---------------|
| CURRENT | 92,765,807.73 |
|---------|---------------|

| | |
|------------------|---------------------------|
| TOTAL DUE | R 1,248,489,275.72 |
|------------------|---------------------------|

| | | | |
|----------------|----------------|---------------|------------|
| ARREARS | | | |
| >90 DAYS | 61-90 DAYS | 31-90 DAYS | 16-30 DAYS |
| 931,209,965.88 | 136,013,188.86 | 88,500,313.25 | 0.00 |

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



| | |
|-------------|--------|
| PAGE RUN NO | EE 35 |
| BILL GROUP | |
| BILL PAGE | 1 OF 2 |

TOTAL AMOUNT DUE

1,248,489,275.72

PAYMENT ARRANGEMENT

INSTALMENT

6,700,000.00

ARREARS (Due immediately)

1,155,723,467.99


DUE DATE (For Current Amount)

2025-12-04


AMOUNT PAID


LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT


272157001 54494078984



9207 2544 9407 8987







73

- ii) Indicated below is the municipality's proof of payment of the Eskom Bulk account payments for the month of November 2025. The total payments made by the municipality amounted to R40,000 million.

| | | |
|---|----------------------------|-------------------------|
| SOL PLAATJE MUNICIPALITY PRIVATE BAG X5030 KIMBERLEY 8300 | REMITTANCE ADVICE ----- | |
| ESKOM HOLDINGS PRIVATE BAG X16 WESTVILLE 3630 | | 27/11/2025 |
| | | SUPPLIER No: SESK01 |
| CONTACT PERSON: TEL NO: 0829413707 E-MAIL ADDRESS: | FAX NO: | VOUCHER NO: CATZ000011 |
| | | CHEQUE/ELE NO: 77075645 |

| DATE | TYPE | REFERENCE | EXCL VAT | DISCOUNT | VAT | NETT |
|------------|------|--------------|-------------|----------|------------|-------------|
| 04/11/2025 | SUN | 544900167836 | 28369950.40 | | 4255492.56 | 32625442.96 |
| 04/11/2025 | SUN | 544900167836 | 7374557.04 | | 0.00 | 7374557.04 |

| | | |
|------------|------------|-------------|
| SUB TOTAL: | 4255492.56 | 40000000.00 |
| | 4255492.56 | 40000000.00 |

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

COMPILED BY.:

CHECKED BY...:

AUTHORISED BY:

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

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

Indicated in the table below is a summary of the data strings for M05 – November 2025 pertaining to electricity.

| | 2026 | |
|---|-------------|------------|
| | M05 | |
| Account Name | | |
| Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Deposits | 8,712,280 | |
| Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals | -11,154,790 | |
| Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals | 56,376,702 | 45,221,912 |
| Expenditure: Bulk Purchases:Electricity:ESKOM | -11,154,790 | |

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

| Datastrings & FMS Recon - Nov 2025 M05 | Sum of Debit Amt | Sum of Credit Amt | Sum of Actual | Comment |
|---|-----------------------|-----------------------|------------------------|---|
| BULK PURCHASES:ELECTRICITY:ESKOM | 199,917,706.29 | 211,072,496.48 | - 11,154,790.19 | Bulk Purchases vote reconciles to datastrings |
| Combined vouchers | 123,408,501.96 | 87,663,994.52 | 35,744,507.44 | |
| CATZ000003000128822340010ELMRCZZWM | - | 21,370,471.31 | - 21,370,471.31 | |
| CATZ000003000228822340010ELMRCZZWM | - | 5,423,957.99 | - 5,423,957.99 | |
| CATZ000008000128822340010ELMRCZZWM | - | 34,782,608.70 | - 34,782,608.70 | |
| CATZ000009000128822340010ELMRCZZWM | - | 26,086,956.52 | - 26,086,956.52 | Cancelled ELE, paid in the prior months |
| Cheque No : 77075236 Bank No : 901 | 26,794,429.30 | - | 26,794,429.30 | |
| Cheque No : 77075237 Bank No : 901 | 34,782,608.70 | - | 34,782,608.70 | |
| Cheque No : 77075238 Bank No : 901 | 26,086,956.52 | - | 26,086,956.52 | |
| Cheque No : 77075645 Bank No : 901 | 35,744,507.44 | - | 35,744,507.44 | Payment of R40m on the October 2025 Eskom account |
| Ledger Journals | 707,472.78 | - | 707,472.78 | |
| ESKOM CORRECTION - VAT CLAIMED | 707,472.78 | - | 707,472.78 | Corrective journal on VAT claimed |
| Sundry Accruals | 75,801,731.55 | - | 75,801,731.55 | |
| Sundry CATA013801 | 75,801,731.55 | - | 75,801,731.55 | Eskom Account authorised for Oct 2025 |
| Sundry Accruals Reversals | - | 123,408,501.96 | - 123,408,501.96 | |
| Cheque No : 77075236 Bank No : 901 | - | 26,794,429.30 | - 26,794,429.30 | |
| Cheque No : 77075237 Bank No : 901 | - | 34,782,608.70 | - 34,782,608.70 | Cancelled ELE, paid in the prior months |
| Cheque No : 77075238 Bank No : 901 | - | 26,086,956.52 | - 26,086,956.52 | |
| Cheque No : 77075645 Bank No : 901 | - | 35,744,507.44 | - 35,744,507.44 | Payment of R40m on the October 2025 Eskom account |
| Grand Total | 199,917,706.29 | 211,072,496.48 | - 11,154,790.19 | |

| Datastrings & FMS Recon - Nov 2025 M05 | Sum of Debit Amt | Sum of Credit Amt | Sum of Actual | Comment |
|---|-----------------------|-----------------------|----------------------|---|
| ELECTRICITY BULK PURCH ACC 01:WITHDRAWAL | 145,221,912.09 | 100,000,000.00 | 45,221,912.09 | Withdrawal vote reconciles to datastrings |
| Cancel ELE 77075236 | - | 30,000,000.00 | -30,000,000.00 | Cancelled ELE, paid in the prior months |
| Cancel ELE 77075237 | - | 40,000,000.00 | -40,000,000.00 | |
| Cancel ELE 77075238 | - | 30,000,000.00 | -30,000,000.00 | |
| Create Cheque 77075155 Voucher No CATA013736 | 46,895.78 | - | 46,895.78 | Minor Eskom account payments |
| Create Cheque 77075156 Voucher No CATA013737 | 15,786.67 | - | 15,786.67 | |
| Create Cheque 77075157 Voucher No CATA013738 | 14,871.77 | - | 14,871.77 | |
| Create Cheque 77075158 Voucher No CATA013739 | 15,602.13 | - | 15,602.13 | |
| Create Cheque 77075159 Voucher No CATA013740 | 19,248.55 | - | 19,248.55 | |
| Create Cheque 77075160 Voucher No CATA013741 | 11,795.25 | - | 11,795.25 | |
| Create Cheque 77075161 Voucher No CATA013742 | 5,709.06 | - | 5,709.06 | |
| Create Cheque 77075162 Voucher No CATA013743 | 5,409.68 | - | 5,409.68 | |
| Create Cheque 77075163 Voucher No CATA013744 | 41,429.01 | - | 41,429.01 | |
| Create Cheque 77075164 Voucher No CATA013745 | 119,763.02 | - | 119,763.02 | |
| Create Cheque 77075236 Voucher No CATZ000003 | 30,000,000.00 | - | 30,000,000.00 | Cancelled ELE, paid in the prior months |
| Create Cheque 77075237 Voucher No CATZ000008 | 40,000,000.00 | - | 40,000,000.00 | |
| Create Cheque 77075238 Voucher No CATZ000009 | 30,000,000.00 | - | 30,000,000.00 | |
| Create Cheque 77075259 Voucher No CATA013779 | 20,781.64 | - | 20,781.64 | Minor Eskom account payments |
| Create Cheque 77075331 Voucher No CATA013790 | 25,222.00 | - | 25,222.00 | |
| Create Cheque 77075622 Voucher No CATA013861 | 24,313.60 | - | 24,313.60 | |
| Create Cheque 77075623 Voucher No CATA013862 | 11,793.07 | - | 11,793.07 | |
| Create Cheque 77075624 Voucher No CATA013863 | 26,425.07 | - | 26,425.07 | |
| Create Cheque 77075625 Voucher No CATA013864 | 4,097.65 | - | 4,097.65 | |
| Create Cheque 77075626 Voucher No CATA013865 | 15,820.87 | - | 15,820.87 | |
| Create Cheque 77075627 Voucher No CATA013866 | 4,704,043.40 | - | 4,704,043.40 | |
| Create Cheque 77075628 Voucher No CATA013867 | 86,623.90 | - | 86,623.90 | Payment of the Riverton Eskom account |
| Create Cheque 77075629 Voucher No CATA013868 | 6,279.97 | - | 6,279.97 | Minor Eskom account payments |
| Create Cheque 77075645 Voucher No CATZ000011 | 40,000,000.00 | - | 40,000,000.00 | Payment of R40m on the October 2025 Eskom account |
| ELECTRICITY BULK PURCHASE ACC 01:DEPOSIT | 245,221,912.09 | 236,509,631.91 | 8,712,280.18 | Deposits vote reconciles to datastrings |
| Cancel ELE 77075236 | 30,000,000.00 | - | 30,000,000.00 | |
| Cancel ELE 77075237 | 40,000,000.00 | - | 40,000,000.00 | |
| Cancel ELE 77075238 | 30,000,000.00 | - | 30,000,000.00 | |
| Create Cheque 77075155 Voucher No CATA013736 | 46,895.78 | 46,895.78 | - | |
| Create Cheque 77075156 Voucher No CATA013737 | 15,786.67 | 15,786.67 | - | |
| Create Cheque 77075157 Voucher No CATA013738 | 14,871.77 | 14,871.77 | - | |
| Create Cheque 77075158 Voucher No CATA013739 | 15,602.13 | 15,602.13 | - | |
| Create Cheque 77075159 Voucher No CATA013740 | 19,248.55 | 19,248.55 | - | |
| Create Cheque 77075160 Voucher No CATA013741 | 11,795.25 | 11,795.25 | - | |
| Create Cheque 77075161 Voucher No CATA013742 | 5,709.06 | 5,709.06 | - | |
| Create Cheque 77075162 Voucher No CATA013743 | 5,409.68 | 5,409.68 | - | |
| Create Cheque 77075163 Voucher No CATA013744 | 41,429.01 | 41,429.01 | - | |
| Create Cheque 77075164 Voucher No CATA013745 | 119,763.02 | 119,763.02 | - | |
| Create Cheque 77075236 Voucher No CATZ000003 | 30,000,000.00 | 30,000,000.00 | - | |
| Create Cheque 77075237 Voucher No CATZ000008 | 40,000,000.00 | 40,000,000.00 | - | |
| Create Cheque 77075238 Voucher No CATZ000009 | 30,000,000.00 | 30,000,000.00 | - | |
| Create Cheque 77075259 Voucher No CATA013779 | 20,781.64 | 20,781.64 | - | |
| Create Cheque 77075331 Voucher No CATA013790 | 25,222.00 | 25,222.00 | - | |
| Create Cheque 77075622 Voucher No CATA013861 | 24,313.60 | 24,313.60 | - | |
| Create Cheque 77075623 Voucher No CATA013862 | 11,793.07 | 11,793.07 | - | |
| Create Cheque 77075624 Voucher No CATA013863 | 26,425.07 | 26,425.07 | - | |
| Create Cheque 77075625 Voucher No CATA013864 | 4,097.65 | 4,097.65 | - | |
| Create Cheque 77075626 Voucher No CATA013865 | 15,820.87 | 15,820.87 | - | |
| Create Cheque 77075627 Voucher No CATA013866 | 4,704,043.40 | 4,704,043.40 | - | |
| Create Cheque 77075628 Voucher No CATA013867 | 86,623.90 | 86,623.90 | - | |
| Create Cheque 77075629 Voucher No CATA013868 | 6,279.97 | 6,279.97 | - | |
| Create Cheque 77075645 Voucher No CATZ000011 | 40,000,000.00 | 40,000,000.00 | - | |
| Sundry CATA013736 Creditor Control | - | 46,895.78 | - 46,895.78 | |
| Sundry CATA013737 Creditor Control | - | 15,786.67 | - 15,786.67 | |
| Sundry CATA013738 Creditor Control | - | 14,871.77 | - 14,871.77 | |
| Sundry CATA013739 Creditor Control | - | 15,602.13 | - 15,602.13 | |
| Sundry CATA013740 Creditor Control | - | 19,248.55 | - 19,248.55 | |
| Sundry CATA013741 Creditor Control | - | 11,795.25 | - 11,795.25 | |
| Sundry CATA013742 Creditor Control | - | 5,709.06 | - 5,709.06 | |
| Sundry CATA013743 Creditor Control | - | 5,409.68 | - 5,409.68 | |
| Sundry CATA013744 Creditor Control | - | 41,429.01 | - 41,429.01 | |
| Sundry CATA013745 Creditor Control | - | 119,763.02 | - 119,763.02 | |
| Sundry CATA013779 Creditor Control | - | 20,781.64 | - 20,781.64 | |
| Sundry CATA013790 Creditor Control | - | 25,222.00 | - 25,222.00 | |
| Sundry CATA013801 Creditor Control | - | 86,065,807.73 | - 86,065,807.73 | |
| Sundry CATA013861 Creditor Control | - | 24,313.60 | - 24,313.60 | |
| Sundry CATA013862 Creditor Control | - | 11,793.07 | - 11,793.07 | |
| Sundry CATA013863 Creditor Control | - | 26,425.07 | - 26,425.07 | |
| Sundry CATA013864 Creditor Control | - | 4,097.65 | - 4,097.65 | |
| Sundry CATA013865 Creditor Control | - | 15,820.87 | - 15,820.87 | |
| Sundry CATA013866 Creditor Control | - | 4,704,043.40 | - 4,704,043.40 | |
| Sundry CATA013867 Creditor Control | - | 86,623.90 | - 86,623.90 | |
| Sundry CATA013868 Creditor Control | - | 6,279.97 | - 6,279.97 | |
| Grand Total | 390,443,824.18 | 336,509,631.91 | 53,934,192.27 | |

