






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

Monthly Budget Statement S71 Monthly Report April 2026

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 May 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 30 APRIL 2026

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 R4,507,708 billion, of which 90% of the debt is owed in excess of 90 days. The total debt by customer group is classified as follows; R661,147 million is owed by government, R720,741 million by businesses and R2,977,169 billion by households. The municipality is urging government, businesses and households to meet their obligation to the municipality or make payment arrangements with the municipality. The cash collection is not at a desired level, and this does not bode well for the municipality's financial position. *There needs to be a major paradigm shift in the payment culture across all customer groups. This can only be achieved when the Credit Control and Debt Collection Policy is strictly, consistently and fairly applied to all customer groups.* Consumers that are not paying for services, but consumers must bear in mind that no municipality will remain sustainable and functional if it expected to provide "services for free". And in the same breath, the municipality must employ all measures to ensure that customers receive quality and reliable services. The municipality appointed four debt collection specialists in order to strengthen the current debt collection initiatives. The value of providing quality services, should never be underestimated by the municipality because there is a direct correlation between providing quality services and consumers' willingness to pay.

Tough decisions have to be taken to have a meaningful impact and produce positive results. This action is long overdue, especially in light of the municipality's financial crisis and major threat to its financial viability and sustainability. In order for the municipality to thrive, overall performance must improve, the quality of services rendered must improve, accountability must be enforced which must be complimented by strict consequence management. Serious consideration should be given to the service delivery and financial implications of all decisions taken. Ensure that acts, regulations and policies are adhered to diligently, consistently and fairly. Enhance revenue collection and ensure that operational and capital funds are spent effectively with good value for money. Improving on preventative maintenance and spending funds cost-effectively and efficiently to address service delivery challenges can no longer be delayed. We are striving to ensure assets are maintained at desired levels and are being utilised optimally. The spending of funds will have to be prioritised, wastage be curbed, and overall personnel performance and productivity be monitored and improved. Municipal officials should also take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure.

Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: April 2026

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

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

2. Background

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations" necessitates those specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance. "The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required Tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act." Further, Section 71 of the MFMA requires that, "the accounting officer of a municipality must by no later than **10 working days** after the end of each month submit to the Mayor of the municipality, and the relevant national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month." For the reporting period ending **30 April 2026**, the ten working day reporting limit expires on **15 May 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 May 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 April 2026	YTD Actual April 2026	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	2,691,883	2,534,971	(156,912)	94.2%	-5.8%
Total Revenue (including capital transfers and contributions)	3,262,022	2,977,676	(284,345)	91.3%	-8.7%
Total Operational Expenditure	2,801,449	2,400,533	(400,916)	85.7%	-14.3%

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

As indicated in Table 1.1 above, as at 30 April 2026, the billed revenue excluding capital grants amounted to R2,534,971 billion which resulted in an unsatisfactory variance of minus 5.8% when compared to the YTD Budget of R2,691,883 billion. The billed revenue including capital grants amounted to R2,977,676 billion, resulting in an unsatisfactory variance of minus 8.7% when compared to the YTD budget of R3,262,022 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 R2,400,533 billion versus the YTD Budget of R2,801,449 billion resulting in an unsatisfactory variance of minus 14.3%. Reasons for the variance are articulated in Section 4.2 below.

Summary Statement of Financial Performance: Original Budget					
Description R thousand	Adjustment Budget	YTD Actual April 2026	Variance Favourable (Unfavourable)	% YTD Actual vs Adjust ment Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 83.33%
Total Revenue (excluding capital transfers and contributions)	3,228,733	2,534,971	2,265,910	78.5%	-4.8%
Total Revenue (including capital transfers and contributions)	3,912,899	2,977,676	2,651,601	76.1%	-7.2%
Total Operational Expenditure	3,484,060	2,400,533	2,110,195	68.9%	-14.4%

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

Indicated in Table 1.2 above is the YTD actual compared to the Adjustment Budget. When calculating the ideal In-Year-Monitoring percentage of 83.33% [calculated as follow: (100/12 months x 10 months of the year)] as at the end of April 2026, the Total operational revenue excluding capital grants versus the Adjustment Budget resulted in a satisfactory variance of minus 4.8%. The Total operational revenue including capital grants versus the Adjustment Budget resulted in an unsatisfactory variance of minus 7.2%. The Total Operational Expenditure resulted in an unsatisfactory variance of minus 14.4%.

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

4. Budget performance overview

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

Operating Revenue and Expenditure

Part1: Operating Revenue and Expenditure	2025/26											
	Budget		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year to Date	
	Main appropriation	Adjusted Budget	Actual	1st Q as % of Main appropriation	Actual	2nd Q as % of Main appropriation	Actual Expenditure	3rd Q as % of Adjusted budget	Actual Expenditure	4th Q as % of Adjusted budget	Actual	Total Expenditure as % of adjusted budget
R thousands												
Operating Revenue and Expenditure												
Operating Revenue	3,234,188	3,228,733	912,667	28.2%	710,127	22.0%	703,164	21.8%	209,012	6.5%	2,534,971	78.5%
Operating Expenditure	3,212,506	3,484,060	792,110	24.7%	643,808	20.0%	829,888	23.8%	134,728	3.9%	2,400,533	68.9%
Transfers and subsidies - capital (monetary allocations)	684,166	684,166	103,603	15.1%	240,645	35.2%	30,031	4.4%	68,427	10.0%	442,705	64.7%
Total Revenue	3,918,354	3,912,899	1,016,270	25.9%	950,771	24.3%	733,195	18.7%	277,439	7.1%	2,977,676	76.1%

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 Adjusted Budget standing at 78.5% versus the ideal percentage of 83.33%. This is largely attributable to the annual billing on Property rates. Operating expenditure is 68.9% spent. It should be noted that Post-retirement health benefits and Depreciation is not yet accounted for, the bulk electricity account for April 2026 will be captured during May 2026. Transfers and subsidies – capital transferred to revenue amounts to 64.7% of the Main appropriation, as grants will be recognized when the conditions are met. Total Revenue is standing at 76.1% as at end of April 2026.

Capital Revenue and Expenditure

Part 2: Capital Revenue and Expenditure												
R thousands	Budget		2025/26				Third Quarter		Fourth 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	3rd Q as % of Adjusted budget	Actual Expenditure	4th Q as % of Adjusted budget	Actual Expenditure	Total Expenditure as % of Adjusted budget
Capital Revenue and Expenditure												
Source of Finance												
Transfers recognised - capital	627,331	632,781	94,214	15.0%	202,604	32.3%	67,762	10.7%	25,990	4.1%	390,571	61.7%
Borrowing	594,927	595,392	90,089	15.1%	201,780	33.9%	66,324	11.1%	25,639	4.3%	383,832	64.5%
Internally generated funds	32,404	37,389	4,125	12.7%	824	2.5%	1,438	3.8%	351	0.9%	6,738	18.0%

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 61.7% spent versus the Adjusted Budget, whilst conditional grants spent amount to 64.5% and internally generated funds at 18.0% spent. This is not a desired outcome and more effective planning; monitoring and timely remedial action is essential to improve on the monthly and full year outcome of capital expenditure. Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes and/or work still in progress. It should be noted that capex excludes VAT, whilst VAT is accounted for, when transferring capex to the Statement of Financial Performance, when all conditions of the grant have been met.

Liquidity and debtors' management

Chart 1.1 Cost Coverage Ratio & Collection rate

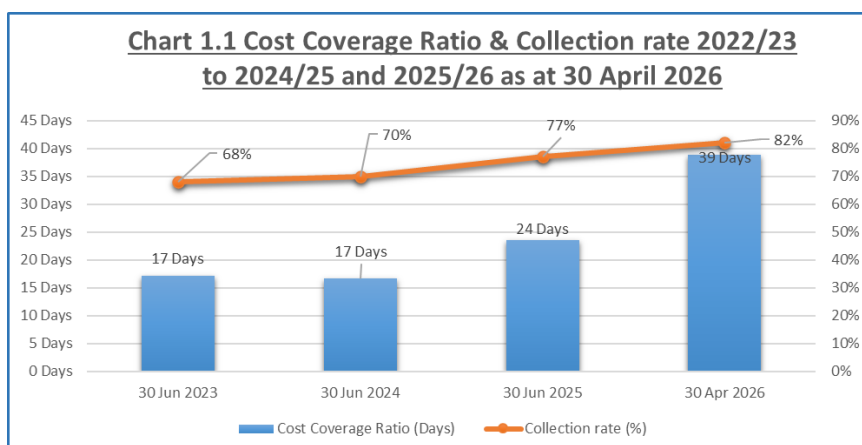
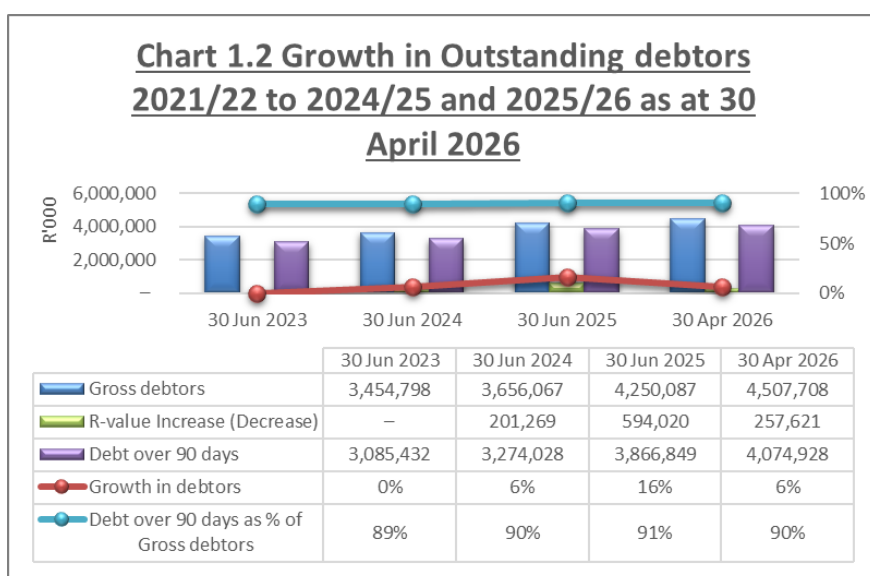


Chart 1.2 Growth in Outstanding debtors



- Indicated in Chart 1.1 is the Cost coverage ratio and the collection rate and in Chart 1.2 is the year-on-year growth in outstanding debtors from 2022/23 to 2024/25 and 2025/26 until 30 April 2026.
- The growth in debtors is attributable to the lower collection rate, resulting in the critically low-Cost coverage ratio.
- The inverse is also true, if the municipality can improve payment levels and reduce debtors, this will ensure a better collection rate and a healthier Cost coverage, ensuring that the municipality can comfortably meet its obligations.
- All these factors impede on the municipality's ability to meet all its monthly fixed operating commitments from cash and short-term investments.
- The Cost coverage is less than one month and far below the norm of 3 months, whilst the collection rate on average is 70%, also well below the norm and SDBIP target of 95%. The Cost coverage ratio as at 30 April 2026 is low, standing at 39 days. The average collection rate for April 2026, is 82%.
- Debtors increased by R201,269m (6%) from 2022/23 to 2023/24, by R594,020m (16%) from 2023/24 to 2024/25, and by R257,621m (6%) from 30 June 2025 to 30 April 2026 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 second third (2/3) write-off of the municipal debt amounting to R248 million. The total debt written off to date is R496 million.

As articulated in Table 2.1. below, for the month of April 2026, the municipality made a partial payment of R60,000 million on the March 2026 account. There are outstanding balances on the November 2024, June, August, November, December 2025 and March 2026 accounts. The following accounts are settled in full July to October 2024 and December 2024, January to May 2025, July 2025, September to October 2025, January and February 2026. Interest charges for the period July 2024 to March 2026, amounts to R68,505 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 **R493,313,278.39**, as indicated in Table 2.1 below. Arrears on the outstanding invoices including interest amounts to R379,413,278.39 and the arrears on the payment arrangement amounts to R113,900,000.00. It should be noted that the payment arrangement should have been settled at the end of January 2026.

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 146,873,234.81	R -	R 6,700,000.00	R 6,700,000.00	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 86,065,807.73	R -	R 6,700,000.00	R 6,700,000.00	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
Dec-25	R 83,316,482.56	R 56,000,000.00	R 27,316,482.56	R 6,700,000.00	R 34,016,482.56	R 6,844,494.51
Jan-26	R 88,134,880.12	R 88,134,880.12	R -	R -	R -	R 5,284,126.22
Feb-26	R 81,366,974.13	R 81,366,974.13	R -	R -	R -	R 5,762,503.91
Mar-26	R 85,475,024.94	R 60,000,000.00	R 25,475,024.94	R -	R 25,475,024.94	R 5,618,983.74
TOTAL ESKOM	R 1,918,301,916.47	R 1,538,888,638.08	R 379,413,278.39	R 113,900,000.00	R 493,313,278.39	R 68,505,850.09

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 the first and second third (2/3) of the municipal debt amounting to R496 million in total. 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 R248 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 20,043,140.87	R -	R -	R -	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 -
Dec-25	R 14,866,092.88	R -	R 14,866,092.88	R -	R 14,866,092.88	R -
Jan-26	R 30,102,686.72	R -	R 30,102,686.72	R -	R 30,102,686.72	R -
Feb-26	R 21,740,055.80	R -	R 21,740,055.80	R -	R 21,740,055.80	R -
Mar-26	R 16,202,176.19	R -	R 16,202,176.19	R -	R 16,202,176.19	R -
TOTAL WATER	R 342,939,297.14	R 72,238,444.21	R 270,700,852.93	-R 14,703,680.46	R 255,997,172.47	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, October, November, December 2025, January, February and March 2026 account for Water. The February, March and September 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 **R255,997,172.47** 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, October, November and December 2025, January, February and March 2026 have not been paid. The municipality ratified the short payment on August 2024 and January, April and May 2025 accounts, due to Eskom. Balances are still outstanding for November 2024 and June, August, November, December 2025 and March 2026 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 was instituted, where the filling of all vacant and funded positions were suspended with immediate effect, only critical vacant and funded positions will be filled. This moratorium has since been lifted to allow appointments to proceed.

An interim moratorium has been implemented on the sale of leave. Sale of leave to settle municipal accounts will no longer be permitted. Only exiting employees are entitled to their leave pay-out.

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 31 March 2026.**

4.1 Operating Revenue by Source

Table C4 Monthly Budget Statement - Financial Performance (Revenue) - M10 April

Description	Adjustment Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance	Achieved Adjustment Budget	Adjustment Budget Variance	Adjustment Budget Variance IYM % - 83.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Revenue										
Exchange Revenue										
Service charges - Electricity	1,219,183	79,637	831,215	1,015,926	81.8%	(184,710)	-18.2%	68.2%	(184,771)	-15.2%
Service charges - Water	363,126	27,624	280,614	302,511	92.8%	(21,896)	-7.2%	77.3%	(21,991)	-6.1%
Service charges - Waste Water Management	106,317	9,740	97,818	88,587	110.4%	9,231	10.4%	92.0%	9,221	8.7%
Service charges - Waste management	77,807	7,294	73,975	63,856	115.8%	10,119	15.8%	95.1%	9,136	11.7%
Sale of Goods and Rendering of Services	20,425	897	12,944	16,605	77.9%	(3,662)	-22.1%	63.4%	(4,077)	-20.0%
Agency services	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	182,139	13,982	146,615	142,440	102.9%	4,175	2.9%	80.5%	(5,168)	-2.8%
Interest from Current and Non Current Assets	18,000	811	4,027	15,000	26.8%	(10,973)	-73.2%	22.4%	(10,973)	-61.0%
Dividends	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	29,740	2,183	24,203	24,783	97.7%	(580)	-2.3%	81.4%	(580)	-2.0%
Licence and permits	1,000	44	336	833	40.3%	(497)	-59.7%	33.6%	(497)	-49.7%
Operational Revenue	5,182	1,267	5,643	3,899	144.7%	1,744	44.7%	108.9%	1,324	25.5%
Non-Exchange Revenue										
Property rates	717,920	53,377	642,690	598,266	107.4%	44,424	7.4%	89.5%	44,424	6.2%
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	34,743	977	3,062	28,952	10.6%	(25,891)	-89.4%	8.8%	(25,891)	-74.5%
Licence and permits	8,200	1,144	8,195	6,833	119.9%	1,362	19.9%	99.9%	1,362	16.6%
Transfers and subsidies - Operational	331,406	2,169	313,393	274,368	114.2%	39,025	14.2%	94.6%	37,221	11.2%
Interest	102,540	6,950	80,605	88,829	90.7%	(8,223)	-9.3%	78.6%	(4,845)	-4.7%
Fuel Levy	-	-	-	-	-	-	-	-	-	-
Operational Revenue	11,005	913	9,641	20,195	47.7%	(10,553)	-52.3%	87.6%	470	4.3%
Gains on disposal of Assets	-	-	(5)	-	-	(5)	#DIV/0!	-	(5)	-
Other Gains	-	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	3,228,733	209,012	2,534,971	2,691,883	94.2%	(156,912)	-5.8%	78.5%	(155,640)	-4.8%
Transfers and subsidies - capital	684,166	68,427	442,705	570,138	77.6%	(127,433)	-22.4%	64.7%	(127,433)	-18.6%
Total Revenue (including capital transfers and contributions)	3,912,899	277,439	2,977,676	3,262,022	91.3%	(284,345)	-8.7%	76.1%	(283,073)	-7.2%

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

Exchange Revenue

- ❖ Service charges - Electricity is showing an unsatisfactory variance of minus 18.2%. The basic and capacity charges for households for the 2025/26 financial year is in the process of being resolved. The electricity losses is a negative contributing factor as well. Service charges Water is fairly satisfactory with a variance of minus 7.2%. It is imperative that the Billing section does a proper investigation to ensure that all properties have functional meters installed and are billed accurately. This can be achieved by considering all properties on the General Valuation Roll. The same applies to all Service charges. Sanitation and Refuse is performing satisfactorily and is showing an over-recovery when compared to the YTD budget.
- ❖ Sale of Goods and Rendering of Services is performing unsatisfactorily with a negative variance of minus 22.1%, when compared to the YTD Budget. Revenue from Academic Services: Reg/Tuition/Exam Fee is not materialising and lower than anticipated receipts from Cemetery and burial fees. An investigation was launched on the Cemetery and burial fees and it should be concluded soon.
- ❖ Interest earned from Receivables is showing a satisfactory variance of 2.9% 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 73.2%. 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 satisfactory variance of 2.3% when compared to the YTD budget.
- ❖ Licences and permits are showing a negative variance of 59.7%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated, 33.59% achievement versus a budget of R1,000 million.
- ❖ Operational Revenue is showing a satisfactory positive variance of 44.7%, as a result on an over-recovery on Commission: Transaction Handling Fees.

Non-Exchange Revenue

- ❖ Property Rates is showing a satisfactory variance of 7.4%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing an unsatisfactory variance of minus 89.4%, due to an under-recovery on Fines: Law Enforcement that is standing at 11.02% achieved versus a target of R13,000 million. Penalties: Disconnection Fees standing at 7.36% 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 19.9%, due to possible outstanding payments due to the Department of Transport, Safety and Liaison.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 14.2%, this is due to the receipt of the third tranche of the Equitable share.
- ❖ Interest is showing an under-recovery of minus 9.3%, as a result of a slight under-recovery for interest from Property rates.
- ❖ Operational Revenue is showing an unsatisfactory variance of minus 52.3%. Revenue from non-exchange transaction for electricity is not materialising and was adjusted downwards during the Adjustments budget.
- ❖ Transfers and subsidies - Capital is showing an unsatisfactory variance of minus 22.4% when compared to the YTD budget. Capital grants are recognised monthly in the Statement of Financial Performance, as soon as the conditions of the grant have been met.

Comparison against Adjustment Budget

Based on the IYM percentage of 83.33%, the majority of revenue sources are performing satisfactorily.

Exchange Revenue

- ❖ Overall, Service charges when compared to the Adjustment budget is performing satisfactorily. Same factors are applicable as described in the paragraph above.
- ❖ Sale of Goods and Rendering of Services is showing an unsatisfactory variance of minus 20.0%. Same factors are applicable as described in the paragraph above.
- ❖ Interest earned from Receivables is showing a satisfactory variance of 2.8%. Same factors are applicable as described in the paragraph above.
- ❖ Interest from Current and Non-current Assets shows a negative variance of 61.0%. Same factors are applicable as described in the paragraph above.
- ❖ Rental from Fixed Assets is showing a satisfactory variance of minus 2.0%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing an unsatisfactory variance of minus 49.7%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a satisfactory variance of 25.5%. Same factors are applicable as described in the paragraph above.

Non-Exchange Revenue

- ❖ Property Rates is showing a positive variance of 6.2%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing an unsatisfactory variance of minus 74.5%. Same factors are applicable as described in the paragraph above.
- ❖ Licence and permits are showing a satisfactory variance of 16.6%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 11.2%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a positive variance of 4.3%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Capital is showing an unsatisfactory variance of minus 18.6%. 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 30 April 2026. The main contributors of the municipality's revenue are Service Charges (50.6%), Property Rates (25.4%) and Other Revenue (11.5%). The weighting is distorted due to the annual billing on Property rates and the receipt of the third tranche of the Equitable share.

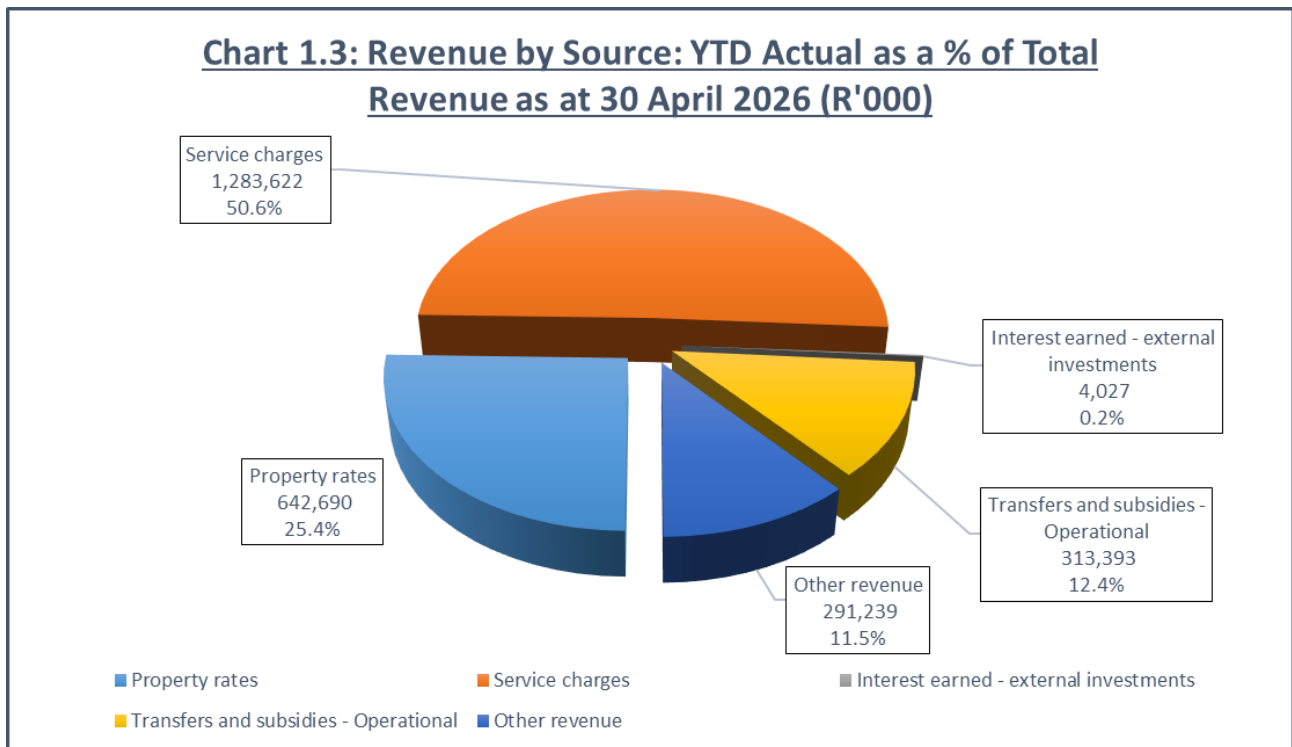


Chart 1.3: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Operating Expenditure by Type

Description	Adjustment Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance	Achieved Adjustment Budget	Adjustment Budget Variance	Adjustment Budget Variance IYM % - 83.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	1,024,295	73,569	745,132	848,968	87.8%	(103,836)	-12.2%	72.7%	(108,447)	-10.6%
Remuneration of councillors	37,083	5,272	30,448	30,903	98.5%	(454)	-1.5%	82.1%	(454)	-1.2%
Bulk purchases - electricity	1,000,000	69,440	708,435	800,000	88.6%	(91,565)	-11.4%	70.8%	(124,898)	-12.5%
Inventory consumed	363,475	24,399	217,850	295,517	73.7%	(77,667)	-26.3%	59.9%	(85,046)	-23.4%
Debt impairment	526,399	-	394,799	417,841	94.5%	(23,042)	-5.5%	75.0%	(43,867)	-8.3%
Depreciation and amortisation	90,200	-	-	75,167	0.0%	(75,167)	-100.0%	0.0%	(75,167)	-83.3%
Interest	85,900	5,620	57,373	50,008	114.7%	7,365	14.7%	66.8%	(14,211)	-16.5%
Contracted services	50,356	1,350	21,464	40,913	52.5%	(19,449)	-47.5%	42.6%	(20,499)	-40.7%
Transfers and subsidies	4,450	717	2,084	3,673	56.7%	(1,589)	-43.3%	46.8%	(1,624)	-36.5%
Irrecoverable debts written off	-	12	20	-		20			20	
Operational costs	197,555	(45,652)	162,059	159,752	101.4%	2,307	1.4%	82.0%	(2,570)	-1.3%
Losses on Disposal of Assets	-	-	-	-		-			-	
Other Losses	104,346	-	60,868	78,708	77.3%	(17,839)	-22.7%	58.3%	(26,087)	-25.0%
Total Expenditure	3,484,060	134,728	2,400,533	2,801,449	85.7%	(400,916)	-14.3%	68.9%	(502,850)	-14.4%

Table 4: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 30 April 2026 current YTD expenditure shows an unsatisfactory variance of minus 14.3%. The YTD actual amounted to R2,400,533 billion against the YTD Budget of R2,801,449 billion.

- ❖ Employee related costs show an unsatisfactory variance of minus 12.2%, due to Post-retirement benefit obligations that are not factored in and which will only be finalised as part of year-end procedures. There was a moratorium on the filling of non-critical vacancies and the sale of leave has been suspended, except for exiting employees.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 1.5%. The gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils was issued and approved by Council in February 2026. Concurrence was received from Local Government MEC for retrospective implementation from July 2025.
- ❖ Bulk purchases – Electricity is showing an unsatisfactory variance of minus 11.4%. The invoice for April 2026 will be processed during May 2026.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 26.3%. 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 crises is severely and rapidly depleting the R&M budget, impeding on the funds required for day-to-day maintenance. Lack of maintenance plans and planned maintenance is impeding on the municipality's ability to maintain assets optimally. There are limited resources available with severe budgetary constraints with the current cash flow position putting major strain on the municipality's finances to actually address service delivery challenges. The municipality is obligated to ensure that tariffs are cost-reflective whilst ensuring that tariff increases are inflationary related as prescribed by NT's annual MFMA Budget circulars. This is a major impediment for the municipality to increase the R&M budget to a desired level to actually address backlogs, whilst employee costs, provision for bad debts and other expenditure is putting further strain on the budgets each year.

R&M Expenditure per Directorate per Inventory type as at 30 April 2026 (Amounts in Rand)	Sum of Original Budget	Sum of Adjustment Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original	Sum of % Spent Adj budget	% Spent compared against ideal IYM % of 83.33%
VOTE 1 - COUNCILLORS AND ADMIN	140,000	170,000	-	68,640	49.03%	40.38%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	70,000	82,000	-	39,840	56.91%	48.58%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	69,000	87,000	-	28,800	41.74%	33.10%	UNSATISFACTORY
VOTE 2 - MUNICIPAL AND GENERAL	25,297,000	39,557,000	2,847,688	27,477,105	108.62%	69.46%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	755,000	755,000	10,954	201,848	26.73%	26.73%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	350,000	340,000	13,201	67,021	19.15%	19.71%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	24,192,000	38,452,000	2,823,534	27,202,009	112.44%	70.74%	UNSATISFACTORY
VOTE 3 - MUNICIPAL MANAGER	157,000	157,000	9,971	66,238	42.19%	42.19%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	140,000	136,000	9,971	52,146	37.25%	38.34%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	17,000	21,000	-	14,091	82.89%	67.10%	UNSATISFACTORY
VOTE 4 - CORPORATE SERVICES	2,304,000	2,604,000	177,902	1,105,089	47.96%	42.44%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	871,000	1,005,200	126,899	627,345	72.03%	62.41%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	51,000	352,000	50,412	261,872	513.48%	74.40%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	650,000	620,000	-	87,529	13.47%	14.12%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	732,000	626,800	591	128,343	17.53%	20.48%	UNSATISFACTORY
VOTE 5 - COMMUNITY SERVICES	33,989,400	41,183,400	4,224,605	19,353,568	56.94%	46.99%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,021,000	1,173,500	36,779	606,717	59.42%	51.70%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	48,000	48,000	-	1,934	4.03%	4.03%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	217,000	282,000	10,863	238,943	110.11%	84.73%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,116,000	1,111,000	8,819	747,827	67.01%	67.31%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	9,204,000	9,026,000	727,838	4,552,821	49.47%	50.44%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	336,400	341,400	6,840	119,858	35.63%	35.11%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	22,047,000	29,201,500	3,433,467	13,085,468	59.35%	44.81%	UNSATISFACTORY
VOTE 6 - FINANCIAL SERVICES	2,190,000	2,315,000	107,847	1,670,913	76.30%	72.18%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,226,000	1,340,000	75,390	1,031,707	84.15%	76.99%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	172,000	166,000	6,136	111,196	64.65%	66.99%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	180,000	127,000	-	32,232	17.91%	25.38%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	612,000	682,000	26,320	495,778	81.01%	72.69%	UNSATISFACTORY
VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	11,968,000	12,528,000	235,324	3,076,752	25.71%	24.56%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	387,000	464,000	16,319	164,628	42.54%	35.48%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	65,000	65,000	1,648	25,407	39.09%	39.09%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	410,000	386,000	-	41,962	10.23%	10.87%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	14,000	14,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	11,092,000	11,599,000	217,357	2,844,755	25.65%	24.53%	UNSATISFACTORY
VOTE 8 - INFRASTRUCTURE SERVICES	255,806,914	264,960,914	16,795,564	165,032,164	64.51%	62.29%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	620,000	620,000	52,478	383,649	61.88%	61.88%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	23,171,000	33,171,000	1,388,968	18,585,067	80.21%	56.03%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,845,000	2,295,000	100,680	979,417	53.08%	42.68%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	10,040,000	9,932,000	739,524	5,835,937	58.13%	58.76%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	575,000	575,000	10,830	43,588	7.58%	7.58%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	146,553,914	164,611,914	9,599,631	97,359,794	66.43%	59.15%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	73,000,000	53,754,000	4,903,454	41,844,712	57.32%	77.84%	UNSATISFACTORY
Grand Total	331,852,314	363,475,314	24,398,902	217,850,469	65.65%	59.94%	UNSATISFACTORY

Table 4.1 R&M Expenditure per Directorate per inventory type

R&M Expenditure per Service per Inventory Type as at 30 April 2026 (Amounts in Rand)	Sum of Original Budget	Sum of Adjustment Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original Budget	Sum of % Spent Adj Budget	% Spent compared against ideal IYM % of 83.33%
2480 - REFUSE	20,450,000	20,450,000	3,640,065	12,571,984	61.48%	61.48%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	100,000	100,000	-	10,217	10.22%	10.22%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	150,000	150,000	-	38,756	25.84%	25.84%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,400,000	6,400,000	667,483	3,960,496	61.88%	61.88%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	100,000	100,000	1,756	5,834	5.83%	5.83%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	13,700,000	13,700,000	2,970,826	8,556,681	62.46%	62.46%	UNSATISFACTORY
2830 - ROADS	44,461,000	45,711,000	1,806,649	32,996,051	74.21%	72.18%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	68,000	68,000	1,808	37,219	54.73%	54.73%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	67,000	67,000	18,160	50,487	75.35%	75.35%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	44,326,000	45,576,000	1,786,681	32,908,345	74.24%	72.21%	UNSATISFACTORY
2840 - HOUSING	3,407,000	4,907,000	199,260	2,616,780	76.81%	53.33%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	121,000	121,000	2,984	79,195	65.45%	65.45%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	135,000	135,000	-	109,853	81.37%	81.37%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	140,000	140,000	14,430	104,526	74.66%	74.66%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,010,000	4,510,000	181,846	2,323,207	77.18%	51.51%	UNSATISFACTORY
2850 - SEWERAGE	27,165,000	39,415,000	2,933,401	22,965,390	84.54%	58.27%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	35,000	35,000	242	17,361	49.60%	49.60%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	170,000	170,000	-	121,095	71.23%	71.23%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	295,000	295,000	21,008	216,328	73.33%	73.33%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,900,000	2,900,000	305,754	2,014,353	69.46%	69.46%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	100,000	100,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,665,000	35,915,000	2,606,397	20,596,253	87.03%	57.35%	UNSATISFACTORY
2860 - WATER	129,773,000	117,527,000	8,340,546	76,335,567	58.82%	64.95%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	76,000	76,000	-	43,002	56.58%	56.58%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	23,001,000	33,001,000	1,388,968	18,463,972	80.27%	55.95%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	141,000	141,000	-	110,959	78.69%	78.69%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,500,000	2,500,000	90,035	1,074,035	42.96%	42.96%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	475,000	475,000	10,830	43,588	9.18%	9.18%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	30,580,000	27,580,000	1,947,260	14,755,299	48.25%	53.50%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	73,000,000	53,754,000	4,903,454	41,844,712	57.32%	77.84%	UNSATISFACTORY
2880 - ELECTRICITY	53,268,000	59,268,000	3,257,079	29,041,858	54.52%	49.00%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	180,000	180,000	11,426	95,891	53.27%	53.27%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	87,000	87,000	5,458	44,922	51.63%	51.63%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	53,000,000	59,000,000	3,240,196	28,901,045	54.53%	48.98%	UNSATISFACTORY
Grand Total	278,524,000	287,278,000	20,177,001	176,527,631	63.38%	61.45%	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 fourth quarter will be processed before end of June 2026.
- ❖ Interest is showing an unsatisfactory variance of 14.7%. 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 R55,985 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. The budget was corrected during the Adjustments budget.
- ❖ Expenditure on Contracted services is showing an unsatisfactory variance of minus 47.5%, as various line items is showing lower expenditure than anticipated.
- ❖ Transfers and subsidies showing negative variance of minus 43.3%. 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 a satisfactory variance of 1.4%.
The municipality is offering a 10% discount on the early settlement of a consumer's municipal bill. This discount is reflected as an expense under OC: Cash Discount of R36,714 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 R10,026 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 22.7%. 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 February and March 2026 must still be processed on the system.

