Monthly Budget Statement

S71 Monthly Report

June 2026

(Preliminary results)

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: 14 July 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 JUNE 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 R4,565,839 billion, of which 90% of the debt is owed in excess of 90 days. The total debt by customer group is classified as follows; R620,850 million is owed by government, R675,610 million by businesses and R3,120,453 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. The municipality is striving to ensure assets are maintained at desired levels and are being utilised optimally. The spending of funds will have to be prioritised, wastage be curbed, and overall personnel performance and productivity be monitored and improved. Municipal officials should also take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure. Refrain from committing acts of financial misconduct and/or criminal offences as per Chapter 15 of the MFMA.

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

2. Background

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations" necessitates those specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance. "The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required Tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act." Further, Section 71 of the MFMA requires that, "the accounting officer of a municipality must by no later than **10 working days** after the end of each month submit to the Mayor of the municipality, and the relevant national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month." For the reporting period ending **30 June 2026**, the ten working day reporting limit expires on **14 July 2026.** The National Treasury will use only the *m*SCOA data strings required for submission as prescribed and all publications will use the data collected from the *m*SCOA data strings" which must be submitted before or on **14 July 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 June 2026**	**YTD Actual June 2026**	**Variance Favourable (Unfavourable)**	**% YTD Actual vs YTD Budget**	**% Variance Favourable (Unfavourable)**
Total Revenue (excluding capital transfers and contributions)	3,228,733	2,963,061	(265,672)	91.8%	-8.2%
Total Revenue (including capital transfers and contributions)	3,912,899	3,510,051	(402,848)	89.7%	-10.3%
Total Operational Expenditure	3,484,060	3,098,413	(385,647)	88.9%	-11.1%

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

As indicated in Table 1.1 above, as at 30 June 2026, the billed revenue excluding capital grants amounted to R2,963,061 billion which resulted in an unsatisfactory variance of minus 8.2% when compared to the YTD Budget of R3,228,733 billion. The billed revenue including capital grants amounted to R3,510,051 billion, resulting in an unsatisfactory variance of minus 10.3% when compared to the YTD budget of R3,912,899 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 R3,098,413 billion versus the YTD Budget of R3,484,060 billion resulting in an unsatisfactory variance of minus 11.1%. Reasons for the variance are articulated in Section 4.2 below.

Summary Statement of Financial Performance: Adjustment Budget					
Description R thousand	**Adjustment Budget**	**YTD Actual June 2026**	**Variance Favourable (Unfavourable)**	**% YTD Actual vs Adjust ment Budget**	**% Variance Favourable (Unfavourable) Ideal IYM % - 100%**
Total Revenue (excluding capital transfers and contributions)	3,228,733	2,963,061	2,694,000	91.8%	-8.2%
Total Revenue (including capital transfers and contributions)	3,912,899	3,510,051	3,183,976	89.7%	-10.3%
Total Operational Expenditure	3,484,060	3,098,413	2,808,075	88.9%	-11.1%

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 100.00% [calculated as follow: (100/12 months x 12 months of the year)] as at the end of June 2026, the Total operational revenue excluding capital grants versus the Adjustment Budget resulted in a satisfactory variance of minus 8.2%. The Total operational revenue including capital grants versus the Adjustment Budget resulted in an unsatisfactory variance of minus 10.3%. The Total Operational Expenditure resulted in an unsatisfactory variance of minus 11.1%.

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	
R thousands	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
Operating Revenue and Expenditure												
Operating Revenue	3,234,188	3,228,733	912,667	28.2%	710,127	22.0%	703,164	21.8%	637,102	19.7%	2,963,061	91.8%
Operating Expenditure	3,212,506	3,484,060	792,110	24.7%	643,808	20.0%	829,888	23.8%	832,608	23.9%	3,098,413	88.9%
Transfers and subsidies - capital (monetary allocations)	684,166	684,166	103,603	15.1%	240,645	35.2%	30,031	4.4%	172,712	25.2%	546,990	79.9%
Total Revenue	3,918,354	3,912,899	1,016,270	25.9%	950,771	24.3%	733,195	18.7%	809,814	20.7%	3,510,051	89.7%

Table 1.3: Part 1: Operating Revenue and Expenditure

As per Table 1.3 above, overall Operating revenue is not performing satisfactorily, with the actual achieved versus the Adjusted Budget standing at 91.8% versus the ideal percentage of 100.00%. This is mainly attributable to an under-recovery on electricity and water sales. Operating expenditure is 88.9% spent. It should be noted that Post-retirement health benefits is not yet accounted for and the bulk electricity account for June 2026 will be captured during July 2026, as a year-end sundry creditor. Transfers and subsidies – capital transferred to revenue amounts to 79.9% of the Adjusted Budget, as grants will be recognized when the conditions are met. Total Revenue is standing at 89.7% as at end of June 2026.

Capital Revenue and Expenditure

Part 2: Capital Revenue and Expenditure												
	2025/26											
	Budget		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year to Date	
R thousands	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	**627,331**	**632,781**	**94,214**	**15.0%**	**202,604**	**32.3%**	**67,762**	**10.7%**	**118,680**	**18.8%**	**483,260**	**76.4%**
Transfers recognised - capital	594,927	595,392	90,089	15.1%	201,780	33.9%	66,324	11.1%	116,064	19.5%	474,257	79.7%
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	32,404	37,389	4,125	12.7%	824	2.5%	1,438	3.8%	2,616	7.0%	9,003	24.1%

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 76.4% spent versus the Adjusted Budget, whilst conditional grants spent amount to 79.7% and internally generated funds at 24.1% 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

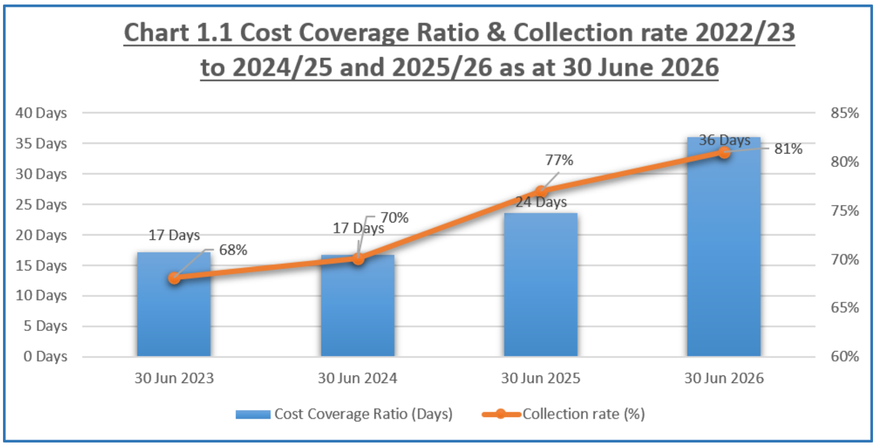
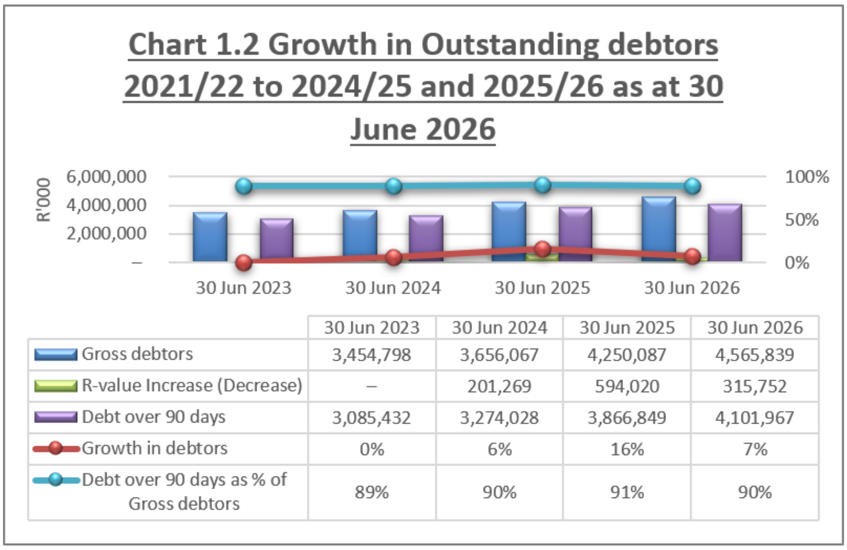


Chart 1.2 Growth in Outstanding debtors



- 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 June 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 June 2026 is low, standing at 36 days. The average collection rate for June 2026, is 81%.
- Debtors increased by R201,269m (6%) from 2022/23 to 2023/24, by R594,020m (16%) from 2023/24 to 2024/25, and by R315,752m (7%) from 30 June 2025 to 30 June 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, 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 **R598,512,535.26**. Arrears on the outstanding invoices including interest amounts to R484,612,535.26 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. Interest charges for the period July 2024 to May 2026, amounts to R79,911 million. Interest on overdue accounts must be disclosed as Fruitless and Wasteful Expenditure.