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) Indicated below , is the DWS current accounts for October 2025 which was due and payable on or before the 01 December 2025.

Page 1 of 1

NWRI Customer Ref no: 60005150
 Customer No: 25014305
 Contract Acc. No: 100478320
 Document No: 412770245
 Document Date: 31.10.2025
 Payment Terms: 30 Days
 Due Date: 01.12.2025
 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 fr a water resource; Water Use Sector: DOMESTIC & INDUSTRIAL; Water Source Type: SCHEME; Contract No: 10087405 (25014305/13) Serv Vol: 9,125,000.40; YrD Consumed Vol: 21332,997.00 Water Use Period: 01.10.2025 to 31.10.2025 | | | | |
| | Consumptive (O&M) | 2,828,360.00 | 38.68 | 1,094,009.65 |
| | Consumptive (ROA) | 2,828,360.00 | 34.37 | 972,107.33 |
| | Consumptive (Depr) | 2,828,360.00 | 20.22 | 571,894.39 |
| | TCTA (AMD) | 2,828,360.00 | 8.45 | 238,996.42 |
| | TCTA (LHWP) | 2,828,360.00 | 443.20 | 12,535,291.52 |
| | Plus 15.00% VAT | | | 2,311,844.90 |
| | Subtotal | | | 17,724,144.21 |
| | WRL(0%VAT) | 2,828,360.00 | 8.08 | 228,531.49 |
| | WRL(0%VAT) | 0.000 | 0.00 | 0.00 |
| | Total Charges | | | 17,952,675.70 |

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.

NWRI Customer Ref no: 60005150
 Customer No: 25014305
 Contract Acc. No: 100478320
 Document No: 493868659
 Document Date: 31.10.2025
 Payment Terms: 30 Days
 Due Date: 01.12.2025
 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 fr a water resource;
 Water Use Sector: DOMESTIC & INDUSTRIAL;
 Water Source Type: SCHEME;
 Contract No: 10087405 (25014305/13)
 Serv.Vol: 9,125,000.40; YrD Consumed Vol: 0.00
 Water Use Period: 01.08.2025 to 31.08.2025

| | | | |
|--------------------|---------------|--------|--------------|
| Consumptive (O&M) | 1,078,954.00 | 38.68 | 417,339.41 |
| Consumptive (ROA) | 1,078,954.00 | 34.37 | 370,836.49 |
| Consumptive (Depr) | 1,078,954.00 | 20.22 | 218,164.50 |
| TCTA (AMD) | 1,078,954.00 | 8.45 | 91,171.61 |
| TCTA (LHWP) | 1,078,954.00 | 443.20 | 4,781,924.13 |
| Plus 15.00% VAT | | | 881,915.42 |
| Subtotal | | | 6,761,351.56 |
| WRL(0%VAT) | 1,078,954.000 | 8.08 | 87,179.48 |
| WRL(0%VAT) | 0.000 | 0.00 | 0.00 |
| Total Charges | | | 6,848,531.04 |

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.

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

Page 1 of 1

NWRI Customer Ref no: 60005150
 Customer No: 25014305
 Contract Acc. No: 100478320
 Document No: 412777847
 Document Date: 30.11.2025
 Payment Terms: 30 Days
 Due Date: 30.12.2025
 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: ; Legal Sector Code: ; Water Use Sector: D&I WATER SUPPLY SERVICE Water Source Type: ; Contract No: 10087405 (25014305/13) Water Use Period: 01.11.2025 to 30.11.2025 | | | | |
| | Consumptive (O&M) | 2342,083.33 | 38.68 | 905,917.83 |
| | Consumptive (ROA) | 2342,083.33 | 34.37 | 804,974.04 |
| | Consumptive (Depr) | 2342,083.33 | 20.22 | 473,569.25 |
| | TCTA (AMD) | 2342,083.33 | 8.45 | 197,906.04 |
| | TCTA (LHWP) | 2342,083.33 | 443.20 | 10,380,113.32 |
| | Plus 15.00% VAT | | | 1,914,372.07 |
| | Subtotal | | | 14,676,852.55 |
| | WRL | 2342,083.33 | 8.08 | 189,240.33 |
| | Total Charges | | | 14,866,092.88 |

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

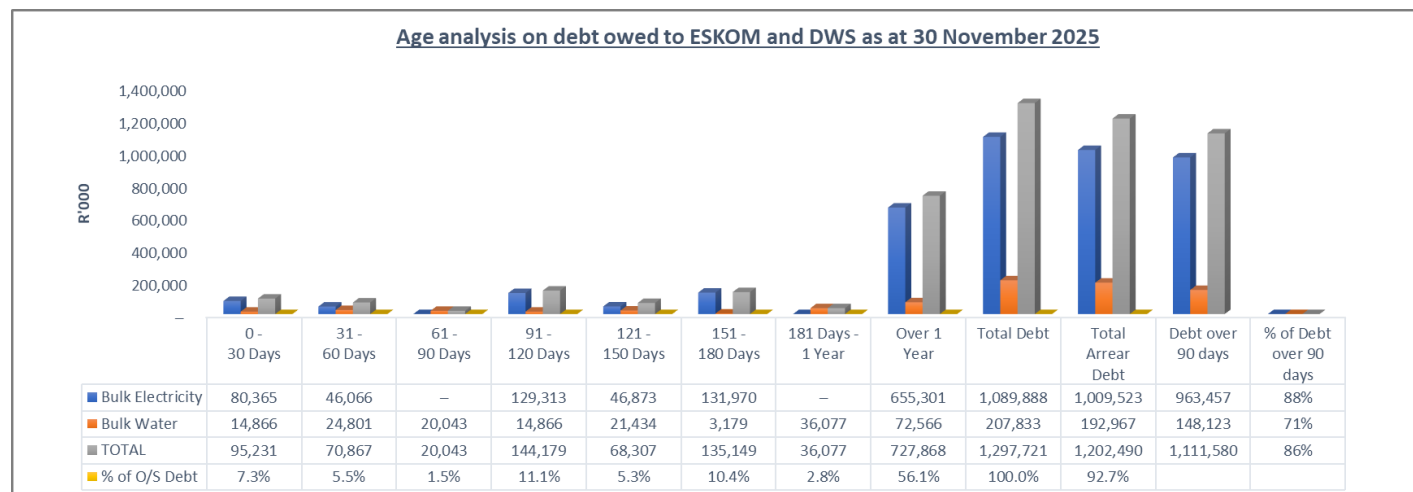
The municipality's water reconciliation statement (aligning to the mSCOA data string upload for M05 – November 2025).

| | |
|--|------|
| | 2026 |
| | M05 |
| Account Name | |
| Assets:Current Assets:Inventory:Water:System Input Volume:Bulk Purchases | 825 |

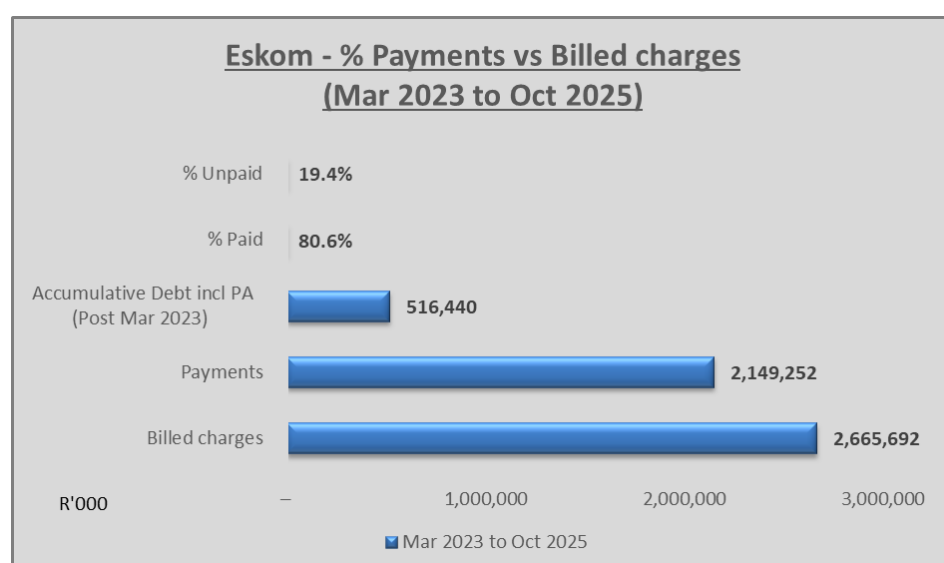
Reconciliation of Bulk purchases water input volumes, deposits and withdrawals as per the Financial system. The invoice for October 2025 was not authorised timeously due to a delay in the submission of the outstanding voucher.