Operating Expenditure by Type: Comparison against Adjustment Budget

Indicated in Table 4 above, is the YTD actual compared to the Adjustment Budget. The ideal In-Year-Monitoring percentage as at the end of April 2026 is 83.33%. The total operational expenditure against the Adjustment budget is 68.9% spent, resulting in an unsatisfactory variance of minus 14.43%.

- ❖ Employee related costs show an unsatisfactory variance of minus 10.6%. Same factors are applicable as explained above.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 1.2%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing an unsatisfactory variance of minus 12.5%. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 23.4%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing an unsatisfactory variance of minus 8.3%. Same factors are applicable as explained above.
- ❖ Depreciation shows an unsatisfactory variance of minus 83.3%. Same factors are applicable as explained above.
- ❖ Interest is showing an unsatisfactory variance of minus 16.5%. Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is unsatisfactory at minus 40.7%, when compared to the Adjustment budget. The YTD expenditure is lower than anticipated.
- ❖ Transfers and subsidies show an unsatisfactory variance of minus 36.5%. Same factors are applicable as explained above.
- ❖ Operational cost is showing a satisfactory variance of minus 1.3%. Same factors are applicable as explained above.
- ❖ Other Losses is showing an unsatisfactory variance of minus 25.0%. Same factors are applicable as explained above.

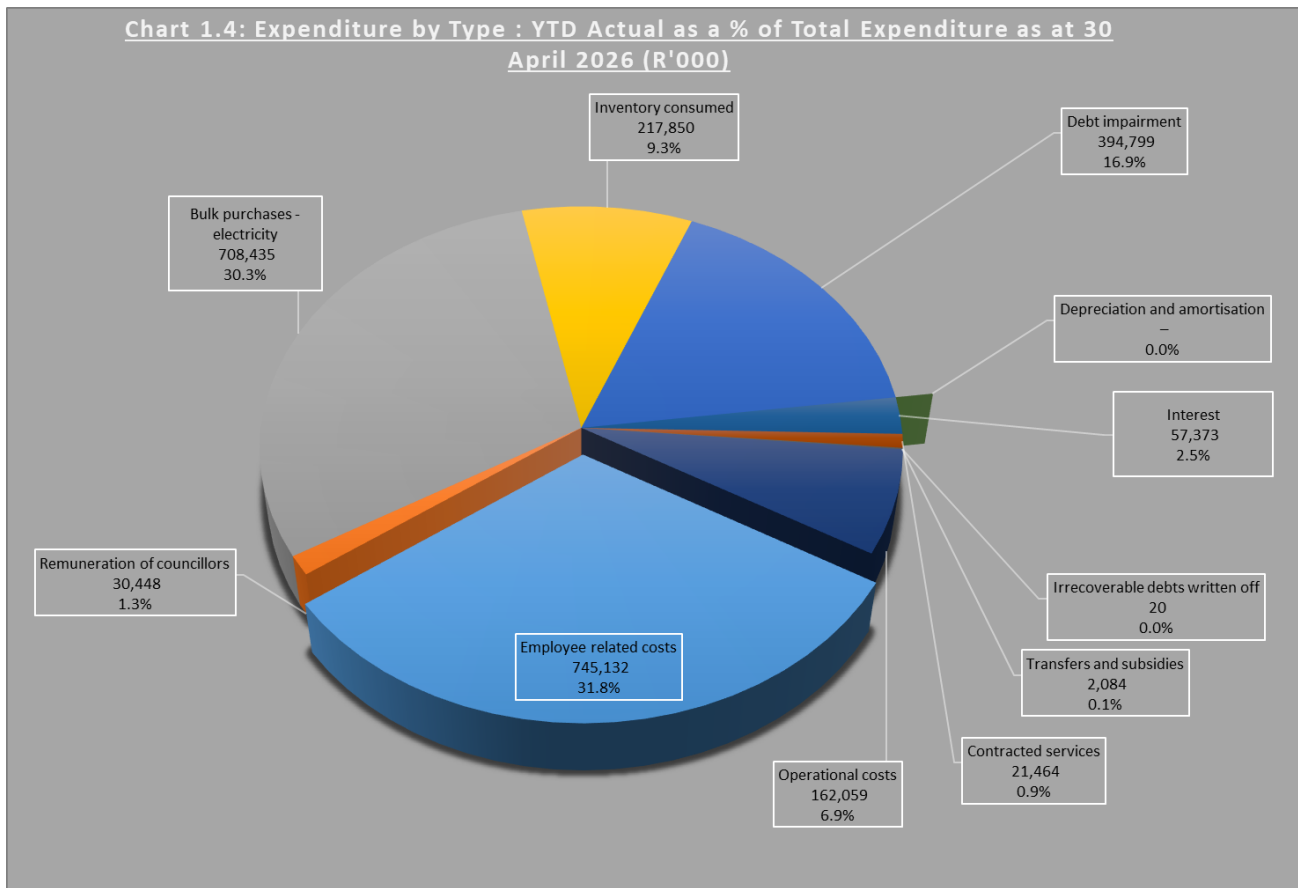


Chart 1.4: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

Also indicated in Chart 1.4 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 30 April 2026. The main cost drivers of the municipality are Employee Related Costs (31.8%), Bulk Purchases – Electricity (30.3%), Debt Impairment (16.9%) and Inventory consumed (9.3%).

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 should have been 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 fourth quarter will be processed before the end of June 2026.
- ❖ The Eskom account for April 2026 will be captured during May 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 83.33% as at end of April 2026, Bulk Purchases Electricity is showing an unsatisfactory variance of minus 12.49%. The bulk invoice for April 2026 will be processed during May 2026.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 83.33%
BULK PURCHASES: ELECTRICITY	1,000,000,000	69,440,036	708,435,268	70.84%	-12.49%
Total	1,000,000,000	69,440,036	708,435,268	70.84%	-12.49%

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 18.4%, when compared to the ideal percentage of 83.33%. During the Adjustment budget for 2021/22 and advised by NT, Bulk purchases Water was split between Water Inventory and Water losses in the Statement of Financial Performance aligned to GRAP 12. A corrective journal for the actuals, for February and March 2026 must still be processed on the system.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 83.33%
INVENTORY - WATER	53,754,000	4,903,454	41,844,712	77.84%	-5.49%
NON-REVENUE WATER LOSSES	104,346,000	-	60,868,500	58.33%	-25.00%
Total	158,100,000	4,903,454	102,713,212	65.0%	-18.4%

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	947,226	660,241	-		286,985	202,470	55,986
Jul-25	146,873	146,873	-		-	-	5,424
Aug-25	129,313	-	-		129,313	129,313	4,112
Sept-25	81,800	81,800	-		-	-	4,264
Oct-25	86,066	86,066	-		-	-	7,375
Nov-25	80,365	60,000	-		20,365	20,365	4,432
Dec-25	83,316	56,000	-		27,316	27,316	6,844
Jan-26	88,135	88,135	-		-	-	5,284
Feb-26	81,367	81,367	-		-	-	5,763
Mar-26	85,475	60,000	-		25,475	25,475	5,619
Apr-26	84,516	-	-		84,516	-	6,870
Grand Total ESKOM	3,643,310	2,461,939	(107,114)	(248,128)	1,074,256	989,740	75,375

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to Eskom amounting to R1,074,256 billion. The first and second debt write off of R496 million must still be effected in the municipality's books. The total arrear debt amounts to R989,740 billion summarized as follows: 2021/22 (R275,682m); 2022/23 (R248,878m); 2023/24 (R85,767m); 2024/25 (R176,944m) and 2025/26 (R202,470m). The total interest charges on overdue accounts for the current financial year amounted to R55,986 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. The budget on Interest on overdue accounts was corrected during the Adjustments budget.

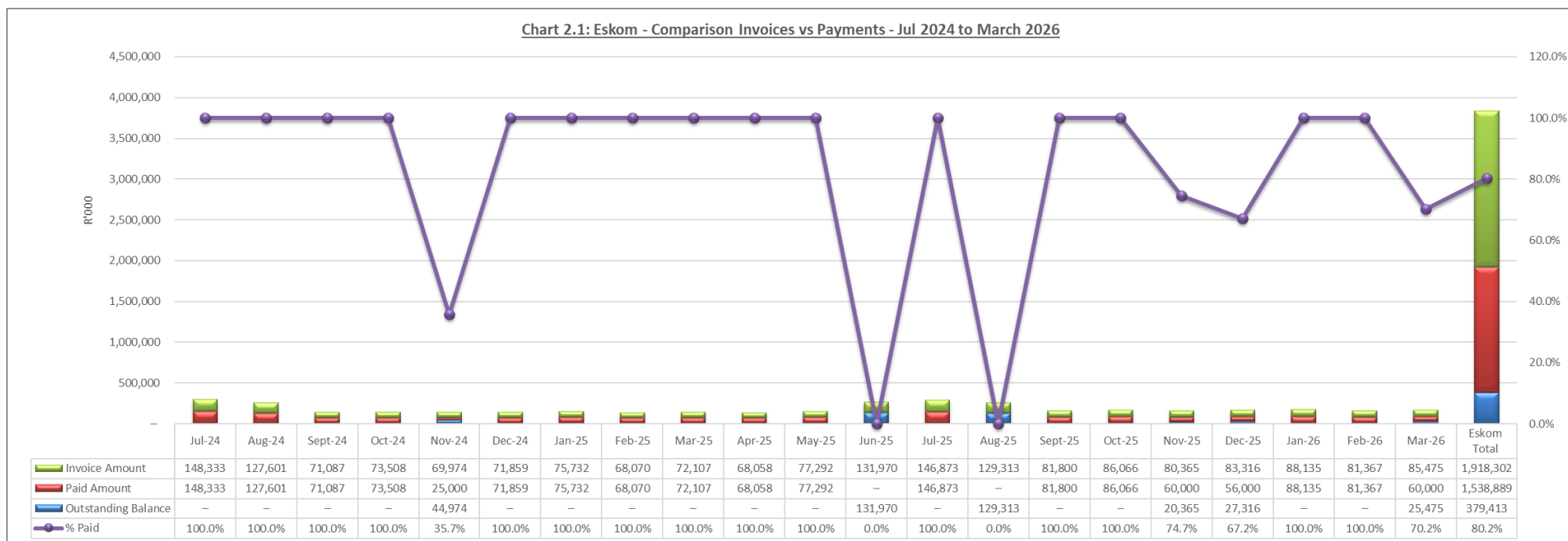


Chart 2.1: Eskom - Comparison Invoices vs Payments

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 April 2026 is excluded because it is not yet due and payable. It will also distort the percentage paid. The YTD actual until March 2026 show that 80.2% of invoices were settled, based on invoices raised of R1,918,302 billion versus payments of R1,538,889 billion. The percentage on partially paid invoices are November 2024 (35.7%); June 2025 (0%); August 2025 (0%), November 2025 (74.7%), December 2025 (67.2%) and March 2026 (70.2%). The total arrear outstanding balance for the period July 2024 to March 2026 amounts to R379,413 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	178,922	20,043	158,878	158,878
Jul-25	21,434	–	21,434	21,434
Aug-25	14,866	–	14,866	14,866
Sept-25	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	14,866
Jan-26	30,103	–	30,103	30,103
Feb-26	21,740	–	21,740	21,740
Mar-26	16,202	–	16,202	16,202
Grand Total	618,635	347,934	270,701	270,701

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 R270,701 million. The total debt must be concurred with the Department. The total arrear debt amounts to

R270,701 million which pertains to outstanding invoices for 2021/22 (R37,558m); 2024/25 (74,264m) and 2025/26 (R158,878m). 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 and December 2024 and January, March, June, July, August, October, November, December 2025, January, February and March 2026 accounts.

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, October, November, December 2025, January, February and March 2026 invoices. The February, March and September 2025 accounts were settled in full. The municipality incurred accumulative arrear debt for the prior and current year of R270 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 should 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.

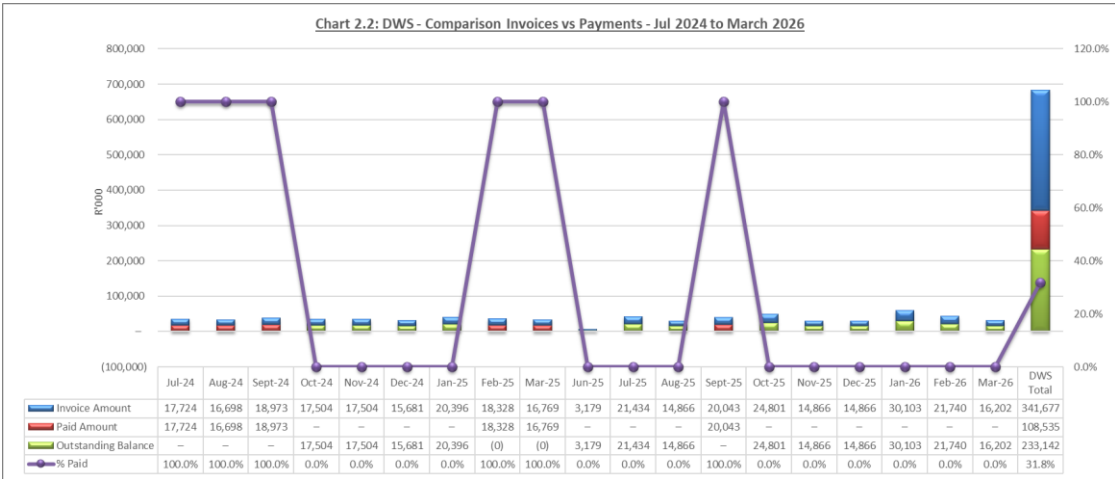


Chart 2.2: DWS - Comparison Invoices vs Payments

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 March 2026. There is no current account for April 2026, due to the servitude (free water quota) that commenced on 1 April. The YTD actual until March 2026 shows that 31.8% of invoices were settled, based on invoices raised of R341,677 million versus payments of R108,535 million. Invoices for July to September 2024, February, March and September 2025 were settled in full, whilst the invoices for October 2024 to January 2025, June, July, August, October, November and December 2025 and January, February and March 2026 remain unpaid. The total arrear outstanding balance for the period July 2024 to March 2026 amounts to R233,142 million.

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

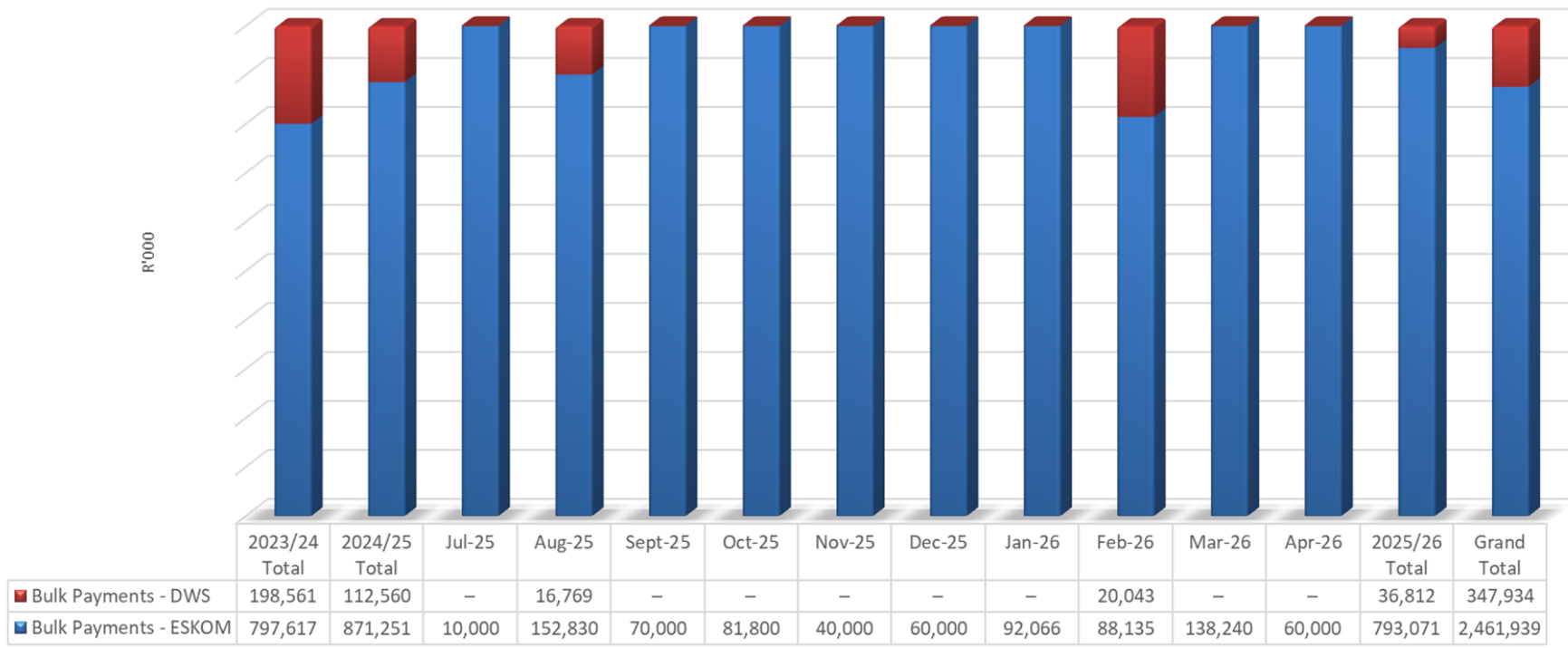


Chart 2.3: Monthly payments to DWS & ESKOM

Indicated in Chart 2.3 above, are the monthly payments made to DWS and ESKOM for 2023/24, 2024/25 and 2025/26 financial year as at 30 April 2026.

DWS – The invoice payments for 2023/24 amount to R198,561 million, whilst payments for 2024/25 amount to R112,560 million. The payments for 2025/26 amounts to R36,812 million. The total payments amount to R347,934 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, October, November and December 2025 and January, February and March 2026 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 made a partial payment of R60,000 million on the March 2026 account. The municipality had insufficient cash available from operations to settle the payment arrangement of R6,700 million. The total payments made for the 2023/24 financial year amounted to R797,617 million and for 2024/25 financial year the payments amounted to R871,251 million and for 2025/26 financial year the payments amount to R793,071 million, resulting in the total payments for the three periods amounting to R2,461,939 billion. The high months remains a major concern.

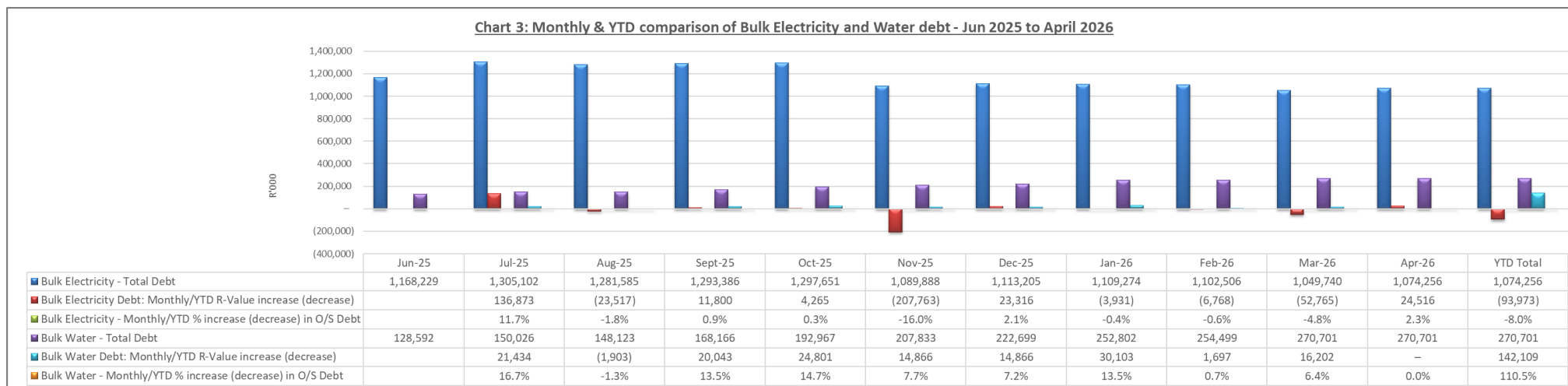


Chart 3: Monthly & YTD comparison – Bulk Electricity & Water debt

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

ESKOM - From March 2026 to April 2026, debt owed to ESKOM increased by R24,516 million or 2.3%, from R1,049,740 billion to R1,074,256 billion. When comparing the total outstanding debt to June 2025, the outstanding debt decreased by R93,973 million or 8.0%, from R1,168,229 billion to R1,074,256 billion. It should be noted that the debt write off for the second third debt write off is not taken into account.

DWS - From March 2026 to April 2026, debt owed to DWS remained the same at R270,701 million because there was no invoice raised for April 2026 due to the commencement of our servitude period. When comparing the total outstanding debt to June 2025, the outstanding debt increased by R142,109 million or 110.5% from R128,592 million to R270,701 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 and December 2024 and January, February, March, June, July, August, September, October, November and December 2025 and January, February and March 2026 accounts. The February, March and September 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
24	2026/01/30								R 6,700,000.00
TOTAL					R 49,162,000.00		R 113,900,000.00		R 113,900,000.00

Table 6.3: Reconciliation Eskom Payment Arrangement

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

Table 6.4: 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 R113,900,000 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 - M10 April										
Capital expenditure	Adjustment Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Adjustment Budget	Adjustment Budget Variance	Adjustment Budget Variance IYM % - 83.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	632,781	25,990	390,571	526,046	74.25%	(135,475)	-25.8%	61.7%	(136,747)	-21.6%
Funded by										
Capital transfers recognised	595,392	25,639	383,832	496,051	77.38%	(112,219)	-22.6%	64.5%	(112,328)	-18.9%
Internally generated funds	37,389	351	6,738	29,995	22.5%	(23,256)	-77.5%	18.0%	(24,420)	-65.3%
Weighting Capital transfer recognised	94.1%	98.6%	98.3%	94.3%						
Weighting Internally generated funds	5.9%	1.4%	1.7%	5.7%						

Table 7: High level summary: Capital Expenditure

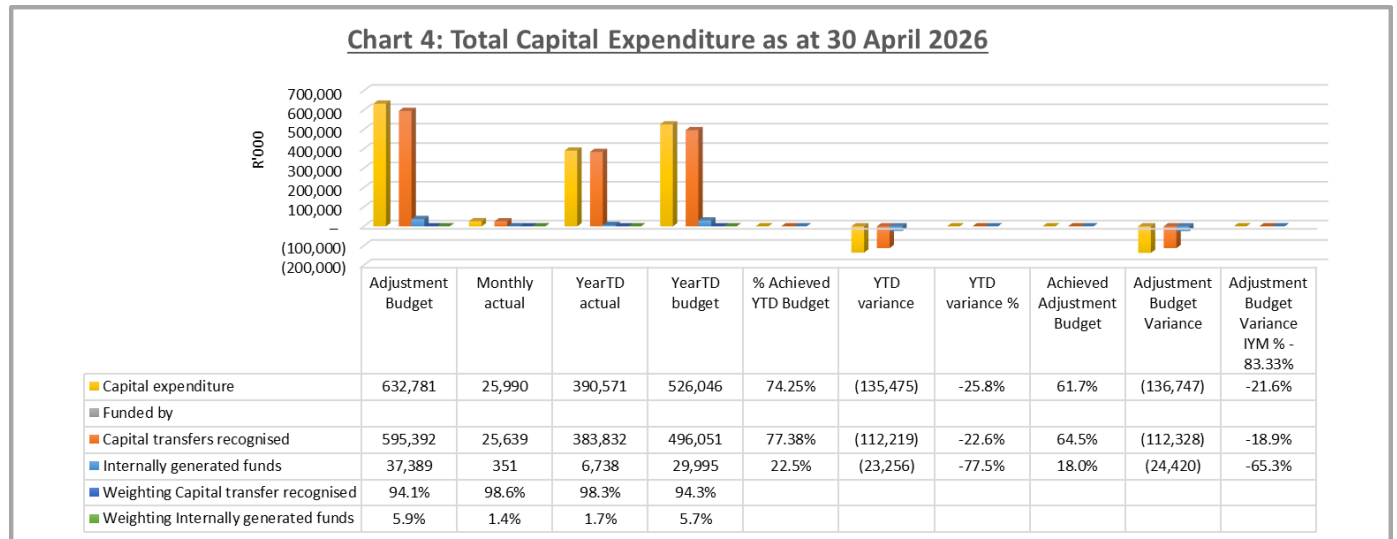


Chart 4: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of April 2026 amounted to R390,571 million and 74.25% spent when compared to the YTD budget of R526,046 million and 61.7% spent when compared to the Adjustment Budget of R632,781 million. The total YTD capex is funded from Capital grants R383,832 million (98.3%) and Internally generated funds R6,738 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

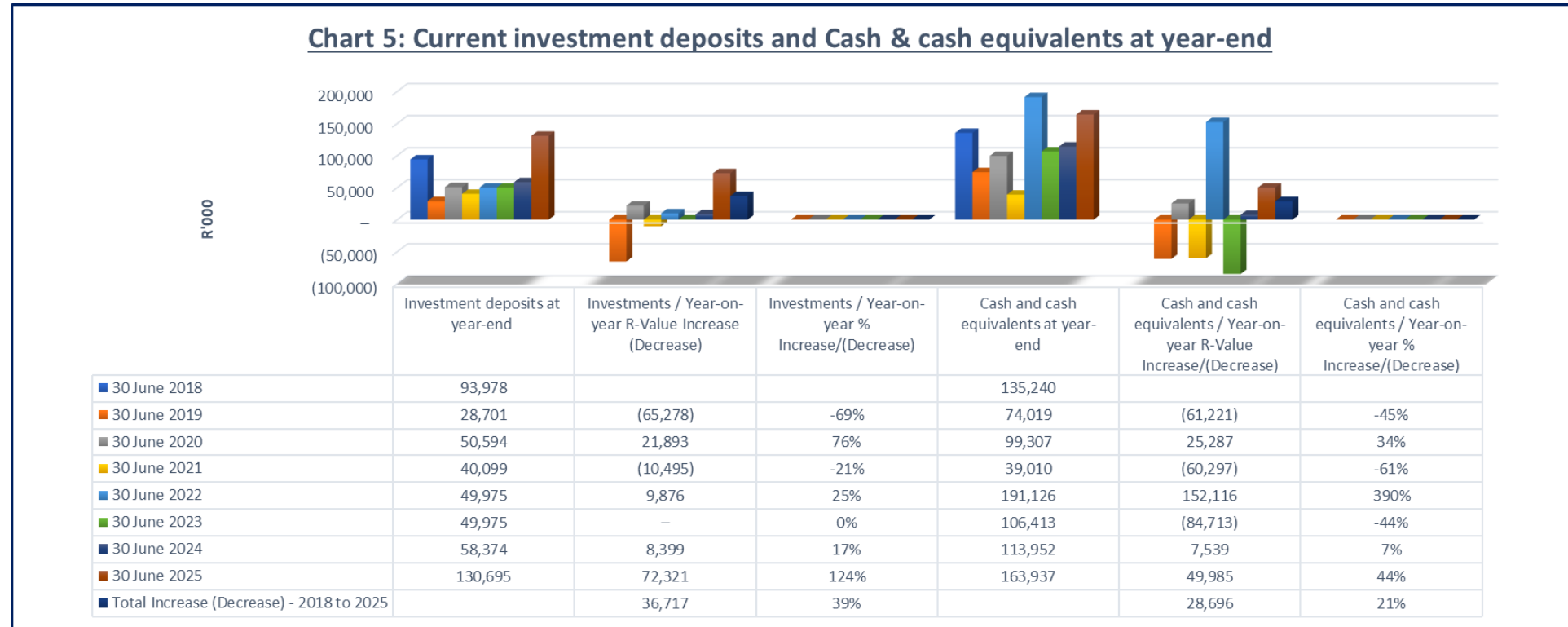


Chart 5: Call investment deposits and Cash & cash equivalents at year-end

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.

