



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.

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 | | 2025/26 | | | | | | | |
|--|--|--------------------|-----------------|---------------|----------------------------------|----------------|----------------------------------|--------------|---|
| R thousands | | Budget | Adjusted Budget | First Quarter | | Second Quarter | | Year to Date | |
| | | Main appropriation | | 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

| R thousands | | 2024/25 | | | | | | | |
|---------------------------------|--|--------------------|-----------------|--------------------|----------------------------------|--------------------|----------------------------------|--------------------|---|
| | | Budget | | First Quarter | | Second Quarter | | Year to Date | |
| | | Main appropriation | Adjusted Budget | 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

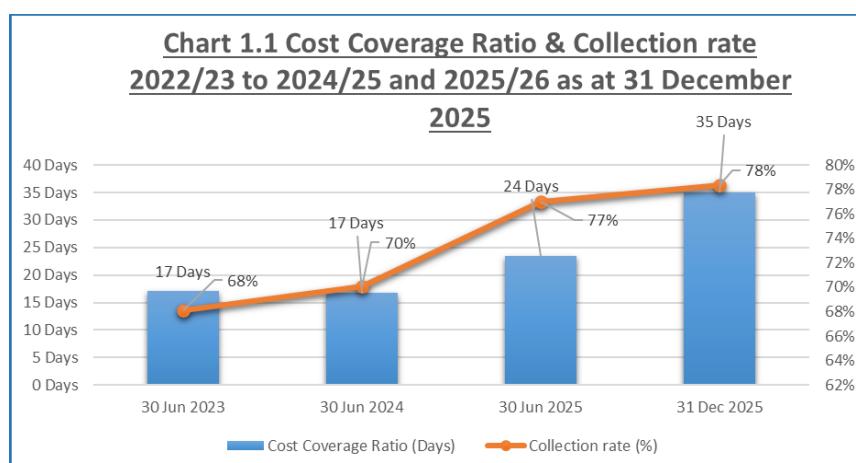
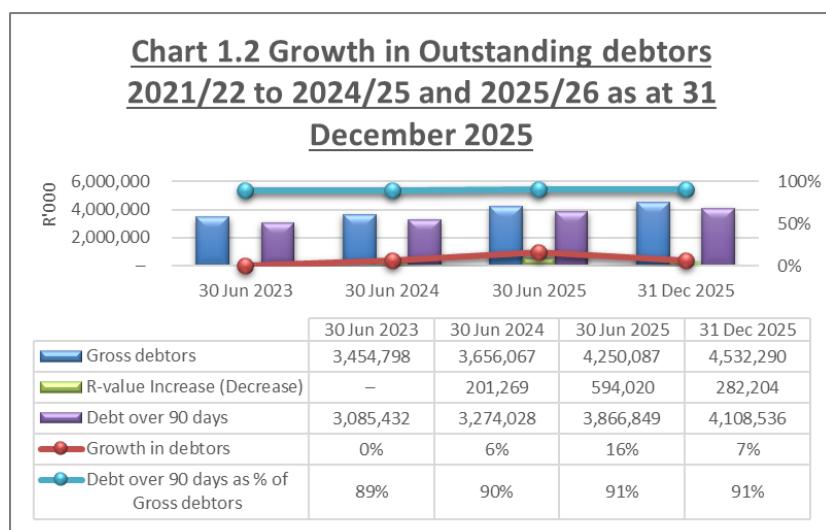


Chart 1.2 Growth in Outstanding debtors



- 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 Y/M % - 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.

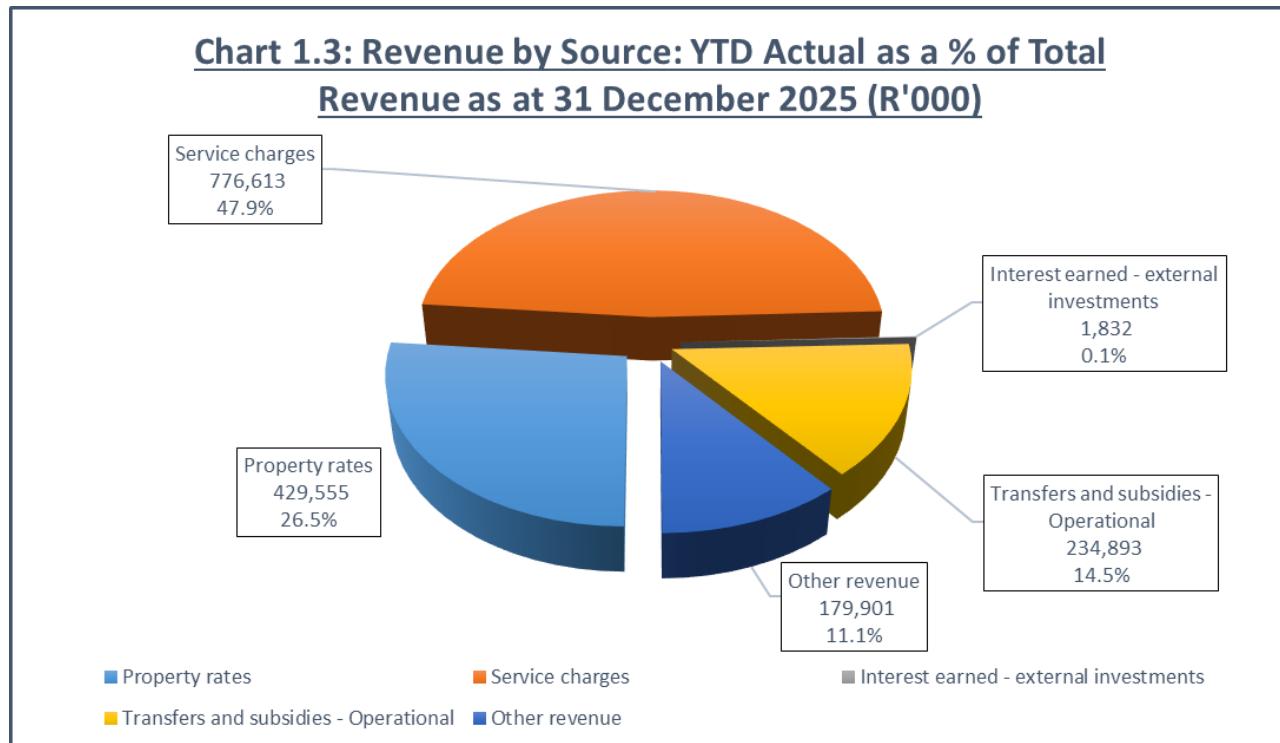


Chart 1.3: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Operating Expenditure by Type

Table C4 Monthly Budget Statement - Financial Performance (Expenditure) - 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 | % |
| 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. Redirecting 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.

Table 4.1 R&M Expenditure per Directorate per inventory type

| 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

Table 4.2 R&M Expenditure per Service 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 % of Total Expenditure as at 31 December 2025 (R'000)

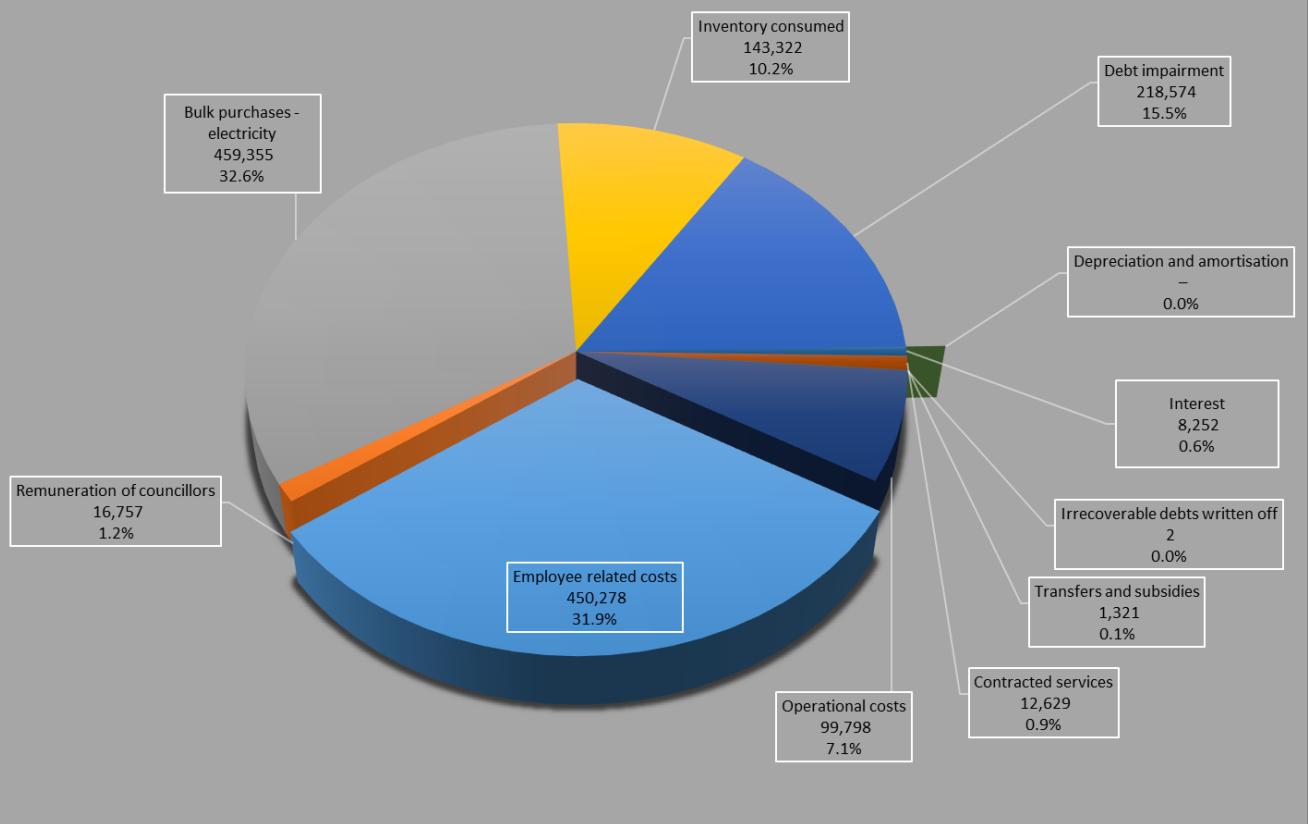


Chart 1.4: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

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.

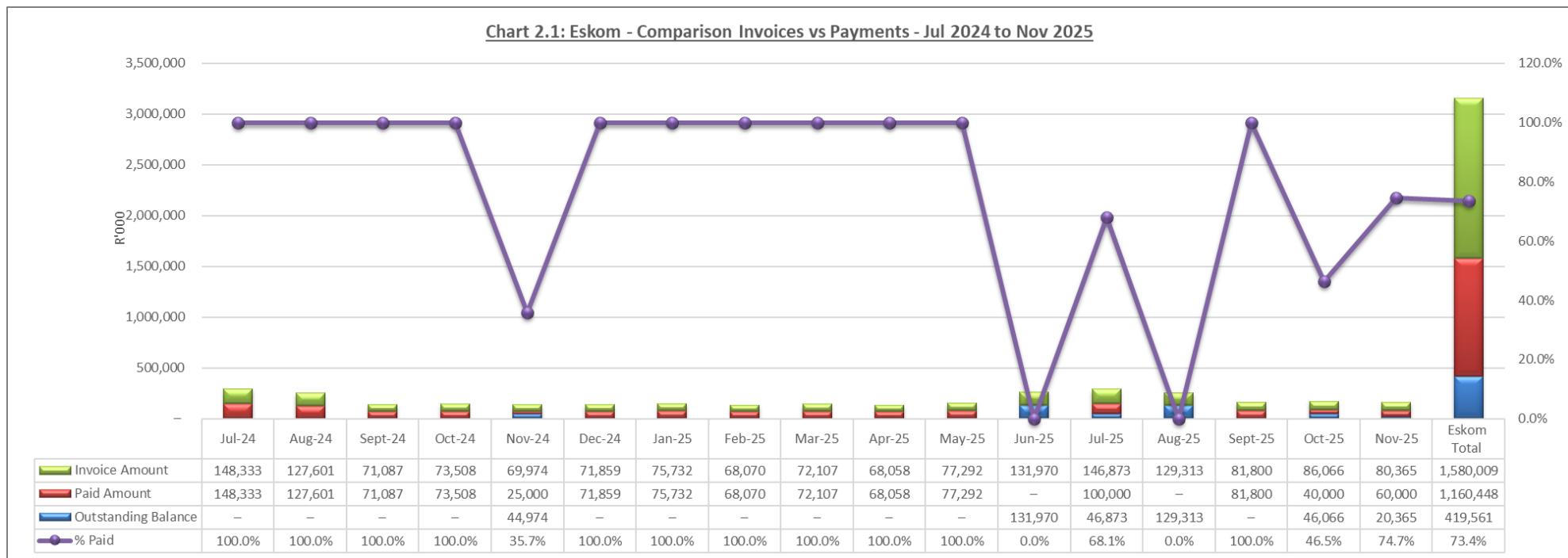


Chart 2.1: Eskom - Comparison Invoices vs Payments

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.

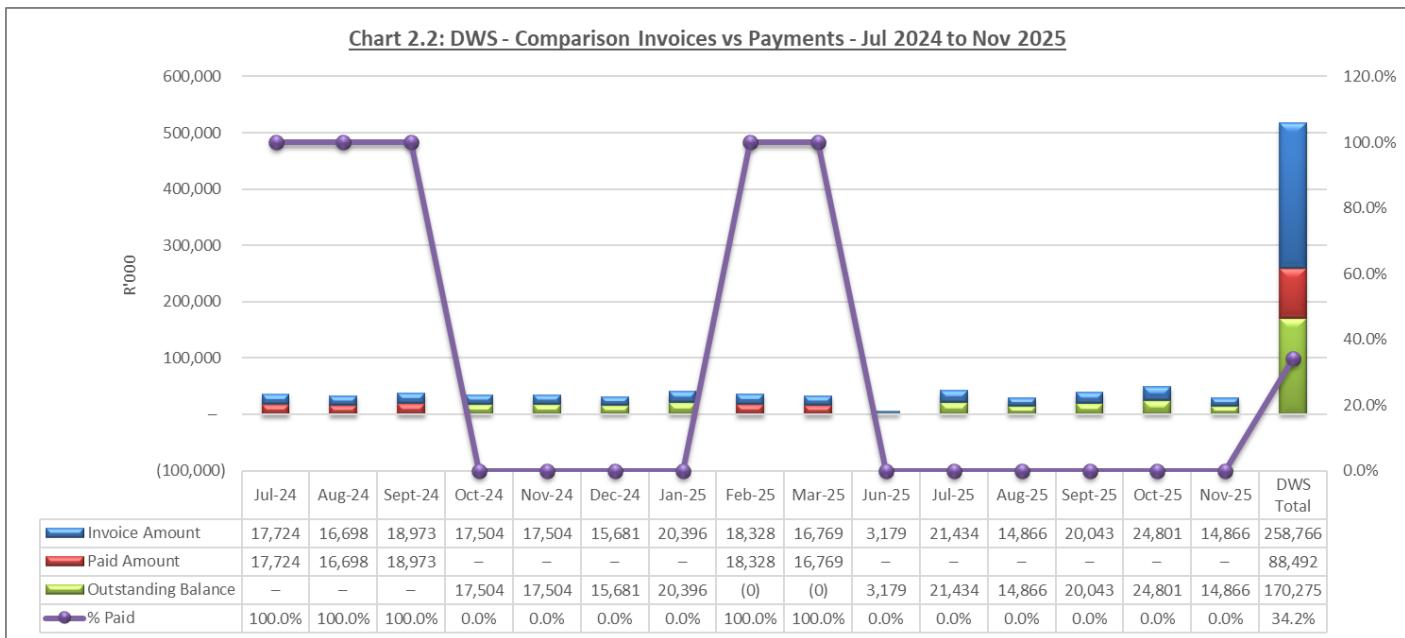


Chart 2.2: DWS - Comparison Invoices vs Payments

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.

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.

