





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

Monthly Budget Statement S71 Monthly Report December 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: 15 January 2026

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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 31 DECEMBER 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 R4,532,290 billion, of which 91% of the debt is owed in excess of 90 days. The total debt by customer group is classified as follows; R779,193 million is owed by government, R757,458 million by businesses and R2,854,286 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: December 2025

Refrain from committing acts of financial misconduct and/or criminal offences as per Chapter 15 of the MFMA.

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

2. Background

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations" necessitates those specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance. "The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required Tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act." Further, Section 71 of the MFMA requires that, "the accounting officer of a municipality must by no later than **10 working days** after the end of each month submit to the Mayor of the municipality, and the relevant national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month." For the reporting period ending **31 December 2025**, the ten working day reporting limit expires on **15 January 2026**. 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 **15 January 2026**, (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 December 2025	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	1,617,094	1,622,794	5,701	100.4%	0.4%
Total Revenue (including capital transfers and contributions)	1,959,177	1,967,042	7,865	100.4%	0.4%
Total Operational Expenditure	1,635,253	1,435,917	(199,336)	87.8%	-12.2%

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

As indicated in Table 1.1 above, as at 31 December 2025, the billed revenue excluding capital grants amounted to R1,622,795 billion which resulted in a satisfactory variance of 0.4% when compared to the YTD Budget of R1,617,094 billion. The billed revenue including capital grants amounted to R1,967,042 billion, resulting in a satisfactory variance of 0.4% when compared to the YTD budget of R1,959,177 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 R1,435,917 billion versus the YTD Budget of R1,635,253 billion resulting in an unsatisfactory variance of minus 12.2%. 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 December 2025	Variance Favourable (Unfavourable)	% YTD Actual vs Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 50%
Total Revenue (excluding capital transfers and contributions)	3,234,188	1,622,794	1,353,279	50.2%	0.2%
Total Revenue (including capital transfers and contributions)	3,918,354	1,967,042	1,640,512	50.2%	0.2%
Total Operational Expenditure	3,212,506	1,435,917	1,168,209	44.7%	-5.3%

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

Indicated in Table 1.2 above is the YTD actual compared to the Original Budget. When calculating the ideal In-Year-Monitoring percentage of 50% [calculated as follow: (100/12 months x 6 months of the year)] as at the end of December 2025, the Total operational revenue excluding capital grants versus the Original Budget resulted in a satisfactory variance of minus 0.2%. The Total operational revenue including capital grants versus the Original Budget resulted in a satisfactory variance of minus 0.2%. The Total Operational Expenditure resulted in a satisfactory variance of minus 5.3%.

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

4. Budget performance overview

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

Operating Revenue and Expenditure

Part1: Operating Revenue and Expenditure								
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%	710,127	22.0%	1,622,794	50.2%
Operating Expenditure	3,212,506	3,212,506	792,110	24.7%	643,808	20.0%	1,435,917	44.7%
Transfers and subsidies - capital (monetary allocations)	684,166	684,166	103,603	15.1%	240,645	35.2%	344,247	50.3%
Total Revenue	3,918,354	3,918,354	1,016,270	25.9%	950,771	24.3%	1,967,042	50.2%

Table 1.3: Part 1: Operating Revenue and Expenditure

As per Table 1.3 above, overall Operating revenue is performing satisfactorily, with the actual achieved versus the Main appropriation standing at 50.2% versus the ideal percentage of 50%. This is largely attributable to the annual billing on Property rates. Operating expenditure is 44.7% spent. It should be noted that Post-retirement health benefits and Depreciation is not yet accounted for, the bulk electricity account for December 2025 will be captured during January 2026. Transfers and subsidies – capital transferred to revenue amounts to 50.3% of the Main appropriation, as grants will be recognized when the conditions are met. Total Revenue is standing at 50.2% as at end of December 2025.

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%	202,604	32.3%	296,818	47.3%
Transfers recognised - capital	594,927	594,927	90,089	15.1%	201,780	33.9%	291,870	49.1%
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 47.3% spent versus the Main appropriation, whilst conditional grants spent amount to 49.1% 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

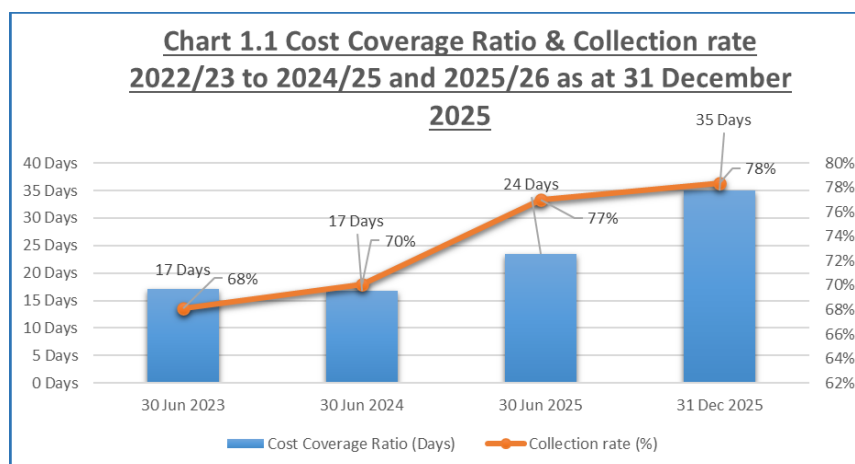
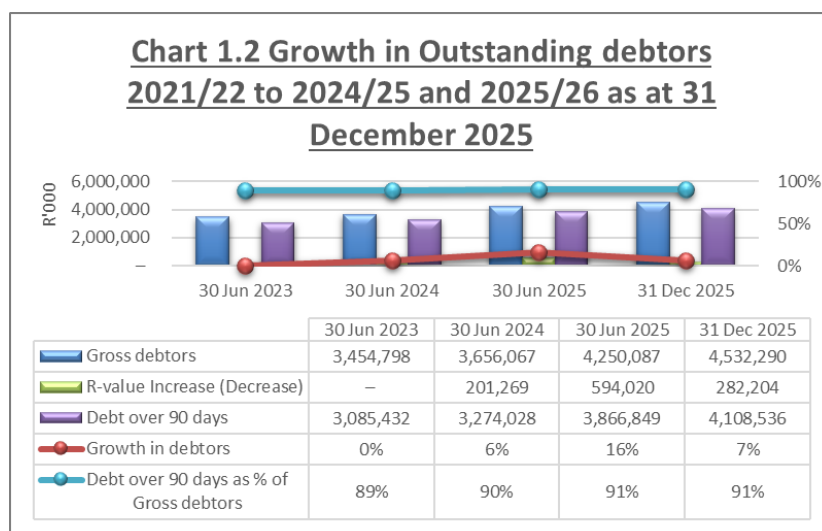


Chart 1.2 Growth in Outstanding debtors



- 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 31 December 2025 is critically low, standing at 35 days. The average collection rate for December 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 R282,204m (7%) from 30 June 2025 to 31 December 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 November 2025 account amounting to R60,000 million for the month of December 2025. There are outstanding balances on the November 2024, June, July, August, October and November 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 R44,996 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 **R526,760,813.43**, as indicated in the Table 2.1 below. Arrears on the outstanding invoices including interest amounts to R419,560,813.43 and the arrears on the payment arrangement amounts to R107,200,000.00.

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
Nov-25	R 80,364,895.03	R 60,000,000.00	R 20,364,895.03	R 6,700,000.00	R 27,064,895.03	R 4,431,994.83
TOTAL ESKOM	R1,580,008,554.72	R 1,160,447,741.29	R 419,560,813.43	R 107,200,000.00	R 526,760,813.43	R 44,995,741.71

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 -
Nov-25	R 14,866,092.88	R -	R 14,866,092.88	R -	R 14,866,092.88	R -
TOTAL WATER	R 260,028,285.55	R 52,195,303.34	R 207,832,982.21	-R 14,703,680.46	R 193,129,301.75	R -

Table 2.2 Arrear debt payable to DWS

Indicated in Table 2.2 above is the arrear debt payable to DWS. Another serious non-compliance to the conditions, is the non-payment of October, November, December 2024, January, June, July, August, September, October and November 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 **R193,129,301.75** to remain on the Department's Debt Incentive Programme. If the municipality fails to pay the outstanding arrear debt, the municipality will forfeit the interest write-off of R14 million and the Department will resume in charging interest on overdue accounts, leading to an escalation in Fruitless and Wasteful expenditure and further impede on the municipality's financial recovery.

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

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

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

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) - M06 December

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 % - 50%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Revenue										
Exchange Revenue										
Service charges - Electricity	1,218,923	66,751	513,297	609,462	84.2%	(96,164)	-15.8%	42.1%	(96,164)	-7.9%
Service charges - Water	362,722	29,302	160,524	181,361	88.5%	(20,837)	-11.5%	44.3%	(20,837)	-5.7%
Service charges - Waste Water Management	106,274	9,940	58,415	53,137	109.9%	5,278	9.9%	55.0%	5,278	5.0%
Service charges - Waste management	73,593	7,473	44,376	36,796	120.6%	7,580	20.6%	60.3%	7,580	10.3%
Sale of Goods and Rendering of Services	18,644	1,007	9,263	9,322	99.4%	(59)	-0.6%	49.7%	(59)	-0.3%
Agency services	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	142,100	13,608	91,068	71,050	128.2%	20,018	28.2%	64.1%	20,018	14.1%
Interest from Current and Non Current Assets	18,000	491	1,832	9,000	20.4%	(7,168)	-79.6%	10.2%	(7,168)	-39.8%
Dividends	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	29,740	2,321	14,999	14,870	100.9%	129	0.9%	50.4%	129	0.4%
Licence and permits	1,000	10	172	500	34.4%	(328)	-65.6%	17.2%	(328)	-32.8%
Operational Revenue	3,383	1,212	2,599	1,692	153.6%	907	53.6%	76.8%	907	26.8%
Non-Exchange Revenue	-	-	-	-	-	-	-	-	-	-
Property rates	717,920	53,470	429,555	358,960	119.7%	70,595	19.7%	59.8%	70,595	9.8%
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	34,743	(8)	626	17,371	3.6%	(16,745)	-96.4%	1.8%	(16,745)	-48.2%
Licence and permits	8,200	(92)	4,092	4,100	99.8%	(8)	-0.2%	49.9%	(8)	-0.1%
Transfers and subsidies - Operational	323,676	101,456	234,893	161,838	145.1%	73,055	45.1%	72.6%	73,055	22.6%
Interest	117,020	7,561	51,269	58,510	87.6%	(7,241)	-12.4%	43.8%	(7,241)	-6.2%
Fuel Levy	-	-	-	-	-	-	-	-	-	-
Operational Revenue	58,250	1,032	5,812	29,125	20.0%	(23,313)	-80.0%	10.0%	(23,313)	-40.0%
Gains on disposal of Assets	-	-	-	-	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	3,234,188	295,534	1,622,794	1,617,094	100.4%	5,701	0.4%	50.2%	5,700	0.2%
Transfers and subsidies - capital	684,166	61,575	344,247	342,083	100.6%	2,164	0.6%	50.3%	2,164	0.3%
Total Revenue (including capital transfers and contributions)	3,918,354	357,109	1,967,042	1,959,177	100.4%	7,865	0.4%	50.2%	7,865	0.2%

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

Exchange Revenue

- ❖ Service charges - Electricity is showing an unsatisfactory variance of minus 15.8%. 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 11.5%. 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 minus 0.6%, 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 28.2% 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 79.6%. This is due to the accrued interest relating to the prior financial year. The municipality is improving on its cash and investment management and regularly invest funds not immediately needed for operations. The municipality invests capital grants already received, whilst keeping the unspent portion in the investment account. The bulk of the interest earned gets recognised at year-end.

- ❖ Rental from Fixed Assets, is showing a positive variance of 0.9% when compared to the YTD budget.
- ❖ Licences and permits are showing a negative variance of 65.6%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated, 17.19% achievement versus a budget of R1,000 million.
- ❖ Operational Revenue is showing a satisfactory variance of minus 53.6%, as a result on an over-recovery on Commission: Transaction Handling Fees.

Non-Exchange Revenue

- ❖ Property Rates is showing a satisfactory variance of 19.7%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing an unsatisfactory variance of minus 96.4%, due to an under-recovery on Fines: Law Enforcement that is standing at 6.02% achieved versus a target of R13,000 million. Penalties: Disconnection Fees standing at minus 0.85% 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 satisfactory variance of 0.2%, due to possible outstanding payments due to the Department of Transport, Safety and Liaison.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of minus 45.1%, this is due to the receipt of the second tranche of the Equitable share.
- ❖ Interest is showing an under-recovery of minus 12.4%, 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 a satisfactory variance of minus 0.6% 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 50%, the majority of revenue sources are performing satisfactorily.

Exchange Revenue

- ❖ Overall, Service charges when compared to the Original budget is performing satisfactorily. Same factors are applicable as described in the paragraph above.
- ❖ Sale of Goods and Rendering of Services is showing a satisfactory variance of minus 0.3%. Same factors are applicable as described in the paragraph above.
- ❖ Interest earned from Receivables is showing a positive variance of 14.1%. Same factors are applicable as described in the paragraph above.
- ❖ Interest from Current and Non-current Assets shows a negative variance of 39.8%. Same factors are applicable as described in the paragraph above.
- ❖ Rental from Fixed Assets is showing a positive variance of 0.4%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing an unsatisfactory variance of minus 32.8%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a satisfactory variance of 26.8%. Same factors are applicable as described in the paragraph above.

Non-Exchange Revenue

- ❖ Property Rates is showing a positive variance of 9.8%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing an unsatisfactory variance of minus 48.2%. Same factors are applicable as described in the paragraph above.
- ❖ Licence and permits are showing a satisfactory variance of minus 0.1%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of minus 22.6%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a negative variance of 40%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Capital is showing a satisfactory variance of 0.3%. Capital grant expenditure must be monitored continuously. Serious intervention will have to be taken by Management to improve on monthly capital grant expenditure and capital expenditure overall. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met.

Indicated in Chart 1.3 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 31 December 2025. The main contributors of the municipality's revenue are Service Charges (47.9%), Property Rates (26.5%) and Other Revenue (11.1%). The weighting is distorted due to the annual billing on Property rates and the receipt of the second tranche of the Equitable share.

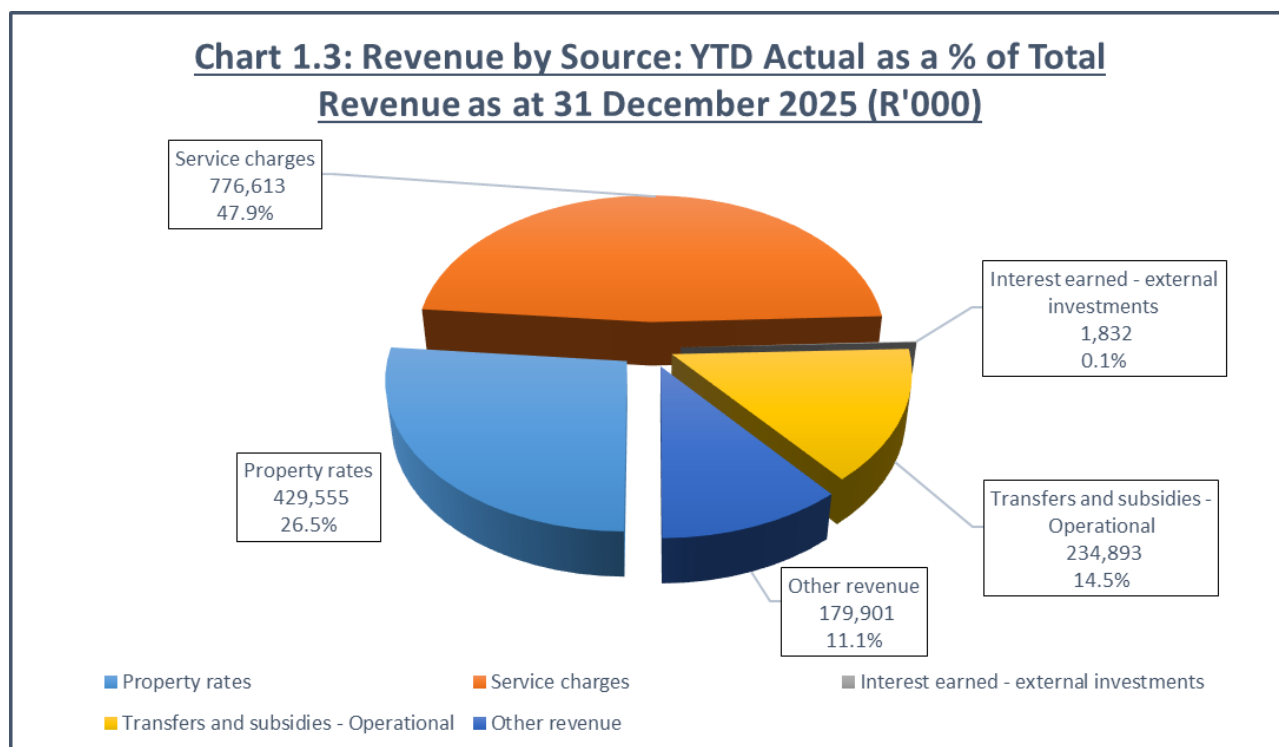


Chart 1.3: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Operating Expenditure by Type

Description	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 % - 50%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	1,004,532	89,637	450,278	502,266	89.6%	(51,988)	-10.4%	44.8%	(51,988)	-5.2%
Remuneration of councillors	37,083	2,823	16,757	18,542	90.4%	(1,785)	-9.6%	45.2%	(1,785)	-4.8%
Bulk purchases - electricity	1,000,000	70,461	459,355	529,000	86.8%	(69,645)	-13.2%	45.9%	(40,645)	-4.1%
Inventory consumed	331,852	26,791	143,322	165,926	86.4%	(22,604)	-13.6%	43.2%	(22,604)	-6.8%
Debt impairment	437,149	–	218,574	218,574	100.0%	(0)	0.0%	50.0%	–	0.0%
Depreciation and amortisation	90,200	–	–	45,100	0.0%	(45,100)	-100.0%	0.0%	(45,100)	-50.0%
Interest	15,880	8,245	8,252	7,940	103.9%	312	3.9%	52.0%	312	2.0%
Contracted services	45,856	2,593	12,629	22,928	55.1%	(10,299)	-44.9%	27.5%	(10,299)	-22.5%
Transfers and subsidies	4,300	650	1,321	2,150	61.4%	(829)	-38.6%	30.7%	(829)	-19.3%
Irrecoverable debts written off	–	–	2	–		2			2	
Operational costs	176,654	14,832	99,798	88,327	113.0%	11,472	13.0%	56.5%	11,472	6.5%
Losses on Disposal of Assets	–	–	–	–		–			–	
Other Losses	69,000	–	25,629	34,500	74.3%	(8,871)	-25.7%	37.1%	(8,871)	-12.9%
Total Expenditure	3,212,506	216,032	1,435,917	1,635,253	87.8%	(199,336)	-12.2%	44.7%	(170,336)	-5.3%

Table 4: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 31 December 2025 current YTD expenditure shows an unsatisfactory variance of minus 12.2%. The YTD actual amounted to R1,435,917 billion against the YTD Budget of R1,635,253 billion.

- ❖ Employee related costs show an unsatisfactory variance of minus 10.4%, 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 an unsatisfactory variance of minus 9.6%. 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 13.2%. The invoice for December 2025 will be processed during January 2026.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 13.6%. Expenditure for the first month of the year is normally low, due to the later re-opening of the financial year after year-end closure. Various commitments are raised on the system, awaiting delivery of goods and services. It has been reiterated monthly that expenditure on Inventory consumed needs to be monitored closely and remedial action be taken to ensure that funds are spent effectively with good value for money and that funds will be fully spent at year-end. The major backlog and deterioration of infrastructure 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 31 December 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 50.00%
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	2,958,706	14,808,609	58.54%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	755,000	755,000	9,710	88,473	11.72%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	350,000	340,000	3,869	50,998	14.57%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	24,192,000	24,192,000	2,945,127	14,669,138	60.64%	OVERSPENT
VOTE 3 - MUNICIPAL MANAGER	157,000	157,000	2,800	35,738	22.76%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	140,000	136,000	2,800	23,999	17.14%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	17,000	21,000	-	11,739	69.05%	OVERSPENT
VOTE 4 - CORPORATE SERVICES	2,304,000	2,304,000	93,744	671,119	29.13%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	871,000	771,000	47,560	373,238	42.85%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	51,000	172,000	42,671	155,696	305.29%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	650,000	650,000	-	87,529	13.47%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	732,000	711,000	3,514	54,657	7.47%	UNSATISFACTORY
VOTE 5 - COMMUNITY SERVICES	33,989,400	33,989,400	1,565,532	9,510,151	27.98%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,021,000	1,103,500	73,816	291,359	28.54%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	48,000	48,000	-	1,934	4.03%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	217,000	267,000	45,211	144,100	66.41%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,116,000	1,086,000	114,217	488,133	43.74%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	9,204,000	9,171,000	191,771	2,423,268	26.33%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	336,400	336,400	-	90,010	26.76%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	22,047,000	21,977,500	1,140,518	6,071,346	27.54%	UNSATISFACTORY
VOTE 6 - FINANCIAL SERVICES	2,190,000	2,190,000	162,052	1,130,213	51.61%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,226,000	1,221,000	80,550	669,381	54.60%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	172,000	172,000	13,240	70,658	41.08%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	180,000	175,000	-	32,232	17.91%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	612,000	622,000	68,262	357,942	58.49%	OVERSPENT
VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	11,968,000	11,968,000	912,243	2,106,970	17.61%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	387,000	396,000	12,833	126,104	32.59%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	65,000	65,000	1,335	15,618	24.03%	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	898,075	1,923,285	17.34%	UNSATISFACTORY
VOTE 8 - INFRASTRUCTURE SERVICES	255,806,914	255,806,914	21,095,559	115,027,362	44.97%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	620,000	620,000	46,584	173,759	28.03%	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	1,607,626	12,649,247	54.59%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,845,000	1,845,000	139,806	550,920	29.86%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	10,040,000	10,040,000	267,925	3,305,209	32.92%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	575,000	575,000	5,508	24,589	4.28%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	146,553,914	146,553,914	13,845,621	66,026,825	45.05%	SATISFACTORY
2326600 (INVENTORY - WATER)	73,000,000	73,000,000	5,182,488	32,296,813	44.24%	UNSATISFACTORY
Grand Total	331,852,314	331,852,314	26,790,635	143,322,246	43.19%	UNSATISFACTORY

Table 4.1 R&M Expenditure per Directorate per inventory type

R&M Expenditure per Service per Inventory Type as at 31 December 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 50.00%
2480 - REFUSE	20,450,000	20,450,000	855,494	5,642,864	27.59%	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	180,305	2,004,997	31.33%	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	675,190	3,606,082	26.32%	UNSATISFACTORY
2830 - ROADS	44,461,000	44,461,000	4,415,195	24,972,556	56.17%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	68,000	68,000	-	18,993	27.93%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	67,000	67,000	1,369	13,517	20.18%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	44,326,000	44,326,000	4,413,826	24,940,046	56.27%	OVERSPENT
2840 - HOUSING	3,407,000	3,407,000	92,314	1,783,076	52.34%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	121,000	121,000	2,925	23,699	19.59%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	135,000	135,000	13,940	62,656	46.41%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	140,000	140,000	3,074	57,428	41.02%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,010,000	3,010,000	72,375	1,639,292	54.46%	SATISFACTORY
2850 - SEWERAGE	27,165,000	27,165,000	2,628,955	15,863,949	58.40%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	35,000	35,000	1,647	13,547	38.70%	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	11,162	80,022	27.13%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,900,000	2,900,000	109,946	1,054,764	36.37%	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	2,506,201	14,603,837	61.71%	OVERSPENT
2860 - WATER	129,773,000	129,773,000	11,781,819	56,361,910	43.43%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	76,000	76,000	11,502	29,575	38.92%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	23,001,000	23,001,000	1,607,626	12,537,467	54.51%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	141,000	141,000	4,409	55,429	39.31%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,500,000	2,500,000	48,239	728,290	29.13%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	475,000	475,000	5,508	24,589	5.18%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	30,580,000	30,580,000	4,922,049	10,689,747	34.96%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	73,000,000	73,000,000	5,182,488	32,296,813	44.24%	UNSATISFACTORY
2880 - ELECTRICITY	53,268,000	53,268,000	1,460,784	15,702,241	29.48%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	180,000	180,000	15,815	50,520	28.07%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	87,000	87,000	-	21,917	25.19%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	53,000,000	53,000,000	1,444,969	15,629,805	29.49%	UNSATISFACTORY
Grand Total	278,524,000	278,524,000	21,234,562	120,326,596	43.20%	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 and the matter must still be resolved. The matter should have been resolved once the audit process was completed. The matter will be taken up with the service provider.
- ❖ Debt impairment will be provided for on a quarterly basis. The journal for the second quarter was processed during November 2025.
- ❖ Interest is showing a satisfactory variance of 3.9%. 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 R32,451 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 44.9%, as various line items is showing lower expenditure than anticipated.
- ❖ Transfers and subsidies showing negative variance of minus 38.6%. 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 13.0%.
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 R22,027 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 25.7%. 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 November and December 2025 must still be processed on the system.

Operating Expenditure by Type: Comparison against Original Budget

Indicated in Table 4 above, is the YTD actual compared to the Original Budget. The ideal In-Year-Monitoring percentage as at the end of December 2025 is 50%. The total operational expenditure against the Original budget is 44.7% spent, resulting in a satisfactory variance of minus 5.3%.

- ❖ Employee related costs show a satisfactory variance of minus 5.2%. Same factors are applicable as explained above.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 4.8%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of minus 4.1%. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 6.8%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing a satisfactory variance of 0%. Same factors are applicable as explained above.
- ❖ Depreciation shows an unsatisfactory variance of minus 50%. Same factors are applicable as explained above.
- ❖ Interest is showing a satisfactory variance of 2%. Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is unsatisfactory at minus 22.5%, when compared to the Original budget. The YTD expenditure is lower than anticipated.
- ❖ Transfers and subsidies show an unsatisfactory variance of minus 19.3%. Same factors are applicable as explained above.
- ❖ Operational cost is showing a satisfactory variance of 6.5%. Same factors are applicable as explained above.
- ❖ Other Losses is showing an unsatisfactory variance of minus 12.9%. Same factors are applicable as explained above.