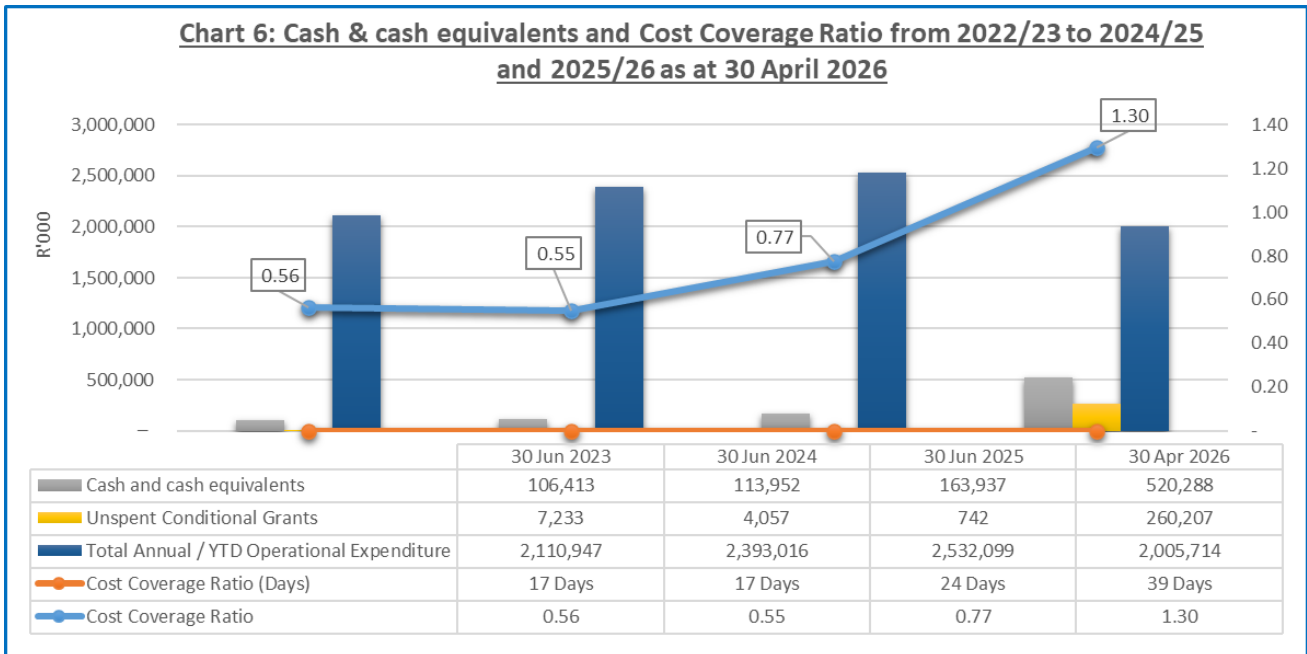


Chart 6: Cash & cash equivalents and Cost coverage ratio

Indicated in Chart 6 above, is the Cost coverage ratio, number of days coverage and the Cash and cash equivalents for the period. The required NT norm is 3 months Cost coverage. The audited outcome for the year ended 30 June 2023 (0.56; 17 days; R106,413m). The audited outcome for the year ended 30 June 2024 is (0.55; 17 days; R113,952m). The audited outcome for the year ended 30 June 2025 is (0.77; 24 days; R163,937m). The Cost coverage ratio as at 30 April 2026 is calculated at (1.30; 39 days; R520,288m). Unspent conditional grants amounted to R260,207 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										
R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	36,926	3.9%	26,517	2.8%	25,288	2.7%	857,371	90.6%	946,103	21.0%
Trade and Other Receivables from Exchange Transactions - Electricity	61,879	20.2%	21,872	7.1%	11,172	3.6%	211,296	69.0%	306,219	6.8%
Receivables from Non-exchange Transactions - Property Rates	40,818	4.9%	18,335	2.2%	15,185	1.8%	766,151	91.2%	840,488	18.6%
Receivables from Exchange Transactions - Waste Water Management	10,089	2.9%	7,347	2.1%	6,859	2.0%	320,161	92.9%	344,456	7.6%
Receivables from Exchange Transactions - Waste Management	8,107	3.1%	5,802	2.2%	5,219	2.0%	245,699	92.8%	264,828	5.9%
Receivables from Exchange Transactions - Property Rental Debtors	948	.9%	1,077	1.0%	919	.8%	106,874	97.3%	109,818	2.4%
Interest on Arrear Debtor Accounts	20,269	1.6%	20,028	1.6%	19,866	1.6%	1,170,821	95.1%	1,230,984	27.3%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-	-	-	-	-	-	-	-	-
Other	9,830	2.1%	52,888	11.4%	5,538	1.2%	396,555	85.3%	464,812	10.3%
Total By Income Source	188,868	4.2%	153,865	3.4%	90,047	2.0%	4,074,928	90.4%	4,507,708	100.0%
Debtors Age Analysis By Customer Group										
Organs of State	27,219	4.1%	63,706	9.6%	10,591	1.6%	559,631	84.6%	661,147	14.7%
Commercial	72,141	10.0%	21,296	3.0%	16,339	2.3%	610,964	84.8%	720,741	16.0%
Households	86,577	2.9%	65,990	2.2%	60,572	2.0%	2,764,031	92.8%	2,977,169	66.0%
Other	2,930	2.0%	2,874	1.9%	2,545	1.7%	140,303	94.4%	148,651	3.3%
Total By Customer Group	188,868	4.2%	153,865	3.4%	90,047	2.0%	4,074,928	90.4%	4,507,708	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 R4,507,708 billion as at the end of April 2026 and the bulk of SPM's debt is aged over 90 days with an overall weighting of 90.4%.

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

- ❖ Interest on Arrear Debtor Accounts at 95.1% and Other at 85.3%.
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 97.3%
- ❖ Receivables from Exchange Transactions – Property Rates (91.2%); Waste Water Management (92.9%) and Waste Management (92.8%).

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

- ❖ Receivables from Non-exchange Transactions - Property Rates at 18.6%
- ❖ Interest on Arrear Debtor Accounts 27.3%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 21.0%

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:

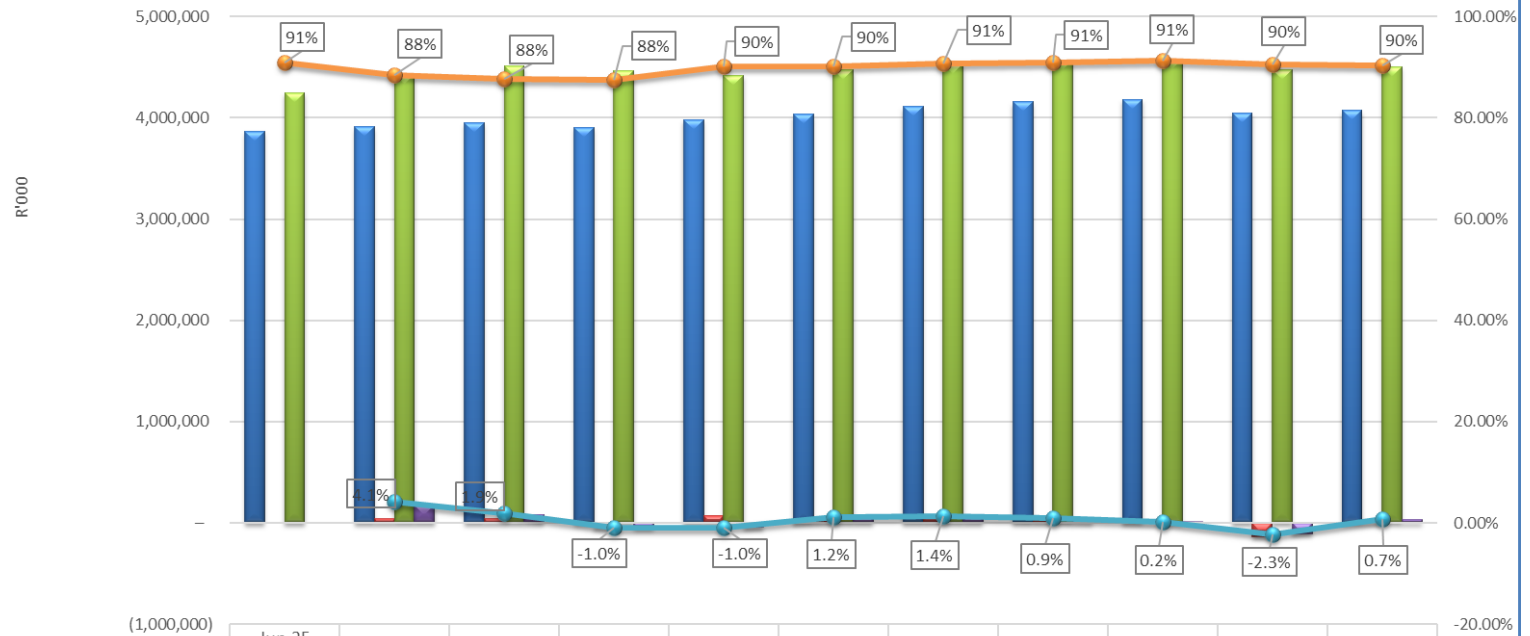
- ❖ Organs of State at 84.6%; Commercial at 84.8%; Households at 92.8% and Other at 94.4%.

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

- ❖ Organs of state at 14.7%, total debt outstanding is R661,147 million
- ❖ Businesses at 16.0%, total debt outstanding is R720,741 million
- ❖ Households at 66.0%, total debt outstanding is R2,977,169 billion
- ❖ Other at 3.3%, total debt outstanding is R148,651 million.

Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt remained constant at 90% for the month under review. Debt over 90 days increased by R26,474 million in respect of the month-to-month comparison. The month-to-month increase, on total debt amounted to R32,401 million. It is concerning that total debt over 90 days is hovering at an average of 90 percent.

Chart 7: Debt over 90 days as a % of total O/S Debt: Jun 2025 - Apr 2026



	Jun-25 (preliminary)	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
Debt over 90 days (R'000)	3,866,849	3,909,328	3,953,683	3,907,819	3,982,276	4,032,608	4,108,536	4,160,319	4,182,009	4,048,454	4,074,928
Month-to-Month R-value Increase (Decrease) of Debt over 90 days		42,479	44,356	(45,865)	74,458	50,332	75,929	51,783	21,690	(133,555)	26,474
Total Debt (R'000)	4,250,087	4,423,908	4,509,031	4,462,217	4,418,613	4,471,660	4,532,290	4,572,699	4,580,803	4,475,307	4,507,708
Month-to-Month R-value Increase (Decrease) of Total debt		173,821	85,123	(46,814)	(43,604)	53,046	60,631	40,409	8,104	(105,496)	32,401
Month-to-Month % Increase (Decrease) on Total Debt		4.1%	1.9%	-1.0%	-1.0%	1.2%	1.4%	0.9%	0.2%	-2.3%	0.7%
% Weighting of Debt over 90 days	91%	88%	88%	88%	90%	90%	91%	91%	91%	90%	90%

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

- There is an error on the C-schedules, supporting schedule SC3 – Aged Debtors for the audited outcome for 2024/25. This error affected Chart C3 Aged Consumer Debtors Analysis. The problem has been resolved by our financial system provider (BCX). However, the totals are for April 2025, 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.

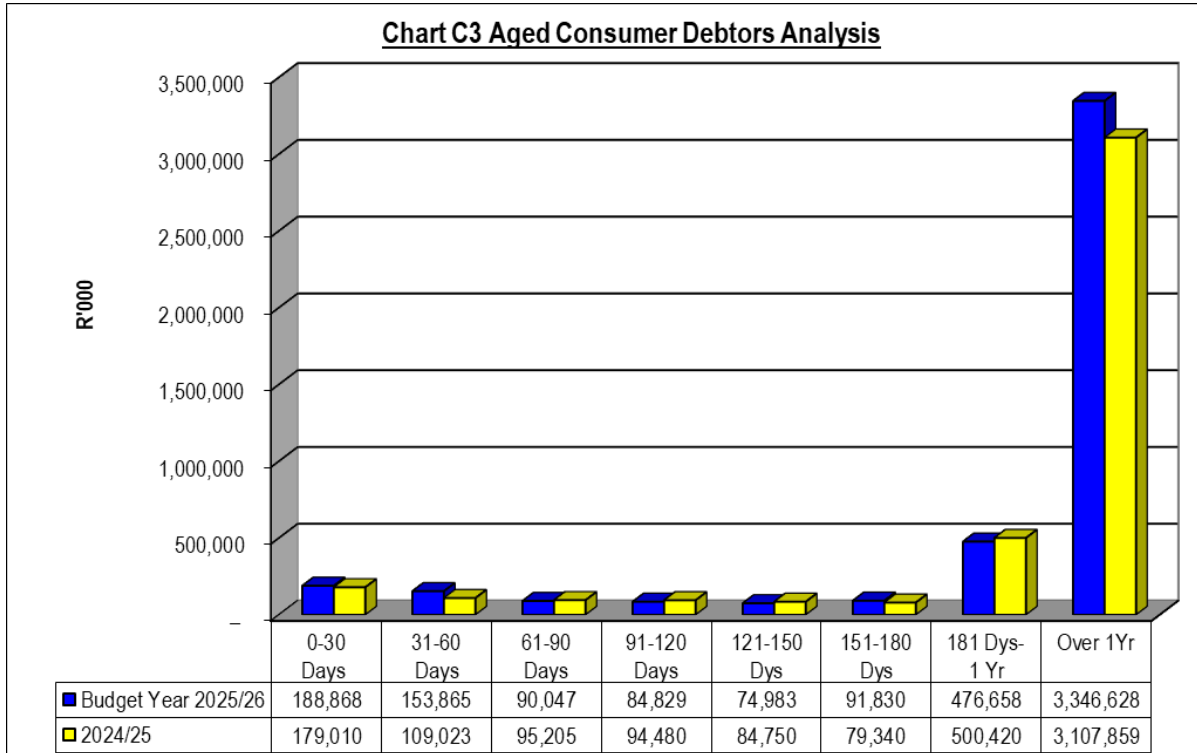


Chart 8: Aged Consumer Debtor Analysis

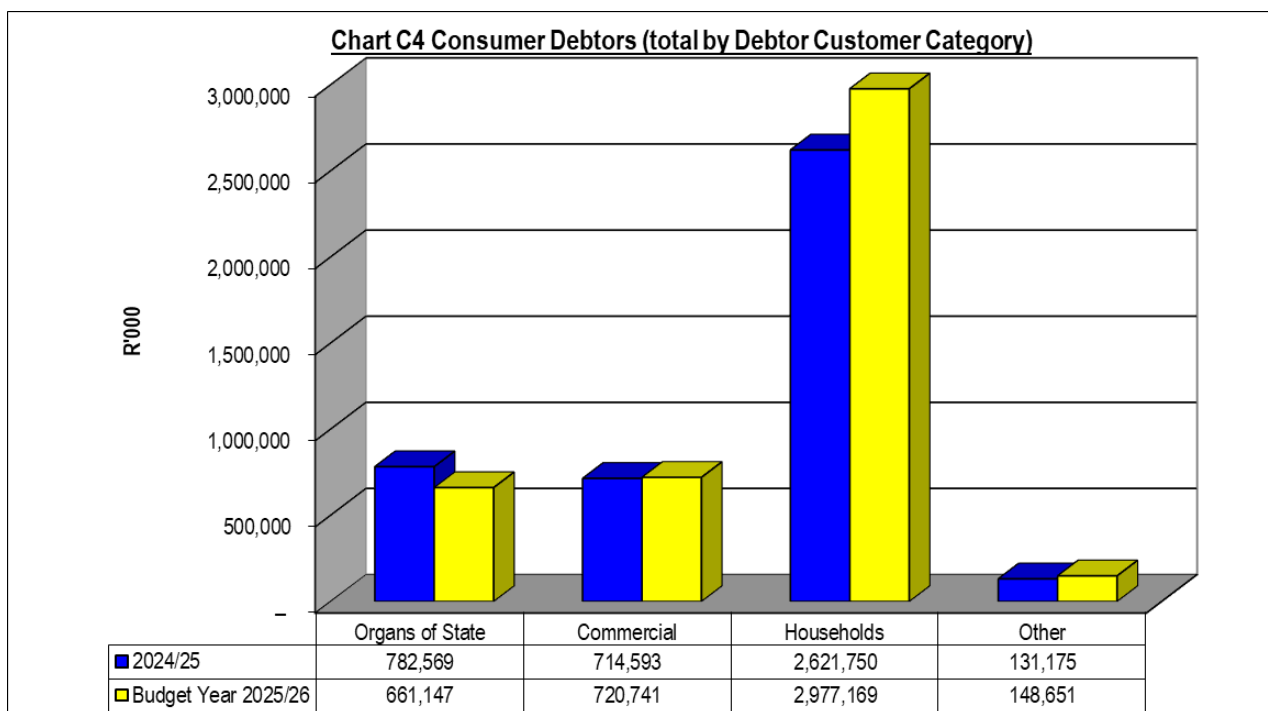


Chart 9: Consumer Debtors (total by Debtor Customer Category)

Revised collection rate

As per Table 9 below, when taking into consideration what was billed in March 2026 and received in April 2026, the monthly collection rate is 74%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 71%. 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 R16,672 million and will be allocated during May 2026. Indicated in Table 10 below is the revised average collection rate of 82.0%, for Property rates and Service charges only. The lower collection rate is not a desired level 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 third 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 April to 30 April 2026. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, had until the end of September 2025 to settle their outstanding accounts.

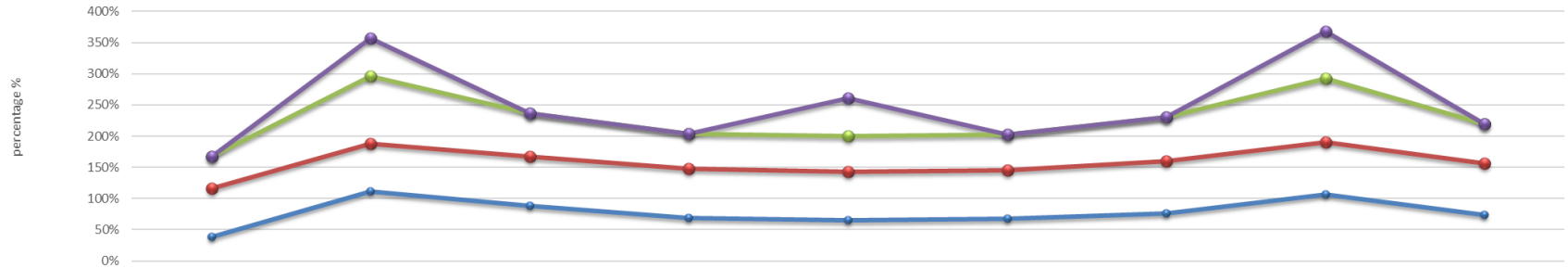
Monthly Collection Rate	Debits (Billed March 2026)	Credits (Received April 2026)	% Collected
PROPERTY RATES	53,452,580	45,278,190	85%
ELECTRICITY	47,065,490	41,273,039	88%
WATER	27,834,799	13,856,541	50%
SEWERAGE	10,596,574	4,696,941	44%
REFUSE	8,452,146	3,801,829	45%
PROPERTY RATES & SERVICES	147,401,589	108,906,539	74%
OTHER	25,746,181	14,297,016	56%
TOTAL	173,147,771	123,203,555	71%

Table 9: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL APRIL 2026	YTD RECEIPTS	Rate
PROPERTY RATES	R 642,690,351	R 526,811,327	82.0%
SERVICE CHARGE ELECTRICITY	R 520,614,052	R 496,915,481	95.4%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 310,601,361	R 310,601,361	100.0%
SERVICE CHARGE WATER	R 280,614,142	R 150,537,707	53.6%
SERVICE CHARGE SANITATION	R 97,818,138	R 44,919,994	45.9%
SERVICE CHARGE REFUSE	R 73,974,633	R 39,070,185	52.8%
SERVICE CHARGES NON-EXCHANGE	R 9,641,295	R 2,397,863	24.9%
UNALLOCATED CREDITS		R 16,671,612	
REVISED AVERAGE COLLECTION RATE - APRIL 2026	R 1,935,953,971	R 1,587,925,530	82.0%

Table 10: Revised Average collection rate

Chart 10: Comparative trend: Monthly and Revised average collection rate - Jun 2025 to Apr 2026



	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
Collection rate per Ward (Quarterly) 66% -	-	60%	-	-	61%	-	-	76%	-
Collection rate per Ward (Monthly) 60% 34%	51%	109%	70%	56%	56%	58%	70%	102%	64%
Revised average collection rate (SPLM) 77% 47%	77%	76%	79%	78%	78%	77%	83%	83%	82%
Monthly collection rate (Property rates and Services) 57% 71%	39%	111%	88%	69%	65%	67%	76%	107%	74%

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 April 2026. The monthly collection rate (Property rates & Services) for April 2026 is unsatisfactory at 74%. The revised average collection for April 2026 which includes Prepaid sales and unallocated credits is 82%, 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 64% for the month under review. The quarterly collection rate per ward is not reported on because it is not yet the end of the fourth quarter. 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 R16,671 million was unallocated at month-end.

Chart 11: Month-to-month - Total Billing Receipts incl Prepaid Electricity from Jun 2025 to Apr 2026

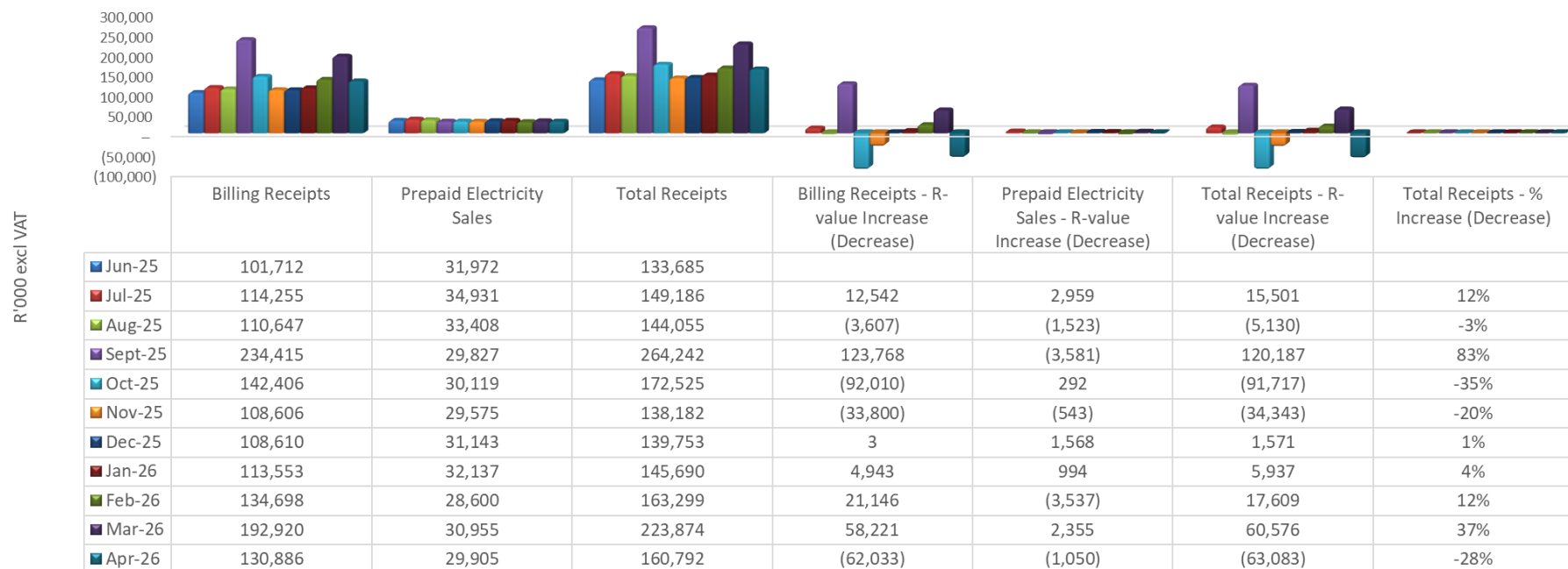


Chart 11: Month-to-month - Total Billing Receipts incl Prepaid Electricity

As indicated in Chart 11 above, the Total Receipts for April 2026 amounted to R160,792 million which resulted in a decrease of R63,083 million (28%) in respect of the month-to-month comparison. Billing receipts decreased by R62,033 million, whilst Prepaid Electricity Sales decreased by R1,050 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 R16,671 million. Unallocated receipts are not factored into the actual receipts as per the chart above. All unallocated receipts are investigated, and assistance is sourced from the bank, when the municipality is unable to trace receipts so that it can be allocated accurately.

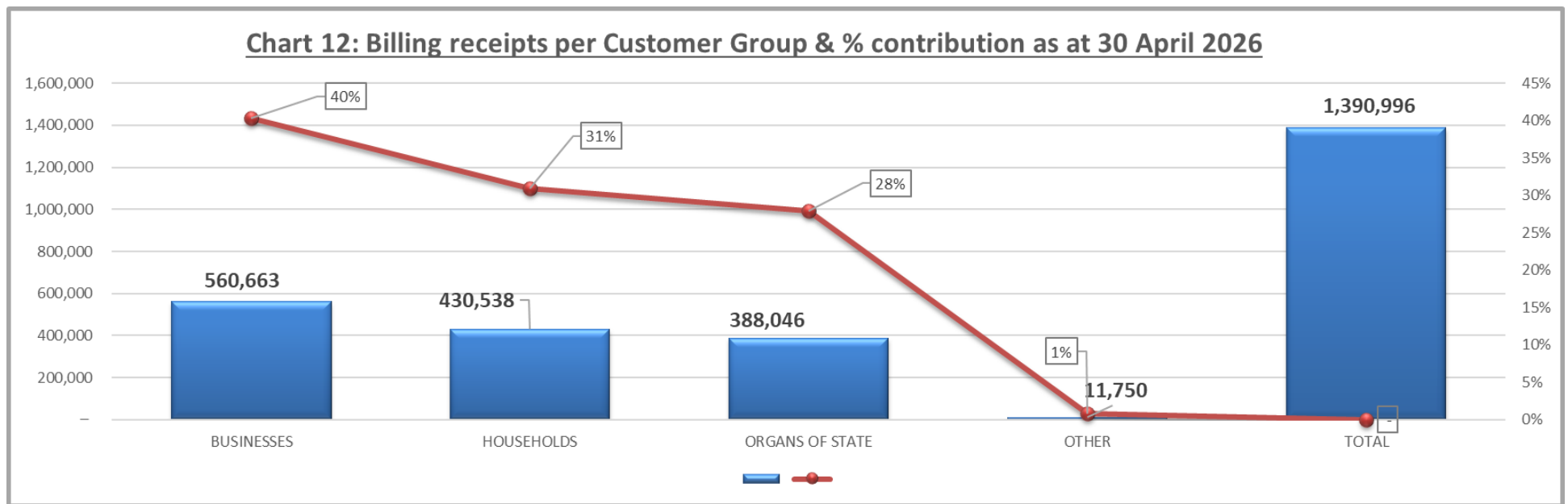


Chart 12: Billing receipts per Customer Group

Indicated in Chart 12 above, is the billing receipts and percentage contribution per major Customer group as at 30 April 2026 which amounts to R1,390,996 billion. The municipality received R560,663 million (40%) from Businesses, Households R430,538 million (31%), Organs of State R388,046 million (28%) and Other R11,750 million (1%).

7. Creditors' Analysis

Part 5: Creditor Age Analysis										
R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Creditor Age Analysis										
Bulk Electricity	84,516	7.9%	25,475	2.4%	-	-	964,265	89.8%	1,074,256	74.8%
Bulk Water	-	-	16,202	6.0%	21,740	8.0%	232,759	86.0%	270,701	18.9%
PAYE deductions	12,530	100.0%	-	-	-	-	-	-	12,530	0.9%
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	9,094	100.0%	-	-	-	-	-	-	9,094	0.6%
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	26,248	73.4%	9,489	26.5%	4	-	13	-	35,753	2.5%
Auditor-General	-	-	-	-	-	-	-	-	-	-
Other	19,798	60.2%	2,280	6.9%	935	2.8%	9,872	30.0%	32,885	2.3%
Medical Aid deductions	-	-	-	-	-	-	-	-	-	-
Total	152,185	10.6%	53,446	3.7%	22,679	1.6%	1,206,909	84.1%	1,435,219	100.0%

Table 11: Part 5: Creditors Age Analysis

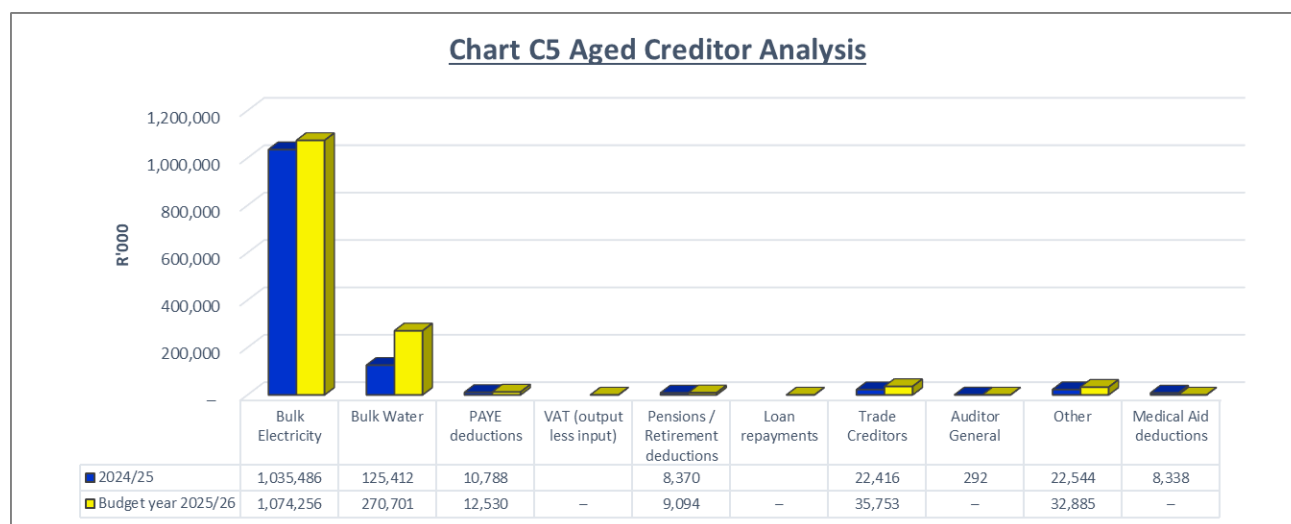


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2024/25 in Chart 13 is based on the outstanding creditors as at end of April 2025 (prior year totals for the same period). Articulated in Table 11 above, is the age creditors analysis, which is standing at R1,435,219 billion owed to creditors. The analysis shows that 10.6% of creditors is owed between 0 to 30 days, whilst 84.1% of creditors is owed over 90 days. Bulk Electricity is the largest creditor at 74.8%, followed by Bulk Water at 18.9%.

Bulk Electricity – As at the 30 April 2026, the outstanding debt owed to ESKOM amounted to R1,074,256 billion.

Bulk Water – As at the 30 April 2026, the outstanding debt owed to DWS amounted R270,701 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 R9,041 million from SARS.

PAYE and Pension statutory deductions are paid over monthly to the relevant institutions on or before 7 May 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 – no account was raised for April 2026 by the AGSA.

Other creditors – includes Sundry creditors which were unpaid as at 30 April 2026.

Medical Aid deductions – medical aid contributions were settled on or before 30 April 2026 for the month under review.

8. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 30 April 2026, the value of total investments made was R446,876 million. Partially or prematurely withdrawn investments amounted to R31,527 million. Investment top-up for the month under review amounted to R0. 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.	21,703
• 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.	19,352
• Unspent Capital grant receipts that were invested for the current year.	260,207
• Own funds invested - • Committed funds invested including retentions	145,614
Total	446,876

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M10 April

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ^a	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
R thousands														
Municipality														
Standard Bank 048466271-089		6 months	Call a/c	No	Variable	6.9	0			-	-	-	-	-
Standard Bank 04 846 6271- 090		48 hours	Notice	No	Fixed	8.85%	0	n/a		-	-	-	-	-
Standard Bank - 04 846 6271-092		6 months	Notice	No	Fixed	892.00%	0	n/a		174,321	985	(29,985)	-	145,321
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	9.71%	0		2023/06/28	7,838	53	-	-	7,891
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	-	-	-	-	-
Standard Bank 048466271-073		4 months	Fixed	Yes	Fixed	745.00%	0		2026/06/28	11,390	71	-	-	11,461
Absa - 94 0279 0375		Monthly	Notice	No	Variable	745.00%	0	n/a	2026/06/30	255,500	1,512	(1,512)	-	255,500
Standard Bank - 04 846 6271-094		12 months	Fixed	No	Fixed	742.50%	0	n/a	2026/11/12	21,571	132	-	-	21,703
Municipality sub-total										475,620	2,783	(31,527)	-	446,876

Table 12: Supporting Table SC5: Investment portfolio

Chart 14: Call investment deposits incl interest for the period ending 30 April 2026

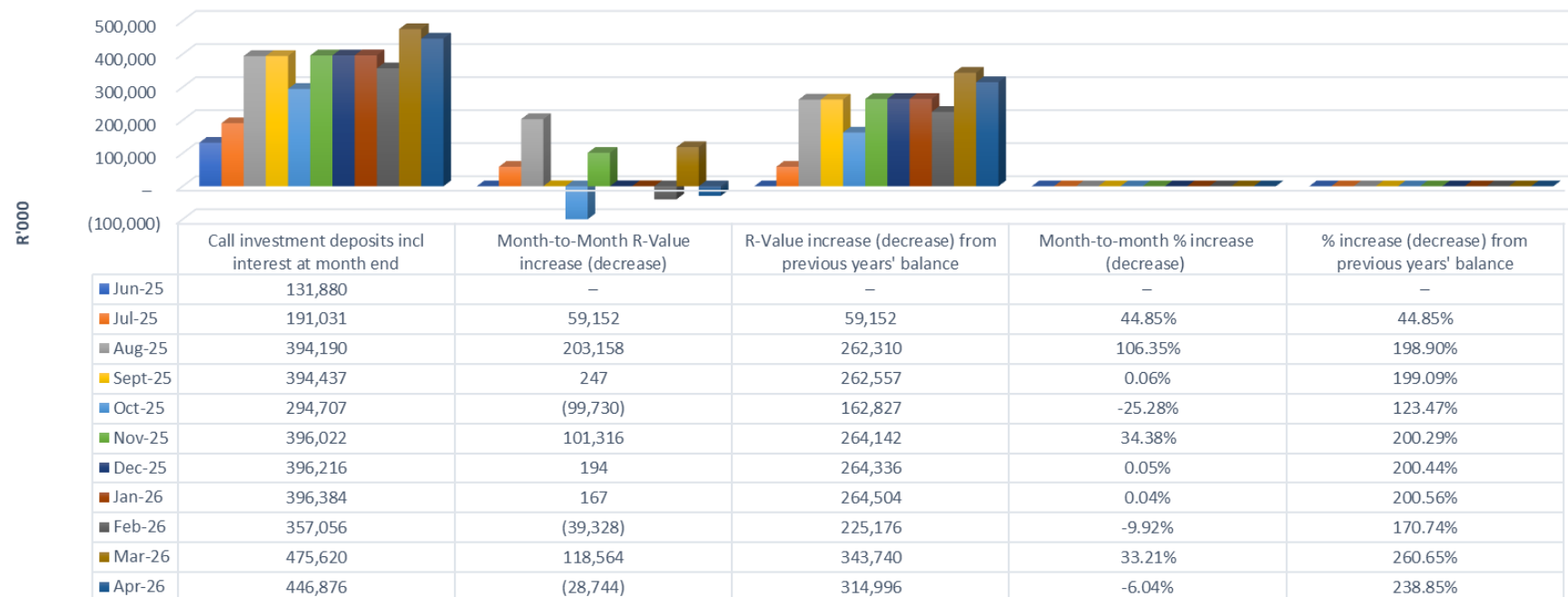


Chart 14: Call investment deposits at month-end

As indicated in the Chart 14 above from March to April 2026 investments incl interest decreased by R28,744 million (6.04%), in respect of the month-to-month comparison. Investments increased by R314,996 million (238.85%) 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 municipality is in the process to finalise the basic and capacity charges for 2025/26. 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 - M10 April

Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		294,090	314,669	314,669	1,909	312,293	262,224	50,069	19.1%	314,669
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		282,104	301,722	301,722	-	301,722	251,435	50,287	20.0%	301,722
Expanded Public Works Programme Integrated Grant		2,927	4,442	4,442	-	4,442	3,702	740	20.0%	4,442
Infrastructure Skills Development Grant		4,500	4,400	4,400	963	3,238	3,667	(429)	-11.7%	4,400
Integrated Urban Development Grant		2,759	2,305	2,305	794	2,096	1,921	175	9.1%	2,305
Local Government Financial Management Grant	3	1,800	1,800	1,800	152	795	1,500	(705)	-47.0%	1,800
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		19,321	9,007	16,737	260	1,100	12,144	(11,044)	-90.9%	16,737
Capacity Building and Other Grants		9,264	9,007	9,737	260	1,100	7,944	(6,844)	-86.2%	9,737
Infrastructure Grant		10,057	-	7,000	-	-	4,200	(4,200)	-100.0%	7,000
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		97,717	-	-	-	-	-	-	-	-
ESKOM		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Higher Education SA (HESA)		97,717	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	411,128	323,676	331,406	2,169	313,393	274,368	39,025	14.2%	331,406
Capital Transfers and Grants										
National Government:		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	411,128	323,676	331,406	2,169	313,393	274,368	39,025	14.2%	331,406

Table 13: Supporting Table SC6: Transfers and grant receipts

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

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

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

Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M10 April

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	286,817	11,507	212,630	227,285	(14,655)	-6.4%	286,817
Equitable Share		251,739	239,722	273,866	10,939	202,579	216,493	(13,914)	-6.4%	273,866
Expanded Public Works Programme Integrated Grant		3,143	4,442	4,442	38	4,568	3,702	866	23.4%	4,442
Infrastructure Skills Development Grant		4,373	4,400	4,400	280	2,816	3,667	(851)	-23.2%	4,400
Integrated Urban Development Grant		2,629	2,305	2,305	193	1,976	1,921	55	2.9%	2,305
Local Government Financial Management Grant		1,800	1,804	1,804	58	692	1,503	(812)	-54.0%	1,804
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		14,526	8,942	15,687	302	3,467	12,083	(8,616)	-71.3%	15,687
Capacity Building and Other Grants		9,055	8,942	9,687	124	1,099	7,900	(6,800)	-86.1%	9,687
Infrastructure Grant		5,471	-	6,000	178	2,368	4,183	(1,815)	-43.4%	6,000
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		278,210	261,615	302,504	11,809	216,097	239,368	(23,271)	-9.7%	302,504
Capital expenditure of Transfers and Grants										
National Government:		504,592	594,927	595,392	25,639	383,832	496,051	(112,219)	-22.6%	595,392
Energy Efficiency and Demand Side Management Grant		4,545	4,348	4,348	261	2,254	3,623	(1,369)	-37.8%	4,348
Integrated National Electrification Programme Grant		3,958	16,522	16,522	(3)	12,358	13,768	(1,410)	-10.2%	16,522
Integrated Urban Development Grant		64,588	66,144	66,609	6,267	38,469	55,399	(16,930)	-30.6%	66,609
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	87	87	-	-	72	(72)	-100.0%	87
Regional Bulk Infrastructure Grant		431,501	499,130	499,130	19,114	329,365	415,942	(86,577)	-20.8%	499,130
Water Services Infrastructure Grant		-	8,696	8,696	-	1,387	7,246	(5,860)	-80.9%	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	595,392	25,639	383,832	496,051	(112,219)	-22.6%	595,392
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		782,802	856,542	897,896	37,449	599,929	735,420	(135,490)	-18.4%	897,896

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 adjusted the budget to R28,160 million for this programme.

Description (R'000)	Original Budget	Increase (Decrease)	Adjustment Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,144	465	66,609	6,267	38,469	1,146	58.16%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,348	-	4,348	261	2,254	1,718	51.84%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	499,130	-	499,130	19,114	329,365	-	65.99%
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	16,522	-	16,522	(3)	12,358	-	74.80%
NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)	87	-	87	-	-	-	0.00%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	8,696	-	8,696	-	1,387	-	15.95%
Grand Total	594,927	465	595,392	25,639	383,832	2,864	64.52%

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R383,832 million or 64.52% spent against the Adjusted capital grant allocation of R595,392 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 - M10 April						
Description	Ref	Budget Year 2025/26				
		Approved Rollover 2022/23	Monthly actual	YearTD actual	YTD variance	YTD variance
R thousands						%
EXPENDITURE						
Capital expenditure of Approved Roll-overs						
National Government:		535	-	-	535	100.0%
Intergrated Urban Development Grant		535			535	100.0%
Provincial Government:		-	-	-	-	
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
Total capital expenditure of Approved Roll-overs		535	-	-	535	100.0%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		535	-	-	535	100.0%

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

10. Councillor and board member allowances and employee benefits

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M10 April

Summary of Employee and Councillor remuneration	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		-	30,893	30,893	261	18,791	25,745	(6,954)	-27%	30,893
Pension and UIF Contributions		1,040	1,540	1,540	157	845	1,283	(438)	-34%	1,540
Medical Aid Contributions		657	710	710	54	555	592	(36)	-6%	710
Motor Vehicle Allowance		-	950	950	109	1,091	792	299	38%	950
Cellphone Allowance		3,048	2,910	2,910	251	2,534	2,425	109	4%	2,910
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		29,049	80	80	4,440	6,633	67	6,566	9849%	80
Sub Total - Councillors		33,794	37,083	37,083	5,272	30,448	30,903	(454)	-1%	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	455	4,790	7,286	(2,496)	-34%	8,743
Pension and UIF Contributions		747	1,351	1,351	33	442	1,126	(684)	-61%	1,351
Medical Aid Contributions		208	140	198	16	185	151	34	23%	198
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1,136	2,113	2,113	102	1,018	1,761	(744)	-42%	2,113
Cellphone Allowance		115	198	198	11	112	165	(53)	-32%	198
Housing Allowances		21	24	24	2	18	20	(2)	-12%	24
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		29	31	31	1	13	26	(13)	-50%	31
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		8,018	12,601	12,659	619	6,578	10,536	(3,958)	-38%	12,659
% increase	4		57.2%	57.9%						57.9%
Other Municipal Staff										
Basic Salaries and Wages		463,558	538,612	535,599	41,350	413,188	446,733	(33,545)	-8%	535,599
Pension and UIF Contributions		83,957	99,661	102,214	7,500	73,398	84,583	(11,185)	-13%	102,214
Medical Aid Contributions		58,162	69,790	74,269	6,354	55,700	60,846	(5,146)	-8%	74,269
Overtime		78,779	58,301	76,276	7,497	67,860	59,423	8,437	14%	76,276
Performance Bonus		30,549	39,432	40,916	1,299	29,437	33,750	(4,314)	-13%	40,916
Motor Vehicle Allowance		41,631	50,362	50,308	3,310	33,877	41,936	(8,059)	-19%	50,308
Cellphone Allowance		1,585	1,740	1,743	131	1,272	1,452	(180)	-12%	1,743
Housing Allowances		4,158	3,152	3,199	238	2,395	2,655	(260)	-10%	3,199
Other benefits and allowances		31,886	32,935	36,021	1,944	27,374	29,540	(2,166)	-7%	36,021
Payments in lieu of leave		10,012	16,200	9,200	97	2,419	9,300	(6,881)	-74%	9,200
Long service awards		30,742	31,845	31,991	2,692	26,558	26,631	(73)	0%	31,991
Post-retirement benefit obligations	2	41,384	49,900	49,900	537	5,076	41,583	(36,507)	-88%	49,900
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		876,402	991,931	1,011,636	72,950	738,554	838,432	(99,878)	-12%	1,011,636
% increase	4		13.2%	15.4%						15.4%
Total Parent Municipality		918,214	1,041,615	1,061,378	78,841	775,580	879,871	(104,291)	-12%	1,061,378
TOTAL SALARY, ALLOWANCES & BENEFITS		918,214	1,041,615	1,061,378	78,841	775,580	879,871	(104,291)	-12%	1,061,378
% increase	4		13.4%	15.6%						15.6%
TOTAL MANAGERS AND STAFF		884,420	1,004,532	1,024,295	73,569	745,132	848,968	(103,836)	-12%	1,024,295

Table 17: Supporting Table SC8: Councillor and staff benefits

As depicted in Table 17 above, Employee related costs is showing an unsatisfactory variance of minus 12%. There was a moratorium on the filling of non-critical vacancies and the sale of leave has been stopped and is only paid to exiting employees. 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 1% 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 was issued and approved by Council in February 2026. Concurrence was received from Local Government MEC for retrospective implementation from July 2025.

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 that was in place on recruitment curbed employee related expenditure. 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 April 2026.

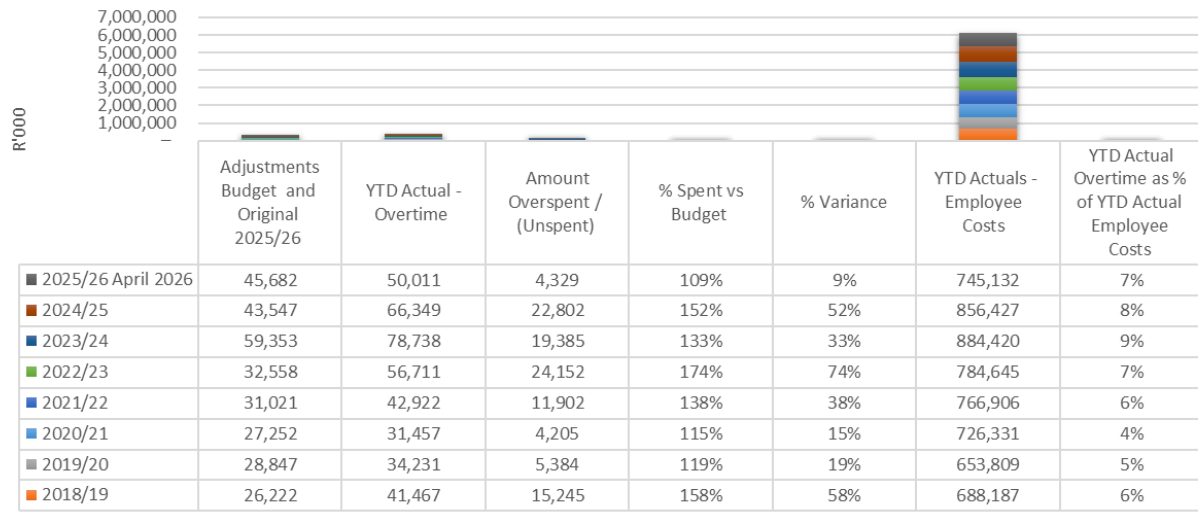
Description per line item (Amount in Rand)	Original Budget	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Spent of Adjustments Budget
MS: OVERTIME - NON STRUCTURED	42,176,000	59,595,000	6,051,585	53,598,694	127%	90%
MS: OVERTIME - STRUCTURED	3,506,000	3,692,000	333,794	2,798,076	80%	76%
Overtime as at 30 April 2026	45,682,000	63,287,000	6,385,379	56,396,770	123%	89%

Row Labels	Original Budget	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Spent of Adjustments Budget
20-EXECUTIVE AND COUNCIL	560,000	1,072,000	91,254	1,002,129	179%	93%
21-MUNICIPAL AND GENERAL	-	-	-	-		
22-MUNICIPAL MANAGER	-	24,000	1,316	52,065		
23-CORPORATE SERVICES	2,035,000	5,046,000	384,186	4,178,366	205%	83%
24-COMMUNITY SERVICES	17,145,000	16,009,000	1,574,619	14,565,306	85%	91%
26-FINANCIAL SERVICES	1,216,000	2,016,000	289,603	1,841,854	151%	91%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	1,112,000	988,000	52,065	560,157	50%	57%
28-INFRASTRUCTURE SERVICES	23,614,000	38,132,000	3,992,335	34,196,894	145%	90%
Overtime as at 30 April 2026	45,682,000	63,287,000	6,385,379	56,396,770	123%	89%

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 89% spent versus the Adjustments budget, resulting in an unsatisfactory variance of 5.67% for the period under review, when compared to the ideal IYM percentage of 83.33%.

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



Indicated in Chart 15.1, is the actual Overtime versus Budget from 2018/19 to 2025/26 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 April 2026. There has been a substantial decrease in Overtime expenditure from 2018/19 to 2020/21. 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 Apr 2026

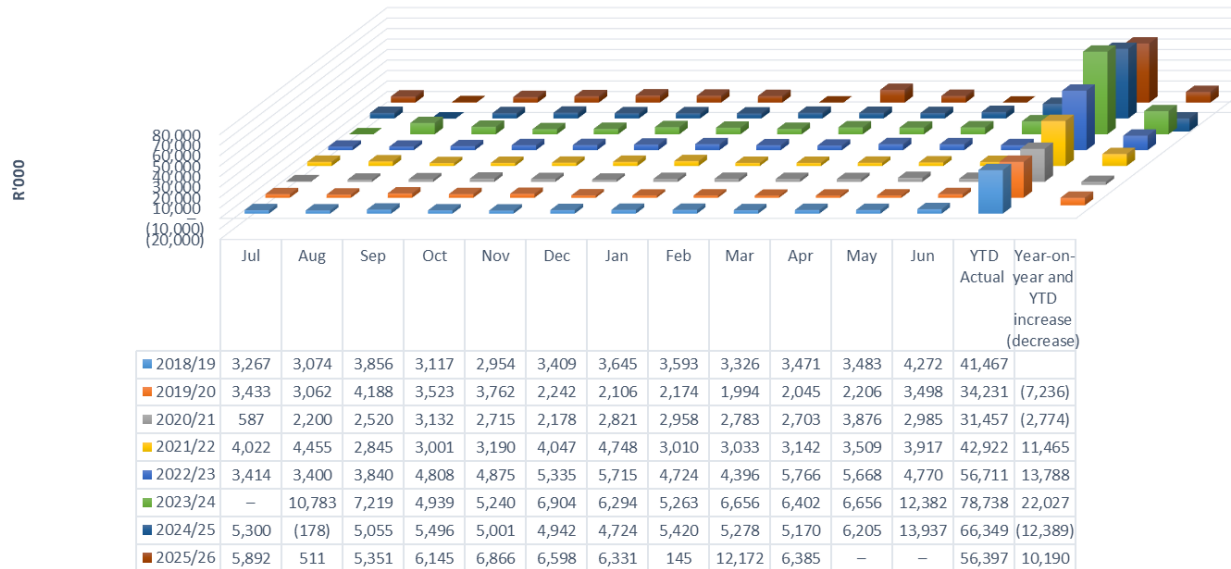


Chart 15.2: Monthly and Annual Overtime Comparison

The BTO office recommended the following precautionary measures.

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

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

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

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

Material variances pertaining to financial performance are primarily addressed in the Executive summary under Sections 4.1 to 4.3 or emphasised elsewhere in this Monthly Budget Statement. Any other material variances to the SDBIP will be included in the quarterly Section 52 (d) report for the period ending 30 June 2026.

12. Capital programme performance

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

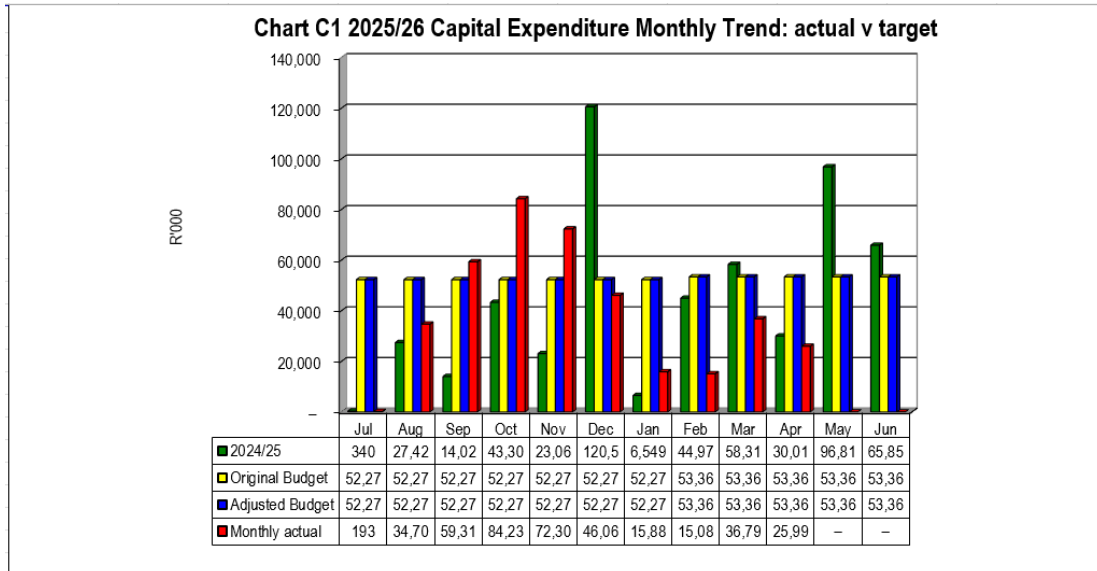


Chart 16.1: Capital Expenditure Monthly Trend: actual v target

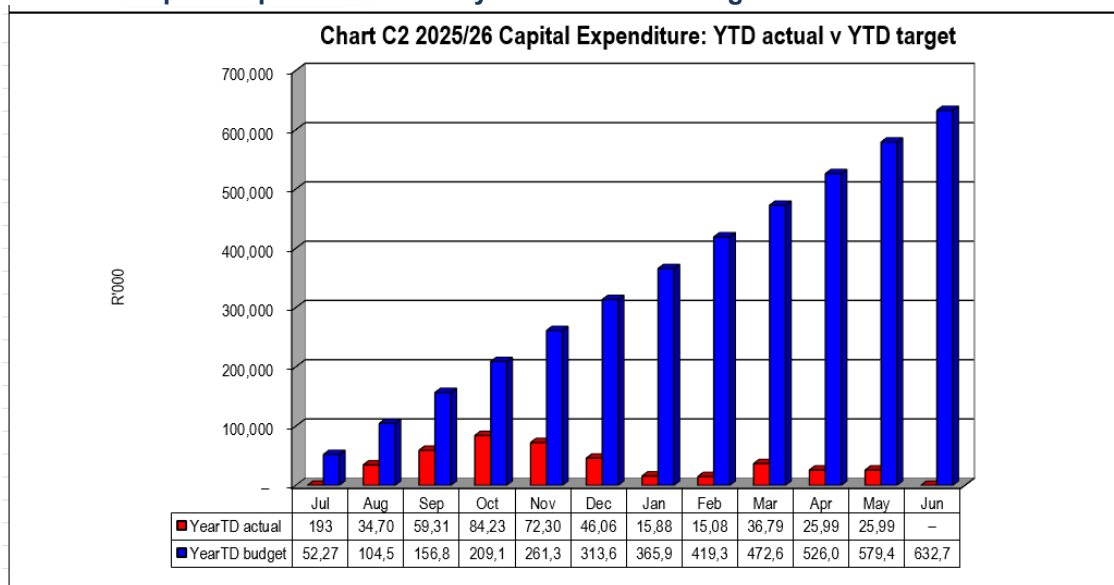


Chart 16.2: Capital Expenditure: YTD actual vs YTD target

Projects per funding source (R'000)	Original Budget	Adjusted Budget	Monthly Actuals	YTD Actuals	Commitments	% Original Bud	% Adjusted Bud
INTERNALLY GENERATED FUNDS	32,404	37,389	351	6,738	758	20.79%	18.02%
ACQ-COMPUTER EQUIPMENT REPLACEMENT	6,783	3,913	351	2,482	371	36.59%	63.42%
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	-	-	376	0.00%	0.00%
DSITRBUTION-ACQ-WAT METER REPLACEMENT	435	435	-	-	-	0.00%	0.00%
PHDA PLANNING & SURVEYING	1,304	1,304	-	206	-	15.75%	15.75%
RUFURBISHMENT OF THE VINTAGE TRAM	1,409	568	-	-	-	0.00%	0.00%
PLANNING & DEVELOPMENT	870	870	-	160	-	18.36%	18.36%
CARTERS GLEN SEWER PUMP STATION	6,957	5,217	-	-	-	0.00%	0.00%
ELECTRIFICATION LERATO PARK	-	870	-	-	-	#DIV/0!	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	5,217	-	782	-	17.99%	14.99%
LERATO PARK SEWER UPGR DOWNSTREAM INFRA	-	8,696	-	-	-	#DIV/0!	0.00%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,144	66,609	6,267	38,469	1,146	58.16%	57.75%
UPGRADE GRAVEL ROADS WARDS VARIOUS	8,261	14,276	744	12,425	470	150.41%	87.04%
SPECIALISED FLEET REPLACEMENT	7,826	-	-	-	-	0.00%	#DIV/0!
ABLUTIONS KENILWORTH&PHUTANANG CEMETERY	-	249	-	-	-	#DIV/0!	0.00%
REFURBISHMENT OF HALLS	3,536	2,046	-	880	-	24.90%	43.03%
LINING OF STORMWATER CHANNELS WARD 16	2,609	3,913	7	2,122	623	81.34%	54.23%
CONSTRUCTION OLD SINK TOILETS	9,565	11,344	4,212	5,085	-	53.16%	44.82%
UPGRADE OF RITCHE SPORTS GROUNDS	1,739	870	220	870	-	50.00%	100.00%
REDEVELOPMENT OF RC ELLIOT HALL	2,174	2,174	730	730	-	33.56%	33.56%
DEVELOPMENT OF RIVERTON HALL	870	435	194	435	-	50.00%	100.00%
FENCING OF ABC CEMETERY	5,217	5,217	-	5,217	-	99.99%	100.00%
SATELITE OFFICE CONTAINERS	870	-	-	-	-	0.00%	#DIV/0!
GREENPOINT BUSINESS DEVELOPMENT CENTRE	2,174	3,043	111	1,803	53	82.96%	59.26%
BEACONSFIELD WASTE WATER TREATMENT WORKS	12,609	12,609	-	5,352	-	42.44%	42.44%
HIGH MAST LIGHTS	8,696	8,696	51	3,551	-	40.84%	40.84%
UPGRADING OF ROODEPAN CEMETERY	-	1,739	-	-	-	#DIV/0!	0.00%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,348	4,348	261	2,254	1,718	51.84%	51.84%
STREETLIGHTS AND HIGH MAST RETROFITTING	4,348	4,348	261	2,254	1,718	51.84%	51.84%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	499,130	499,130	19,114	329,365	-	65.99%	65.99%
UPGRADE EXISTING/NEW RESERVOIR CONSTRUCT	46,541	29,391	2,038	21,634	-	46.48%	73.61%
REFURBISHMENT/REPLACEMENT BULK PIPELINE	366,547	198,317	1,092	198,252	-	54.09%	99.97%
KBY/RITCHIE NETWORK LEAK DETECT/REPAIR	32,220	40,626	3,666	31,674	-	98.30%	77.96%
KBY/RITCHIE BULK METERS/PRESSURE MANAGE	3,698	17,000	1,110	4,847	-	131.09%	28.51%
NEWTON AND RIVERTON WWTW	50,125	213,796	11,208	72,957	-	145.55%	34.12%
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	16,522	16,522	(3)	12,358	-	74.80%	74.80%
ELECTRIFICATION OF JACKSONVILLE	5,891	5,891	-	4,062	-	68.95%	68.95%
NETWORKS ACQ - ELECTR SANTA CENTRE	2,804	2,804	(3)	2,776	-	99.00%	99.00%
GALESHEWE TRANSFORMER	7,826	7,826	-	5,520	-	70.54%	70.54%
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	-	1,387	-	15.95%	15.95%
ACQ - CARTERS GLEN SEWER PUMP STATION	8,696	8,696	-	1,387	-	15.95%	15.95%
Grand Total	627,331	632,781	25,990	390,571	3,621	62.26%	61.72%

Table 19: Detailed capital expenditure report

Indicated in Table 19 above, is a list of projects with the applicable funding source compared to the Adjustments budget. Capital expenditure as at the end of April 2026 is unsatisfactory and not at a desired level. Capital expenditure requires constant monitoring from management to improve the final outcome. The actual monthly expenditure for April 2026 amounted to R25,990 million. The total YTD Capex amounts to R390,571 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 (57.75%), EEDSM (51.84%), RBIG (65.99%), INEP (74.80%), WSIG (15.95%). Spending on Internally generated funds is 18.02% 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 April 2026.

- The Monthly Debt Relief Non-Compliance Report accompanied by the Municipal Debt Relief Compliance Certificate issued by National Treasury for March 2026.
- The municipality's self-assessment for the month of April 2026.