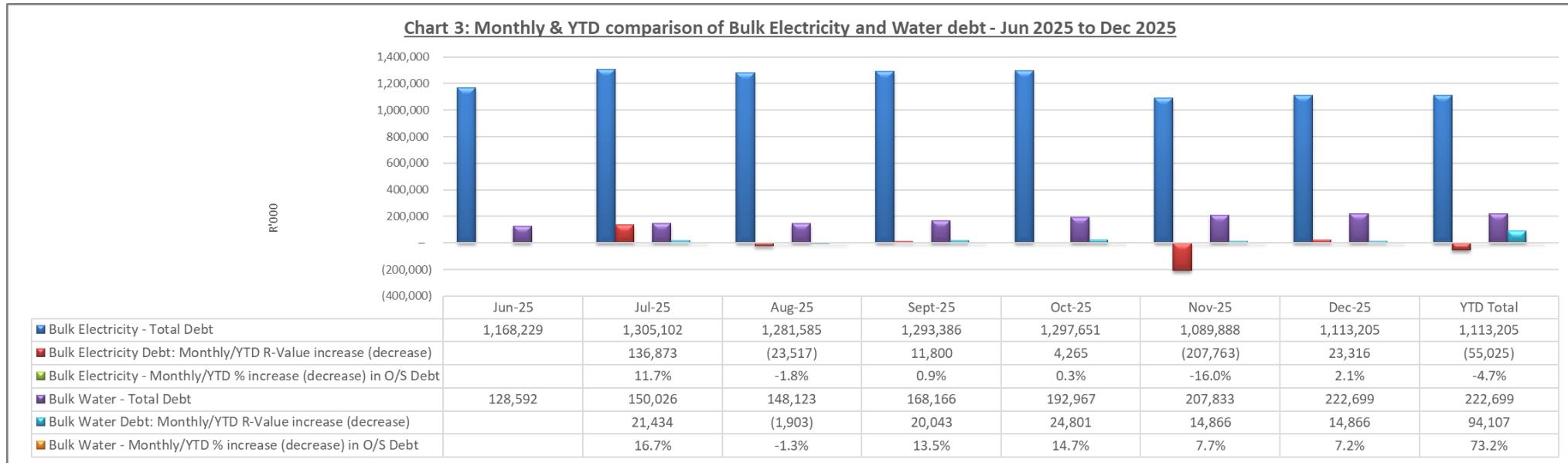


Chart 3: Monthly & YTD comparison – Bulk Electricity & Water debt

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 |
| | 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) |
| Funded by | | | | | | | | | |
| Capital transfers recognised | 594,927 | 46,068 | 291,870 | 297,463 | 98.12% | (5,594) | -1.9% | 49.1% | (5,594) |
| Internally generated funds | 32,404 | — | 4,949 | 16,202 | 30.5% | (11,253) | -69.5% | 15.3% | (11,253) |
| 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

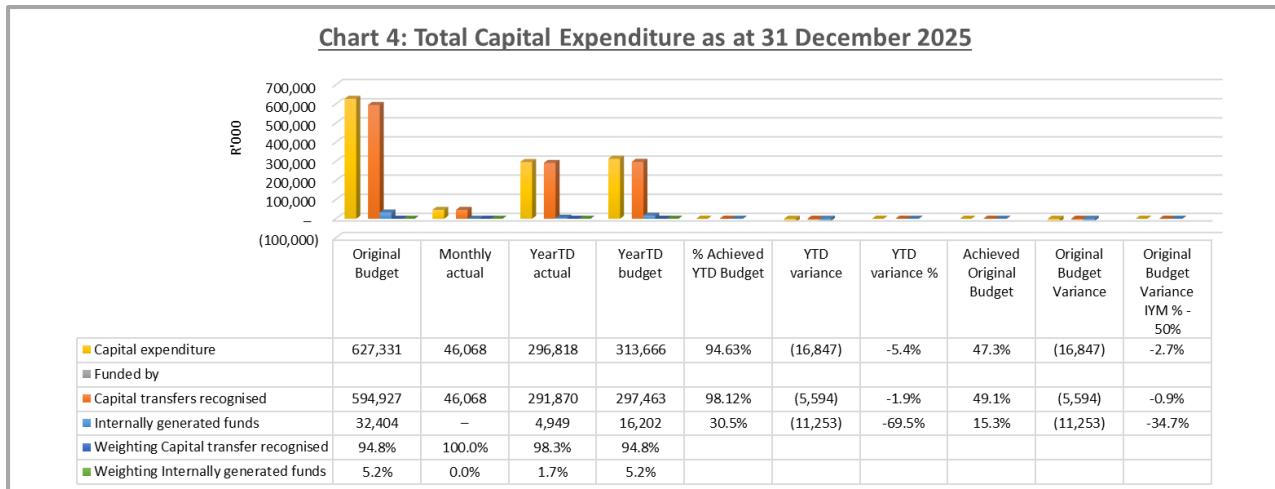


Chart 4: Total Capital expenditure

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

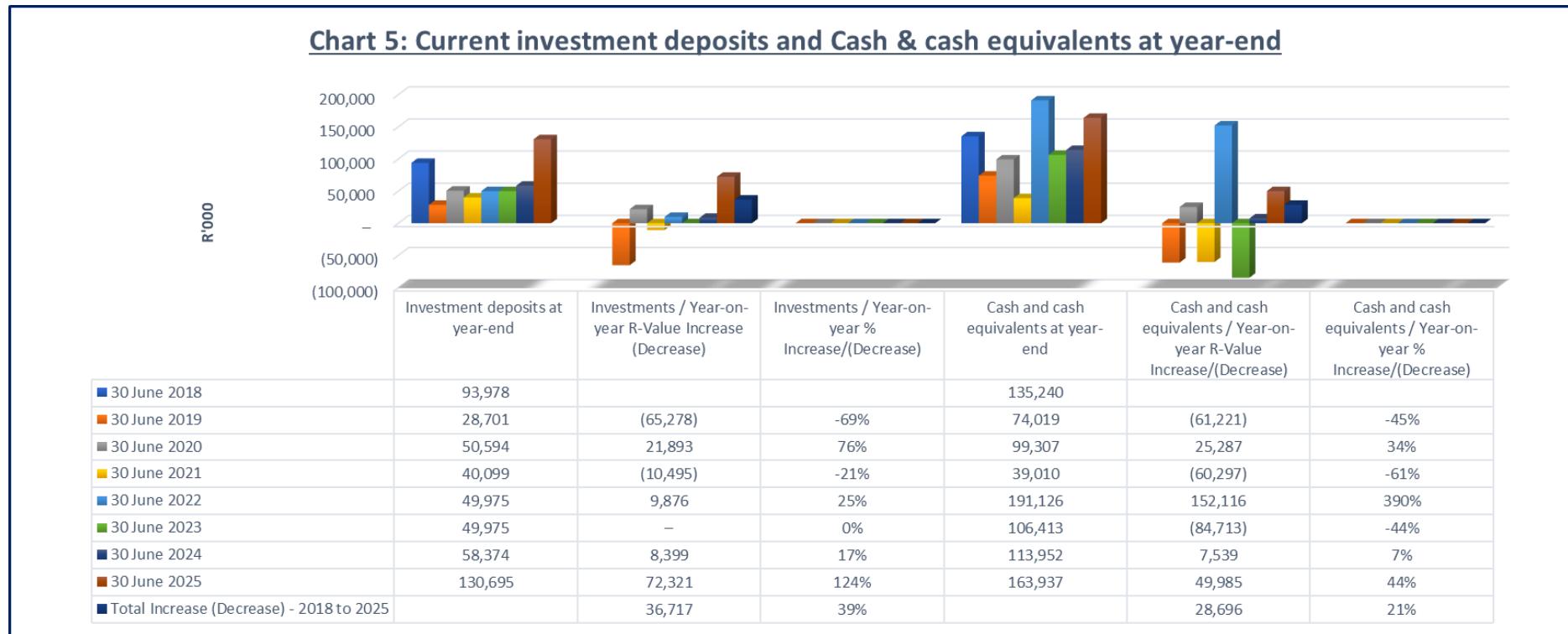


Chart 5: Call investment deposits and Cash & cash equivalents at year-end

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 from 2022/23 to 2024/25 and 2025/26 as at 31 December 2025

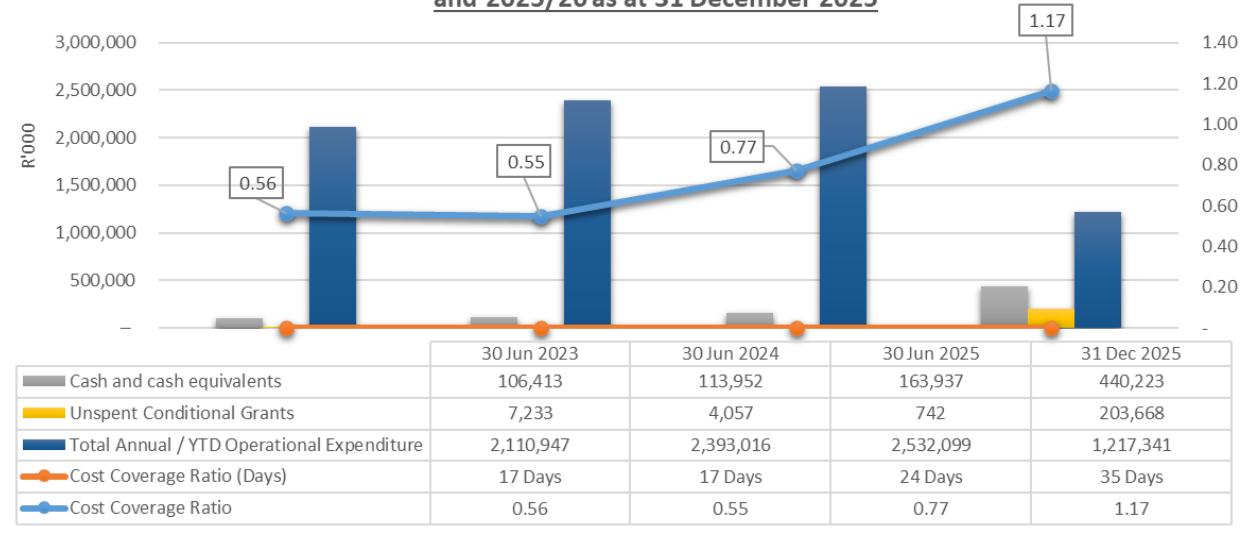


Chart 6: Cash & cash equivalents and Cost coverage ratio

Indicated in Chart 6 above, is the Cost coverage ratio, number of days coverage and the Cash and cash equivalents for the period. The required NT norm is 3 months Cost coverage. The audited outcome for the year ended 30 June 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.

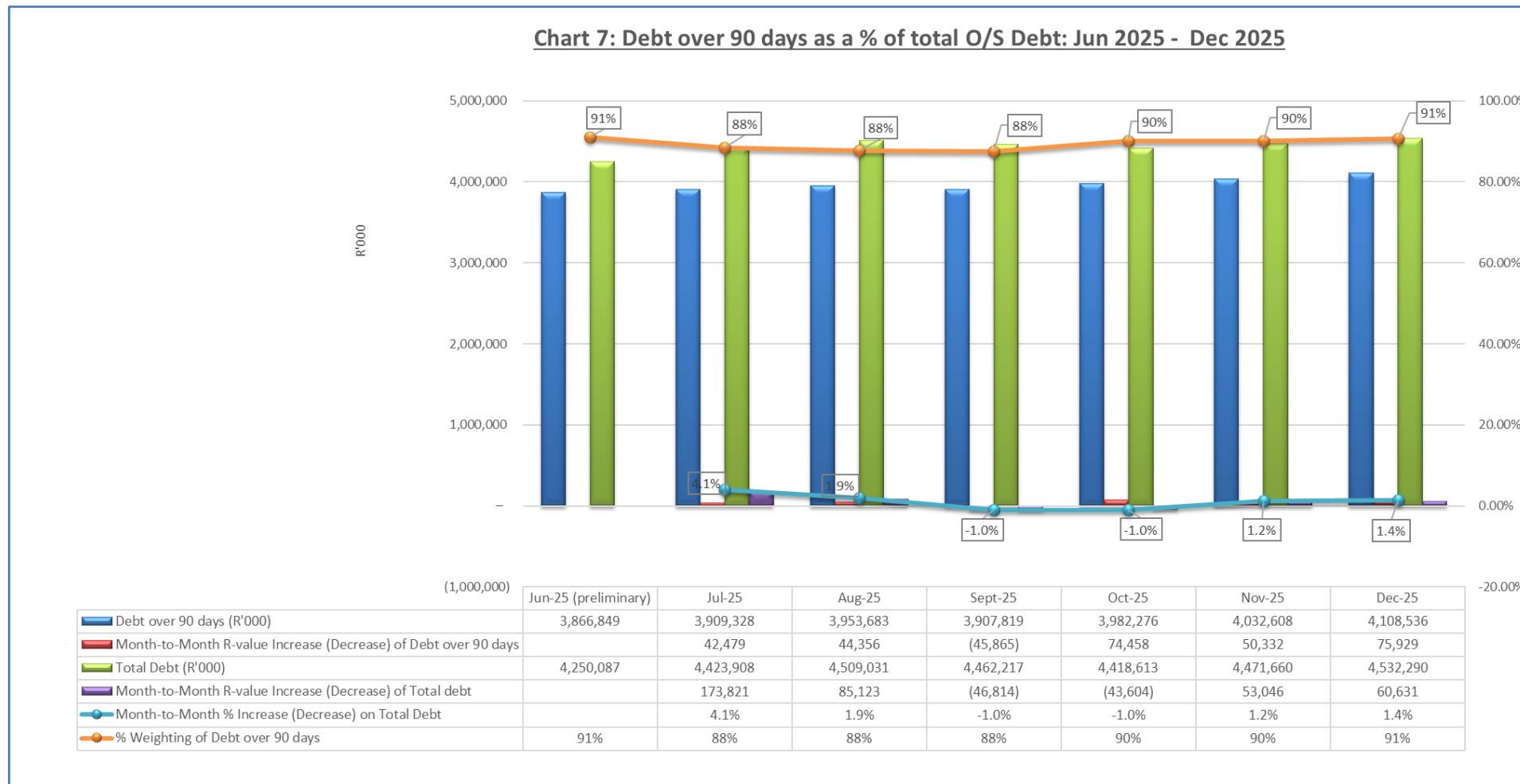


Chart 7: Debt over 90 days as a percentage of Total O/S Debt

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

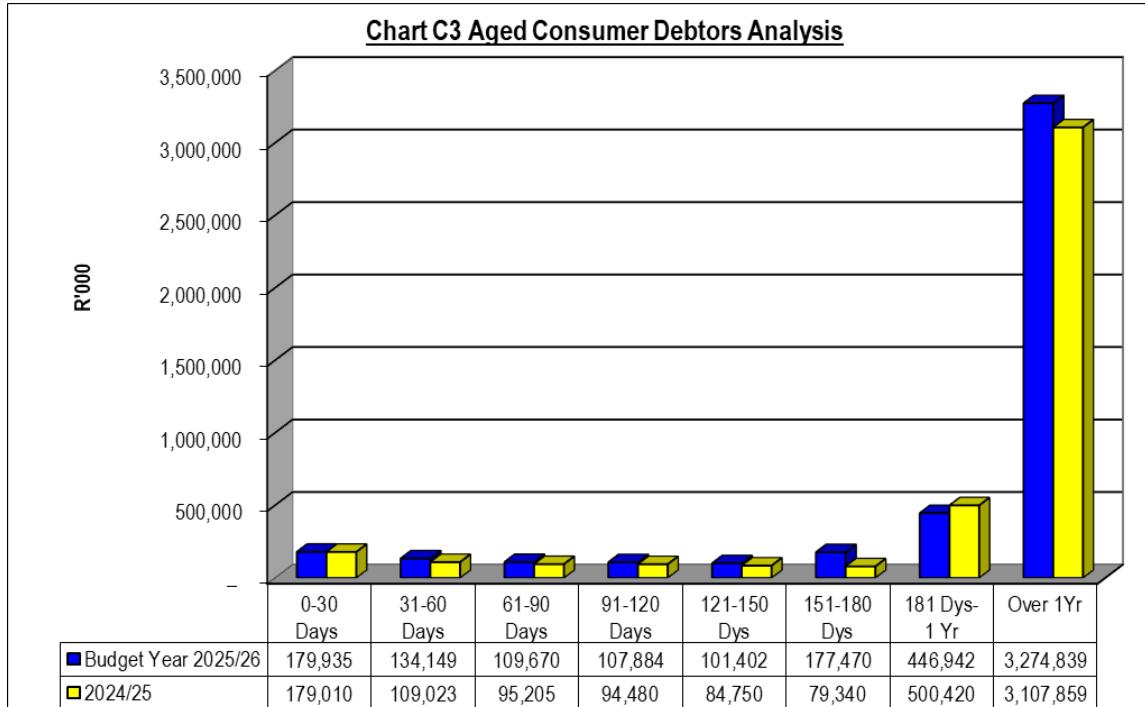


Chart 8: Aged Consumer Debtor Analysis

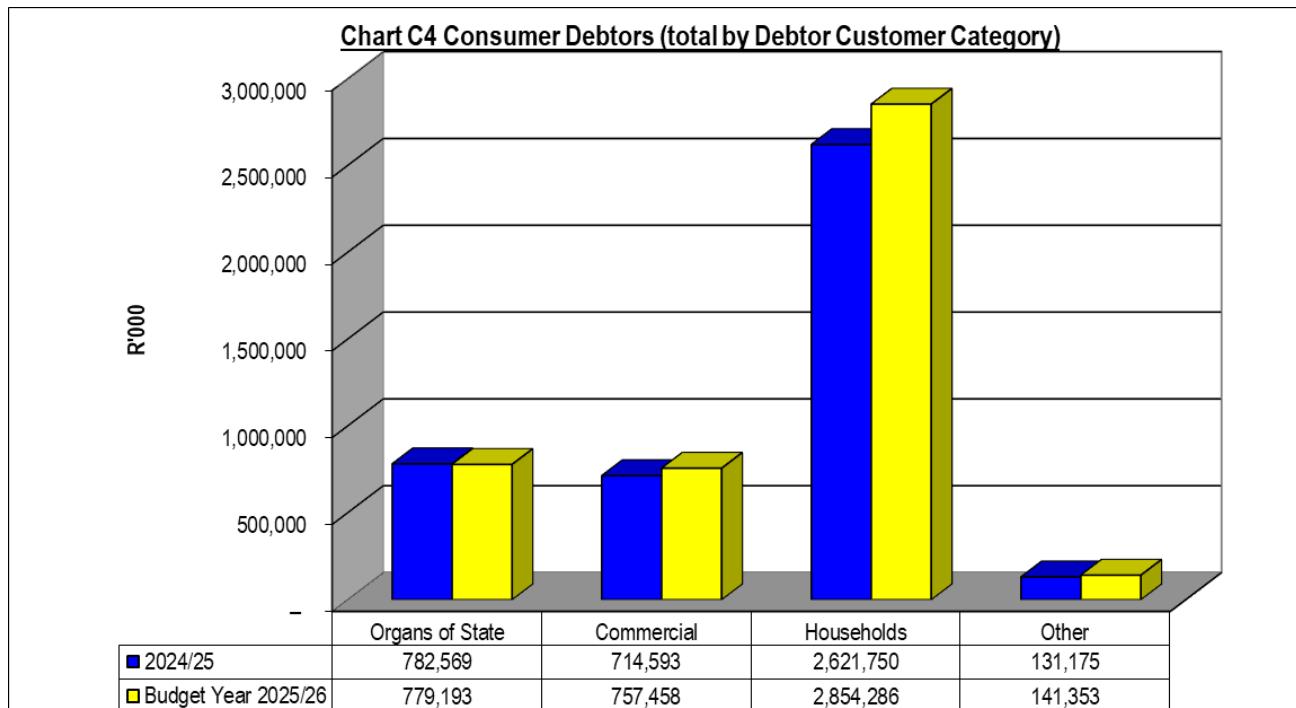


Chart 9: Consumer Debtors (total by Debtor Customer Category)

Revised collection rate

As per Table 9 below, when taking into consideration what was billed in 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