| Datastrings & FMS Recon - Nov 2025 M05 | Sum of Debit Amt | Sum of Credit Amt | Sum of Actual | Comment |
|--|------------------|-------------------|---------------|--|
| WATER:INPUT VOL: BULK PURCHASES | 1,650.00 | 825.00 | 825.00 | Water:Input Vol: Bulk Purchases vote reconciles to datastrings |
| Sundry Accruals | 825.00 | - | 825.00 | |
| SORA01:ORANJE RIET WATER USERS ASSOCIATION | 825.00 | - | 825.00 | |
| Sundry Accruals Reversals | - | 825.00 | - | 825.00 |
| SORA01 : ORANJE RIET WATER USERS ASSOCIATION | - | 825.00 | - | 825.00 |
| Sundry Payments | 825.00 | - | 825.00 | |
| SORA01 : ORANJE RIET WATER USERS ASSOCIATION | 825.00 | - | 825.00 | Authorised Oranje Riet Water Users Association account |
| Grand Total | 1,650.00 | 825.00 | 825.00 | |

vii) Total outstanding debt owed to ESKOM and DWS as at 30 November 2025



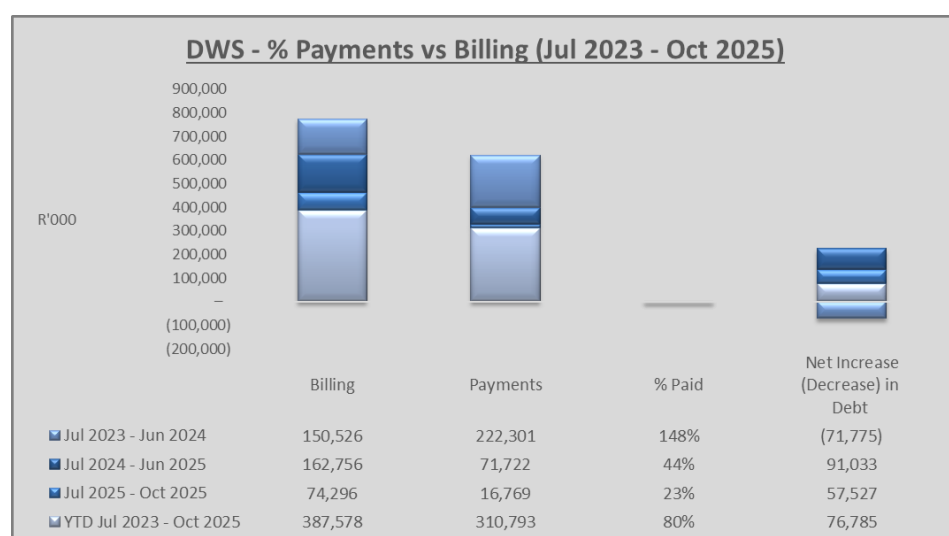
Please refer to section 4.2 for more in-depth information of the debt owed to ESKOM and DWS.



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

The total billed charges for the period amounted to R2,665,692 billion, and payments made amounted to R2,149,252 billion. For the period the municipality managed to settle 80.6% of the billed charges.

The debt outstanding post March 2023 amounts to R516,440 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 September 2025.

The total billing for the period amounted to R387,578 million, and payments made amounted to R310,793 million. For the 2023/24 financial year the municipality reduced the arrear debt by R71,775 million. Unpaid invoices for 2024/25 resulted in an escalation of outstanding debt of R91,033 million. For the current year, outstanding debt escalated by R57,527 million. The net increase in outstanding debt amounts to R76,785 million.

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 - November 2025 |
|--|---|---|---|--|
| 6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means the account for a single month's consumption) | 6.3.1 The municipality must monthly pay and maintain its Eskom bulk current account and bulk water current account - Department of Water and Sanitation (DWS), within 30 days of receiving the relevant invoice | Monthly, within 30 days of receiving invoice on or before due date as per the monthly invoice | Proof of payment (which includes, remittance advice, invoice and extract of corresponding bank statement) | Non-Compliant - ESKOM During the month of November 2025, the municipality partially settled the October 2025 Eskom account amounting to R40,000 million. The total account including interest amounted to R86 million. Non-Compliant - DWS The municipality did not have sufficient cash available to settle the current account for Water for October 2025 amounting to R24 million. |
| | 6.3.1 (a) At a minimum, pay the monthly debt instalment on 5th of each month as per signed debt agreement with DWS. (b) Pay the monthly debt instalment of R6,700m to Eskom with the current account | Monthly, 5th of each month | | Non-Compliant - ESKOM The municipality had insufficient cash available from operations to settle R6.7m instalment on the ESKOM payment arrangement as at the end of November 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 December 2025. |
| | 6.3.2 Submit the supporting evidence of the bulk Eskom current account payment to the National Treasury, Eskom and DWS, within 1 day of making any such payment | Within 1 day after making payment | Proof of payment and proof of email submission | Compliant Email was sent within one day late after making payment to ESKOM. |
| | 6.3.3 Submit the proof of payment to the National Treasury in PDF format via the GoMuni Upload Portal to substantiate that payment was made. | Monthly, within 10 working days after month end | GoMuni Status of Schedule of Revenue Documents Submissions Report | Compliant Proof of Payments made in October 2025 was uploaded onto GoMuni on 8 December 2025. |

| MFMA Circular Reference and Focus Areas | Eskom Debt Relief Conditions | Reporting Frequency / Target Dates | Target / Portfolio of Evidence | Progress Reporting period - November 2025 |
|---|--|---|---|--|
| | <p>6.3.4 - The amount as per the proof of payment must reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom and DWS</p> | Monthly, within 10 working days after month end | Monthly financial data strings | <p>Compliant</p> <p>Transactions as per the ledger reconciles with the monthly datastrings. 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> |
| | | | | |
| 6.6 Electricity and Water Collection <i>(Demonstration through by-laws and budget related policies)</i> | <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</p> <p>Priority of order of allocations was corrected on the system. This is a once-off correction that the system will apply when payments are made.</p> |
| | 6.6.2 The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner | Monthly | Number of disconnected / blocked meters | <p>Prepaid disconnections = 370 Conventional disconnections = 41</p> |
| | 6.6.3 The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner | Monthly | Number of restricted / interrupted supply | <p>Due to the fact that our water meters are too old to be blocked and the cost to replace we currently only partially compliant as SPLM can block electricity if water is not paid (combined account).</p> |
| | <p>6.6.4 If the defaulting consumer/ property owner is registered as an indigent consumer with the municipality, the monthly supply of electricity and water to that consumer/property owner must be physically restricted to the monthly national basic free electricity and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively.</p> | Monthly | No of indigent consumers | <p>Partially compliant</p> <p>Current meters do not have the capability to apply restrictions. Technical analysis is required to implement this functionality. 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 - November 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 = 69%. Quarterly S71 Revenue Collection rate per Ward outcome Q2 = Not yet end of the quarter Municipality's average collection rate = 79% (Prepaid electricity sales and allocated credits are included) Not achieved Average daily cash collection for November 2025, was R6,263m. |
| | 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 | 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 - November 2025 |
|--|---|---|--|---|
| | | | prepaid electricity meters | |
| | | | | |
| 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 November 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 October 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 - November 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 to be invested weekly and withdrawn monthly | Investment account and primary bank statement | Finalised Daily process developed to identify amounts received per service. EQS portion to be considered on a monthly basis, once subsidies have been allocated on the system. Partially Compliant The ESKOM current account was partially paid, directly from the Primary bank account. 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 current 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. |

| MFMA Circular Reference and Focus Areas | Eskom Debt Relief Conditions | Reporting Frequency / Target Dates | Target / Portfolio of Evidence | Progress Reporting period - November 2025 |
|---|---|--|---|--|
| | 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 November 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 October 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 R100,500 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 November 2025 amounts to R25,606 million.
11. The municipality is in breach of the conditions and has accumulative arrears for the prior year and the current 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 **R446,999,918.40**, as indicated in the table below. Arrears on the outstanding invoices including interest amounts to R399,195,918.40 and the arrears on the payment arrangement amounts to R100,500,000.00.

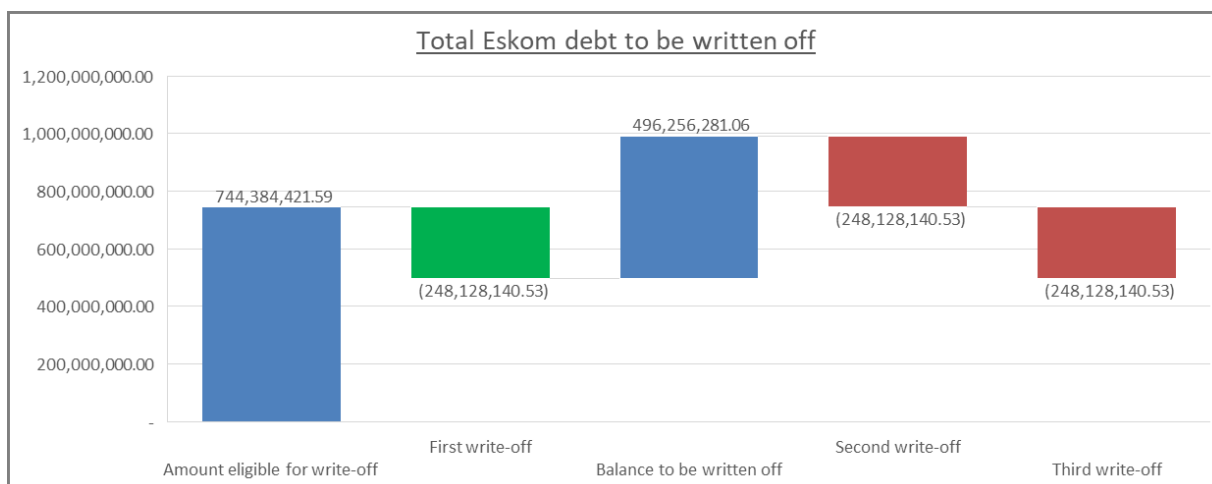
| Month | Invoice Amount incl Interest | Paid Amount | Balance due incl Interest | Arrear instalments Payment Arrangement | Total Due to be in Good standing | Interest |
|--------------------|------------------------------|---------------------------|---------------------------|--|----------------------------------|------------------------|
| 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 |
| Sept-25 | R 81,800,313.25 | R 81,800,313.25 | R - | R 6,700,000.00 | R 6,700,000.00 | R 4,263,618.92 |
| Oct-25 | R 86,065,807.73 | R 40,000,000.00 | R 46,065,807.73 | R 6,700,000.00 | R 52,765,807.73 | R 7,374,557.04 |
| TOTAL ESKOM | R 1,499,643,659.69 | R 1,100,447,741.29 | R 399,195,918.40 | R 100,500,000.00 | R 499,695,918.40 | R 40,563,746.88 |

12. The municipality is in breach of the conditions and has accumulative arrears for the prior year and current year. To be in good standing with DWS, the municipality must settle the accounts for October to December 2024, January, June, July, August, September and October 2025 amounting to a combined total of **R192,966,889.33** 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 **R178,263,208.87**, 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 - |
| Sept-25 | R 20,043,140.87 | R - | R 20,043,140.87 | R - | R 20,043,140.87 | R - |
| Oct-25 | R 24,801,206.74 | R - | R 24,801,206.74 | R - | R 24,801,206.74 | R - |
| TOTAL WATER | R 245,162,192.67 | R 52,195,303.34 | R 192,966,889.33 | -R 14,703,680.46 | R 178,263,208.87 | 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, B Mgaguli, the Acting 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 **November 2025** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: B Mgaguli

Acting Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature: _____

Date: 11/12/2025



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

Ms Busisiwe Mgaguli
Acting 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: BMgaguli@solplaatje.org.za

Dear Ms Mgaguli and Mr Ramjathan

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

The National Treasury's monthly second-cycle compliance assessment of Sol Plaatje Local Municipality for October 2025, undertaken in terms of the Municipal Debt Relief Programme (MDRP) and MFMA Circular No. 124, confirms that the municipality has completed its second assessment cycle and is showing measured improvement. The municipality achieved an overall compliance score of 85%, reflecting a stronger alignment with MDRP conditions and a more disciplined approach to financial recovery, governance, and internal control. Notable gains were recorded in budget preparation, the credibility of in-year reporting, and the functioning of governance structures, including more regular oversight engagements and improved documentation of key financial decisions.

Despite this progress, revenue management remains a fundamental pressure point. The municipality's average collection rate has improved to 70% over the review period, representing a material recovery from earlier performance but still falling short of the MDRP benchmark of 95%. This gap continues to constrain liquidity and limits the municipality's ability to reliably fund core service delivery. Weaknesses in expenditure control, arrears management, and the enforcement of credit control policies remain evident, particularly in relation to Eskom and other large creditors. Eskom arrears continue to pose a systemic risk to the municipality's financial stability, and in line with MDRP conditions, if the Eskom current account is outstanding, no further write-off or additional debt relief will be possible.