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:

- 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 may not approve the final one-third debt write-off because of ongoing non-compliance.
- The municipality being removed from the Municipal Debt Relief programme and forfeiting the municipal debt write-off benefit of R248 million for the third and final 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.
 - 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 cash received for Electricity and Water and Sanitation is accounted for on a daily basis in compliance to MFMA Circular 124.
 - 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 was 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 - M10 April

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	53,377	642,690	598,266	44,424	7%	717,920
Service charges	1,449,088	1,761,512	1,766,433	124,296	1,283,622	1,470,879	(187,257)	-13%	1,766,433
Investment revenue	21,841	18,000	18,000	811	4,027	15,000	(10,973)	-73%	18,000
Transfers and subsidies - Operational	411,128	323,676	331,406	2,169	313,393	274,368	39,025	0	331,406
Other own revenue	430,140	413,080	394,974	28,359	291,239	333,370	(42,132)	-13%	394,974
Total Revenue (excluding capital transfers and contributions)	2,999,537	3,234,188	3,228,733	209,012	2,534,971	2,691,883	(156,912)	-6%	3,228,733
Employee costs	884,420	1,004,532	1,024,295	73,569	745,132	848,968	(103,836)	-12%	1,024,295
Remuneration of Councillors	33,794	37,083	37,083	5,272	30,448	30,903	(454)	-1%	37,083
Depreciation and amortisation	99,985	90,200	90,200	-	-	75,167	(75,167)	-100%	90,200
Interest	85,783	15,880	85,900	5,620	57,373	50,008	7,365	15%	85,900
Inventory consumed and bulk purchases	1,182,440	1,331,852	1,363,475	93,839	926,286	1,095,517	(169,232)	-15%	1,363,475
Transfers and subsidies	2,807	4,300	4,450	717	2,084	3,673	(1,589)	-43%	4,450
Other expenditure	848,755	728,668	878,656	(44,289)	639,211	697,214	(58,003)	-8%	878,656
Total Expenditure	3,137,984	3,212,506	3,484,060	134,728	2,400,533	2,801,449	(400,916)	-14%	3,484,060
Surplus/(Deficit)	(138,447)	21,682	(255,327)	74,285	134,438	(109,566)	244,004	-223%	(255,327)
Transfers and subsidies - capital (monetary)	574,062	684,166	684,166	68,427	442,705	570,138	###	-22%	684,166
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	435,615	705,848	428,839	142,712	577,143	460,573	116,571	25%	428,839
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	435,615	705,848	428,839	142,712	577,143	460,573	116,571	25%	428,839
Capital expenditure & funds sources									
Capital expenditure	561,573	627,331	632,781	25,990	390,571	526,046	(135,475)	-26%	632,781
Capital transfers recognised	504,592	594,927	595,392	25,639	383,832	496,051	(112,219)	-23%	595,392
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	56,981	32,404	37,389	351	6,738	29,995	(23,256)	-78%	37,389
Total sources of capital funds	561,573	627,331	632,781	25,990	390,571	526,046	(135,475)	-26%	632,781
Financial position									
Total current assets	2,957,797	3,027,796	2,820,433		3,672,115				2,820,433
Total non current assets	2,718,554	3,131,060	3,136,510		3,109,124				3,136,510
Total current liabilities	1,204,094	1,669,231	1,744,326		1,739,876				1,744,326
Total non current liabilities	1,158,726	442,927	442,927		1,150,689				442,927
Community wealth/Equity	3,313,531	4,046,698	3,769,690		3,890,675				3,769,690
Cash flows									
Net cash from (used) operating	516,100	753,802	619,910	15,018	361,397	516,592	155,195	30%	619,910
Net cash from (used) investing	(554,810)	(721,431)	(726,881)	(25,990)	(390,575)	(605,734)	(215,159)	36%	(726,881)
Net cash from (used) financing	100	(16,688)	(16,688)	17	51	(13,907)	(13,957)	100%	(16,688)
Cash/cash equivalents at the month/year end	75,116	146,574	7,232	134,781	134,781	27,842	(106,939)	-384%	40,250
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	188,868	153,865	90,047	84,829	74,983	91,830	476,658	3,346,628	4,507,708
Debtors Age Analysis									
Total Creditors	152,185	53,446	22,679	30,195	42,183	35,243	325,564	773,723	1,435,219

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M10 April

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		1,868,278	1,815,862	1,829,372	133,718	1,506,154	1,521,324	(15,170)	-1%	1,829,372
Executive and council		1,146,927	1,067,130	1,080,640	78,296	856,059	897,381	(41,322)	-5%	1,080,640
Finance and administration		721,351	748,732	748,732	55,422	650,095	623,943	26,152	4%	748,732
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		52,398	46,152	51,404	2,973	30,635	41,611	(10,976)	-26%	51,404
Community and social services		12,453	12,888	13,410	669	3,601	11,053	(7,452)	-67%	13,410
Sport and recreation		3,217	2,910	2,910	126	2,666	2,425	241	10%	2,910
Public safety		818	570	570	14	362	475	(113)	-24%	570
Housing		31,910	29,708	29,938	2,163	24,005	24,895	(890)	-4%	29,938
Health		4,000	75	4,575	-	-	2,763	(2,763)	-100%	4,575
<i>Economic and environmental services</i>		21,781	23,377	25,876	2,423	12,399	20,980	(8,582)	-41%	25,876
Planning and development		8,200	9,207	9,907	1,148	7,386	8,093	(707)	-9%	9,907
Road transport		13,581	14,170	15,969	1,275	5,013	12,888	(7,875)	-61%	15,969
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1,619,577	2,020,883	1,994,167	137,088	1,418,009	1,668,039	(250,030)	-15%	1,994,167
Energy sources		984,262	1,305,623	1,258,649	81,282	851,704	1,059,835	(208,131)	-20%	1,258,649
Water management		387,287	448,093	451,395	34,027	345,640	375,392	(29,752)	-8%	451,395
Waste water management		141,634	157,774	163,707	12,455	125,838	135,038	(9,199)	-7%	163,707
Waste management		106,393	109,393	120,416	9,324	94,827	97,774	(2,947)	-3%	120,416
<i>Other</i>	4	11,566	12,081	12,081	1,236	10,480	10,067	413	4%	12,081
Total Revenue - Functional	2	3,573,599	3,918,354	3,912,899	277,439	2,977,676	3,262,022	(284,345)	-9%	3,912,899
Expenditure - Functional										
<i>Governance and administration</i>		805,088	756,026	846,806	(17,282)	646,613	684,490	(37,877)	-6%	846,806
Executive and council		566,451	532,963	606,037	(40,996)	411,497	487,981	(76,484)	-16%	606,037
Finance and administration		234,475	219,046	236,752	23,312	231,249	193,162	38,087	20%	236,752
Internal audit		4,162	4,017	4,017	402	3,867	3,348	520	16%	4,017
<i>Community and public safety</i>		195,831	219,901	228,330	15,886	160,477	188,308	(27,832)	-15%	228,330
Community and social services		48,397	52,711	53,264	3,902	38,912	44,258	(5,345)	-12%	53,264
Sport and recreation		63,434	66,957	67,389	5,005	50,691	56,057	(5,365)	-10%	67,389
Public safety		42,589	47,422	50,124	3,580	35,961	41,139	(5,179)	-13%	50,124
Housing		22,733	31,345	30,278	1,905	19,551	25,481	(5,930)	-23%	30,278
Health		18,679	21,467	27,276	1,493	15,362	21,374	(6,013)	-28%	27,276
<i>Economic and environmental services</i>		179,646	189,177	213,418	14,507	162,748	172,192	(9,444)	-5%	213,418
Planning and development		48,260	55,838	55,643	4,187	42,334	46,415	(4,081)	-9%	55,643
Road transport		130,479	132,364	156,800	10,244	119,615	124,965	(5,350)	-4%	156,800
Environmental protection		907	975	975	76	800	812	(13)	-2%	975
<i>Trading services</i>		1,932,419	2,016,320	2,162,060	119,652	1,409,783	1,729,139	(319,356)	-18%	2,162,060
Energy sources		1,292,570	1,303,951	1,389,336	83,991	935,644	1,100,792	(165,148)	-15%	1,389,336
Water management		439,992	445,043	481,062	18,503	293,628	391,515	(97,887)	-25%	481,062
Waste water management		117,220	158,834	175,737	8,815	100,677	141,962	(41,285)	-29%	175,737
Waste management		82,637	108,493	115,925	8,344	79,833	94,870	(15,037)	-16%	115,925
<i>Other</i>		25,000	31,081	33,445	1,965	20,912	27,319	(6,407)	-23%	33,445
Total Expenditure - Functional	3	3,137,984	3,212,506	3,484,060	134,728	2,400,533	2,801,449	(400,916)	-14%	3,484,060
Surplus/ (Deficit) for the year		435,615	705,848	428,839	142,712	577,143	460,573	116,571	0.2530999	428,839

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M10 April

Vote Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		1,146,927	1,067,130	1,080,640	78,296	856,059	897,381	(41,322)	-4.6%	1,080,640
Vote 03 - Municipal Manager		2,759	2,305	2,305	794	2,096	1,921	175	9.1%	2,305
Vote 04 - Corporate Services		6,263	6,110	6,110	967	3,281	5,092	(1,811)	-35.6%	6,110
Vote 05 - Community Services		149,002	148,586	164,631	11,582	111,836	133,449	(21,613)	-16.2%	164,631
Vote 06 - Financial Services		714,281	742,122	742,122	54,402	646,291	618,435	27,857	4.5%	742,122
Vote 07 - Strategy Econ Development And Planning		8,419	10,003	10,703	415	7,399	8,756	(1,357)	-15.5%	10,703
Vote 08 - Infrastructure And Services		1,545,949	1,942,098	1,906,388	130,982	1,350,714	1,596,989	(246,275)	-15.4%	1,906,388
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	3,573,599	3,918,354	3,912,899	277,439	2,977,676	3,262,022	(284,345)	-8.7%	3,912,899
Expenditure by Vote	1									
Vote 01 - Executive & Council		57,033	61,221	61,955	7,063	49,607	51,458	(1,851)	-3.6%	61,955
Vote 02 - Municipal And General		495,160	464,832	536,992	(49,104)	350,098	430,656	(80,558)	-18.7%	536,992
Vote 03 - Municipal Manager		29,886	30,614	31,271	2,257	23,661	25,906	(2,244)	-8.7%	31,271
Vote 04 - Corporate Services		73,335	81,513	89,312	6,643	66,557	72,607	(6,051)	-8.3%	89,312
Vote 05 - Community Services		320,158	363,848	381,544	27,698	275,698	313,825	(38,126)	-12.1%	381,544
Vote 06 - Financial Services		143,187	173,366	183,603	12,615	124,247	150,614	(26,367)	-17.5%	183,603
Vote 07 - Strategy Econ Development And Planning		55,692	76,090	78,020	4,261	44,901	64,566	(19,666)	-30.5%	78,020
Vote 08 - Infrastructure And Services		1,963,535	1,961,023	2,121,363	123,294	1,465,764	1,691,818	(226,054)	-13.4%	2,121,363
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	3,137,984	3,212,506	3,484,060	134,728	2,400,533	2,801,449	(400,916)	-14.3%	3,484,060
Surplus/ (Deficit) for the year	2	435,615	705,848	428,839	142,712	577,143	460,573	116,571	25.3%	428,839

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		942,441	1,218,923	1,219,183	79,637	831,215	1,015,926	(184,710)	-18%	1,219,183
Service charges - Water		312,941	362,722	363,126	27,624	280,614	302,511	(21,896)	-7%	363,126
Service charges - Waste Water Management		110,559	106,274	106,317	9,740	97,818	88,587	9,231	10%	106,317
Service charges - Waste management		83,147	73,593	77,807	7,294	73,975	63,856	10,119	16%	77,807
Sale of Goods and Rendering of Services		16,897	18,644	20,425	897	12,944	16,605	(3,662)	-22%	20,425
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		166,017	142,100	182,139	13,982	146,615	142,440	4,175	3%	182,139
Interest from Current and Non Current Assets		21,841	18,000	18,000	811	4,027	15,000	(10,973)	-73%	18,000
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		32,057	29,740	29,740	2,183	24,203	24,783	(580)	-2%	29,740
Licence and permits		660	1,000	1,000	44	336	833	(497)	-60%	1,000
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		3,152	3,383	5,182	1,267	5,643	3,899	1,744	45%	5,182
Non-Exchange Revenue										
Property rates		687,339	717,920	717,920	53,377	642,690	598,266	44,424	7%	717,920
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		36,851	34,743	34,743	977	3,062	28,952	(25,891)	-89%	34,743
Licence and permits		8,435	8,200	8,200	1,144	8,195	6,833	1,362	20%	8,200
Transfers and subsidies - Operational		411,128	323,676	331,406	2,169	313,393	274,368	39,025	14%	331,406
Interest		103,759	117,020	102,540	6,950	80,605	88,829	(8,223)	-9%	102,540
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		27,322	58,250	11,005	913	9,641	20,195	(10,553)	-52%	11,005
Gains on disposal of Assets		6,763	-	-	-	(5)	-	(5)	#DIV/0!	-
Other Gains		28,227	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		2,999,537	3,234,188	3,228,733	209,012	2,534,971	2,691,883	(156,912)	-6%	3,228,733
Expenditure By Type										
Employee related costs		884,420	1,004,532	1,024,295	73,569	745,132	848,968	(103,836)	-12%	1,024,295
Remuneration of councillors		33,794	37,083	37,083	5,272	30,448	30,903	(454)	-1%	37,083
Bulk purchases - electricity		901,045	1,000,000	1,000,000	69,440	708,435	800,000	(91,565)	-11%	1,000,000
Inventory consumed		281,395	331,852	363,475	24,399	217,850	295,517	(77,667)	-26%	363,475
Debt impairment		476,743	437,149	526,399	-	394,799	417,841	(23,042)	-6%	526,399
Depreciation and amortisation		99,985	90,200	90,200	-	-	75,167	(75,167)	-100%	90,200
Interest		85,783	15,880	85,900	5,620	57,373	50,008	7,365	15%	85,900
Contracted services		125,349	45,856	50,356	1,350	21,464	40,913	(19,449)	-48%	50,356
Transfers and subsidies		2,807	4,300	4,450	717	2,084	3,673	(1,589)	-43%	4,450
Irrecoverable debts written off		-	-	-	12	20	-	20	#DIV/0!	-
Operational costs		151,187	176,654	197,555	(45,652)	162,059	159,752	2,307	1%	197,555
Losses on Disposal of Assets		929	-	-	-	-	-	-	-	-
Other Losses		94,546	69,000	104,346	-	60,868	78,708	(17,839)	-23%	104,346
Total Expenditure		3,137,984	3,212,506	3,484,060	134,728	2,400,533	2,801,449	(400,916)	-14%	3,484,060
Surplus/(Deficit)		(138,447)	21,682	(255,327)	74,285	134,438	(109,566)	244,004	(0)	(255,327)
Transfers and subsidies - capital (monetary allocations)		574,062	684,166	684,166	68,427	442,705	570,138	(127,433)	(0)	684,166
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		435,615	705,848	428,839	142,712	577,143	460,573	116,571	0	428,839
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		435,615	705,848	428,839	142,712	577,143	460,573	116,571	0	428,839
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		435,615	705,848	428,839	142,712	577,143	460,573	116,571	0	428,839
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		435,615	705,848	428,839	142,712	577,143	460,573	116,571	0	428,839

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M10 April

Vote Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		2,214	1,739	870	220	870	928	(58)	-6%	870
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		3,043	6,579	4,654	923	2,045	4,188	(2,143)	-51%	4,654
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		143	3,130	3,130	-	1,276	2,609	(1,333)	-51%	3,130
Vote 08 - Infrastructure And Services		509,323	524,952	520,167	19,613	325,018	434,990	(109,971)	-25%	520,167
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	528,821	20,756	329,208	442,714	(113,505)	-26%	528,821
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		16,951	19,826	9,380	351	2,482	9,732	(7,250)	-74%	9,380
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		2,014	5,217	6,956	-	5,217	5,536	(319)	-6%	6,956
Vote 06 - Financial Services		-	870	-	-	-	203	(203)	-100%	-
Vote 07 - Strategy Econ Development And Planning		1,518	7,361	7,389	111	4,002	6,151	(2,149)	-35%	7,389
Vote 08 - Infrastructure And Services		26,368	57,657	80,235	4,773	49,662	61,710	(12,049)	-20%	80,235
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	46,851	90,931	103,960	5,234	61,362	83,332	(21,970)	-26%	103,960
Total Capital Expenditure		561,573	627,331	632,781	25,990	390,571	526,046	(135,475)	-26%	632,781
Capital Expenditure - Functional Classification										
Governance and administration		19,165	22,435	10,249	571	3,351	10,863	(7,511)	-69%	10,249
Executive and council		19,165	21,565	10,249	571	3,351	10,660	(7,308)	-69%	10,249
Finance and administration		-	870	-	-	-	203	(203)	-100%	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		5,056	11,797	11,610	923	7,261	9,724	(2,462)	-25%	11,610
Community and social services		3,043	11,797	11,610	923	7,261	9,724	(2,462)	-25%	11,610
Sport and recreation		2,014	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		38,159	17,913	26,101	862	17,786	20,242	(2,456)	-12%	26,101
Planning and development		1,415	7,043	7,913	111	3,239	6,391	(3,152)	-49%	7,913
Road transport		36,744	10,870	18,188	751	14,547	13,850	697	5%	18,188
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		498,947	571,739	582,213	23,635	360,133	482,850	(122,717)	-25%	582,213
Energy sources		34,000	30,000	30,870	309	18,164	25,522	(7,358)	-29%	30,870
Water management		444,716	499,565	499,565	19,114	329,365	416,420	(87,056)	-21%	499,565
Waste water management		20,231	42,174	51,778	4,212	12,605	40,908	(28,303)	-69%	51,778
Waste management		-	-	-	-	-	-	-	-	-
Other		246	3,448	2,607	-	2,039	2,369	(330)	-14%	2,607
Total Capital Expenditure - Functional Classification	3	561,573	627,331	632,781	25,990	390,571	526,046	(135,475)	-26%	632,781
Funded by:										
National Government		504,592	594,927	595,392	25,639	383,832	496,051	(112,219)	-23%	595,392
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital	6	504,592	594,927	595,392	25,639	383,832	496,051	(112,219)	-23%	595,392
Borrowing										
Internally generated funds		56,981	32,404	37,389	351	6,738	29,995	(23,255)	-78%	37,389
Total Capital Funding		561,573	627,331	632,781	25,990	390,571	526,046	(135,475)	-26%	632,781

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M10 April

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	6,414	520,288	6,414
Trade and other receivables from exchange transactions		1,517,568	1,518,421	1,495,551	1,682,095	1,495,551
Receivables from non-exchange transactions		993,234	1,060,605	1,016,271	945,266	1,016,271
Current portion of non-current receivables		-	-	-	-	-
Inventory		107,239	112,013	112,013	159,040	112,013
VAT		175,145	189,484	189,484	364,723	189,484
Other current assets		704	699	699	703	699
Total current assets		2,957,797	3,027,796	2,820,433	3,672,115	2,820,433
Non current assets						
Investments						
Investment property		200,308	205,599	205,599	201,743	205,599
Property, plant and equipment		2,465,059	2,873,339	2,879,630	2,854,194	2,879,630
Biological assets						
Living and non-living resources						
Heritage assets		12,071	13,480	12,639	12,071	12,639
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		2,718,554	3,131,060	3,136,510	3,109,124	3,136,510
TOTAL ASSETS		5,676,351	6,158,856	5,956,943	6,781,240	5,956,943
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	(16,688)	(16,688)	-	(16,688)
Consumer deposits		50,445	49,962	49,962	52,429	49,962
Trade and other payables from exchange transactions		900,690	1,191,824	1,266,824	1,137,093	1,266,824
Trade and other payables from non-exchange transactions		742	106,409	106,409	260,207	106,409
Provision		788	788	788	788	788
VAT		251,429	336,936	337,031	289,358	337,031
Other current liabilities		-	-	-	-	-
Total current liabilities		1,204,094	1,669,231	1,744,326	1,739,876	1,744,326
Non current liabilities						
Financial liabilities		841,699	139,019	139,019	833,662	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		1,158,726	442,927	442,927	1,150,689	442,927
TOTAL LIABILITIES		2,362,820	2,112,158	2,187,253	2,890,565	2,187,253
NET ASSETS	2	3,313,531	4,046,698	3,769,690	3,890,675	3,769,690
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		3,238,727	3,971,894	3,694,886	3,815,871	3,694,886
Reserves and funds		74,804	74,804	74,804	74,804	74,804
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	3,313,531	4,046,698	3,769,690	3,890,675	3,769,690

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M10 April


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										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		468,755	610,232	610,232	47,043	524,330	508,526	15,804	3%	610,232
Service charges		1,254,616	1,891,008	1,841,542	99,313	1,061,891	1,534,618	(472,727)	-31%	1,841,542
Other revenue		1,079,730	421,814	440,858	39,062	539,043	367,382	171,661	47%	440,858
Transfers and Subsidies - Operational		312,601	323,676	331,406	-	336,193	276,172	60,021	22%	331,406
Transfers and Subsidies - Capital		574,597	684,166	684,166	-	679,371	570,138	109,233	19%	684,166
Interest		29,685	46,525	49,974	3,502	37,328	41,645	(4,316)	-10%	49,974
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(3,204,798)	(3,207,739)	(3,252,367)	(173,901)	(2,817,967)	(2,710,306)	107,661	-4%	(3,252,367)
Interest		914	(15,880)	(85,900)	-	1,207	(71,584)	(72,790)	102%	(85,900)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		516,100	753,802	619,910	15,018	361,397	516,592	155,195	30%	619,910
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		6,763	-	-	-	(5)	-	(5)	#DIV/0!	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(561,573)	(721,431)	(726,881)	(25,990)	(390,571)	(605,734)	(215,163)	36%	(726,881)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(554,810)	(721,431)	(726,881)	(25,990)	(390,575)	(605,734)	(215,159)	36%	(726,881)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		100	-	-	17	51	-	51	#DIV/0!	-
Payments										
Repayment of borrowing		-	(16,688)	(16,688)	-	-	(13,907)	(13,907)	100%	(16,688)
NET CASH FROM/(USED) FINANCING ACTIVITIES		100	(16,688)	(16,688)	17	51	(13,907)	(13,957)	100%	(16,688)
NET INCREASE/ (DECREASE) IN CASH HELD		(38,610)	15,684	(123,659)	(10,955)	(29,128)	(103,049)			(123,659)
Cash/cash equivalents at beginning:		113,726	130,891	130,891	145,736	163,909	130,891			163,909
Cash/cash equivalents at month/year end:		75,116	146,574	7,232	134,781	134,781	27,842			40,250

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 R520,288 million as per the Cash book balance.**

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

16.1 MFMA Circular 124 – Municipality Compliance Self-Assessment

Annexure A2 - Monthly			Notes/Comments
 National Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003			
Select Assessor <input type="text"/>			
Certificate of Compliance: Municipal Debt Relief Conditions for Application			
Period	Apr'26		
National Financial Year	2025/26		
Demarcation Code of Municipality being assessed	NC091		
District	Frances Baard		
Demarcation Description	Sol Plaatje		
I, Mr Bartholomew Matlala, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below.			
Municipal Debt Relief Conditions (Monthly reporting) Choose from drop down list			
6.3 + Maintaining the Eskom and bulk water current account – Condition 6.12 (current account for the purpose of this exercise means the account for a single month's consumption):			
1	6.12.2 - Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	No	The municipality had insufficient cash to settle the current account for March 2026 amounting to R16,202 million.
2	6.12.2 - Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://uploadportal.treasury.gov.za ?	No	
3	6.12.2 - Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	No	The invoices for March 2026 was not timeously authorised on the system
4	6.3.1 - Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	No	The municipality made a payment of R60,000 million on the March 2026 account amounting to R85,475 million.
5	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://uploadportal.treasury.gov.za ?	Yes	
6	6.3.4 - Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes	
6.4 Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)			2025/26 Main Adjustment MTREF
7	6.4.1 - Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ?	Yes	
8	6.4.1 - Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes	
9	6.4.1 - Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? <i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to "balance" the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as "No".</i>	Yes	
10	6.4.1 - Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations? <i>Note - If the municipality merely used the depreciation and asset impairment to "balance" the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as "No".</i>	Yes	
11	6.4.2 - If the municipality's MTREF is not funded , has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - If the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assess whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i>	N/A - the MTREF is funded	
12	6.4.2 - If the municipality's MTREF is not funded and it has an FRP per the legislative framework , does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	N/A	
13	6.4.2 - Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.?)	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?	No	

	6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:		
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes	
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: in terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	No	
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.</i>	No	
	6.6	Supporting evidence: The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.		
	6.7	Maintain a minimum average quarterly collection of property rates and services charges –		
19	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	Not yet end of quarter	
		<i>Note – although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i>		
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following :		
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1.	not yet the end of a quarter	
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	Does not have function	
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	not yet the end of a quarter	
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes	Smart meter project is completed. YTD Installations till end of 31 March 2025 = 15,328
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes	
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes	
	6.8	Municipality's Completeness of the revenue base –		
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes	
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Yes	
28	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://guploadportal.treasury.gov.za ?	Yes	
	6.9	Monitor and report on implementation –		
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes	
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	Yes	
31	6.9.3	- Municipalities with financial recovery plans (FRP) – If the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP	
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://guploadportal.treasury.gov.za ? <i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>	No FRP	
	6.10	Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 7A of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:		
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes	
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://guploadportal.treasury.gov.za ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes	
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	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 6.11.</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 March 2026 and partially settled the Eskom current account for March 2026
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 March 2026 and partially settled the Eskom current account for March 2026
		<i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i>		
39		Supporting evidence : Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	<input type="text" value="Yes"/>	
40	6.13	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i>	<input type="text" value="No"/>	The municipality must still account for the first third of the debt written off by National Treasury
41	6.14	NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	<input type="text" value="Yes"/>	
		<i>Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i>		

PT: HOD/ NT / MM Name: _____

Signature of HOD/ NT/ MM: _____

Date: _____

****Note - if the official is signing on behalf of the Head of the Provincial Treasury (HOD) / Municipal Manager, the written 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**

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 April 2026. The National Treasury debt relief approval was effective from 1 October 2023.

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

Municipal Details		Monthly Performance Report																				Scoring and Rating																					
Month	Code Descr	Code	Part A					Part B					Part C					Part D					Part E					Score	Rating														
			C1	C2	C3	C4	C5	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26			C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40
25 July 25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	83%	About Moderate
26 August 25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	88%	About Moderate
27 September 25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	72%	Moderate compliance
28 October 25	Sol Plaatje	NC091	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	80%	About Moderate
29 November 25	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	78%	Moderate compliance
30 December 25	Sol Plaatje	NC091	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	71%	Moderate compliance
31 January 26	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	76%	Moderate compliance
32 February 26	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	78%	Moderate compliance
33 March 26	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	71%	Moderate compliance
24 April 26	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	76%	Moderate compliance

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

- ❖ The non-payment of DWS current water account.
- ❖ The municipality could not settle the Eskom payment arrangement instalment of R6.7 million which was due at the end of April 2026. The debt on the payment arrangement should have been settled in full at the end of January 2026. 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 82% for the month of April 2026, is not at a desired level, and below 95%, for the third 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 64%. The quarterly collection rate for the fourth quarter will be reported on at the end of June 2026. 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.
- ❖ 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 March 2026 is attached to this S71 report.

Here are the specific high-level recommendations for March 2026 according to the non-compliance certification.

The Municipality must implement the following actions as enforceable management requirements. These are not optional recommendations. They are the minimum interventions required to restore credibility to the March 2026 compliance position and to protect the remaining debt relief benefit.

1. Restore Eskom and DWS good standing immediately.

The Municipality must submit a funded settlement plan for the Eskom good-standing amount of R467.838 million and the DWS good-standing amount of R239.795 million. The plan must include the funding source, payment dates, responsible officials and Council oversight. Current accounts and repayment arrangements must be paid before lower-priority expenditure.

2. Implement a weekly bulk-payment command process.

The Municipal Manager and CFO must chair a weekly process that reviews invoices, proof of payment, bank balances, cash collections, ring-fenced service revenue and arrear instalments. Minutes must be retained as MDRP evidence, and any missed payment must be escalated immediately.

3. Replace narrative explanations with a condition tracker.

Each condition must be tracked monthly against status, owner, deadline, value at risk, evidence submitted and corrective action. A repeated red status must trigger consequence management and Council escalation.

4. Enforce water restriction capability.

The Municipality must provide a technical water-restriction plan that identifies the meters that cannot restrict supply, replacement needs, procurement route, legal process, budget and implementation milestones. The current not-applicable response is not acceptable.

5. Intensify service-level collection recovery.

The Municipality must target water, wastewater and refuse collection specifically. A general collection report is insufficient. The recovery plan must include debtor segmentation, top debtor actions, payment-arrangement enforcement and monthly service-level recovery reporting.

6. Complete tariff and accounting compliance.

The cost-reflective tariff tool and Eskom write-off accounting must be completed before the next budget and year-end closure milestones. These two conditions are audit-sensitive and cannot remain unresolved.

National Treasury should also require a management response matrix. The matrix must be signed by the Municipal Manager and CFO and must respond to each condition separately. For every non-compliant or partially compliant condition, the matrix must set out the root cause, the exact corrective action, the amount involved, the evidence to be submitted, the responsible official and the deadline. This response matrix must be uploaded with the next GoMuni pack and must be used as the primary reference document for the April 2026 assessment. Without this matrix, the Municipality is likely to continue presenting broad explanations without enforceable accountability.

The Municipality must also strengthen Council oversight. The debt relief programme is no longer an ordinary finance reporting matter. It affects the Municipality's ability to preserve a remaining write-off benefit of approximately R496.256 million, maintain critical bulk services and avoid escalation consequences. Council must therefore receive a monthly MDRP report that is short, direct and evidence based. The report must identify the conditions that passed, the conditions that failed, the reason for each failure, the corrective action and the financial consequence of inaction. Council must approve corrective actions and record implementation instructions, not merely note the report.

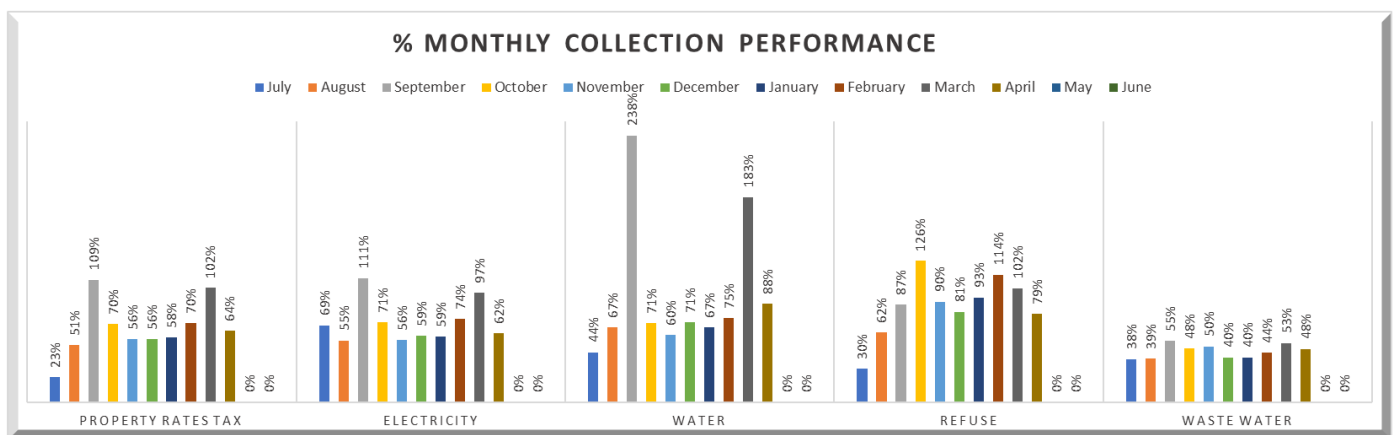
Conclusion

Sol Plaatje Local Municipality remains under severe financial pressure and its March 2026 MDRP performance does not provide sufficient assurance that the Municipality has restored the discipline required by MFMA Circular No. 124. The Municipality has made some progress in reporting, Eskom current-account settlement and smart meter installation, but these positives are outweighed by the failure to settle the DWS current account, the continued Eskom good-standing exposure, arrear instalment defaults, weak water and sanitation collections, non-implementation of water restrictions, incomplete tariff evidence and outstanding accounting treatment of the Eskom write-off.

The Municipality must act with urgency. The remaining relief benefit is material and cannot be placed at risk through weak implementation. Council, the Municipal Manager, the CFO and all responsible senior officials must treat this report as an instruction to correct the March 2026 failures. The Municipality must restore creditor discipline, intensify collections, complete the tariff and accounting requirements, implement water restriction controls and maintain a clean evidence trail through GoMuni and Section 71 reporting. Without these actions, National Treasury will have limited grounds to support further relief and the Municipality's recovery path will remain compromised.