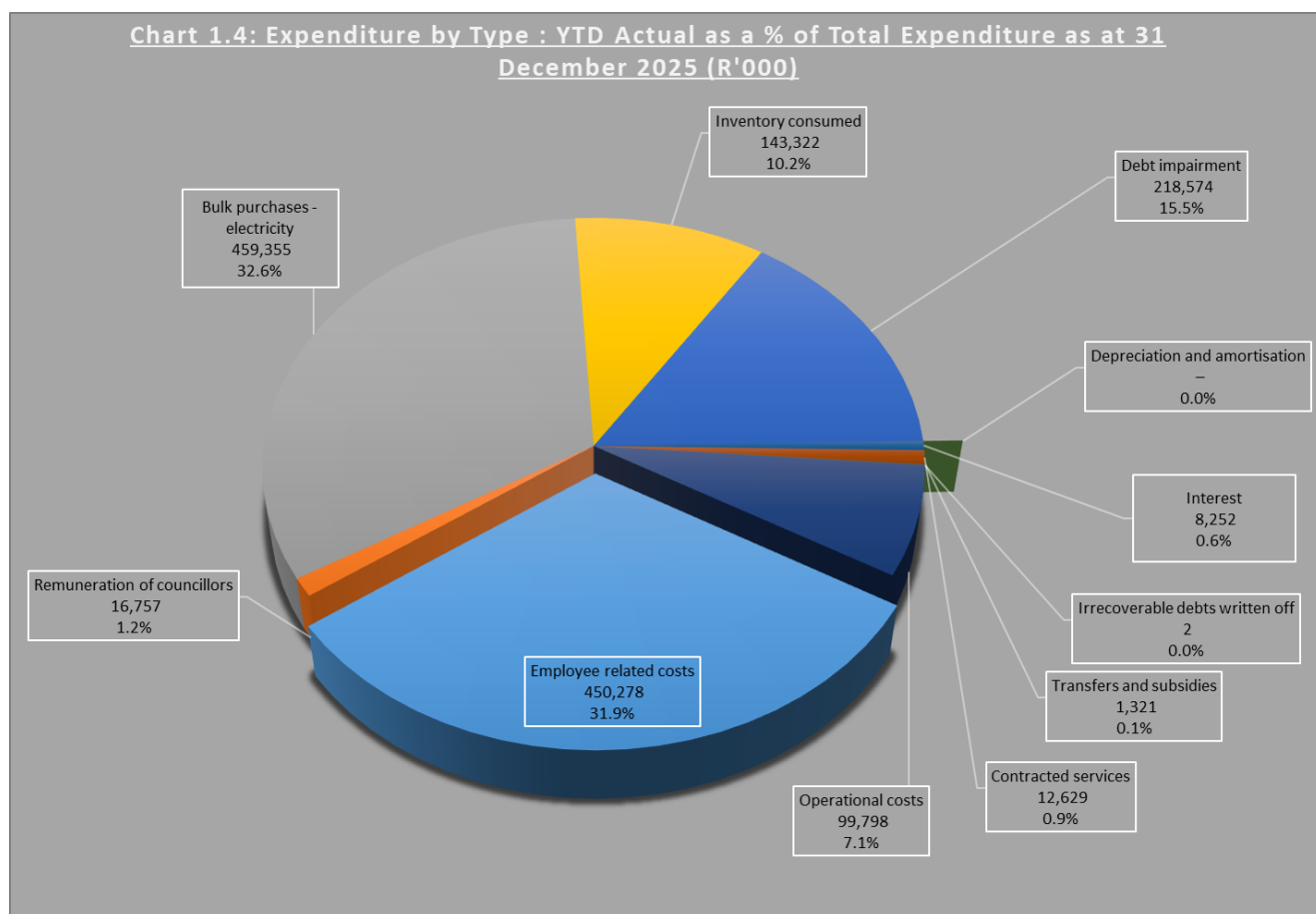


Chart 1.4: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

Also indicated in Chart 1.4 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 31 December 2025. The main cost drivers of the municipality are Employee Related Costs (31.9%), Bulk Purchases – Electricity (32.6%), Debt Impairment (15.5%) and Inventory consumed (10.2%).

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 must still be finalized. This should have transpired, once the audit process was finalised. The matter will be taken up with the service provider.
- ❖ 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 December 2025 will be captured during January 2026.

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 50% as at end of December 2025, Bulk Purchases Electricity is showing a satisfactory variance of minus 4.06%. The bulk invoice for December 2025 will be processed during January 2026.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 50%
BULK PURCHASES: ELECTRICITY	1,000,000,000	70,460,604	459,355,120	45.94%	-4.06%
Total	1,000,000,000	70,460,604	459,355,120	45.94%	-4.06%

Table 5.1: Summary of YTD Bulk Electricity expenditure

- ❖ Indicated in Table 5.2 below, is the Water inventory and Water losses which is showing an unsatisfactory variance of minus 9.2%, when compared to the ideal percentage of 50%. 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 November and December 2025 must still be processed on the system.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 50%
INVENTORY - WATER	73,000,000	5,182,488	32,296,813	44.24%	-5.76%
NON-REVENUE WATER LOSSES	69,000,000	-	25,628,609	37.14%	-12.86%
Total	142,000,000	5,182,488	57,925,422	40.8%	-9.2%

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	607,734	281,800	-		325,934	242,617	32,451
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	60,000	-		20,365	20,365	4,432
Dec-25	83,316	-	-		83,316	-	6,844
Grand Total ESKOM	3,303,817	2,083,498	(107,114)	(248,128)	1,113,205	1,029,888	51,840

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R1,113,205 billion. The first debt write off of R248 million must still be effected in the municipality's books. The total arrear debt amounts to R1,029,888 billion summarized as follow 2021/22 (R275,682m); 2022/23 (R248,878m); 2023/24 (R85,767m); 2024/25 (R176,944m) and 2025/26 (R242,617m). The total interest charges on overdue accounts for the current financial year amounted to R32,451 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.

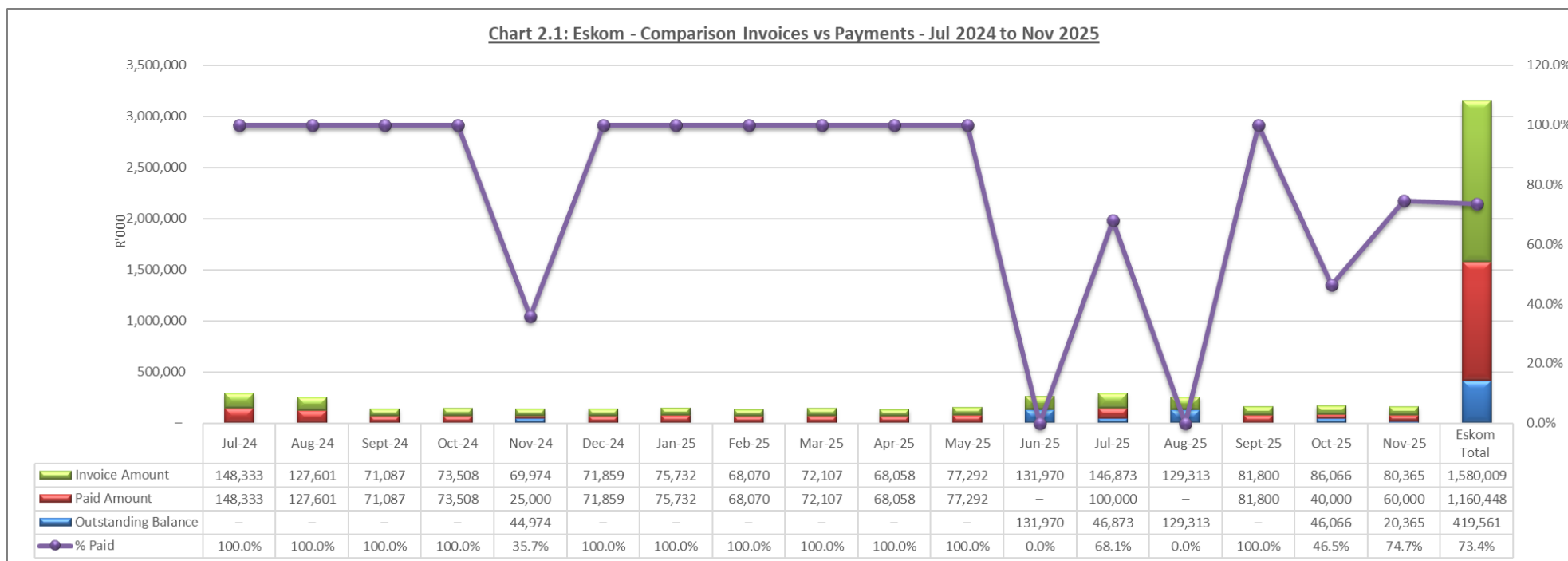


Chart 2.1: Eskom - Comparison Invoices vs Payments

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 December 2025 is excluded because it is not yet due and payable. It will also distort the percentage paid. The YTD actual until November 2025 show that 73.4% of invoices were settled, based on invoices raised of R1,580,009 billion versus payments of R1,160,448 billion. The percentage on partially paid invoices are November 2024 (35.7%); June 2025 (0%); July 2025 (68.1%); August 2025 (0%), October 2025 (46.5%) and November 2025 (74.7%). The total arrear outstanding balance for the period July 2024 to November 2025 amounts to R419,561 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	110,877	–	110,877	96,011
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	14,866
Dec-25	14,866	–	14,866	
Grand Total	550,590	327,891	222,699	207,833

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 R222,699 million. The total debt must be concurred with the Department. The total arrear debt amounts to R207,833 million which pertains to outstanding invoices for 2021/22 (R37,558m); 2024/25 (74,264m) and 2025/26 (R96,011m). 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, October and November 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, June, July, August, September, October and November 2025 invoices. The February and March 2025 accounts were settled. The municipality incurred accumulative arrear debt for the prior and current year of R207 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 been 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.

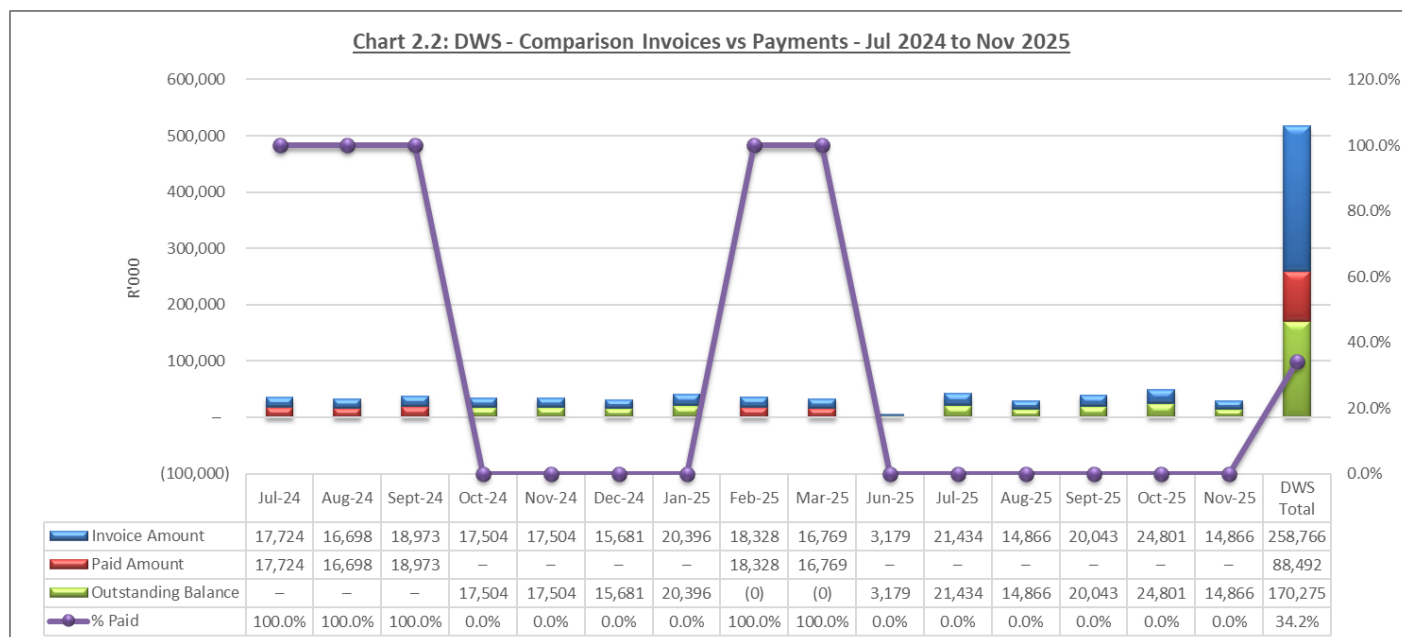


Chart 2.2: DWS - Comparison Invoices vs Payments

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 November 2025. The current account for December 2025 is excluded because it is not yet due and payable. The YTD actual until November 2025 show that 34.2% of invoices were settled, based on invoices raised of R258,766 million versus payments of R88,492 million. Invoices for July to September 2024, February and March 2025 were settled in full, whilst the invoices for October 2024 to January 2025, June, July, August, September, October and November 2025 remain unpaid. The total arrear outstanding balance for the period July 2024 to November 2025 amounts to R170,275 million.

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

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

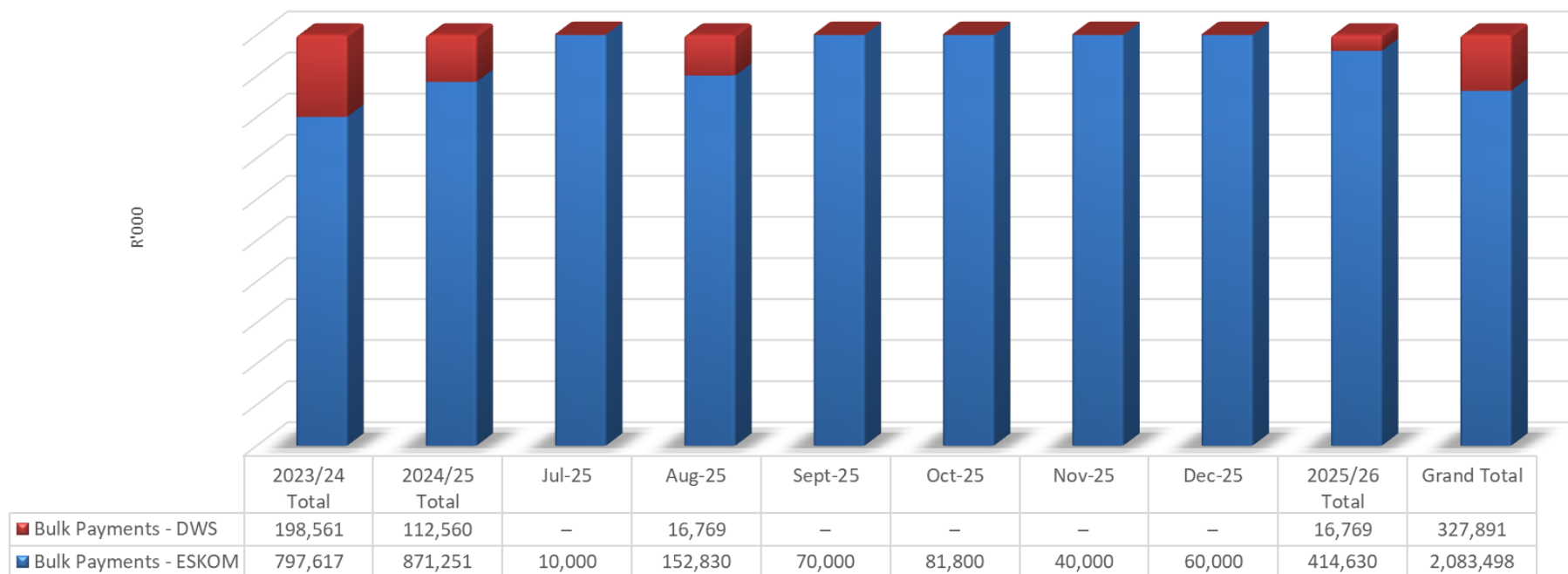


Chart 2.3: Monthly payments to DWS & ESKOM

Indicated in Chart 2.3 above, are the monthly payments made to DWS and ESKOM for 2023/24, 2024/25 and 2025/26 financial year as at 31 December 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 during the 2024/25 financial year invoices for October 2024 to January 2025, June, July, August, September, October and November 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 R60,000 million on the November 2025 account during December 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 R414,630 million, resulting in the total payments for the three periods amounting to R2,083,498 billion. The high months remains a major concern.

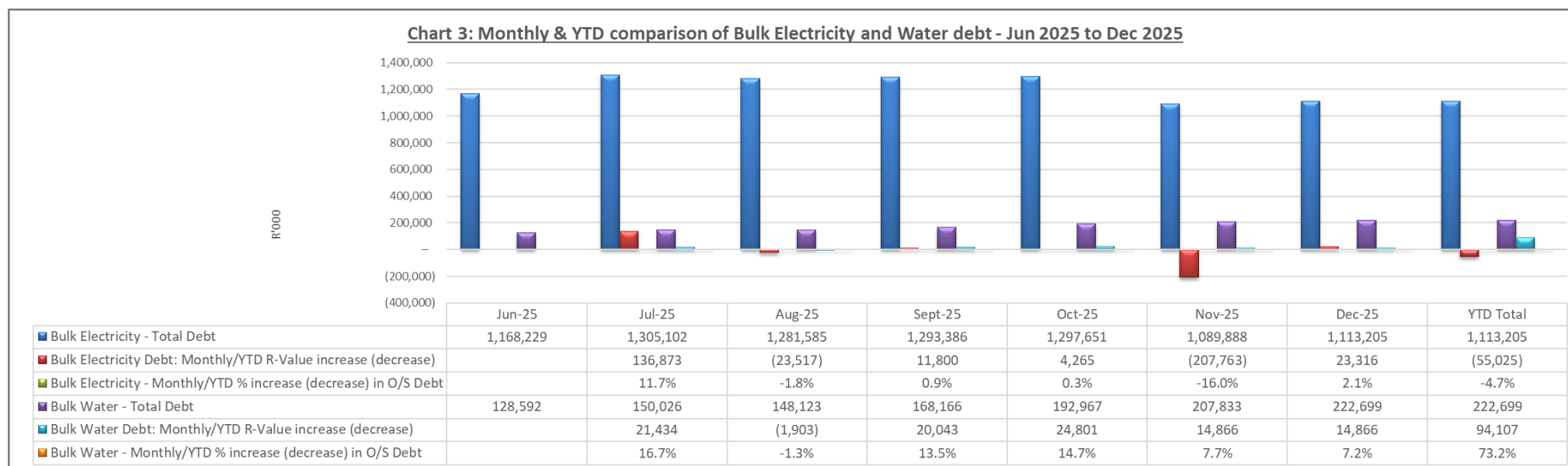


Chart 3: Monthly & YTD comparison – Bulk Electricity & Water debt

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

ESKOM - From November 2025 to December 2025, debt owed to ESKOM increased by R23,316 million or 2.1%, from R1,089,888 billion to R1,113,205 billion. When comparing the total outstanding debt to June 2025, the outstanding debt decreased by R55,025 million or 4.7%, from R1,168,229 billion to R1,113,205 billion. It should be noted that the debt write off for the first cycle is taken into account.

DWS - From November 2025 to December 2025, debt owed to DWS increased by R14,866 million or 7.2% from R207,833 million to R222,699 million. When comparing the total outstanding debt to June 2025, the outstanding debt increased by R94,107 million or 73.2% from R128,592 million to R222,699 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, October and November 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
23	2025/12/30								R 6,700,000.00
TOTAL					R 49,162,000.00		R 113,900,000.00		R 107,200,000.00

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 R107,200,000 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 - M06 December										
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 % - 50%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	627,331	46,068	296,818	313,666	94.63%	(16,847)	-5.4%	47.3%	(16,847)	-2.7%
Funded by										
Capital transfers recognised	594,927	46,068	291,870	297,463	98.12%	(5,594)	-1.9%	49.1%	(5,594)	-0.9%
Internally generated funds	32,404	—	4,949	16,202	30.5%	(11,253)	-69.5%	15.3%	(11,253)	-34.7%
Weighting Capital transfer recognised	94.8%	100.0%	98.3%	94.8%						
Weighting Internally generated funds	5.2%	0.0%	1.7%	5.2%						

Table 7: High level summary: Capital Expenditure

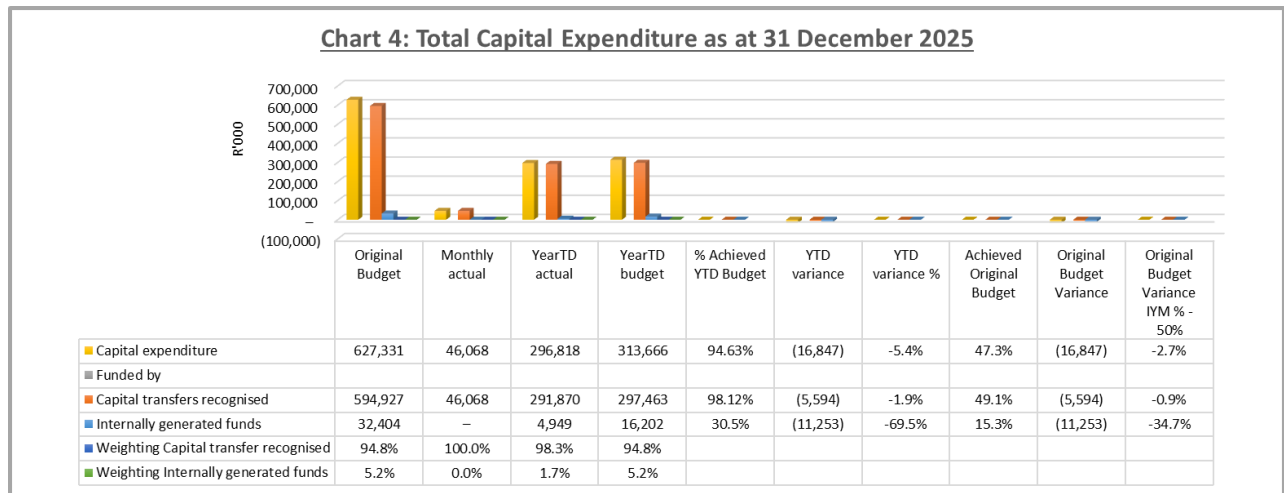


Chart 4: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of December 2025 amounted to R296,818 million and 94.63% spent when compared to the YTD budget of R313,666 million and 47.3% spent when compared to the Original Budget of R627,331 million. The total YTD capex is funded from Capital grants R291,870 million (98.3%) and Internally generated funds R4,949 million (1.7%). Capex is slightly 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

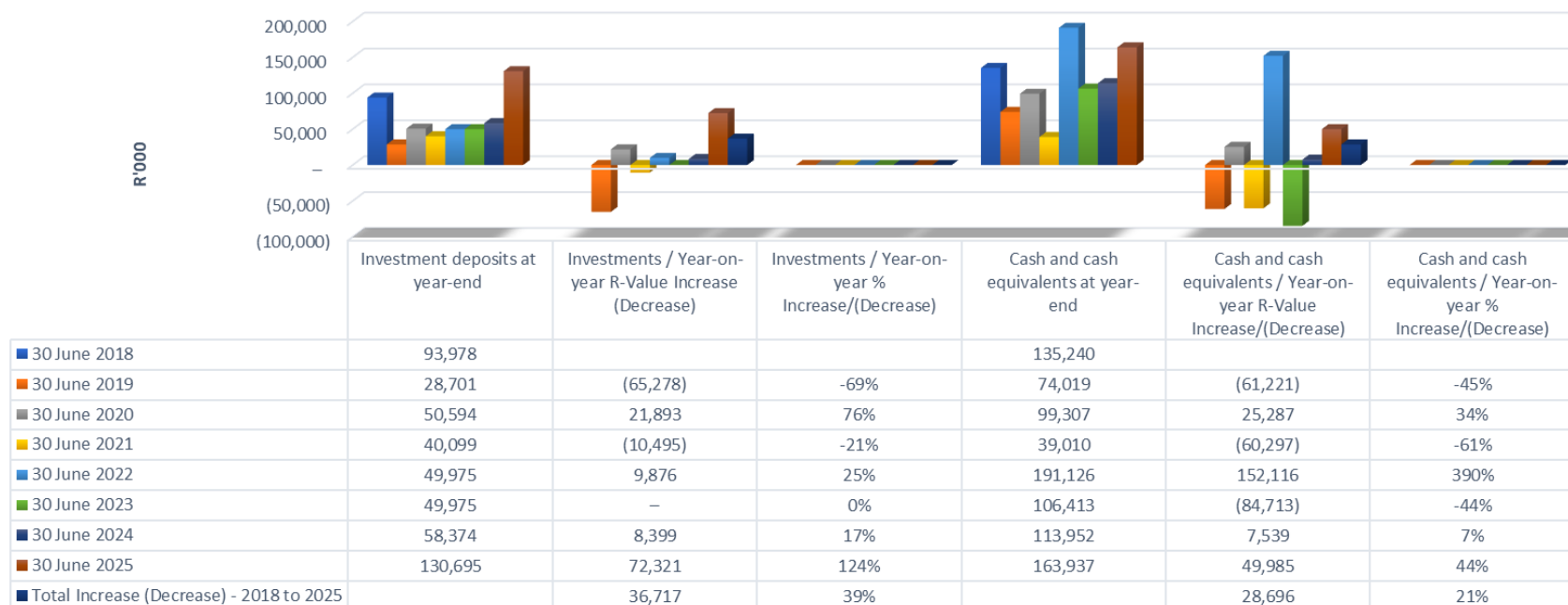


Chart 5: Call investment deposits and Cash & cash equivalents at year-end

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.

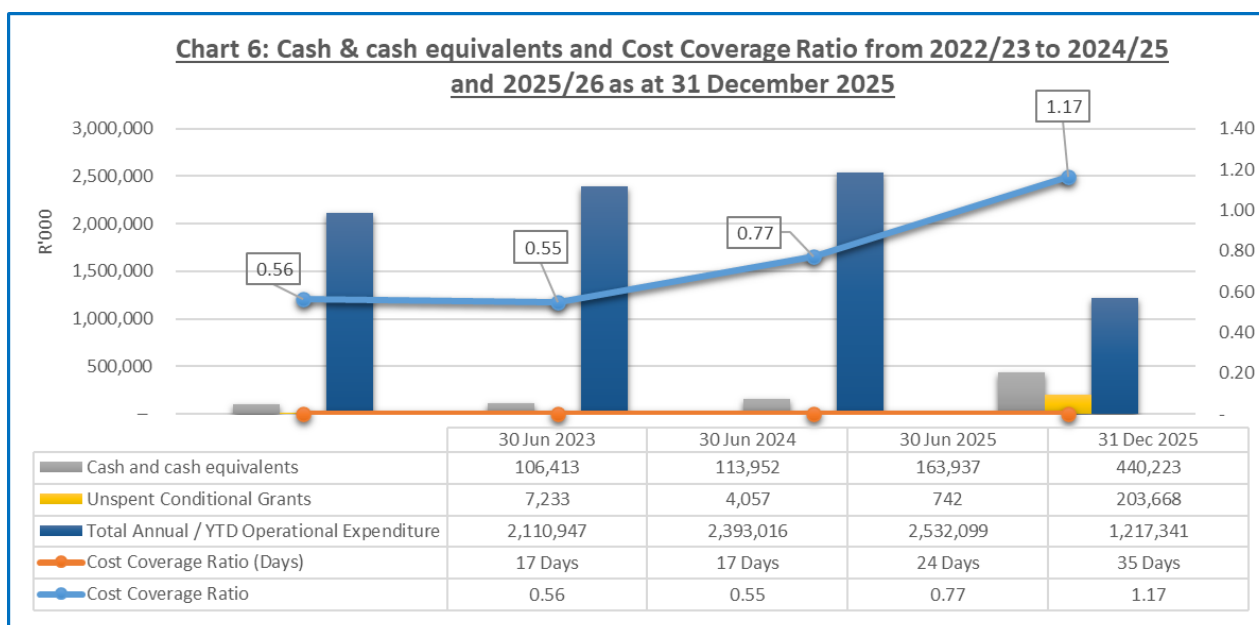


Chart 6: Cash & cash equivalents and Cost coverage ratio

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 31 December 2025 is calculated at (1.17; 35 days; R440,223m). Unspent conditional grants amounted to R203,668 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	36,408	4.0%	29,498	3.3%	27,388	3.0%	807,468	89.6%	900,762	19.9%
Trade and Other Receivables from Exchange Transactions - Electricity	52,763	14.3%	24,372	6.6%	20,748	5.6%	270,868	73.5%	368,752	8.1%
Receivables from Non-exchange Transactions - Property Rates	44,492	4.7%	21,167	2.3%	18,866	2.0%	856,187	91.0%	940,713	20.8%
Receivables from Exchange Transactions - Waste Water Management	10,389	3.2%	7,507	2.3%	6,987	2.1%	304,277	92.4%	329,160	7.3%
Receivables from Exchange Transactions - Waste Management	8,325	3.3%	5,799	2.3%	5,296	2.1%	234,208	92.3%	253,628	5.6%
Receivables from Exchange Transactions - Property Rental Debtors	960	.9%	934	.9%	929	.9%	104,950	97.4%	107,773	2.4%
Interest on Arrear Debtor Accounts	20,507	1.7%	23,526	2.0%	23,329	2.0%	1,127,031	94.4%	1,194,393	26.4%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-	-	-	-	-	-	-	-	-
Other	6,090	1.4%	21,346	4.9%	6,126	1.4%	403,548	92.3%	437,110	9.6%
Total By Income Source	179,935	4.0%	134,149	3.0%	109,670	2.4%	4,108,536	90.7%	4,532,290	100.0%
Debtors Age Analysis By Customer Group										
Organs of State	26,949	3.5%	23,603	3.0%	16,161	2.1%	712,480	91.4%	779,193	17.2%
Commercial	65,147	8.6%	26,598	3.5%	24,167	3.2%	641,546	84.7%	757,458	16.7%
Households	85,092	3.0%	81,201	2.8%	66,548	2.3%	2,621,445	91.8%	2,854,286	63.0%
Other	2,747	1.9%	2,748	1.9%	2,794	2.0%	133,064	94.1%	141,353	3.1%
Total By Customer Group	179,935	4.0%	134,149	3.0%	109,670	2.4%	4,108,536	90.7%	4,532,290	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 R4,532,290 billion as at the end of December 2025 and the bulk of SPM's debt is aged over 90 days with an overall weighting of 90.7%.