Looking ahead, the sustainability of the current improvement trajectory will depend on the municipality's ability to institutionalise stronger cash-flow discipline and harden its approach to enforcement. This includes tightening credit control, accelerating implementation of practical debt recovery measures, restructuring overdue accounts, and ensuring that governance structures actively

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

monitor collection performance and arrears trends on a monthly basis. Only consistent, evidence-based improvement in governance, collection outcomes and arrears reduction—supported by full and timely payment of the Eskom current account—will safeguard the municipality's eligibility under the MDRP framework and support any consideration of further relief in future.

Condition 6.1 – Municipality non-compliance

The October 2025 compliance assessment of Sol Plaatje Local Municipality highlighted several structural weaknesses that require urgent correction to safeguard its standing under the Municipal Debt Relief Programme (MDRP). While the municipality remains within the programme, its current trajectory signals mounting risk to both financial stability and long-term eligibility, particularly in relation to enforcement discipline, governance oversight, and payment behaviour towards bulk service providers.

A central concern is the inconsistent enforcement of disconnection measures for non-payment of services. Electricity and water disconnections, which are core instruments of the credit control framework, are applied irregularly and unevenly across consumer groups. This undermines revenue discipline, weakens the deterrent effect of enforcement actions, and creates a perception that non-payment carries limited consequence. To restore credibility, disconnection protocols must be applied consistently, backed by adequately resourced enforcement teams, clear disconnection schedules, and strict adherence to the municipality's approved Credit Control and Debt Collection Policy.

Governance oversight and administrative compliance with Council decisions are equally problematic. Council has adopted resolutions in support of MDRP participation, including conditions and remedial actions that were expressly mandated as part of the debt relief application. However, the administration is not fully implementing these resolutions as set out when applying for the debt relief, resulting in a disconnect between approved policy and actual practice. This weakens institutional accountability and erodes the authority of Council decisions. All Council resolutions must be implemented by the administration in full and without delay, supported by regular Council agenda items on MDRP progress, structured performance reporting, and clear tracking of management's execution of Council directives.

The municipality's irregular and partial payments to Eskom and regional Water Boards further compound these governance and enforcement weaknesses. Payment patterns continue to fall short of agreed terms, despite minor administrative improvements, and this non-compliance directly threatens both financial sustainability and the credibility of the debt relief intervention. Immediate prioritisation of full and timely settlements with bulk service providers is essential, supported by realistic cash-flow planning, ring-fenced payment mechanisms and monthly monitoring at both administrative and Council level. If these systemic issues are not addressed, the municipality faces further deterioration in its compliance status and potential forfeiture of MDRP benefits. Sustained enforcement of credit control, full implementation of Council resolutions, stronger governance oversight, and strict adherence to MFMA Circular No. 124 are non-negotiable to restore fiscal stability and maintain eligibility under the programme.

NC091 Sol Plaatje Local Municipality overall relief performance for October 2025 :



| Province | | |
|----------|---------------|------------------|
| NU | | |
| Code | Domain | Code Description |
| NC091 | Finance Board | Sol Plaatje |

| Municipal Details | | Monthly Performance Report | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | Scoring and Rating | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | | Part A: Eskom and Bulk water service account | | | | | | Part B: Compliance with a funded MDRP | | | | | | Part C: FSEDP & Tariff Assessment | | | | | | Part D: Electricity and water collection ratio | | | | | | Part E: Quarterly collection of property rates and services charges | | | | | | Part F: Monthly status of financial base | | | | | | Part G: Overall | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Month | Code Description | 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 | C42 | C43 | C44 | C45 | C46 | C47 | C48 | C49 | C50 | C51 | C52 | C53 | C54 | C55 | C56 | C57 | C58 | C59 | C60 | C61 | C62 | C63 | C64 | C65 | C66 | C67 | C68 | C69 | C70 | C71 | C72 | C73 | C74 | C75 | C76 | C77 | C78 | C79 | C80 | C81 | C82 | C83 | C84 | C85 | C86 | C87 | C88 | C89 | C90 | C91 | C92 | C93 | C94 | C95 | C96 | C97 | C98 | C99 | C100 | C101 | C102 | C103 | C104 | C105 | C106 | C107 | C108 | C109 | C110 | C111 | C112 | C113 | C114 | C115 | C116 | C117 | C118 | C119 | C120 | C121 | C122 | C123 | C124 | C125 | C126 | C127 | C128 | C129 | C130 | C131 | C132 | C133 | C134 | C135 | C136 | C137 | C138 | C139 | C140 | C141 | C142 | C143 | C144 | C145 | C146 | C147 | C148 | C149 | C150 | C151 | C152 | C153 | C154 | C155 | C156 | C157 | C158 | C159 | C160 | C161 | C162 | C163 | C164 | C165 | C166 | C167 | C168 | C169 | C170 | C171 | C172 | C173 | C174 | C175 | C176 | C177 | C178 | C179 | C180 | C181 | C182 | C183 | C184 | C185 | C186 | C187 | C188 | C189 | C190 | C191 | C192 | C193 | C194 | C195 | C196 | C197 | C198 | C199 | C200 | C201 | C202 | C203 | C204 | C205 | C206 | C207 | C208 | C209 | C210 | C211 | C212 | C213 | C214 | C215 | C216 | C217 | C218 | C219 | C220 | C221 | C222 | C223 | C224 | C225 | C226 | C227 | C228 | C229 | C230 | C231 | C232 | C233 | C234 | C235 | C236 | C237 | C238 | C239 | C240 | C241 | C242 | C243 | C244 | C245 | C246 | C247 | C248 | C249 | C250 | C251 | C252 | C253 | C254 | C255 | C256 | C257 | C258 | C259 | C260 | C261 | C262 | C263 | C264 | C265 | C266 | C267 | C268 | C269 | C270 | C271 | C272 | C273 | C274 | C275 | C276 | C277 | C278 | C279 | C280 | C281 | C282 | C283 | C284 | C285 | C286 | C287 | C288 | C289 | C290 | C291 | C292 | C293 | C294 | C295 | C296 | C297 | C298 | C299 | C300 | C301 | C302 | C303 | C304 | C305 | C306 | C307 | C308 | C309 | C310 | C311 | C312 | C313 | C314 | C315 | C316 | C317 | C318 | C319 | C320 | C321 | C322 | C323 | C324 | C325 | C326 | C327 | C328 | C329 | C330 | C331 | C332 | C333 | C334 | C335 | C336 | C337 | C338 | C339 | C340 | C341 | C342 | C343 | C344 | C345 | C346 | C347 | C348 | C349 | C350 | C351 | C352 | C353 | C354 | C355 | C356 | C357 | C358 | C359 | C360 | C361 | C362 | C363 | C364 | C365 | C366 | C367 | C368 | C369 | C370 | C371 | C372 | C373 | C374 | C375 | C376 | C377 | C378 | C379 | C380 | C381 | C382 | C383 | C384 | C385 | C386 | C387 | C388 | C389 | C390 | C391 | C392 | C393 | C394 | C395 | C396 | C397 | C398 | C399 | C400 | C401 | C402 | C403 | C404 | C405 | C406 | C407 | C408 | C409 | C410 | C411 | C412 | C413 | C414 | C415 | C416 | C417 | C418 | C419 | C420 | C421 | C422 | C423 | C424 | C425 | C426 | C427 | C428 | C429 | C430 | C431 | C432 | C433 | C434 | C435 | C436 | C437 | C438 | C439 | C440 | C441 | C442 | C443 | C444 | C445 | C446 | C447 | C448 | C449 | C450 | C451 | C452 | C453 | C454 | C455 | C456 | C457 | C458 | C459 | C460 | C461 | C462 | C463 | C464 | C465 | C466 | C467 | C468 | C469 | C470 | C471 | C472 | C473 | C474 | C475 | C476 | C477 | C478 | C479 | C480 | C481 | C482 | C483 | C484 | C485 | C486 | C487 | C488 | C489 | C490 | C491 | C492 | C493 | C494 | C495 | C496 | C497 | C498 | C499 | C500 | C501 | C502 | C503 | C504 | C505 | C506 | C507 | C508 | C509 | C510 | C511 | C512 | C513 | C514 | C515 | C516 | C517 | C518 | C519 | C520 | C521 | C522 | C523 | C524 | C525 | C526 | C527 | C528 | C529 | C530 | C531 | C532 | C533 | C534 | C535 | C536 | C537 | C538 | C539 | C540 | C541 | C542 | C543 | C544 | C545 | C546 | C547 | C548 | C549 | C550 | C551 | C552 | C553 | C554 | C555 | C556 | C557 | C558 | C559 | C560 | C561 | C562 | C563 | C564 | C565 | C566 | C567 | C568 | C569 | C570 | C571 | C572 | C573 | C574 | C575 | C576 | C577 | C578 | C579 | C580 | C581 | C582 | C583 | C584 | C585 | C586 | C587 | C588 | C589 | C590 | C591 | C592 | C593 | C594 | C595 | C596 | C597 | C598 | C599 | C600 | C601 | C602 | C603 | C604 | C605 | C606 | C607 | C608 | C609 | C610 | C611 | C612 | C613 | C614 | C615 | C616 | C617 | C618 | C619 | C620 | C621 | C622 | C623 | C624 | C625 | C626 | C627 | C628 | C629 | C630 | C631 | C632 | C633 | C634 | C635 | C636 | C637 | C638 | C639 | C640 | C641 | C642 | C643 | C644 | C645 | C646 | C647 | C648 | C649 | C650 | C651 | C652 | C653 | C654 | C655 | C656 | C657 | C658 | C659 | C660 | C661 | C662 | C663 | C664 | C665 | C666 | C667 | C668 | C669 | C670 | C671 | C672 | C673 | C674 | C675 | C676 | C677 | C678 | C679 | C680 | C681 | C682 | C683 | C684 | C685 | C686 | C687 | C688 | C689 | C690 | C691 | C692 | C693 | C694 | C695 | C696 | C697 | C698 | C699 | C700 | C701 | C702 | C703 | C704 | C705 | C706 | C707 | C708 | C709 | C710 | C711 | C712 | C713 | C714 | C715 | C716 | C717 | C718 | C719 | C720 | C721 | C722 | C723 | C724 | C725 | C726 | C727 | C728 | C729 | C730 | C731 | C732 | C733 | C734 | C735 | C736 | C737 | C738 | C739 | C740 | C741 | C742 | C743 | C744 | C745 | C746 | C747 | C748 | C749 | C750 | C751 | C752 | C753 | C754 | C755 | C756 | C757 | C758 | C759 | C760 | C761 | C762 | C763 | C764 | C765 | C766 | C767 | C768 | C769 | C770 | C771 | C772 | C773 | C774 | C775 | C776 | C777 | C778 | C779 | C780 | C781 | C782 | C783 | C784 | C785 | C786 | C787 | C788 | C789 | C790 | C791 | C792 | C793 | C794 | C795 | C796 | C797 | C798 | C799 | C800 | C801 | C802 | C803 | C804 | C805 | C806 | C807 | C808 | C809 | C810 | C811 | C812 | C813 | C814 | C815 | C816 | C817 | C818 | C819 | C820 | C821 | C822 | C823 | C824 | C825 | C826 | C827 | C828 | C829 | C830 | C831 | C832 | C833 | C834 | C835 | C836 | C837 | C838 | C839 | C840 | C841 | C842 | C843 | C844 | C845 | C846 | C847 | C848 | C849 | C850 | C851 | C852 | C853 | C854 | C855 | C856 | C857 | C858 | C859 | C860 | C861 | C862 | C863 | C864 | C865 | C866 | C867 | C868 | C869 | C870 | C871 | C872 | C873 | C874 | C875 | C876 | C877 | C878 | C879 | C880 | C881 | C882 | C883 | C884 | C885 | C886 | C887 | C888 | C889 | C890 | C891 | C892 | C893 | C894 | C895 | C896 | C897 | C898 | C899 | C900 | C901 | C902 | C903 | C904 | C905 | C906 | C907 | C908 | C909 | C910 | C911 | C912 | C913 | C914 | C915 | C916 | C917 | C918 | C919 | C920 | C921 | C922 | C923 | C924 | C925 | C926 | C927 | C928 | C929 | C930 | C931 | C932 | C933 | C934 | C935 | C936 | C937 | C938 | C939 | C940 | C941 | C942 | C943 | C944 | C945 | C946 | C947 | C948 | C949 | C950 | C951 | C952 | C953 | C954 | C955 | C956 | C957 | C958 | C959 | C960 | C961 | C962 | C963 | C964 | C965 | C966 | C967 | C968 | C969 | C970 | C971 | C972 | C973 | C974 | C975 | C976 | C977 | C978 | C979 | C980 | C981 | C982 | C983 | C984 | C985 | C986 | C987 | C988 | C989 | C990 | C991 | C992 | C993 | C994 | C995 | C996 | C997 | C998 | C999 | C1000 | C1001 | C1002 | C1003 | C1004 | C1005 | C1006 | C1007 | C1008 | C1009 | C1010 | C1011 | C1012 | C1013 | C1014 | C1015 | C1016 | C1017 | C1018 | C1019 | C1020 | C1021 | C1022 | C1023 | C1024 | C1025 | C1026 | C1027 | C1028 | C1029 | C1030 | C1031 | C1032 | C1033 | C1034 | C1035 | C1036 | C1037 | C1038 | C1039 | C1040 | C1041 | C1042 | C1043 | C1044 | C1045 | C1046 | C1047 | C1048 | C1049 | C1050 | C1051 | C1052 | C1053 | C1054 | C1055 | C1056 | C1057 | C1058 | C1059 | C1060 | C1061 | C1062 | C1063 | C1064 | C1065 | C1066 | C1067 | C1068 | C1069 | C1070 | C1071 | C1072 | C1073 | C1074 | C1075 | C1076 | C1077 | C1078 | C1079 | C1080 | C1081 | C1082 | C1083 | C1084 | C1085 | C1086 | C1087 | C1088 | C1089 | C1090 | C1091 | C1092 | C1093 | C1094 | C1095 | C1096 | C1097 | C1098 | C1099 | C1100 | C1101 | C1102 | C1103 | C1104 | C1105 | C1106 | C1107 | C1108 | C1109 | C1110 | C1111 | C1112 | C1113 | C1114 | C1115 | C1116 | C1117 | C1118 | C1119 | C1120 | C1121 | C1122 | C1123 | C1124 | C1125 | C1126 | C1127 | C1128 | C1129 | C1130 | C1131 | C1132 | C1133 | C1134 | C1135 | C1136 | C1137 | C1138 | C1139 | C1140 | C1141 | C1142 | C1143 | C1144 | C1145 | C1146 | C1147 | C1148 | C1149 | C1150 | C1151 | C1152 | C1153 | C1154 | C1155 | C1156 | C1157 | C1158 | C1159 | C1160 | C1161 | C1162 | C1163 | C1164 | C1165 | C1166 | C1167 | C1168 | C1169 | C1170 | C1171 | C1172 | C1173 | C1174 | C1175 | C1176 | C1177 | C1178 | C1179 | C1180 | C1181 | C1182 | C1183 | C1184 | C1185 | C1186 | C1187 | C1188 | C1189 | C1190 | C1191 | C1192 | C1193 | C1194 | C1195 | C1196 | C1197 | C1198 | C1199 | C1200 | C1201 | C1202 | C1203 | C1204 | C1205 | C1206 | C1207 | C1208 | C1209 | C1210 | C1211 | C1212 | C1213 | C1214 | C1215 | C1216 | C1217 | C1218 | C1219 | C1220 | C1221 | C1222 | C1223 | C1224 | C1225 | C1226 | C1227 | C1228 | C1229 | C1230 | C1231 | C1232 | C1233 | C1234 | C1235 | C1236 | C1237 | C1238 | C1239 | C1240 | C1241 | C1242 | C1243 | C1244 | C1245 | C1246 | C1247 | C1248 | C1249 | C1250 | C1251 | C1252 | C1253 | C1254 | C1255 | C1256 | C1257 | C1258 | C1259 | C1260 | C1261 | C1262 | C1263 | C1264 | C1265 | C1266 | C1267 | C1268 | C1269 | C1270 | C1271 | C1272 | C1273 | C1274 | C1275 | C1276 | C1277 | C1278 | C1279 | C1280 | C1281 | C1282 | C1283 | C1284 | C1285 | C1286 | C1287 | C1288 | C1289 | C1290 | C1291 | C1292 | C1293 | C1294 | C1295 | C1296 | C1297 | C1298 | C1299 | C1300 | C1301 | C1302 | C1303 | C1304 | C1305 | C1306 | C1307 | C1308 | C1309 | C1310 | C1311 | C1312 | C1313 | C1314 | C1315 | C1316 | C1317 | C1318 | C1319 | C1320 | C1321 | C1322 | C1323 | C1324 | C1325 | C1326 | C1327 | C1328 | C1329 | C1330 | C1331 | C1332 | C1333 | C1334 | C1335 | C1336 | C1337 | C1338 | C1339 | C1340 | C1341 | C1342 | C1343 | C1344 | C1345 | C1346 | C1347 | C1348 | C1349 | C1350 | C1351 | C1352 | C1353 | C1354 | C1355 | C1356 | C1357 | C1358 | C1359 | C1360 | C1361 | C1362 | C1363 | C1364 | C1365 | C1366 | C1367 | C1368 | C1369 | C1370 | C1371 | C1372 | C1373 | C1374 | C1375 | C1376 | C1377 | C1378 | C1379 | C1380 | C1381 | C1382 | C1383 | C1384 | C1385 | C1386 | C1387 | C1388 | C1389 | C1390 | C1391 | C1392 | C1393 | C1394 | C1395 | C1396 | C1397 | C1398 | C1399 | C1400 | C1401 | C1402 | C1403 | C1404 | C1405 | C1406 | C1407 | C1408 | C1409 | C1410 | C1411 | C1412 | C1413 | C1414 | C1415 | C1416 | C1417 | C1418 | C1419 | C1420 | C1421 | C1422 | C1423 | C1424 | C1425 | C1426 | C1427 | C1428 | C1429 | C1430 | C1431 | C1432 | C1433 | C1434 | C1435 | C1436 | C1437 | C1438 | C1439 | C1440 | C1441 | C1442 | C1443 | C1444 | C1445 | C1446 | C1447 | C1448 | C1449 | C1450 | C1451 | C1452 | C1453 | C1454 | C1455 | C1456 | C1457 | C1458 | C1459 | C1460 | C1461 | C1462 | C1463 | C1464 | C1465 | C1466 | C1467 | C1468 | C1469 | C1470 | C1471 | C1472 | C1473 | C1474 | C1475 | C1476 | C1477 | C1478 |