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		Municipality	Period Monitored	No. Of Wards
Code	District			
NC091		Sol Plaatje	July	34

Collection Rate Assessment	Summary - Quarter 1				Summary - Quarter 2				Summary - Quarter 3				Summary - Quarter 4							
	Billing	Collection	R - Billing not collected	% Collection	Q1	Billing	Collection	R - Billing not collected	% Collection	Q2	Billing	Collection	R - Billing not collected	% Collection	Q1	Billing	Collection	R - Billing not collected	% Collection	Q1
1. Collection for whole demarcation	712,602,749	427,760,349	284,842,404	60%	61%	547,551,689	324,244,910	213,706,779	61%	61%	543,416,233	414,578,227	128,840,026	76%	75%	183,482,833	117,129,076	66,353,737	64%	64%
2. Collection <u>incl Eskom supplied areas</u>	615,488,939	386,831,143	228,657,797	63%	63%	477,894,866	297,098,399	180,796,467	62%	62%	475,648,241	362,083,843	113,067,366	76%	76%	161,091,707	99,306,150	61,785,557	62%	62%
3. Collection: Property Rates	271,762,961	198,961,285	72,861,677	73%	73%	160,810,941	108,300,214	52,510,728	67%	67%	159,763,495	172,776,946	(13,073,451)	108%	108%	53,463,671	47,042,767	6,420,904	88%	88%
4. Total average collection: Electricity (Municipal supplied areas)	210,307,976	153,191,710	97,116,267	73%	73%	148,824,188	148,963,455	1,260,733	99%	99%	148,060,347	152,989,734	(4,489,387)	103%	103%	56,574,679	43,683,221	11,891,458	79%	79%
5. Total average collection: Water	89,597,083	41,522,306	48,474,778	46%	46%	101,759,190	46,821,695	54,937,495	46%	46%	106,898,580	47,841,529	58,057,052	45%	45%	31,193,086	14,845,204	16,347,882	48%	48%
6. Total average collection: Wastewater	37,866,749	14,045,969	23,821,181	37%	37%	36,651,378	13,562,572	23,088,807	37%	37%	36,885,686	13,313,652	23,562,033	36%	36%	12,469,726	4,851,451	7,608,275	39%	39%
7. Total average collection: Refuse	26,158,098	12,148,162	17,010,366	47%	47%	29,000,348	11,671,830	17,328,518	40%	40%	28,910,020	11,849,350	17,130,630	41%	41%	9,807,715	4,015,714	5,792,002	41%	41%
8. Total average collection: Interest	73,699,471	7,991,324	65,698,146	11%	0%	69,965,344	5,320,165	64,645,179	8%	8%	63,900,126	16,226,977	47,673,150	26%	26%	20,963,505	2,690,719	18,293,236	13%	13%

Description	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
Monthly collection rate (Property rates and Services)	57%	71%	39%	111%	88%	69%	65%	67%	76%	107%	74%
Revised average collection rate (SPLM)	77%	47%	77%	76%	79%	78%	78%	77%	83%	83%	82%
Collection rate per Ward (Monthly)	60%	34%	51%	109%	70%	56%	56%	58%	70%	102%	64%
Collection rate per Ward (Quarterly)	66%	-	-	60%	-	-	61%	-	-	76%	-

The monthly collection rate per ward is a major concern and it not at a desired level. The collection rate decreased from 102% to 64% for the month under review. 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 April 2026 is 82%, 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 third 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				Summary - Quarter 2				Summary - Quarter 3				18 April - Reporting for March in April												
		Billing	Collection	R - Billing not collected	% Collection	Q1			Billing	Collection	R - Billing not collected	% Collection	Q2			Billing	Collection	R - Billing not collected	% Collection	Q3			Billing for March	Collection in April	R - Billing not collected	% Collection	Q4	
1 Collection for whole department				712,021.70	427,762.00	284,840.40	62%	0%	607,628.20	336,443.00	215,767.70	55%	67%	654,614.20	445,176.20	238,466.00	68%	70%	654,614.20	445,176.20	238,466.00	68%	70%	654,614.20	445,176.20	238,466.00	68%	70%
2 Collection split Eskom supplied areas				452,488.00	282,814.00	208,020.00	62%	0%	471,894.00	292,008.00	182,766.00	62%	0%	454,564.00	282,814.00	208,020.00	62%	0%	454,564.00	282,814.00	208,020.00	62%	0%	454,564.00	282,814.00	208,020.00	62%	0%
3 Collection Property Rates				275,742.84	186,650.00	70,841.07	70%	0%	136,845.84	108,264.00	52,167.78	67%	0%	156,704.96	117,724.00	51,071.60	75%	0%	156,704.96	117,724.00	51,071.60	75%	0%	156,704.96	117,724.00	51,071.60	75%	0%
4 Collection Electricity (Municipal supplied areas)				210,797.84	135,196.70	71,940.07	70%	0%	148,847.16	148,544.00	1,300.76	99%	0%	148,847.16	148,544.00	1,300.76	99%	0%	148,847.16	148,544.00	1,300.76	99%	0%	148,847.16	148,544.00	1,300.76	99%	0%
5 Total average collection: Water				88,970.88	61,222.96	48,774.78	69%	0%	105,708.00	64,214.00	54,877.65	60%	0%	105,708.00	64,214.00	54,877.65	60%	0%	105,708.00	64,214.00	54,877.65	60%	0%	105,708.00	64,214.00	54,877.65	60%	0%
6 Total average collection: Wastewater				91,266.78	64,056.00	38,210.70	70%	0%	96,615.18	71,522.00	25,093.18	74%	0%	96,615.18	71,522.00	25,093.18	74%	0%	96,615.18	71,522.00	25,093.18	74%	0%	96,615.18	71,522.00	25,093.18	74%	0%
7 Total average collection: Refuse				200,820.00	138,377.00	78,060.00	69%	0%	200,820.00	138,377.00	78,060.00	69%	0%	200,820.00	138,377.00	78,060.00	69%	0%	200,820.00	138,377.00	78,060.00	69%	0%	200,820.00	138,377.00	78,060.00	69%	0%
8 Total average collection: Interest				75,049.71	7,925.24	65,124.48	10%	0%	69,642.94	1,535.26	68,107.68	8%	0%	69,642.94	1,535.26	68,107.68	8%	0%	69,642.94	1,535.26	68,107.68	8%	0%	69,642.94	1,535.26	68,107.68	8%	0%

Complete This Section																											
Quarter 1 Performance Per Ward				Quarter 2 Performance Per Ward				Quarter 3 Performance Per Ward				Quarter 4 Performance Per Ward															
Services	Supply	Word Name & Number	Billing	Collection	R - Billing not collected	% Collection	Q1	Billing	Collection	R - Billing not collected	% Collection	Q2	Billing	Collection	R - Billing not collected	% Collection	Q3	Billing for June in July	Word Name & Number	Billing	Collection	R - Billing not collected	% Collection	Q4			
Property Rates Tax	Not supplied	Ward 11 - Mankweng (11)	492,778	354,889	138,009	72%	31%	476,540	445,842	30,700	94%	94%	476,540	445,842	30,700	94%	94%	476,540	445,842	30,700	94%	94%	476,540	445,842	30,700	94%	94%
Electricity	Not supplied	Ward 11 - Mankweng (11)	2,507,655	4,322,077	1,974,420	168%	168%	1,974,420	2,965,180	1,000,000	150%	150%	1,974,420	2,965,180	1,000,000	150%	150%	1,974,420	2,965,180	1,000,000	150%	150%	1,974,420	2,965,180	1,000,000	150%	150%
Water	Not supplied	Ward 11 - Mankweng (11)	452,488	308,214	208,020	68%	68%	452,488	308,214	208,020	68%	68%	452,488	308,214	208,020	68%	68%	452,488	308,214	208,020	68%	68%	452,488	308,214	208,020	68%	68%
Refuse	Not supplied	Ward 11 - Mankweng (11)	36,116	20,627	15,489	57%	57%	36,116	20,627	15,489	57%	57%	36,116	20,627	15,489	57%	57%	36,116	20,627	15,489	57%	57%	36,116	20,627	15,489	57%	57%
Waste Water	Not supplied	Ward 11 - Mankweng (11)	328,899	81,047	248,852	25%	25%	328,899	81,047	248,852	25%	25%	328,899	81,047	248,852	25%	25%	328,899	81,047	248,852	25%	25%	328,899	81,047	248,852	25%	25%
Interest	Not supplied	Ward 11 - Mankweng (11)	210,798	99,881	209,917	47%	47%	210,798	99,881	209,917	47%	47%	210,798	99,881	209,917	47%	47%	210,798	99,881	209,917	47%	47%	210,798	99,881	209,917	47%	47%

Complete This Section				Quarter 1 Performance Per Ward					Quarter 2 Performance Per Ward					Quarter 3 Performance Per Ward					Quarter 4 Performance Per Ward									
Services	Electricity Supply	Ward Name & Number	Billing	Collection	R. Billing not collected	% Collection	CR	Billing	Collection	R. Billing not collected	% Collection	CR	Billing	Collection	R. Billing not collected	% Collection	CR	Billing for June 2024	Collection for June 2024	R. Billing for June 2024	% Collection	CR	Billing	Collection	R. Billing not collected	% Collection	CR	
Property Rates Tax	Electricity	Ward 01 (Central)	1,099,224	667,038	751,956	68%	48%	1,099,224	667,038	751,956	68%	48%	1,099,224	667,038	751,956	68%	48%	1,099,224	667,038	751,956	68%	48%	1,099,224	667,038	751,956	68%	48%	
			Water	1,442,229	283,841	1,574,485	20%	20%	1,442,229	283,841	1,574,485	20%	20%	1,442,229	283,841	1,574,485	20%	20%	1,442,229	283,841	1,574,485	20%	20%	1,442,229	283,841	1,574,485	20%	20%
			Refuse	116,427	118,212	794,315	10%	10%	116,427	118,212	794,315	10%	10%	116,427	118,212	794,315	10%	10%	116,427	118,212	794,315	10%	10%	116,427	118,212	794,315	10%	10%
			Waste Water	1,031,500	246,750	1,074,794	20%	20%	1,031,500	246,750	1,074,794	20%	20%	1,031,500	246,750	1,074,794	20%	20%	1,031,500	246,750	1,074,794	20%	20%	1,031,500	246,750	1,074,794	20%	20%
			Interest	1,000,000	93,817	1,000,000	9%	9%	1,000,000	93,817	1,000,000	9%	9%	1,000,000	93,817	1,000,000	9%	9%	1,000,000	93,817	1,000,000	9%	9%	1,000,000	93,817	1,000,000	9%	9%
Property Rates Tax	Electricity	Ward 02 (Northern)	11,451,519	8,112,028	13,091,494	71%	71%	11,451,519	8,112,028	13,091,494	71%	71%	11,451,519	8,112,028	13,091,494	71%	71%	11,451,519	8,112,028	13,091,494	71%	71%	11,451,519	8,112,028	13,091,494	71%	71%	
			Water	6,632,920	2,443,812	1,964,952	40%	40%	6,632,920	2,443,812	1,964,952	40%	40%	6,632,920	2,443,812	1,964,952	40%	40%	6,632,920	2,443,812	1,964,952	40%	40%	6,632,920	2,443,812	1,964,952	40%	40%
			Refuse	2,402,063	4,192,337	1,230,961	10%	10%	2,402,063	4,192,337	1,230,961	10%	10%	2,402,063	4,192,337	1,230,961	10%	10%	2,402,063	4,192,337	1,230,961	10%	10%	2,402,063	4,192,337	1,230,961	10%	10%
			Waste Water	702,886	397,656	371,951	55%	55%	702,886	397,656	371,951	55%	55%	702,886	397,656	371,951	55%	55%	702,886	397,656	371,951	55%	55%	702,886	397,656	371,951	55%	55%
			Interest	2,028,228	233,754	307,456	5%	5%	2,028,228	233,754	307,456	5%	5%	2,028,228	233,754	307,456	5%	5%	2,028,228	233,754	307,456	5%	5%	2,028,228	233,754	307,456	5%	5%
Property Rates Tax	Electricity	Ward 03 (Eastern)	1,037,680	523,671	820,566	50%	50%	1,037,680	523,671	820,566	50%	50%	1,037,680	523,671	820,566	50%	50%	1,037,680	523,671	820,566	50%	50%	1,037,680	523,671	820,566	50%	50%	
			Water	1,987,223	72,749	126,065	3%	3%	1,987,223	72,749	126,065	3%	3%	1,987,223	72,749	126,065	3%	3%	1,987,223	72,749	126,065	3%	3%	1,987,223	72,749	126,065	3%	3%
			Refuse	433,512	138,250	475,407	23%	23%	433,512	138,250	475,407	23%	23%	433,512	138,250	475,407	23%	23%	433,512	138,250	475,407	23%	23%	433,512	138,250	475,407	23%	23%
			Waste Water	405,266	183,389	882,927	20%	20%	405,266	183,389	882,927	20%	20%	405,266	183,389	882,927	20%	20%	405,266	183,389	882,927	20%	20%	405,266	183,389	882,927	20%	20%
			Interest	1,071,728	46,272	1,071,728	4%	4%	1,071,728	46,272	1,071,728	4%	4%	1,071,728	46,272	1,071,728	4%	4%	1,071,728	46,272	1,071,728	4%	4%	1,071,728	46,272	1,071,728	4%	4%
Property Rates Tax	Electricity	Ward 04 (Western)	54,208,075	53,132,152	1,315,724	98%	98%	54,208,075	53,132,152	1,315,724	98%	98%	54,208,075	53,132,152	1,315,724	98%	98%	54,208,075	53,132,152	1,315,724	98%	98%	54,208,075	53,132,152	1,315,724	98%	98%	
			Water	10,407,073	4,718,517	4,448,158	68%	68%	10,407,073	4,718,517	4,448,158	68%	68%	10,407,073	4,718,517	4,448,158	68%	68%	10,407,073	4,718,517	4,448,158	68%	68%	10,407,073	4,718,517	4,448,158	68%	68%
			Refuse	1,377,860	2,479,467	888,320	75%	73%	1,377,860	2,479,467	888,320	75%	73%	1,377,860	2,479,467	888,320	75%	73%	1,377,860	2,479,467	888,320	75%	73%	1,377,860	2,479,467	888,320	75%	73%
			Waste Water	2,494,750	2,011,699	823,070	75%	71%	2,494,750	2,011,699	823,070	75%	71%	2,494,750	2,011,699	823,070	75%	71%	2,494,750	2,011,699	823,070	75%	71%	2,494,750	2,011,699	823,070	75%	71%
			Interest	6,739,261	2,888,777	3,210,794	43%	42%	6,739,261	2,888,777	3,210,794	43%	42%	6,739,261	2,888,777	3,210,794	43%	42%	6,739,261	2,888,777	3,210,794	43%	42%	6,739,261	2,888,777	3,210,794	43%	42%

16.4.2 Monthly - Restriction of Free Basic Services to Indigent Households

Articulated in table below, is the indigent information for the month of April 2026. The municipality is experiencing challenges in the restricting/interrupting of water supply and intervention is required from the technical department. The municipality embarked on an indigent drive throughout the community to increase the number of the restricting. 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.

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 3					
Part A - Reconciliation Summary						
Property Categories	Number of Properties			Market Values		
	Valuation Roll	Mun System	Variance	Valuation Roll	Mun System	Variance
Residential	51170	51170	0	24,268,019,602	24,268,019,602	-
Industrial	203	203	0	801,740,000	801,740,000	-
Business and Commercial	2332	2332	0	7,714,740,001	7,714,740,001	-
Agricultural	425	425	0	2,634,816,700	2,634,816,700	-
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	230	230	0	535,799,001	535,799,001	-
Multi Use	0	0	0	-	-	-
Vacant	0	0	0	-	-	-
POW	240	240	0	609,009,000	609,009,000	-
Municipal	9301	9301	0	1,577,967,503	1,577,967,503	-
Other	0	0	0	-	-	-
Total	64,508	64,508	-	40,893,647,207	40,893,647,207	-
Part B - Detailed Reconciliation						
Property Categories	Monthly Billing - Mapped Accounts			Monthly Billing - Un Mapped Accounts		
	GV	MFS	Variance	GV	MFS	Variance
Residential	25,572,425	23,954,831	1,617,594	25,572,425	24,095,900	1,476,525
Industrial	2,534,701	2,406,920	127,781	2,534,701	2,476,789	57,912
Business and Commercial	24,390,151	21,932,749	2,457,402	24,390,151	22,309,007	2,081,143
Agricultural	694,274	489,610	204,665	694,274	490,327	203,947
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	-	13,953	-13,953	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	0	0
Total	64,637,836	52,875,727	11,762,109	64,637,836	53,447,190	11,190,645

Properties reconciliation

After populating the GVR Reconciliation for the third 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 March 2026 which was due and payable during the month of reporting, on or before 02 May 2026.




ESKOM HOLDINGS SOC LTD REG NO 2002/016627/30
VAT REG NO 4740101608

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

NORTH WESTERN REGION
PRIVATE BAG X16 Westville 3630

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



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

NORTH WESTERN REGION
PRIVATE BAG X16 Westville 3630

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

YOUR ACCOUNT NO	5449407898
SECURITY HELD	32617894.65
BILLING DATE	2026-04-01
TAX INVOICE NO	544779495976
ACCOUNT MONTH	MARCH 2026
CURRENT DUE DATE	2026-05-02
VAT REG NO	4370102313

TAX INVOICE

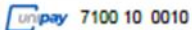
E-MAIL: tsoulwa@solplaatje.org.za

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	669,809.76	
URBAN LOW VOLTAGE SUBSIDY	R	247,530.00	
ANCILLARY SERVICE (ALL)	R	135,365.09	
GENERATOR CAPACITY CHARGE	R	717,060.00	
LEGACY CHARGE (ALL)	R	7,657,273.90	
ENERGY CHARGE (STD)	15,381,599.00	R	22,786,300.76
ENERGY CHARGE (PEAK)	6,374,839.00	R	16,795,788.31
ENERGY CHARGE (OFF)	14,828,721.00	R	15,690,269.69
SERVICE CHARGE		R	35,213.52
ELECTRIFICATION AND RURAL SUBS (ALL)		R	1,836,575.03
TOTAL CHARGES FOR BILLING PERIOD		R	69,440,035.83
ACCOUNT SUMMARY FOR MARCH 2026			
BALANCE BROUGHT FORWARD	(Due Date 2026-04-01)	R	1,081,201,393.66
PAYMENT(S) RECEIVED	Cash - 2026-03-02	R	-10,000,000.00
PAYMENT(S) RECEIVED	Cash - 2026-03-16	R	-75,000,000.00
PAYMENT(S) RECEIVED	Cash - 2026-03-17	R	-6,366,974.13
PAYMENT(S) RECEIVED	Cash - 2026-03-30	R	-46,873,234.81
TOTAL CHARGES FOR BILLING PERIOD		R	69,440,035.83
ADJUSTMENT	Interest on overdue account	R	5,314,429.90
ADJUSTMENT	Interest on overdue payment arrangement debt	R	304,553.84
PAYMENT ARRANGEMENT	5447737377 (Balance o/s R 22,362,000.00)	R	6,700,000.00
VAT RAISED ON ITEMS AT 15%		R	10,416,005.37

ACCOUNT NO / REFERENCE NO
5449407898


NAME
SOL PLAATJE LOCAL MUNICIPALITY

FAX NUMBER


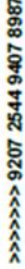
 7100 10 0010

CURRENT	TOTAL DUE	R	1,035,136,209.66
92,175,024.94			
ARREARS			
>90 DAYS	61-90 DAYS	31-90 DAYS	18-30 DAYS
670,042,847.91	90,016,482.56	182,901,854.25	0.00



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



27215700154494078984

9207 2544 9407 8987

TOTAL AMOUNT DUE

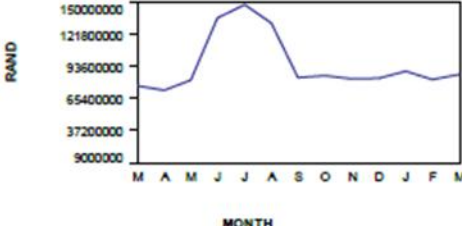
1,035,136,209.66

PAYMENT ARRANGEMENT

INSTALMENT	6,700,000.00
ARREARS (Due Immediately)	942,961,184.72
DUE DATE (For Current Amount)	2026-05-02
AMOUNT PAID	

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

PAGE RUN NO	EE 26
BILL GROUP	
BILL PAGE	1 OF 2



Indicated below is the April 2026 account which is due and payable on or before 04 June 2026.



ESKOM HOLDINGS SOC LTD REG NO 2002/016627/30
VAT REG NO 4740101608

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

NORTH WESTERN REGION
PRIVATE BAG X16 Westville 3630

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



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

NORTH WESTERN REGION
PRIVATE BAG X16 Westville 3630

DIRECT DEPOSIT DETAIL
BANK: First National Bank
BRANCH CODE: 223626
BANK ACC NO: 56070087318

YOUR ACCOUNT NO	5449407898
SECURITY HELD	32617894.65
BILLING DATE	2026-05-05
TAX INVOICE NO	544500222058
ACCOUNT MONTH	APRIL 2026
CURRENT DUE DATE	2026-06-04
VAT REG NO	4370102313

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	768,016.13
URBAN LOW VOLTAGE SUBSIDY		R	247,530.00
ANCILLARY SERVICE (ALL)		R	133,144.58
GENERATOR CAPACITY CHARGE		R	717,060.00
LEGACY CHARGE (ALL)		R	7,531,665.20
ENERGY CHARGE (STD)	14,504,643.00	R	21,487,178.14
ENERGY CHARGE (PEAK)	5,832,753.00	R	15,367,554.33
ENERGY CHARGE (OFF)	15,647,626.00	R	16,556,753.07
SERVICE CHARGE		R	34,077.60
ELECTRIFICATION AND RURAL SUBS (ALL)		R	1,806,448.10
TOTAL CHARGES FOR BILLING PERIOD		R	67,518,257.25
ACCOUNT SUMMARY FOR APRIL 2026			
BALANCE BROUGHT FORWARD	(Due Date 2026-05-02)	R	1,035,136,209.66
PAYMENT(S) RECEIVED	Cash - 2026-04-23	R	-60,000,000.00
TOTAL CHARGES FOR BILLING PERIOD		R	67,518,257.25
ADJUSTMENT	Interest on overdue payment arrangement debt	R	265,587.04
ADJUSTMENT	Interest on overdue account	R	6,603,955.56
PAYMENT ARRANGEMENT	5447737377 (Balance o/s R 15,662,000.00)	R	6,700,000.00
VAT RAISED ON ITEMS AT 15%		R	10,127,738.59
CURRENT			
91,215,538.44		TOTAL DUE	R 1,066,351,748.10
ARREARS			
>90 DAYS	61-90 DAYS	31-90 DAYS	16-90 DAYS
794,894,210.59	88,066,974.13	92,175,024.94	0.00
Total outstanding debt must be settled immediately, subject to disconnection without further notice			

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

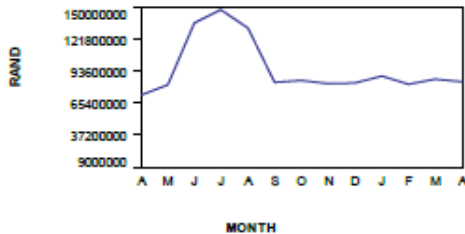
272157001 54494078984



9207 2544 9407 8987



TOTAL AMOUNT DUE
1,066,351,748.10



PAGE RUN NO	EE 28
BILL GROUP	
BILL PAGE	1 OF 2

PAYMENT ARRANGEMENT	
INSTALMENT	6,700,000.00
ARREARS (Due Immediately)	975,136,209.66
DUE DATE (For Current Amount)	2026-06-04
AMOUNT PAID	

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

- ii) Indicated below is the municipality's proof of payments of the Eskom Bulk account payments for the month of April 2026. The municipality made a partial payment of R60,000 million on the March 2026 account.

SOL PLAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

ESKOM HOLDINGS
PRIVATE BAG X16
WESTVILLE
3630

23/04/2026

SUPPLIER No: SESK01

VOUCHER NO: DUNZ000001

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

FAX NO:

CHEQUE/ELE NO: 77077930

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
01/04/2026	SUN	544779495976	47287840.23		7093176.03	54381016.26
01/04/2026	SUN	544779495976	5618983.74		0.00	5618983.74

SUB TOTAL: 7093176.03 60000000.00

7093176.03 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 M10 – April 2026 pertaining to electricity.

	2026	
	M10	
Account Name		
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Deposits	-90,846,702	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	69,440,036	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	-4,068,359	65,371,677
Expenditure:Bulk Purchases:Electricity:ESKOM	69,440,036	

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

Datastrings & FMS Recon - April 2026 M10	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
BULK PURCHASES:ELECTRICITY:ESKOM	116,727,876.06	47,287,840.23	69,440,035.83	Bulk Purchases vote reconciles to datastrings
Combined vouchers	47,287,840.23	-	47,287,840.23	
Cheque No : 77077930 Bank No : 901	47,287,840.23	-	47,287,840.23	Partial Payment of the March 2026 invoice
Sundry Accruals	69,440,035.83	-	69,440,035.83	
Sundry DUNA008627	69,440,035.83	-	69,440,035.83	
Sundry Accruals Reversals	-	47,287,840.23	-47,287,840.23	
Cheque No : 77077930 Bank No : 901	-	47,287,840.23	-47,287,840.23	
Grand Total	116,727,876.06	47,287,840.23	69,440,035.83	

Datastrings & FMS Recon - April 2026 M10	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
ELECTRICITY BULK PURCH ACC 01:WITHDRAWAL	65,371,676.59	-	65,371,676.59	Withdrawal vote reconciles to datastrings
Create Cheque 77077650 Voucher No CATA014301	15,470.64	-	15,470.64	
Create Cheque 77077651 Voucher No CATA014302	5,328.46	-	5,328.46	
Create Cheque 77077652 Voucher No CATA014303	9,247.29	-	9,247.29	
Create Cheque 77077653 Voucher No CATA014304	3,154.57	-	3,154.57	
Create Cheque 77077654 Voucher No CATA014305	103,936.73	-	103,936.73	
Create Cheque 77077751 Voucher No CATA014342	34,321.49	-	34,321.49	
Create Cheque 77077778 Voucher No CATA014352	45,533.54	-	45,533.54	Payment of minor Eskom accounts
Create Cheque 77077779 Voucher No CATA014353	15,332.71	-	15,332.71	
Create Cheque 77077780 Voucher No CATA014354	13,844.05	-	13,844.05	
Create Cheque 77077781 Voucher No DUNA008626	7,415.70	-	7,415.70	
Create Cheque 77077782 Voucher No DUNA008636	125,315.67	-	125,315.67	
Create Cheque 77077925 Voucher No CATA014382	4,622.51	-	4,622.51	
Create Cheque 77077926 Voucher No CATA014383	448.75	-	448.75	
Create Cheque 77077930 Voucher No DUNZ000001	60,000,000.00	-	60,000,000.00	Payment of the March 2026 invoice
Create Cheque 77078023 Voucher No CATA014355	4,987,704.48	-	4,987,704.48	Payment for the Riverton account
ELECTRICITY BULK PURCHASE ACC 01:DEPOSIT	65,371,676.59	156,218,378.12	-90,846,701.53	Deposits vote reconciles to datastrings
Create Cheque 77077650 Voucher No CATA014301	15,470.64	15,470.64	-	
Create Cheque 77077651 Voucher No CATA014302	5,328.46	5,328.46	-	
Create Cheque 77077652 Voucher No CATA014303	9,247.29	9,247.29	-	
Create Cheque 77077653 Voucher No CATA014304	3,154.57	3,154.57	-	
Create Cheque 77077654 Voucher No CATA014305	103,936.73	103,936.73	-	
Create Cheque 77077751 Voucher No CATA014342	34,321.49	34,321.49	-	
Create Cheque 77077778 Voucher No CATA014352	45,533.54	45,533.54	-	
Create Cheque 77077779 Voucher No CATA014353	15,332.71	15,332.71	-	
Create Cheque 77077780 Voucher No CATA014354	13,844.05	13,844.05	-	
Create Cheque 77077781 Voucher No DUNA008626	7,415.70	7,415.70	-	
Create Cheque 77077782 Voucher No DUNA008636	125,315.67	125,315.67	-	
Create Cheque 77077925 Voucher No CATA014382	4,622.51	4,622.51	-	
Create Cheque 77077926 Voucher No CATA014383	448.75	448.75	-	
Create Cheque 77077930 Voucher No DUNZ000001	60,000,000.00	60,000,000.00	-	
Create Cheque 77078023 Voucher No CATA014355	4,987,704.48	4,987,704.48	-	
Sundry CATA014301 Creditor Control	-	15,470.64	- 15,470.64	
Sundry CATA014302 Creditor Control	-	5,328.46	- 5,328.46	
Sundry CATA014303 Creditor Control	-	9,247.29	- 9,247.29	
Sundry CATA014304 Creditor Control	-	3,154.57	- 3,154.57	
Sundry CATA014305 Creditor Control	-	103,936.73	- 103,936.73	Invoices for minor Eskom accounts
Sundry CATA014342 Creditor Control	-	34,321.49	- 34,321.49	
Sundry CATA014352 Creditor Control	-	45,533.54	- 45,533.54	
Sundry CATA014353 Creditor Control	-	15,332.71	- 15,332.71	
Sundry CATA014354 Creditor Control	-	13,844.05	- 13,844.05	
Sundry CATA014355 Creditor Control	-	4,987,704.48	- 4,987,704.48	Invoice for Riverton account
Sundry CATA014382 Creditor Control	-	4,622.51	- 4,622.51	
Sundry CATA014383 Creditor Control	-	448.75	- 448.75	Invoices for minor Eskom accounts
Sundry DUNA008626 Creditor Control	-	7,415.70	- 7,415.70	
Sundry DUNA008627 Creditor Control	-	85,475,024.94	- 85,475,024.94	Invoice for March 2026
Sundry DUNA008636 Creditor Control	-	125,315.67	- 125,315.67	Invoice for minor Eskom accounts
Grand Total	130,743,353.18	156,218,378.12	-25,475,024.94	

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 March 2026 which was due and payable on or before the 30 April 2026.

Page 1 of 1

NWRI Customer Ref no: 60005150
 Customer No: 25014305
 Contract Acc. No: 100478320
 Document No: 412856908
 Document Date: 31.03.2026
 Payment Terms: 30 Days
 Due Date: 30.04.2026
 Customer VAT Reg. No: 4370102313

TAX INVOICE
 DMS VAT Reg. no 4040112361



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

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

YOUR CONTACT OFFICE:

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

Water Use Description	Tariff Category	Quantity m3/HA Registered/Consumed	Unit Price (c/m3/HA)	Amount (Rand)
Property Details: Property Name: DROOGFONTEIN; Property Number: 6866; Registration Division: KIMBERLEY RD; Portion Number: 1; Title Deed: T16761/1921 Water Use Details: WMA: VAAL; Legal Sector Code: 21A Tk water fr a water resource; Water Use Sector: DOMESTIC & INDUSTRIAL; Water Source Type: SCHEME. Contract No: 10087405 (25014305/13) Serv. Vol: 9,125,000.40; YrD Consumed Vol: 35555,778.66 Water Use Period: 01.03.2026 to 31.03.2026				
	Consumptive (O&M)	2,552,577.00	38.68	987,336.78
	Consumptive (ROA)	2,552,577.00	34.37	877,320.71
	Consumptive (Depr)	2,552,577.00	20.22	516,131.07
	TCTA (AMD)	2,552,577.00	8.45	215,692.76
	TCTA (LHWP)	2,552,577.00	443.20	11,313,021.26
	Plus 15.00% VAT			2,086,425.39
	Subtotal			15,995,927.97
	WRL(0%VAT)	2,552,577.000	8.08	206,248.22
	WRL(0%VAT)	0.000	0.00	0.00
	Total Charges			16,202,176.19

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

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

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

- i) There is no current account for April 2026, due to the servitude (free water quota) which commenced from 1 April 2026.
- iii) There is no proof of payment for DWS because the municipality had insufficient cash to settle the current account for March 2026.
- 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 M10 – April 2026).