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 85,475,024.94	R -	R -	R -	R 5,618,983.74
Apr-26	R 84,515,538.44	R 50,000,000.00	R 34,515,538.44	R -	R 34,515,538.44	R 6,869,542.60
May-26	R 96,158,743.37	R -	R 96,158,743.37	R -	R 96,158,743.37	R 4,535,645.77
TOTAL ESKOM	**R 2,098,976,198.28**	**R 1,614,363,663.02**	**R 484,612,535.26**	**R 113,900,000.00**	**R 598,512,535.26**	**R 79,911,038.46**

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 -
Apr-26	R -	R -	R -	R -	R -	R -
May-26	R -	R -	R -	R -	R -	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 accounts 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:

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

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

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

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

Municipalities are reminded of MFMA s.173 to the effect that the accounting officer of a municipality is guilty of an offence if that accounting officer, deliberately or in a gross negligent way contravenes or fails to comply with MFMA s. 65(2)(f). Moreover, MFMA s.174 provides for penalties, to the extent where a person is liable on conviction of an offence in terms of section 173 to imprisonment for a period not exceeding five years or to an appropriate fine determined in terms of applicable legislation."

Monitor and report on implementation –

As per MFMA Circular 124,

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

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

<u>LEGAL PROCESS will entail the following:</u>

- 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) - M12 June										
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 % - 100%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Revenue										
Exchange Revenue										
Service charges - Electricity	1,219,183	109,879	1,001,336	1,219,183	82.1%	(217,848)	-17.9%	82.1%	(217,848)	-17.9%
Service charges - Water	363,126	65,214	370,913	363,126	102.1%	7,787	2.1%	102.1%	7,787	2.1%
Service charges - Waste Water Management	106,317	9,561	117,056	106,317	110.1%	10,740	10.1%	110.1%	10,740	10.1%
Service charges - Waste management	77,807	7,153	88,409	77,807	113.6%	10,602	13.6%	113.6%	10,602	13.6%
Sale of Goods and Rendering of Services	20,425	2,710	17,415	20,425	85.3%	(3,010)	-14.7%	85.3%	(3,010)	-14.7%
Agency services	–	–	–	–		–			–	
Interest	–	–	–	–		–			–	
Interest earned from Receivables	182,139	14,870	175,945	182,139	96.6%	(6,194)	-3.4%	96.6%	(6,194)	-3.4%
Interest from Current and Non Current Assets	18,000	27,834	32,401	18,000	180.0%	14,401	80.0%	180.0%	14,401	80.0%
Dividends	–	–	–	–		–			–	
Rent on Land	–	–	–	–		–			–	
Rental from Fixed Assets	29,740	2,585	29,096	29,740	97.8%	(644)	-2.2%	97.8%	(644)	-2.2%
Licence and permits	1,000	37	385	1,000	38.5%	(615)	-61.5%	38.5%	(615)	-61.5%
Operational Revenue	5,182	112	7,618	5,182	147.0%	2,436	47.0%	147.0%	2,436	47.0%
Non-Exchange Revenue	–									
Property rates	717,920	52,785	697,444	717,920	97.1%	(20,475)	-2.9%	97.1%	(20,475)	-2.9%
Surcharges and Taxes	–	–	–	–		–			–	
Fines, penalties and forfeits	34,743	1,013	5,573	34,743	16.0%	(29,170)	-84.0%	16.0%	(29,170)	-84.0%
Licence and permits	8,200	2,236	10,621	8,200	129.5%	2,421	29.5%	129.5%	2,421	29.5%
Transfers and subsidies - Operational	331,406	1,005	315,517	331,406	95.2%	(15,889)	-4.8%	95.2%	(15,889)	-4.8%
Interest	102,540	6,866	81,710	102,540	79.7%	(20,830)	-20.3%	79.7%	(20,830)	-20.3%
Fuel Levy	–	–	–	–						
Operational Revenue	11,005	955	11,610	11,005	105.5%	605	5.5%	105.5%	605	5.5%
Gains on disposal of Assets	–	–	(5)	–		(5)	#DIV/0!		(5)	
Other Gains	–	16	16	–		16			16	
Discontinued Operations	–	–	–	–						
Total Revenue (excluding capital transfers and contributions)	**3,228,733**	**304,831**	**2,963,061**	**3,228,733**	**91.8%**	**(265,672)**	**-8.2%**	**91.8%**	**(265,672)**	**-8.2%**
Transfers and subsidies - capital	684,166	75,466	546,990	684,166	79.9%	(137,176)	-20.1%	79.9%	(137,176)	-20.1%
Total Revenue (including capital transfers and contributions)	**3,912,899**	**380,298**	**3,510,051**	**3,912,899**	**89.7%**	**(402,848)**	**-10.3%**	**89.7%**	**(402,848)**	**-10.3%**

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

Exchange Revenue

- ❖ Service charges - Electricity is showing an unsatisfactory variance of minus 17.9%. 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 satisfactory with a variance of 2.1%. 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 14.7%, when compared to the YTD Budget. Revenue from Academic Services: Reg/Tuition/Exam Fee is not materialising and lower than anticipated receipts from building plan approvals.
- ❖ Interest earned from Receivables is showing a satisfactory variance of minus 3.4% due to the increase in outstanding debt and high level of debt over 90 days.
- ❖ Interest from Current and Non-current Assets shows a positive variance of 80%. The municipality is improving on its cash and investment management and 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 2.2% when compared to the YTD budget.
- ❖ Licences and permits are showing a negative variance of 61.5%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated, 38.52% achievement versus a budget of R1,000 million.
- ❖ Operational Revenue is showing a satisfactory positive variance of 47%, as a result on an over-recovery on Commission: Transaction Handling Fees and Incidental Cash Surpluses.

Non-Exchange Revenue

- ❖ Property Rates is showing a satisfactory variance of minus 2.9%.
- ❖ Fines, penalties and forfeits is showing an unsatisfactory variance of minus 84%, due to an under-recovery on Fines: Law Enforcement that is standing at 11.40% achieved versus a target of R13,000 million. Penalties: Disconnection Fees standing at 17.24% 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 was not resolved.
- ❖ Licence and permits are showing a satisfactory variance of 29.5%, due to possible outstanding payments due to the Department of Transport, Safety and Liaison.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 4.8%.
- ❖ Interest is showing an under-recovery of minus 20.3%, as a result of an under-recovery for interest from Property rates. This is due to correction on billing for Ekapa mine which relates to prior financial years. A corrective journal needs to be processed.
- ❖ Operational Revenue is showing a satisfactory variance of 5.5%.
- ❖ Transfers and subsidies - Capital is showing an unsatisfactory variance of minus 20.1% 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 100.00%, the majority of revenue sources are performing satisfactorily.

Exchange Revenue

- ❖ Overall, Service charges when compared to the Adjustment budget is performing satisfactorily, with the exception of electricity and water sales. Same factors are applicable as described in the paragraph above.
- ❖ Sale of Goods and Rendering of Services is showing an unsatisfactory variance of minus 14.7%. Same factors are applicable as described in the paragraph above.
- ❖ Interest earned from Receivables is showing a satisfactory variance of minus 3.4%. Same factors are applicable as described in the paragraph above.
- ❖ Interest from Current and Non-current Assets shows a positive variance of 80%. Same factors are applicable as described in the paragraph above.
- ❖ Rental from Fixed Assets is showing a satisfactory variance of minus 2.2%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing an unsatisfactory variance of minus 61.5%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a satisfactory variance of 47.0%. Same factors are applicable as described in the paragraph above.