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

- ❖ Interest on Arrear Debtor Accounts at 94.4% and Other at 92.3%.
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 97.4%
- ❖ Receivables from Exchange Transactions – Property Rates (91.0%); Waste Water Management (92.4%) and Waste Management (92.3%).

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

- ❖ Receivables from Non-exchange Transactions - Property Rates at 20.8%
- ❖ Interest on Arrear Debtor Accounts 26.4%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 19.9%

Indicated in Table 8 above is the total outstanding debt by Customer Group, including the debt over 90 days, the percentage of total Debt over 90 days and percentage weighting.

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

- ❖ Organs of State at 91.4%; Commercial at 84.7%; Households at 91.8% and Other at 94.1%.

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

- ❖ Organs of state at 17.2%, total debt outstanding is R779,193 million
- ❖ Businesses at 16.7%, total debt outstanding is R757,458 million
- ❖ Households at 63.0%, total debt outstanding is R2,854,286 billion
- ❖ Other at 3.1%, total debt outstanding is R141,353 million.

Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt increased to 91% for the month under review. Debt over 90 days increased by R75,929 million in respect of the month-to-month comparison. The month-to-month increase, on total debt amounted to R60,631 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 - Dec 2025

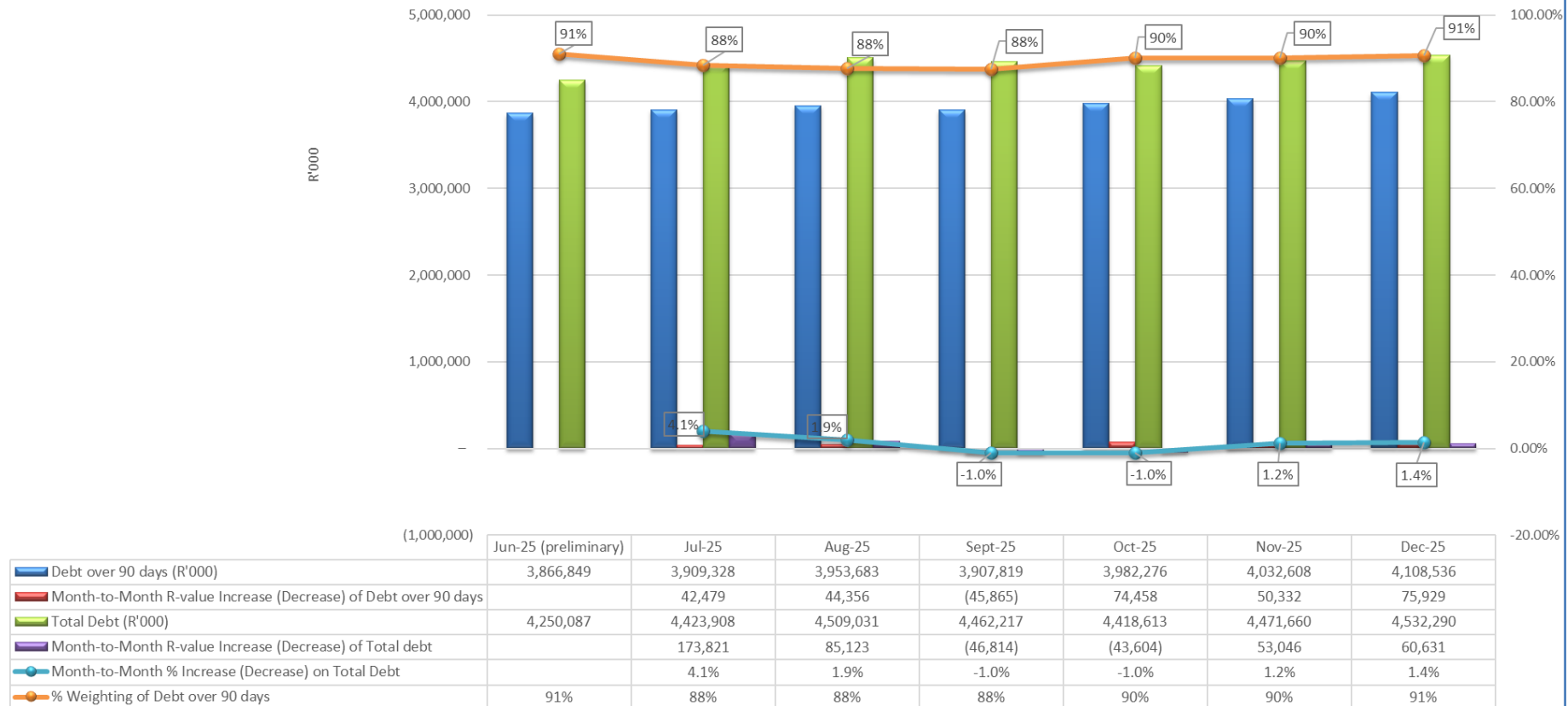


Chart 7: Debt over 90 days as a percentage of Total O/S Debt

- There is an error on the C-schedules, supporting schedule SC3 – Aged Debtors for the audited outcome for 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.

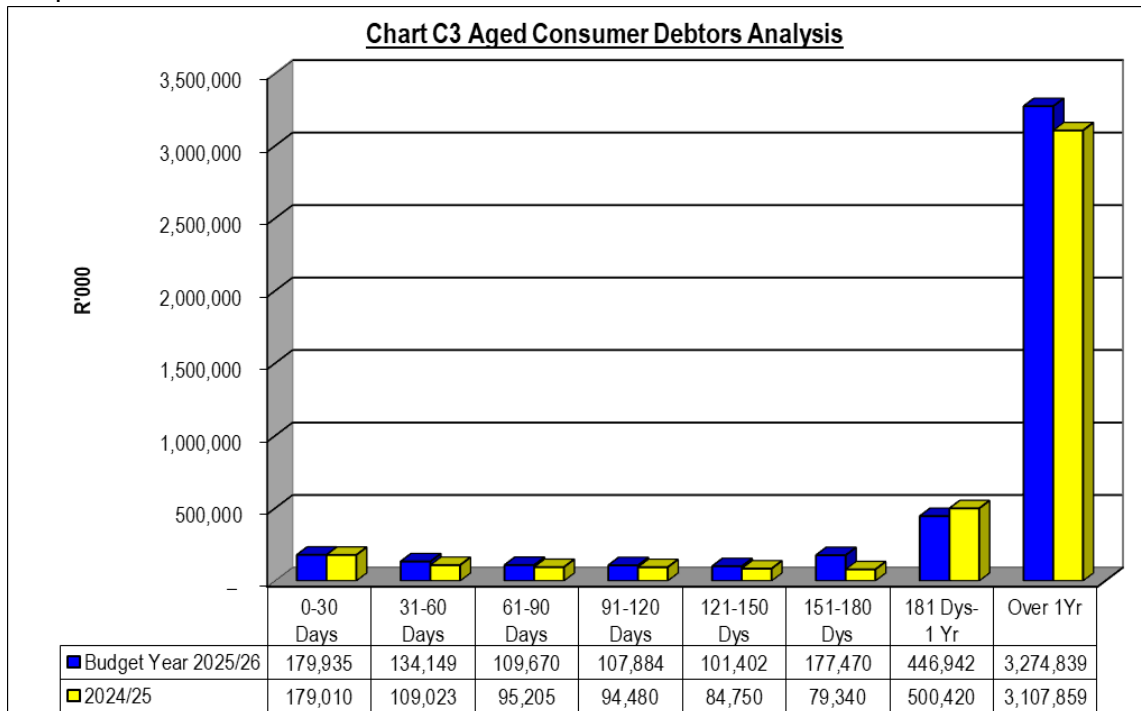


Chart 8: Aged Consumer Debtor Analysis

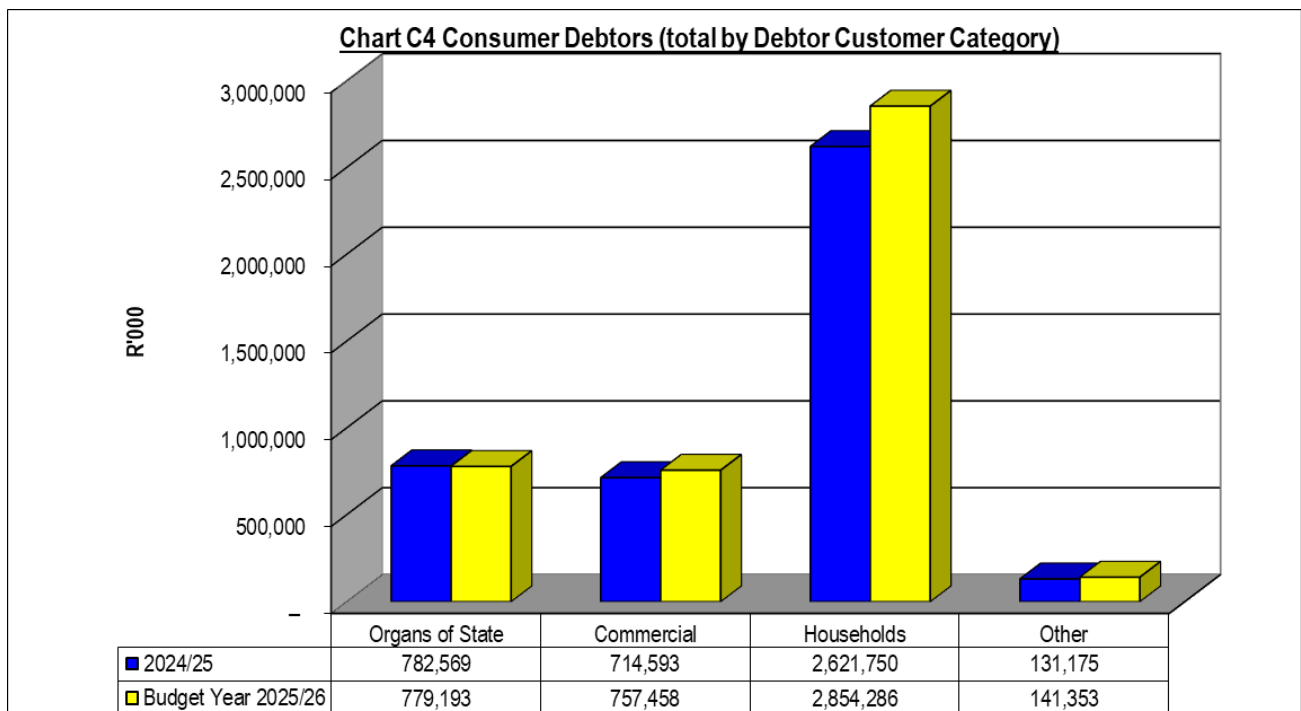


Chart 9: Consumer Debtors (total by Debtor Customer Category)

Revised collection rate

As per Table 9 below, when taking into consideration what was billed in November 2025 and received in December 2025, the monthly collection rate is 65%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 60%. 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 R12,353 million and will be allocated during January 2026. Indicated in Table 10 below is the revised average collection rate of 78.3%, 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 December to 31 December 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 November 2025)	Credits (Received December)	% Collected
PROPERTY RATES	53,146,999	35,953,945	68%
ELECTRICITY	48,647,728	40,649,606	84%
WATER	29,802,827	12,621,264	42%
SEWERAGE	10,572,175	4,291,996	41%
REFUSE	8,438,275	3,659,192	43%
PROPERTY RATES & SERVICES	150,608,003	97,176,002	65%
OTHER	28,780,435	9,838,171	34%
TOTAL	179,388,438	107,014,173	60%

Table 9: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL DECEMBER 2025	YTD RECEIPTS	Rate
PROPERTY RATES	R 429,554,782	R 306,958,523	71.5%
SERVICE CHARGE ELECTRICITY	R 324,294,267	R 301,010,377	92.8%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 189,003,179	R 189,003,179	100.0%
SERVICE CHARGE WATER	R 160,524,136	R 88,036,512	54.8%
SERVICE CHARGE SANITATION	R 58,414,924	R 27,127,081	46.4%
SERVICE CHARGE REFUSE	R 44,376,212	R 23,487,665	52.9%
SERVICE CHARGES NON-EXCHANGE	R 5,812,347	R 1,272,271	21.9%
UNALLOCATED CREDITS		R 12,353,180	
REVISED AVERAGE COLLECTION RATE - December 2025	R 1,211,979,847	R 949,248,787	78.3%

Table 10: Revised Average collection rate

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

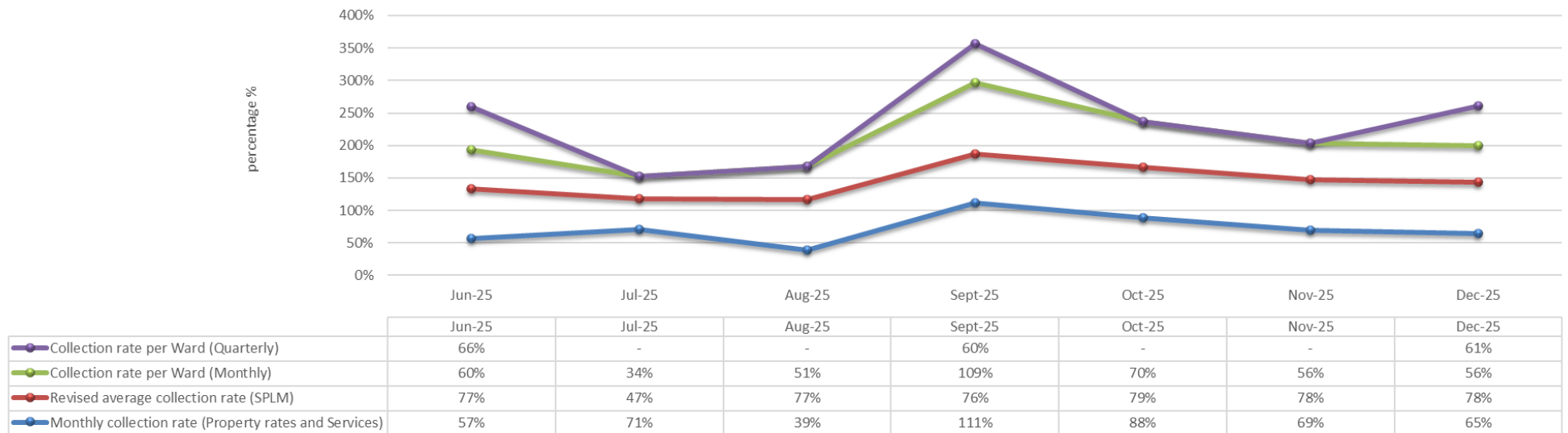


Chart 10: Comparative trend: Monthly and Revised average collection rate

Indicated in Chart 10 above, is the comparative trend between the monthly and average collection rate from June 2025 to December 2025. The monthly collection rate (Property rates & Services) for December 2025 is not satisfactory at 65%. The revised average collection for December 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 monthly 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 is 61%. 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 R12,353 million was unallocated at month-end.

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

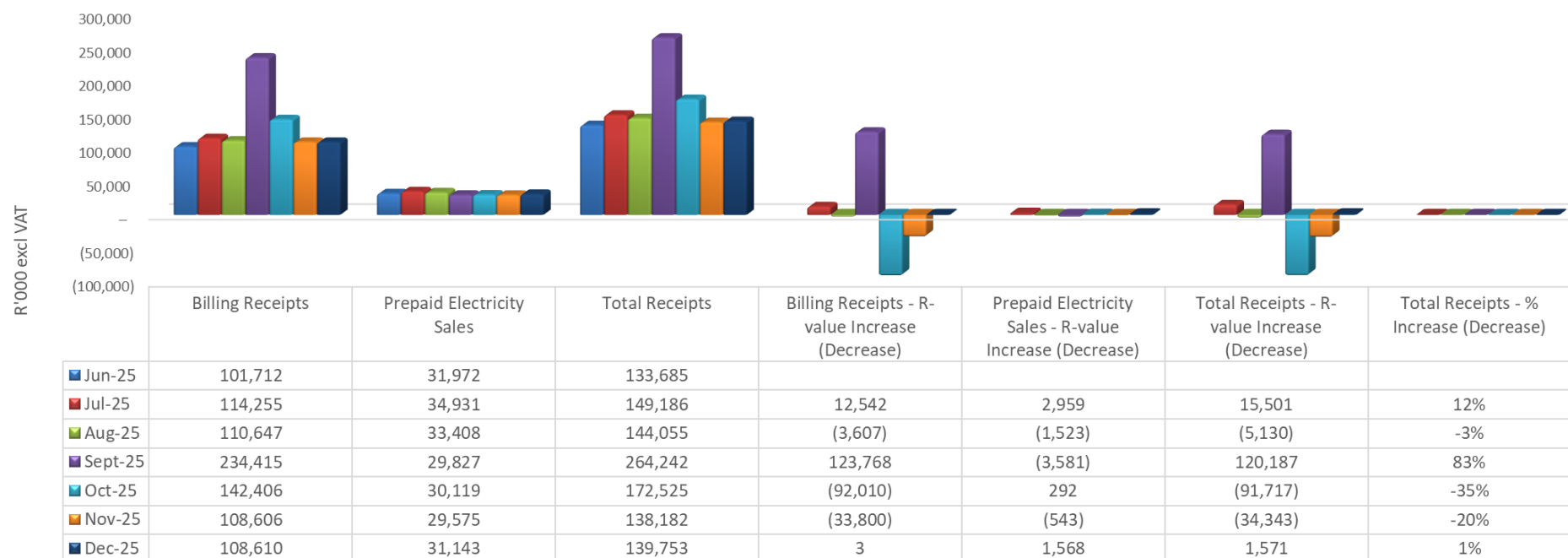


Chart 11: Month-to-month - Total Billing Receipts incl Prepaid Electricity

As indicated in Chart 11 above, the Total Receipts for December 2025 amounted to R139,753 million which resulted in an increase of R1,571 million (1%) in respect of the month-to-month comparison. Billing receipts increased by R3 thousand, whilst Prepaid Electricity Sales increased by R1,568 million. The deteriorating situation for the past few months/years does not bode well for the municipality's cash flow because on a monthly basis the municipality does not collect sufficient cash to cover its monthly commitments. Unallocated billing receipts at month end amounted to R12,353 million. Unallocated receipts are not factored into the actual receipts as per the chart above. All unallocated receipts are investigated, and assistance is sourced from the bank, when the municipality is unable to trace receipts so that it can be allocated accurately.

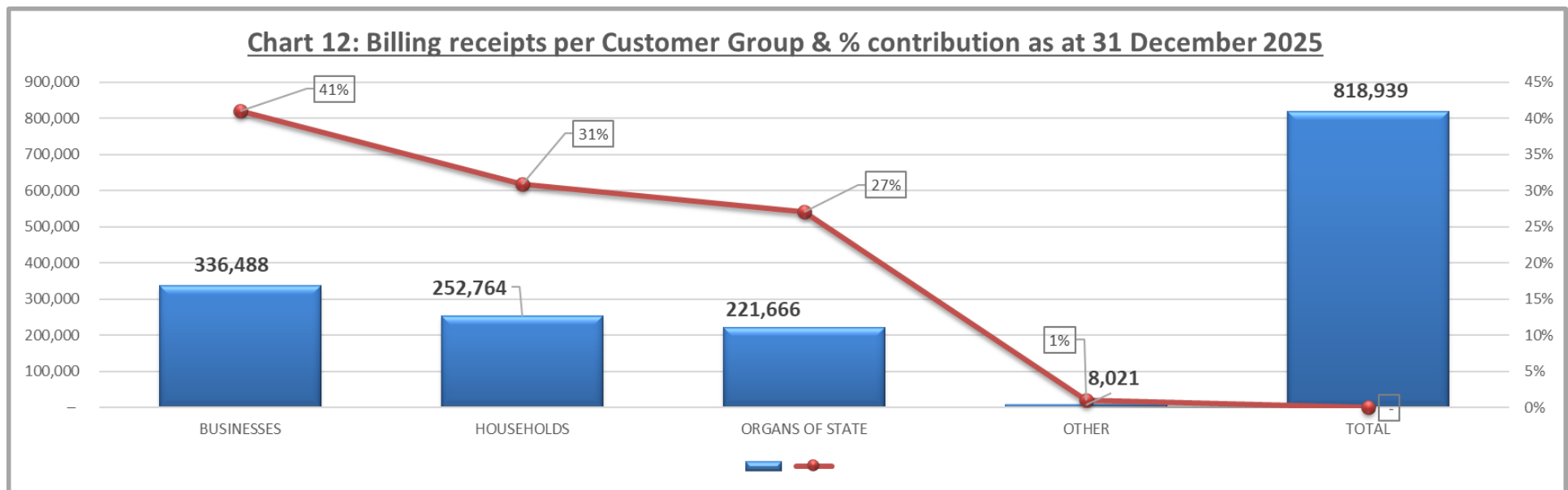


Chart 12: Billing receipts per Customer Group

Indicated in Chart 12 above, is the billing receipts and percentage contribution per major Customer group as at 31 December 2025 which amounts to R818,939 million. The municipality received R336,488 million (41%) from Businesses, Households R252,764 million (31%), Organs of State R221,666 million (27%) and Other R8,021 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	83,316	7.5%	20,365	1.8%	46,066	4.1%	963,457	86.5%	1,113,205
Bulk Water	14,866	6.7%	14,866	6.7%	24,801	11.1%	168,166	75.5%	222,699
PAYE deductions	13,059	100.0%	-	-	-	-	-	-	13,059
VAT (output less input)	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	8,560	100.0%	-	-	-	-	-	-	8,560
Loan repayments	-	-	-	-	-	-	-	-	-
Trade Creditors	13,215	70.2%	5,323	28.3%	115	6%	171	9%	18,823
Auditor-General	336	100.0%	-	-	-	-	-	-	336
Other	13,426	49.9%	-	-	-	-	13,502	50.1%	26,928
Medical Aid deductions	-	-	-	-	-	-	-	-	-
Total	146,778	10.5%	40,554	2.9%	70,982	5.1%	1,145,295	81.6%	1,403,610

Table 11: Part 5: Creditors Age Analysis

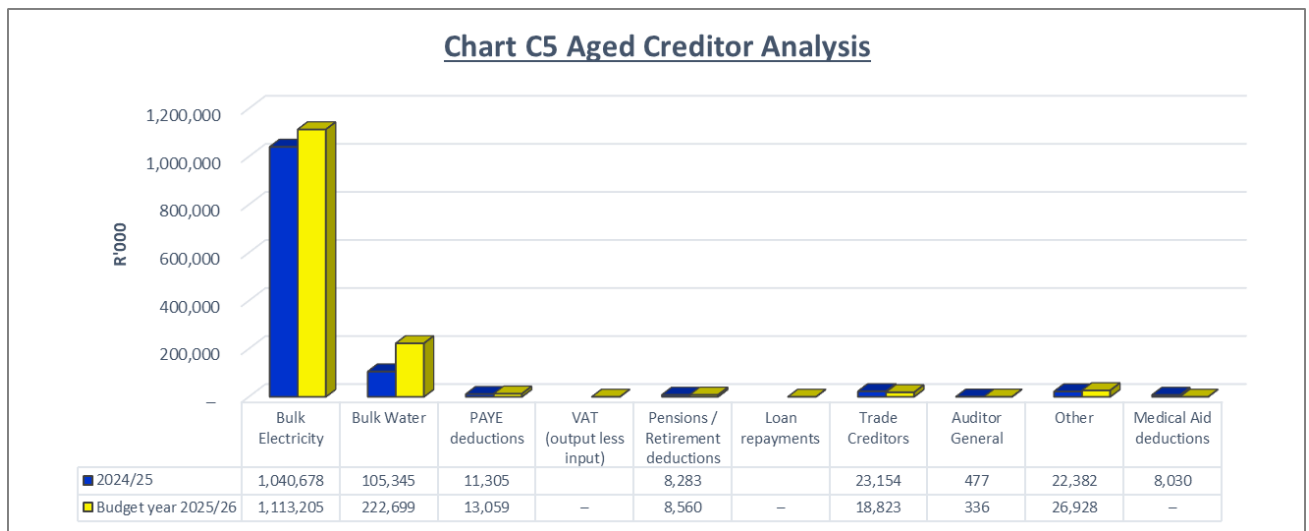


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2024/25 in Chart 13 is based on the outstanding creditors as at 31 December 2024 (prior year totals for the same period). Articulated in Table 11 above, is the age creditors analysis, which is standing at R1,403,610 billion owed to creditors. The analysis shows that 10.5% of creditors is owed between 0 to 30 days, whilst 81.6% of creditors is owed over 90 days. Bulk Electricity is the largest creditor at 79.3%.

Bulk Electricity – As at the 31 December 2025, the outstanding debt owed to ESKOM amounted to R1,113,205 billion.

Bulk Water – As at the 31 December 2025, the outstanding debt owed to DWS amounted R222,699 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 R2,570 million to SARS.

PAYE and Pension statutory deductions are paid over monthly to the relevant institutions on or before 7 January 2026.

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 R336 thousand.