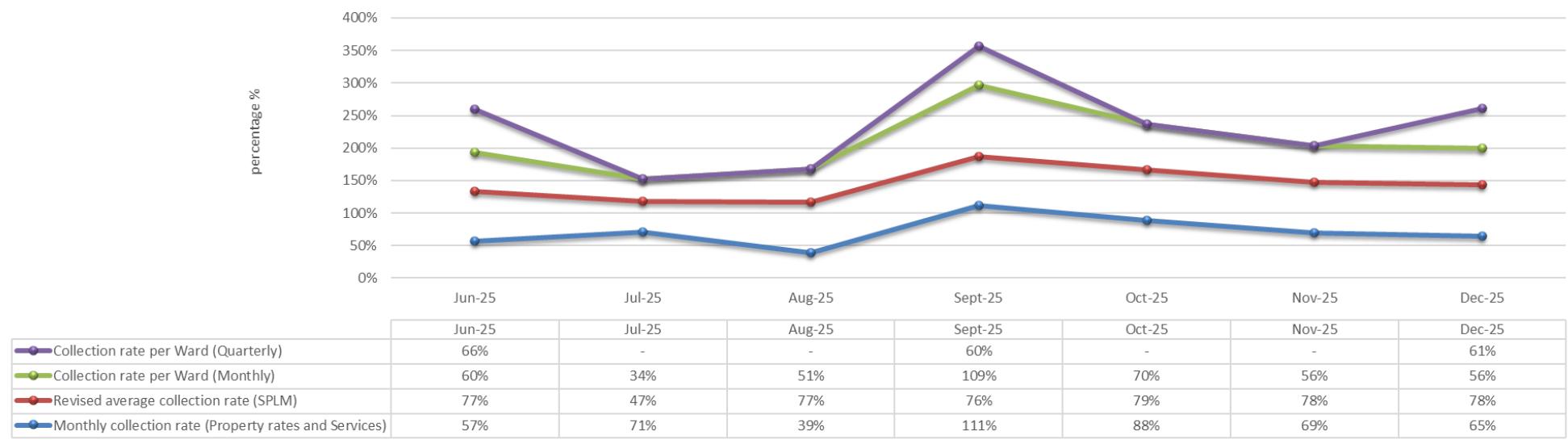


Chart 10: Comparative trend: Monthly and Revised average collection rate

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

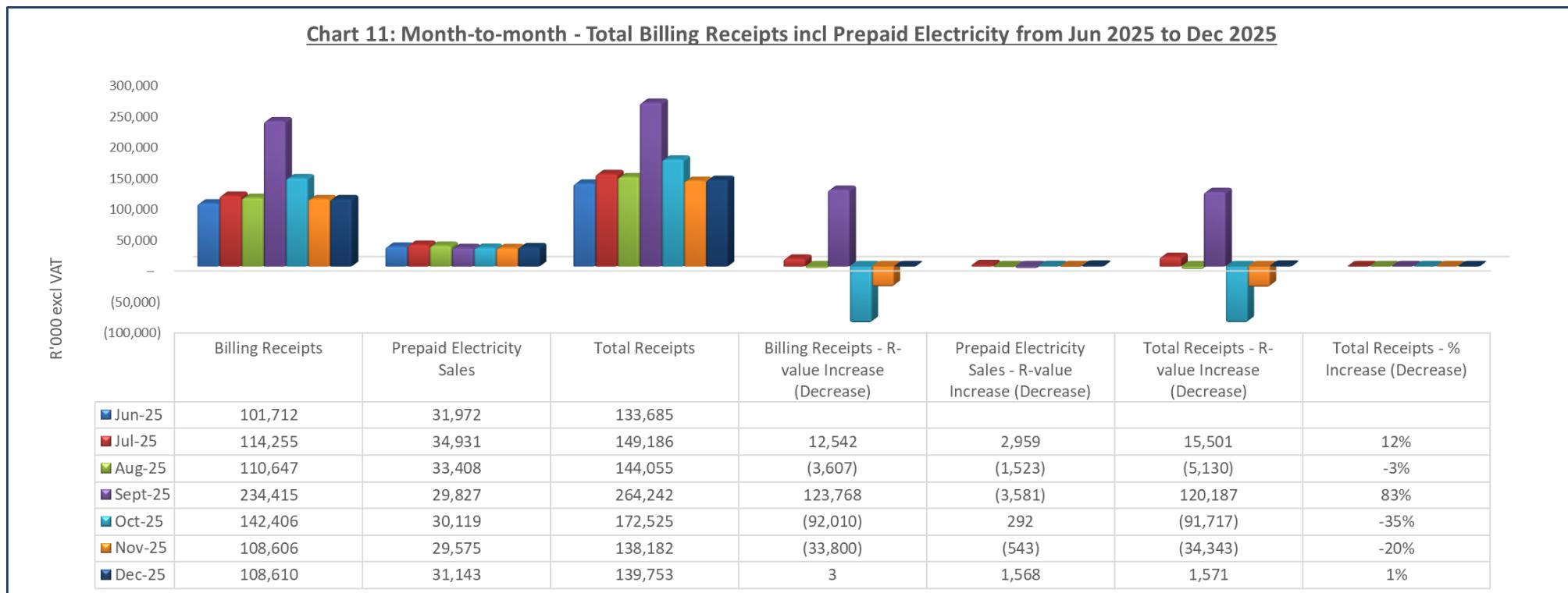


Chart 11: Month-to-month - Total Billing Receipts incl Prepaid Electricity

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 & % contribution as at 31 December 2025

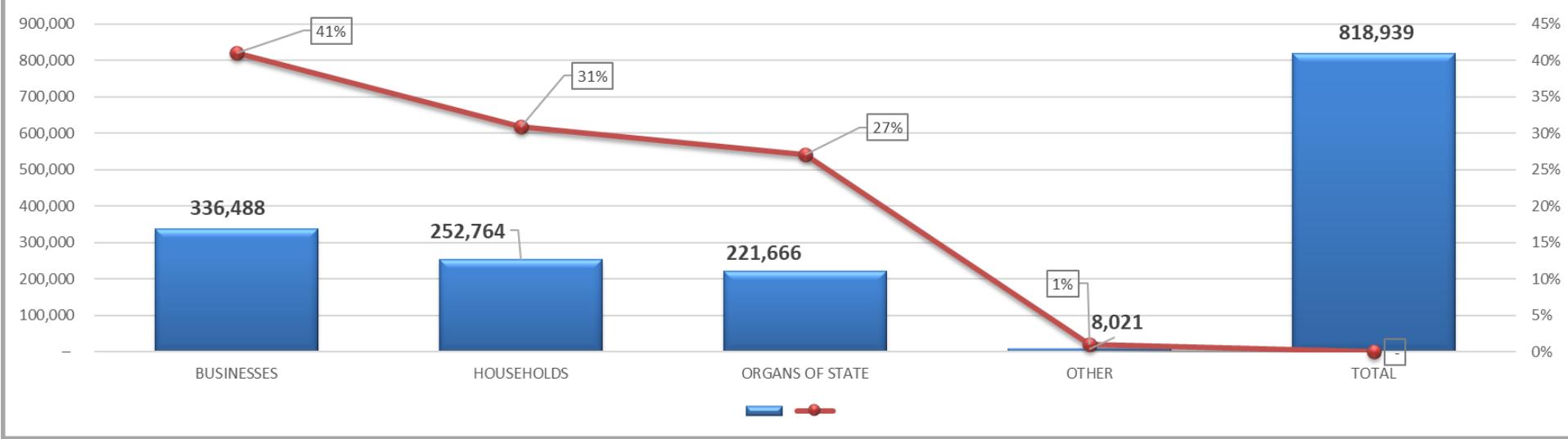


Chart 12: Billing receipts per Customer Group

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 | | 0 - 30 Days | | 31 - 60 Days | | 61 - 90 Days | | Over 90 Days | | Total | |
|----------------------------------|--|----------------|--------------|---------------|-------------|---------------|-------------|------------------|--------------|------------------|---------------|
| R thousands | | 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 | 79.3% |
| Bulk Water | | 14,866 | 6.7% | 14,866 | 6.7% | 24,801 | 11.1% | 168,166 | 75.5% | 222,699 | 15.5% |
| PAYE deductions | | 13,059 | 100.0% | - | - | - | - | - | - | 13,059 | .9% |
| VAT (output less input) | | - | - | - | - | - | - | - | - | - | - |
| Pensions / Retirement deductions | | 8,560 | 100.0% | - | - | - | - | - | - | 8,560 | .6% |
| Loan repayments | | - | - | - | - | - | - | - | - | - | - |
| Trade Creditors | | 13,215 | 70.2% | 5,323 | 28.3% | 115 | .6% | 171 | .9% | 18,823 | 1.3% |
| Auditor-General | | 336 | 100.0% | - | - | - | - | - | - | 336 | - |
| Other | | 13,426 | 49.9% | - | - | - | - | 13,502 | 50.1% | 26,928 | 1.9% |
| Medical Aid deductions | | - | - | - | - | - | - | - | - | - | - |
| Total | | 146,778 | 10.5% | 40,554 | 2.9% | 70,982 | 5.1% | 1,145,295 | 81.6% | 1,403,610 | 100.0% |

Table 11: Part 5: Creditors Age Analysis

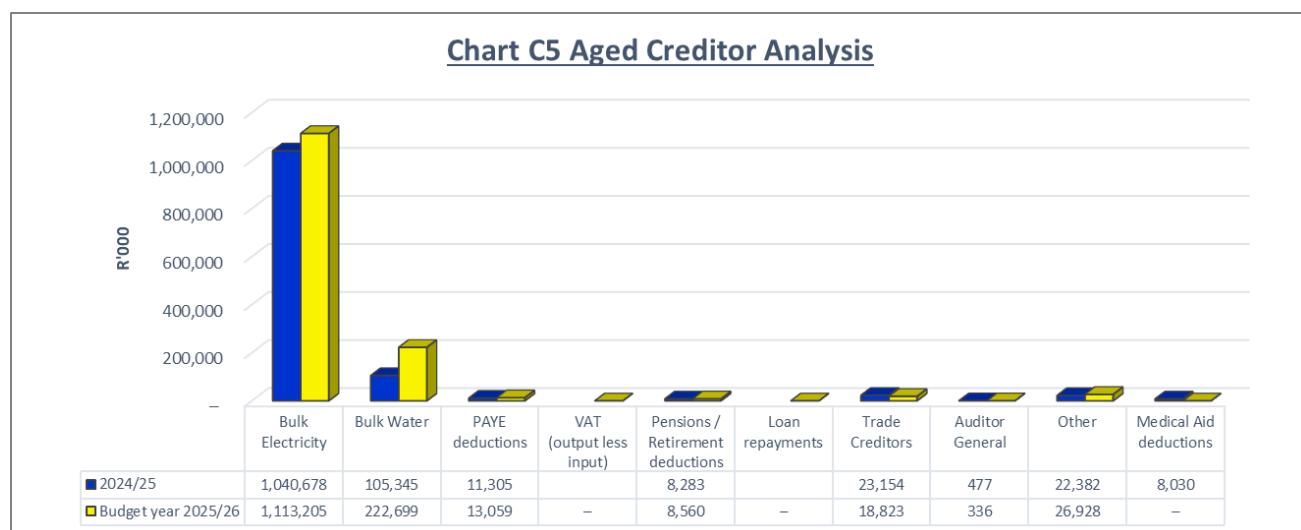


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2024/25 in Chart 13 is based on the outstanding creditors as at 31 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 Yrs/Months | 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 | | | | | | | | | | | | | | |
| Municipality | | | | | | | | | | | | | | |
| Standard Bank 048466271-089 | | 6 months | Call a/c | No | Variable | 6.9 | 0 | n/a | | – | – | – | – | – |
| 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

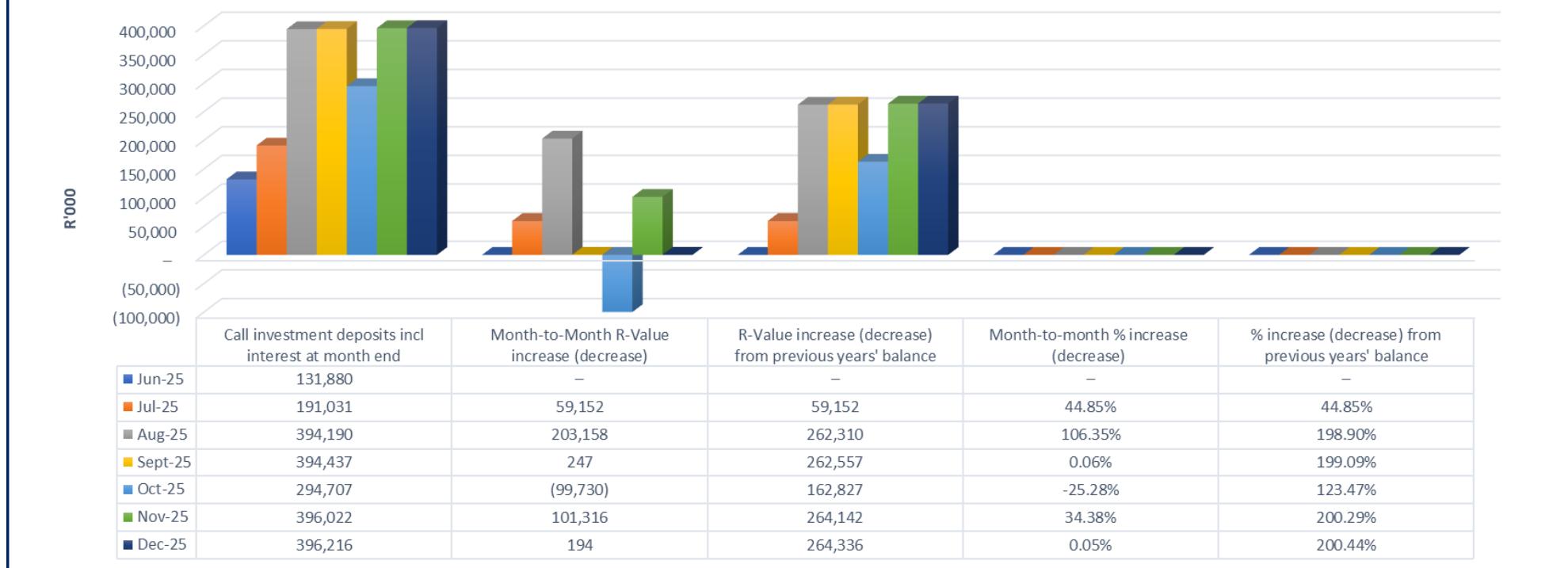


Chart 14: Call investment deposits at month-end

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 % |
| 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% |
| 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% |
| Expanded Public Works Programme Integrated Grant | | 2,927 | 4,442 | 4,442 | — | 4,442 | 2,221 | 2,221 | 100.0% |
| Infrastructure Skills Development Grant | | 4,500 | 4,400 | 4,400 | 466 | 1,978 | 2,200 | (222) | -10.1% |
| Integrated Urban Development Grant | | 2,759 | 2,305 | 2,305 | 175 | 956 | 1,153 | (197) | -17.1% |
| Local Government Financial Management Grant | | 1,800 | 1,800 | 1,800 | 138 | 631 | 900 | (269) | -29.9% |
| 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% |
| Capacity Building and Other Grants | | 9,264 | 9,007 | 9,007 | 102 | 595 | 4,504 | (3,908) | -86.8% |
| 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% |
| Capital Transfers and Grants | | | | | | | | | |
| National Government: | | 574,062 | 684,166 | 684,166 | 61,575 | 344,247 | 342,083 | 2,164 | 0.6% |
| Energy Efficiency and Demand Side Management Grant | | 5,000 | 5,000 | 5,000 | 311 | 2,260 | 2,500 | (240) | -9.6% |
| Integrated National Electrification Programme Grant | | 4,500 | 19,000 | 19,000 | 1,110 | 7,109 | 9,500 | (2,391) | -25.2% |
| Integrated Urban Development Grant | | 72,562 | 76,066 | 76,066 | 23,102 | 38,995 | 38,033 | 962 | 2.5% |
| Municipal Infrastructure Grant | | — | — | — | — | — | — | — | — |
| Neighbourhood Development Partnership Grant | | — | 100 | 100 | — | — | 50 | (50) | -100.0% |
| Regional Bulk Infrastructure Grant | | 492,000 | 574,000 | 574,000 | 37,052 | 295,884 | 287,000 | 8,884 | 3.1% |
| Water Services Infrastructure Grant | | — | 10,000 | 10,000 | — | — | 5,000 | (5,000) | -100.0% |
| Provincial Government: | | — | — | — | — | — | — | — | — |
| <i>Infrastructure Grant</i> | | — | — | — | — | — | — | — | — |
| 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% |
| 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% |
| Intergated 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 R thousands | Ref | 2024/25 | | Budget Year 2025/26 | | | | | | |
|--|-----|-----------------|-----------------|---------------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| | | 1 | A | B | C | | | | | D |
| Councillors (Political Office Bearers plus Other) | | | | | | | | | | |
| Basic Salaries and Wages | | – | 30,893 | 30,893 | 2,309 | 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 | | 1,136 | 2,113 | 2,113 | 87 | 521 | 1,057 | (536) | -51% | 2,113 |
| Motor Vehicle Allowance | | 115 | 198 | 198 | 8 | 50 | 99 | (49) | -49% | 198 |
| Cellphone Allowance | | 21 | 24 | 24 | 2 | 11 | 12 | (1) | -12% | 24 |
| Housing Allowances | | | | | | | | | | |
| Other benefits and allowances | | | | | | | | | | |
| Payments in lieu of leave | | | | | | | | | | |
| Long service awards | 2 | 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 | 4 | 8,018 | 12,601 | 12,601 | 500 | 3,177 | 6,301 | (3,123) | -50% | 12,601 |
| % increase | | | 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 | 2 | 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 | 4 | 876,402 | 991,931 | 991,931 | 89,137 | 447,101 | 495,966 | (48,865) | -10% | 991,931 |
| % increase | | | 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.