Non-Exchange Revenue

- ❖ Property Rates is showing a satisfactory variance of 2.9%. Same factors are applicable as described in the paragraph above.
- ❖ Fines, penalties and forfeits is showing an unsatisfactory variance of minus 84.0%. Same factors are applicable as described in the paragraph above.
- ❖ Licence and permits are showing a satisfactory variance of 29.5%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 4.8%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a positive variance of 5.5%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Capital is showing an unsatisfactory variance of minus 20.1%. 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 June 2026. The main contributors of the municipality's revenue are Service Charges (53.2%), Property Rates (23.5%) and Other Revenue (11.5%).

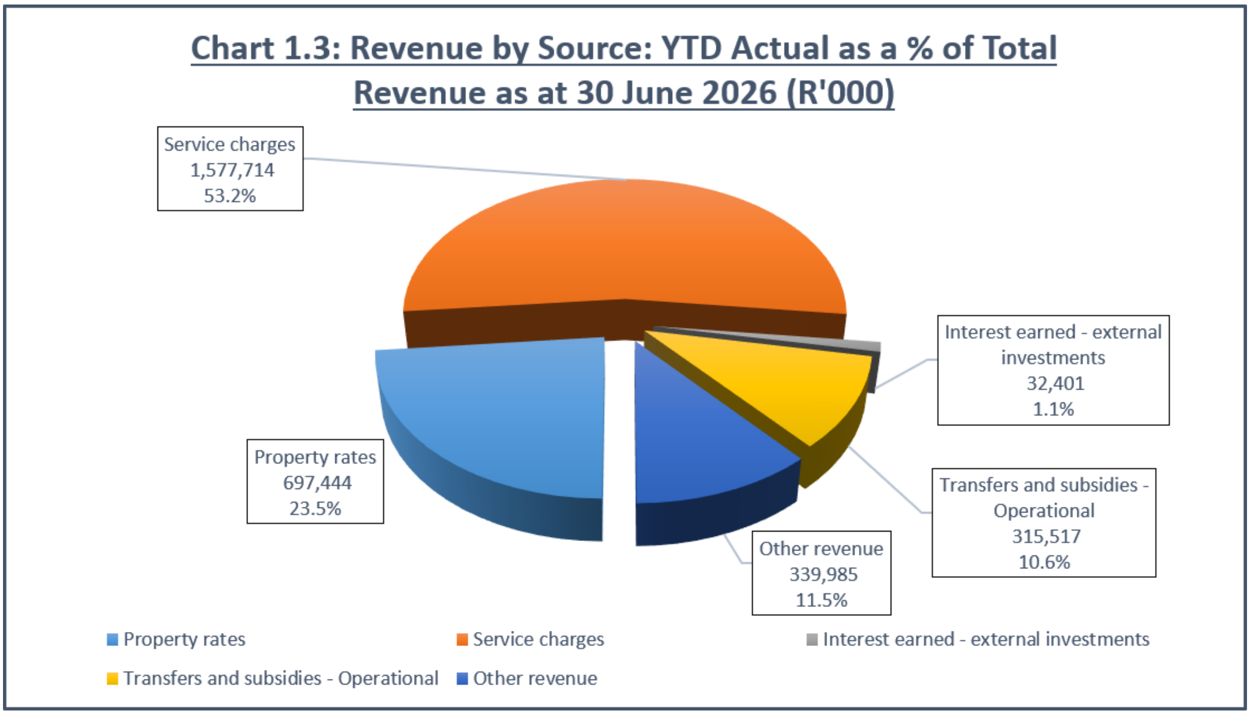


Chart 1.3: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Operating Expenditure by Type

Table C4 Monthly Budget Statement - Financial Performance (Expenditure) - M12 June										
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 % - 100%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	1,024,295	72,949	893,041	1,024,295	87.2%	(131,254)	-12.8%	87.2%	(131,254)	-12.8%
Remuneration of councillors	37,083	3,062	36,578	37,083	98.6%	(506)	-1.4%	98.6%	(506)	-1.4%
Bulk purchases - electricity	1,000,000	84,208	860,161	1,000,000	86.0%	(139,839)	-14.0%	86.0%	(139,839)	-14.0%
Inventory consumed	363,475	52,981	288,914	363,475	79.5%	(74,561)	-20.5%	79.5%	(74,561)	-20.5%
Debt impairment	526,399	–	526,399	526,399	100.0%	–		100.0%	–	0.0%
Depreciation and amortisation	90,200	–	87,394	90,200	96.9%	(2,806)	-3.1%	96.9%	(2,806)	-3.1%
Interest	85,900	7,616	71,860	85,900	83.7%	(14,040)	-16.3%	83.7%	(14,040)	-16.3%
Contracted services	50,356	6,203	29,087	50,356	57.8%	(21,269)	-42.2%	57.8%	(21,269)	-42.2%
Transfers and subsidies	4,450	707	2,795	4,450	62.8%	(1,655)	-37.2%	62.8%	(1,655)	-37.2%
Irrecoverable debts written off	–	5	1,076	–		1,076			1,076	
Operational costs	197,555	21,303	200,337	197,555	101.4%	2,782	1.4%	101.4%	2,782	1.4%
Losses on Disposal of Assets	–	–	–	–		–			–	
Other Losses	104,346	18,275	100,771	104,346	96.6%	(3,575)	-3.4%	96.6%	(3,575)	-3.4%
Total Expenditure	**3,484,060**	**267,309**	**3,098,413**	**3,484,060**	**88.9%**	**(385,647)**	**-11.1%**	**88.9%**	**(385,647)**	**-11.1%**

Table 4: Table C4 Financial Performance (Expenditure)

<u>Comparison against YTD Budget</u>

As indicated in the Table 4 above, as at 30 June 2026 current YTD expenditure shows an unsatisfactory variance of minus 11.1%. The YTD actual amounted to R3,098,413 billion against the YTD Budget of R3,484,060 billion.