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

Sol Plaatje Local Municipality has received final approval to participate in the Municipal Debt Relief Programme (MDRP), following the formal adoption of a Council resolution and subsequent endorsement by the National Treasury. This approval, which was initially granted on a conditional basis, depended on the municipality demonstrating credible progress in financial management, administrative capability and governance reform.

Ahead of the final approval, the municipal leadership undertook a comprehensive institutional assessment to identify key structural and operational weaknesses across the organisation. The outcomes of this assessment informed a focused reform agenda aimed at tightening internal controls, improving revenue performance, enhancing expenditure discipline and strengthening governance and oversight arrangements.

As part of this reform agenda, the municipality has implemented several core interventions:

- **Enhanced financial oversight:** Structured monitoring and reporting mechanisms have been introduced to improve transparency, align financial management practices with national fiscal norms and standards, and strengthen accountability at both administrative and political levels.
- **Disciplined budgeting:** More rigorous budgeting practices and cost-control measures have been adopted to support credible planning, prioritisation of limited resources and improved value for money in service delivery.
- **Governance reform:** Ethical leadership, integrity and accountability have been emphasised and embedded in key decision-making processes, reinforcing the role of Council and senior management in driving compliance and performance.
- **Performance monitoring:** Robust compliance tracking and reporting systems have been established to monitor MDRP conditions, measure progress against agreed milestones, and trigger timely corrective action where slippages occur.

Condition 6.3 – Maintaining the Eskom bulk current account

As of August 2025, Sol Plaatje Local Municipality remains only partially compliant with its bulk service obligations, despite having obtained debt relief approval on 30 October 2023 under the Municipal Debt Relief Programme (MDRP). At approval, the municipality’s ring-fenced Eskom debt at 31 March 2023 amounted to R744 million, with a further R83 million in residual new arrear debt. Since then, post-approval Eskom arrears growth of R236 million and a current Eskom balance of R236 million, together with overdue accounts, have resulted in the municipality being classified as Overdue with a Standard Breach status in terms of National Treasury’s MDRP compliance framework.

When applying for inclusion in the MDRP, Council resolved that the municipality would (i) settle all current accounts with Eskom and other bulk service providers in full and on time, (ii) implement and adhere to a credible arrears repayment plan, and (iii) maintain strict financial discipline to justify phased debt write-offs. In practice, these commitments have not been consistently honoured. The

July 2025 Eskom account of R146.873 million (including R5.424 million in interest) received only a R30.000 million payment, leaving a substantial balance outstanding. A further R16.769 million was paid on 29 August 2025 towards the March 2025 Water account, while the July 2025 Water invoice of R21.434 million remained unpaid. Total Eskom payments in August 2025 amounted to R152.830 million, yet only the August 2024, January 2025, April 2025 and May 2025 accounts were settled in full. Concurrently, cash constraints prevented settlement of the August 2025 Water Board account of R14.866 million. In September 2025, a partial payment of R70.000 million was made towards the July 2025 account, while the August 2025 Eskom account of R129.313 million (including R4.112 million in interest) remained unpaid, reinforcing the pattern of irregular and partial payments and confirming ongoing liquidity stress.

During October 2025, the municipality fully settled the September 2025 Eskom current account, paying a total of R81.800 million, inclusive of interest charges of R4.264 million. This payment cleared all outstanding amounts on the September 2025 invoice and brought the Eskom current account up to date for that specific billing period. While this represents a positive step towards restoring current account discipline, it does not yet resolve the accumulated arrears, the post-approval growth in Eskom debt, or the broader pattern of partial compliance. Unless the municipality normalises payments to Eskom and Water Boards, strictly follows its arrears repayment plan, and restores full, sustained payment discipline on current accounts, it will remain in Standard Breach and at risk of forfeiting MDRP benefits and further weakening its financial and service delivery position.

Condition 6.4 – A funded MTREF

Sol Plaatje Local Municipality's approved 2025/26 Medium-Term Revenue and Expenditure Framework (MTREF) is technically funded, but its durability is fragile. National Treasury's assessment indicates that the municipality's fiscal stability will depend heavily on its ability to improve revenue collection efficiency and enforce much tighter expenditure discipline over the medium term.

Projected revenue growth is expected to be driven by electricity, water, property rates and national transfers. However, these gains are being undermined by persistently high technical and non-technical losses on both electricity and water, which remain well above national norms. These losses dilute the impact of tariff increases, erode the potential revenue base and weaken the municipality's overall financial position. At the same time, the budget relies on optimistic collection assumptions, with insufficient provision for debt impairment. Underestimating the level of doubtful debt risks overstating revenue, overstretching the cash flow and creating in-year funding gaps.