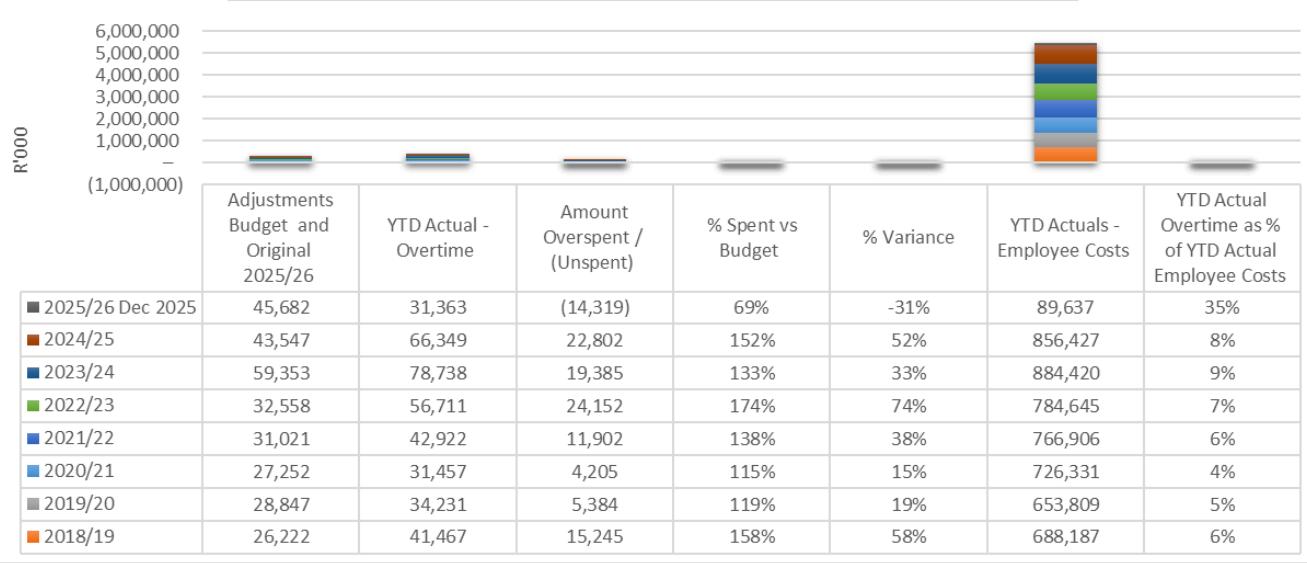
And indicated in Table 18 below, is the YTD Overtime expenditure per line item and also per Directorate as at end of December 2025.

| 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

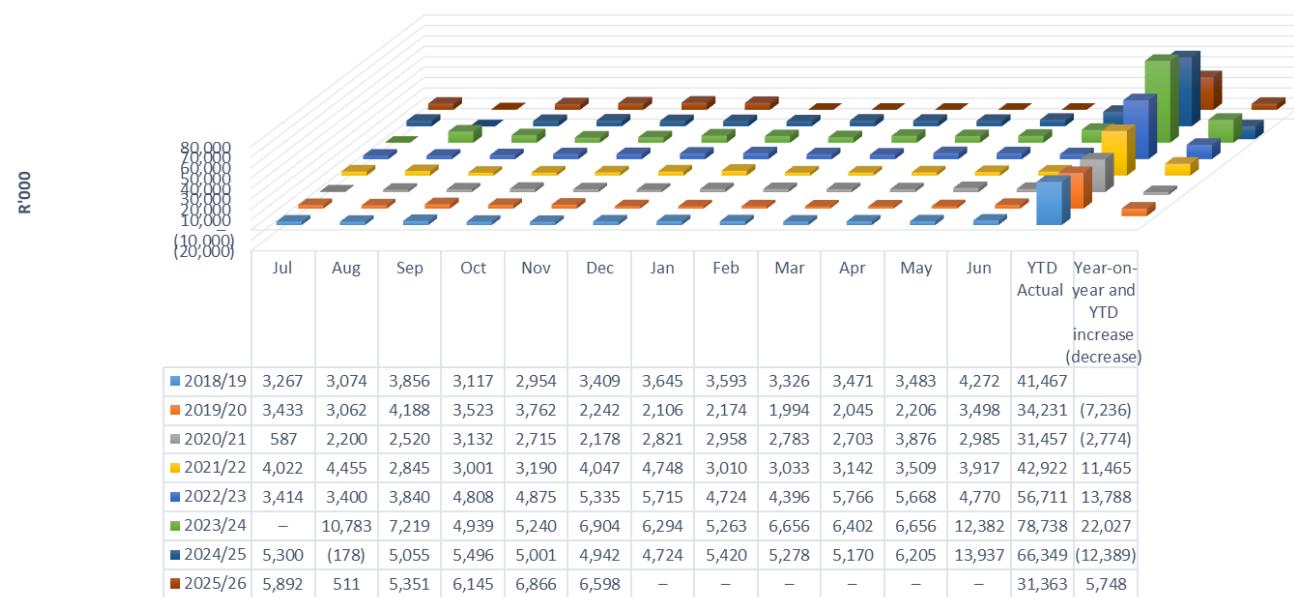


Chart 15.2: Monthly and Annual Overtime Comparison

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.

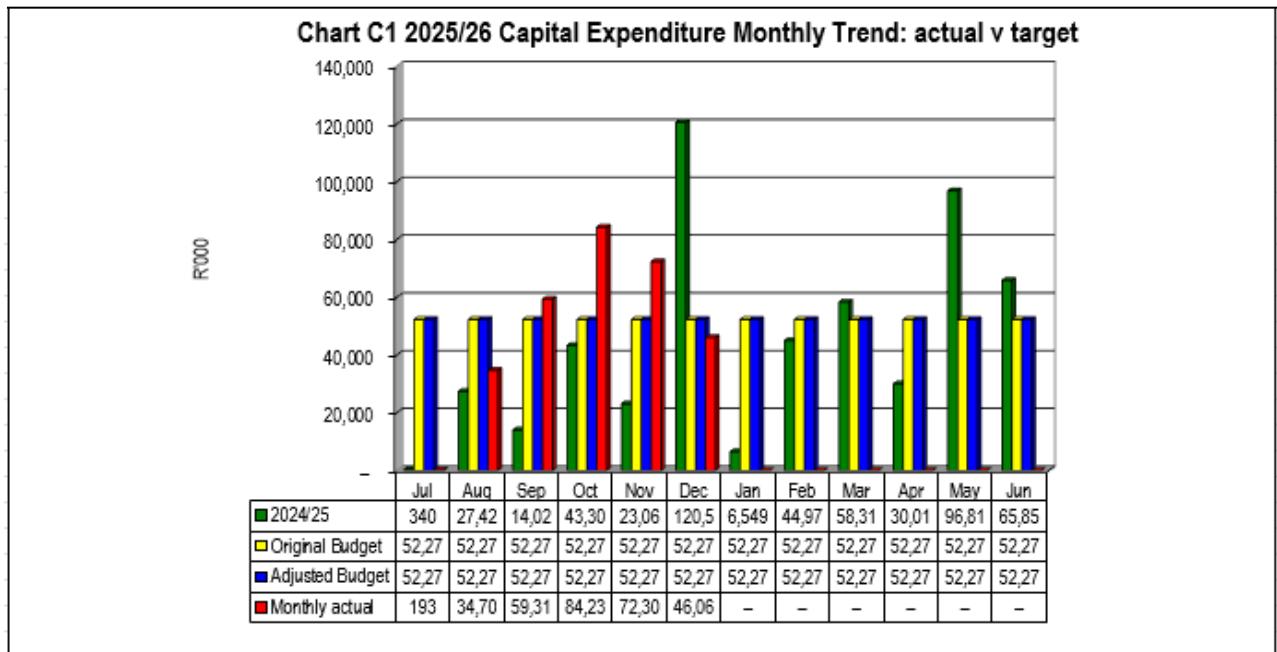


Chart 16.1: Capital Expenditure Monthly Trend: actual v target

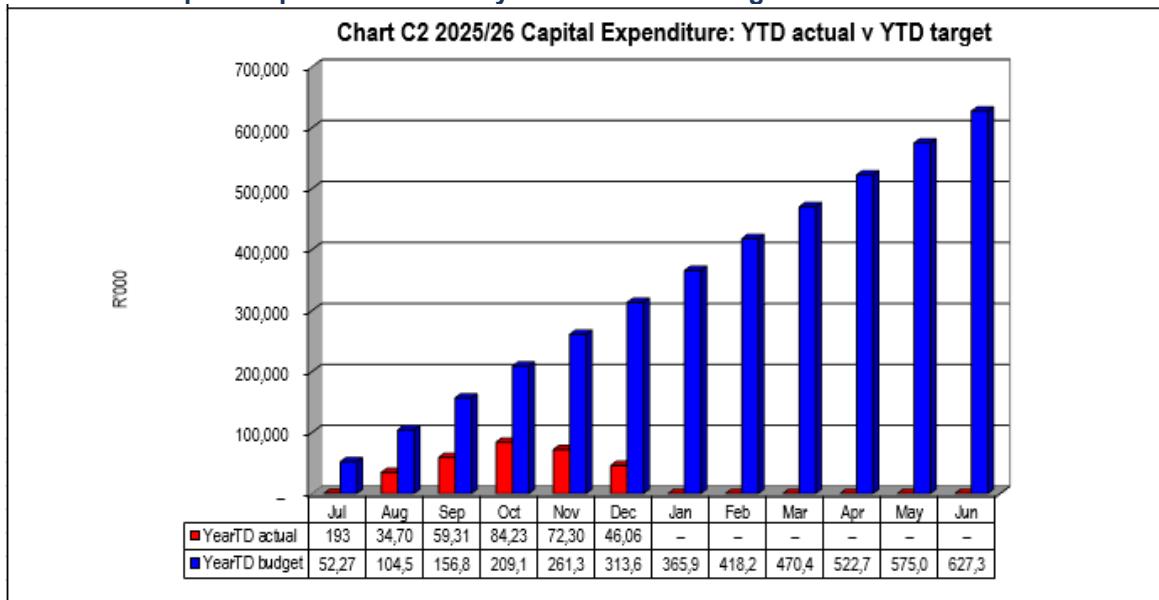


Chart 16.2: Capital Expenditure: YTD actual vs YTD target

| 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% |
| DSITRIBUTION-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) | 2,901,620 | 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 | 356,632 | 364,329 | (7,697) | -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 Ds | 151-180 Ds | 181 Ds-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 % | |
| 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% | |
| Vote 03 - Municipal Manager | | 2,759 | 2,305 | 2,305 | 175 | 956 | 1,153 | (197) | -17.1% | |
| Vote 04 - Corporate Services | | 6,263 | 6,110 | 6,110 | 470 | 2,004 | 3,055 | (1,051) | -34.4% | |
| Vote 05 - Community Services | | 149,002 | 148,586 | 148,586 | 10,119 | 66,298 | 74,293 | (7,995) | -10.8% | |
| Vote 06 - Financial Services | | 714,281 | 742,122 | 742,122 | 53,709 | 430,742 | 371,061 | 59,682 | 16.1% | |
| Vote 07 - Strategy Econ Development And Planning | | 8,419 | 10,003 | 10,003 | 483 | 5,886 | 5,001 | 884 | 17.7% | |
| Vote 08 - Infrastructure And Services | | 1,545,949 | 1,942,098 | 1,942,098 | 120,044 | 818,835 | 971,049 | (152,214) | -15.7% | |
| 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% | |
| Vote 02 - Municipal And General | | 495,206 | 464,832 | 464,832 | 14,932 | 207,759 | 232,416 | (24,657) | -10.6% | |
| Vote 03 - Municipal Manager | | 29,886 | 30,614 | 30,614 | 2,403 | 14,041 | 15,307 | (1,266) | -8.3% | |
| Vote 04 - Corporate Services | | 73,335 | 81,513 | 81,513 | 7,916 | 39,947 | 40,757 | (809) | -2.0% | |
| Vote 05 - Community Services | | 320,158 | 363,848 | 363,848 | 29,461 | 163,237 | 181,924 | (18,687) | -10.3% | |
| Vote 06 - Financial Services | | 143,187 | 173,366 | 173,366 | 13,923 | 71,211 | 86,683 | (15,472) | -17.8% | |
| Vote 07 - Strategy Econ Development And Planning | | 55,692 | 76,090 | 76,090 | 6,155 | 27,805 | 38,045 | (10,240) | -26.9% | |
| 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% | |
| 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 |
| Surcharge 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 | | | | | | | | | | |
| 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 |
| 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 Deparment Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, 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 | 31,484 | 32,404 | 32,404 | – | 4,949 | 16,202 | (11,253) | -69% | 32,404 |
| Internally generated funds | | 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 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|---------------|--------|-----------------------------------|---|--|-------|-----------------|---------------|--|-------------|--------|---|---|--------|---|---|-------|---|---|-------|---|---|-------|--|---|---|-----------------------|---|-------|---|---|-------|--|----|-------|--|----|-------|--|----|-------|--|----|-------|---|----|--|----|
|  <p>National Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Municipality Self-Assessment</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Certificate of Compliance: Municipal Debt Relief Conditions for Application</p> <table border="1" style="width: 100%;"> <tr> <td>Period</td> <td>Dec'25</td> </tr> <tr> <td>National Financial Year</td> <td>2025/26</td> </tr> <tr> <td>Demarcation Code of Municipality being assessed</td> <td>NC091</td> </tr> <tr> <td>District</td> <td>Frances Baard</td> </tr> <tr> <td>Demarcation Description</td> <td>Sol Plaatje</td> </tr> </table> | | | Period | Dec'25 | National Financial Year | 2025/26 | Demarcation Code of Municipality being assessed | NC091 | District | Frances Baard | Demarcation Description | Sol Plaatje | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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 Mgagati</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> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Municipal Debt Relief Conditions (Monthly reporting)</p> <table border="1" style="width: 100%;"> <thead> <tr> <th colspan="2"></th> <th style="text-align: center;"><i>Choose from drop down list</i></th> </tr> </thead> <tbody> <tr> <td colspan="2">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):</td> <td></td> </tr> <tr> <td style="text-align: center;">1</td> <td>6.12.2</td> <td> <ul style="list-style-type: none"> - Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <p><i>Note - refer condition 6.12.2</i></p> </td> </tr> <tr> <td style="text-align: center;">2</td> <td>6.12.2</td> <td> <ul style="list-style-type: none"> - 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? </td> </tr> <tr> <td style="text-align: center;">3</td> <td>6.12.2</td> <td> <ul style="list-style-type: none"> - 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? </td> </tr> <tr> <td style="text-align: center;">4</td> <td>6.3.1</td> <td> <ul style="list-style-type: none"> - Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <p><i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i></p> </td> </tr> <tr> <td style="text-align: center;">5</td> <td>6.3.2</td> <td> <ul style="list-style-type: none"> - 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? </td> </tr> <tr> <td style="text-align: center;">6</td> <td>6.3.4</td> <td> <ul style="list-style-type: none"> - 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? </td> </tr> <tr> <td style="text-align: center;">7</td> <td>6.4 Compliance with a funded MTREF – <i>(choose from drop down list the MTREF assessed)</i></td> <td style="text-align: center;">2025/26 Adopted MTREF</td> </tr> <tr> <td style="text-align: center;">8</td> <td>6.4.1</td> <td> <ul style="list-style-type: none"> - 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? </td> </tr> <tr> <td style="text-align: center;">9</td> <td>6.4.1</td> <td> <ul style="list-style-type: none"> - Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? </td> </tr> <tr> <td style="text-align: center;">10</td> <td>6.4.1</td> <td> <ul style="list-style-type: none"> - 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? <p><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 projection (also property rates). 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| <p>Notes/Comments</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | 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? 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. | <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? Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format. | <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"/> |
| | | 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. | |
| 20 | 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 : | |
| 21 | 6.7.2.1 | * the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1. | <input type="text" value="No"/> |
| 22 | 6.7.2.2 | * the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)? | <input type="text" value="Does not have function"/> |
| 23 | 6.7.2.3 | * the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure? | <input type="text" value="No"/> |
| 24 | 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 write 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 |
| 25 | 6.7.4 | - Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter? | <input type="text" value="Yes"/> |
| 26 | 6.7.5 | - Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4? | <input type="text" value="Yes"/> |
| | 6.8 | Municipality's Completeness of the revenue base – | |
| 27 | 6.8.1 | - Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer? | <input type="text" value="Yes"/> |
| 28 | 6.8.1 | - If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? Note – monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement | <input type="text" value="Yes"/> |
| 29 | 6.8.2 | - For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://iguploadportal.treasury.gov.za ? | <input type="text" value="Yes"/> |
| | 6.9 | Monitor and report on implementation – | |
| 30 | 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"/> |
| 31 | 6.9.2 | - If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? | <input type="text" value="Yes"/> |
| 32 | 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"/> |
| | | 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 MRS. | |
| | 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://iguploadportal.treasury.gov.za ? Note - In the case of a non-delegated municipality the National Treasury to issue the compliance certificate. | <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 orrears 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><i>** 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.</i></p> | | | |

16.2 Municipal Debt Relief Performance across the period of debt relief participation

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



| Province | | |
|----------|---------------|------------------|
| Code | District | Code Description |
| NC091 | Frances Baard | Sol Plaatje |

| Monthly Performance Report | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------|-------------|--|----|---------------------------------------|-----|--------------------------------------|-----|---|-----|---|-----|------------------------------|-----|-------------------|-----|--------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|
| Municipal Details | | Part A: Eskom And Bulk water current account | | Part B: Compliance with a funded MTRF | | Part C: FPR/IBPF & Tariff Assessment | | Part D: Electricity and water as collection tools | | Part E: Quarterly collection of property rates and services charges | | Maximization of Revenue Base | | Part F: Oversight | | Scoring and Rating | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Month | Code Desir | 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 | | | |
| 25.July25 | Sol Plaatje | NC091 | No | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No |
| 26.August25 | Sol Plaatje | NC091 | No | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | | |
| 27.September25 | Sol Plaatje | NC091 | No | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | | | |
| 28.October25 | Sol Plaatje | NC091 | No | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | | | |
| 29.November25 | Sol Plaatje | NC091 | No | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | | | |
| 30.December25 | Sol Plaatje | NC091 | No | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | | | |

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.