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

Medical Aid deductions –medical aid contributions were settled on or before 31 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 31 December 2025, the value of total investments made was R396,216 million. Partially or prematurely withdrawn investments amounted to R2,201 million. There was no investment top-up 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.	21,191
• 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.	7,704
• Unspent Capital grant receipts that was invested for the current year.	203,668
• Own funds invested - Ring-fenced Eskom income / If amount is NEGATIVE, it means that there are Grant funds in the main account	163,653
Total	396,216

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Standard Bank 048466271-089		6 months	Call a/c	No	Variable	6.9	0			-	-	-	-	-
Standard Bank 04 846 6271- 090		48 hours	Notice	No	Fixed	8.85%	0	n/a		-	-	-	-	-
Standard Bank - 04 846 6271-092		6 months	Notice	No	Fixed	892.00%	0	n/a		189,321	1,113	(1,113)	-	189,321
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	9.71%	0		2023/06/28	7,647	57	-	-	7,704
Standard Bank - 04 846 6271-091		Monthly	Notice	No	Fixed	890.00%	0	n/a	2024/06/30	5,000	30	(30)	-	5,000
Standard Bank 048466271-088		12 months	Notice	No	Fixed	970.00%	0		2024/11/10	-	-	-	-	-
Standard Bank - 048466271-093		12 months	Fixed	No	Fixed	887.00%	0		2025/11/10	-	-	-	-	-
Absa - 94 0279 0375		Monthly	Notice	No	Variable	745.00%	0	n/a	2026/06/30	173,000	1,058	(1,058)	-	173,000
Standard Bank - 04 846 6271-094		12 months	Fixed	No	Fixed	742.50%	0	n/a	2026/11/12	21,054	137	-	-	21,191
Municipality sub-total										396,022	2,395	(2,201)	-	396,216

Table 12: Supporting Table SC5: Investment portfolio

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

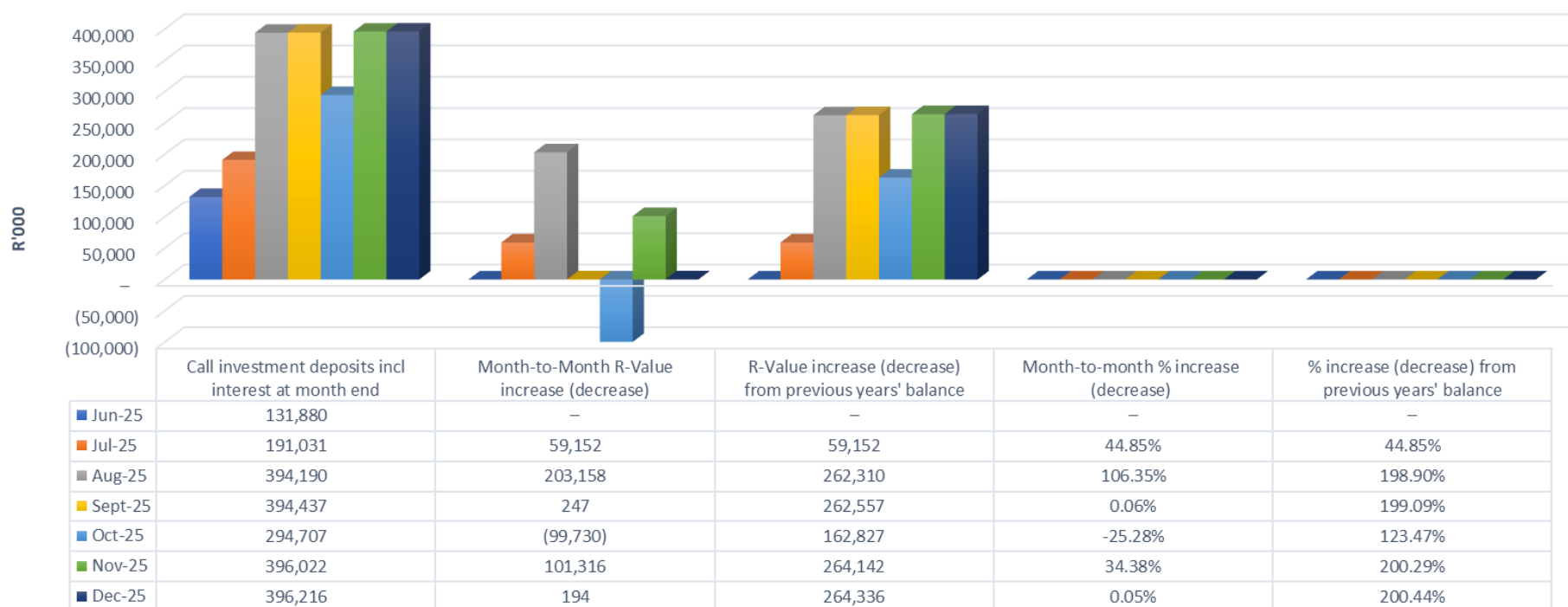


Chart 14: Call investment deposits at month-end

As indicated in the Chart 14 above from November 2025 to December 2025 investments incl interest increased by R194 thousand (0.05%), in respect of the month-to-month comparison. Investments increased by R264,336 million (200.44%) 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 - M06 December

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	101,354	234,298	157,335	76,963	48.9%	314,669
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share		282,104	301,722	301,722	100,574	226,292	150,861	75,431	50.0%	301,722
Expanded Public Works Programme Integrated Grant		2,927	4,442	4,442	–	4,442	2,221	2,221	100.0%	4,442
Infrastructure Skills Development Grant		4,500	4,400	4,400	466	1,978	2,200	(222)	-10.1%	4,400
Integrated Urban Development Grant		2,759	2,305	2,305	175	956	1,153	(197)	-17.1%	2,305
Local Government Financial Management Grant		1,800	1,800	1,800	138	631	900	(269)	-29.9%	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	102	595	4,504	(3,908)	-86.8%	9,007
Capacity Building and Other Grants		9,264	9,007	9,007	102	595	4,504	(3,908)	-86.8%	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	101,456	234,893	161,838	73,055	45.1%	323,676
Capital Transfers and Grants										
National Government:		574,062	684,166	684,166	61,575	344,247	342,083	2,164	0.6%	684,166
Energy Efficiency and Demand Side Management Grant		5,000	5,000	5,000	311	2,260	2,500	(240)	-9.6%	5,000
Integrated National Electrification Programme Grant		4,500	19,000	19,000	1,110	7,109	9,500	(2,391)	-25.2%	19,000
Integrated Urban Development Grant		72,562	76,066	76,066	23,102	38,995	38,033	962	2.5%	76,066
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	100	100	–	–	50	(50)	-100.0%	100
Regional Bulk Infrastructure Grant		492,000	574,000	574,000	37,052	295,884	287,000	8,884	3.1%	574,000
Water Services Infrastructure Grant		–	10,000	10,000	–	–	5,000	(5,000)	-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	61,575	344,247	342,083	2,164	0.6%	684,166
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	887,473	1,007,842	1,007,842	163,031	579,140	503,921	75,219	14.9%	1,007,842

Table 13: Supporting Table SC6: Transfers and grant receipts

Operational grant monies were received for the month under review.
Equitable share – R100,574 mi

Capital grant monies received for the month under review.
IUDG – R22,480 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 - M06 December

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		263,684	252,673	252,403	21,258	127,817	126,298	1,519	1.2%	252,403
Equitable Share		251,739	239,722	239,452	20,764	124,343	119,822	4,520	3.8%	239,452
Expanded Public Works Programme Integrated Grant		3,143	4,442	4,442	37	232	2,221	(1,989)	-89.5%	4,442
Infrastructure Skills Development Grant		4,373	4,400	4,400	208	1,720	2,200	(480)	-21.8%	4,400
Integrated Urban Development Grant		2,629	2,305	2,305	193	974	1,153	(178)	-15.5%	2,305
Local Government Financial Management Grant		1,800	1,804	1,804	56	548	902	(354)	-39.2%	1,804
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		14,526	8,942	11,442	274	2,395	5,721	(3,326)	-58.1%	11,442
Capacity Building and Other Grants		9,055	8,942	8,942	102	596	4,471	(3,875)	-86.7%	8,942
Infrastructure Grant		5,471	–	2,500	172	1,799	1,250	549	43.9%	2,500
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
European Union		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		278,210	261,615	263,845	21,532	130,212	132,019	(1,807)	-1.4%	263,845
Capital expenditure of Transfers and Grants										
National Government:		504,592	594,927	594,927	46,068	291,870	297,463	(5,594)	-1.9%	594,927
Energy Efficiency and Demand Side Management Grant		4,545	4,348	4,348	270	1,965	2,174	(209)	-9.6%	4,348
Integrated National Electrification Programme Grant		3,958	16,522	16,522	965	6,182	8,261	(2,079)	-25.2%	16,522
Integrated Urban Development Grant		64,588	66,144	66,144	12,613	26,433	33,072	(6,640)	-20.1%	66,144
Municipal Infrastructure Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	87	87	–	–	43	(43)	-100.0%	87
Regional Bulk Infrastructure Grant		431,501	499,130	499,130	32,219	257,290	249,565	7,725	3.1%	499,130
Water Services Infrastructure Grant		–	8,696	8,696	–	–	4,348	(4,348)	-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	46,068	291,870	297,463	(5,594)	-1.9%	594,927
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		782,802	856,542	858,772	67,599	422,082	429,483	(7,401)	-1.7%	858,772

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	12,613	26,433	1,261	39.96%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,348	270	1,965	-	45.19%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	499,130	32,219	257,290	-	51.55%
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	16,522	965	6,182	2	37.42%
NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)	87	-	-	-	0.00%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	8,696	-	-	-	0.00%
Grand Total	594,927	46,068	291,870	1,262	49.06%

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R291,871 million or 49.06% 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 - M06 December						
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%
Intergrated 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 - M06 December

Summary of Employee and Councillor remuneration	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		-	30,893	30,893	2,309	13,836	15,447	(1,611)	-10%	30,893
Pension and UIF Contributions		1,040	1,540	1,540	78	465	770	(305)	-40%	1,540
Medical Aid Contributions		657	710	710	54	325	355	(30)	-9%	710
Motor Vehicle Allowance		-	950	950	101	585	475	110	23%	950
Cellphone Allowance		3,048	2,910	2,910	255	1,519	1,455	64	4%	2,910
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		29,049	80	80	27	27	40	(13)	-33%	80
Sub Total - Councillors		33,794	37,083	37,083	2,823	16,757	18,542	(1,785)	-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	2,297	4,372	(2,075)	-47%	8,743
Pension and UIF Contributions		747	1,351	1,351	33	196	676	(479)	-71%	1,351
Medical Aid Contributions		208	140	140	16	95	70	25	36%	140
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1,136	2,113	2,113	87	521	1,057	(536)	-51%	2,113
Cellphone Allowance		115	198	198	8	50	99	(49)	-49%	198
Housing Allowances		21	24	24	2	11	12	(1)	-12%	24
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		29	31	31	1	8	16	(8)	-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	3,177	6,301	(3,123)	-50%	12,601
% increase	4		57.2%	57.2%						57.2%
Other Municipal Staff										
Basic Salaries and Wages		463,558	538,612	536,785	41,860	248,845	268,728	(19,883)	-7%	536,785
Pension and UIF Contributions		83,957	99,661	99,661	7,246	43,726	49,830	(6,104)	-12%	99,661
Medical Aid Contributions		58,162	69,790	69,790	5,620	32,986	34,895	(1,910)	-5%	69,790
Overtime		78,779	58,301	58,601	7,809	38,451	29,251	9,200	31%	58,601
Performance Bonus		30,549	39,432	39,432	17,157	23,309	19,716	3,593	18%	39,432
Motor Vehicle Allowance		41,631	50,362	50,362	3,409	20,453	25,181	(4,728)	-19%	50,362
Cellphone Allowance		1,585	1,740	1,740	127	784	870	(86)	-10%	1,740
Housing Allowances		4,158	3,152	3,152	261	1,449	1,576	(127)	-8%	3,152
Other benefits and allowances		31,886	32,935	34,462	2,775	17,133	16,945	188	1%	34,462
Payments in lieu of leave		10,012	16,200	16,200	239	1,388	8,100	(6,712)	-83%	16,200
Long service awards		30,742	31,845	31,845	2,634	15,914	15,923	(9)	0%	31,845
Post-retirement benefit obligations		41,384	49,900	49,900	-	2,664	24,950	(22,286)	-89%	49,900
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		876,402	991,931	991,931	89,137	447,101	495,966	(48,865)	-10%	991,931
% increase	4		13.2%	13.2%						13.2%
Total Parent Municipality		918,214	1,041,615	1,041,615	92,461	467,035	520,808	(53,772)	-10%	1,041,615
TOTAL SALARY, ALLOWANCES & BENEFITS		918,214	1,041,615	1,041,615	92,461	467,035	520,808	(53,772)	-10%	1,041,615
% increase	4		13.4%	13.4%						13.4%
TOTAL MANAGERS AND STAFF		884,420	1,004,532	1,004,532	89,637	450,278	502,266	(51,988)	-10%	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 10%. 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. 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.

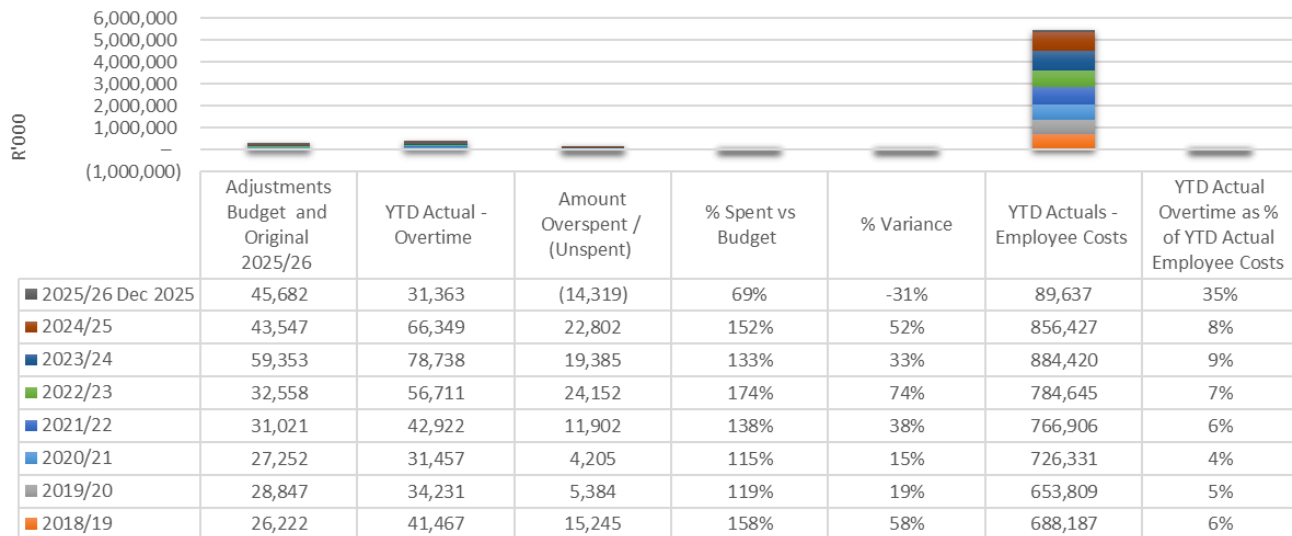
And indicated in Table 18 below, is the YTD Overtime expenditure per line item and also per Directorate as at end of December 2025.

Description per line item (Amount in Rand)	Original Budget	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Original Budget
MS: OVERTIME - NON STRUCTURED	42,176,000	42,176,000	6,396,430	29,578,990	70%
MS: OVERTIME - STRUCTURED	3,506,000	3,506,000	201,125	1,783,888	51%
Overtime as at 31 December 2025	45,682,000	45,682,000	6,597,555	31,362,878	69%
Row Labels	Original Budget	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Original Budget
20-EXECUTIVE AND COUNCIL	560,000	560,000	111,332	535,315	96%
21-MUNICIPAL AND GENERAL	-	-	-	-	
22-MUNICIPAL MANAGER	-	-	2,068	14,166	
23-CORPORATE SERVICES	2,035,000	2,035,000	531,402	2,521,023	124%
24-COMMUNITY SERVICES	17,145,000	17,145,000	1,661,533	7,885,174	46%
26-FINANCIAL SERVICES	1,216,000	1,216,000	171,035	972,738	80%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	1,112,000	1,112,000	55,294	404,001	36%
28-INFRASTRUCTURE SERVICES	23,614,000	23,614,000	4,064,891	19,030,463	81%
Overtime as at 31 December 2025	45,682,000	45,682,000	6,597,555	31,362,878	69%

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 69% spent versus the Original budget, resulting in an unsatisfactory variance of 18.7% for the period under review, when compared to the ideal IYM percentage of 50%.

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 Dec 2025

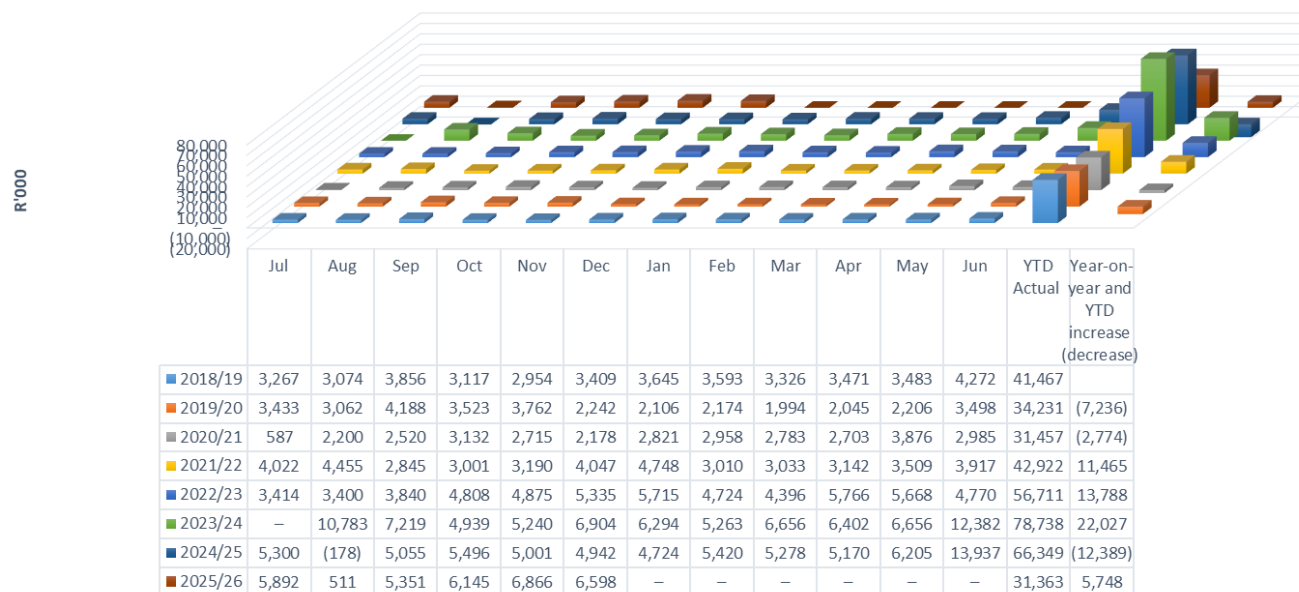


Chart 15.2: Monthly and Annual Overtime Comparison

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.

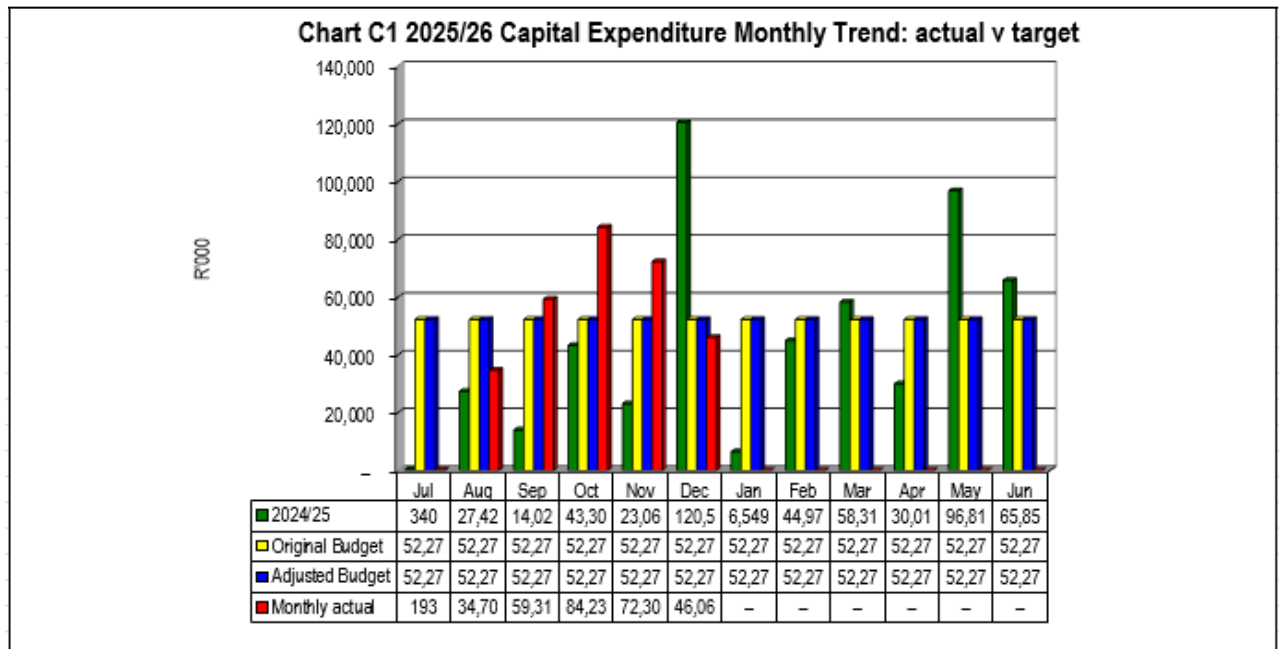


Chart 16.1: Capital Expenditure Monthly Trend: actual v target

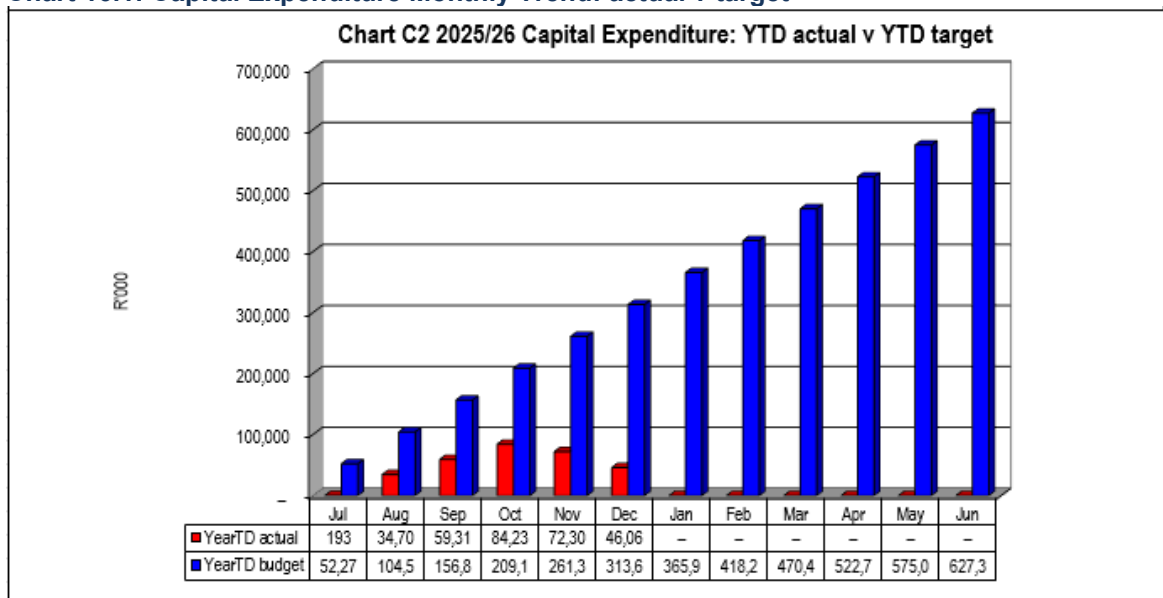


Chart 16.2: Capital Expenditure: YTD actual vs YTD target

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	–	4,949	583	15.27%	15.27%
ACQ-COMPUTER EQUIPMENT REPLACEMENT	6,783	6,783	–	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	–	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	12,613	26,433	1,261	39.96%	39.96%
UPGRADE GRAVEL ROADS WARDS VARIOUS	8,261	8,261	2,111	5,944	612	71.95%	71.95%
SPECIALISED FLEET REPLACEMENT	7,826	7,826	4,502	4,502	–	57.53%	57.53%
REFURBISHMENT OF HALLS	3,536	3,536	–	–	–	0.00%	0.00%
LINING OF STORMWATER CHANNELS WARD 16	2,609	2,609	210	1,875	450	71.88%	71.88%
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	388	1,254	46	57.70%	57.70%
BEACONSFIELD WASTE WATER TREATMENT WORKS	12,609	12,609	4,573	4,573	–	36.27%	36.27%
HIGH MAST LIGHTS	8,696	8,696	828	3,067	153	35.27%	35.27%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,348	4,348	270	1,965	–	45.19%	45.19%
STREETLIGHTS AND HIGH MAST RETROFITTING	4,348	4,348	270	1,965	–	45.19%	45.19%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	499,130	499,130	32,219	257,290	–	51.55%	51.55%
UPGRADE EXISTING/NEW RESERVOIR CONSTRUCT	46,541	46,541	559	10,323	–	22.18%	22.18%
REFURBISHMENT/REPLACEMENT BULK PIPELINE	366,547	366,547	27,303	177,658	–	48.47%	48.47%
KBY/RITCHIE NETWORK LEAK DETECT/REPAIR	32,220	32,220	398	21,757	–	67.52%	67.52%
KBY/RITCHIE BULK METERS/PRESSURE MANAGE	3,698	3,698	301	3,503	–	94.73%	94.73%
NEWTON AND RIVERTON WWTW	50,125	50,125	3,658	44,050	–	87.88%	87.88%
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	16,522	16,522	965	6,182	2	37.42%	37.42%
ELECTRIFICATION OF JACKSONVILLE	5,891	5,891	965	3,380	–	57.37%	57.37%
NETWORKS ACQ - ELECTR SANTA CENTRE	2,804	2,804	–	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	46,068	296,818	1,845	47.31%	47.31%

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 December 2025 is fairly satisfactory and at a desired level. Capital expenditure requires constant monitoring from management to improve the final outcome. The actual monthly expenditure for December 2025 amounted to R46,068 million. The total YTD Capex amounts to R296,818 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 (39.96%), EEDSM (45.19%), RBIG (51.55%), INEP (37.42%), 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 December 2025.