On the expenditure side, employee-related costs and bulk purchases continue to absorb a large share of operating resources, limiting the municipality's ability to redirect spending towards maintenance and service improvements. The capital programme is heavily grant-funded, with only a modest contribution from own revenue. This high dependence on external funding raises concerns about liquidity and the municipality's ability to meet counterpart funding and implementation requirements for infrastructure projects. Cash flow projections point to constrained flexibility, with liquidity and

coverage indicators suggesting that short-term obligations may be difficult to meet if revenue performance does not improve materially.

While the MTREF is aligned with the Integrated Development Plan (IDP) and has followed the prescribed consultation and approval processes, its credibility is weakened by ambitious revenue projections, underestimation of bad debts and underutilisation of available resources for indigent support. The level of free basic services and support to indigent households remains below what could be funded from national transfers, creating the risk of service delivery shortfalls and social pressure. Overall, the budget provides a framework for stabilisation, but its success will depend on visible improvements in collection discipline, reduction of distribution losses, realistic provisioning for debt impairment and more prudent management of operating and capital commitments.

Conditions 6.5 – Cost reflective tariffs

An in-depth review of Sol Plaatje Local Municipality's 2025/26 Medium-Term Revenue and Expenditure Framework (MTREF) confirms that none of the four major trading services—water, sanitation, electricity and solid waste—are cost reflective. Budgeted revenue for these services remains consistently below the actual cost of providing them, including operations, maintenance, asset renewal and basic reliability. This structural imbalance, verified through the National Treasury tariff tool, has created a widening deficit across the MTREF and poses a material risk to the municipality's financial sustainability and its ability to deliver services over the long term.

Across all trading services, tariffs remain below full cost recovery, resulting in systematically underfunded operations. In the water function, financial pressures are particularly acute. Ageing infrastructure, high distribution losses and deferred maintenance continue to drive up costs, while non-cost-reflective tariffs limit the municipality's ability to address these underlying weaknesses. The outcome is a growing funding gap each year, worsening maintenance backlogs and an increased risk of service interruptions and system failures.

The sanitation service mirrors these vulnerabilities. Tariffs that do not reflect the true cost of service delivery constrain the municipality's capacity to maintain and upgrade treatment works, rehabilitate reticulation networks and extend services to new developments and informal settlements. This structural underfunding undermines the sustainability of wastewater operations and heightens public health risks due to underinvestment in critical infrastructure and inadequate maintenance.

Electricity remains the municipality's most financially exposed trading service. Eskom bulk purchase costs continue to escalate, yet tariffs remain below cost-reflective levels. High technical and non-technical losses, significantly above national norms, further compress margins. The inability to charge cost-reflective tariffs weakens the municipality's capacity to honour Eskom payment obligations, maintain and upgrade the distribution network, and systematically reduce losses. This entrenches a cycle of financial distress, directly affecting service reliability and undermining compliance with Municipal Debt Relief Programme (MDRP) conditions.

Solid waste operations also reflect a recurring funding shortfall. Current tariffs do not generate sufficient revenue to cover day-to-day operational costs or fund essential fleet and equipment renewal. The consequences are irregular refuse collection, frequent breakdowns and declining service coverage, especially in peripheral and low-income areas. Continued underfunding in this function amplifies operational inefficiencies and further erodes public confidence in basic municipal services.

Taken together, these deficits point to a systemic financial imbalance across the municipality's trading services portfolio. Without decisive tariff restructuring towards cost reflectivity, improved metering and billing accuracy, and much stricter enforcement of credit control and revenue collection policies, the present model will remain unsustainable. National Treasury has emphasised that achieving cost-reflective tariffs across all services is non-negotiable to restore operational stability, protect service delivery, and maintain ongoing eligibility under the MDRP framework.

Condition 6.6 – Electricity and water as collection tools

Sol Plaatje Local Municipality continues to exhibit fundamental weaknesses in its credit control and revenue enforcement systems, undermining both financial recovery and compliance under the Municipal Debt Relief Programme (MDRP). Despite some isolated corrective efforts, the overall framework remains fragmented, inconsistently applied, and financially damaging.

The municipality does in most instances, issue consolidated monthly bills to consumers and property owners and for these accounts the structured allocation of partial payments in the prescribed order of priority is applied. For certain accounts like Public Works, billing for property rates, water, sanitation, refuse, and electricity is handled separately. The partial issuing of consolidated bills prevents the structured allocation of partial payments in the prescribed order of priority and makes it difficult to link payments to a single account position per customer. The result is weakened arrears management, poor traceability of consumer debt, and uncontrolled growth in outstanding accounts. The partial issuing of consolidated billing also obscures the municipality's true revenue position and undermines the effectiveness of any debt recovery strategy.

On the enforcement side, electricity disconnections and prepaid purchase blocks are applied to defaulting consumers—excluding registered indigent households—indicating only partial compliance with the municipality's own credit control provisions. Electricity has effectively become the sole enforcement lever, while water restrictions, despite being one of the most powerful recovery tools, are not implemented at all. By choosing not to apply controlled water supply restrictions (while still guaranteeing the national minimum free basic service), the municipality has voluntarily surrendered a key instrument of credit discipline and weakened the deterrent effect of its enforcement regime.

These weaknesses are further compounded by serious shortcomings in indigent management. Although indigent households are protected from disconnections, their consumption is not physically restricted to the national norms of 50 kWh of electricity and 6 kilolitres of water per month. In practice, this has allowed widespread overconsumption far beyond subsidised thresholds, placing unsustainable pressure on the operating budget and distorting the targeting of social support

In addition, more than 15 000 smart meters have been installed in recent months, yet there has been no material improvement in collection levels or enforcement outcomes. The potential benefits of smart metering—such as real-time monitoring, automated cut-offs, and better consumption management—are not being realised because they are not integrated into a coherent credit control, billing, and revenue management strategy. Compounding this, the municipality routinely approves basic charges through its tariff-setting process but fails to implement them in billing. This practice directly suppresses potential revenue, weakens the cost-reflectivity of tariffs, and undermines the credibility of the MTREF.

The cumulative effect of these failures is a fragmented, lenient, and largely ineffective credit control regime. While electricity enforcement is applied in a limited and selective manner, the partial application of consolidated billing, lack of water restrictions, weak indigent controls, non-implementation of approved basic charges, and underutilisation of smart meter capabilities collectively erode payment discipline. These structural weaknesses are reflected in a collection rate of only 70%, significantly below the MDRP benchmark of 95%. The current approach is unsustainable. Unless Sol Plaatje urgently reforms its billing architecture, fully implements approved tariff structures (including basic charges), enforces both water and electricity credit controls uniformly, leverages smart metering as an enforcement tool, and tightens indigent verification and reporting, revenue performance will continue to deteriorate. The municipality's financial stability—and its standing under the MDRP—now depends on decisive, consistent, and uncompromising action.

Condition 6.7: Maintain a Minimum Average Quarterly Collection Rate

The Quarter 1 collection performance of Sol Plaatje Local Municipality for 2025/26 confirms that revenue management weaknesses continue to place severe pressure on the municipality's financial stability. For the first quarter, the overall collection rate averaged 60%, well below the 95% compliance threshold required under the second cycle of the Municipal Debt Relief Programme (MDRP). Performance across the main revenue streams remains uneven: property rates and electricity collections at 73% show only moderate recovery, while water (46%), wastewater (37%) and refuse (42%) all remain substantially below acceptable levels. The very low 11% interest collection rate reflects weak arrears recovery and limited consequence management for persistent non-payment.

Even when Eskom-supplied areas are excluded, the overall collection rate improves only marginally to 63%, which is still significantly below sustainability benchmarks. This indicates that the problem is structural rather than confined to specific consumer segments. The figures point to systemic shortcomings in billing accuracy, credit control, enforcement of disconnections and restrictions, and arrears management. Weak application of water restrictions, fragmented billing architecture, and inconsistent enforcement across services all contribute to the poor outcome.

According to the attached payment-rate schedule, the overall collection rate for October 2025 was 70%. While this October outcome provides an early indication of second-quarter performance, it remains materially below the MDRP benchmark of 95%, confirming that the structural weaknesses identified in Quarter 1 persist into the new quarter. To restore compliance and stabilise the municipality's finances, Sol Plaatje must now:



- Tighten enforcement of credit control measures, including uniform application of electricity disconnections and the introduction of controlled water restrictions, while protecting indigent households within national norms;
- Improve billing accuracy and internal accountability across all revenue-generating departments;
- Strengthen arrears management with clear targets, systematic follow-up and regular progress reporting to Council; and
- Enhance consumer engagement and payment incentive strategies to rebuild a culture of payment discipline.

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 | 2025/2026 | | | | | |
| Reconciliation Period | Quarter 1 | | | | | |
| Part A - Reconciliation Summary | | | | | | |
| Number of Properties | | | | Market Values | | |
| Property Categories | 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 | 1577 108 503 | 1577 108 503 | - |
| Other | 0 | 0 | 0 | - | - | - |
| Total | 64 478 | 64 478 | - | 40 770 149 208 | 40 770 149 208 | - |
| Part B - Detailed Reconciliation | | | | | | |
| Monthly Billing - Mapped Accounts | | | | Monthly Billing - Un Mapped Accounts | | |
| Property Categories | GV | MFS | Variance | GV | MFS | Variance |
| Residential | 24 201 066 | 23 915 339 | 285 727 | 24 201 066 | 24 055 811 | 145 255 |
| 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 | 63 051 547 | 52 844 710 | 10 206 837 | 63 051 547 | 53 182 024 | 9 869 523 |

| | | | |
|-------------------------------|----------------|------|------------|
| Prepared By | KOBUS NEL | Date | 2025/10/09 |
| Contact Details: 053 830 6068 | | | |
| Signature | | | |
| Reviewed By | CELESTE CROUCH | Date | 2025/10/09 |
| Contact Details: 053 830 6533 | | | |
| Signature | | | |

The property rates reconciliation tool is designed to test the integrity of the municipality's rates base and to quantify potential revenue leakage between the General Valuation (GV) roll and the Municipal Financial System (MFS). It provides an end-to-end view of whether all rateable properties are captured, correctly valued, correctly categorised, and billed in line with the approved tariff structure.

For Sol Plaatje, this tool is particularly important given the need to strengthen own-revenue performance under the MDRP and to improve the credibility of the MTREF.

In Part A – Reconciliation Summary, the tool compares the number of properties and total market values per category between the GV roll and the municipal system. For Quarter 1 of 2025/26, the results show a clean, fully aligned base: all 64 478 properties reflected on the valuation roll are also present on the MFS, with a combined market value of R40.77 billion and zero variance across all categories (residential, business and commercial, industrial, agricultural, mining, state-owned, PBO, POW and municipal). This indicates that, at a high level, the municipality's valuation data has been successfully uploaded and that there are no obvious gaps in the formal property register. In other words, the rates base is complete on paper, and the municipality is not losing revenue simply because properties are missing from the system.

However, Part B – Detailed Reconciliation reveals where the real weaknesses lie, namely in the translation of the valuation base into actual monthly billing. Here, the tool compares what should be billed (based on GV values and approved tariffs) against what is actually billed on the MFS, for both mapped accounts (where GV and MFS are fully linked) and unmapped accounts (still in the process of being aligned). For mapped accounts, the total GV-based monthly billing should amount to R63.051 million, yet only R52.845 million is billed on the system, leaving a shortfall of approximately R10.207 million per month. The largest variances occur in the State Owned for Public Purpose, Business and Commercial, Agricultural and Residential categories, which are exactly the areas where higher values and stronger payment potential exist. On the unmapped side, the total potential billing is again R63.051 million, compared with actual billing of R53.182 million, creating a further variance of about R9.870 million. These patterns confirm that the municipality is underbilling against its own valuation base, resulting in substantial, recurring revenue loss. The variance is predominantly due to the annual billing on Property rates for government, businesses and households who opt to get billed annually.