- Employee related costs show an unsatisfactory variance of minus 12.8%, due to Post-retirement benefit obligations that are not factored in and which will only be finalised as part of year-end procedures. There 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 1.4%. 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 14.0%. The invoice for June 2026 will be processed during July 2026, as a year-end sundry creditor.
- The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 20.5%. Expenditure for the first month of the year is normally low, due to the later re-opening of the financial year after year-end closure. Various commitments are raised on the system, awaiting delivery of goods and services. It has been reiterated monthly that expenditure on Inventory consumed needs to be monitored closely and remedial action be taken to ensure that funds are spent effectively with good value for money and that funds will be fully spent at year-end. The major backlog and deterioration of infrastructure is negatively influencing this expenditure line items and sound financial management of budgets is not always adequately exercised. Re-directing of funds to manage 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 June 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 100.00%
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**	**3,745,035**	**33,772,510**	**133.50%**	**85.38%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	755,000	755,000	90,498	325,621	43.13%	43.13%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	350,000	280,000	207,138	276,893	79.11%	98.89%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	24,192,000	38,452,000	3,447,398	33,163,769	137.09%	86.25%	UNSATISFACTORY
VOTE 3 - MUNICIPAL MANAGER	**157,000**	**157,000**	**446**	**86,122**	**54.85%**	**54.85%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	140,000	136,000	446	72,031	51.45%	52.96%	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**	**666,269**	**1,872,797**	**81.28%**	**71.92%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	871,000	1,146,400	146,867	800,106	91.86%	69.79%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	51,000	352,000	20,714	283,783	556.44%	80.62%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	650,000	620,000	307,711	395,240	60.81%	63.75%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	732,000	485,600	190,977	393,669	53.78%	81.07%	UNSATISFACTORY
VOTE 5 - COMMUNITY SERVICES	**33,989,400**	**41,183,400**	**5,154,442**	**25,038,006**	**73.66%**	**60.80%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,021,000	1,075,000	141,122	779,033	76.30%	72.47%	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	281,300	763	239,705	110.46%	85.21%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,116,000	1,161,000	55,424	851,521	76.30%	73.34%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	9,204,000	8,804,800	2,488,244	7,449,327	80.94%	84.61%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	336,400	423,400	117,385	243,047	72.25%	57.40%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	22,047,000	29,389,900	2,351,504	15,473,439	70.18%	52.65%	UNSATISFACTORY
VOTE 6 - FINANCIAL SERVICES	**2,190,000**	**2,315,000**	**160,285**	**1,907,060**	**87.08%**	**82.38%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,226,000	1,352,200	54,505	1,110,870	90.61%	82.15%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	172,000	161,500	5,728	122,867	71.43%	76.08%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	180,000	153,080	91,778	124,011	68.89%	81.01%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	612,000	648,220	8,274	549,312	89.76%	84.74%	UNSATISFACTORY
VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	**11,968,000**	**12,528,000**	**1,661,317**	**5,015,659**	**41.91%**	**40.04%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	387,000	464,000	16,747	181,375	46.87%	39.09%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	65,000	65,000	2,778	28,185	43.36%	43.36%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	410,000	386,000	342,102	384,064	93.67%	99.50%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	14,000	14,000	3,524	3,524	25.17%	25.17%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	11,092,000	11,599,000	1,296,166	4,418,511	39.84%	38.09%	UNSATISFACTORY
VOTE 8 - INFRASTRUCTURE SERVICES	**255,806,914**	**264,960,914**	**41,593,120**	**221,153,307**	**86.45%**	**83.47%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	620,000	610,000	56,737	442,062	71.30%	72.47%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2,000	2,000	-	68	3.39%	3.39%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	23,171,000	33,171,000	6,178,324	24,946,551	107.66%	75.21%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,845,000	2,350,000	165,722	1,208,336	65.49%	51.42%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	10,040,000	9,899,500	3,630,467	9,853,539	98.14%	99.54%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	575,000	540,000	36,984	84,025	14.61%	15.56%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	146,553,914	164,634,414	25,620,500	130,946,501	89.35%	79.54%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	73,000,000	53,754,000	5,904,387	53,672,225	73.52%	99.85%	SATISFACTORY
Grand Total	**331,852,314**	**363,475,314**	**52,980,914**	**288,914,101**	**87.06%**	**79.49%**	UNSATISFACTORY

Table 4.1 R&M Expenditure per Directorate per inventory type

R&M Expenditure per Service per Inventory Type as at 30 June 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 100.00%
2480 - REFUSE	**20,450,000**	**20,450,000**	**48,386**	**12,620,370**	**61.71%**	**61.71%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	100,000	100,000	5,986	16,203	16.20%	16.20%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	150,000	100,000	-	38,756	25.84%	38.76%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,400,000	6,400,000	367,486	4,327,982	67.62%	67.62%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	100,000	100,000	-	5,834	5.83%	5.83%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	13,700,000	13,750,000	-325,086	8,231,595	60.08%	59.87%	UNSATISFACTORY
2830 - ROADS	**44,461,000**	**45,711,000**	**1,945,955**	**34,942,006**	**78.59%**	**76.44%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	68,000	68,000	73	37,292	54.84%	54.84%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	67,000	67,000	2,106	52,593	78.50%	78.50%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	44,326,000	45,576,000	1,943,776	34,852,121	78.63%	76.47%	UNSATISFACTORY
2840 - HOUSING	**3,407,000**	**4,907,000**	**288,323**	**2,905,104**	**85.27%**	**59.20%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	121,000	121,000	-	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%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	140,000	140,000	7,976	112,502	80.36%	80.36%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,010,000	4,510,000	280,348	2,603,555	86.50%	57.73%	UNSATISFACTORY
2850 - SEWERAGE	**27,165,000**	**39,415,000**	**2,738,378**	**25,703,768**	**94.62%**	**65.21%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	35,000	35,000	-	17,361	49.60%	49.60%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	170,000	170,000	9,480	130,575	76.81%	76.81%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	295,000	295,000	11,839	228,167	77.34%	77.34%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,900,000	2,900,000	152,389	2,166,742	74.72%	74.72%	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	2,564,671	23,160,923	97.87%	64.49%	UNSATISFACTORY
2860 - WATER	**129,773,000**	**117,527,000**	**7,295,064**	**83,630,631**	**64.44%**	**71.16%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	76,000	76,000	193	43,196	56.84%	56.84%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	23,001,000	33,001,000	173,680	18,637,652	81.03%	56.48%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	141,000	156,000	5,965	116,924	82.92%	74.95%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,500,000	2,500,000	30,934	1,104,969	44.20%	44.20%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	475,000	460,000	3,454	47,042	9.90%	10.23%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	30,580,000	27,580,000	1,157,712	15,913,011	52.04%	57.70%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	73,000,000	53,754,000	5,923,126	47,767,838	65.44%	88.86%	UNSATISFACTORY
2880 - ELECTRICITY	**53,268,000**	**59,268,000**	**1,714,413**	**30,756,271**	**57.74%**	**51.89%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	180,000	180,000	539	96,430	53.57%	53.57%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	68	68	6.78%	6.78%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	87,000	87,000	5,861	50,782	58.37%	58.37%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	53,000,000	59,000,000	1,707,946	30,608,991	57.75%	51.88%	UNSATISFACTORY
Grand Total	**278,524,000**	**287,278,000**	**14,030,519**	**190,558,150**	**68.42%**	**66.33%**	UNSATISFACTORY

Table 4.2 R&M Expenditure per Service per inventory type

- Depreciation was projected for on a straight-line basis. The municipality implemented the Asset module (AM) on the financial system. This will resolve the automation of accounting for depreciation monthly. This did not transpire monthly but the matter has been resolved by the service provider.
- Debt impairment will be provided for on a quarterly basis.
- Interest is showing a satisfactory variance of 16.3%. 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 R66,440 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review.
- Expenditure on Contracted services is showing an unsatisfactory variance of minus 42.2%, as various line items is showing lower expenditure than anticipated.
- Transfers and subsidies showing negative variance of minus 37.2%. 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 R46,308 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 R10,102 million for predominantly annual SALGA membership fees. Monthly payments are being made to SALGA amounting to R1,241 million.

Other Losses is showing a satisfactory variance of minus 3.4%. 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 April to June 2026 has been 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 June 2026 is 100.00%. The total operational expenditure against the Adjustment budget is 88.9% spent, resulting in an unsatisfactory variance of minus 11.1%.

- Employee related costs show an unsatisfactory variance of minus 12.8%. Same factors are applicable as explained above.
- Remuneration of councillors is showing a satisfactory variance of minus 1.4%. Same factors are applicable as explained above.
- Bulk purchases – Electricity is showing an unsatisfactory variance of minus 14.0%. Same factors are applicable as explained above.
- The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 20.5%. Same factors are applicable as explained above.
- Debt impairment is showing a satisfactory variance of 0%. Same factors are applicable as explained above.
- Depreciation shows a satisfactory variance of minus 3.1%. Same factors are applicable as explained above.
- Interest is showing an unsatisfactory variance of minus 16.3%. Same factors are applicable as explained above.
- Expenditure on Contracted services is unsatisfactory at minus 42.2%, when compared to the Adjustment budget. The YTD expenditure is lower than anticipated.
- Transfers and subsidies show an unsatisfactory variance of minus 37.2%. Same factors are applicable as explained above.
- Operational cost is showing a satisfactory variance of minus 1.4%. Same factors are applicable as explained above.
- Other Losses is showing an unsatisfactory variance of minus 3.4%. Same factors are applicable as explained above.