- The draft Monthly Debt Relief Non-Compliance Report accompanied by the Municipal Debt Relief Compliance Certificate issued by National Treasury for November 2025.
- The municipality's self-assessment for the month of December 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, September, November and December 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 - M06 December

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	53,470	429,555	358,960	70,595	20%	717,920
Service charges	1,449,088	1,761,512	1,761,512	113,467	776,613	880,756	(104,143)	-12%	1,761,512
Investment revenue	21,841	18,000	18,000	491	1,832	9,000	(7,168)	-80%	18,000
Transfers and subsidies - Operational	313,411	323,676	323,676	101,456	234,893	161,838	73,055	0	323,676
Other own revenue	430,140	413,080	413,080	26,651	179,901	206,540	(26,639)	-13%	413,080
Total Revenue (excluding capital transfers and contributions)	2,901,820	3,234,188	3,234,188	295,534	1,622,794	1,617,094	5,701	0%	3,234,188
Employee costs	884,420	1,004,532	1,004,532	89,637	450,278	502,266	(51,988)	-10%	1,004,532
Remuneration of Councillors	33,794	37,083	37,083	2,823	16,757	18,542	(1,785)	-10%	37,083
Depreciation and amortisation	96,037	90,200	90,200	—	—	45,100	(45,100)	-100%	90,200
Interest	104,569	15,880	15,880	8,245	8,252	7,940	312	4%	15,880
Inventory consumed and bulk purchases	1,182,440	1,331,852	1,331,852	97,251	602,677	694,926	(92,249)	-13%	1,331,852
Transfers and subsidies	2,807	4,300	4,300	650	1,321	2,150	(829)	-39%	4,300
Other expenditure	780,530	728,658	728,658	17,425	366,632	364,329	(2,303)	-2%	728,658
Total Expenditure	3,084,597	3,212,506	3,212,506	216,032	1,435,917	1,635,253	(199,336)	-12%	3,212,506
Surplus/(Deficit)	(182,777)	21,682	21,682	79,502	186,877	(18,159)	205,036	-1129%	21,682
Transfers and subsidies - capital (monetary)	574,062	684,166	684,166	61,575	344,247	342,083	2,164	1%	684,166
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	391,285	705,848	705,848	141,077	531,124	323,924	207,201	64%	705,848
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	391,285	705,848	705,848	141,077	531,124	323,924	207,201	64%	705,848
Capital expenditure & funds sources									
Capital expenditure	536,075	627,331	627,331	46,068	296,818	313,666	(16,847)	-5%	627,331
Capital transfers recognised	504,592	594,927	594,927	46,068	291,870	297,463	(5,594)	-2%	594,927
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	31,484	32,404	32,404	—	4,949	16,202	(11,253)	-69%	32,404
Total sources of capital funds	536,075	627,331	627,331	46,068	296,818	313,666	(16,847)	-5%	627,331
Financial position									
Total current assets	2,957,797	3,027,796	3,027,796		3,591,680				3,027,796
Total non current assets	2,257,023	3,131,060	3,131,060		2,553,841				3,131,060
Total current liabilities	1,204,094	1,669,231	1,669,231		1,611,707				1,669,231
Total non current liabilities	1,177,512	442,927	442,927		1,169,476				442,927
Community wealth/Equity	2,833,214	4,046,698	4,046,698		3,364,338				4,046,698
Cash flows									
Net cash from (used) operating	515,176	753,802	753,802	(43,796)	177,240	376,901	199,661	53%	753,802
Net cash from (used) investing	(529,312)	(721,431)	(721,431)	(46,068)	(296,818)	(360,715)	(63,897)	18%	(721,431)
Net cash from (used) financing	100	(16,688)	(16,688)	(6)	30	(8,344)	(8,374)	100%	(16,688)
Cash/cash equivalents at the month/year end	99,690	146,574	146,574	44,361	44,361	138,732	94,372	68%	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	179,935	134,149	109,670	107,884	101,402	177,470	446,942	3,274,839	4,532,290
Creditors Age Analysis									
Total Creditors	—	—	—	—	—	—	—	—	—

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

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	226,340	1,075,371	907,931	167,440	18%	1,815,862
Executive and council		1,049,209	1,067,130	1,067,130	172,108	642,321	533,565	108,756	20%	1,067,130
Finance and administration		721,351	748,732	748,732	54,232	433,050	374,366	58,684	16%	748,732
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		52,398	46,152	46,152	2,966	18,717	23,076	(4,359)	-19%	46,152
Community and social services		12,453	12,888	12,888	308	2,106	6,444	(4,338)	-67%	12,888
Sport and recreation		3,217	2,910	2,910	332	1,435	1,455	(21)	-1%	2,910
Public safety		818	570	570	19	297	285	12	4%	570
Housing		31,910	29,708	29,708	2,306	14,879	14,854	25	0%	29,708
Health		4,000	75	75	–	–	38	(38)	-100%	75
<i>Economic and environmental services</i>		21,781	23,377	23,377	1,634	7,153	11,689	(4,535)	-39%	23,377
Planning and development		8,200	9,207	9,207	597	4,985	4,604	381	8%	9,207
Road transport		13,581	14,170	14,170	1,037	2,168	7,085	(4,917)	-69%	14,170
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		1,619,577	2,020,883	2,020,883	126,231	859,786	1,010,441	(150,655)	-15%	2,020,883
Energy sources		984,262	1,305,623	1,305,623	68,837	526,543	652,812	(126,269)	-19%	1,305,623
Water management		387,287	448,093	448,093	35,331	200,452	224,046	(23,594)	-11%	448,093
Waste water management		141,634	157,774	157,774	12,602	75,611	78,887	(3,276)	-4%	157,774
Waste management		106,393	109,393	109,393	9,460	57,180	54,696	2,484	5%	109,393
<i>Other</i>	4	11,566	12,081	12,081	(61)	6,014	6,040	(26)	0%	12,081
Total Revenue - Functional	2	3,475,882	3,918,354	3,918,354	357,109	1,967,042	1,959,177	7,865	0%	3,918,354
Expenditure - Functional										
<i>Governance and administration</i>		805,135	756,026	756,026	49,406	381,369	378,013	3,356	1%	756,026
Executive and council		566,498	532,963	532,963	21,504	243,405	266,482	(23,077)	-9%	532,963
Finance and administration		234,475	219,046	219,046	27,515	135,632	109,523	26,109	24%	219,046
Internal audit		4,162	4,017	4,017	387	2,332	2,009	323	16%	4,017
<i>Community and public safety</i>		195,831	219,901	219,901	18,402	97,299	109,951	(12,652)	-12%	219,901
Community and social services		48,397	52,711	52,711	4,703	23,569	26,356	(2,787)	-11%	52,711
Sport and recreation		63,434	66,957	66,957	5,731	30,544	33,478	(2,935)	-9%	66,957
Public safety		42,589	47,422	47,422	4,131	21,954	23,711	(1,757)	-7%	47,422
Housing		22,733	31,345	31,345	2,075	11,932	15,672	(3,740)	-24%	31,345
Health		18,679	21,467	21,467	1,763	9,300	10,733	(1,433)	-13%	21,467
<i>Economic and environmental services</i>		179,646	189,177	189,177	20,506	104,152	94,589	9,564	10%	189,177
Planning and development		48,260	55,838	55,838	4,996	25,548	27,919	(2,371)	-8%	55,838
Road transport		130,479	132,364	132,364	15,389	78,107	66,182	11,925	18%	132,364
Environmental protection		907	975	975	121	497	487	10	2%	975
<i>Trading services</i>		1,878,985	2,016,320	2,016,320	124,839	839,924	1,037,160	(197,236)	-19%	2,016,320
Energy sources		1,239,137	1,303,951	1,303,951	85,630	561,979	680,975	(118,997)	-17%	1,303,951
Water management		439,992	445,043	445,043	23,208	171,829	222,521	(50,692)	-23%	445,043
Waste water management		117,220	158,834	158,834	10,051	61,885	79,417	(17,532)	-22%	158,834
Waste management		82,637	108,493	108,493	5,950	44,231	54,246	(10,015)	-18%	108,493
<i>Other</i>		25,000	31,081	31,081	2,878	13,173	15,540	(2,367)	-15%	31,081
Total Expenditure - Functional	3	3,084,597	3,212,506	3,212,506	216,032	1,435,917	1,635,253	(199,336)	-12%	3,212,506
Surplus/ (Deficit) for the year		391,285	705,848	705,848	141,077	531,124	323,924	207,201	0.6396587	705,848

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

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	172,108	642,321	533,565	108,756	20.4%	1,067,130
Vote 03 - Municipal Manager			2,759	2,305	2,305	175	956	1,153	(197)	-17.1%	2,305
Vote 04 - Corporate Services			6,263	6,110	6,110	470	2,004	3,055	(1,051)	-34.4%	6,110
Vote 05 - Community Services			149,002	148,586	148,586	10,119	66,298	74,293	(7,995)	-10.8%	148,586
Vote 06 - Financial Services			714,281	742,122	742,122	53,709	430,742	371,061	59,682	16.1%	742,122
Vote 07 - Strategy Econ Development And Planning			8,419	10,003	10,003	483	5,886	5,001	884	17.7%	10,003
Vote 08 - Infrastructure And Services			1,545,949	1,942,098	1,942,098	120,044	818,835	971,049	(152,214)	-15.7%	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	357,109	1,967,042	1,959,177	7,865	0.4%	3,918,354
Expenditure by Vote		1									
Vote 01 - Executive & Council			57,033	61,221	61,221	5,428	28,607	30,610	(2,003)	-6.5%	61,221
Vote 02 - Municipal And General			495,206	464,832	464,832	14,932	207,759	232,416	(24,657)	-10.6%	464,832
Vote 03 - Municipal Manager			29,886	30,614	30,614	2,403	14,041	15,307	(1,266)	-8.3%	30,614
Vote 04 - Corporate Services			73,335	81,513	81,513	7,916	39,947	40,757	(809)	-2.0%	81,513
Vote 05 - Community Services			320,158	363,848	363,848	29,461	163,237	181,924	(18,687)	-10.3%	363,848
Vote 06 - Financial Services			143,187	173,366	173,366	13,923	71,211	86,683	(15,472)	-17.8%	173,366
Vote 07 - Strategy Econ Development And Planning			55,692	76,090	76,090	6,155	27,805	38,045	(10,240)	-26.9%	76,090
Vote 08 - Infrastructure And Services			1,910,101	1,961,023	1,961,023	135,813	883,309	1,009,511	(126,203)	-12.5%	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	216,032	1,435,917	1,635,253	(199,336)	-12.2%	3,212,506
Surplus/ (Deficit) for the year		2	391,285	705,848	705,848	141,077	531,124	323,924	207,201	64.0%	705,848

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

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	66,751	513,297	609,462	(96,164)	-16%	1,218,923
Service charges - Water			312,941	362,722	362,722	29,302	160,524	181,361	(20,837)	-11%	362,722
Service charges - Waste Water Management			110,559	106,274	106,274	9,940	58,415	53,137	5,278	10%	106,274
Service charges - Waste management			83,147	73,593	73,593	7,473	44,376	36,796	7,580	21%	73,593
Sale of Goods and Rendering of Services			16,897	18,644	18,644	1,007	9,263	9,322	(59)	-1%	18,644
Agency services			—	—	—	—	—	—	—	—	—
Interest			—	—	—	—	—	—	—	—	—
Interest earned from Receivables			166,017	142,100	142,100	13,608	91,068	71,050	20,018	28%	142,100
Interest from Current and Non Current Assets			21,841	18,000	18,000	491	1,832	9,000	(7,168)	-80%	18,000
Dividends			—	—	—	—	—	—	—	—	—
Rent on Land			—	—	—	—	—	—	—	—	—
Rental from Fixed Assets			32,057	29,740	29,740	2,321	14,999	14,870	129	1%	29,740
Licence and permits			660	1,000	1,000	10	172	500	(328)	-66%	1,000
Special rating levies			—	—	—	—	—	—	—	—	—
Operational Revenue			3,152	3,383	3,383	1,212	2,599	1,692	907	54%	3,383
Non-Exchange Revenue											
Property rates			687,339	717,920	717,920	53,470	429,555	358,960	70,595	20%	717,920
Surcharges and Taxes			—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits			36,851	34,743	34,743	(8)	626	17,371	(16,745)	-96%	34,743
Licence and permits			8,435	8,200	8,200	(92)	4,092	4,100	(8)	0%	8,200
Transfers and subsidies - Operational			313,411	323,676	323,676	101,456	234,893	161,838	73,055	45%	323,676
Interest			103,759	117,020	117,020	7,561	51,269	58,510	(7,241)	-12%	117,020
Fuel Levy			—	—	—	—	—	—	—	—	—
Operational Revenue			27,322	58,250	58,250	1,032	5,812	29,125	(23,313)	-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	295,534	1,622,794	1,617,094	5,701	0%	3,234,188
Total Revenue (excluding capital transfers and contributions)											
Expenditure By Type											
Employee related costs			884,420	1,004,532	1,004,532	89,637	450,278	502,266	(51,988)	-10%	1,004,532
Remuneration of councillors			33,794	37,083	37,083	2,823	16,757	18,542	(1,785)	-10%	37,083
Bulk purchases - electricity			901,045	1,000,000	1,000,000	70,461	459,355	529,000	(69,645)	-13%	1,000,000
Inventory consumed			281,395	331,852	331,852	26,791	143,322	165,926	(22,604)	-14%	331,852
Debt impairment			476,743	437,149	437,149	—	218,574	218,574	(0)	0%	437,149
Depreciation and amortisation			96,037	90,200	90,200	—	—	45,100	(45,100)	-100%	90,200
Interest			104,569	15,880	15,880	8,245	8,252	7,940	312	4%	15,880
Contracted services			53,129	45,856	45,856	2,593	12,629	22,928	(10,299)	-45%	45,856
Transfers and subsidies			2,807	4,300	4,300	650	1,321	2,150	(829)	-39%	4,300
Irrecoverable debts written off			—	—	—	—	2	—	2	#DIV/0!	—
Operational costs			151,187	176,654	176,654	14,832	99,798	88,327	11,472	13%	176,654
Losses on Disposal of Assets			4,924	—	—	—	—	—	—	—	—
Other Losses			94,546	69,000	69,000	—	25,629	34,500	(8,871)	-26%	69,000
Total Expenditure			3,084,597	3,212,506	3,212,506	216,032	1,435,917	1,635,253	(199,336)	-12%	3,212,506
Surplus/(Deficit)			(182,777)	21,682	21,682	79,502	186,877	(18,159)	205,036	(0)	21,682
Transfers and subsidies - capital (monetary allocations)			574,062	684,166	684,166	61,575	344,247	342,083	2,164	0	684,166
Transfers and subsidies - capital (in-kind)			—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions			391,285	705,848	705,848	141,077	531,124	323,924	207,201	0	705,848
Income Tax			—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax			391,285	705,848	705,848	141,077	531,124	323,924	207,201	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	141,077	531,124	323,924	207,201	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	141,077	531,124	323,924	207,201	0	705,848

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

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	-	-	870	(870)	-100%	1,739
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		3,043	6,579	6,579	-	-	3,290	(3,290)	-100%	6,579
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		143	3,130	3,130	-	1,276	1,565	(289)	-18%	3,130
Vote 08 - Infrastructure And Services		509,323	524,952	524,952	39,513	249,455	262,476	(13,021)	-5%	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	39,513	250,730	268,200	(17,470)	-7%	536,400
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		16,951	19,826	19,826	4,502	5,195	9,913	(4,718)	-48%	19,826
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		2,014	5,217	5,217	-	5,217	2,609	2,608	100%	5,217
Vote 06 - Financial Services		-	870	870	-	-	435	(435)	-100%	870
Vote 07 - Strategy Econ Development And Planning		1,518	7,361	7,361	388	3,453	3,680	(227)	-6%	7,361
Vote 08 - Infrastructure And Services		871	57,657	57,657	1,664	32,223	28,829	3,395	12%	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	6,555	46,088	45,466	623	1%	90,931
Total Capital Expenditure		536,075	627,331	627,331	46,068	296,818	313,666	(16,847)	-5%	627,331
Capital Expenditure - Functional Classification										
Governance and administration		19,165	22,435	22,435	4,502	5,195	11,217	(6,023)	-54%	22,435
Executive and council		19,165	21,565	21,565	4,502	5,195	10,783	(5,588)	-52%	21,565
Finance and administration		-	870	870	-	-	435	(435)	-100%	870
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		5,056	11,797	11,797	-	5,217	5,898	(681)	-12%	11,797
Community and social services		3,043	11,797	11,797	-	5,217	5,898	(681)	-12%	11,797
Sport and recreation		2,014	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		38,159	17,913	17,913	2,709	10,509	8,957	1,552	17%	17,913
Planning and development		1,415	7,043	7,043	388	2,690	3,522	(832)	-24%	7,043
Road transport		36,744	10,870	10,870	2,321	7,819	5,435	2,384	44%	10,870
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		473,450	571,739	571,739	38,856	273,859	285,870	(12,010)	-4%	571,739
Energy sources		8,503	30,000	30,000	2,064	11,213	15,000	(3,787)	-25%	30,000
Water management		444,716	499,565	499,565	32,219	257,290	249,783	7,508	3%	499,565
Waste water management		20,231	42,174	42,174	4,573	5,356	21,087	(15,731)	-75%	42,174
Waste management		-	-	-	-	-	-	-	-	-
Other		246	3,448	3,448	-	2,039	1,724	315	18%	3,448
Total Capital Expenditure - Functional Classification	3	536,075	627,331	627,331	46,068	296,818	313,666	(16,847)	-5%	627,331
Funded by:										
National Government		504,592	594,927	594,927	46,068	291,870	297,463	(5,594)	-2%	594,927
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm		-	-	-	-	-	-	-	-	-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		504,592	594,927	594,927	46,068	291,870	297,463	(5,594)	-2%	594,927
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		31,484	32,404	32,404	-	4,949	16,202	(11,253)	-69%	32,404
Total Capital Funding		536,075	627,331	627,331	46,068	296,818	313,666	(16,847)	-5%	627,331

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M06 December

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	440,223	146,574
Trade and other receivables from exchange transactions		1,517,568	1,518,421	1,518,421	1,635,610	1,518,421
Receivables from non-exchange transactions		993,234	1,060,605	1,060,605	1,041,890	1,060,605
Current portion of non-current receivables		–	–	–	–	–
Inventory		107,239	112,013	112,013	125,119	112,013
VAT		175,145	189,484	189,484	348,135	189,484
Other current assets		704	699	699	703	699
Total current assets		2,957,797	3,027,796	3,027,796	3,591,680	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	2,302,203	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	2,553,841	3,131,060
TOTAL ASSETS		5,214,820	6,158,856	6,158,856	6,145,521	6,158,856
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	(16,688)	(16,688)	–	(16,688)
Consumer deposits		50,445	49,962	49,962	51,609	49,962
Trade and other payables from exchange transactions		900,690	1,191,824	1,191,824	1,069,969	1,191,824
Trade and other payables from non-exchange transactions		742	106,409	106,409	203,668	106,409
Provision		788	788	788	788	788
VAT		251,429	336,936	336,936	285,673	336,936
Other current liabilities		–	–	–	–	–
Total current liabilities		1,204,094	1,669,231	1,669,231	1,611,707	1,669,231
Non current liabilities						
Financial liabilities		860,485	139,019	139,019	852,449	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	1,169,476	442,927
TOTAL LIABILITIES		2,381,606	2,112,158	2,112,158	2,781,183	2,112,158
NET ASSETS	2	2,833,214	4,046,698	4,046,698	3,364,338	4,046,698
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2,758,410	3,971,894	3,971,894	3,289,534	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	3,364,338	4,046,698

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M06 December


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	37,641	304,478	305,116	(638)	0%	610,232
Service charges		1,254,616	1,891,008	1,891,008	84,802	630,701	945,504	(314,803)	-33%	1,891,008
Other revenue		1,079,730	421,814	421,814	25,263	244,026	210,907	33,119	16%	421,814
Transfers and Subsidies - Operational		312,601	323,676	323,676	105,074	244,541	161,838	82,703	51%	323,676
Transfers and Subsidies - Capital		574,597	684,166	684,166	22,480	537,526	342,083	195,443	57%	684,166
Interest		29,685	46,525	46,525	2,238	16,241	23,262	(7,021)	-30%	46,525
Dividends								-		
Payments										
Suppliers and employees		(3,205,722)	(3,207,739)	(3,207,739)	(321,294)	(1,801,478)	(1,603,869)	197,609	-12%	(3,207,739)
Interest		914	(15,880)	(15,880)	-	1,207	(7,940)	(9,147)	115%	(15,880)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		515,176	753,802	753,802	(43,796)	177,240	376,901	199,661	53%	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)	(46,068)	(296,818)	(360,715)	(63,897)	18%	(721,431)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(529,312)	(721,431)	(721,431)	(46,068)	(296,818)	(360,715)	(63,897)	18%	(721,431)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		100	-	-	(6)	30	-	30	#DIV/0!	-
Payments										
Repayment of borrowing		-	(16,688)	(16,688)	-	-	(8,344)	(8,344)	100%	(16,688)
NET CASH FROM/(USED) FINANCING ACTIVITIES		100	(16,688)	(16,688)	(6)	30	(8,344)	(8,374)	100%	(16,688)
NET INCREASE/ (DECREASE) IN CASH HELD		(14,037)	15,684	15,684	(89,869)	(119,548)	7,842			15,684
Cash/cash equivalents at beginning:		113,726	130,891	130,891	134,230	163,909	130,891			163,909
Cash/cash equivalents at month/year end:		99,690	146,574	146,574	44,361	44,361	138,732			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 R440,223 million as per the Cash book balance.**

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

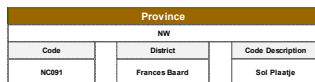
16.1 MFMA Circular 124 – Municipality Compliance Self-Assessment

Annexure A2 - Monthly				Notes/Comments
 <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	Dec'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 Mngaguli</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) Choose from drop down list				
Condition	6.3 + 6.12	Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption):		
1	6.12.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	No	The municipality had insufficient cash to settle the current account for November 2025
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://guploadportal.treasury.gov.za/ ?	No	
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes	The invoice for November 2025 was authorised timeously on the system
4	6.3.1	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application).</i>	No	The municipality made a partial payment of R60 million on the November 2025 current account
5	6.3.2	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://guploadportal.treasury.gov.za/ ?	Yes	
6	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes	
7	6.4	Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)	2025/26 Adopted MTREF	
8	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ?	Yes	
9	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes	
10	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes	
11	6.4.1	<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>		
12	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	
13	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	
14	6.4.2	<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>		
15	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	
16	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	
17	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?	No	

	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?	<input type="text" value="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?	<input type="text" value="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>	<input type="text" value="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 MTREF format.</i>	<input type="text" value="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?	<input type="text" value="No"/>	
		<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.	<input type="text" value="No"/>	
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	<input type="text" value="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?	<input type="text" value="No"/>	
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	<input type="text" value="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?	<input type="text" value="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?	<input type="text" value="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?	<input type="text" value="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>	<input type="text" value="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://guploadportal.treasury.gov.za ?	<input type="text" value="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://guploadportal.treasury.gov.za ? <i>Note – a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>	<input type="text" value="No FRP"/>	
	6.10	Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:		
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	<input type="text" value="Yes"/>	
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://guploadportal.treasury.gov.za ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	<input type="text" value="Yes"/>	
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	<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 November 2025 and made a partial payment on the Eskom current account for November 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 November 2025 and made a partial payment on the Eskom current account for November 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>		
<p>PT: HOD/ NT / MM Name: _____</p> <p>Signature of HOD/ NT/ MM: _____</p> <p>Date: _____</p> <p>** Note – if the official is signing on behalf of the Head of the Provincial Treasury (HOD) / Municipal Manager, the written procuration of the HOD / MM must be attached as an Annexure to this Certificate of Compliance.</p>				

The tables below show the municipality's overall relief compliance of its debt relief participation from July 2025 to December 2025. The National Treasury debt relief approval was effective from 1 October 2023.



The overall performance for the month under review stood at 71% compliance. However, it should be noted that some of the conditions are required to be reported on, on a quarterly basis and is therefore reported as “not yet end of quarter”. This affects the percentage achieved. These are the major factors that negatively influenced the performance for the month and the quarter under review.

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

16.3 The National Treasury Debt Relief Compliance Assessment

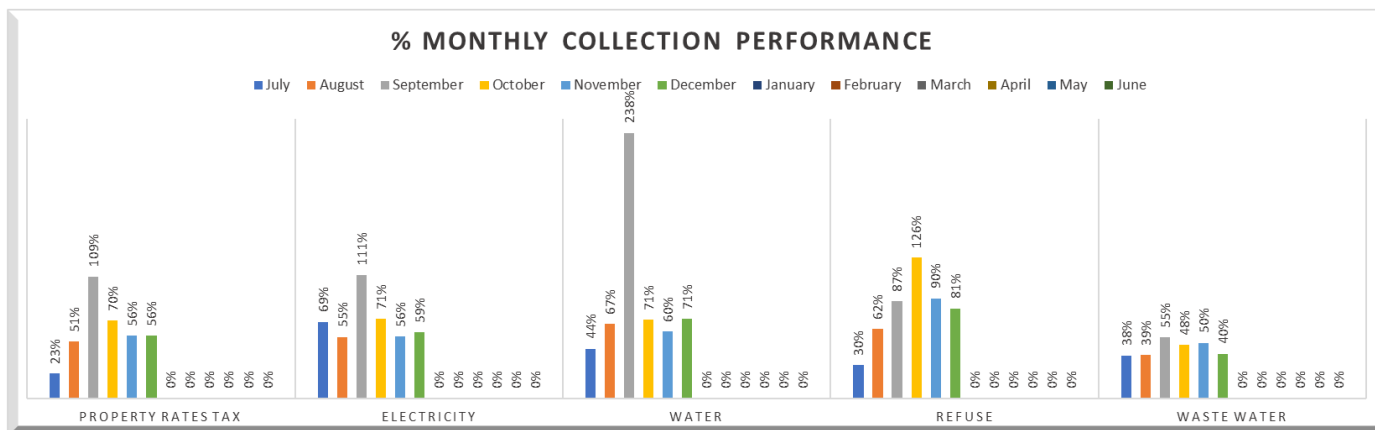
The latest National Treasury debt relief compliance certificate and non-compliance report issued to the municipality for the month of November 2025 is attached to this S71 report.

Here are the specific high-level recommendations for November 2025 according to the draft non-compliance certification.

1. **Settle Eskom current accounts in full and on time.** Eliminate partial and delayed payments and implement a firm payment calendar that prevents new arrears.
2. **Protect MDRP eligibility by clearing all “write-off blockers.”** Treat any outstanding Eskom current account and overdue bulk obligations as priority risks that can disqualify the municipality from second-cycle write-off benefits.
3. **Ring-fence bulk payments and tighten cash-flow discipline.** Create dedicated payment controls for Eskom and Water Boards, supported by weekly cash monitoring and monthly Council oversight.
4. **Enforce credit control uniformly across all services and customer segments.** Apply electricity disconnections/prepaid blocks and introduce controlled water restrictions (while protecting free basic services for indigent households).
5. **Fix the revenue value chain end-to-end.** Improve billing accuracy, reconcile data monthly, strengthen debt collection processes, and implement firm consequence management to lift collections toward the 95% benchmark.
6. **Implement consolidated billing and improve payment allocation.** Move to a single customer account view to improve traceability of arrears, prioritise allocation correctly, and strengthen recovery actions.
7. **Close property rates billing leakage.** Resolve valuation-to-billing mapping gaps, correct tariff/category settings, and monitor monthly variances to prevent underbilling and revenue loss.
8. **Restore operating sustainability through realistic budgeting and cost recovery.** Strengthen debt impairment provisioning, curb avoidable expenditure pressures, reduce technical/non-technical losses, and progress toward cost-reflective tariffs across trading services.

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



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

Municipal Details				
Northern Cape				
Code	District	Municipality	Period Monitored	No. of Wards
NC091		Sol Plaatje	July	34

Collection Rate Assessment																			
Aggregate Collection		Summary - Quarter 1				Summary - Quarter 2				Summary - Quarter 3				Summary - Quarter 4				Q1	
		Billing	Collection	R - Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection		
1. Collection for whole demarcation		712,602,748	427,760,345	284,842,404	60%	947,961,689	334,244,910	213,706,779	61%	-	-	-	-	-	-	-	-	#DIV/0!	
2. Collection for Eskom supplied areas		615,488,938	386,831,143	228,657,797	63%	477,884,886	297,098,399	180,796,467	62%	-	-	-	-	-	-	-	-	#DIV/0!	
3. Collection: Property Rates		271,762,961	198,991,285	72,861,677	73%	160,810,941	108,303,214	52,510,728	67%	-	-	-	-	-	-	-	-	#DIV/0!	
4. Total average collection: Electricity (Municipal supplied areas)		210,307,976	103,191,710	57,116,267	73%	149,824,188	148,563,435	1,260,753	99%	-	-	-	-	-	-	-	-	#DIV/0!	
5. Total average collection: Water		89,997,083	41,522,306	48,474,778	46%	101,758,190	46,821,695	54,937,495	46%	-	-	-	-	-	-	-	-	#DIV/0!	
6. Total average collection: Wastewater		37,866,749	14,046,969	23,821,181	37%	36,691,378	13,862,572	22,828,807	37%	-	-	-	-	-	-	-	-	#DIV/0!	
7. Total average collection: Refuse		29,108,008	12,148,152	17,010,365	42%	29,080,248	11,671,630	17,308,618	40%	-	-	-	-	-	-	-	-	#DIV/0!	
8. Total average collection: Interest		73,859,471	7,991,324	65,868,146	11%	69,959,744	5,321,165	64,638,579	8%	-	-	-	-	-	-	-	-	#DIV/0!	