- ❖ The non-payment of DWS current water account.
- ❖ The partial payment on the Eskom account for November 2025.
- ❖ The municipality could not settle the Eskom payment arrangement instalment of R6.7 million which was due at the end of December 2025. The municipality should have settled the arrear debt due to DWS by the end of January 2025.
- ❖ Revenue collection must remain a key focus point. For the first cycle of the Debt relief, the required collection rate was 85% and from the second cycle it should be at 95%. The average collection rate calculated by the municipality is standing at 78% for the month of December 2025, is not at a desired level, and below 95%, for the second cycle. The municipality will have to take more stringent action in applying its Credit Control Policy across all categories of consumers. The monthly collection rate per ward is 56%, whilst the quarterly collection rate is 61% for the second quarter. The collection rate is still slightly distorted due to the annual billing on Property rates. Prepaid electricity sales are excluded from the calculation. The collection rate is one of the items that gets reported on, on a quarterly basis in terms of Compliance certificate Annexure B.
- ❖ A tangible solution must be sought for the interrupting or restricting of water supply. The majority of properties have conventional water meters installed. These are old meters that do not have the capability or functionality to restrict and/or interrupt the supply of water. The current infrastructure design and connection hampers the municipality from effecting this for one property only. The Municipality planned to install about 15 000 new water meters funded through Reginal Bulk Infrastructure Grant programme which is underway and would explore the procurement of the requisite functionality and technology to restrict water to 6 Kilolitre indigent subsidised quota.
- ❖ The municipality cannot prove that the poorer collection rate is attributable to the non-collection of the ESKOM supplied area in Ritchie because it is a poor community and will therefore not have a significant impact on the collection rate.
- ❖ It is imperative that the non-compliance issues as raised by National Treasury is addressed as a matter of urgency with a decisive implementation strategy and stringent monitoring thereof. Achieving 100% compliance is possible, provided that all responsible municipal officials are committed and work as a collective to achieve this.
- ❖ And on a positive note, the municipality has progressively started installing smart prepaid electricity meters via the smart meter grant. The project is now complete, and no new meters were installed since April 2025.

16.3 The National Treasury Debt Relief Compliance Assessment

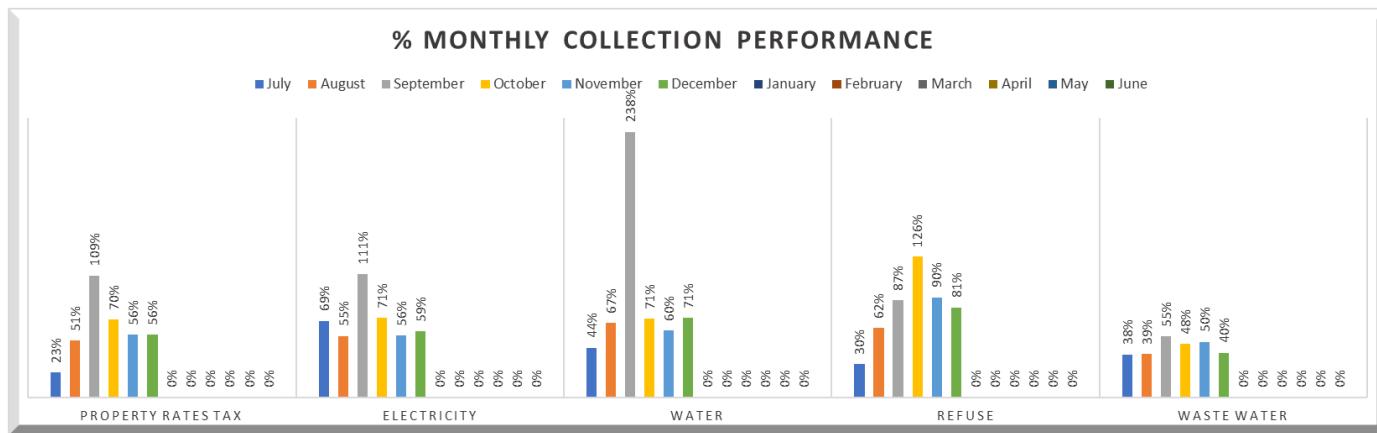
The latest National Treasury debt relief compliance certificate and non-compliance report issued to the municipality for the month of November 2025 is attached to this S71 report.

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

- Settle Eskom current accounts in full and on time.** Eliminate partial and delayed payments and implement a firm payment calendar that prevents new arrears.
- 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.
- 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.
- 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).
- 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.
- 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.
- 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.
- 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 | | Period Monitored | |
| Code | District | Municipality | No. Of Wards |
| NC091 | | Sol Plaatje | July |

| Collection Rate Assessment | Summary - Quarter 1 | | | | Q1 | Summary - Quarter 2 | | | | Q2 | Summary - Quarter 3 | | | | Q3 | Summary - Quarter 4 | | | | Q4 |
|--|---------------------|-------------|---------------------------|--------------|-----|---------------------|-------------|---------------------------|--------------|-----|---------------------|------------|---------------------------|--------------|----|---------------------|------------|---------------------------|--------------|----|
| | Billing | Collection | R - Billing not collected | % Collection | | Billing | Collection | R - Billing not collected | % Collection | | Billing | Collection | R - Billing not collected | % Collection | | Billing | Collection | R - Billing not collected | % Collection | |
| 1 Collection for whole demarcation | 712,602,749 | 427,700,345 | 284,842,404 | 60% | 60% | 547,951,089 | 334,244,910 | 213,706,779 | 61% | 61% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | |
| 2 Collection excl Eskom supplied areas | 610,498,939 | 386,831,143 | 228,657,797 | 63% | 63% | 477,804,866 | 297,008,399 | 180,796,467 | 62% | 62% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | |
| 3 Collection: Property Rates | 271,762,961 | 198,901,285 | 72,861,077 | 72% | 72% | 160,810,941 | 108,300,214 | 62,510,728 | 67% | 67% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | |
| 4 Total average collection: Electricity (Municipal supplied areas) | 210,307,976 | 153,170,710 | 57,116,367 | 72% | 72% | 149,824,435 | 148,503,435 | 1,260,753 | 95% | 95% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | |
| 5 Total average collection: Water | 85,997,083 | 41,522,306 | 48,474,778 | 46% | 46% | 101,759,150 | 46,821,695 | 54,937,495 | 46% | 46% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | |
| 6 Total average collection: Wastewater | 37,866,749 | 14,045,569 | 23,821,181 | 37% | 37% | 36,651,378 | 13,962,572 | 23,088,807 | 37% | 37% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | |
| 7 Total average collection: Refuse | 25,198,508 | 12,146,152 | 17,010,356 | 42% | 42% | 29,000,248 | 11,671,850 | 17,328,418 | 42% | 42% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | |
| 8 Total average collection: Interest | 73,509,471 | 7,981,324 | 65,508,146 | 11% | 0% | 69,795,744 | 5,325,165 | 64,580,579 | 9% | 9% | - | - | - | #DIV/0! | - | - | - | #DIV/0! | | |

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

| Description | Jun-25 | Jul-25 | Aug-25 | Sept-25 | Oct-25 | Nov-25 | Dec-25 |
|---|--------|--------|--------|---------|--------|--------|--------|
| Monthly collection rate (Property rates and Services) | 57% | 71% | 39% | 111% | 88% | 69% | 65% |
| Revised average collection rate (SPLM) | 77% | 47% | 77% | 76% | 79% | 78% | 78% |
| Collection rate per Ward (Monthly) | 60% | 34% | 51% | 109% | 70% | 56% | 56% |
| Collection rate per Ward (Quarterly) | 66% | - | - | 60% | - | - | 61% |

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

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

| Collection Rate Assessment | | | | | | | | | | | | |
|--|---------|---------------------|-------------|---------------------------|--------------|-----|---|------------------------|-------------|-----|-----|--|
| Total Aggregate Collection | | Summary - Quarter 1 | | | | Q1 | 6.December - Reporting for November in December | | Q2 | | | |
| | | Billing | Collection | R - Billing not collected | % Collection | | Billing For November | Collection in December | | | | |
| 1. Collection for whole demarcation | Summary | 712,602,749 | 427,760,345 | 284,842,404 | 60% | 60% | 178,503,634 | 100,652,442 | 77,851,192 | 56% | | |
| 2. Collection excl Eskom supplied areas | | 615,488,939 | 386,811,143 | 228,657,797 | 63% | | 157,128,334 | 93,240,578 | 64,836,538 | 59% | | |
| 3. Collection: Property Rates | | 271,762,961 | 198,901,285 | 72,861,677 | 73% | | 52,985,518 | 37,649,588 | 15,335,930 | 71% | | |
| 4. Total average collection: Electricity (Municipal supplied areas) | | 210,307,976 | 153,191,710 | 57,116,267 | 73% | | 48,859,645 | 39,360,325 | 9,499,319 | 81% | | |
| 5. Total average collection: Water | | 89,997,083 | 41,522,306 | 48,474,778 | 46% | | 33,689,065 | 13,518,350 | 20,170,715 | 40% | | |
| 6. Total average collection: Wastewater | | 37,866,749 | 14,045,569 | 23,821,181 | 37% | | 12,202,201 | 4,543,984 | 7,658,217 | 37% | | |
| 7. Total average collection: Refuse | | 29,158,508 | 12,148,352 | 17,010,356 | 42% | | 9,597,169 | 3,832,645 | 5,764,524 | 40% | | |
| 8. 7.Total average collection: Interest | | 73,509,471 | 7,951,324 | 65,558,146 | 11% | | 21,170,036 | 1,747,550 | 19,422,485 | 8% | | |
| Click to view/see months | | | | | | | | | | | | |
| | | | | | | | 547,951,689 | 334,244,910 | 213,706,779 | 61% | 61% | |
| | | | | | | | 477,894,866 | 297,098,399 | 180,796,467 | 62% | 62% | |
| | | | | | | | 160,810,941 | 108,300,214 | 52,510,728 | 67% | 67% | |
| | | | | | | | 149,824,188 | 148,563,435 | 1,260,753 | 99% | 99% | |
| | | | | | | | 101,759,190 | 46,821,695 | 54,937,495 | 46% | 46% | |
| | | | | | | | 36,651,378 | 13,562,572 | 23,088,807 | 37% | 37% | |
| | | | | | | | 29,000,248 | 11,671,830 | 17,328,418 | 40% | 40% | |
| | | | | | | | 69,905,744 | 5,325,165 | 64,580,579 | 8% | 8% | |

| 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 | | | | Q2 | | |
| | | | | | | | | Billing For August | Collection for August in September | Rank | Value of Billing not collected | % Collection | | |
| Property Rates Tax | | Mun Supplied | Ward 1 - Perfecta, Sauer Marais, Lessweg (Ethiobie Park) | 492,378 | 154,369 | 338,009 | 31% | 31% | | | | | | |
| | | | | 2,567,655 | 4,322,077 | (1,754,423) | 168% | 168% | | | | | | |
| | | | | 6,296,797 | 3,602,939 | 2,693,858 | 57% | 57% | | | | | | |
| | | | | 366,116 | 106,627 | 259,488 | 29% | 29% | | | | | | |
| | | | | 329,688 | 81,047 | 248,642 | 25% | 25% | | | | | | |
| | | | | 2,170,893 | 99,583 | 2,071,310 | 5% | 5% | | | | | | |
| Property Rates Tax | | Mun Supplied | Ward 2 - Roodpan | 5,242,831 | 3,884,629 | 1,358,201 | 74% | 74% | | | | | | |
| | | | | 1,059,029 | 605,927 | 453,453 | 57% | 57% | | | | | | |
| | | | | 1,976,652 | 674,882 | 1,301,770 | 34% | 34% | | | | | | |
| | | | | 1,303,328 | 324,350 | 798,978 | 25% | 25% | | | | | | |
| | | | | 1,912,778 | 486,290 | 1,426,488 | 25% | 25% | | | | | | |
| | | | | 2,567,306 | 96,127 | 2,471,179 | 4% | 4% | | | | | | |
| Property Rates Tax | | Mun Supplied | Ward 3 - Heuweloord, Houwens, Kromme, Soliblouw (IE, Ramot) | 3,643,290 | 865,077 | 2,778,212 | 24% | 24% | | | | | | |
| | | | | 649,692 | 364,252 | 285,446 | 56% | 56% | | | | | | |
| | | | | 1,517,029 | 383,037 | 1,133,992 | 25% | 25% | | | | | | |
| | | | | 766,239 | 206,771 | 559,468 | 27% | 27% | | | | | | |
| | | | | 1,091,587 | 300,702 | 790,885 | 28% | 28% | | | | | | |
| | | | | 1,676,993 | 80,468 | 1,596,524 | 5% | 5% | | | | | | |
| Property Rates Tax | | Mun Supplied | Ward 4 - Vryheid, Ext 3, Vryheid, Ext 4, Vryheid, Ext 5, Vryheid, Ext 6, Vryheid, Ext 7, Vryheid, Ext 8, Vryheid, Ext 9, Vryheid, Ext 10, Vryheid, Ext 11, Vryheid, Ext 12, Vryheid, Ext 13, Vryheid, Ext 14, Vryheid, Ext 15, Vryheid, Ext 16, Vryheid, Ext 17, Vryheid, Ext 18, Vryheid, Ext 19, Vryheid, Ext 20 | 2,294,578 | 571,336 | 1,723,243 | 25% | 25% | | | | | | |
| | | | | 1,004,993 | 767,096 | 237,897 | 76% | 76% | | | | | | |
| | | | | 1,903,582 | 451,285 | 1,452,296 | 24% | 24% | | | | | | |
| | | | | 681,705 | 211,104 | 470,601 | 31% | 31% | | | | | | |
| | | | | 972,687 | 293,743 | 678,944 | 30% | 30% | | | | | | |
| | | | | 1,338,171 | 61,357 | 1,277,360 | 5% | 5% | | | | | | |
| Property Rates Tax | | Mun Supplied | Ward 5 - Vryheid, Ext 2, Vryheid, Ext 3, Vryheid, Ext 4, Vryheid, Ext 5, Vryheid, Ext 6, Vryheid, Ext 7, Vryheid, Ext 8, Vryheid, Ext 9, Vryheid, Ext 10, Vryheid, Ext 11, Vryheid, Ext 12, Vryheid, Ext 13, Vryheid, Ext 14, Vryheid, Ext 15, Vryheid, Ext 16, Vryheid, Ext 17, Vryheid, Ext 18, Vryheid, Ext 19, Vryheid, Ext 20 | 1,237,385 | 342,812 | 894,573 | 28% | 28% | | | | | | |
| | | | | 166,945 | 119,314 | 47,631 | 71% | 71% | | | | | | |
| | | | | 920,402 | 238,418 | 681,984 | 26% | 26% | | | | | | |
| | | | | 681,377 | 140,094 | 537,284 | 21% | 21% | | | | | | |
| | | | | 955,645 | 205,559 | 750,086 | 22% | 22% | | | | | | |
| | | | | 1,222,379 | 26,403 | 1,195,976 | 2% | 2% | | | | | | |
| Property Rates Tax | | Mun Supplied | Ward 6 - Vryheid, Ext 1, Vryheid, Ext 2, Vryheid, Ext 3, Vryheid, Ext 4, Vryheid, Ext 5, Vryheid, Ext 6, Vryheid, Ext 7, Vryheid, Ext 8, Vryheid, Ext 9, Vryheid, Ext 10, Vryheid, Ext 11, Vryheid, Ext 12, Vryheid, Ext 13, Vryheid, Ext 14, Vryheid, Ext 15, Vryheid, Ext 16, Vryheid, Ext 17, Vryheid, Ext 18, Vryheid, Ext 19, Vryheid, Ext 20 | 560,799 | 169,668 | 391,131 | 30% | 30% | | | | | | |
| | | | | 43,975 | 16,972 | 27,003 | 39% | 39% | | | | | | |
| | | | | 4,628,969 | 135,464 | 4,493,505 | 3% | 3% | | | | | | |
| | | | | 904,612 | 115,921 | 788,690 | 13% | 13% | | | | | | |
| | | | | 1,447,576 | 24,332 | 1,256,617 | 2% | 2% | | | | | | |
| | | | | 1,802,273 | 646,084 | 1,174,190 | 35% | 35% | | | | | | |
| Property Rates Tax | | Mun Supplied | Ward 7 - Sol Maritz, Ext 1, Sol Maritz, Ext 2, Sol Maritz, Ext 3, Sol Maritz, Ext 4, Sol Maritz, Ext 5, Sol Maritz, Ext 6, Sol Maritz, Ext 7, Sol Maritz, Ext 8, Sol Maritz, Ext 9, Sol Maritz, Ext 10, Sol Maritz, Ext 11, Sol Maritz, Ext 12, Sol Maritz, Ext 13, Sol Maritz, Ext 14, Sol Maritz, Ext 15, Sol Maritz, Ext 16, Sol Maritz, Ext 17, Sol Maritz, Ext 18, Sol Maritz, Ext 19, Sol Maritz, Ext 20 | 2,964,544 | 9,400,637 | (6,436,093) | 317% | 317% | | | | | | |
| | | | | 463,301 | 279,536 | 183,765 | 60% | 60% | | | | | | |
| | | | | 1,300,836 | 107,230 | 1,193,516 | 8% | 8% | | | | | | |
| | | | | 736,303 | 49,118 | 687,185 | 7% | 7% | | | | | | |
| | | | | 1,055,996 | 62,584 | 993,412 | 6% | 6% | | | | | | |
| | | | | 1,447,576 | 11,202 | 1,436,374 | 1% | 1% | | | | | | |
| Property Rates Tax | | Mun Supplied | Ward 8 - Joubertina 1, Joubertina 2, Joubertina 3, Joubertina 4, Joubertina 5, Joubertina 6, Joubertina 7, Joubertina 8, Joubertina 9, Joubertina 10, Joubertina 11, Joubertina 12, Joubertina 13, Joubertina 14, Joubertina 15, Joubertina 16, Joubertina 17, Joubertina 18, Joubertina 19, Joubertina 20 | 3,261,856 | 1,870,220 | 1,293,636 | 57% | 57% | | | | | | |
| | | | | 651,217 | 447,188 | 204,030 | 69% | 69% | | | | | | |
| | | | | 2,063,869 | 616,159 | 1,447,710 | 30% | 30% | | | | | | |
| | | | | 680,707 | 342,943 | 337,764 | 50% | 50% | | | | | | |
| | | | | 973,339 | 45,176 | 521,863 | 46% | 46% | | | | | | |
| | | | | 1,204,783 | 97,516 | 1,207,266 | 7% | 7% | | | | | | |
| Property Rates Tax | | Mun Supplied | Ward 9 - Tafelberg, Agulhas, Vryheid, Ext 1, Vryheid, Ext 2, Vryheid, Ext 3, Vryheid, Ext 4, Vryheid, Ext 5, Vryheid, Ext 6, Vryheid, Ext 7, Vryheid, Ext 8, Vryheid, Ext 9, Vryheid, Ext 10, Vryheid, Ext 11, Vryheid, Ext 12, Vryheid, Ext 13, Vryheid, Ext 14, Vryheid, Ext 15, Vryheid, Ext 16, Vryheid, Ext 17, Vryheid, Ext 18, Vryheid, Ext 19, Vryheid, Ext 20 | 2,893,785 | 516,619 | 2,377,166 | 18% | 18% | | | | | | |
| | | | | 1,774,624 | 1,097,966 | 676,659 | 62% | 62% | | | | | | |
| | | | | 1,440,103 | 364,748 | 1,075,726 | 25% | 25% | | | | | | |
| | | | | 515,243 | 141,005 | 374,238 | 27% | 27% | | | | | | |
| | | | | 810,498 | 254,295 | 556,204 | 31% | 31% | | | | | | |
| | | | | 1,303,293 | 42,859 | 1,260,434 | 3% | 3% | | | | | | |
| Property Rates Tax | | Mun Supplied | Ward 10 - Kyalami, Ext 1, Kyalami, Ext 2, Kyalami, Ext 3, Kyalami, Ext 4, Kyalami, Ext 5, Kyalami, Ext 6, Kyalami, Ext 7, Kyalami, Ext 8, Kyalami, Ext 9, Kyalami, Ext 10, Kyalami, Ext 11, Kyalami, Ext 12, Kyalami, Ext 13, Kyalami, Ext 14, Kyalami, Ext 15, Kyalami, Ext 16, Kyalami, Ext 17, Kyalami, Ext 18, Kyalami, Ext 19, Kyalami, Ext 20 | 4,936,562 | 1,646,29 | 4,772,173 | 3% | 3% | | | | | | |
| | | | | 1,281,548 | 836,906 | 144,641 | 65% | 65% | | | | | | |
| | | | | 1,352,801 | 391,603 | 961,198 | 29% | 29% | | | | | | |
| | | | | 680,707 | 342,943 | 337,764 | 50% | 50% | | | | | | |
| | | | | 911,215 | 239,801 | 671,414 | 26% | 26% | | | | | | |
| | | | | 1,351,019 | 63,086 | 1,287,933 | 5% | 5% | | | | | | |
| Property Rates Tax | | Mun Supplied | Ward 11 - Bremhof, Ext 1, Bremhof, Ext 2, Bremhof, Ext 3, Bremhof, Ext 4, Bremhof, Ext 5, Bremhof, Ext 6, Bremhof, Ext 7, Bremhof, Ext 8, Bremhof, Ext 9, Bremhof, Ext 10, Bremhof, Ext 11, Bremhof, Ext 12, Bremhof, Ext 13, Bremhof, Ext 14, Bremhof, Ext 15, Bremhof, Ext 16, Bremhof, Ext 17, Bremhof, Ext 18, Bremhof, Ext 19, Bremhof, Ext 20 | 2,429,457 | 2,216,292 | 2,135,165 | 91% | 91% | | | | | | |
| | | | | 388,661 | 256,325 | 132,337 | 66% | 66% | | | | | | |
| | | | | 1,185,102 | 294,890 | 890,212 | 25% | 25% | | | | | | |
| | | | | 582,745 | 160,649 | 422,096 | 28% | 28% | | | | | | |
| | | | | 330,809 | 99,245 | 231,564 | 30% | 30% | | | | | | |
| | | | | 504,042 | 173,319 | 330,723 | 34% | 34% | | | | | | |
| Property Rates Tax | | Mun Supplied | Ward 12 - Kyalami, Ext 1, Kyalami, Ext 2, Kyalami, Ext 3, Kyalami, Ext 4, Kyalami, Ext 5, Kyalami, Ext 6, Kyalami, Ext 7, Kyalami, Ext 8, Kyalami, Ext 9, Kyalami, Ext 10, Kyalami, Ext 11, Kyalami, Ext 12, Kyalami, Ext 13, Kyalami, Ext 14, Kyalami, Ext 15, Kyalami, Ext 16, Kyalami, Ext 17, Kyalami, Ext 18, Kyalami, Ext 19, Kyalami, Ext 20 | 2,369,536 | 465,404 | 1,904,132 | 20% | 20% | | | | | | |
| | | | | 2,687,258 | 1,094,204 | 593,055 | 41% | 41% | | | | | | |
| | | | | 1,130,342 | 238,627 | 891,715 | 21% | 21% | | | | | | |
| | | | | 330,809 | 99,245 | 231,564 | 30% | 30% | | | | | | |
| | | | | 1,441,340 | 915,686 | 225,654 | 80% | 80% | | | | | | |
| | | | | 1,145,239 | 1,052,733 | 92,487 | 92% | 92% | | | | | | |
| Property Rates Tax | | Mun Supplied | Ward 13 - Santa Centre, Galeshewe Ext 1, Galeshewe Ext 2, Galeshewe Ext 3, Galeshewe Ext 4, Galeshewe Ext 5, Galeshewe Ext 6, Galeshewe Ext 7, Galeshewe Ext 8, Galeshewe Ext 9, Galeshewe Ext 10, Galeshewe Ext 11, Galeshewe Ext 12, Galeshewe Ext 13, Galeshewe Ext 14, Galeshewe Ext 15, Galeshewe Ext 16, Galeshewe Ext 17, Galeshewe Ext 18, Gales | | | | | | | | | | | |