Condition 6.9 – Monitor and Report on compliance

Sol Plaatje Local Municipality has successfully completed the upload of all required financial and operational data strings to the GoMuni platform, the official National Treasury system for municipal reporting. This submission reaffirms the municipality's commitment to regulatory compliance, transparency, and sound financial governance.

In accordance with Section 71 of the Municipal Finance Management Act (MFMA), the municipality continues to demonstrate consistency in meeting its statutory reporting obligations. These monthly submissions provide a comprehensive view of the municipality's financial position—covering revenue performance, expenditure trends, budget execution, and early indications of fiscal risk.

The Section 71 reports serve as a core accountability mechanism, enabling both internal and external stakeholders to assess financial health and operational efficiency. For executive management, the data facilitates informed decision-making, allowing timely intervention where deviations from budget

or policy occur. For oversight institutions such as National Treasury and Provincial Treasury, the reports provide an essential monitoring tool for evaluating financial sustainability, compliance levels, and governance effectiveness.

This cycle of accurate, structured reporting through GoMuni underscores Sol Plaatje's ongoing effort to strengthen institutional credibility, enhance fiscal discipline, and promote transparent governance. By maintaining punctual and reliable submissions, the municipality reinforces public confidence in its financial stewardship and aligns with the national standards of accountability expected under the MFMA framework.

| 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 |
| 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 |



| MFMA S71 Statement component | | Compliance (Yes / No) |
|------------------------------|---|--------------------------|
| 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 |

The MFMA Section 71 statement demonstrates full compliance with the MDRP and MFMA Circular 124 reporting requirements, both in structure and in content. The Budget Performance Overview (paragraph 4) clearly sets out progress in implementing the approved budget and, where relevant, the associated budget funding plan. Areas of slow or constrained implementation are explicitly identified, together with the key challenges and the corrective actions being pursued. This provides National and Provincial Treasury, as well as Council, with a transparent view of in-year performance and management's response to emerging risks.

The conclusion (paragraph 14) appropriately incorporates the MFMA Circular 124, Condition 6.9 requirements by explicitly addressing the risks associated with the implementation of the funded budget and/or Budget Funding Plan and setting out the mitigating measures being applied. This elevates the quality of the narrative from simple reporting to active risk management, demonstrating that the municipality understands the consequences of non-compliance and is attempting to manage those risks proactively.

Annexure B of the Section 71 statement is comprehensive and aligns with MFMA Budget Circular 128. It includes the municipality's MFMA Circular 124 self-assessment in the prescribed Annexure B format, the monthly trajectory of overall debt relief compliance since the effective date of National Treasury approval, and the latest Provincial Treasury debt relief compliance certificate and report. In addition, it contains detailed revenue collection performance information, including the overall collection graph, summary worksheet, and ward-based collection by electricity supplier, all presented

in the required Annexure D format. Indigent management information is included and captured in the Circular 128 Annexure C format, indicating that the municipality is reporting on indigent policy implementation, targeting and affordability in a structured and comparable way.

The statement also includes a summary of the municipality's property rates reconciliation using the National Treasury format, together with an update on progress against the planned corrective actions to address any variances identified. This shows that the municipality is not only reconciling its valuation roll and billing data but is also tracking remedial steps month by month. Furthermore, the report sets out the Eskom and Water bulk current account invoices due and payable in the reporting month, attaches proof of payment, and provides reconciliation statements for electricity and water that align with the MFMA Section 71 mSCOA data strings. This closes the loop between billing, payment, and reporting, and is critical for MDRP compliance on bulk accounts.

Finally, the statement concludes with explicit recommendations to the mayor and/or Mayoral Committee, clearly highlighting the debt relief reporting outcomes and the actions required at political and executive level. Overall, the Section 71 statement is complete, compliant with MFMA Circular 124 and Budget Circular 128, and provides a sound platform for oversight and decision-making. The key challenge now is to ensure that the robust reporting framework is matched by equally strong implementation of the corrective actions and commitments reflected in the document.

Condition 6.10 – National Treasury certification of municipal compliance

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

As part of this oversight process, the National Treasury has formally certified Sol Plaatje Local Municipality as compliant with all MDRP conditions. This certification goes beyond administrative compliance—it represents a significant governance milestone that affirms the municipality's commitment to prudent financial management and adherence to national regulatory standards. It reflects measurable progress in restoring fiscal integrity and advancing the municipality toward sustainable financial stability.

To maintain these standards, the National Treasury has instituted a comprehensive monitoring and evaluation framework designed to enforce disciplined budgeting, prevent the recurrence of unsustainable debt, and strengthen accountability in financial management. This framework not only supports compliance but also enhances the municipality's ability to deliver services efficiently, rebuild public trust, and drive local economic development within a sound fiscal environment.

Through ongoing oversight and targeted support, the National Treasury continues to enhance municipal financial resilience, ensuring that local governments are better equipped to meet their constitutional service delivery obligations. This collaborative approach fosters stability, strengthens institutional governance, and contributes meaningfully to national economic growth and social development—laying a foundation for a more transparent, responsible, and sustainable municipal sector.

Condition 6.11 – Limitation on Municipal borrowing powers

The restriction on municipal borrowing—and the explicit prohibition on incurring new debt during the debt relief period—is a central pillar of the regulatory framework supporting the Municipal Debt Relief Programme. These provisions are intended to promote fiscal discipline by ensuring that any borrowing activity is subject to strict oversight and remains within statutory limits. By preventing the accumulation of new debt while historic obligations are being addressed, the framework reduces short-term fiscal pressure and supports the broader goal of restoring long-term financial sustainability.

Since the commencement of the Debt Relief Programme on 1 October 2023, Sol Plaatje Local Municipality has complied with these borrowing restrictions. The municipality has not taken on new debt during the relief period, which has helped to contain financial risk, protect its credit standing, and demonstrate a clear commitment to sound financial management.

Ongoing adherence to borrowing controls strengthens the municipality's financial resilience and supports confidence among key stakeholders, including residents, creditors, oversight bodies and potential investors. By avoiding unsustainable borrowing and prioritising cash-flow discipline and cost control, the municipality places itself in a better position to stabilise its finances while continuing to provide essential services.

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

The updated Supplementary Guide to MFMA Circular No. 124 introduces a series of important reforms aimed at strengthening the management, oversight, and reporting of municipal debt relief funds under the Municipal Debt Relief Programme (MDRP). These enhancements are designed to reinforce accountability, improve transparency, and ensure that all debt relief resources are utilised responsibly, in full alignment with the conditions of the programme.

A key policy revision requires municipalities to integrate debt relief funds within their general accounts while maintaining separate reporting through monthly mSCOA submissions. This dual reporting approach embeds debt relief activities into the municipality's normal financial processes while preserving clear traceability for monitoring and audit purposes. It ensures that financial transactions are both operationally relevant and independently verifiable.

To strengthen uniformity and governance standards across the sector, municipalities are now required to upload monthly bank reconciliations and complete bank statements to the GoMuni platform. This centralised digital reporting mechanism enhances transparency, facilitates effective oversight by National and Provincial Treasuries, and provides stakeholders with timely, accurate financial data for evaluation and decision-making.

The Guide further emphasises the accurate accounting of debt relief benefits, including interest and penalty write-offs granted by creditors such as Eskom. Municipalities must reflect these adjustments in their financial records to maintain credible statements and ensure audit readiness. This requirement underscores the importance of aligning financial reporting with the real economic impact of the debt relief programme.

To prevent a recurrence of unsustainable debt, municipalities are directed to maintain verifiable records of all debt relief transactions, supported by regular reconciliations. This control mechanism mitigates risk, strengthens audit trails, and ensures that all financial adjustments remain transparent and compliant with MDRP objectives.

Finally, the Supplementary Guide places renewed emphasis on transparency, accountability, and stakeholder engagement as core principles of sustainable municipal finance. The integration of standardised systems such as GoMuni demonstrates National Treasury's continued commitment to strengthening governance, promoting data integrity, and building confidence in the financial management of local government institutions.

Collectively, these reforms establish a more disciplined, transparent, and sustainable framework for the management of municipal debt relief funds. They position municipalities to better protect public resources, improve financial performance, and contribute to a more stable and accountable local government sector.

Condition 6.14 – NERSA Licence

Participation in the Municipal Debt Relief Programme is subject to strict conditions that signal a municipality's commitment to financial recovery and responsible governance. One of the most far-reaching provisions is 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 licence in terms of Section 17 of the Electricity Regulation Act, 2006. This is a powerful enforcement mechanism that directly links continued participation in the programme to the municipality's ability to operate and manage its electricity distribution function.

This requirement is triggered only if a municipality is formally removed from the programme due to ongoing non-compliance. Its inclusion in the framework underscores the critical importance of maintaining financial discipline, honouring programme obligations, and operating within a sound and enforceable regulatory environment. The potential loss of an electricity licence underlines the seriousness of non-compliance and is intended to deter municipalities from allowing financial and operational failures to persist unchecked.

The measure reflects National Treasury's focus on accountability and long-term reform in municipal financial management. Municipalities are expected not only to comply with the technical conditions of the programme, but also to demonstrate consistent operational discipline, strong governance capacity and prudent financial stewardship. Continued eligibility for debt relief—and the ability to deliver essential services—depends on meeting these standards on an ongoing basis, not just at the point of entry into the programme.

High-Level Recommendations:

1. Normalise Eskom and Water Board accounts: Prioritise full and on-time payment of all Eskom and Water Board current accounts, while strictly implementing the approved arrears repayment plan. This is critical to reduce breach risk and protect the approved debt write-off.
2. Lift the collection rate towards 95% Implement a focused revenue recovery plan to move the overall collection rate from 70% closer to the 95% MDRP benchmark. This should include uniform application of electricity disconnections, introduction of controlled water restrictions (excluding indigents within national norms), and firm follow-up on high-value and chronic defaulters.
3. Fix credit control and indigent management: Enhance the consolidated billing per customer account, apply the approved order of payment allocation, and tighten indigent management by physically limiting free basic services to the national norms. Ensure indigent information is captured, verified and reported consistently in the monthly Section 71 process.
4. Use smart meters and basic charges effectively: Integrate the more than 15 000 smart meters into a clear enforcement strategy, including remote disconnections, load limiting and tamper monitoring. At the same time, ensure all Council-approved basic charges are actually billed to strengthen cost recovery.
5. Move trading services towards cost-reflective tariffs: Use the tariff analysis to phase in cost-reflective tariffs for water, sanitation, electricity and solid waste over a defined period. Protect poor households through a targeted indigent policy, but close structural deficits in the trading services.
6. Close the property rates under-billing gap: Implement the corrective actions from the property rates reconciliation to remove the under-billing, especially in high-value categories such as business, commercial, state-owned and residential. Fix mapping issues, correct property categories and verify billing against the valuation roll. National Treasury takes cognisance of the fact that the under-billing is predominantly due to the annual billing on Property rates.
7. Strengthen MTREF credibility and expenditure discipline: Adjust the MTREF to include realistic collection assumptions, adequate debt-impairment provisions and tighter control over employee costs and bulk purchases. Align spending decisions to actual cash flow to avoid in-year funding gaps and further arrears build-up.
8. Deepen Council oversight and use Section 71 as a management tool: Make MDRP compliance, revenue performance, Eskom and Water payments, and implementation of corrective actions standing items on Council or Mayoral Committee agendas. Use the Section 71 reporting pack actively to track risks, enforce accountability and drive timely management decisions, rather than treating it as a compliance formality.