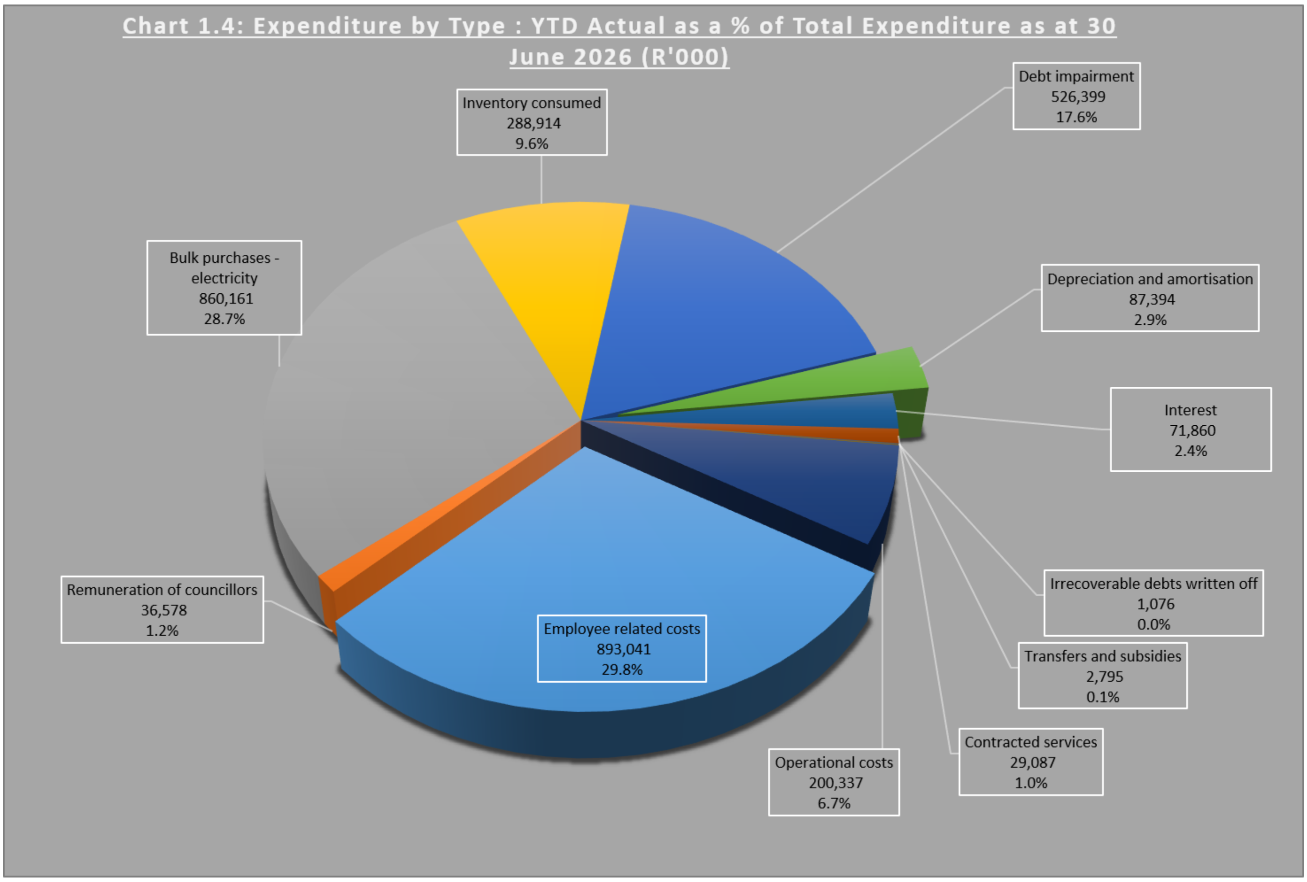


Chart 1.4: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

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 June 2026. The main cost drivers of the municipality are Employee Related Costs (29.8%), Bulk Purchases – Electricity (28.7%), Debt Impairment (17.6%) and Inventory consumed (9.6%).
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.
- Interest on the long-term borrowing is paid bi-annually in December and June of each year
- Debt Impairment is provided for, quarterly.
- The Eskom account for June 2026 will be captured during July 2026, as a year-end sundry creditor.

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 100.00% as at end of June 2026, Bulk Purchases Electricity is showing an unsatisfactory variance of minus 13.98%. The bulk invoice for June 2026 will be processed during July 2026, as a year-end sundry creditor.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 100%
BULK PURCHASES: ELECTRICITY	1,000,000,000	84,207,905	860,161,429	86.02%	-13.98%
Total	**1,000,000,000**	**84,207,905**	**860,161,429**	**86.02%**	**-13.98%**

Table 5.1: Summary of YTD Bulk Electricity expenditure

- Indicated in Table 5.2 below, is the Water inventory and Water losses which is showing a satisfactory variance of minus 2.4%, when compared to the ideal percentage of 100.00%. 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 April to June 2026 has been processed on the system.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 100%
INVENTORY - WATER	53,754,000	5,904,387	53,672,225	99.85%	-0.15%
NON-REVENUE WATER LOSSES	104,346,000	18,109,329	100,604,728	96.41%	-3.59%
Total	**158,100,000**	**24,013,716**	**154,276,953**	**97.6%**	**-2.4%**

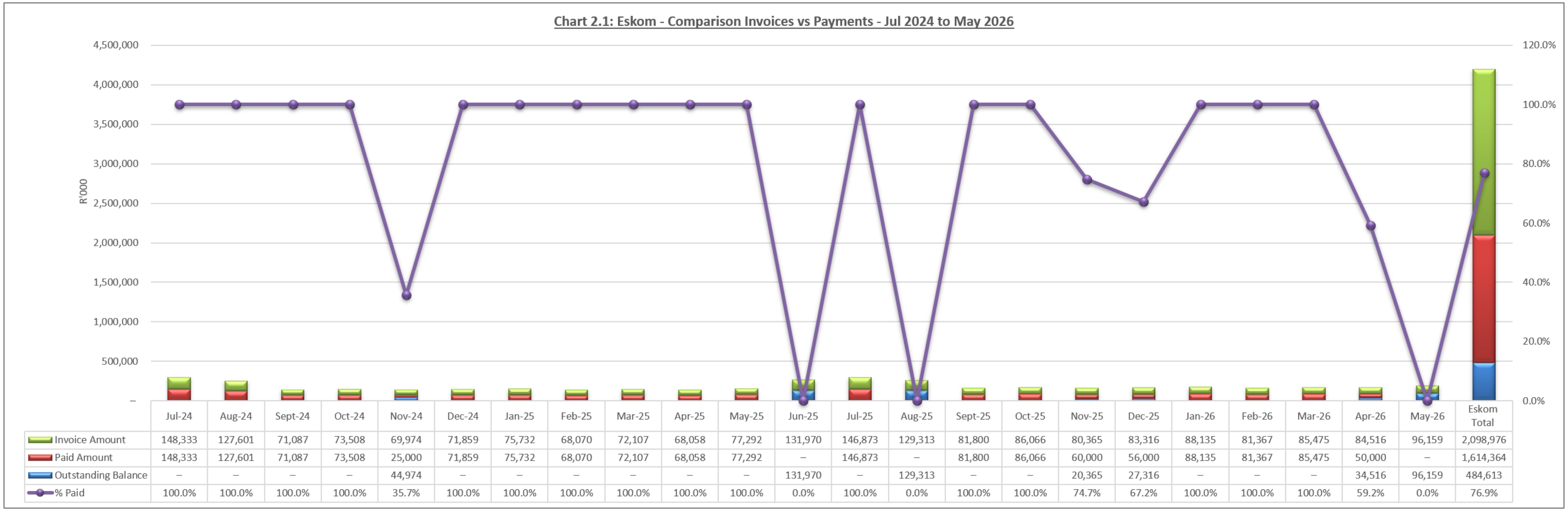
Table 5.2: Summary of YTD Bulk Water expenditure

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	**1,174,188**	**735,716**	**–**		**438,472**	**307,669**	**66,440**
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	85,475	–		–	–	5,619
Apr-26	84,516	50,000	–		34,516	34,516	6,870
May-26	96,159	–	–		96,159	96,159	4,536
Jun-26	130,803	–	–		130,803	–	5,918
Grand Total ESKOM	**3,870,271**	**2,537,414**	**(107,114)**	**(248,128)**	**1,225,743**	**1,094,940**	**85,829**

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R1,225,743 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 R1,094,940 billion summarized as follow 2021/22 (R275,682m); 2022/23 (R248,878m); 2023/24 (R85,767m); 2024/25 (R176,944m) and 2025/26 (R307,669m). The total interest charges on overdue accounts for the current financial year amounted to R66,440 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.