| 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 | | | Billing | Collection | R - Billing not collected | % Collection | Q2 |
| | | | | | | | | Billing For August | Collection for August in September | Rank Value of Billing not collected | | | | | |
| Property Rates Tax | | Mun Supplied | 1,399,614 | 667,658 | 731,956 | 48% | 48% | 464,460 | 183,155 | 281,305 | 39% | 1,386,879 | 579,673 | 807,206 | 42% |
| Electricity | | | 156,375 | 85,551 | 70,824 | 55% | 55% | 44,490 | 23,396 | 21,094 | 53% | 130,197 | 75,855 | 54,342 | 58% |
| Water | | | 1,442,529 | 283,845 | 1,158,685 | 20% | 20% | 657,548 | 90,519 | 567,030 | 14% | 1,923,240 | 294,699 | 1,638,540 | 15% |
| Refuse | | | 916,437 | 182,122 | 734,315 | 20% | 20% | 309,847 | 50,646 | 259,201 | 16% | 925,008 | 178,523 | 746,485 | 19% |
| Waste Water | | | 1,261,026 | 246,793 | 1,014,768 | 20% | 20% | 423,930 | 66,304 | 357,626 | 16% | 1,269,088 | 228,791 | 1,040,297 | 18% |
| Interest | | | 1,850,559 | 53,547 | 1,797,013 | 3% | 3% | 552,116 | 11,013 | 541,103 | 2% | 1,818,940 | 38,399 | 1,761,052 | 2% |
| Property Rates Tax | | Mun Supplied | 11,441,519 | 8,112,026 | 3,329,494 | 71% | 71% | 1,159,380 | 1,02,966 | 0 | 138% | 3,443,539 | 4,707,715 | (1,264,171) | 137% |
| Electricity | | | 6,612,742 | 2,643,832 | 3,968,910 | 40% | 40% | 1,087,252 | 1,174,520 | 0 | 108% | 2,995,593 | 5,448,049 | (2,452,456) | 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% |
| Refuse | | | 702,806 | 385,756 | 317,051 | 55% | 55% | 236,383 | 135,387 | 100,996 | 57% | 704,776 | 417,044 | 287,732 | 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% |
| 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% |
| Property Rates Tax | | Mun Supplied | 1,137,499 | 320,135 | 187,364 | 28% | 28% | 250,000 | 105,721 | 144,286 | 42% | 748,348 | 354,438 | 393,910 | 47% |
| Electricity | | | 198,823 | 72,759 | 126,065 | 37% | 37% | 55,342 | 27,154 | 28,188 | 49% | 161,624 | 75,695 | 85,929 | 47% |
| Water | | | 1,877,222 | 273,947 | 1,602,275 | 15% | 15% | 637,674 | 86,438 | 551,326 | 14% | 1,705,801 | 373,630 | 1,233,171 | 22% |
| Refuse | | | 613,512 | 138,105 | 475,407 | 23% | 23% | 205,225 | 43,608 | 161,616 | 21% | 619,669 | 142,812 | 476,857 | 23% |
| Waste Water | | | 285,166 | 163,369 | 661,797 | 20% | 20% | 276,085 | 52,497 | 223,588 | 19% | 831,677 | 183,170 | 648,506 | 22% |
| Interest | | | 1,677,758 | 46,472 | 1,631,285 | 3% | 3% | 492,712 | 21,811 | 470,900 | 4% | 1,629,788 | 71,317 | 1,558,464 | 4% |
| Property Rates Tax | | Mun Supplied | 54,428,075 | 53,112,352 | 1,315,724 | 98% | 98% | 13,397,130 | 10,271,997 | 3,125,133 | 77% | 41,441,963 | 29,624,194 | 11,187,769 | 71% |
| Electricity | | | 47,483,042 | 37,302,293 | 10,180,749 | 79% | 79% | 12,089,428 | 8,632,358 | 3,457,070 | 71% | 34,844,754 | 30,861,792 | 3,982,362 | 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 | 7,331,834 | 3,906,854 | 65% |
| Refuse | | | 3,377,860 | 2,479,467 | 898,392 | 73% | 73% | 1,124,989 | 854,051 | 270,938 | 76% | 3,416,159 | 2,528,684 | 887,476 | 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 | 735,379 | 74% |
| Interest | | | 6,579,561 | 2,837,677 | 3,742,784 | 43% | 43% | 1,816,379 | 347,335 | 1,469,045 | 19% | 5,940,518 | 824,851 | 5,115,667 | 14% |
| Property Rates Tax | | Mun Supplied | 12,816,583 | 1,512,842 | 899 | 89% | 89% | 3,308,399 | 2,757,899 | 551,001 | 83% | 10,188,665 | 7,649,000 | 2,539,665 | 75% |
| Electricity | | | 13,233,503 | 11,734,788 | 1,498,715 | 89% | 89% | 3,625,889 | 2,630,080 | 995,809 | 73% | 11,111,503 | 9,590,058 | 1,521,445 | 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% |
| Refuse | | | 1,271,361 | 1,133,623 | 137,738 | 89% | 89% | 424,676 | 334,840 | 89,835 | 79% | 1,273,807 | 963,956 | 309,951 | 76% |
| Waste Water | | | 1,450,478 | 1,099,316 | 351,163 | 76% | 76% | 484,824 | 395,827 | 88,997 | 82% | 1,455,100 | 1,097,677 | 357,424 | 75% |
| Interest | | | 2,817,737 | 1,004,447 | 1,813,590 | 36% | 36% | 803,983 | 335,083 | 468,901 | 42% | 2,711,022 | 1,230,551 | 1,480,470 | 45% |
| Property Rates Tax | | Mun Supplied | 11,661,437 | 6,470,460 | 5,190,977 | 55% | 55% | 1,465,588 | 941,295 | 524,293 | 64% | 4,278,847 | 2,773,692 | 1,505,745 | 65% |
| Electricity | | | 10,488,968 | 7,866,638 | 2,620,330 | 75% | 75% | 2,113,615 | 1,727,390 | 386,225 | 82% | 7,009,157 | 6,810,993 | 191,165 | 97% |
| Water | | | 2,410,918 | 976,252 | 1,434,730 | 40% | 40% | 871,651 | 374,081 | 497,570 | 43% | 3,081,084 | 1,113,761 | 1,967,322 | 36% |
| Refuse | | | 927,567 | 298,116 | 629,451 | 32% | 32% | 304,394 | 80,814 | 223,580 | 27% | 1,059,858 | 259,217 | 800,371 | 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% |
| Interest | | | 1,578,996 | 1,458,886 | 1,240,110 | 10% | 10% | 488,890 | 12,057 | 476,833 | 2% | 1,603,648 | 44,591 | 1,559,057 | 3% |
| Property Rates Tax | | Mun Supplied | 44,758,065 | 40,457,618 | 4,300,447 | 90% | 90% | 9,172,713 | 8,094,297 | 1,078,416 | 88% | 27,555,136 | 20,809,092 | 6,646,044 | 76% |
| Electricity | | | 46,998,902 | 33,532,768 | 13,466,134 | 71% | 71% | 10,350,630 | 10,591,635 | 0 | 102% | 31,844,468 | 36,525,193 | (4,680,725) | 115% |
| Water | | | 5,585,673 | 5,259,856 | 325,817 | 94% | 94% | 3,681,132 | 2,423,949 | 1,257,184 | 66% | 9,708,951 | 7,029,842 | 2,679,109 | 72% |
| Refuse | | | 1,480,333 | 2,181,839 | 261,494 | 82% | 82% | 495,352 | 434,268 | 61,084 | 88% | 1,492,936 | 1,233,270 | 259,667 | 83% |
| Waste Water | | | 1,885,118 | 1,462,397 | 422,721 | 78% | 78% | 626,027 | 545,016 | 81,011 | 87% | 1,902,330 | 1,572,106 | 300,871 | 83% |
| Interest | | | 2,663,964 | 334,035 | 2,329,928 | 13% | 13% | 788,683 | 181,791 | 565,883 | 25% | 2,536,619 | 471,492 | 2,065,427 | 19% |
| Property Rates Tax | | Mun Supplied | 15,803,655 | 10,866,682 | 4,936,973 | 69% | 69% | 3,667,845 | 2,942,207 | 725,638 | 80% | 11,038,020 | 8,360,020 | 2,678,000 | 76% |
| Electricity | | | 9,213,128 | 6,903,443 | 3,209,841 | 75% | 75% | 1,986,404 | 1,551,461 | 343,943 | 78% | 5,259,311 | 4,972,211 | 287,100 | 95% |
| Water | | | 3,968,408 | 2,914,676 | 1,053,732 | 73% | 73% | 1,501,475 | 1,221,108 | 280,366 | 81% | 4,218,795 | 3,517,267 | 701,527 | 83% |
| Refuse | | | 973,629 | 905,490 | 68,139 | 93% | 93% | 323,198 | 298,075 | 25,123 | 92% | 971,479 | 842,516 | 128,765 | 87% |
| Waste Water | | | 1,380,480 | 1,58,254 | (217,774) | 116% | 116% | 457,200 | 393,408 | 63,792 | 86% | 1,376,638 | 1,152,449 | 223,889 | 84% |
| Interest | | | 1,018,987 | 544,440 | 474,546 | 53% | 53% | 296,250 | 61,196 | 235,053 | 21% | 988,946 | 312,196 | 656,570 | 32% |
| Property Rates Tax | | Mun Supplied | 9,677,726 | 6,402,822 | 3,274,903 | 66% | 66% | 1,785,330 | 1,477,638 | 307,692 | 83% | 5,323,101 | 4,017,390 | 1,305,711 | 75% |
| Electricity | | | 5,710,199 | 1,780,605 | 1,029,594 | 66% | 66% | 1,095,736 | 1,010,423 | 85,312 | 92% | 3,844,468 | 3,296,232 | 784,111 | 81% |
| Water | | | 2,739,086 | 1,919,840 | 819,246 | 70% | 70% | 1,056,694 | 841,946 | 214,748 | 80% | 3,017,340 | 2,711,256 | 746,084 | 75% |
| Refuse | | | 654,193 | 462,799 | 191,394 | 71% | 71% | 220,338 | 169,121 | 51,216 | 77% | 655,253 | 458,981 | 196,730 | 70% |
| Waste Water | | | 1,525,726 | 444,556 | 1,081,170 | 29% | 29% | 292,190 | 232,212 | 59,978 | 79% | 787,854 | 615,916 | 259,899 | 70% |
| Interest | | | 2,980,000 | 4,183 | 2,975,817 | 0% | 0% | 824,547 | 86,660 | 815,887 | 1% | 2,098,289 | 11,235,495 | 9,749,794 | 54% |
| Property Rates Tax | | Mun Supplied | 1,400,487 | 7,758,548 | (5,858,062) | 518 | 518% | 2,818,010 | 1,735,722 | 1,082,357 | 62% | 8,456,044 | 5,014,758 | 3,441,286 | 59% |
| Electricity | | | 24,723 | 1,624 | 23,099 | 7% | 7% | 955,044 | 5,988 | 949,056 | 1% | 16,681,255 | 18,204,421 | (1,243,465) | 109% |
| Water | | | 2,639,017 | 15,570 | 2,623,447 | 1% | 1% | 1,595,441 | 4,388 | 51,421 | 8% | 4,776,500 | 2,592,536 | 1,838,965 | 54% |
| Refuse | | | 501,753 | 15,790 | 485,963 | 3% | 3% | 2,564,428 | 998,345 | 596,083 | 63% | 1,143,327 | 562,515 | 580,812 | 49% |
| Waste Water | | | 1,739,764 | 32,022 | 176,512 | 15% | 15% | 385,949 | 184,181 | 201,768 | 48% | 1,316,541 | 689,372 | 627,169 | 52% |
| Interest | | | 3,869,259 | 3,866,529 | 3,482,730 | 10% | 10% | 377,156 | 273,631 | 349,526 | 7% | 3,800,782 | 254,911 | 3,545,872 | 7% |
| Property Rates Tax | | Mun Supplied | 928,262 | 176,745 | 751,517 | 19% | 19% | 221,770 | 67,262 | 154,508 | | | | | |