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: 03/12/2025

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

Annexures (October 2025 Compliance Certificates)

Annexure A2 - Monthly

| National Treasury | |
|--|--|
| Municipal Debt Relief | |
| MFMA Circular No. 124 | |
| Municipal Finance Management Act No. 56 of 2003 | |
| National Treasury | |
| Certificate of Compliance: Municipal Debt Relief Conditions for Application | |
| Period | Oct'25 |
| National Financial Year | 2025/26 |
| Demarcation Code of Municipality being assessed | NC091 |
| District | Frances Baard |
| Demarcation Description | Sol Plaatje |
| I, <u>Mr Mandla Gilmani</u> , 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 + Condition 6.12 | Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption): |
| 1 | 6.12.2 - Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i> |
| 2 | 6.12.2 - Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za/ ? |
| 3 | 6.12.2 - Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity? |
| 4 | 6.3.1 - Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i> |
| 5 | 6.3.2 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/ ? |
| 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? |
| 6.4 | Compliance with a funded MTREF – (choose from drop down list the MTREF assessed) |
| 7 | 6.4.1 - Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx? |
| 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? |
| 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> | |
| 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> | |



| | | | |
|--|---------|--|------------------------------|
| 11 | 6.4.2 | - If the municipality's MTREF is not funded , has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? | N/A - the MTREF is funded |
| <p><i>Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i></p> | | | |
| 12 | 6.4.2 | - If the municipality's MTREF is not funded and it has an FRP per the legislative framework , does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i> | N/a |
| 13 | 6.4.2 | - Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 - Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.?) | Yes |
| 14 | 6.5 | Cost reflective tariffs - (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF? | Yes |
| <p>6.6 Electricity and water as collection tools - has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:</p> | | | |
| 15 | 6.6.1 | - the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity? | Yes |
| 16 | 6.6.2 | - the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? | Yes |
| 17 | 6.6.3 | - the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i> | No |
| 18 | 6.6.4 | - If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note - the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.</i> | No |
| <p>6.6 Supporting evidence: The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.</p> | | | |
| <p>6.7 Maintain a minimum average quarterly collection of property rates and services charges -</p> | | | |
| 19 | 6.7.1 | - Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal? | Not yet end of quarter |
| <p><i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i></p> | | | |
| | 6.7.2 | - If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following : | |
| 20 | 6.7.2.1 | - the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool 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)? | not yet the end of a quarter |
| 22 | 6.7.2.3 | * the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure? | not yet the end of a quarter |
| 23 | 6.7.3 | - The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process? | Yes |
| 24 | 6.7.4 | - Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter? | Yes |
| 25 | 6.7.5 | - Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4? | Yes |
| 6.8 Municipality's Completeness of the revenue base – | | | |
| 26 | 6.8.1 | - Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered municipal valuer? | Yes |
| 27 | 6.8.1 | - If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i> | Yes |
| 28 | 6.8.2 | - For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za ? | Yes |
| 6.9 Monitor and report on implementation – | | | |
| 29 | 6.9.1 | - MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant? | Yes |
| 30 | 6.9.2 | - If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i> | 6.9.1 = Yes |



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



Mandla Gilimani

PT: HOD/ NT/ MM Name:

Signature of HOD/ NT/ MM:

[Signature]

03/12/2025

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.


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 |
| NC891 | Frances Baard | Sol Plaatje |

| Monthly Performance Report | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|-------------|---|--------------------------------------|----|-----|-----|--------|-----|--------------------------------|-----|--------|-----|-----|-----|-----------------------------|-----|-----|-----|---|-----|-----|-----|--------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------------------|-----|---|---------------------|----------------|---------------|
| Municipal Details | | | Part A | | | | Part B | | | | Part C | | | | Part D | | | | Part E | | | | Part F | | | | | | | | | | | | | | | | | | Scoring and Rating | | | | | |
| | | | Eskom And Bulk water current account | | | | | | Compliance with a funded MTREF | | | | | | FRP/BFP & Tariff Assessment | | | | Electricity and water as collection tools | | | | | | | | | | | | | | | | | | | | | | | | Quarterly collection of property rates and services charges | | | |
| 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 | | NC891 | No | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | N/A | N/A | Yes | Yes | Yes | No | No | No | No | N/A | N/A | N/A | N/A | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes | 88% | Above Moderate | |
| 26 August 25 | Sol Plaatje | | NC891 | No | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | N/A | N/A | Yes | Yes | Yes | Yes | No | No | No | N/A | N/A | N/A | N/A | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes | 83% | Above Moderate | | |
| 27 September 25 | Sol Plaatje | | NC891 | No | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | N/A | N/A | Yes | Yes | Yes | Yes | No | No | No | N/A | N/A | N/A | N/A | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes | 71% | Moderate compliance | | |
| 28 October 25 | Sol Plaatje | | NC891 | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | N/A | N/A | Yes | Yes | Yes | Yes | No | No | No | N/A | N/A | N/A | N/A | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes | 88% | Above Moderate | | |
| 29 November 25 | Sol Plaatje | | NC891 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed | |
| 30 December 25 | Sol Plaatje | | NC891 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 31 January 26 | Sol Plaatje | | NC891 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 32 February 26 | Sol Plaatje | | NC891 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 13 March 26 | Sol Plaatje | | NC891 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 34 April 26 | Sol Plaatje | | NC891 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 35 May 26 | Sol Plaatje | | NC891 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 36 June 26 | Sol Plaatje | | NC891 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 37 July 26 | Sol Plaatje | | NC891 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 38 August 26 | Sol Plaatje | | NC891 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 39 September 26 | Sol Plaatje | | NC891 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 40 October 26 | Sol Plaatje | | NC891 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| 41 November 26 | Sol Plaatje | | NC891 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0% | Not completed |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | Comments/Motivation | | | |
| HOD Name: | | Mandla Gilimani | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Signature of HOD: | |  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Date: | | 03/10/2025 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ** 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. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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



Annexure A2 - Monthly

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

Municipality Self-Assessment

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period

Nov'25

National Financial Year

2025/26

Demarcation Code of Municipality being assessed

NC001

District

Frances Baard

Demarcation Description

Sol Plaatje

I, Ms Busiswa Masegale, 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+ Condition | Maintaining the Eskom and bulk water current account – | | |
|----------------|--|---------------------------|---|
| 6.12 | 6.12.1 - 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 | The municipality did not have sufficient cash available to settle the current account for Water for October 2025 amounting to R24,801 million |
| | 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://go.muni.gov.za/submit ? | No | The municipality did not have sufficient cash available to settle the current account for Water for October 2025 amounting to R24,801 million |
| | 6.12.3 - 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? | No | DWS Invoice for October 2025 was not timeously captured and authorised on the system |
| | 6.3.1 - Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i> | Yes | During the month of November 2025, the municipality made a partial payment of R40,000 million towards the October 2025 account. Eskom account amounting to R86,066 million including interest amounting to R7,375 million |
| | 6.3.2 - Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://go.muni.gov.za/submit ? | Yes | |
| | 6.3.4 - Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom? | Yes | |
| | 6.4 Compliance with a funded MTREF – (Choose from drop down list the MTREF assessed) | Yes | |
| | 6.4.1 - Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - https://www.treasury.gov.za/publications/Pages/Budgeting.aspx ? | Yes | |
| | 6.4.1 - Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations? | Yes | |
| | 6.4.1 - Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations? | Yes | |
| | <i>Note: The purpose of this provision is to ensure that the municipality is able to meet its obligations in terms of the MTREF. The purpose of this provision is to ensure that the municipality is able to meet its obligations in terms of the MTREF. The purpose of this provision is to ensure that the municipality is able to meet its obligations in terms of the MTREF.</i> | | |
| | 6.4.1 - Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations? | Yes | |
| | <i>Note: If the municipality does not have an FRP, it should indicate this in the FRP. If the municipality does not have an FRP, it should indicate this in the FRP. If the municipality does not have an FRP, it should indicate this in the FRP.</i> | | |
| | 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 | |
| | <i>Note: If the municipality does not have an FRP, it should indicate this in the FRP. If the municipality does not have an FRP, it should indicate this in the FRP. If the municipality does not have an FRP, it should indicate this in the FRP.</i> | | |
| | 6.4.2 - If the municipality's MTREF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) – aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list</i> | N/A | |
| | 6.4.7 - Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 – Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (for example higher winter Eskom tariffs, lower January collection rates, etc.)? | Yes | |
| | 6.5 Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF? | Yes | |

Notes/Comments

| | | | | | | | | | | | | | | | |
|---------|----|---|----|------------------------------|----|----|----|----|----|----|----|----|----|---|----|
| 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| | | 6.6 Electricity and water as collection tools – has the municipality, with effect from the 1st June of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that: | | | | | | | | | | | | | |
| 6.6.1 | | - the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity? | | Yes | | | | | | | | | | | |
| 6.6.2 | | - the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? | | Yes | | | | | | | | | | | |
| 6.6.3 | | - the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: in terms of 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 | | | | | | | | | | | |
| 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 SF format.</i> | | No | | | | | | | | | | | |
| 6.6.5 | | Supplementing evidence of the National Treasury annual or projected quarterly budget assessment (confirm the municipality's compliance with the 2018/19 MTREF) is provided in the annual budget statement and the latest annual/quarterly statement (refer to paragraph 6.6). | | | | | | | | | | | | | |
| 6.7 | | Maintain a minimum average quarterly collection of property rates and services charges – | | | | | | | | | | | | | |
| 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 | | | | | | | | | | | |
| 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: | | | | | | | | | | | | | |
| 6.7.2.1 | | * the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1; | | not yet the end of a quarter | | | | | | | | | | | |
| 6.7.2.2 | | * the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)? | | Does not have function | | | | | | | | | | | |
| 6.7.2.3 | | * the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 75 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure? | | not yet the end of a quarter | | | | | | | | | | | |
| 6.7.3 | | - The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process? | | Yes | | | | | | | | | | Smart meter project is completed. YTD installations till end of 31 March 2025 = 15,326 | |
| 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 | | | | | | | | | | | |
| 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 – | | | | | | | | | | | | | |
| 6.8.1 | | - Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer? | | Yes | | | | | | | | | | | |
| 6.8.1 | | - If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note – monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i> | | Yes | | | | | | | | | | | |
| 6.8.2 | | - For the latest ending Quarter – Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://figuresportal.treasury.gov.za ? | | Yes | | | | | | | | | | | |

| 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? | Yes | |
| 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 | |
| 6.9.3 | Municipalities with financial recovery plans (FRP) – If the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive? | No FRP | |
| 6.9.4 | If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://uploadportal.treasury.gov.za/ ? <i>Note – municipality with FRP must also provide evidence of FRP progress report submitted to both PE and National Treasury.</i> | No FRP | |
| 6.10 | Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions? <i>Note – with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, rather:</i> | | |
| 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 | |
| 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://uploadportal.treasury.gov.za/ ? <i>Note – in the case of a non-delegated municipality the National Treasury will issue the compliance certificate.</i> | Yes | |
| 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 4.1.5 of MFMA Circular no. 124) within one month of the non-compliance occurring? | No | |
| 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 – when municipalities have borrowed borrowing from the Municipal Debt Support Programme, the municipality must ensure that the borrowing is used for the purposes of the programme. The municipality must also ensure that the borrowing is used for the purposes of the programme. The municipality must also ensure that the borrowing is used for the purposes of the programme.</i> | No | |
| 6.12 | For the duration of the Municipal Debt Relief (to ensure proper management of resources) | | |
| 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 | The municipality had insufficient cash to settle the Water account for October 2025. |
| 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 | The municipality had insufficient cash to settle the Water account for October 2025. |
| 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 suspension, etc.) and alignment with mSCOA.</i> | Yes | The municipality must still account for the first third of the debt written off by National Treasury. |
| 6.14 | NERSA License – has the municipality during the month failed to comply with any condition of the Municipal Debt Relief? <i>Note – for existing debt relief under paragraph 4.1.1 of MFMA Circular no. 124, the municipality must ensure that the debt relief is used for the purposes of the programme. The municipality must also ensure that the debt relief is used for the purposes of the programme. The municipality must also ensure that the debt relief is used for the purposes of the programme.</i> | Yes | |

PT: HOD/ NT/ MM Name:

Signature of HOD/ NT/ MM:

Date:

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

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

Busiso Ngweni
11/12/2025