	Jul-24	Aug-24	Sept-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Eskom Total
Invoice Amount	148,333	127,601	71,087	73,508	69,974	71,859	75,732	68,070	72,107	68,058	77,292	131,970	146,873	129,313	81,800	86,066	80,365	83,316	88,135	81,367	85,475	84,516	96,159	2,098,976
Paid Amount	148,333	127,601	71,087	73,508	25,000	71,859	75,732	68,070	72,107	68,058	77,292	–	146,873	–	81,800	86,066	60,000	56,000	88,135	81,367	85,475	50,000	–	1,614,364
Outstanding Balance	–	–	–	–	44,974	–	–	–	–	–	–	131,970	–	129,313	–	–	20,365	27,316	–	–	–	34,516	96,159	484,613
% Paid	100.0%	100.0%	100.0%	100.0%	35.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%	0.0%	100.0%	100.0%	74.7%	67.2%	100.0%	100.0%	100.0%	59.2%	0.0%	76.9%

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 June 2026 is excluded because it is not yet due and payable. It will also distort the percentage paid. The YTD actual until May 2026 show that 76.9% of invoices were settled, based on invoices raised of R2,098,976 billion versus payments of R1,614,364 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%), April 2026 (59.2%) and May (0%). The total arrear outstanding balance for the period July 2024 to April 2026 amounts to R484,613 million.

Outstanding debt: DWS

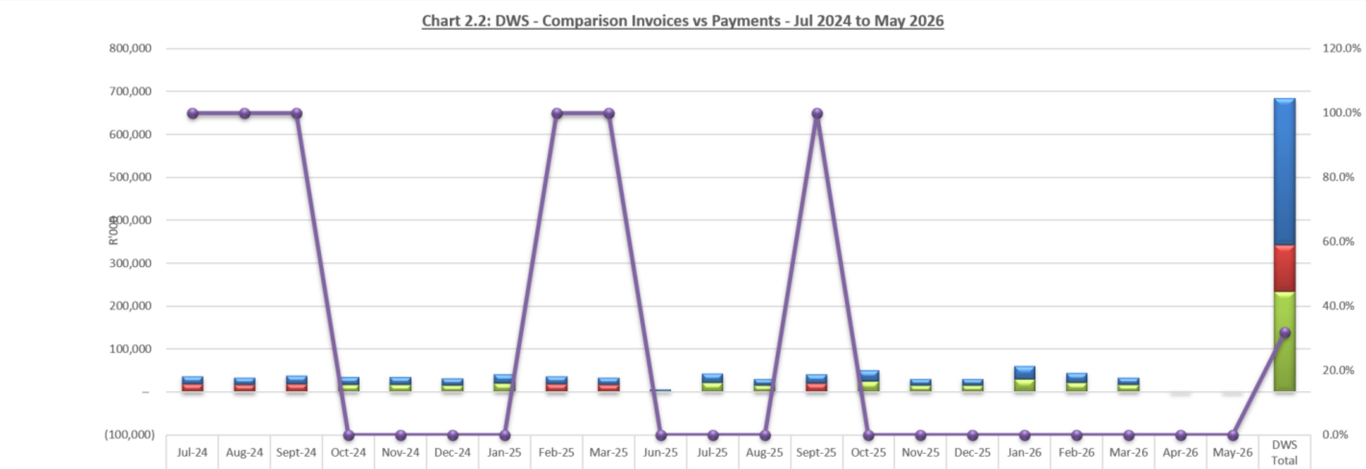
DWS - Outstanding debt (R'0(	Sum of Invoice amount	Sum of Bulk Payments (2023/24, 2024/25 & 2025/26)	Sum of Outstanding Balance	Sum of Arrear Debt
⊟2021/22	**126,431**	**88,873**	**37,558**	**37,558**
INTEREST (APR-JUN 2022)	6,191	–	6,191	6,191
Aug-21	15,075	15,075	–	–
Sept-21	15,795	15,795	–	–
Oct-21	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	**179,052**	**20,043**	**159,009**	**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
Apr-26	–	–	–	–
May-26	–	–	–	–
Jun-26	130	–	130	–
Grand Total	**618,765**	**347,934**	**270,831**	**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 R270,831 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:

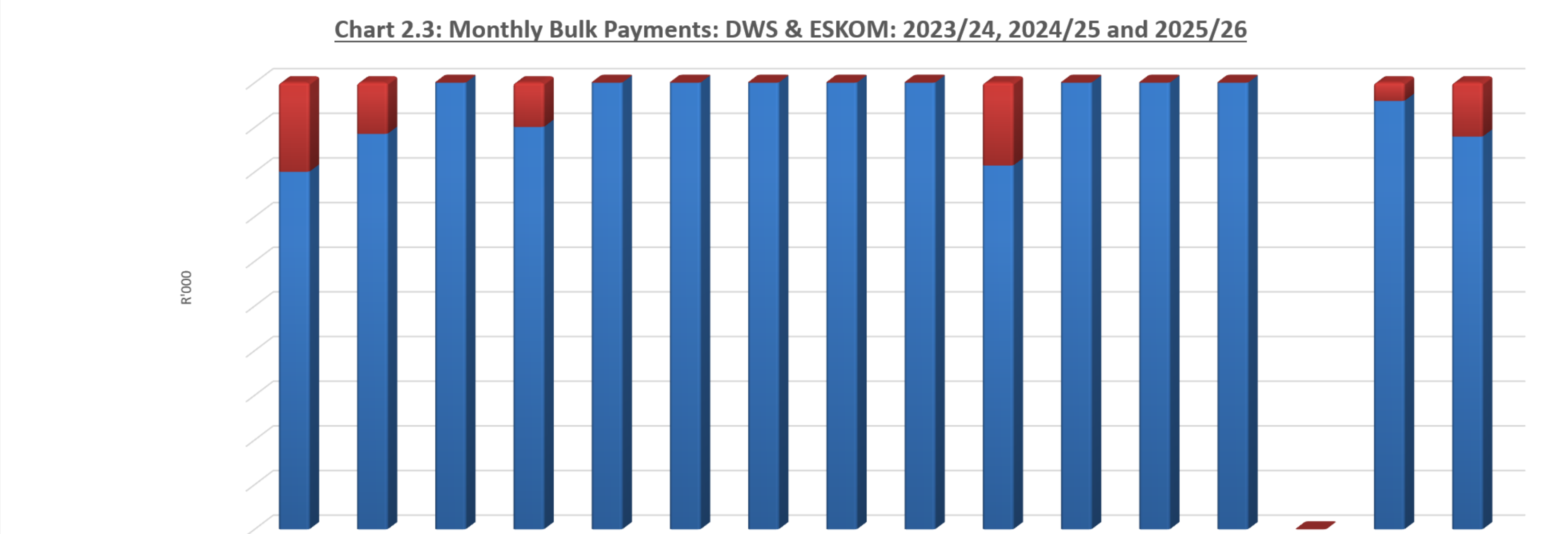
- Settling 10% of the arrear debt (municipality complied)
- Settling the current account each month (municipality complied since inception of Incentive scheme but has defaulted on some months. All invoices for 2022/23 and 2023/24 financial year have since been settled in full.
- Settling the monthly 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.



	Jul-24	Aug-24	Sept-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	DWS Total
Invoice Amount	17,724	16,698	18,973	17,504	17,504	15,681	20,396	18,328	16,769	3,179	21,434	14,866	20,043	24,801	14,866	14,866	30,103	21,740	16,202	–	–	341,677
Paid Amount	17,724	16,698	18,973	–	–	–	–	18,328	16,769	–	–	–	20,043	–	–	–	–	–	–	–	–	108,535
Outstanding Balance	–	–	–	17,504	17,504	15,681	20,396	(0)	(0)	3,179	21,434	14,866	–	24,801	14,866	14,866	30,103	21,740	16,202	–	–	233,142
% Paid	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	31.8%

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 May 2026. There is no current account for April and May 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.