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 | | | | | | | | | | | | | | | | | | | |
| Water : (Include All Indigent households also in Eskom supplied areas) | 1 | | | | | | | | | | | | | | | | | | |
| Indigent HH's with piped water inside dwelling | | 7,390 | 11,800 | 11,800 | 11,800 | 7,659 | 7,518 | 7,196 | 7,332 | 7,497 | 7,477 | | | | | | | | |
| Indigent HH's with pipe water inside yard (but not in dwelling) | 2 | 7,390 | 11,800 | 11,800 | 11,800 | 7,659 | 7,518 | 7,196 | 7,332 | 7,497 | 7,477 | — | — | — | — | — | — | — | |
| Indigent HH's using public tap (at least min.service level) | 3 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Indigent HH's with other water supply (at least min.service level) | 4 | 7,390 | 11,800 | 11,800 | 11,800 | 7,659 | 7,518 | 7,196 | 7,332 | 7,497 | 7,477 | — | — | — | — | — | — | — | |
| Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total | | 7,390 | 11,800 | 11,800 | 11,800 | 7,659 | 7,518 | 7,196 | 7,332 | 7,497 | 7,477 | — | — | — | — | — | — | — | |
| Indigent HH's using public tap (< min.service level) | 5 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Indigent HH's with other water supply (< min.service level) | 6 | 7,390 | 11,800 | 11,800 | 11,800 | 7,659 | 7,518 | 7,196 | 7,332 | 7,497 | 7,477 | — | — | — | — | — | — | — | |
| Indigent HH's with No water supply | 7 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Total number of registered indigent households | | 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 HH's with prepaid Water | 8 | 7,390 | 11,800 | 11,800 | 11,800 | 7,659 | 7,518 | 7,196 | 7,332 | 7,497 | 7,477 | — | — | — | — | — | — | — | |
| Number of Indigent HH's with conventional metered Water | 9 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Number of Indigent HH's NOT metered currently - Water | 10 | 7,390 | 11,800 | 11,800 | 11,800 | 7,659 | 7,518 | 7,196 | 7,332 | 7,497 | 7,477 | — | — | — | — | — | — | — | |
| Total number of registered indigent households | | 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 HH's with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month | 11 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Number of Indigent HH's NOT metered currently receiving unlimited supply - Water | 12 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Total number of registered indigent households receiving unlimited supply - Water | 13 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Energy : (Include All Indigent households also in Eskom supplied areas) | | | | | | | | | | | | | | | | | | | |
| Indigent HH's with Electricity (at least min.service level) | 14 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Indigent HH's with Electricity - prepaid (min.service level) | 15 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Indigent HH's with Electricity (< min.service level) | 16 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Indigent HH's with Electricity - prepaid (< min. service level) | 17 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Indigent HH's with other energy sources | 18 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Total number of registered indigent households | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Status of unlimited supply of Electricity : | | | | | | | | | | | | | | | | | | | |
| Number of Indigent HH's with conventional metered Electricity - where the municipality is NOT physically restricting Electricity to the national free basic limit of 50kwh per household per month | 19 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Number of Indigent HH's NOT metered currently receiving unlimited supply - Electricity | 20 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Total number of registered indigent households receiving unlimited supply - Electricity | 21 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's billed for consumption above the 50 kwh | 22 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Number of ALL Households receiving Free Basic Service (including registered Indigent Households) | 23 | 7,390 | 11,800 | 11,800 | 11,800 | 7,659 | 7,518 | 7,196 | 7,332 | 7,497 | 7,477 | — | — | — | — | — | — | — | |
| Water (6 kilolites per household per month) | 24 | 7,390 | 11,800 | 11,800 | 11,800 | 6,899 | 6,793 | 6,430 | 6,571 | 7,497 | 7,477 | — | — | — | — | — | — | — | |
| Electricity/other energy (50kwh per household per month) | 25 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Total cost of FBS Water and Electricity provided to ALL Households | 26 | 22,000,000 | 21,000,000 | 21,000,000 | 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) | 27 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | |
| Water (kilolites per household per month) | 28 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | |
| Sanitation (kilolites per household per month) | 29 | 213 | 213 | 213 | 213 | 213 | 213 | 213 | 213 | 213 | 213 | 213 | 213 | 213 | 213 | 213 | 213 | 213 | 213 |
| Sanitation (Rand per household per month) | 30 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 | 189 |
| Electricity (kwh per household per month) | 31 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Refuse (average litres per week) | 32 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| Revenue cost of subsidised services provided for ALL Households (R'000) | 33 | 107,540,000 | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### |
| Residential Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPPA) | 34 | 10,000,000 | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 | 258,044 | 275,513 | 271,989 | 272,560 | 277,661 | 259,510 | — | — | — | — | — | — | — |
| PSI Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPPA) | 35 | 37,240,000 | 36,400,000 | 36,400,000 | 36,400,000 | 36,400,000 | 641,608 | 591,385 | 591,983 | 593,904 | 595,500 | 595,756 | — | — | — | — | — | — | — |
| Additional Subsidies: Property rates, exemptions, reductions and rebates in excess of section 17 of MPPA) | 36 | 21,500,000 | 20,000,000 | 20,000,000 | 20,000,000 | 20,000,000 | — | 766,241 | 714,745 | 720,957 | 976,728 | 854,746 | — | — | — | — | — | — | — |
| Water (in excess of 6 kilolitres per indigent household per month) | 37 | 3,400,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Sanitation (in excess of free sanitation service to indigent households) | 38 | 41,000,000 | 41,000,000 | 41,000,000 | 41,000,000 | 41,000,000 | — | 1,756,506 | 1,085,859 | 877,648 | 687,242 | 686,096 | — | — | — | — | — | — | — |
| Electricity/other energy (in excess of 50 kwh per indigent household per month) | 39 | 4,400,000 | 4,800,000 | 4,800,000 | 4,800,000 | 4,800,000 | — | 126,511 | 126,511 | 130,950 | 126,781 | 124,822 | — | — | — | — | — | — | — |
| Refuse (in excess of one removal a week for indigent households) | 40 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Municipal Housing - rental rebates | 41 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Housing - top structure subsidies | 42 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Other | 43 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Total revenue cost of subsidised services provided | 44 | 107,540,000 | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### | ##### |

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 3830

CONTACT CENTRE: (0860) 037566Shareca
FAX NO: 0862 437 566
E-MAIL: NorthernCape@eskom.co.za
WEB: WWW.ESKOM.CO.ZA



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

| | |
|------------------|---------------|
| YOUR ACCOUNT NO | 5449407898 |
| SECURITY HELD | 31243194.11 |
| BILLING DATE | 2025-12-01 |
| TAX INVOICE NO | 544407248712 |
| ACCOUNT MONTH | NOVEMBER 2025 |
| CURRENT DUE DATE | 2025-12-31 |
| VAT REG NO | 4370102313 |

NORTH WESTERN REGION
PRIVATE BAG X16 Westville 3830

DIRECT DEPOSIT DETAIL
BANK: First National Bank
BRANCH CODE: 223626
BANK ACC NO: 66070067318

TAX INVOICE

E-MAIL: tmolwa@solplaatje.org.za

ACCOUNT TRANSACTION SUMMARY

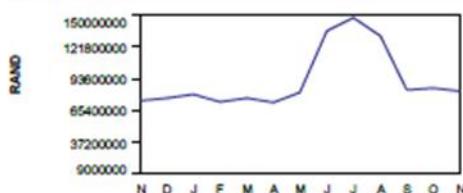
| | |
|---|--------------------------------|
| ADMINISTRATION CHARGE | R 590.10 |
| TRANSMISSION NETWORK CAPACITY | R 1,065,600.00 |
| DIST. NETWORK CAPACITY CHARGE | R 1,802,640.00 |
| NETWORK DEMAND CHARGE | R 664,411.39 |
| URBAN LOW VOLTAGE SUBSIDY | R 247,530.00 |
| ANCILLARY SERVICE (ALL) | R 129,940.36 |
| GENERATOR CAPACITY CHARGE | R 717,060.00 |
| LEGACY CHARGE (ALL) | R 7,350,409.78 |
| ENERGY CHARGE (STD) | 14,358,503.00 R 21,270,586.34 |
| ENERGY CHARGE (PEAK) | R 5,718,630.00 R 15,066,874.46 |
| ENERGY CHARGE (OFF) | 15,041,881.00 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 88,028,808.87 |

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 66,028,808.87 |
| 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 |

| CURRENT | TOTAL DUE | | | R 1,048,483,744.70 |
|----------------|---------------|------------|---------------|--------------------|
| | ARREARS | | | |
| >90 DAYS | 61-90 DAYS | 31-60 DAYS | 18-30 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



MONTH

| | |
|-------------|--------|
| 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 | |

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT



27215700154494078984

9207 2544 9407 8987

Indicated below is the December 2025 account which is due and payable on or before 02 February 2026.



ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

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

NORTH WESTERN REGION
PRIVATE BAG X16 Westville 3630



CONTACT CENTRE: (0860) 037566Shareca
FAX NO: 0862 437 566
E-MAIL: NorthernCape@eskom.co.za
WEB: WWW.ESKOM.CO.ZA

| | |
|------------------|---------------|
| YOUR ACCOUNT NO | 5449407898 |
| SECURITY HELD | 31243194.11 |
| BILLING DATE | 2026-01-02 |
| TAX INVOICE NO | 544578641500 |
| ACCOUNT MONTH | DECEMBER 2025 |
| CURRENT DUE DATE | 2026-02-02 |
| VAT REG NO | 4370102313 |

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: | 55070067316 |

TAX INVOICE

E-MAIL: tmoilwa@solplaatje.org.za

ACCOUNT TRANSACTION SUMMARY

| | | |
|---|---|----------------------|
| ADMINISTRATION CHARGE | R | 609.77 |
| TRANSMISSION NETWORK CAPACITY | R | 1,065,600.00 |
| DIST. NETWORK CAPACITY CHARGE | R | 1,802,640.00 |
| NETWORK DEMAND CHARGE | R | 680,019.39 |
| URBAN LOW VOLTAGE SUBSIDY | R | 247,530.00 |
| ANCILLARY SERVICE (ALL) | R | 132,232.02 |
| GENERATOR CAPACITY CHARGE | R | 717,060.00 |
| LEGACY CHARGE (ALL) | R | 7,480,044.06 |
| ENERGY CHARGE (STD) | R | 21,175,510.84 |
| ENERGY CHARGE (PEAK) | R | 14,533,497.89 |
| ENERGY CHARGE (OFF) | R | 16,853,356.49 |
| SERVICE CHARGE | R | 35,213.52 |
| ELECTRIFICATION AND RURAL SUBS (ALL) | R | 1,794,066.93 |
| TOTAL CHARGES FOR BILLING PERIOD | R | 66,497,380.91 |

ACCOUNT SUMMARY FOR DECEMBER 2025

| | | | |
|----------------------------------|--|---|------------------|
| BALANCE BROUGHT FORWARD | (Due Date 2025-12-31) | R | 1,048,483,744.70 |
| PAYMENT(S) RECEIVED | Cash - 2025-12-18 | R | -80,000,000.00 |
| TOTAL CHARGES FOR BILLING PERIOD | | R | 66,497,380.91 |
| ADJUSTMENT | Interest on overdue account | R | 337,189.33 |
| ADJUSTMENT | Interest on overdue payment arrangement debt | R | 549,536.88 |
| ADJUSTMENT | Interest on overdue account | R | 5,957,768.30 |
| PAYMENT ARRANGEMENT | 5447737377 (Balance o/s R 42,462,000.00) | R | 6,700,000.00 |
| VAT RAISED ON ITEMS AT 15% | | R | 9,974,607.14 |

27215700154494078984



>>>>> 9207 2544 9407 8987



| CURRENT | | TOTAL DUE | | R | 1,078,500,227.26 |
|----------------|------------|----------------|------------|---|------------------|
| ARREARS | | | | | |
| >90 DAYS | 61-90 DAYS | 31-60 DAYS | 16-30 DAYS | | |
| 808,653,041.94 | 0.00 | 179,830,702.76 | 0.00 | | |

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

TOTAL AMOUNT DUE

1,078,500,227.26

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
 PRIVATE BAG X5030
 KIMBERLEY 8300
 REMITTANCE ADVICE

ESKOM HOLDINGS
 PRIVATE BAG X16
 WESTVILLE
 3630
 18/12/2025

CONTACT PERSON:
 TEL NO: 0829413707
 E-MAIL ADDRESS:
 FAX NO:
 VOUCHER NO: CATA013972
 CHEQUE/BLA 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.

| Account Name | 2026 | |
|---|--------------|------------|
| | M06 | |
| 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 | |
| Create Cheque 77075961 Voucher No CATA013939 | | 3,586,014.20 | - | 3,586,014.20 | Payment of Riverton account |
| Create Cheque 77076012 Voucher No CATA013940 | | 15,367.50 | - | 15,367.50 | |
| Create Cheque 77076013 Voucher No DUNA008540 | | 93,400.70 | - | 93,400.70 | Payment of minor Eskom accounts |
| 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 | Payment of R60 million |
| 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

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 4040112361



water & sanitation
 Department: Water and Sanitation
 REPUBLIC OF SOUTH AFRICA

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

YOUR CONTACT OFFICE:

Department: Water and Sanitation
 Private Bag X313
 Pretoria
 0001
 R535 Waterbron Building
 185 Francis Baard Street
 Pretoria
 PHONE 0800 200 200
 FAX 012 336 1408
 EMAIL:revenue@dws.gov.za

| Water Use Description | Tariff Category | Quantity m3/HA Registered/Consumed | Unit Price(c/m3/HA) | Amount(Rand) |
|---|----------------------|---------------------------------------|---------------------|----------------------|
| Property Details: Property Name: DROOGFONTEIN; Property Number: 6866; Registration Division: KIMBERLEY RD; Portion Number: 1; Title Deed: T16761/1921 ; | | | | |
| Water Use Details: WMA: VAAL; Legal Sector Code: 21A Tk water fr a water resource; | | | | |
| Water Use Sector: 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).

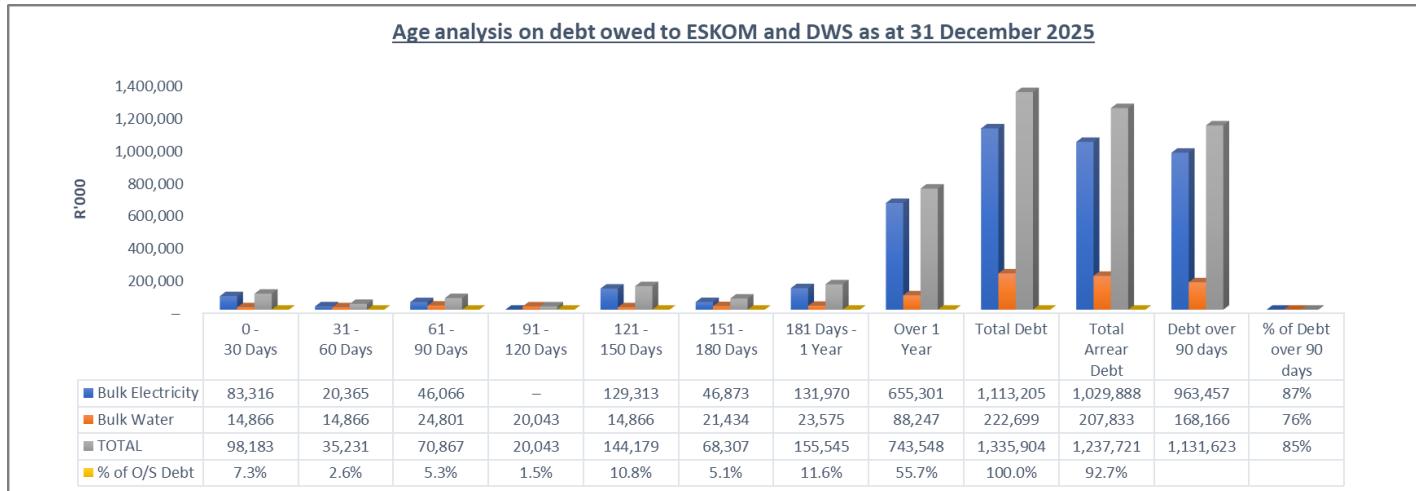
| | | 2026 |
|--|--|-------------|
| | | M06 |
| Account Name | | |
| Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Deposits | | -15,160,361 |
| Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory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

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

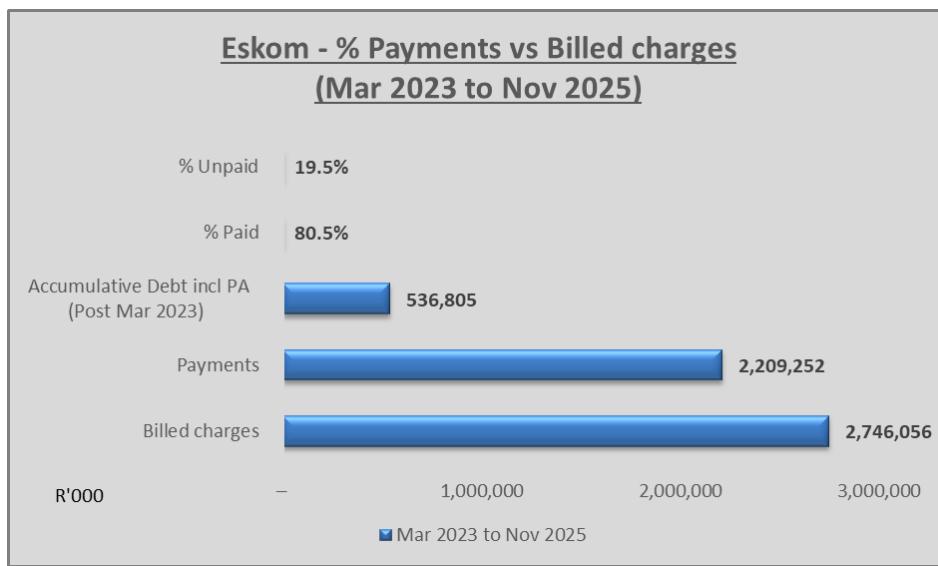
| Datastrings & FMS Recon - Dec 2025 M06 | Sum of Debit Amt | Sum of Credit Amt | Sum of Actual | Comment |
|--|----------------------|----------------------|----------------------|--|
| WATER:INPUT VOL: BULK PURCHASES | 40,938,910.27 | 12,763,305.48 | 28,175,604.79 | Water:Input Vol: Bulk Purchases vote reconciles to datastrings |
| Sundry Accruals | 40,938,085.27 | - | 40,938,085.27 | |
| SESKO1: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



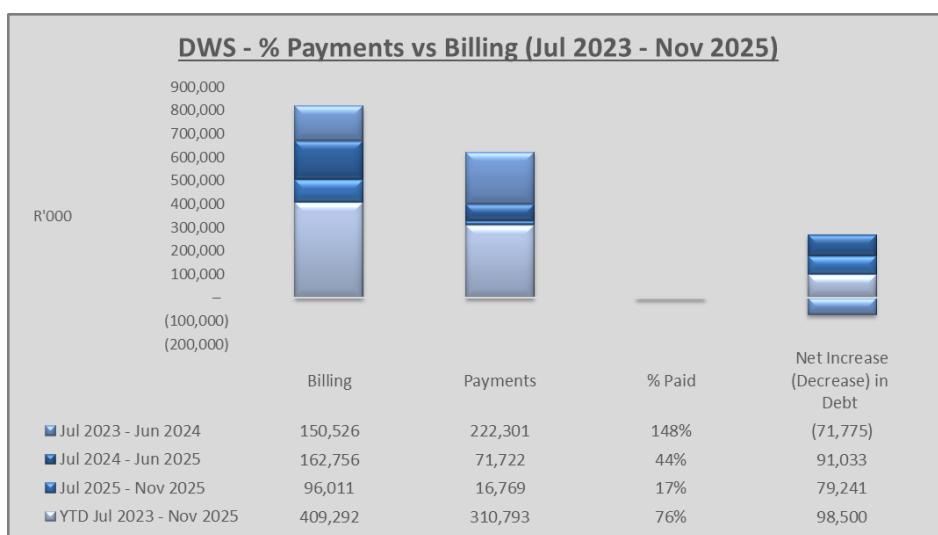
Please refer to section 4.2 for more in-depth information of the debt owed to ESKOM and DWS.