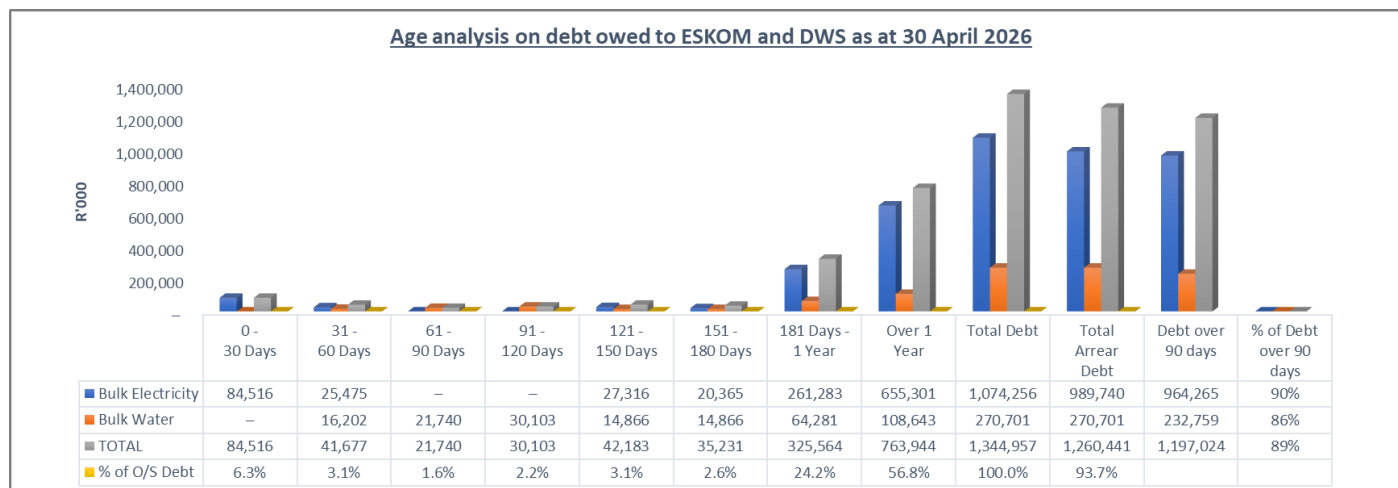
	2026
	M10
Account Name	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Deposits	-44,343,038
Assets:Current Assets:Inventory:Water:System Input Volume:Bulk Purchases	38,109,314

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

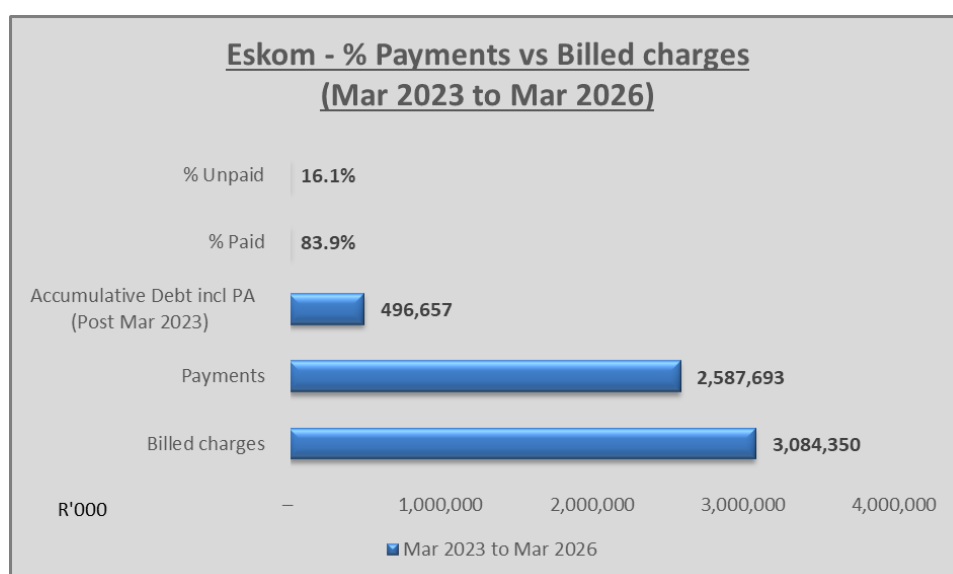
Datastrings & FMS Recon - April 2026 M10	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
WATER:INPUT VOL: BULK PURCHASES	38,150,310.70	40,996.21	38,109,314.49	Water:Input Vol: Bulk Purchases vote reconciles to datastrings
☐ Sundry Accruals	38,109,314.49	-	38,109,314.49	
SORA01:ORANJE RIET WATER USERS ASSOCIATION	40,996.21	-	40,996.21	
SWAT01:DEPARTMENT OF WATER AND SANITATION	38,068,318.28	-	38,068,318.28	Accounts authorised for January and February 2026
☐ Sundry Accruals Reversals	-	40,996.21	40,996.21	
SORA01 : ORANJE RIET WATER USERS ASSOCIATION	-	40,996.21	40,996.21	
☐ Sundry Payments	40,996.21	-	40,996.21	
SORA01 : ORANJE RIET WATER USERS ASSOCIATION	40,996.21	-	40,996.21	Payment for Oranje Riet Water Association
Grand Total	38,150,310.70	40,996.21	38,109,314.49	

Datastrings & FMS Recon - April 2026 M10	Sum of Debit Amt	Sum of Credit Amt	Comment
WATER BULK PURCHASE:DEPOSITS	-	44,343,037.91	Deposits vote reconciles to datastrings
Sundry CATA014380 Creditor Control	-	21,740,055.80	Account authorised for February 2026
Sundry DUNA008629 Creditor Control	-	22,602,982.11	Account authorised for January 2026
Grand Total	-	44,343,037.91	

vii) Total outstanding debt owed to Eskom and DWS as at 30 April 2026



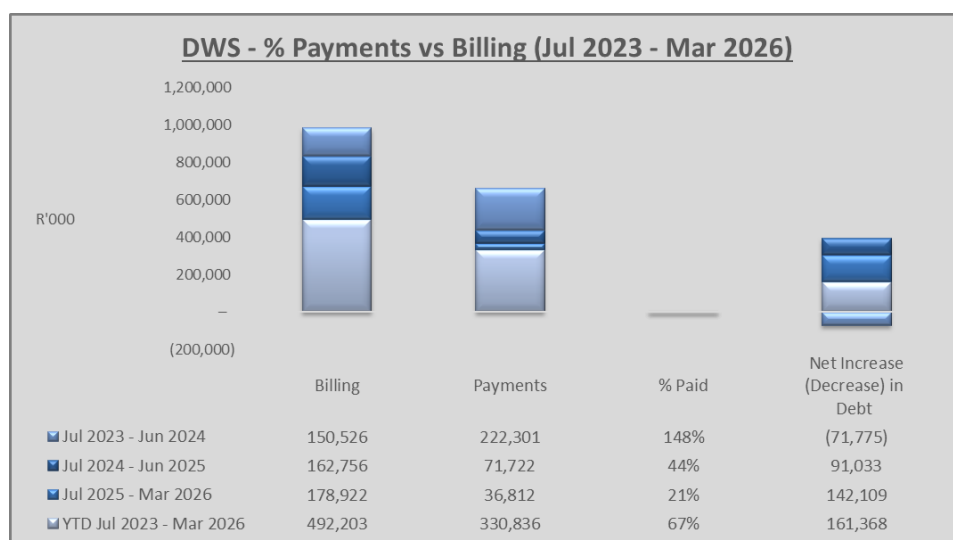
Please refer to section 4.2 for more in-depth information of the debt owed to Eskom and DWS.



Indicated in the adjacent chart is a summary of the percentage payments versus billed charges for Eskom for the period March 2023 to March 2026. The April 2026 account is excluded as it not yet due and payable.

The total billed charges for the period amounted to R3,084,350 billion, and payments made amounted to R2,587,693 billion. For the period the municipality managed to settle 83.9% of the billed charges.

The debt outstanding post March 2023 amounts to R496,657 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 March 2026. There is no account for April 2026 due to commencement of servitude period which commenced 1 April 2026.

The total billing for the period amounted to R492,203 million, and payments made amounted to R330,836 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 R142,109 million. The net increase in outstanding debt amounts to R161,368 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 - April 2026
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)	Compliant - ESKOM During the month of April 2026, the municipality paid an amount of R60 million on the March 2026 current account. The balance outstanding is R25 million. Non-Compliant - DWS The municipality did not have sufficient cash available to settle the current account for Water for March 2026 amounting to R16 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 April 2026. 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 May 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 April 2026 was uploaded onto GoMuni on 12 May 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.
6.6 Electricity and Water Collection (<i>Demonstration</i>)	6.6.1 Issue monthly billing and allocate payment received from customers in the following priority order: (1) Property Rates (2) Water	Monthly	Monthly billing reconciliation / Financial	Compliant Priority of order of allocations was corrected on

Sol Plaatje (NC091): Monthly Budget Statement: S71 Monthly Report: April 2026

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - April 2026
<i>through by-laws and budget related policies)</i>	(3) Waste Water (4) Refuse Removal and (5) Electricity		system generated hierachy allocation report	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 = 864 Conventional disconnection = 125
	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 = 64%. Quarterly S71 Revenue Collection rate per Ward outcome Q4 = not yet the end of the quarter Municipality's average collection rate = 82% (Prepaid electricity sales and allocated credits are included) Not Achieved Average daily cash collection for April 2026, was R7,103m.
	6.7.2 If the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality must demonstrate to the satisfaction of the National Treasury the reasons or that – 6.7.2.1 Underperformance directly relates to Eskom Supplied areas 6.7.2.2 Physical restriction and/or limit of supply of water is due to Technical Engineering reason(s) 6.7.2.3 The municipality has attempted to enter into SLA with Eskom for Eskom Supplied Areas and document reason(s) for failure	Quarterly	Monthly S71 Revenue Collection Ward Template	Ritchie is a small poor community and will not have a significant impact on the collection rate.
	6.7.3 Install progressively smart prepaid meters in municipal supplied areas (Electricity)	Quarterly	Report on the number of meters installed Annual Target: 2000 Q1: 0 Q2: 0 Q3: 0 Q4: 2,000 (As per SDBIP)	Smart meter project is completed. YTD installations until 31 March 2025 = 15,328
6.7 Maintain a minimum average quarterly collection of property rates and services charges	6.7.3 Install progressively smart prepaid meters in municipal supplied areas (Water)	Quarterly	Report on the number of meters installed Annual Target: 2000 Q1: 0 Q2: 0 Q3: 0 Q4: 2,000 (As per SDBIP)	Zero smart prepaid water meters were installed.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - April 2026
	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 third quarter was completed on 13 April 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 13 April 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 April 2026 as per guideline from NT.
	6.9.2 If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?			
	6.9.3 Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, it must monthly report its progress in implementing its FRP to the Provincial Executive			
6.10 Provincial Treasury's Certification of municipal compliance	6.10 Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA to be performed by the relevant PT			
	Executive Management Team (EMT) to review the National Treasury: Local Government Budget Analysis (NT: LGBA) compliance certification for the prior month and take immediate remedial action	Monthly, within 1 days after issue	NT: LGBA Compliance Certification	The municipality received the compliance certificate for March 2026. Management must take remedial actions as per the recommendations made by National Treasury
6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)	6.12.1 Open a separate investment account to serve as a sub-account	Once-off	Investment account confirmation	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. Investment account statement no longer

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - April 2026
				required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124
	<p>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.</p>	Monthly	Investment account and bank statement and proof of payment aligned to actual receipts	<p>Partially Compliant</p> <p>The ESKOM current account was partially paid, directly from the Primary bank account. The municipality has shown improvement on its cash flow management, however substantial receipts from debtors are not materialising. Municipality has a backlog in terms of built-up reserves. Salaries and third-party salary payments including commitments to other creditors make this requirement difficult to maintain.</p>
	<p>The municipality monthly submit a copy of the bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue</p>	Monthly, within 10 working days after month end	Bank statement and proof of payment aligned to actual receipts	<p>Compliant</p> <p>Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124. Primary bank account statement was uploaded onto GoMuni. Payments made directly from Primary bank account.</p>

17. Recommendations

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

1. The monthly budget statement (S71 Report) for the month of April 2026.
2. The non-compliance emanating from the municipality's debt relief self-assessment and overall performance from July 2025, as well as the National Treasury's independent assessment set-out in paragraph 16.3 above. Please refer to the Non-compliance report and compliance certificate for March 2026.
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 R113,900 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 third cycle.
 - 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 two thirds of the municipal debt amounting to R496 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 third cycle of the municipal debt relief programme.
8. That the Mayoral committee take note of the high risk that the municipality may be removed from the Municipal Debt Relief Programme, which will have serious repercussions for the municipality.
9. That the Mayoral committee take note of the fact that Sol Plaatje may be affected with Eskom's proposed intervention which includes entering into Distribution Agency Agreements, that would give the utility direct control over metering, billing and revenue collection. This would allow Eskom to deduct its share for bulk electricity purchases upfront and return the balance to municipalities.
10. That the Mayoral committee take note of the Fruitless and Wasteful expenditure incurred on interest on overdue accounts amounting to R19,389 million for bulk electricity for the period Jul 2024 to June 2025. The interest incurred for the current year as at 30 April 2026 amounts to R55,985 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 final third debt write-off by National Treasury, the municipality have an obligation to settle **R493,313,278.39**, as indicated in the table below. Arrears on the outstanding invoices including interest amounts to R379,413,278.39 and the arrears on the payment arrangement amount to R113,900,000.00.

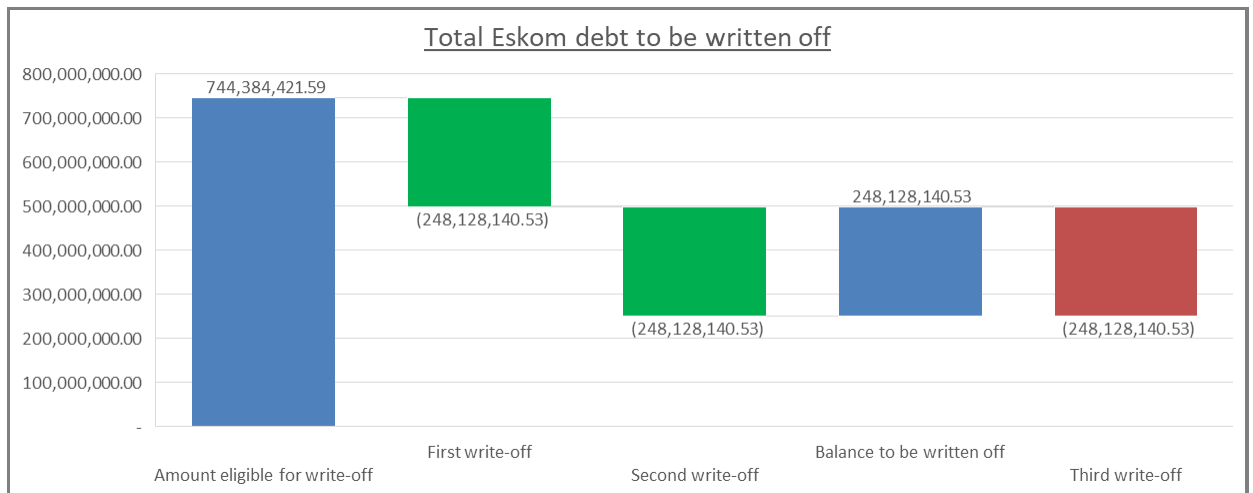
Month	Invoice Amount incl Interest	Paid Amount	Balance due incl Interest	Arrear instalments Payment Arrangement	Total Due to be in Good standing	Interest
Jul-24	R 148,333,011.78	R 148,333,011.78	R -	R -	R -	R 273,911.75
Aug-24	R 127,600,942.44	R 127,600,942.44	R -	R 6,700,000.00	R 6,700,000.00	R 154,610.92
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 146,873,234.81	R -	R 6,700,000.00	R 6,700,000.00	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 86,065,807.73	R -	R 6,700,000.00	R 6,700,000.00	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
Dec-25	R 83,316,482.56	R 56,000,000.00	R 27,316,482.56	R 6,700,000.00	R 34,016,482.56	R 6,844,494.51
Jan-26	R 88,134,880.12	R 88,134,880.12	R -	R -	R -	R 5,284,126.22
Feb-26	R 81,366,974.13	R 81,366,974.13	R -	R -	R -	R 5,762,503.91
Mar-26	R 85,475,024.94	R 60,000,000.00	R 25,475,024.94	R -	R 25,475,024.94	R 5,618,983.74
TOTAL ESKOM	R 1,918,301,916.47	R 1,538,888,638.08	R 379,413,278.39	R 113,900,000.00	R 493,313,278.39	R 68,505,850.09

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, November, December 2025, January, February and March 2026 amounting to a combined total of **R270,700,852.93** 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 **R255,997,172.47**, 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 20,043,140.87	R -	R -	R -	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 -
Dec-25	R 14,866,092.88	R -	R 14,866,092.88	R -	R 14,866,092.88	R -
Jan-26	R 30,102,686.72	R -	R 30,102,686.72	R -	R 30,102,686.72	R -
Feb-26	R 21,740,055.80	R -	R 21,740,055.80	R -	R 21,740,055.80	R -
Mar-26	R 16,202,176.19	R -	R 16,202,176.19	R -	R 16,202,176.19	R -
TOTAL WATER	R 342,939,297.14	R 72,238,444.21	R 270,700,852.93	-R 14,703,680.46	R 255,997,172.47	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 two thirds (2/3) of the municipal debt amounting to **R496,256,281.06**. 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 R248 million. This will be a serious blow to the municipality's finances and will have severe repercussions on the already critical cashflow position. On the DWS debt agreement, the municipality run the risk of being removed from the Department's Debt Incentive Scheme and forfeit the R14m interest write-off. The Department will also resume in charging interest on the cumulative arrear debt. This will result in an increase in Fruitless and wasteful expenditure incurred for the year.



18. Municipal Manager's quality certification

Quality Certificate

I, BS Matlala, the Municipal Manager of Sol Plaatje Local Municipality, hereby certify that
(mark as appropriate)

the Monthly Budget Statement

Quarterly Report on the implementation of the budget and financial state affairs
of the municipality

Mid-year Budget and Performance Assessment

For the month of **April 2026** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Mr. BS Matlala

Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature: 

Date: 21 /05/2026



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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FROM: Ms Matjatji Mashoeshoe, Tel: 012 315 5553, Email: Matjatji.mashoeshoe@treasury.gov.za

Ref No: NC091/16

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

Email: BMatlala@solplaatje.org.za

Dear Mr Matlala

MFMA CIRCULAR NO.124 – MUNICIPAL DEBT RELIEF NATIONAL TREASURY CERTIFICATION OF MUNICIPAL COMPLIANCE OF NC091 SOL PLAATJE LOCAL MUNICIPALITY DURING MARCH 2026

Sol Plaatje Local Municipality has submitted its March 2026 Municipal Debt Relief Programme reporting package against the requirements of MFMA Circular No. 124. This revised report has been structured in the same format as the February 2026 report, but each debt relief condition is now presented separately under its own heading. The report adopts a firm National Treasury tone because the Municipality's March 2026 position is not a clean compliance outcome. The overall compliance score of 71 per cent reflects moderate compliance only in a technical sense. It does not provide sufficient comfort that the Municipality has restored the cash discipline, collection performance and creditor-payment behaviour required under the programme.

The most serious concern remains the Municipality's inability to convert administrative reporting into disciplined financial execution. The February 2026 Eskom current account was settled, and this is acknowledged. However, the Municipality remained exposed to Eskom arrears, arrear instalments and DWS non-payment. The March Section 71 report records that the Municipality must settle R467.838 million to be in good standing with Eskom, made up of R353.938 million in outstanding invoice balances including interest and R113.900 million in arrear instalments. The same report records that the Municipality must settle R239.795 million to remain in good standing with DWS. These are not marginal variances. They represent a direct failure to protect service revenue and to honour bulk-service obligations on a first-call basis.

The revenue position remains equally weak. The total debtor book is reported at R4.475 billion, with approximately 90 per cent older than 90 days. Government debt amounts to approximately R664.848 million, business debt to R720.173 million and household debt to R2.943 billion. The Municipality reported an improvement in the third-quarter collection rate to 76 per cent for the whole demarcation,

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



but this remains below the debt relief minimum and materially below the 95 per cent collection norm. Water, wastewater and refuse collection remain unacceptably low, and the Municipality still has not implemented water restriction or interruption as a practical collection tool.

The Municipality must therefore treat the March 2026 assessment as a warning. It cannot rely on policy existence, Council resolutions, completed smart meter installation or funded-budget status to offset current-account breaches, non-payment of arrear instalments, weak service-level collection and non-compliance with cost-reflective tariff and write-off accounting requirements. The remaining Eskom write-off benefit of approximately R496.256 million is too material to be jeopardised through avoidable operational failure. Council and senior management must move immediately from explanation to correction.

The March 2026 result must be interpreted against the full participation trend. Sol Plaatje has not achieved a stable upward trajectory. The Municipality continues to oscillate between moderate and above moderate compliance, while the most important behavioural indicators - collections, arrear prevention, ring-fenced cash discipline and bulk creditor payments - remain weak. The following table records the compliance trend used in the assessment.

The compliance register as at 31 March 2026 records Sol Plaatje as overdue and in standard breach. The ring-fenced Eskom debt on 31 March 2023 was approximately R744.384 million, of which R248.128 million has been written off. The net ring-fenced debt after the first write-off remains approximately R496.256 million. The register further records residual new arrear debt of approximately R42.462 million, post-approval debt relief growth of approximately R327.088 million, and a current exposure of approximately R190.346 million. These figures confirm that the Municipality remains financially exposed and cannot absorb the loss of the remaining write-off benefit without severe fiscal consequences.

Condition 6.1 – Municipality non-compliance

The March 2026 assessment indicates that Sol Plaatje remains materially exposed to non-compliance under the Municipal Debt Relief Programme. The Municipality is not failing because it lacks formal policies or reporting instruments. It is failing because implementation remains inconsistent, cash discipline is weak and the core financial obligations linked to the programme are not being satisfied at the required level. A compliance score of 71 per cent must therefore be treated as a warning signal, not as a satisfactory outcome. The Municipality has already benefited from a first third Eskom debt write-off and must now demonstrate that it can sustain the behavioural change expected by National Treasury.

The most serious 6.1 risk is that several operational failures are recurring. The Municipality has not restored full creditor discipline, has not achieved acceptable collection levels, has not implemented water restriction as a collection tool, has not completed the cost-reflective tariff requirement and has not fully accounted for the Eskom write-off. These failures are not isolated administrative weaknesses. They go directly to the credibility of the Municipality's participation in the MDRP and to the protection of the remaining R496.256 million potential write-off benefit.



Council and senior management must therefore treat all MDRP matters as executive accountability items. Each non-compliant condition must be assigned to a named senior official, with an implementation deadline, evidence requirement and monthly Council reporting line. Repeated failure must trigger consequence management. The Municipality must stop explaining weak performance and must demonstrate corrective action through payments, collections, reconciliations, enforcement records and audit-ready evidence. Governance will be judged by execution, not by the adoption of additional resolutions.

The Municipality must establish a breach-response protocol that is triggered immediately when any MDRP condition is reported as 'No', 'Not achieved' or materially qualified. The protocol must require the responsible Executive Director to prepare a written recovery note within five working days, setting out the value at risk, the reason for the breach, the corrective action, the funding source where applicable, and the date by which evidence will be uploaded. The Municipal Manager must then consolidate the breach responses into a monthly MDRP accountability report. This will prevent non-compliance from being diluted in the wider Section 71 narrative and will give Council a clear basis to intervene before the next reporting month. The March 2026 failures are serious enough to justify this tighter control because they affect current-account discipline, revenue recovery, tariff reform, write-off accounting and potential NERSA consequences.

NC091 Sol Plaatje Local Municipality overall relief performance for March 2026 :

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

Municipal Details		Monthly Performance Report																																								Scoring and Rating									
Month	Code Descr	Part A				Part B				Part C				Part D				Part E				Part F				Part G				Score	Rating																				
		Eskom And Bulk water current account				Compliance with a funded MTREF				FRP/BFP & Tariff Assessment				Electricity and water as collection tools				Quarterly collection of property rates and services charges				Maximization of Revenue Base				Oversight																									
		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	Yes	No	Yes	No	No	NA	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	78%	Moderate compliance					
26 August25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	NA	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	78%	Moderate compliance		
27 September25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	NA	NA	NA	NA	NA	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	71%	Moderate compliance		
28 October25	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	NA	NA	NA	NA	NA	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	83%	Above Moderate	
29 November25	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	NA	NA	NA	NA	NA	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	78%	Moderate compliance	
30 December25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	NA	NA	NA	NA	NA	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	83%	Above Moderate	
31 January26	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	NA	NA	NA	NA	NA	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	71%	Moderate compliance	
32 February26	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	NA	NA	NA	NA	NA	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	79%	Moderate compliance	
33 March26	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	NA	NA	NA	NA	NA	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	71%	Moderate compliance	
34 April26	Sol Plaatje	NC091																																															0%	Not completed	
35 May26	Sol Plaatje	NC091																																																0%	Not completed
36 June26	Sol Plaatje	NC091																																																0%	Not completed

The Monthly Performance Report provides a condition-by-condition assessment of Sol Plaatje Local Municipality’s compliance with the Municipal Debt Relief Programme under MFMA Circular No. 124. The report tracks performance from July 2025 to March 2026 against 41 compliance indicators grouped under the main MDRP compliance areas, namely bulk service current-account discipline, funded MTREF compliance, financial recovery and tariff assessment, electricity and water as collection tools, quarterly collection of property rates and service charges, maximisation of the revenue base, and oversight.



For March 2026, Sol Plaatje achieved an overall compliance score of 71 per cent, resulting in a rating of Moderate compliance. This represents a deterioration from the February 2026 score of 78 per cent and confirms that the Municipality's compliance position remains unstable. The Municipality has shown continued compliance in certain administrative and governance-related areas, particularly under the funded MTREF, revenue-base monitoring and oversight indicators. However, these positive areas are materially weakened by persistent non-compliance in the most critical financial discipline indicators.

The most serious weakness remains under Part A: Eskom and bulk water current account, where the Municipality recorded repeated "No" outcomes on key indicators. This confirms that current-account discipline remains unresolved and that the Municipality has not yet demonstrated the strict payment behaviour required under the Municipal Debt Relief Programme. This is a fundamental concern because payment of current bulk accounts is not a secondary compliance matter; it is a gateway condition for retaining the credibility and benefit of debt relief support.

The table further shows that Sol Plaatje continues to underperform under Part D: Electricity and water as collection tools, with non-compliance reflected on critical enforcement indicators. This points to weaknesses in the practical use of restriction, disconnection and revenue enforcement measures. The March 2026 assessment also records non-compliance under the quarterly collection indicators, confirming that the Municipality's collection performance remains below the required standard and is not yet aligned to the 95 per cent MDRP benchmark.

Although the Municipality remains within the "Moderate compliance" band, the March 2026 score must not be interpreted as satisfactory. The decline from February 2026 indicates that progress is not being sustained, and that the Municipality remains exposed to debt relief risk, liquidity pressure and creditor enforcement risk. The compliance pattern shows that Sol Plaatje has improved in selected reporting and oversight areas but has not yet corrected the core financial behaviour required to stabilise the institution.

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

Condition 6.2 relates to the Municipality's application for relief and the Council resolution that enabled participation in the programme. Sol Plaatje's debt relief application was approved with effect from 1 October 2023, and the Municipality has already received the first third write-off. This confirms that the entry requirement was satisfied. However, compliance with the original application condition is not a continuing defence against current breaches. The Council resolution created an obligation to comply with the programme conditions for the full relief period, not a once-off entitlement to relief.

The practical implication for March 2026 is that Council must be reminded of the commitments it accepted when the debt relief application was approved. The same Council-approved participation must now be matched by Council-level enforcement. The Municipality cannot accept the benefit of debt relief while allowing management to breach current-account, collection, tariff and reporting obligations. Any Council report on the MDRP must therefore include the March 2026 risk position, the



good-standing amounts for Eskom and DWS, the collection rate shortfall, the non-implementation of water restrictions and the risk of losing the remaining relief benefit.

National Treasury should require the Municipality to table a refreshed Council report confirming the implications of continued non-compliance. The report must explicitly record the value of the remaining write-off at risk, the March 2026 breach areas and the corrective action plan for each condition. Council must not merely note the report. It must approve clear implementation instructions and require monthly reporting by the Municipal Manager and CFO.

Council must be made to understand that its original approval of the debt relief application carries continuing obligations. The Municipality should table a dedicated Council item confirming the status of each condition, the outstanding Eskom and DWS amounts, the collection rate trajectory, the water-restriction gap and the remaining write-off value at risk. The Council item must not be a passive noting report. It must approve a time-bound recovery plan, instruct management to protect ring-fenced collections, authorise enforcement measures within the credit-control framework and require monthly reporting against the plan. This is necessary because the credibility of the original application now depends on implementation discipline. Where Council resolutions are adopted but not implemented, the Municipality weakens its own recovery position and exposes the remaining relief benefit to avoidable risk.

Condition 6.3 – Maintaining the Eskom bulk current account

Condition 6.3 requires the Municipality to pay its Eskom bulk current account within the prescribed period, submit the required proof of payment through GoMuni and ensure that the proof of payment reconciles to the financial system, mSCOA data strings and section 41 reporting. Book 1 records a positive response for the February 2026 Eskom current account. The Municipality paid approximately R81.367 million on the February 2026 Eskom account, which was fully settled. A further R46.874 million was paid towards the July 2025 account, which was also fully settled, and a partial payment of R10.000 million was made towards the December 2025 account.

This positive element must not be overstated. The March Section 71 report records that the Municipality still required R467.838 million to be in good standing with Eskom. This amount includes R353.938 million in outstanding invoices, including interest, and R113.900 million in arrear instalments. The payment arrangement should have been settled by the end of January 2026, yet arrear instalments remained outstanding. This means that although the immediate February current account was paid, the broader Eskom position remains unacceptable and continues to threaten the Municipality's second-cycle write-off prospects.

National Treasury's guidance must be firm. The Municipality must maintain the Eskom current account as a non-negotiable first-call payment and must separately normalise the arrear instalment position. Interest charges of approximately R62.887 million have already accumulated for the relevant Eskom period and must be treated as a serious financial management failure. The CFO must submit a weekly Eskom payment tracker showing the invoice received, due date, payment amount, proof of payment,



mSCOA reconciliation, section 41 reconciliation and residual balance. Any short payment must be escalated to the Municipal Manager immediately and tabled in the next Council reporting cycle.

The Eskom account must be managed through a separate creditor-control dashboard, not through ordinary accounts payable processes. The dashboard must record each invoice, the due date, payment made, proof-of-payment reference, allocation to current or arrear instalment, interest charged, mSCOA reconciliation and remaining balance. The CFO must confirm weekly whether the Municipality is in good standing and must explain any difference between the Eskom statement, the financial system and the Section 71 disclosure. The Municipality must also ring-fence sufficient cash for the next Eskom account before releasing discretionary expenditure. This discipline is necessary because the programme does not reward selective or late compliance. The February current payment is positive, but the arrear instalment default and R467.838 million good-standing exposure demonstrate that Eskom risk has not been resolved.

Condition 6.4 – A funded MTREF

Condition 6.4 is recorded as compliant because the Municipality's 2025/26 MTREF was assessed as funded, and Book 1 records positive responses on the funded-budget requirements. The Municipality budgeted for an operating surplus, made provision for debt impairment, made provision for depreciation and asset impairment, and its cash-flow projections were presented as aligned to the funded-budget approach. This formal compliance is acknowledged.

However, a funded budget is not the same as a sustainable cash position. The March Section 71 report shows that operating revenue excluding capital transfers amounted to R2.326 billion against a year-to-date budget of R2.423 billion, reflecting a negative variance of 4.0 per cent. Total revenue including capital transfers amounted to R2.700 billion against a year-to-date budget of R2.937 billion, reflecting a negative variance of 8.0 per cent. Total operational expenditure amounted to R2.266 billion against a year-to-date budget of R2.499 billion, reflecting a negative variance of 9.3 per cent. These variances must be read against the Municipality's cash stress, not treated as a purely technical budget-monitoring matter.