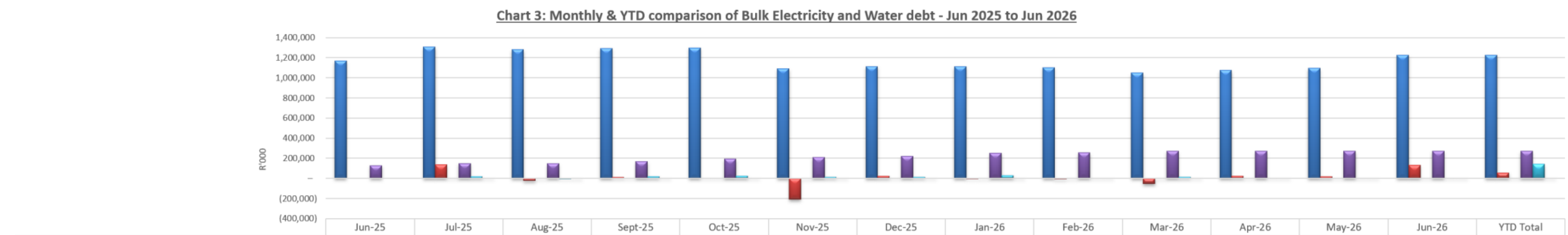
	2023/24 Total	2024/25 Total	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	2025/26 Total	Grand Total
Bulk Payments - DWS	198,561	112,560	–	16,769	–	–	–	–	–	20,043	–	–	–	–	36,812	347,934
Bulk Payments - ESKOM	797,617	871,251	10,000	152,830	70,000	81,800	40,000	60,000	92,066	88,135	138,240	60,000	75,475	–	868,546	2,537,414

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 June 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 final payment of R34 million on the April 2026 account. This payment was due to be released on 30 June 2026 but the municipality missed the cut-off time with the bank and subsequently the payment was only released on 1 July 2026. 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 R868,546 million, resulting in the total payments for the three periods amounting to R2,537,414 billion. The high months remains a major concern.



	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	YTD Total
Bulk Electricity - Total Debt	1,168,229	1,305,102	1,281,585	1,293,386	1,297,651	1,089,888	1,113,205	1,109,274	1,102,506	1,049,740	1,074,256	1,094,940	1,225,743	1,225,743
Bulk Electricity Debt: Monthly/YTD R-Value increase (decrease)		136,873	(23,517)	11,800	4,265	(207,763)	23,316	(3,931)	(6,768)	(52,765)	24,516	20,684	130,803	57,514
Bulk Electricity - Monthly/YTD % increase (decrease) in O/S Debt		11.7%	-1.8%	0.9%	0.3%	-16.0%	2.1%	-0.4%	-0.6%	-4.8%	2.3%	1.9%	11.9%	4.9%
Bulk Water - Total Debt	128,592	150,026	148,123	168,166	192,967	207,833	222,699	252,802	254,499	270,701	270,701	270,701	270,831	270,831
Bulk Water Debt: Monthly/YTD R-Value increase (decrease)		21,434	(1,903)	20,043	24,801	14,866	14,866	30,103	1,697	16,202	–	–	130	142,239
Bulk Water - Monthly/YTD % increase (decrease) in O/S Debt		16.7%	-1.3%	13.5%	14.7%	7.7%	7.2%	13.5%	0.7%	6.4%	0.0%	0.0%	0.0%	110.6%

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 May to June 2026, debt owed to ESKOM increased by R130,803 million or 11.9%, from R1,094,940 billion to R1,225,743 billion. When comparing the total outstanding debt to June 2025, the outstanding debt decreased by R57,514 million or 4.9%, from R1,168,229 billion to R1,225,743 billion. It should be noted that the debt write off for the second third debt write off is not yet taken into account.

DWS - From May to June 2026, debt owed to DWS increased by R130 thousand from R270,701 million to R270,831 million. When comparing the total outstanding debt to June 2025, the outstanding debt increased by R142,239 million or 110,6% from R128,592 million to R270,831 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

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.

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

Table 6.4: Reconciliation DWS Debt Agreement

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 - M12 June										
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 % - 100%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	632,781	66,519	483,260	632,781	76.37%	(149,521)	-23.6%	76.4%	(149,521)	-23.6%
Funded by										
Capital transfers recognised	595,392	65,320	474,257	595,392	79.65%	(121,135)	-20.3%	79.7%	(121,135)	-20.3%
Internally generated funds	37,389	1,199	9,003	37,389	24.1%	(28,386)	-75.9%	24.1%	(28,386)	-75.9%
Weighting Capital transfer recognised	94.1%	98.2%	98.1%	94.1%						
Weighting Internally generated funds	5.9%	1.8%	1.9%	5.9%						

Table 7: High level summary: Capital Expenditure

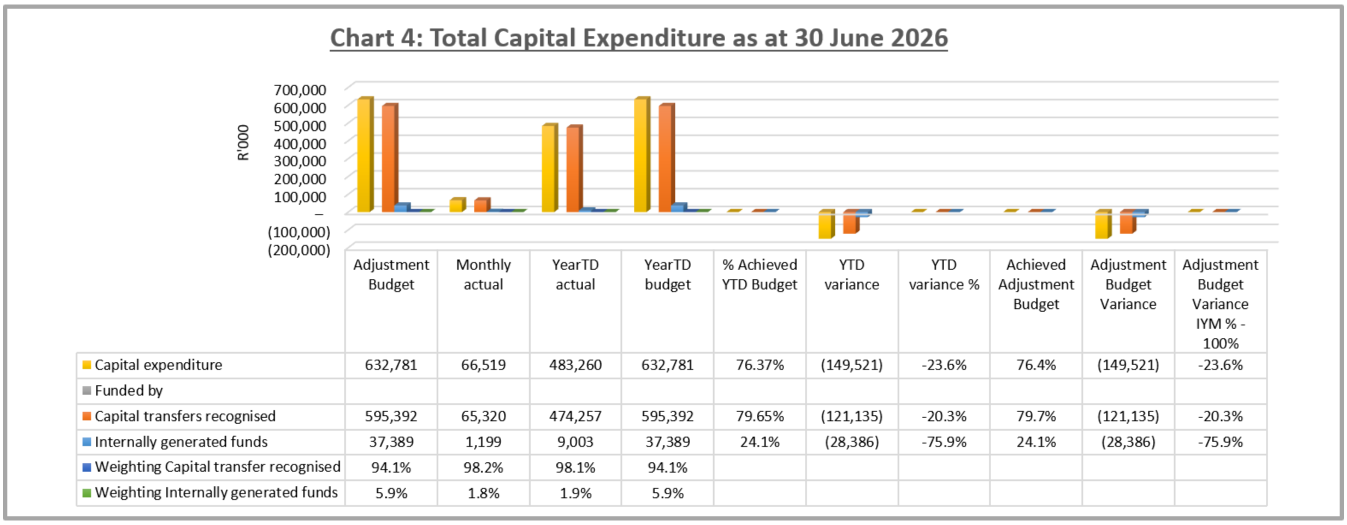


Chart 4: Total Capital expenditure

As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of June 2026 amounted to R483,260 million and 76.37% spent when compared to the YTD budget of R632,781 million and 76.4% spent when compared to the Adjustment Budget of R632,781 million. The total YTD capex is funded from Capital grants R474,257 million (98.1%) and Internally generated funds R9,003 million (1.9%). Intervention is required early in the financial year. Planning of project managers also needs to improve going forward. One of the major challenges that the municipality is experiencing is in respect of tendering processes.

The majority of capital projects are based on a functionality criteria. Bidders either do not meet the functionality criteria or submit incomplete tender documents resulting in bidders being non-responsive. And due to the non-responsiveness of bidders, these bids unfortunately have to be re-advertised. The municipality has been implementing more compulsory site meetings to sensitise service providers on the compliance issues pertaining to bid documents. Secondly, project managers need to realistically anticipate challenges and immediately address delays in order to ensure that projects are completed within the specified timeframe. Contract management also needs to be monitored more closely, placing emphasis on the performance of appointed service providers and addressing issues of non-performance immediately. Lastly, it is advised that disputes, if any are addressed and resolved expeditiously. The capital expenditure is slow and overall capital expenditure remains a major concern. Remedial action will have to be taken going forward to ensure improvement on capex. It should be noted that capital expenditure excludes VAT and commitments. The capital expenditure report shown in Annexure A, Table C5 has been prepared on the prescribed monthly C-schedule, and is categorised by municipal vote and functional classification.