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 is 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 be performed by the relevant PT | | | |
| | Executive Management Team (EMT) to review the National Treasury: Local Government Budget Analysis (NT: LGBA) compliance certification for the prior month and take immediate remedial action | Monthly, within 1 days after issue | NT: LGBA Compliance Certification | The municipality received the draft compliance certificate for November 2025. Management must take remedial actions as per the recommendations made by National Treasury |

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

| 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.

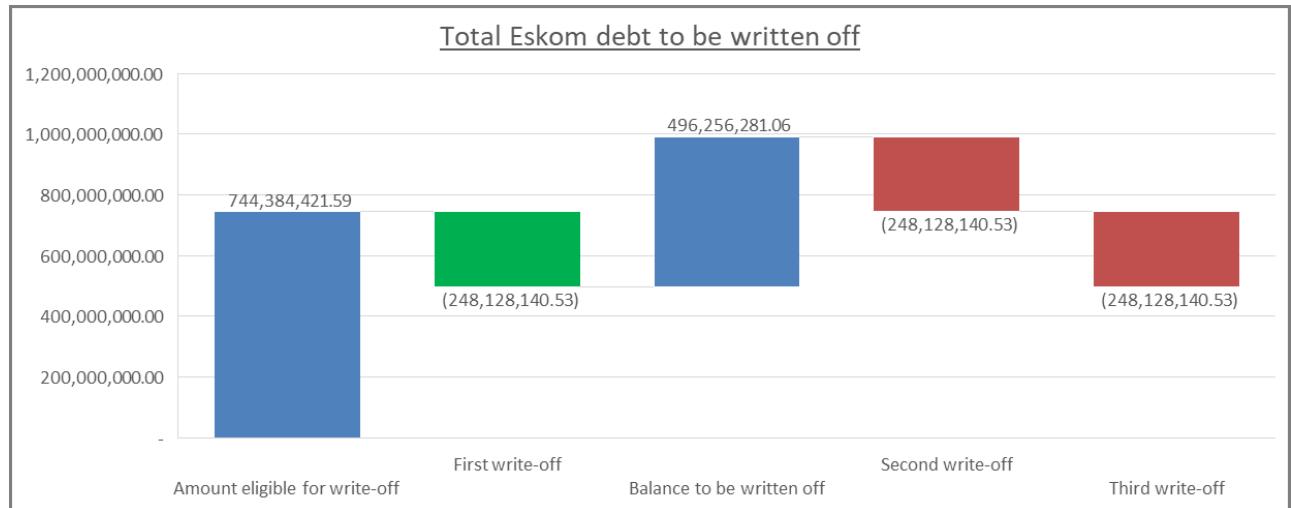
| Month | Invoice Amount incl Interest | Paid Amount | Balance due incl Interest | Arrear instalments Payment Arrangement | Total Due to be in Good standing | Interest |
|--------------------|---------------------------------|---------------------------|------------------------------|--|-------------------------------------|------------------------|
| 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



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

Email: BMatlala@solplaatje.org.za

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

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 wevezimali • Litiko leTetimali taVelonkhe • Tirelo ya Matlotlo a Bosetshahaba
Tshebelelo 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 | | | | | | | | | | NW | | | | | | | | | |
| MFMA Circular No. 124 | | | | | | | | | | Code | | | | | District | | | | |
| Municipal Finance Management Act No. 56 of 2003 | | | | | | | | | | Code Description | | | | | | | | | |
| | | | | | | | | | | NC091 | | | | | Frances Baard | | | | |
| | | | | | | | | | | Sol Plaatje | | | | | | | | | |

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 | |
| Signature | | | | | | |
| Reviewed By | CELESTE CROUCH | | | Date | 2025/10/09 | |
| 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 <ul style="list-style-type: none"> 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



Nkwama wa Tiko • Gwama la Muvhuso • Nasionale Tesourie • Lefapha la Bosetšhaba la Matlotlo • uMnyango wezezimali • Litiko leTetimali taVelonkhe • Tirelo ya Matlotlo a Bosetšhaba Tshebelelo 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 Gomuni must not include comments column - comments need to be incorporated into the related PT report

Monthly Performance Report

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

Monthly Performance Report

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

2025/26

NC091

National Financial Year

Demarcation Code of Municipality being assessed

Frances Baard

District

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)? <i>Note - refer condition 6.12 .2</i> | No <input type="button" value="▼"/> |
| 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://luploadportal.treasury.gov.za ? | No <input type="button" value="▼"/> |
| 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 <input type="button" value="▼"/> |
| 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 <input type="button" value="▼"/> |
| 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://luploadportal.treasury.gov.za ? | Yes <input type="button" value="▼"/> |
| 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 <input type="button" value="▼"/> |
| 7 | 6.4 | Compliance with a funded MTREF – <i>(choose from drop down list the MTREF assessed)</i> | 2025/26 Adopted MTREF <input type="button" value="▼"/> |
| 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 <input type="button" value="▼"/> |
| 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 <input type="button" value="▼"/> |
| 10 | 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 prop rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i> | Yes <input type="button" value="▼"/> |
| 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 <input type="button" value="▼"/> |

| | | | |
|----|---------|--|---|
| | | <p><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></p> | |
| 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)? | <input type="text" value="N/A - the MTREF is funded"/> |
| | | <p><i>Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i></p> | |
| 12 | 6.4.2 | - If the municipality's MTREF is not funded and it has an FRP per the legislative framework , does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i> | <input type="text" value="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.?) | <input type="text" value="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? | <input type="text" value="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? | <input type="text" value="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? | <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 NT 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="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> | |
| 20 | 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 : | |
| 21 | 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; | <input type="text" value="not yet the end of a quarter"/> |
| 22 | 6.7.2.2 | * the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)? | <input type="text" value="not yet the end of a quarter"/> |
| 23 | 6.7.2.3 | * the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure? | <input type="text" value="not yet the end of a quarter"/> |
| | 6.7.3 | - The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <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? | <input type="text" value="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? | <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"/> |
| 26 | 6.8 | Municipality's Completeness of the revenue base – | |
| 27 | 6.8.1 | - Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer? | <input type="text" value="Yes"/> |
| 28 | 6.8.1 | - If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <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"/> |
| 29 | 6.8.2 | - For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://luploadportal.treasury.gov.za ? | <input type="text" value="Yes"/> |
| 30 | 6.9 | Monitor and report on implementation – | |
| 31 | 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"/> |
| 32 | 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="6.9.1 = Yes"/> |
| 33 | 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"/> |
| 34 | 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://luploadportal.treasury.gov.za ? | <input type="text" value="No FRP"/> |
| | | <i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i> | |
| 35 | 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: | |
| 36 | 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"/> |
| 37 | 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://luploadportal.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"/> |
| 38 | 6.10.3 | - has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring? <i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i> | <input type="text" value="No"/> |
| 39 | 6.11 | Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme? <i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i> | <input type="text" value="No"/> |
| 40 | 6.12 | For the duration of the Municipal Debt Relief (to ensure proper management of resources): | |
| 41 | 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"/> |
| 42 | 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"/> |
| | | <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="Yes"/> |
| 41 | 6.14 | 'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief? | <input type="text" value="Yes"/> |
| <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.*

Annexure A2 - Monthly

|  Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003 | | Municipality Self-Assessment | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|-----------|--|---|---|-------|--|--|--|-------|--|--|--|-------|--|--|--|-------|---|---|--|-------|--|--|--|-------|--|--|--|-----|---|--|--|-------|---|--|--|-------|--|--|--|-------|--|--|--|-------|---|--|--|-------|--|--|--|-------|---|--|--|-----|---|--|--|
| <p>Certificate of Compliance: Municipal Debt Relief Conditions for Application</p> <p>Period <input checked="" type="checkbox"/> Dec26 <input type="checkbox"/> 202626 <input type="checkbox"/> NC081</p> <p>National Financial Year <input type="checkbox"/> Demarcation Code of Municipality being assessed</p> <p>District <input type="checkbox"/> Frances Baard</p> <p>Demarcation Description <input type="checkbox"/> Sol Plaasje</p> <p>I, <u>Mr. Sbusiso Mofatli</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> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Municipal Debt Relief Conditions (Monthly reporting)</p> <p>Choose from drop down list</p> <table border="1"> <thead> <tr> <th>Condition</th> <th>4.1.1 - Maintaining the bulk water current account</th> <th>4.1.2 - Maintaining the bulk water current account system</th> <th>4.1.3 - Maintaining the bulk water current account system</th> </tr> </thead> <tbody> <tr> <td>6.3.1</td> <td>- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? No <input type="checkbox"/> Yes <input checked="" type="checkbox"/></td> <td>The municipality had insufficient cash to settle the current account for November 2025</td> <td></td> </tr> <tr> <td>6.3.2</td> <td>- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? 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No <input type="checkbox"/> Yes <input checked="" type="checkbox"/></td> <td>The municipality made a partial payment of R80 million on the November 2025 current account</td> <td></td> </tr> <tr> <td>6.3.5</td> <td>- Has the municipality paid its bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? No <input type="checkbox"/> Yes <input checked="" type="checkbox"/></td> <td>The notice for November 2025 was authorised/issued on the system</td> <td></td> </tr> <tr> <td>6.3.6</td> <td>- Has the municipality submitted the supporting evidence of the bulk current account payment to the National Treasury and Esom within 1 day of making any such payment (in PDF format) via the Gokon Upload Portal (http://gokon.mfma.gov.za)? No <input type="checkbox"/> Yes <input checked="" type="checkbox"/></td> <td>The notice for November 2025 was authorised/issued on the system</td> <td></td> </tr> <tr> <td>6.4</td> <td colspan="3"> Compliance with a hundred MTREF – <i>(Choose from drop down list for MTREF exerted)</i> </td> </tr> <tr> <td>6.4.1</td> <td colspan="3"> - Is the municipality's MTREF funded and aligning to the National Treasury's Budgeted Funding Guidelines - http://mfma.mfma.gov.za/documents/budgeting.aspx? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </td> </tr> <tr> <td>6.4.2</td> <td colspan="3"> - Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td>6.4.3</td> <td colspan="3"> - Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical lives of seven) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td>6.4.4</td> <td colspan="3"> - 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 2021)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td>6.4.5</td> <td colspan="3"> - If the municipality's MTREF is not funded and it has an RFP for the legislative framework, does the existing RFP incorporate a credible Budget Funding Plan (will the RFP give effect to a funded MTREF over the period of the RFP) - aligning with the principles of a budget funding plan as averaged in item 9.3 of MFMA Circular no. 122, 09 December 2021? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td>6.4.6</td> <td colspan="3"> - Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table 5A.3 - Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations align with and give effect to the municipality's Budget Funding Plan strategy (or the RFP strategy) and reflect seasonal trends (for example higher winter Esom, lower summer inflation, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td>6.5</td> <td colspan="3"> Cost reflective tariffs – (including metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 56 and Item 2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions which affect the tabling of the 2023/24 MTREF? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> </tbody> </table> | | | | Condition | 4.1.1 - Maintaining the bulk water current account | 4.1.2 - Maintaining the bulk water current account system | 4.1.3 - Maintaining the bulk water current account system | 6.3.1 | - Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? 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| 6.4.1 | - Is the municipality's MTREF funded and aligning to the National Treasury's Budgeted Funding Guidelines - http://mfma.mfma.gov.za/documents/budgeting.aspx ? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 6.4.3 | - Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical lives of seven) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6.4.4 | - 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 2021)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6.4.5 | - If the municipality's MTREF is not funded and it has an RFP for the legislative framework, does the existing RFP incorporate a credible Budget Funding Plan (will the RFP give effect to a funded MTREF over the period of the RFP) - aligning with the principles of a budget funding plan as averaged in item 9.3 of MFMA Circular no. 122, 09 December 2021? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6.4.6 | - Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table 5A.3 - Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations align with and give effect to the municipality's Budget Funding Plan strategy (or the RFP strategy) and reflect seasonal trends (for example higher winter Esom, lower summer inflation, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6.5 | Cost reflective tariffs – (including metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 56 and Item 2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions which affect the tabling of the 2023/24 MTREF? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| 6.6.1 | - the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are indicated in the following order of priority, first, to property rates, thereafter to water wastewater, refuse removal and earth to electricity? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6.6.2 | - the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulter consumer/property owner unless the defaulter already registered as an indgent consumer with the municipality? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6.6.3 | - the municipality is restricting and/or interrupting the supply of water of any defaulter consumer/property owner unless the defaulter already registered as an indgent consumer with the municipality? (Note: in terms of the condition, the municipality must undertake a batch reconnection) in case of water together with the municipality agreement to to make a minimum supply of water to water | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6.6.4 | - If the defaulter consumer/property owner is registered as an indgent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic electricity and water tariff of 30 (kWh) electricity and 5 (litres) water, respectively? Note - the municipality's monthly MIMA 171 report must include as part of the summary the merged information as the required M7 format: | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6.7 | 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 MIMA 8.71 monthly and quarterly statements and mSCOA data strings uploaded via the GovUrn Upload Portal? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6.7.2 | 6.7.2.1 - If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following: | |
| 6.7.2.2 | * the underperformance directly relates to Eskom supplied areas, while 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="checkbox"/> Yes <input type="checkbox"/> No |
| 6.7.2.3 | * the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied areas(s)? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6.7.2.4 | * the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue reconciliation in the Eskom supplied areas(s) as envisaged in section 76 of the Municipal Systems Act, 2000 and that such failed and the results? (ie the failure?) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6.7.3 | * the municipality has progressively installed smart prepaid 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="checkbox"/> Yes <input type="checkbox"/> No |
| 6.7.4 | * Has the municipality adopted a plan to install new electricity connection in the demarcated area with effect the 2023/24 MYTF with a smart-prepaid meter? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6.7.5 | * Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MIMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6.8 | 6.8.1. Ministry/2. Conditions of the revenue base - | |
| 6.8.2 | - 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="checkbox"/> Yes <input type="checkbox"/> No |
| 6.8.3 | - if the response in 6.8.1 is "No" has the municipality demonstrated the steps taken to correct the variances identified? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6.9 | 6.9.1. For the latest ending Quarter has the municipality submitted its completed billing system, GVR and/or MIMA Circulars no. 93/98, 107 and 108 to the upload portal on http://GovUrnUploadPortal.gov.za? | |
| 6.9.2 | 6.9.2.1 - Has the relevant Provincial Treasury (MIMA 171) reported on the implementation of the relevant section 71 reporting in terms of paragraph 6.9.1? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 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="checkbox"/> Yes <input type="checkbox"/> No FRP |
| 6.9.4 | - if the municipality has an FRP, with effect from 01 April 2023, prior 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) simultaneously via http://GovUrnUploadPortal.gov.za? | <input type="checkbox"/> Yes <input type="checkbox"/> No FRP |
| 6.10 | 6.10.1. Has the relevant Provincial Treasury (MIMA 171) reported on the implementation of the relevant section 71 reporting in terms of paragraph 6.9.1? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6.10.2 | - Has the Head of the relevant Provincial Treasury (MIMA 171) certified monthly that the municipality's compliance to these conditions, to the National Treasury's satisfaction, as envisaged in the conditions for provincial treasures (refer to paragraph 4.1 to 4.15 of MIMA Circular no. 124) and timely uploaded the compliance treasures (refer to the GovUrn Upload Portal http://GovUrnUploadPortal.gov.za?) | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6.10.3 | - Has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasures (refer to paragraph 4.1 to 4.15 of MIMA Circular no. 124) within one month of the non-compliance occurring? | <input type="checkbox"/> Yes <input type="checkbox"/> No |

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| Municipality Name: WILLEMSTAD | |
| Municipality Address: Willemstad, District 1, Willemstad, Curaçao | |
| Municipality Code: 9000 | |
| Municipality Logo: | |
| <p>6.11 Limitations on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent borrowing in terms of this municipal debt support programme?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>For who/borrower of the Municipal Debt Relieve to issue proper management of resources?</p> <p><input checked="" type="checkbox"/> N.P.</p> <p><input type="checkbox"/> The municipality had sufficient cash to settle the Water account for November 2025 and made a partial payment on the Eskom current account for November 2025.</p> <p><input type="checkbox"/> 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.</p> | |
| <p>6.12.1 - has the municipality appointed and ring-fenced in a sub-account to its primary bank account - (a) all electricity, water and sanitation revenue in the municipality's name in any month; and (b) the component of the Local Government Equalisation Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>6.12.2 - has the municipality during the month first apportioned the revenue in the sub-account (required per paragraph 6.12.1) to its current Eskom account and then secondly its bulk water current account before it apportioned the revenue in the sub-account for any other purpose?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> | |
| <p>Supporting evidence: Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury relating to its MFMIA 7.7 statement collected revenue Account and Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (date exacting as on 31 March 2023) as per any written instruction of the National Treasury - Office of the Accountant General or issued or Municipal Debt Relieve to date?</p> <p>Note: If in case of account for MFMIA 7.7 statement collected revenue Account and Treatment write-off, then the same will be considered as a write-off of the Municipal Debt Relieve?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> | |
| <p>6.13 MERSA Licence - has the municipality during the month failed to comply with any condition of the Municipal Debt Relieve?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Note: If in case of any condition of the Municipal Debt Relieve is not met, then the same will be considered as a write-off of the Municipal Debt Relieve?</p> | |

PT: HOD/ NT / NM / Name:

BONNIE MAGAGULI
BONNIE
15/01/2024

Signature of HOD/ NT / NM:

Date:

*Note: - If the official is signing on behalf of the Head of the Provincial Treasury (HOD) / Municipal Manager, the written instruction of the HOD / MAM must be reflected in the Annexure to the Committelle of Commitment.