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

Complete This Section			Quarter 1 Performance Per Ward					Quarter 2 Performance Per Ward									
Services	Electricity Supplier	Ward Name & Number	Billing	Collection	R - Billing not collected	% Collection	Q1	6 December				Quarter 2 Performance Per Ward				Q2	
								Billing For August	Collection for August to September	Rand Value of Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection	
Property Rates Tax	Man Supplied	Ward 17 - Agallo, Thilling, John Mungo 2 Driehaus	1,399,614	667,658	731,956	48%	48%	464,460	183,155	281,305	39%	1,386,879	578,673	807,206	42%	42%	
Electricity			156,375	85,551	70,824	55%	55%	44,490	23,396	21,094	53%	130,197	75,855	54,342	58%	58%	
Water			1,442,529	283,845	1,158,685	20%	20%	657,548	90,519	567,030	14%	1,923,240	294,699	1,628,540	15%	15%	
Refuse			916,437	182,122	734,315	20%	20%	309,847	50,646	259,201	16%	925,008	178,523	746,485	19%	19%	
Waste Water			1,261,560	246,793	1,014,768	20%	20%	423,930	66,304	357,626	16%	1,269,088	228,791	1,040,297	18%	18%	
Interest			1,850,559	53,547	1,797,013	3%	3%	552,116	11,013	541,103	2%	1,819,450	38,399	1,781,052	2%	2%	
Property Rates Tax	Man Supplied	Ward 18 - Kosenhof, Numbro Street Area, Vervord Street, Riveria	11,411,519	8,112,026	3,329,494	71%	71%	1,159,380	1,602,966	0	138%	3,443,598	4,707,715	(1,264,117)	137%	137%	
Electricity			6,612,742	2,643,832	3,968,910	40%	40%	1,087,252	1,174,520	0	108%	2,995,553	5,448,049	(2,452,456)	182%	182%	
Water			2,466,069	1,137,307	1,328,761	46%	46%	1,019,728	493,072	526,656	48%	2,776,899	1,382,372	1,394,527	50%	50%	
Refuse			702,806	385,756	317,051	55%	55%	236,383	135,387	100,996	57%	704,776	417,044	287,732	59%	59%	
Waste Water			921,228	523,773	397,456	57%	57%	310,081	184,622	125,459	60%	923,907	555,803	368,105	60%	60%	
Interest			2,208,921	233,564	1,975,357	11%	11%	612,495	112,828	499,667	18%	2,051,744	250,927	1,800,818	12%	12%	
Property Rates Tax	Man Supplied	Ward 19 - Gushelwe Ext 3, Gushelwe Ext 4, Gushelwe Ext 5	1,137,499	320,135	817,364	28%	28%	250,008	105,721	144,286	42%	748,348	354,438	393,910	47%	47%	
Electricity			198,823	72,759	126,065	37%	37%	55,342	27,154	28,188	49%	161,624	75,695	85,929	47%	47%	
Water			1,877,222	273,847	1,603,375	15%	15%	637,764	86,438	551,326	14%	1,706,801	373,630	1,333,171	22%	22%	
Refuse			613,512	138,105	475,407	23%	23%	205,225	43,608	161,616	21%	619,669	142,812	476,857	23%	23%	
Waste Water			825,166	163,369	661,797	20%	20%	276,085	52,497	223,588	19%	831,677	183,170	648,506	22%	22%	
Interest			1,677,758	46,472	1,631,285	3%	3%	492,712	21,811	470,900	4%	1,629,871	71,317	1,558,464	4%	4%	
Property Rates Tax	Man Supplied	Ward 20 - West End, Kimberley Mtn, Kimberley North, Kimberley South, Kimberley East, Kimberley Park, Abanyath, Kestellhof	54,428,053	53,112,352	1,315,704	98%	98%	13,397,130	10,271,997	3,125,133	77%	41,441,963	29,634,194	11,817,769	71%	71%	
Electricity			47,483,042	30,002,293	10,180,749	79%	79%	12,089,428	8,632,358	3,457,070	71%	37,804,254	30,861,792	3,982,962	89%	89%	
Water			10,167,073	6,718,537	3,448,536	66%	66%	3,857,847	2,338,593	1,519,253	61%	11,238,688	7,313,834	3,906,854	65%	65%	
Refuse			3,377,860	2,479,467	898,392	73%	73%	1,124,989	854,051	273,938	76%	3,416,159	2,528,684	887,476	74%	74%	
Waste Water			2,834,763	2,011,693	823,070	71%	71%	948,521	725,304	223,217	76%	2,851,439	2,113,082	738,357	74%	74%	
Interest			6,579,561	2,836,777	3,742,784	43%	43%	1,816,379	347,335	1,469,045	19%	5,040,518	824,851	5,115,667	14%	14%	
Property Rates Tax	Man Supplied	Ward 21 - De Beers, Jubb Street Area, Erenville, Moggi Park, Hei, Rood, Belgirana, Turner Road industrial area	14,329,425	12,816,583	1,512,842	89%	89%	3,308,899	2,757,898	551,001	83%	10,188,665	7,649,000	2,539,665	75%	75%	
Electricity			13,233,501	11,734,788	1,498,715	89%	89%	3,625,889	2,630,080	995,809	73%	11,111,501	9,590,058	1,521,445	86%	86%	
Water			3,714,629	3,503,718	210,911	94%	94%	1,522,332	960,378	561,954	63%	3,996,575	3,057,742	938,833	77%	77%	
Refuse			1,271,361	1,133,623	137,738	89%	89%	424,676	334,840	89,835	79%	1,273,807	961,956	309,851	76%	76%	
Waste Water			1,450,478	1,099,316	351,163	76%	76%	484,824	395,827	88,997	82%	1,455,101	1,097,677	357,424	75%	75%	
Interest			2,817,737	1,004,147	1,813,590	36%	36%	803,983	335,083	468,901	42%	2,711,022	1,230,551	1,480,470	45%	45%	
Property Rates Tax	Man Supplied	Ward 22 - South Ridge, Grootfontein, Tlokoeng	11,661,437	6,470,460	5,190,977	55%	55%	1,465,588	941,295	524,293	64%	4,279,437	2,773,692	1,505,745	65%	65%	
Electricity			10,488,968	7,868,638	2,620,330	75%	75%	2,113,615	1,727,390	386,225	82%	7,009,157	6,810,993	198,165	97%	97%	
Water			2,410,982	976,252	1,434,730	40%	40%	871,615	374,081	497,570	43%	3,081,084	1,113,761	1,967,322	36%	36%	
Refuse			927,567	298,116	629,451	32%	32%	304,394	80,814	223,580	27%	1,059,588	259,217	800,371	24%	24%	
Waste Water			1,241,827	352,436	889,391	28%	28%	414,907	107,456	307,452	26%	1,244,529	327,497	917,033	26%	26%	
Interest			1,578,996	158,886	1,420,110	10%	10%	488,890	12,057	476,833	2%	1,603,648	44,591	1,559,057	3%	3%	
Property Rates Tax	Man Supplied	Ward 23 - Civic Centre, Ward Park, Labram, Koyikany, Soyikany, Koyik															

Quarter 2 Performance Per Ward								
6 December				Q2				
Billing For August	Collection for August to September	Band Value of Billing not collected	% Collection					
464,460	183,155	281,305	39%	1,386,879	579,673	807,206	42%	42%
44,490	23,396	21,094	53%	130,197	75,855	54,342	58%	58%
657,548	90,519	567,030	14%	1,923,240	294,699	1,628,540	15%	15%
309,847	50,646	259,201	16%	925,008	178,623	746,485	19%	19%
423,930	66,304	357,626	16%	1,269,088	228,791	1,040,297	18%	18%
552,116	11,013	541,103	2%	1,819,450	38,399	1,781,052	2%	2%
1,159,380	1,602,966	0	138%	3,443,598	4,707,715	(1,264,117)	137%	137%
1,087,252	1,174,520	0	108%	2,995,593	5,448,049	(2,452,456)	182%	182%
1,019,728	493,072	526,656	48%	2,776,899	1,382,372	1,394,527	50%	50%
236,383	135,387	100,996	57%	704,776	417,044	287,732	59%	59%
310,081	184,622	125,459	60%	923,907	555,803	368,105	60%	60%
612,495	112,828	499,667	18%	2,051,744	250,287	1,800,818	12%	12%
250,008	105,721	144,286	42%	748,348	354,438	393,910	47%	47%
55,342	27,154	28,188	49%	163,624	75,695	85,929	47%	47%
637,764	86,438	551,326	14%	1,706,801	373,630	1,333,171	22%	22%
205,225	43,608	161,616	21%	619,669	142,812	476,857	23%	23%
276,085	52,497	223,588	19%	831,677	183,170	648,506	22%	22%
492,712	21,811	470,900	4%	1,629,781	71,317	1,558,464	4%	4%
13,397,130	10,271,997	3,125,133	77%	41,443,963	29,624,194	11,817,769	71%	71%
12,089,428	8,632,358	3,457,070	71%	34,844,754	30,861,792	3,982,962	89%	89%
3,857,847	2,338,593	1,519,253	61%	11,238,688	7,311,834	3,906,854	65%	65%
1,124,989	854,051	270,938	76%	3,416,159	2,528,684	887,476	74%	74%
948,521	725,304	223,217	76%	2,855,149	2,113,082	738,357	74%	74%
1,816,379	347,335	1,469,045	19%	5,940,518	824,851	5,115,667	14%	14%
3,308,899	2,757,898	551,001	83%	10,188,665	7,649,000	2,539,665	75%	75%
3,625,889	2,630,080	995,809	73%	11,111,503	9,590,058	1,521,445	86%	86%
1,522,332	960,378	561,954	63%	3,996,575	2,507,742	1,488,833	77%	77%
424,676	334,840	89,835	79%	1,273,807	963,956	309,851	76%	76%
484,824	395,827	88,997	82%	1,455,101	1,097,677	357,424	75%	75%
803,983	335,083	468,901	42%	2,711,022	1,230,551	1,480,470	45%	45%
1,465,588	941,295	524,293	64%	4,279,437	2,773,692	1,505,745	65%	65%
2,113,615	1,727,390	386,225	82%	7,009,157	6,810,993	198,165	97%	97%
871,651	374,081	497,570	43%	3,081,084	1,113,761	1,967,322	36%	36%
304,394	80,814	223,580	27%	1,059,588	259,217	800,371	24%	24%
414,907	107,456	307,452	26%	1,244,529	327,497	917,033	26%	26%
488,890	12,057	476,833	2%	1,603,648	44,591	1,559,057	3%	3%
9,172,713	8,094,297	1,078,416	88%	27,555,136	20,909,092	6,646,044	76%	76%
10,350,630	10,591,633	0	102%	31,844,466	36,525,193	(4,680,725)	115%	115%
3,681,132	2,423,949	1,257,184	66%	9,708,951	7,029,842	2,679,109	72%	72%
495,352	343,268	152,084	88%	1,492,936	1,233,270	259,667	83%	83%
626,027	545,016	81,011	87%	1,903,990	1,572,106	330,824	83%	83%
738,683	181,791	556,893	25%	2,538,919	471,492	2,065,427	19%	19%
3,667,845	2,942,207	725,638	80%	11,026,020	8,346,020	2,678,000	76%	76%
1,986,404	1,551,461	434,943	78%	5,259,311	4,971,211	287,100	95%	95%
1,501,475	1,221,078	280,366	81%	4,218,795	3,517,267	701,527	83%	83%
323,198	298,075	25,123	92%	971,479	842,516	128,963	87%	87%
457,200	393,408	63,792	86%	1,376,138	1,152,449	223,689	84%	84%
296,250	61,196	235,053	21%	968,946	312,196	656,750	32%	32%
1,085,330	1,477,638	307,692	83%	5,321,101	4,017,390	1,305,711	75%	75%
1,795,736	1,010,423	85,312	92%	4,080,343	3,296,232	784,111	81%	81%
1,056,694	841,946	214,748	80%	3,017,340	2,271,256	746,084	75%	75%
220,338	169,121	51,216	77%	655,253	458,981	196,273	70%	70%
292,190	232,212	59,978	79%	875,815	615,916	259,899	70%	70%
449,341	60,551	388,789	13%	1,488,746	115,387	1,373,360	8%	8%
6,832,910	3,539,829	3,293,081	52%	20,985,289	11,235,495	9,749,794	54%	54%
4,230,468	2,741,266	1,489,202	65%	10,414,730	15,554,845	(2,144,116)	115%	115%
3,361,740	685,257	2,676,484	20%	12,803,382	7,410,677	5,392,716	58%	58%
518,809	103,569	415,240	20%	1,586,227	465,106	1,121,120	29%	29%
567,580	110,629	456,951	19%	1,709,023	382,813	1,326,210	22%	22%
3,321,386	49,772	3,271,614	1%	10,977,039	25,187	10,725,162	2%	2%
321,860	155,923	165,937	48%	944,904	671,599	273,304	71%	71%
8,241	648	7,593	8%	24,723	1,943	22,779	8%	8%
955,044	5,988	949,056	1%	2,607,425	16,641	2,590,784	1%	1%
166,891	4,031	162,859	2%	500,942	13,376	487,566	3%	3%
265,823	6,292	259,531	2%	797,854	21,736	776,128	3%	3%
824,547	8,660	815,887	1%	2,709,277	120,412	2,588,865	4%	4%
2,818,080	1,735,722	1,082,357	62%	8,456,044	5,014,758	3,441,286	59%	59%
5,567,402	5,448,347	119,055	98%	16,681,255	18,204,421	(1,523,165)	109%	109%
1,594,428	998,345	596,083	63%	4,776,500	2,992,536	1,783,965	54%	54%
385,949	184,811	201,768	48%	1,143,327	562,515	580,812	49%	49%
439,104	226,371	212,734	52%	1,316,541	689,372	627,169	52%	52%
1,150,971	85,728	1,065,243	7%	3,800,782	254,911	3,545,872	7%	7%
126,739	35,955	90,784	28%	380,218	107,138	273,080	28%	28%
55,810	4,389	51,421	8%	165,443	43,227	122,216	26%	26%
129,695	19,845	109,850	15%	404,324	57,592	346,732	14%	14%
69,692	10,495	59,197	15%	206,770	32,580	176,090	16%	16%
98,116	14,548	83,569	15%	239,670	44,047	249,723	15%	15%
263,372	3,293	260,079	1%	865,688	12,517	853,171	1%	1%
310,049	46,451	263,598	15%	924,525	122,534	801,990	13%	13%
42,835	9,041	33,794	21%	154,595	27,452	127,143	18%	18%
428,547	33,903	394,644	8%	1,295,852	97,962	1,197,890	8%	8%
264,424	22,678	241,745	9%	796,460	59,227	737,232	7%	7%
377,156	27,621	349,526	7%	1,137,979	80,247	1,057,733	7%	7%
504,053	11,115	492,937	2%	1,663,305	20,502	1,637,498	2%	2%
221,770	67,262	154,508	30%	668,955	258,876	468,379	30%	30%
(158,690)	452	0	0%	(122,256)	2,687	(124,943)	-2%	-2%
549,050	58,722	490,327	11%	1,657,281	155,864	1,501,417	9%	9%
343,667	36,418	307,249	11%	1,030,624	116,567	914,057	11%	11%
485,125	54,855	430,270	11%	1,454,737	176,957	1,277,780	12%	12%
568,363	5,912	562,451	1%	1,861,791	28,836	1,835,155	2%	2%
109,702	17,462	92,240	16%	328,820	47,458	281,362	14%	14%
95,528	41,496	54,032	43%	286,664	142,872	143,792	50%	50%
607,214	25,827	581,386	4%	1,755,224	75,659	1,679,564	4%	4%
180,730	9,898	170,833	5%	543,786	32,218	509,568	6%	6%
245,907	15,767	230,140	6%	737,016	43,341	693,675	6%	6%
342,463	1,587	340,877	0%	1,216,252	4,894	1,211,358	0%	0%
475,297	298,763	176,534	63%	1,425,768	842,509	583,259	59%	59%
249,908	202,050	47,857	81%	729,755	604,348	125,407	83%	83%
700,305	203,368	496,937	29%	1,225,771	559,642	1,566,129	26%	26%
223,134	65,155	157,978	29%	668,591	203,684	464,906	30%	30%
284,398	71,148	213,250	25%	852,077	229,740	622,337	27%	27%
467,241	22,827	444,414	5%	1,535,088	57,760	1,477,308	4%	4%
149,900	6,932	142,968	5%	449,700	259,163	190,537	58%	58%
49,242	16,356	32,887	33%	194,085	31,654	162,431	16%	16%
36,741	4,073	32,665	11%	132,776	8,828	123,948	7%	7%
8,226	245	7,983	3%	24,949	3,343	21,606	13%	13%
16,846	373	16,473	2%	48,414	2,473	45,941	5%	5%
46,992	1,375	45,617	3%	152,655	2,269	150,386	1%	1%

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 December 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.



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

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

Description	Ref	As Per Debt Relief Application		Current Year - 2025/2026	2025/2026 - Monthly Monitoring													
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12	
Indigent Household service targets	1																	
Water : (Include All Indigent households also in Eskom supplied areas)																		
Indigent HHs with piped water inside dwelling		7,390	11,800	11,800	11,800	7,659	7,518	7,196	7,332	7,497	7,477							
Indigent HHs with piped water inside yard (but not in dwelling)																		
Indigent HHs using public tap (at least min.service level)	2																	
Indigent HHs 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	7,477	-	-	-	-	-	-	
Total no. of indigent HHs receiving Minimum Service Level and Above sub-total																		
Indigent HHs using public tap (< min.service level)	3																	
Indigent HHs with other water supply (< min.service level)	4																	
Indigent HHs with No water supply																		
Total no. of indigent HHs receiving - Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total number of registered indigent households	5	7,390	11,800	11,800	11,800	7,659	7,518	7,196	7,332	7,497	7,477	-	-	-	-	-	-	
Status of Water meters :																		
Number of Indigent HHs with prepaid Water																		
Number of Indigent HHs with conventional metered Water		7,390	11,800	11,800	11,800	7,659	7,518	7,196	7,332	7,497	7,477							
Number of Indigent HHs NOT metered currently - Water																		
Number of Indigent HHs with NO Water supply - No metering		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total number of registered indigent households	10	7,390	11,800	11,800	11,800	7,659	7,518	7,196	7,332	7,497	7,477	-	-	-	-	-	-	
Status of unlimited supply of Water :																		
Number of Indigent HHs with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month																		
Number of Indigent HHs NOT metered currently receiving unlimited supply - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total number of registered indigent households receiving unlimited supply - Water																		
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HHs billed for consumption above the 6 kilolitres	11																	
Energy: (Include All Indigent households also in Eskom supplied areas)																		
Indigent HHs with Electricity (at least min.service level)																		
Indigent HHs with Electricity - prepaid (min.service level)																		
Total no. of Indigent HHs receiving Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Indigent HHs with Electricity (< min.service level)																		
Indigent HHs with Electricity - prepaid (< min. service level)																		
Indigent HHs with other energy sources																		
Total no. of indigent HHs receiving - Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total number of registered indigent households	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Status of Electricity meters :																		
Number of Indigent HHs with prepaid Electricity		7,390	11,800	11,800	11,800	6,899	6,793	6,430	6,571	7,497	7,477							
Number of Indigent HHs with conventional metered Electricity																		
Number of Indigent HHs NOT metered currently - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Number of indigent HHs with other energy sources - No metering		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total number of registered indigent households	12	7,390	11,800	11,800	11,800	6,899	6,793	6,430	6,571	7,497	7,477	-	-	-	-	-	-	
Status of unlimited supply of Electricity :																		
Number of Indigent HHs with conventional metered Electricity - where the municipality is NOT physically restricting Electricity to the national free basic limit of 50kwh per household per month																		
Number of Indigent HHs NOT metered currently receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total number of registered indigent households receiving unlimited supply - Electricity																		
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HHs billed for consumption above the 50 kwh	13																	
Number of ALL Households receiving Free Basic Service (including registered Indigent Households)																		
Water (6 kilolitres per household per month)	7	7,390	11,800	11,800	11,800	7,659	7,518	7,196	7,332	7,497	7,477							
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	7,477							
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	259,510							
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	17,690	836,043							
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	1,142,760	293,641	1,142,907	1,922,450	295,351	1,095,554	-	-	-	-	-	-	
Highest level of free service provided per household (ALL Households)																		
Property rates (R value threshold)		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000							
Water (kilolitres per household per month)		6	6	6	6													
Sanitation (kilolitres per household per month)		213	213	213	213													
Sanitation (Rand per household per month)		189	198	198	198													
Electricity (kwh per household per month)		50	50	50	50													
Refuse (average litres per week)		21	21	21	21													
Revenue cost of subsidised services provided for ALL Households (R'000)																		
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	595,756							
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	854,746							
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	686,096							
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	124,822							
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	2,261,420	-	-	-	-	-	-	

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 2					
Part A - Reconciliation Summary						
Number of Properties				Market Values		
Property Categories	Valuation Roll	Mun System	Variance	Valuation Roll	Mun System	Variance
Residential	51165	51165	0	24,238,653,603	24,238,653,603	-
Industrial	203	203	0	801,740,000	801,740,000	-
Business and Commercial	2338	2338	0	7,647,200,001	7,647,200,001	-
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	453	453	0	149,999,000	149,999,000	-
PBO	229	229	0	517,999,001	517,999,001	-
Multi Use	0	0	0	-	-	-
Vacant	0	0	0	-	-	-
POW	240	240	0	609,109,000	609,109,000	-
Municipal	9304	9304	0	1,578,008,503	1,578,008,503	-
Other	0	0	0	-	-	-
Total	64,511	64,511	-	40,780,982,208	40,780,982,208	-
Part B - Detailed Reconciliation						
Monthly Billing - Mapped Accounts				Monthly Billing - Un Mapped Accounts		
Property Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	25,541,077	23,926,566	1,614,512	25,541,077	24,068,923	1,472,154
Industrial	2,534,701	2,406,920	127,781	2,534,701	2,476,789	57,912
Business and Commercial	24,176,623	21,961,762	2,214,861	24,176,623	22,104,070	2,072,553
Agricultural	694,775	489,960	204,815	694,775	490,677	204,097
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	64,393,461	52,876,427	11,517,034	64,393,461	53,215,626	11,177,835

Properties reconciliation

After populating the GVR Reconciliation for the second 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 November 2025 which was due and payable during the month of reporting, on or before 31 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

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

YOUR ACCOUNT NO	5449407898
SECURITY HELD	31243194.11
BILLING DATE	2025-12-01
TAX INVOICE NO	54407248712
ACCOUNT MONTH	NOVEMBER 2025
CURRENT DUE DATE	2025-12-31
VAT REG NO	4370102313

TAX INVOICE E-MAIL: smohlwa@solplaatje.org.za


ACCOUNT TRANSACTION SUMMARY		
ADMINISTRATION CHARGE	R	590.10
TRANSMISSION NETWORK CAPACITY	R	1,065,600.00
DIST. NETWORK CAPACITY CHARGE	R	1,802,640.00
NETWORK DEMAND CHARGE	R	664,411.39
URBAN LOW VOLTAGE SUBSIDY	R	247,530.00
ANCILLARY SERVICE (ALL)	R	129,940.36
GENERATOR CAPACITY CHARGE	R	717,060.00
LEGACY CHARGE (ALL)	R	7,350,409.78
ENERGY CHARGE (STD)	R	21,270,686.34
ENERGY CHARGE (PEAK)	R	15,066,874.46
ENERGY CHARGE (OFF)	R	15,915,814.29
SERVICE CHARGE	R	34,077.60
ELECTRIFICATION AND RURAL SUBS (ALL)	R	1,762,974.55
TOTAL CHARGES FOR BILLING PERIOD	R	68,028,808.87

ACCOUNT SUMMARY FOR NOVEMBER 2025		
BALANCE BROUGHT FORWARD	(Due Date 2025-12-04)	R 1,248,489,275.72
PAYMENT(S) RECEIVED	Cash - 2025-11-27	R -40,000,000.00
TOTAL CHARGES FOR BILLING PERIOD		R 68,028,808.87
ADJUSTMENTS	(Summary - See attachment for details)	R -242,638,431.22
PAYMENT ARRANGEMENT	5447737377 (Balance o/s R 49,162,000.00)	R 6,700,000.00
VAT RAISED ON ITEMS AT 15%		R 9,904,291.33


ACCOUNT NO / REFERENCE NO
5449407898

NAME
SOL PLAATJE LOCAL MUNICIPALITY


FAX NUMBER



 7100 10 0010

27215700154494078984



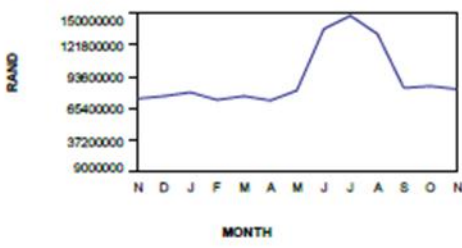
>>>>>> 9207 2544 9407 8987



CURRENT	TOTAL DUE			R	1,048,483,744.70
87,064,895.03					
ARREARS					
>90 DAYS	61-90 DAYS	31-90 DAYS	16-30 DAYS		
780,152,728.69	88,500,313.25	0.00	92,765,807.73		

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



PAGE RUN NO	EE 27
BILL GROUP	
BILL PAGE	1 OF 3

TOTAL AMOUNT DUE

1,048,483,744.70

PAYMENT ARRANGEMENT

INSTALMENT

6,700,000.00

ARREARS (Due Immediately)

961,418,849.67

DUE DATE (For Current Amount)

2025-12-31

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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- ii) Indicated below is the municipality's proof of payment of the Eskom Bulk account payments for the month of December 2025. The total payments made by the municipality amounted to R60,000 million.

SOL PLAATJE MUNICIPALITY		REMITTANCE ADVICE
PRIVATE BAG X5030		-----
KIMBERLEY 8300		
ESKOM HOLDINGS		18/12/2025
PRIVATE BAG X16		
WESTVILLE		
3630		
		SUPPLIER No: SESK01
CONTACT PERSON:		VOUCHER NO: CATA013972
TEL NO: 0829413707	FAX NO:	
E-MAIL ADDRESS:		CHEQUE/ELE NO: 77076052

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
01/12/2025	SUN	544407248712/01	52173913.04		7826086.96	60000000.00

SUB TOTAL:	7826086.96	60000000.00
	7826086.96	60000000.00

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 M06 – December 2025 pertaining to electricity.