The Municipality's funded status is being weakened by poor collections, unpaid bulk obligations, low cost coverage and a large, aged debtor book. Capital expenditure was also weak, with total capital expenditure at 57.6 per cent of the adjusted budget after nine months, conditional grants at 60.2 per cent and internally generated funds at only 17.1 per cent. The Municipality must therefore recalibrate its cash-backed implementation plan. Non-essential expenditure must be subordinated to Eskom, DWS, statutory deductions, funded repairs and revenue-producing interventions. The CFO must demonstrate that the funded budget is being implemented through actual cash, not through optimistic billing assumptions.

The funded MTREF must be stress-tested against actual cash collection, not only against budgeted revenue. The Budget and Treasury Office should prepare a monthly funded-budget implementation note that compares billed revenue, cash collected, bulk purchases, repairs and maintenance, employee



costs, creditor payments and cash coverage. The note must identify whether the funded status is being preserved or whether the Municipality is funding operations by delaying creditors. If the budget remains technically funded while the Municipality cannot pay DWS or arrear instalments, then the implementation plan is not credible. National Treasury should therefore require the Municipality to align the funded budget with a cash-backed expenditure hierarchy that prioritises bulk service accounts, statutory obligations, revenue-producing maintenance and grant conditions before lower-priority spending.

Conditions 6.5 – Cost reflective tariffs

Condition 6.5 is recorded as non-compliant. Book 1 confirms that the Municipality did not provide the completed cost-reflective tariff tool required under the applicable MFMA budget circular framework. This is a material weakness because tariff sustainability is central to the Municipality's recovery. Sol Plaatje cannot restore financial discipline if its trading services are not priced with reference to the full cost of service delivery, including bulk purchases, maintenance, losses, depreciation, administration, collection risk and affordability assumptions.

The collection data confirms why this condition matters. Electricity and property rates show stronger performance in the third quarter, but water, wastewater and refuse remain substantially below acceptable collection levels. Q3 water collection was approximately 45 per cent, wastewater approximately 36 per cent and refuse approximately 41 per cent. These rates indicate that the Municipality is billing for services that are not being converted into cash. Poor collection does not only indicate weak enforcement; it also requires a clear tariff and affordability review to determine whether the tariff structure, indigent targeting, consumption control and credit-control arrangements are mutually reinforcing.

National Treasury should require the Municipality to complete and submit the cost-reflective tariff tool before finalisation of the next budget cycle. The submission must not be a generic tariff policy note. It must show the cost build-up per trading service, the extent of under-recovery, the tariff gap, the affordability constraints, the proposed phased correction and the impact on the funded MTREF. The Municipality must also demonstrate that the tariff tool has informed the final budget, not been completed after the fact as a compliance attachment. Until this is done, Condition 6.5 must remain a formal non-compliance item.

The Municipality must complete the cost-reflective tariff tool as part of the budget process and use it to correct under-recovery in trading services. The tool must reconcile each service tariff to bulk costs, operating expenditure, repairs and maintenance, depreciation, losses, debt impairment and collection assumptions. It must also show how affordability and indigent support are funded. National Treasury should not accept a generic tariff review narrative because the March data shows that water, wastewater and refuse are not producing adequate cash collections. A tariff that is not cost-reflective, or a tariff that is cost-reflective on paper but not supported by enforceable collection and indigent controls, will not stabilise the Municipality. The completed tool must therefore be accompanied by a Council-approved implementation path and a monthly monitoring mechanism.



Condition 6.6 – Electricity and water as collection tools

Condition 6.6 is only partially implemented. Book 1 records that the Municipality issues a consolidated monthly bill and applies electricity disconnection or prepaid blocking as a credit-control tool. These are positive elements. The March progress information also indicates that electricity enforcement is taking place through prepaid blocking and conventional disconnections. However, the Municipality has not implemented the water restriction or interruption requirement for defaulting consumers and has not demonstrated that indigent consumers are physically restricted to the national free basic limits where required.

The water-restriction position is unacceptable. The supporting document submitted for water restrictions is a form indicating that the document is not applicable and states the reason as 'debt relief service not required'. That position is inconsistent with the debt relief condition. Condition 6.6 specifically requires the Municipality to use water restriction or interruption for defaulting consumers, subject to proper technical and indigent protections. A municipality that has water collection of only 45 per cent in the third quarter cannot credibly state that water-restriction evidence is not required.

The indigent schedule records 8,275 registered indigent households for M09. The same number is reflected as receiving free basic water and electricity benefits. This confirms that the Municipality has an indigent base that must be protected, but it also confirms the need for disciplined controls. Indigent protection does not permit unlimited consumption, uncontrolled account growth or failure to restrict non-indigent defaulters. The Municipality must complete a technical water-restriction implementation plan, verify the indigent register, link each indigent household to a property, account and meter, and report monthly on restrictions, exclusions, payment arrangements and recoveries.

The Municipality must immediately close the gap between electricity enforcement and water enforcement. Electricity disconnection and prepaid blocking are useful, but they are insufficient where water, wastewater and refuse collections remain materially weak. The Municipality must develop a lawful water-restriction standard operating procedure that distinguishes indigent households, payment-arrangement customers, high-value defaulting accounts and technically constrained meters. The procedure must be supported by engineering confirmation, customer notices, field-work schedules, exception management and a recovery report showing amounts collected after restriction. National Treasury should also require monthly indigent verification because the M09 schedule shows 8,275 registered indigent households. Legitimate indigent households must be protected, but all other defaulting consumers must be subject to consistent enforcement. The current not-applicable evidence form is not adequate for this condition.

Condition 6.7: Maintain a Minimum Average Quarterly Collection Rate

Condition 6.7 remains one of the Municipality's most visible failures. Book 1 records a negative response against the minimum average quarterly collection requirement. The March collection schedule shows that the Municipality improved from 60 per cent in Q1 and 61 per cent in Q2 to 76 per



cent in Q3 for the whole demarcation. The improvement is acknowledged, but the level remains below the debt relief threshold and far below the 95 per cent norm. A 76 per cent collection rate means that the Municipality is still failing to convert a material portion of its billing into cash.

The service-level data confirms that the Municipality's collection problem is not uniform. Property rates reached approximately 108 per cent in Q3 and municipal-supplied electricity approximately 103 per cent, which indicates that focused enforcement and billing cycles can produce stronger outcomes. By contrast, water collection was approximately 45 per cent, wastewater 36 per cent and refuse 41 per cent. This means that the Municipality's collection strategy is too dependent on electricity and is not strong enough across the full municipal service basket. The result is a cash-flow position that remains too weak to support bulk water, arrear instalments and sustainable operations.

The Municipality must implement a targeted revenue recovery plan rather than rely on aggregate collection reporting. The plan must segment government, business and household debtors, prioritise the top recoverable accounts, enforce payment arrangements, escalate defaults, and link enforcement to ward-level and service-level analytics. The Municipality must also use the smart prepaid meter project as a revenue instrument. The completed 15,328 installations must be linked to vending data, arrear deductions, tamper events, disconnection outcomes and monthly collection gains. Installation completion is not the same as revenue recovery.

The Municipality must stop reporting only aggregate collection rates and must manage collection as a segmented recovery programme. The Q3 improvement to 76 per cent is noted, but it is still too weak for a debt relief municipality carrying a R4.475 billion debtor book. The Municipality must prepare a ward and service matrix that identifies low-collection areas, top debtors, government accounts, business accounts, high-consumption households, inactive accounts with active meters and customers with failed payment arrangements. Each segment must have a specific recovery method. Government debt must be escalated through intergovernmental channels; business debt must be subject to intensive arrangements and enforcement; household debt must be split between indigent verification, prepaid conversion and credit-control action. The report must show cash collected, actions taken.



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 3					
Part A - Reconciliation Summary						
Property Categories	Number of Properties			Market Values		
	Valuation Roll	Mun System	Variance	Valuation Roll	Mun System	Variance
Residential	5 1170	5 1170	0	24 268 019 602	24 268 019 602	-
Industrial	203	203	0	801740 000	801740 000	-
Business and Commercial	2332	2332	0	7 714 740 001	7 714 740 001	-
Agricultural	425	425	0	2 634 816 700	2 634 816 700	-
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	230	230	0	535 799 001	535 799 001	-
Multi Use	0	0	0	-	-	-
Vacant	0	0	0	-	-	-
POW	240	240	0	609 009 000	609 009 000	-
Municipal	9301	9301	0	1577 967 503	1577 967 503	-
Other	0	0	0	-	-	-
Total	64 508	64 508	-	40 893 647 207	40 893 647 207	-
Part B - Detailed Reconciliation						
Property Categories	Monthly Billing - Mapped Accounts			Monthly Billing - Un Mapped Accounts		
	GV	MFS	Variance	GV	MFS	Variance
Residential	25 572 425	23 954 831	1617 594	25 572 425	24 095 900	1476 525
Industrial	2 534 701	2 406 920	127 781	2 534 701	2 476 789	57 912
Business and Commercial	24 390 151	21932 749	2 457 402	24 390 151	22 309 007	2 081 143
Agricultural	694 274	489 610	204 665	694 274	490 327	203 947
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	-	13 953	- 13 953	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	0	0
Total	64 637 836	52 875 727	11 762 109	64 637 836	53 447 190	11 190 645

Condition 6.8 is recorded as compliant. Book 1 records positive responses on the General Valuation Roll and billing-system reconciliation requirements, including quarterly submission of the completed reconciliation. This is an important control because the Municipality cannot improve collection if its billing system is not aligned to the property register, service connections, municipal categories and approved valuation data.

However, compliance with the reconciliation requirement must not be treated as an end point. The Municipality's debtor book of R4.475 billion, with approximately 90 per cent older than 90 days, confirms that revenue-base completeness must be linked to debtor management, property categorisation, service charges, indigent verification and meter controls. A reconciled revenue base that is not converted into cash remains a financial risk. National Treasury should therefore require the Municipality to use the reconciliation results to identify omitted properties, incorrect categories,



inactive accounts with active consumption, unmetered properties, mismatched meters and accounts requiring enforcement.

The required guidance is that the Municipality must integrate the property rates reconciliation, smart meter data and service-connection records into one revenue-base assurance process. Variances must be assigned to responsible officials and resolved through a documented action register. The register must include the account number, property description, category, service, meter status, action required, responsible official and date resolved. Revenue-base completeness must become a cash-recovery intervention, not merely a quarterly compliance upload.

Revenue-base completeness must be used to improve billing accuracy and cash recovery. The Municipality should reconcile the General Valuation Roll, billing system, meter database, indigent register and smart meter installation records into a single revenue-assurance register. This register must identify properties that are incorrectly categorised, not billed, under-billed, linked to the wrong account, recorded with incorrect meter information or receiving benefits without current verification. Each exception must be assigned to an official and resolved with evidence. A clean GVR reconciliation is useful only if it leads to corrected billing and improved collection. National Treasury should therefore require the Municipality to report the rand value of revenue corrections arising from the reconciliation, not only the completion of the reconciliation itself.

Condition 6.9 – Monitor and Report on compliance

The March 2026 MFMA Section 71 report for Sol Plaatje Local Municipality was reviewed to assess compliance with Condition 6.9 of the Municipal Debt Relief Programme and the requirements of MFMA Circular 124. The review focused on the quality, completeness and usefulness of the Municipality's monthly monitoring and reporting framework, including whether the report provided sufficient information to support oversight by Council, Provincial Treasury and National Treasury. The assessment confirmed that the Municipality submitted a detailed reporting pack containing information on the funded budget, debtor position, Eskom arrears, DWS arrears, collection performance, compliance conditions, property rates reconciliation, indigent administration and the supporting Annexure B requirements.

The work confirmed that the Municipality has made progress in strengthening its reporting discipline. The March 2026 report is comprehensive and reflects a clear attempt to align the Section 71 process with the Municipal Debt Relief Programme requirements. It does not merely report on financial performance at a high level, but also identifies implementation risks, cash-flow pressures and areas where performance remains weak. The inclusion of current-account information, arrear balances, collection data, mSCOA-linked reconciliations, compliance self-assessment information and supporting schedules improves the auditability of the submission and provides a stronger basis for evidence-based compliance verification.

The assessment also considered whether the reporting process is being used as an effective management tool. Although the Municipality provides explanations for cash constraints and non-payment of certain bulk service obligations, the review found that explanation alone does not constitute compliance. Condition 6.9 must be used to drive corrective action, escalation and accountability,



rather than only documenting repeated failures after they have occurred. Where the same non-compliance is reported from one month to the next, the matter must be elevated to senior management, the Municipal Manager, the Mayoral Committee and Council, with a clear recovery plan and consequence-management process.

Recommendations were therefore developed for the Municipality to establish a formal MDRP implementation tracker as a standing item for the Executive Management Team, Mayoral Committee and Council. The tracker should record every debt relief condition, the compliance status, responsible official, deadline, evidence submitted, corrective action required, recovery date and financial value at risk. All March 2026 non-compliances should be carried forward into the April 2026 review and tested against actual supporting evidence, including proof of payment, reconciliations, disconnection records, restriction actions, completed revenue tools, GoMuni uploads and Council resolutions.

The work further recommended that the Section 71 report include a concise debt relief dashboard at the front of the MDRP annexure. This dashboard should summarise the Eskom current-account status, DWS current-account status, arrear instalments, collection rates by service, water restriction actions, indigent register movements, tariff tool progress, write-off accounting status and GoMuni evidence uploaded. The dashboard should clearly indicate what has changed since the previous month, what remains unresolved and which matters require executive intervention.

MFMA S71 Statement component		Compliance (Yes / No)
1.	The Budget Performance Overview (paragraph 4) of the MFMA S71 statement explicitly advised on the municipality’s progress in implementing the municipality’s budget and (where relevant also the budget funding plan) – where implementation is slow, the statement advised explicitly on progress, challenges and corrective actions.	Yes
2.	The conclusion (paragraph 14) of the MFMA S71 statement explicitly advised as part of the MFMA Circular 124: Condition 6.9 reporting - i.Any risk associated; and ii.The mitigating factors with the implementation of the municipality’s Budget Funding Plan and / or Funded Budget.	Yes
3.	Annexure B of the MFMA S71 statement included the following debt relief reporting components-	
3.1.1	The municipality’s MFMA Circular 124 self-assessment	Yes
3.1.2	The self-assessment (refer 3.1.1 above) was included in the format of MFMA Budget Circular 128 (Annexure B)	Yes



MFMA S71 Statement component		Compliance (Yes / No)
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

Condition 6.10 – National Treasury certification of municipal compliance

Condition 6.10 is recorded as compliant in respect of the monitoring and certification process. The relevant treasury monitoring has been undertaken, and the monthly certification process has been maintained. This procedural compliance is important because the debt relief programme depends on credible verification by National Treasury or the relevant Provincial Treasury, supported by timely uploads and documentary evidence.



However, certification is not intended to protect a municipality from the consequences of its own non-compliance. The March 2026 position must be certified in a manner that reflects the substance of the risk. It would be inappropriate to allow the existence of a certificate to soften the message that the Municipality is in breach on critical operational conditions. The certification process must therefore clearly distinguish between conditions that are procedurally compliant and conditions that are substantively not achieved.

National Treasury should ensure that the March certification records the Municipality's high-risk status, including the DWS non-payment, arrear instalment default, incomplete water restriction implementation, non-compliance with the tariff tool and outstanding accounting treatment of the Eskom write-off. The certification must also record that the remaining write-off benefit is at risk if the Municipality does not restore compliance. This condition must be used to strengthen accountability, not to create a false impression of programme stability.

The certification process must be evidence-led and must clearly separate procedural compliance from substantive compliance. A municipality may submit a report on time and still fail the core debt relief conditions. For March 2026, the certificate should therefore reflect that the reporting process occurred, but that several conditions remain high risk or non-compliant. National Treasury should require that all future certification packs include an evidence checklist, proof-of-payment reconciliation, debt relief condition tracker, and a management sign-off that confirms whether each item has been verified against the source document. The certification should not simply reproduce the Municipality's explanations. It must provide an independent assurance view on whether the evidence supports the reported status

Condition 6.11 – Limitation on Municipal borrowing powers

Condition 6.11 is recorded as compliant because indicates that the Municipality has not borrowed in contravention of the limitation on municipal borrowing powers. This is a positive position and must be maintained. The restriction is intended to prevent municipalities that benefit from debt relief from replacing relieved debt with new long-term borrowing that weakens fiscal discipline and undermines the purpose of the programme.

Compliance with Condition 6.11 must nevertheless be monitored carefully. Sol Plaatje's weak cash position, low cost coverage, aged debtor book and creditor-payment pressure create a risk that the Municipality may consider borrowing or quasi-borrowing arrangements to bridge operational stress. Any such arrangement must be tested against the MFMA, the debt relief conditions and the affordability of the funded MTREF. The Municipality must not enter into commitments that shift the burden of current operational weaknesses into future financial years.

National Treasury's guidance is that no new long-term borrowing should be entertained unless it is legally permissible, affordability-tested, clearly linked to a funded capital programme and not designed to fund operating shortfalls or bulk creditor arrears. The Municipality must also avoid vendor-financing, deferred-payment or service-provider arrangements that have the economic effect of borrowing without being transparently recognised as such. The borrowing condition must be protected as part of the Municipality's broader fiscal discipline.



The Municipality must maintain a register of all borrowing, finance leases, instalment-sale arrangements, deferred-payment commitments and vendor-funded service arrangements entered into after debt relief approval. The register must be reviewed monthly by the CFO to ensure that no arrangement undermines the borrowing limitation or creates hidden long-term obligations. This is particularly important where cash stress may create pressure to enter into financing arrangements for operational relief. Any new capital financing proposal must be tested against affordability, the funded MTREF, MFMA requirements and the MDRP prohibition. The Municipality must not use complex contracting or service-provider structures to do indirectly what it may not do directly through borrowing.

Condition 6.12 - Proper management of resources

Condition 6.12 is recorded as non-compliant. This condition requires the Municipality to apportion and ring-fence electricity, water and sanitation revenue, including relevant free basic service components, and then apply those resources first to the current Eskom account and secondly to the bulk water current account before applying them to any other purpose. Book 1 records that the Municipality had insufficient cash to settle the Water account for February 2026 and fully settled the Eskom current account. This confirms that the cash-control mechanism did not operate as required across both bulk-service obligations.

The March report records that the Municipality opened a call deposit account and that the cash and cash equivalents position at 31 March 2026 was approximately R291.558 million, including a primary bank balance of R194.469 million and call investments of R97.089 million. The mere existence of a ring-fenced or investment account does not prove compliance. Compliance is proven only when collected service revenue is demonstrably protected and applied to the corresponding current bulk obligations before discretionary expenditure. The unpaid DWS current account and arrear instalments show that the ring-fencing mechanism is not sufficiently strong.

The Municipality must implement a weekly cash waterfall approved by the Municipal Manager and CFO. The waterfall must start with ring-fenced electricity, water and sanitation collections, then allocate cash to Eskom current, DWS current, repayment-arrangement commitments, statutory deductions and other critical obligations. No non-essential expenditure may be released while current bulk accounts or arrear instalments remain unpaid. The weekly cash ladder must be retained as evidence for National Treasury review and must reconcile to bank statements, mSCOA data strings and proof of payment.

The Municipality must formalise a ring-fenced cash management policy for the duration of debt relief. The policy must define the revenue streams to be ring-fenced, the bank or sub-account arrangement, the approval process for releases, the payment hierarchy and the documentation required to prove compliance. It must also require the CFO to certify monthly that electricity, water and sanitation revenues were applied first to Eskom and DWS current accounts before any other use. Where cash is insufficient, the CFO must explain the shortfall and identify the expenditure that was paid ahead of the bulk current account. This level of transparency is required because the unpaid DWS current account shows that existing cash controls are not strong enough.



Condition 6.13 - Accounting treatment

Condition 6.13 is recorded as non-compliant. Book 1 confirms that the Municipality must still account for the first third of the Eskom debt written off by National Treasury. This is not a minor accounting matter. The write-off changes the Municipality's creditor position, affects the credibility of financial reporting and must be correctly recognised in accordance with the instruction issued for municipal debt relief accounting treatment, including alignment with mSCOA and audit evidence requirements.

The Municipality has already benefited from a write-off of approximately R248.128 million. Failure to account properly for that benefit undermines transparency and creates audit risk. It may also distort the assessment of the Municipality's liabilities, financial recovery position and future write-off eligibility. National Treasury cannot accept a situation where a municipality receives a material fiscal benefit but does not maintain an audit-ready record of how that benefit was recognised, reconciled and reported.

The CFO must finalise the accounting treatment before year-end closure. The evidence file must include the National Treasury approval, Eskom confirmation, journal entries, mSCOA allocation, creditor reconciliation, Council or management reporting, and audit trail showing that the write-off has been correctly processed. The Municipality must also account for any related interest suppression or other benefit. Until the accounting treatment is complete and verified, Condition 6.13 must remain a formal non-compliance item.

The accounting treatment of the Eskom write-off must be managed as a year-end audit priority. The Municipality must prepare a dedicated audit file with the original debt relief approval, the amount approved for write-off, Eskom confirmation, journals processed, mSCOA classification, creditor ledger movement, Council reporting and evidence of review by the CFO. The file must also show how any related interest suppression or benefit was accounted for. If the Municipality does not complete this work before year-end, the audit risk will increase, and the reported creditor position may remain unreliable. National Treasury should therefore require a written CFO confirmation that the first third write-off has been recognised and reconciled before the next formal assessment cycle.

Condition 6.14 – NERSA Licence

Condition 6.14 is recorded as non-compliant because it confirms that the Municipality failed to comply with one or more debt relief conditions during the month. The condition is severe. By participating in the debt relief programme, the Council accepted that failure to comply with the conditions may trigger the requirement to apply to NERSA for revocation of the municipal electricity distribution licence, subject to the processes contemplated in the Electricity Regulation Act and the Municipal Systems Act.

This consequence must not be treated as theoretical. The Municipality's March position includes DWS non-payment, arrear instalment non-payment, non-compliance with proper ring-fencing and cash application, non-implementation of water restriction, failure to meet the collection requirement, non-compliance with the cost-reflective tariff tool and incomplete accounting for the Eskom write-off. These breaches create a cumulative risk profile. The purpose of Condition 6.14 is to force Council and management to understand that debt relief support is conditional and that continued non-compliance may have operational consequences beyond accounting entries.



National Treasury should communicate this risk clearly to the Municipality. The immediate objective is not to remove the licence, but to force urgent compliance restoration. The Municipality must be placed on formal notice that repeated failure to meet the MDRP conditions may lead to escalation under the programme, including consideration of the NERSA licence consequence. Council must be advised that the electricity business cannot remain protected from enforcement if the Municipality continues to breach the conditions that justified the relief.

The Municipality must be formally reminded that the NERSA licence consequence is attached to continued condition failure and is not merely a theoretical clause in the programme documentation. Council must receive a legal and financial briefing explaining what repeated non-compliance may mean for the electricity distribution function, including the potential steps required under the Electricity Regulation Act and the Municipal Systems Act. The purpose is not to trigger immediate licence revocation, but to ensure that Council understands the seriousness of continued breaches. Where the Municipality fails to pay bulk accounts, fails to enforce credit control and fails to protect revenue, it weakens the basis on which it should continue to benefit from debt relief while retaining full control of the electricity business.

High-Level Recommendations:

The Municipality must implement the following actions as enforceable management requirements. These are not optional recommendations. They are the minimum interventions required to restore credibility to the March 2026 compliance position and to protect the remaining debt relief benefit.

1. Restore Eskom and DWS good standing immediately.

The Municipality must submit a funded settlement plan for the Eskom good-standing amount of R467.838 million and the DWS good-standing amount of R239.795 million. The plan must include the funding source, payment dates, responsible officials and Council oversight. Current accounts and repayment arrangements must be paid before lower-priority expenditure.

2. Implement a weekly bulk-payment command process.

The Municipal Manager and CFO must chair a weekly process that reviews invoices, proof of payment, bank balances, cash collections, ring-fenced service revenue and arrear instalments. Minutes must be retained as MDRP evidence, and any missed payment must be escalated immediately.

3. Replace narrative explanations with a condition tracker.

Each condition must be tracked monthly against status, owner, deadline, value at risk, evidence submitted and corrective action. A repeated red status must trigger consequence management and Council escalation.

4. Enforce water restriction capability.



The Municipality must provide a technical water-restriction plan that identifies the meters that cannot restrict supply, replacement needs, procurement route, legal process, budget and implementation milestones. The current not-applicable response is not acceptable.

5. Intensify service-level collection recovery.

The Municipality must target water, wastewater and refuse collection specifically. A general collection report is insufficient. The recovery plan must include debtor segmentation, top debtor actions, payment-arrangement enforcement and monthly service-level recovery reporting.

6. Complete tariff and accounting compliance.

The cost-reflective tariff tool and Eskom write-off accounting must be completed before the next budget and year-end closure milestones. These two conditions are audit-sensitive and cannot remain unresolved.

National Treasury should also require a management response matrix. The matrix must be signed by the Municipal Manager and CFO and must respond to each condition separately. For every non-compliant or partially compliant condition, the matrix must set out the root cause, the exact corrective action, the amount involved, the evidence to be submitted, the responsible official and the deadline. This response matrix must be uploaded with the next GoMuni pack and must be used as the primary reference document for the April 2026 assessment. Without this matrix, the Municipality is likely to continue presenting broad explanations without enforceable accountability.

The Municipality must also strengthen Council oversight. The debt relief programme is no longer an ordinary finance reporting matter. It affects the Municipality's ability to preserve a remaining write-off benefit of approximately R496.256 million, maintain critical bulk services and avoid escalation consequences. Council must therefore receive a monthly MDRP report that is short, direct and evidence based. The report must identify the conditions that passed, the conditions that failed, the reason for each failure, the corrective action and the financial consequence of inaction. Council must approve corrective actions and record implementation instructions, not merely note the report.

Conclusion

Sol Plaatje Local Municipality remains under severe financial pressure and its March 2026 MDRP performance does not provide sufficient assurance that the Municipality has restored the discipline required by MFMA Circular No. 124. The Municipality has made some progress in reporting, Eskom current-account settlement and smart meter installation, but these positives are outweighed by the failure to settle the DWS current account, the continued Eskom good-standing exposure, arrear instalment defaults, weak water and sanitation collections, non-implementation of water restrictions, incomplete tariff evidence and outstanding accounting treatment of the Eskom write-off.

The Municipality must act with urgency. The remaining relief benefit is material and cannot be placed at risk through weak implementation. Council, the Municipal Manager, the CFO and all responsible senior



officials must treat this report as an instruction to correct the March 2026 failures. The Municipality must restore creditor discipline, intensify collections, complete the tariff and accounting requirements, implement water restriction controls and maintain a clean evidence trail through GoMuni and Section 71 reporting. Without these actions, National Treasury will have limited grounds to support further relief and the Municipality's recovery path will remain compromised.

For enquiries, please feel free to contact Ms. Matjatji.mashoeshoe@treasury.gov.za

Kind regards

MATJATJI MASHOESHOE

DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS

DATE: 15/05/2026

CC: Mr Sadesh Ramjathan, Director revenue management

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



Annexures (March 2026 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 Gomust must not include comments column - comments need to be incorporated into the related PT report

Monthly Performance Report



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

Province: **NN**
District: **Frances Baard**
Code: **NC091**
Code Description: **Sot Plaatje**

Municipal Details		Part A										Part B										Part C										Part D										Part E										Scoring and Rating	
Month	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating									
25 July/25	NC091	No	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	87%	Not completed						
26 August/25	NC091	No	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	87%	Not completed						
27 September/25	NC091	No	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	87%	Not completed						
28 October/25	NC091	No	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	87%	Not completed						
29 November/25	NC091	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	71%	Not completed							
30 December/25	NC091	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	71%	Not completed								
31 January/26	NC091	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	71%	Not completed								
32 February/26	NC091	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	71%	Not completed								
33 March/26	NC091	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	71%	Not completed								
34 April/26	NC091	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	71%	Not completed								
35 May/26	NC091	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	71%	Not completed								
36 June/26	NC091	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	71%	Not completed								
37 July/26	NC091	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	71%	Not completed								
38 August/26	NC091	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	71%	Not completed								
39 September/26	NC091	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	71%	Not completed							
40 October/26	NC091	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	71%	Not completed							
41 November/26	NC091	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	71%	Not completed							

HOD Name: **BS MATLALA**

Signature of HOD: *[Signature]*

Date: **2026/05/21**

Comments/Motivation:

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



Annexure A2 - Monthly

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

Select Assessor

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period

Apr'28

National Financial Year

2026/26

Demarcation Code of Municipality being assessed

NC091

District

Frances Baard

Demarcation Description

Sol Plaatje

I, Mr. Bartholomeus Matang, 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

Notes/Comments

Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop down list

Table with 4 columns: Item No., Description, Response, and Notes/Comments. Rows include conditions 6.1.2.1-6.1.2.3, 6.3.1, 6.3.2, 6.3.3, 6.3.4, 6.4, 6.4.1, 6.4.2, 6.4.3, 6.4.4, and 6.5.

Handwritten signature or mark

6.6	Electricity and water as collection tools – Has the municipality, with effect from the taking of the 2023/24 MTRF, demonstrated, through its by-laws and budget related policies, that:		
6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	
6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes	
6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of this condition the municipality must undertake early identifying interruptions of water together with the municipal engineers to ensure a minimum supply of water to the consumer.</i>	No	
6.6.4	- if the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note: – If the municipality's internal MFMA s 71 Statement must include an alert of the consumer the relevant information in the relevant MTRF items.</i>	No	
6.7	Maintain a minimum average quarterly collection of property rates and service charges		
6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s 71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	Not yet end of quarter	
6.7.2	- if the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following:		
6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1.	not yet the end of a quarter	
6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	Does not have function	
6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom-supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	not yet the end of a quarter	
6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes	Smart meter project is completed. VFD installations till end of 31 March 2025 = 15,328
6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTRF with a smart pre-paid meter?	Yes	
6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes	
6.8	Municipality's Completeness of the revenue base		
6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes	
6.8.2	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note: – If the council agrees the correct data is address submitted to the valuer in an act of the municipality's first read compliance meeting in the MTRF s 71 statement.</i>	Yes	
6.8.3	- 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. 91, 96, 107 and 108) to the upload portal on https://ipollis.nationaltreasury.gov.za/ ?	Yes	
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?	Yes	
6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note: – condition 6.9.2.1.1 is only applicable to FRP's</i>	Yes	
6.9.3	Municipalities with financial recovery plans (FRP) – If the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP	
6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury/ Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal (https://ipollis.nationaltreasury.gov.za/)?	No FRP	
6.10	Provincial Treasury (non-Delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions		
6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes	
6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal (https://ipollis.nationaltreasury.gov.za/)? <i>Note: – In the case of a non-compliance municipality the National Treasury will issue the compliance certificate.</i>	Yes	
6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	No	

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36	<p>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?</p>	No	
37	<p>6.12 For the duration of the Municipal Debt Relief to ensure proper management of resources)</p>		
37	<p>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?</p>	No	The municipality had insufficient cash to settle the Water account for March 2028 and partially settled the Eskom current account for March 2028
38	<p>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?</p>	No	The municipality had insufficient cash to settle the Water account for March 2028 and partially settled the Eskom current account for March 2028
39	<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 aligning to its MIMA's 71 statement collected revenue.</p>	Yes	
40	<p>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 benefits (e.g. interest suppression, etc) and alignment with MIMA's 71.</i></p>	No	The municipality must still account for the first third of the debt written off by National Treasury
41	<p>6.14 NEISA License – has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?</p>	Yes	

PT. HOD/NT/MM Name:

B S MATICALA

Signature of HOD/NT/MM

[Handwritten Signature]

Date:

2026/05/21

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

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