	2026	
	M06	
Account Name		
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Deposits	-102,354,494	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	70,460,604	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	-6,423,680	64,036,924
Expenditure:Bulk Purchases:Electricity:ESKOM	70,460,604	

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

Datastrings & FMS Recon - Dec 2025 M06	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
BULK PURCHASES:ELECTRICITY:ESKOM	245,269,033.48	174,808,429.78	70,460,603.70	Bulk Purchases vote reconciles to datastrings
Sundry Accruals	193,095,120.44	52,173,913.04	140,921,207.40	
Sundry CATA013943	140,921,207.40	52,173,913.04	88,747,294.36	
Sundry CATA013972	52,173,913.04	-	52,173,913.04	
Sundry Accruals Reversals	-	122,634,516.74	-122,634,516.74	
Cheque No : 77076052 Bank No : 901	-	52,173,913.04	- 52,173,913.04	
Sundry CATA013943	-	70,460,603.70	- 70,460,603.70	
Sundry Payments	52,173,913.04	-	52,173,913.04	
Cheque No : 77076052 Bank No : 901	52,173,913.04	-	52,173,913.04	Payment of R60 million
Grand Total	245,269,033.48	174,808,429.78	70,460,603.70	

Datastrings & FMS Recon - Dec 2025 M06	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
ELECTRICITY BULK PURCH ACC 01:WITHDRAWAL	64,036,923.46	-	64,036,923.46	Withdrawal vote reconciles to datastrings
Create Cheque 77075699 Voucher No CATA013873	117,617.26	-	117,617.26	Payment of minor Eskom accounts
Create Cheque 77075700 Voucher No CATA013886	39,264.35	-	39,264.35	
Create Cheque 77075701 Voucher No CATA013889	4,998.85	-	4,998.85	
Create Cheque 77075702 Voucher No CATA013890	427.36	-	427.36	
Create Cheque 77075825 Voucher No CATA013914	458.82	-	458.82	
Create Cheque 77075826 Voucher No CATA013915	4,865.93	-	4,865.93	
Create Cheque 77075838 Voucher No CATA013924	15,873.78	-	15,873.78	
Create Cheque 77075855 Voucher No CATA013929	8,603.90	-	8,603.90	
Create Cheque 77075948 Voucher No CATA013941	16,000.27	-	16,000.27	
Create Cheque 77075949 Voucher No CATA013942	47,558.77	-	47,558.77	Payment of Riverton account
Create Cheque 77075961 Voucher No CATA013939	3,586,014.20	-	3,586,014.20	
Create Cheque 77076012 Voucher No CATA013940	15,367.50	-	15,367.50	Payment of minor Eskom accounts
Create Cheque 77076013 Voucher No DUNA008540	93,400.70	-	93,400.70	
Create Cheque 77076014 Voucher No DUNA008541	19,618.47	-	19,618.47	Payment of R60 million
Create Cheque 77076052 Voucher No CATA013972	60,000,000.00	-	60,000,000.00	
Create Cheque 77076124 Voucher No DUNA008545	4,216.20	-	4,216.20	Payment of minor Eskom accounts
Create Cheque 77076125 Voucher No DUNA008546	396.88	-	396.88	
Create Cheque 77076126 Voucher No DUNA008547	22,626.12	-	22,626.12	
Create Cheque 77076127 Voucher No DUNA008548	3,475.74	-	3,475.74	
Create Cheque 77076128 Voucher No DUNA008549	10,006.14	-	10,006.14	
Create Cheque 77076129 Voucher No DUNA008550	20,803.76	-	20,803.76	
Create Cheque 77076130 Voucher No DUNA008551	5,328.46	-	5,328.46	
ELECTRICITY BULK PURCHASE ACC 01:DEPOSIT	144,401,818.49	246,756,312.68	-102,354,494.19	Deposits vote reconciles to datastrings
Create Cheque 77075699 Voucher No CATA013873	117,617.26	117,617.26	-	
Create Cheque 77075700 Voucher No CATA013886	39,264.35	39,264.35	-	
Create Cheque 77075701 Voucher No CATA013889	4,998.85	4,998.85	-	
Create Cheque 77075702 Voucher No CATA013890	427.36	427.36	-	
Create Cheque 77075825 Voucher No CATA013914	458.82	458.82	-	
Create Cheque 77075826 Voucher No CATA013915	4,865.93	4,865.93	-	
Create Cheque 77075838 Voucher No CATA013924	15,873.78	15,873.78	-	
Create Cheque 77075855 Voucher No CATA013929	8,603.90	8,603.90	-	
Create Cheque 77075948 Voucher No CATA013941	16,000.27	16,000.27	-	
Create Cheque 77075949 Voucher No CATA013942	47,558.77	47,558.77	-	
Create Cheque 77075961 Voucher No CATA013939	3,586,014.20	3,586,014.20	-	
Create Cheque 77076012 Voucher No CATA013940	15,367.50	15,367.50	-	
Create Cheque 77076013 Voucher No DUNA008540	93,400.70	93,400.70	-	
Create Cheque 77076014 Voucher No DUNA008541	19,618.47	19,618.47	-	
Create Cheque 77076052 Voucher No CATA013972	60,000,000.00	60,000,000.00	-	
Create Cheque 77076124 Voucher No DUNA008545	4,216.20	4,216.20	-	
Create Cheque 77076125 Voucher No DUNA008546	396.88	396.88	-	
Create Cheque 77076126 Voucher No DUNA008547	22,626.12	22,626.12	-	
Create Cheque 77076127 Voucher No DUNA008548	3,475.74	3,475.74	-	
Create Cheque 77076128 Voucher No DUNA008549	10,006.14	10,006.14	-	
Create Cheque 77076129 Voucher No DUNA008550	20,803.76	20,803.76	-	
Create Cheque 77076130 Voucher No DUNA008551	5,328.46	5,328.46	-	
Sundry CATA013873 Creditor Control	-	117,617.26	- 117,617.26	
Sundry CATA013886 Creditor Control	-	39,264.35	- 39,264.35	
Sundry CATA013889 Creditor Control	-	4,998.85	- 4,998.85	
Sundry CATA013890 Creditor Control	-	427.36	- 427.36	
Sundry CATA013914 Creditor Control	-	458.82	- 458.82	
Sundry CATA013915 Creditor Control	-	4,865.93	- 4,865.93	
Sundry CATA013924 Creditor Control	-	15,873.78	- 15,873.78	
Sundry CATA013929 Creditor Control	-	8,603.90	- 8,603.90	
Sundry CATA013939 Creditor Control	-	3,586,014.20	- 3,586,014.20	
Sundry CATA013940 Creditor Control	-	15,367.50	- 15,367.50	
Sundry CATA013941 Creditor Control	-	16,000.27	- 16,000.27	
Sundry CATA013942 Creditor Control	-	47,558.77	- 47,558.77	
Sundry CATA013943 Creditor Control	80,364,895.03	100,729,790.06	- 20,364,895.03	
Sundry CATA013972 Creditor Control	-	60,000,000.00	- 60,000,000.00	
Sundry DUNA008539 Creditor Control	-	17,952,675.70	- 17,952,675.70	
Sundry DUNA008540 Creditor Control	-	93,400.70	- 93,400.70	
Sundry DUNA008541 Creditor Control	-	19,618.47	- 19,618.47	
Sundry DUNA008545 Creditor Control	-	4,216.20	- 4,216.20	
Sundry DUNA008546 Creditor Control	-	396.88	- 396.88	
Sundry DUNA008547 Creditor Control	-	22,626.12	- 22,626.12	
Sundry DUNA008548 Creditor Control	-	3,475.74	- 3,475.74	
Sundry DUNA008549 Creditor Control	-	10,006.14	- 10,006.14	
Sundry DUNA008550 Creditor Control	-	20,803.76	- 20,803.76	
Sundry DUNA008551 Creditor Control	-	5,328.46	- 5,328.46	
Grand Total	208,438,741.95	246,756,312.68	- 38,317,570.73	

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 account for November 2025 which was due and payable on or before the 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

- ii) Indicated below, is the DWS Bulk current invoices for December 2025, which is due and payable, on or before 30 January 2026.

Page 1 of 1

NWRI Customer Ref no: 60005150
 Customer No: 25014305
 Contract Acc. No: 100478320
 Document No: 412794180
 Document Date: 31.12.2025
 Payment Terms: 30 Days
 Due Date: 30.01.2026
 Customer VAT Reg. No: 4370102313

TAX INVOICE

DWS VAT Reg. no 4040112261



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: D&I WATER SUPPLY SERVICE Water Source Type: SCHEME;				
Contract No: 10087405 (25014305/13)				
Water Use Period: 01.12.2025 to 31.12.2025				
	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 November 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 M06 – December 2025).

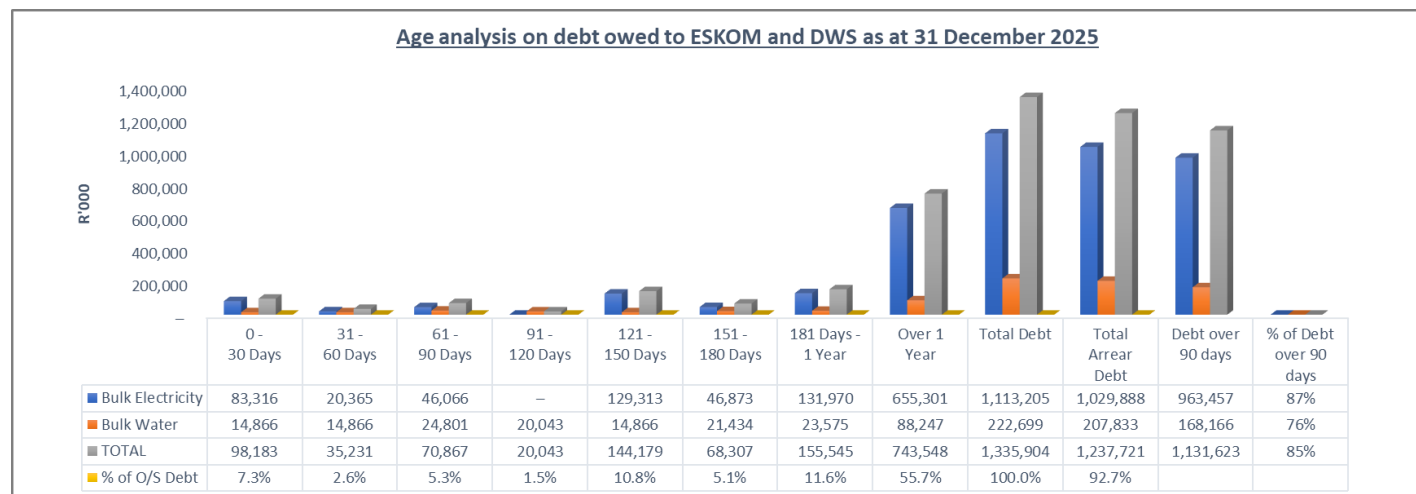
	2026	
	M06	
Account Name		
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Deposits	-15,160,361	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Withdrawals	5,182,488	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Withdrawals	-4,888,219	294,269
Assets:Current Assets:Inventory:Water:System Input Volume:Bulk Purchases	28,175,605	

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

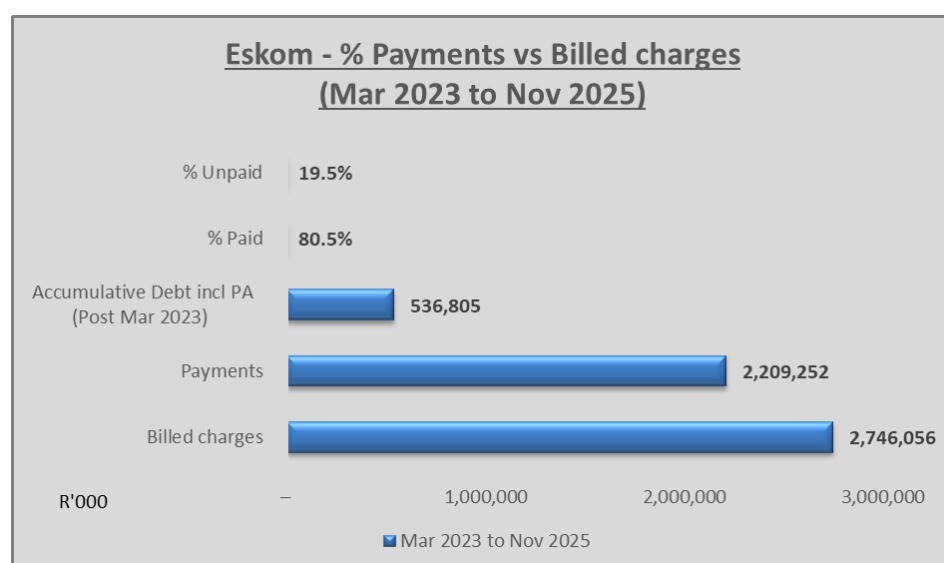
Datastrings & FMS Recon - Dec 2025 M06	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
WATER:INPUT VOL: BULK PURCHASES	40,938,910.27	12,763,305.48	28,175,604.79	Water:Input Vol: Bulk Purchases vote reconciles to datastrings
Sundry Accruals	40,938,085.27	-	40,938,085.27	
SESK01:ESKOM HOLDINGS	15,412,299.31	-	15,412,299.31	Account for October 2025 erroneously captured against Eskom
SORA01:ORANJE RIET WATER USERS ASSOCIATION	825.00	-	825.00	
SWAT01:DEPARTMENT OF WATER AND SANITATION	25,524,960.96	-	25,524,960.96	
Sundry Accruals Reversals	-	12,763,305.48	-12,763,305.48	
SORA01 : ORANJE RIET WATER USERS ASSOCIATION	-	825.00	- 825.00	
SWAT01:DEPARTMENT OF WATER AND SANITATION	-	12,762,480.48	-12,762,480.48	Unpaid account for November 2025
Sundry Payments	825.00	-	825.00	
SORA01 : ORANJE RIET WATER USERS ASSOCIATION	825.00	-	825.00	Payment of Oranje Riet Water Association
Grand Total	40,938,910.27	12,763,305.48	28,175,604.79	

Datastrings & FMS Recon - Dec 2025 M06	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
WATER BULK PURCHASE:DEPOSITS	15,160,361.28	30,320,722.56	-15,160,361.28	Deposits vote reconciles to datastrings
Create Cheque 77076034 Voucher No DUNA008542	153,046.90	153,046.90	-	
Create Cheque 77076135 Voucher No DUNA008557	141,221.50	141,221.50	-	
Sundry DUNA008538 Creditor Control	14,866,092.88	29,732,185.76	-14,866,092.88	Unpaid account for November 2025
Sundry DUNA008542 Creditor Control	-	153,046.90	- 153,046.90	
Sundry DUNA008557 Creditor Control	-	141,221.50	- 141,221.50	
WATER BULK PURCHASE:WITHDRAWALS	294,268.40	-	294,268.40	Withdrawal vote reconciles to datastrings
Create Cheque 77076034 Voucher No DUNA008542	153,046.90	-	153,046.90	
Create Cheque 77076135 Voucher No DUNA008557	141,221.50	-	141,221.50	Payment of minor DWS accounts
Grand Total	15,454,629.68	30,320,722.56	-14,866,092.88	

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



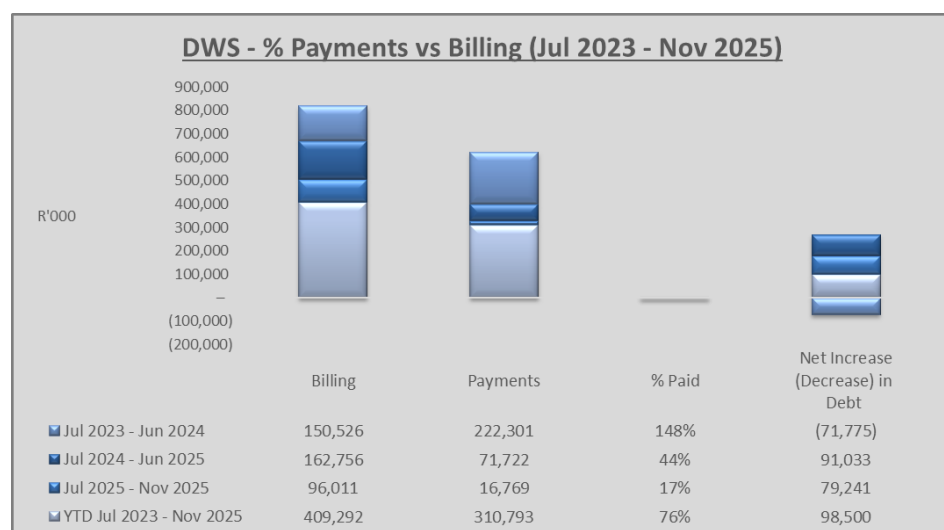
Please refer to section 4.2 for more in-depth information of the debt owed to ESKOM and DWS.



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

The total billed charges for the period amounted to R2,746,056 billion, and payments made amounted to R2,209,252 billion. For the period the municipality managed to settle 80.5% of the billed charges.

The debt outstanding post March 2023 amounts to R536,805 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 November 2025.

The total billing for the period amounted to R409,292 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 R79,241 million. The net increase in outstanding debt amounts to R98,500 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 - December 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 December 2025, the municipality partially settled the November 2025 Eskom account to the value of R60,000 million. The total account including interest amounted to R80.3 million. Non-Compliant - DWS The municipality did not have sufficient cash available to settle the current account for Water for November 2025 amounting to R14.8 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 December 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 January 2026.
	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 December 2025 was uploaded onto GoMuni on 12 January 2026.
	6.3.4 - The amount as per the proof of payment must reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom and DWS	Monthly, within 10 working days after month end	Monthly financial data strings	Compliant Transactions as per the ledger reconciles with the monthly datastrings. However minor account payments for Eskom and DWS are posted to the same bulk control votes. Erroneous transactions will be journalised, where applicable. Disclosure issue - the capturing of the current invoice on the system is problematic because it is only received in the new month and captured after month-end closure, resulting in a misalignment between the YTD actual and outstanding creditor amount.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - December 2025
6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)	6.6.1 Issue monthly billing and allocate payment received from customers in the following priority order: (1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity	Monthly	Monthly billing reconciliation / Financial system generated hierarchy allocation report	Compliant Priority of order of allocations was corrected on the system. This is a once-off correction that the system will apply when payments are made.
	6.6.2 The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner	Monthly	Number of disconnected / blocked meters	Prepaid disconnections = 335 Conventional disconnection = 69
	6.6.3 The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner	Monthly	Number of restricted / interrupted supply	Due to the fact that our 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).
	6.6.4 If the defaulting consumer/ property owner is registered as an indigent consumer with the municipality, the monthly supply of electricity and water to that consumer/property owner must be physically restricted to the monthly national basic free electricity and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively.	Monthly	No of indigent consumers	Partially compliant Current meters do not have the capability to apply restrictions. Technical analysis is required to implement this functionality. Partially compliant as all indigents have prepaid electricity meters and therefore cannot build up debt on electricity.
6.7 Maintain a minimum average quarterly collection of property rates and services charges	6.7.1 The municipality must strictly enforce its credit control and debt management related policies and achieve a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter. Although the norm and standard for collection rate according to MFMA Circular No. 71 indicates a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm	Monthly (Internal) and Quarterly (Debt Relief)	Collect R11,112 million daily over 22-day period, to achieve an average quarterly collection of 80% (Monthly S71 Revenue Collection Ward Template)	Non-Compliant Monthly S71 Revenue Collection rate per Ward for Property rates and Services only = 56%. Quarterly S71 Revenue Collection rate per Ward outcome Q2 = 61% Municipality's average collection rate = 78% (Prepaid electricity sales and allocated credits are included) Not achieved Average daily cash collection for December 2025, was R6,122m.
	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

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - December 2025
6.7 Maintain a minimum average quarterly collection of property rates and services charges	6.7.3 Install progressively smart prepaid meters in municipal supplied areas (Water)	Quarterly	Report on the number of meters installed Annual Target: 2000 Q1: 0 Q2: 0 Q3: 0 Q4: 2,000 (As per SDBIP)	Zero smart prepaid water meters were installed.
	6.7.4 All new electricity connections from 2023/24 MTREF must be smart-pre-paid meters	Quarterly	Report on the number of new connections installed with smart prepaid electricity meters	Smart meter project is completed. YTD installations until 31 March 2025 = 15,328
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 second quarter was completed on 12 January 2026.
	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 12 January 2026.
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 December 2025 as per guideline from NT.
	6.9.2 If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?			
	6.9.3 Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, it must monthly report its progress in implementing its FRP to the Provincial Executive			
6.10 Provincial Treasury's Certification of municipal compliance	6.10 Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA to performed by the relevant PT			
	Executive Management Team (EMT) to review the National Treasury: Local Government Budget Analysis (NT: LGBA) compliance certification for the prior month and take immediate remedial action	Monthly, within 1 days after issue	NT: LGBA Compliance Certification	The municipality received the draft compliance certificate for November 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 - December 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.
	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 December 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 draft Non-compliance report and compliance certificate for November 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 R107,200 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 31 December 2025 amounts to R32,451 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 **R526,760,813.43**, as indicated in the table below. Arrears on the outstanding invoices including interest amounts to R419,560,813.43 and the arrears on the payment arrangement amounts to R107,200,000.00.

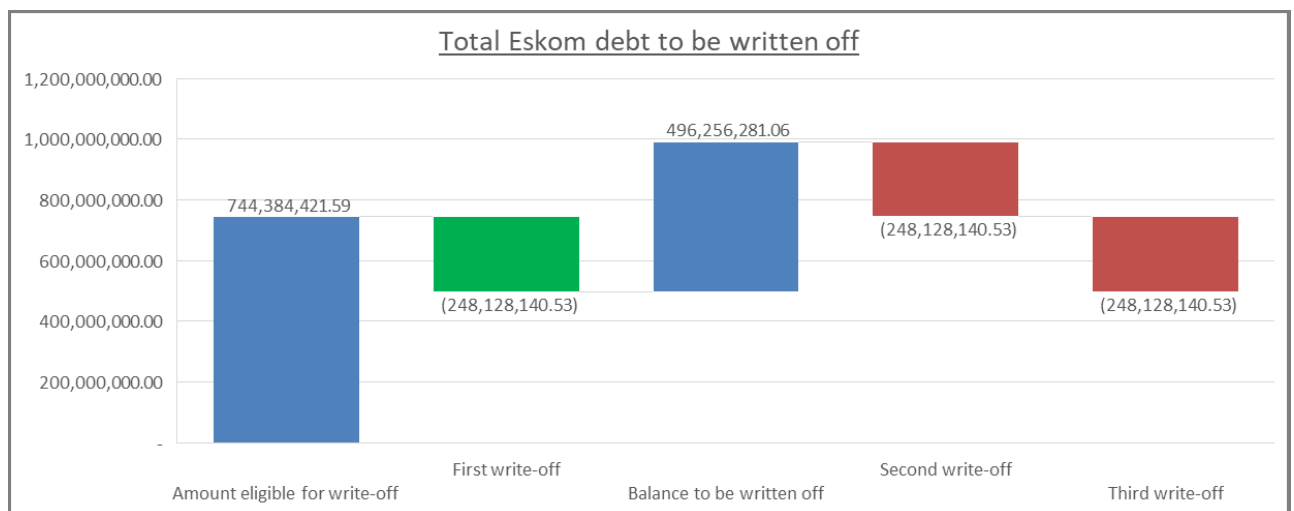
Month	Invoice Amount incl Interest	Paid Amount	Balance due incl Interest	Arrear instalments Payment Arrangement	Total Due to be in Good standing	Interest
Jul-24	R 148,333,011.78	R 148,333,011.78	R -	R -	R -	R 273,911.75
Aug-24	R 127,600,942.44	R 127,600,942.44	R -	R 6,700,000.00	R 6,700,000.00	R 154,610.92
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
Nov-25	R 80,364,895.03	R 60,000,000.00	R 20,364,895.03	R 6,700,000.00	R 27,064,895.03	R 4,431,994.83
TOTAL ESKOM	R 1,580,008,554.72	R 1,160,447,741.29	R 419,560,813.43	R 107,200,000.00	R 526,760,813.43	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, October and November 2025 amounting to a combined total of **R207,832,982.21** 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 **R193,129,301.75**, 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 -
Nov-25	R 14,866,092.88	R -	R 14,866,092.88	R -	R 14,866,092.88	R -
TOTAL WATER	R 260,028,285.55	R 52,195,303.34	R 207,832,982.21	-R 14,703,680.46	R 193,129,301.75	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 **December 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: 15/01/2026



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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

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

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

Email: BMatlala@solplaatje.org.za

Dear Mr Matlala and Mr Ramjathan

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

National Treasury's monthly second-cycle compliance assessment of Sol Plaatje Local Municipality for October 2025, conducted under the Municipal Debt Relief Programme (MDRP) and MFMA Circular No. 124, confirms that the municipality has completed its second assessment cycle and is demonstrating measured improvement. The municipality achieved an overall compliance score of 78%, indicating stronger alignment with MDRP conditions and a more disciplined approach to financial recovery, governance, and internal controls. Improvements were particularly evident in budget preparation, the credibility and timeliness of in-year reporting, and the functioning of governance structures, supported by more regular oversight engagements and better documentation of key financial decisions.

Notwithstanding these gains, revenue management remains the principal constraint to financial sustainability. The municipality's average collection rate declined to 63% in the second quarter, down from 70% in the previous month, and remains substantially below the MDRP benchmark of 95%. This gap continues to weaken liquidity and limits the municipality's ability to reliably fund core service delivery obligations. Ongoing weaknesses are also noted in expenditure control, arrears management, and the consistent enforcement of credit control measures, with particular concern regarding Eskom and other major creditors.

Eskom arrears remain a systemic financial risk, and in line with MDRP conditions, if the Eskom current account is outstanding, the municipality will not be eligible for the second-cycle debt write-off. In addition, any outstanding Eskom current account will prevent consideration of further write-off or additional debt relief and will undermine the credibility of the municipality's financial recovery trajectory.

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



Sustaining the current improvement trajectory will require the municipality to institutionalise stronger cash-flow discipline and apply firmer enforcement across its revenue value chain. Priority actions include tightening credit control implementation, accelerating practical debt recovery and account restructuring measures, and ensuring governance structures actively monitor collection performance and arrears trends monthly. Continued eligibility under the MDRP framework, including access to second-cycle debt write-off considerations, will depend on consistent, evidence-based progress in governance performance, collection outcomes, and arrears reduction, supported by full and timely payment of the Eskom current account.

Condition 6.1 – Municipality non-compliance

The November 2025 compliance assessment of Sol Plaatje Local Municipality identifies material structural weaknesses that require urgent corrective action to protect the municipality's standing under the Municipal Debt Relief Programme (MDRP). While the municipality remains within the programme, its current trajectory indicates increasing risk to financial stability and to ongoing eligibility, particularly in the areas of enforcement discipline, governance oversight, and payment behaviour towards bulk service providers.

A key concern is the inconsistent application of disconnection measures for non-payment. Electricity and water disconnections—being core instruments of the credit control framework—are implemented irregularly and unevenly across consumer segments. This weakens revenue discipline, reduces the deterrent effect of enforcement actions, and creates a perception that non-payment carries limited consequence. The municipality must restore the credibility of its credit control environment through consistent implementation of disconnection protocols, supported by adequately resourced enforcement capacity, clearly defined disconnection schedules, and strict adherence to the approved Credit Control and Debt Collection Policy.


Governance oversight and administrative execution of Council decisions remain equally problematic. Council has adopted resolutions supporting MDRP participation and associated remedial actions, including commitments made during the debt relief application process. However, administrative implementation of these resolutions is not occurring fully or consistently, resulting in a disconnect between Council-approved decisions and operational practice. This undermines institutional accountability and weakens the authority of Council. The administration must implement all Council resolutions in full and without delay, supported by routine Council agenda items on MDRP progress, structured performance reporting, and formal tracking mechanisms to monitor management's execution of Council directives.

The municipality's irregular and partial payments to Eskom and regional Water Boards further exacerbate the above weaknesses. Payment behaviour continues to fall short of agreed terms, notwithstanding minor administrative improvements, and this non-compliance poses a direct threat to both financial sustainability and the credibility of the debt relief intervention. Immediate prioritisation



of full and timely settlement of bulk service provider accounts is required, supported by realistic cash-flow planning, ring-fenced payment arrangements, and monthly monitoring at both administrative and Council levels.

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

	National Treasury																Province															
	Municipal Debt Relief MFMA Circular No. 124																NW															
																	Code				District				Code Description							
																	NC091				Frances Baard				Sol Plaatje							
Municipal Finance Management Act No. 56 of 2003																																

Monthly Performance Report																																															
Municipal Details			Part A				Part B				Part C				Part D				Part C				Part E				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				Maximization of Revenue Base														Oversight										
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating		
25.July.25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	No	Yes	No	No	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes	NA	NA	Yes	Yes	No	Yes	Yes	Yes	No	78%	Moderate compliance		
26.August.25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	No	Yes	No	No	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes	NA	NA	Yes	Yes	No	Yes	Yes	Yes	No	78%	Moderate compliance	
27.September.25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	No	Yes	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes	NA	NA	Yes	Yes	No	Yes	Yes	Yes	No	77%	Moderate compliance
28.October.25	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	No	Yes	No	No	NA	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	No	No	Yes	Yes	No	82%	Above Moderate	
29.November.25	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	No	Yes	No	No	NA	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	78%	Moderate compliance
30.December.25	Sol Plaatje	NC091																																										0%	Not completed		
31.January.26	Sol Plaatje	NC091																																										0%	Not completed		
32.February.26	Sol Plaatje	NC091																																										0%	Not completed		
33.March.26	Sol Plaatje	NC091																																										0%	Not completed		
34.April.26	Sol Plaatje	NC091																																										0%	Not completed		
35.May.26	Sol Plaatje	NC091																																										0%	Not completed		
36.June.26	Sol Plaatje	NC091																																										0%	Not completed		

Sol Plaatje Local Municipality is formally cautioned that, notwithstanding marginal progress in isolated areas, its continued failure to fully settle outstanding Eskom obligations during the second compliance cycle constitutes a material breach of the Municipal Debt Relief Programme (MDRP). This non-compliance fundamentally weakens the municipality's financial recovery trajectory and places the approved debt write-off at serious risk. The persistence of Eskom arrears, in direct conflict with the requirements of MFMA Circular No. 124, indicates that the basic conditions for sustained debt relief are not being met and that the municipality is not yet demonstrating the required level of financial discipline.

Eskom arrears are not merely a technical compliance gap; they represent a direct threat to fiscal stability, service delivery continuity, and the credibility of the MDRP intervention. In parallel, the municipality's revenue performance remains materially below the required standard. During Municipal Financial Year Quarter 2, the municipality recorded an average collection rate of 63%, against the MDRP benchmark of 95%. This combination of weak collections, inconsistent enforcement, and unpaid bulk accounts continues to erode liquidity, heighten operational risk, and undermine confidence among communities, Council, and oversight institutions.

In line with MDRP requirements, the municipality is advised that it will not qualify for the second-cycle debt write-off while the Eskom current account and associated obligations remain outstanding. Continued partial or delayed payments to Eskom are incompatible with MDRP conditions and directly undermine the basis upon which the debt relief approval was granted.



To restore compliance and safeguard programme eligibility, the municipality must urgently implement decisive corrective measures, including:

- (i) settling Eskom obligations in full, eliminating partial and delayed payment practices;
- (ii) enforcing credit control and debt collection policies consistently, including strict, even-handed application of disconnection measures across all customer categories; and
- (iii) improving revenue collection on a sustained basis, supported by evidence-based month-on-month progress towards the 95% benchmark.

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 National Treasury. This approval, which was initially granted on a conditional basis, was dependent on the municipality demonstrating credible progress in financial management, administrative capability, and governance reform.

In preparation for final approval, municipal leadership undertook a comprehensive institutional assessment to identify structural and operational weaknesses across the organisation. The findings of this assessment informed a targeted reform programme focused on strengthening internal controls, improving revenue performance, reinforcing expenditure discipline, and enhancing governance and oversight arrangements.

To operationalise this reform programme, the municipality has implemented the following core interventions:

- **Strengthened financial oversight:** Structured monitoring and reporting arrangements have been introduced to improve transparency, align financial management practices with national norms and standards, and reinforce accountability at both administrative and political levels.
- **Improved budget discipline:** More rigorous budgeting and cost-containment measures have been adopted to support credible planning, prioritise scarce resources, and improve value for money in service delivery.
- **Enhanced governance and accountability:** Greater emphasis has been placed on ethical leadership, integrity, and consequence management, strengthening Council oversight and reinforcing senior management responsibility for compliance and performance.
- **Institutionalised performance monitoring:** Compliance tracking and reporting systems have been established to monitor MDRP conditions, assess progress against agreed milestones, and trigger timely corrective action where implementation gaps are identified.



Condition 6.3 – Maintaining the Eskom bulk current account

As at 30 November 2025 (including subsequent payments up to 7 December 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 as at 31 March 2023 amounted to R744 million. To date, R248 million has been written off, resulting in a remaining ring-fenced balance (net of write-offs) of R496 million. In addition, residual new arrear debt amounts to R69 million. The municipality's post-approval debt relief growth is recorded at R339 million, while the current outstanding balance is R190 million. The current outstanding balance refers to the amount still unpaid to Eskom at the reporting date, which has resulted in the municipality being classified as overdue (with less than or equal to 3 months outstanding) and assessed as a standard breach 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 pattern of irregular and partial payments continues to undermine cash-flow stability and weakens the conditions required for sustained debt relief.

This is evidenced by the municipality's payment behaviour during 2025. 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 account, while the July 2025 invoice amount of R21.434 million remained unpaid. Total Eskom payments in August 2025 amounted to R152.830 million; however, only the August 2024, January 2025, April 2025 and May 2025 accounts were settled in full. In the same period, 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 partial compliance 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 action brought the September 2025 invoice up to date for that specific billing period and represents a positive step towards restoring current account discipline. However, it does not resolve the accumulated arrears, the continued post-approval growth in Eskom debt, or the broader pattern of irregular settlements that drives the municipality's overdue and standard breach classification as at the end of November 2025.



Condition 6.4 – A funded MTREF

Sol Plaatje Local Municipality's approved 2025/26 Medium-Term Revenue and Expenditure Framework (MTREF) is technically funded; however, its sustainability remains fragile. National Treasury's assessment indicates that the municipality's fiscal stability over the medium term will depend primarily on its ability to strengthen revenue collection efficiency and apply materially tighter expenditure discipline.

Projected revenue growth is expected to be driven by electricity, water, property rates, and national transfers. These gains, however, are being weakened by persistently high technical and non-technical losses in both the electricity and water value chains, which remain well above national norms. Elevated losses dilute the revenue impact of tariff adjustments, reduce the effective billing base, and erode the municipality's overall financial position. In addition, the budget appears to rely on optimistic collection assumptions and does not adequately provide for debt impairment. Under-provisioning for doubtful debts risks overstating own revenue, placing pressure on cash flow and increasing the likelihood of in-year funding gaps.

On the expenditure side, employee-related costs and bulk purchases continue to consume a significant share of operating resources, limiting fiscal space for maintenance, asset care, and service delivery improvements. The capital programme is largely grant-funded, with only a limited contribution from own revenue. This reliance on external funding increases exposure to implementation risk and raises concerns regarding liquidity, counterpart funding requirements, and the municipality's ability to meet project readiness and cash-flow obligations. Cash flow projections further point to constrained flexibility, with liquidity and coverage indicators suggesting that the municipality may struggle to meet short-term obligations should revenue performance not improve materially.

While the MTREF is aligned to the Integrated Development Plan (IDP) and has complied with the prescribed consultation and approval processes, its credibility is weakened by ambitious revenue projections, insufficient provisioning for bad debts, and the underutilisation of available resources for indigent support. The level of free basic services and support to indigent households remains below what could reasonably be funded from national transfers, increasing the risk of service delivery shortfalls and heightened social pressure. Overall, the MTREF provides a platform for stabilisation, but its success will depend on demonstrable improvements in collection discipline, meaningful reduction in distribution losses, realistic debt impairment provisioning, and more prudent management of both 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 across these services remains below the full cost of service delivery, including operations, maintenance, asset renewal and minimum reliability requirements. This structural imbalance, verified using the National Treasury tariff tool, is widening over the MTREF period and poses a material risk to financial sustainability and the municipality's ability to maintain acceptable service delivery outcomes.

Across the trading services portfolio, tariffs are set below full cost recovery, resulting in persistently underfunded operations. In the water function, pressures are particularly acute. Ageing infrastructure, high distribution losses and deferred maintenance continue to drive operating costs upward, while non-cost-reflective tariffs constrain the municipality's ability to arrest losses, fund essential repairs and restore asset integrity. The consequence is an expanding annual funding gap, growing maintenance backlogs, and heightened risk of service interruptions and system failures.

The sanitation service reflects similar vulnerabilities. Tariffs that do not reflect the true cost of service delivery limit the municipality's capacity to operate and maintain wastewater systems effectively, rehabilitate reticulation networks, and upgrade treatment works to meet regulatory and capacity requirements. Structural underfunding in this function undermines sustainability and elevates public health and environmental risk, particularly where infrastructure is under-maintained or operating beyond design capacity.

Electricity remains the municipality's most financially exposed trading service. Eskom bulk purchase costs continue to escalate, yet tariffs are not aligned to the full cost of supply. This risk is compounded by technical and non-technical losses that remain materially above national norms, further eroding margins and reducing cash available for network maintenance and refurbishment. The inability to move toward cost-reflective tariffs weakens the municipality's ability to honour Eskom payment obligations, address losses systematically, and stabilise the electricity trading account. This entrenches financial distress and directly undermines service reliability and compliance expectations under the Municipal Debt Relief Programme (MDRP).

Solid waste services also exhibit a recurring operating deficit. Current tariffs are insufficient to cover routine operational requirements and do not provide for the renewal of critical assets such as fleet and equipment. The operational consequences include service instability, frequent equipment breakdowns, and declining service coverage, especially in peripheral and low-income areas. Continued underfunding in this function exacerbates inefficiency and erodes public confidence in basic municipal services.

Taken together, these deficits point to a systemic financial imbalance across the municipality's trading services. Without decisive tariff restructuring towards cost reflectivity, improved metering and billing accuracy, and stronger enforcement of credit control and revenue collection policies, the current



operating model will remain unsustainable. National Treasury has emphasised that progress toward cost-reflective tariffs across all services is essential 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 environment, undermining both financial recovery and compliance under the Municipal Debt Relief Programme (MDRP). While some isolated corrective steps are evident, the overall framework remains fragmented, inconsistently applied, and financially damaging.

The municipality's Quarter 2 performance confirms that revenue enforcement is not translating into sustained cash realisation. The total average collection rate for the whole demarcation is 63.2% for Quarter 2, with total billings of R369.448 million against collections of R233.592 million, leaving R135.856 million uncollected for the quarter. Even when excluding Eskom-supplied areas, the collection rate remains 63.6%, with R116.909 million uncollected. This indicates that the underlying constraint is not limited to Eskom-supplied areas, but reflects systemic billing, enforcement and payment-discipline weaknesses across the municipal revenue base.

By service, the performance profile reflects an imbalanced and ineffective enforcement approach. Property rates achieved an average Quarter 2 collection rate of 65.5% (R37.175 million uncollected). Electricity shows an average Quarter 2 collection rate of 108.2%, with collections exceeding billed amounts, which is consistent with reliance on electricity as the primary enforcement lever and the cash dynamics of prepaid purchases. In contrast, the core municipal service charges remain materially under-collected: water at 48.9% (R34.767 million uncollected), wastewater at 36.9% (R15.431 million uncollected), and refuse at 40.4% (R11.564 million uncollected). Interest collection is exceptionally weak at 7.3% (R45.158 million uncollected), reinforcing the scale of arrears accumulation and the limited effectiveness of deterrence and recovery measures.

A key structural weakness remains the absence of consolidated billing. Property rates, water, sanitation, refuse and electricity are billed separately rather than through a single consolidated consumer account. This impairs the structured allocation of partial payments in the required order of priority, weakens the municipality's ability to manage arrears at customer level, and limits traceability of debt across services. The result is a blurred account position per consumer, reduced accountability for non-payment, and uncontrolled growth in outstanding balances.

On enforcement, the municipality continues to apply electricity disconnections and prepaid purchase blocks to defaulting consumers (excluding registered indigent households), but enforcement is narrow and uneven. Electricity has effectively become the dominant enforcement instrument, while water restrictions are not applied, despite being one of the most effective tools for restoring payment discipline (while still protecting the minimum free basic service). The Quarter 2 outcomes reinforce



this imbalance: electricity collections are comparatively strong, while water, wastewater and refuse collections remain materially below what is required for financial sustainability.

These weaknesses are compounded by indigent management shortcomings. Although indigent households are protected from disconnections, consumption is not effectively constrained to the national norms of 50 kWh electricity and 6 kilolitres water per month, resulting in overconsumption beyond subsidised thresholds and avoidable pressure on the operating budget. Administrative compliance gaps are further evident where prescribed reporting requirements are not fully met, weakening oversight and the credibility of corrective actions.

In addition, the installation of more than 15 000 smart meters has not yet translated into improved collection outcomes across services. The expected benefits of smart metering—automated enforcement capability, consumption control, improved billing accuracy and faster recovery—are not being realised because the technology has not been embedded into a coherent end-to-end revenue strategy (billing, credit control, indigent controls, reconciliation and consequence management). This is further exacerbated where basic charges approved through the tariff-setting process are not consistently implemented in billing, directly suppressing potential revenue and undermining tariff credibility and cost recovery.

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. Based on the Summary tab of the payment-rate schedule, the overall collection rate for the whole demarcation averaged 60.0% in Quarter 1, with billings of R712.603 million and collections of R427.760 million, leaving R284.842 million uncollected. This remains materially below the 95% compliance threshold required under the second cycle of the MDRP.

Performance across the main revenue streams remains uneven. For Quarter 1, property rates collected at 73.2% (R271.763 million billed; R198.901 million collected), while electricity collected at 72.8% (R210.308 million billed; R153.192 million collected). In contrast, service-charge collections remain structurally weak: water at 46.1% (R89.997 million billed; R41.522 million collected), wastewater at 37.1% (R37.867 million billed; R14.046 million collected), and refuse at 41.7% (R29.159 million billed; R12.148 million collected). Interest collection is exceptionally low at 10.8% (R73.509 million billed; R7.951 million collected), which is consistent with weak arrears recovery and limited consequence management.

Even when Eskom-supplied areas are excluded, performance improves only marginally. Quarter 1 collection excluding Eskom-supplied areas averaged 62.8%, with billings of R615.489 million and collections of R386.831 million. This confirms that the constraint is structural and not confined to specific supply areas or consumer segments.



The Summary tab also indicates that Quarter 2 performance to date remains below MDRP expectations. The overall Quarter 2-to-date collection rate for the whole demarcation averages 63.2% (R369.448 million billed; R233.592 million collected), with excluding Eskom-supplied areas at 63.6% (R320.767 million billed; R203.858 million collected). Service-level outcomes in Quarter 2 to date remain weak for water (48.9%), wastewater (36.9%), refuse (40.4%) and interest (7.3%). Electricity reflects 108.2%, meaning collections exceed billings for the period, which is typical where prepaid dynamics and arrears recoveries distort the quarterly relationship between billed and collected amounts—yet this does not offset the sustained under-collection in the other core services.

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 functions;
- strengthen arrears management with clear targets, systematic follow-up, and routine progress reporting to Council; and
- enhance consumer engagement and payment incentive measures to rebuild payment discipline and improve cash realisation.



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	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	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 a 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, the tool is particularly important in the context of strengthening own-revenue performance under the MDRP and improving the credibility of the MTREF.

In Part A (Reconciliation Summary), the tool compares the number of properties and the total market values per category between the GV roll and the municipal system. For Quarter 1 of 2025/26, the results indicate a fully aligned base at headline level: all 64 478 properties recorded on the valuation roll are also reflected on the MFS, with a combined market value of R40.77 billion and zero variance across the major categories (residential, business and commercial, industrial, agricultural, mining, state-owned, PBO, POW and municipal). This suggests that the valuation dataset has been successfully migrated into the municipal billing environment and that there are no material omissions in the formal property register. In practical terms, the municipality is not experiencing revenue leakage simply because rateable properties are missing from the system.

However, Part B (Detailed Reconciliation) highlights that the primary weaknesses occur in converting the “complete” valuation base into correct and consistent monthly billing. This section compares what should be billed (based on GV values and the approved tariff schedule) against what is actually billed on the MFS, and it distinguishes between mapped accounts (where GV and MFS records are properly linked) and unmapped accounts (where alignment is still incomplete).

For mapped accounts, the GV-based monthly billing should amount to R63.051 million, yet only R52.845 million is being billed on the MFS, resulting in an estimated under-billing variance of approximately R10.207 million per month. The most material variances occur within the State Owned for Public Purpose, Business and Commercial, Agricultural and Residential categories—segments typically associated with higher values and stronger revenue potential. This points to systemic issues such as incorrect tariff application, incomplete attribute mapping, billing parameter errors, exemptions or rebates not correctly configured, or properties being billed under the wrong category.

For unmapped accounts, the tool reflects a similar risk profile. The potential monthly billing linked to the GV base is again R63.051 million, while actual MFS billing is R53.182 million, producing a further variance of approximately R9.870 million. While unmapped accounts are expected to carry transitional misalignments, the size and persistence of the gap indicates that the municipality is carrying significant revenue risk while the mapping process remains incomplete and that corrective work is not yet translating into billing accuracy.

Taken together, the reconciliation confirms that Sol Plaatje’s rates base is largely complete in terms of property capture and valuation totals, but that revenue leakage is occurring at the billing stage through systematic under-billing against the valuation roll. The financial implication is substantial: monthly under-billing of this magnitude, if sustained, represents a recurring loss of own revenue that directly undermines cash flow, weakens the funding base for service delivery, and reduces the municipality’s ability to stabilise its financial position under the MDRP.



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



MFMA S71 Statement component		Compliance (Yes / No)
3.1.1	The municipality's MFMA Circular 124 self-assessment	Yes
3.1.2	The self-assessment (refer 3.1.1 above) was included in the format of MFMA Budget Circular 128 (Annexure B)	Yes
3.2	The municipality's overall relief compliance across the months of its debt relief participation since its National Treasury debt relief approval effective date	Yes
3.3	The latest Provincial Treasury debt relief compliance certificate and report issued to the municipality	Yes
3.4.1	The municipality's revenue collection performance i. the overall performance graph; ii. Summary worksheet; and iii. Collection per ward indicating who supplies electricity in the ward	Yes
3.4.2	The revenue collection performance information (refer 3.4.2) was included in the format of MFMA Budget Circular 128 (Annexure D) .	Yes
3.5.1	The indigent management information	Yes
3.5.2	The indigent management information was included in the format of MFMA Budget Circular 128 (Annexure C) .	Yes
3.6.1	The summary of the municipality's property rates reconciliation was 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 substance. The Budget Performance Overview (paragraph 4) provides a clear, well-sequenced account of progress against the approved budget and, where applicable, the supporting budget funding plan. Importantly, areas of slow or constrained implementation are not obscured; they are explicitly identified, supported by the key operational and



financial constraints, and accompanied by corrective actions currently underway. This approach strengthens transparency and gives Council, as well as National and Provincial Treasuries, a credible basis to assess in-year performance and management's responsiveness to emerging risks.

The conclusion (paragraph 14) appropriately incorporates MFMA Circular 124, Condition 6.9 by explicitly identifying risks associated with implementing the funded budget and/or budget funding plan and setting out the mitigation measures being applied. This elevates the statement beyond routine compliance reporting by demonstrating active risk management, clear awareness of the consequences of non-compliance, and a structured effort to contain fiscal slippage before it becomes irreversible.

Annexure B is comprehensive and aligned to MFMA Budget Circular 128. It includes the municipality's Circular 124 self-assessment in the prescribed Annexure B format, the monthly trajectory of overall debt relief compliance from the effective date of National Treasury approval, and the latest Provincial Treasury debt relief compliance certificate and report. It further includes detailed revenue collection information, comprising the overall collection performance graph, the summary worksheet, and ward-based collection reporting by electricity supplier, all presented in the required Annexure D format. Indigent management information is also included and captured in the Circular 128 Annexure C format, confirming that the municipality is reporting on indigent policy implementation, targeting, and affordability in a structured and comparable manner.

The statement additionally contains the property rates reconciliation in the National Treasury format, together with a month-by-month update on corrective actions to address variances identified between the valuation roll and the municipal billing system. This demonstrates that the municipality is not only diagnosing potential revenue leakage but is also tracking remedial implementation with accountability over time. In respect of bulk service obligations, the report sets out Eskom and Water Board current account invoices due and payable in the reporting month, attaches proof of payment, and provides electricity and water reconciliation statements aligned to the MFMA Section 71 mSCOA data strings. This strengthens the audit trail between billing, payment, and reporting, and directly supports MDRP compliance on bulk accounts.

Finally, the statement concludes with clear recommendations to the Mayor and/or Mayoral Committee, summarising the debt relief reporting outcomes and specifying 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 strong platform for oversight, assurance, and decision-making. The priority going forward is to ensure that the robustness of the reporting framework is matched by consistent implementation of the corrective actions and commitments recorded in the document, supported by measurable progress on revenue enforcement, expenditure control, and bulk account payment discipline.



Condition 6.10 – National Treasury certification of municipal compliance

National Treasury plays a central role in implementing the Municipal Debt Relief Programme (MDRP) by ensuring that participating municipalities comply with strict conditions that underpin credible debt resolution and sustained financial recovery. This oversight function is critical to reinforcing fiscal discipline, improving transparency, and protecting financial stability across the local government system.

In this context, National Treasury has certified Sol Plaatje Local Municipality as compliant with the applicable MDRP conditions. This certification is more than a procedural outcome; it signals that the municipality has demonstrated the minimum governance, financial management, and reporting standards required to support the debt relief intervention. It reflects progress in strengthening fiscal controls, improving accountability, and aligning municipal practices with the regulatory requirements of the MDRP framework.

To sustain these standards, National Treasury applies a structured monitoring and evaluation approach that focuses on budget credibility, cash-flow discipline, revenue performance, expenditure control, and the consistent settlement of bulk service accounts. The framework is designed to prevent renewed arrears accumulation, ensure that corrective actions are implemented with measurable outcomes, and enable timely intervention where risks of slippage emerge. This supports not only compliance but also improved service delivery planning and a stronger platform for operational stability.

Condition 6.11 – Limitation on Municipal borrowing powers

The restriction on municipal borrowing—and the prohibition on incurring new debt during the debt relief period—forms a core element of the control framework underpinning the Municipal Debt Relief Programme. These provisions are designed to entrench fiscal discipline by ensuring that borrowing activity is tightly regulated, remains within statutory limits, and does not undermine the objective of restoring financial sustainability. By preventing municipalities from accumulating new obligations while historic arrears are being resolved, the framework limits fiscal slippage, protects liquidity, and strengthens the credibility of the debt relief intervention.

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 incurred new debt during the relief period, reducing exposure to additional repayment pressures and demonstrating alignment with prudent financial management principles. This approach supports the stabilisation effort by allowing the municipality to focus on improving revenue performance, strengthening cash-flow discipline, and implementing corrective actions required under the programme.



Continued adherence to borrowing controls is essential to sustaining stakeholder confidence, including that of residents, creditors, oversight institutions, and potential investors. By avoiding unsustainable borrowing and prioritising expenditure control and operational efficiency, the municipality strengthens its financial resilience and improves its ability to maintain service delivery while progressing toward long-term fiscal recovery.

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 (MDRP) is governed by stringent conditions that are intended to entrench financial recovery, strengthen accountability, and promote responsible governance. One of the most consequential provisions is that, in cases of sustained non-compliance, a municipality may be required to 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 provision operates as a strong enforcement measure, directly linking continued participation in the MDRP to the municipality's ability to responsibly manage its electricity distribution function and to meet its financial and regulatory obligations.

This requirement is not applied automatically; it is triggered only where a municipality is formally removed from the programme due to persistent non-compliance. Its inclusion in the MDRP framework underscores the seriousness with which National Treasury views ongoing failure to implement corrective actions, honour bulk service obligations, and maintain basic financial discipline. The potential loss of the electricity licence signals that sustained non-performance has consequences that extend beyond reporting outcomes and may fundamentally alter how the electricity service is governed and delivered.

The measure reflects National Treasury's emphasis on accountability and durable reform in municipal financial management. MDRP participation requires more than technical compliance at a point in time—it demands consistent operational discipline, effective governance oversight, and prudent financial stewardship throughout the programme period. Continued access to debt relief benefits, and the municipality's ability to protect service delivery, depends on maintaining these standards through sustained implementation, credible performance improvement, and demonstrable compliance with the programme's conditions.



High-Level Recommendations:

1. **Settle Eskom current accounts in full and on time.** Eliminate partial and delayed payments and implement a firm payment calendar that prevents new arrears.
2. **Protect MDRP eligibility by clearing all “write-off blockers.”** Treat any outstanding Eskom current account and overdue bulk obligations as priority risks that can disqualify the municipality from second-cycle write-off benefits.
3. **Ring-fence bulk payments and tighten cash-flow discipline.** Create dedicated payment controls for Eskom and Water Boards, supported by weekly cash monitoring and monthly Council oversight.
4. **Enforce credit control uniformly across all services and customer segments.** Apply electricity disconnections/prepaid blocks and introduce controlled water restrictions (while protecting free basic services for indigent households).
5. **Fix the revenue value chain end-to-end.** Improve billing accuracy, reconcile data monthly, strengthen debt collection processes, and implement firm consequence management to lift collections toward the 95% benchmark.
6. **Implement consolidated billing and improve payment allocation.** Move to a single customer account view to improve traceability of arrears, prioritise allocation correctly, and strengthen recovery actions.
7. **Close property rates billing leakage.** Resolve valuation-to-billing mapping gaps, correct tariff/category settings, and monitor monthly variances to prevent underbilling and revenue loss.
8. **Restore operating sustainability through realistic budgeting and cost recovery.** Strengthen debt impairment provisioning, curb avoidable expenditure pressures, reduce technical/non-technical losses, and progress toward cost-reflective tariffs across trading services.

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: 22/10/2025

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



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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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



Annexures (November 2025 Compliance Certificates)

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 Gomun must not include comments column - comments need to be incorporated into the related PT report

Monthly Performance Report

Monthly Performance Report																																															
Municipal Details			Part A					Part B				Part C			Part D			Part C					Maximization of Revenue Base			Part E										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								Oversight																					
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating		
25.July25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	No	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	N/A	Yes	Yes	Yes	N/A	N/A	N/A	N/A	Yes	Yes	No	Yes	Yes	Yes	No	78%	Moderate compliance		
26.August25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	No	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	N/A	N/A	N/A	N/A	Yes	Yes	No	Yes	Yes	Yes	No	78%	Moderate compliance	
27.September25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	No	Yes	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	Yes	Yes	No	Yes	Yes	Yes	No	71%	Moderate compliance
28.October25	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	No	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No	83%	Above Moderate	
29.November25	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	No	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No	76%	Moderate compliance	
30.December25	Sol Plaatje	NC091																																										0%	Not completed		
31.January26	Sol Plaatje	NC091																																												0%	Not completed
32.February26	Sol Plaatje	NC091																																												0%	Not completed
33.March26	Sol Plaatje	NC091																																												0%	Not completed
34.April26	Sol Plaatje	NC091																																												0%	Not completed
35.May26	Sol Plaatje	NC091																																												0%	Not completed
36.June26	Sol Plaatje	NC091																																												0%	Not completed
37.July26	Sol Plaatje	NC091																																												0%	Not completed
38.August26	Sol Plaatje	NC091																																												0%	Not completed
39.September26	Sol Plaatje	NC091																																												0%	Not completed
40.October26	Sol Plaatje	NC091																																												0%	Not completed
41.November26	Sol Plaatje	NC091																																												0%	Not completed
																	Comments/Motivation																														
HOD Name:																																															
Signature of HOD:																																															
Date:			26/07/2024																																												
** Note – if the official is signing on behalf of the Head of the Provincial Treasury (HOD), the written procuration of the HOD must be attached as an Annexure to this Certificate of Compliance.																																															



Annexure A2 - Monthly

National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

National Treasury

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

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

Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop down list

Condition	6,3 + 6,12	Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption):	
1	6.12.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? Note - refer condition 6.12.2	No
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	No
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	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)? 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.	No
5	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	Yes
6	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes
	6.4	Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)	2025/26 Adopted MTREF
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?	Yes
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
9	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations? Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".	Yes
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes

		<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
	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?	No
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 <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	not yet the end of a quarter
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	not yet the end of a quarter
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure?	not yet the end of a quarter
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes

24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
6.8 Municipality's Completeness of the revenue base –			
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes
28	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://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?	No FRP
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ?	No FRP
<i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>			
6.10 Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:			
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	No
<i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>			
36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	No
<i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i>			
6.12 For the duration of the Municipal Debt Relief (to ensure proper management of resources):			
37	6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	No
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	No
<i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i>			

39		Supporting evidence : Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	Yes ▾
40	6.13	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i>	Yes ▾
41	6.14	NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	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 procuration of the HOD / MM must be attached as an Annexure to this Certificate of Compliance.