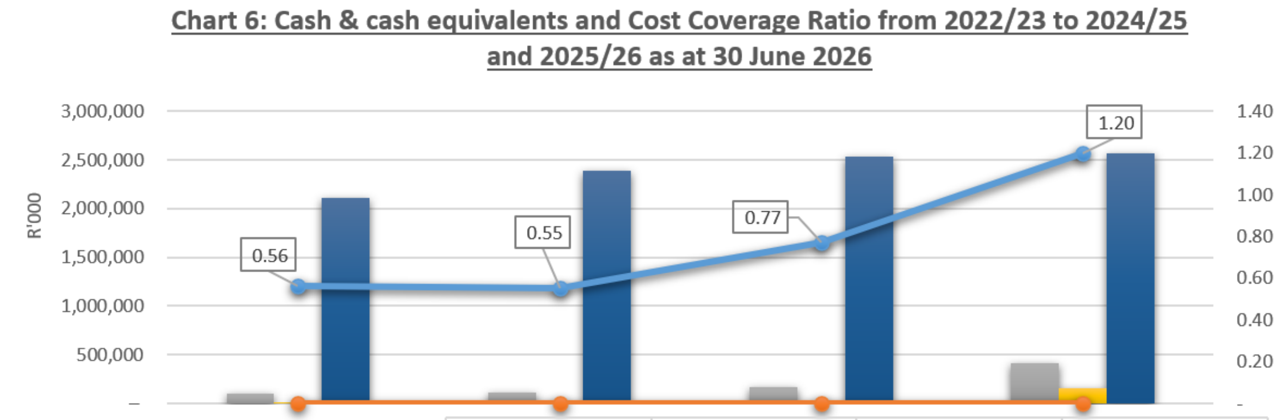
4.4 Cash flows

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

	Investment deposits at year-end	Investments / Year-on-year R-Value Increase (Decrease)	Investments / Year-on-year % Increase/(Decrease)	Cash and cash equivalents at year-end	Cash and cash equivalents / Year-on-year R-Value Increase/(Decrease)	Cash and cash equivalents / Year-on-year % Increase/(Decrease)
30 June 2018	93,978			135,240		
30 June 2019	28,701	(65,278)	-69%	74,019	(61,221)	-45%
30 June 2020	50,594	21,893	76%	99,307	25,287	34%
30 June 2021	40,099	(10,495)	-21%	39,010	(60,297)	-61%
30 June 2022	49,975	9,876	25%	191,126	152,116	390%
30 June 2023	49,975	–	0%	106,413	(84,713)	-44%
30 June 2024	58,374	8,399	17%	113,952	7,539	7%
30 June 2025	130,695	72,321	124%	163,937	49,985	44%
Total Increase (Decrease) - 2018 to 2025		36,717	39%		28,696	21%

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.



	30 Jun 2023	30 Jun 2024	30 Jun 2025	30 Jun 2026
Cash and cash equivalents	106,413	113,952	163,937	411,364
Unspent Conditional Grants	7,233	4,057	742	154,490
Total Annual / YTD Operational Expenditure	2,110,947	2,393,016	2,532,099	2,570,938
Cost Coverage Ratio (Days)	17 Days	17 Days	24 Days	36 Days
Cost Coverage Ratio	0.56	0.55	0.77	1.20

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 June 2026 is calculated at (1.20; 36 days; R411,364m). Unspent conditional grants amounted to R154,490 million, which is netted off against the Cash and cash equivalents (cashbook), resulting in the critically low-Cost coverage. Immediate and decisive action will have to be taken to ratify the situation.

Cash at this stage is monitored on a daily basis. The Cost coverage ratio is a critical indicator that the municipality is in a severe cash flow crisis and not in the conducive position to settle short-term commitments. This is a critical threat to the municipality's ability to pay salaries, bulk accounts and day-to-day operations which can have a detrimental effect on service delivery and irrevocably damage the municipality's relationship with its service providers and further tarnishing the municipality's reputation. This is also evident by the escalation in debt owed to ESKOM and DWS over the last few years. However, as a result of the debt agreement with DWS and the Incentive initiated by the Department, the municipality has made significant strides in reducing the arrear debt and managed to settle all invoices for the 2022/23 and 2023/24 financial year in full. This has deteriorated for the 2024/25 and 2025/26 financial year. The municipality also fared well whilst on the debt relief programme in complying to the settlement of the current Eskom account and ran into trouble with the settling of the accounts for the high winter months. This is further exacerbated by the fact that the actual receipts for the high months are below the actual bill.

The only way to address these issues, is to work as a collective team, enforce accountability within all departments and to collect outstanding debt and improve the collection rate. Therefore, the municipality must apply the Credit Control Policy diligently, consistently and fairly to ensure the credibility of the municipality. During the 2022/23 Mid-year engagement, National Treasury recommended that the Credit Control and Debt Collection Policy must be 100% applied. Generally, the payment culture of all consumers and stakeholders must improve. The municipality also needs to spend funds effectively and efficiently with good value for money. Cost containment measures must be stringently applied.

5. In-year budget statement tables

The financial results for the period under review is included in Annexure A, consisting of the following C-schedule tables.

(a) Table C1: Summary
(b) Table C2: Financial Performance (Functional Classification)
(c) Table C3: Financial Performance (Revenue and Expenditure by Municipal vote)
(d) Table C4: Financial Performance (Revenue and Expenditure)
(e) Table C5: Capital Expenditure by vote, functional classification and funding
(f) Table C6: Statement of Financial Position
(g) Table C7: Cash Flow

PART 2: SUPPORTING DOCUMENTATION

6. Debtors' Analysis

Part 4: Debtor Age Analysis	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
R thousands	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	84,457	8.3%	25,229	2.5%	21,609	2.1%	882,277	87.0%	1,013,571	22.2%
Trade and Other Receivables from Exchange Transactions - Electricity	65,799	20.9%	19,552	6.2%	13,419	4.3%	216,379	68.7%	315,149	6.9%
Receivables from Non-exchange Transactions - Property Rates	42,122	5.1%	37,495	4.5%	15,230	1.8%	738,267	88.6%	833,114	18.2%
Receivables from Exchange Transactions - Waste Water Management	10,195	2.9%	7,232	2.0%	6,731	1.9%	329,717	93.2%	353,874	7.8%
Receivables from Exchange Transactions - Waste Management	8,140	3.0%	5,657	2.1%	5,068	1.9%	252,731	93.1%	271,595	5.9%
Receivables from Exchange Transactions - Property Rental Debtors	967	.9%	917	.8%	920	.8%	108,288	97.5%	111,092	2.4%
Interest on Arrear Debtor Accounts	21,326	1.8%	25,103	2.1%	20,002	1.7%	1,140,054	94.5%	1,206,485	26.4%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-	-	-	-	-	-	-	-	-
Other	9,115	2.0%	8,652	1.9%	8,937	1.9%	434,255	94.2%	460,959	10.1%
Total By Income Source	**242,120**	**5.3%**	**129,837**	**2.8%**	**91,914**	**2.0%**	**4,101,967**	**89.8%**	**4,565,839**	**100.0%**
Debtors Age Analysis By Customer Group										
Organs of State	31,340	5.0%	26,781	4.3%	9,509	1.5%	553,221	89.1%	620,850	13.6%
Commercial	63,734	9.4%	22,671	3.4%	20,864	3.1%	568,342	84.1%	675,610	14.8%
Households	143,121	4.6%	77,254	2.5%	59,056	1.9%	2,841,021	91.0%	3,120,453	68.3%
Other	3,925	2.6%	3,132	2.1%	2,485	1.7%	139,384	93.6%	148,926	3.3%
Total By Customer Group	**242,120**	**5.3%**	**129,837**	**2.8%**	**91,914**	**2.0%**	**4,101,967**	**89.8%**	**4,565,839**	**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 R4,465,839 billion as at the end of June 2026 and the bulk of SPM's debt is aged over 90 days with an overall weighting of 89.8%.

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

- Interest on Arrear Debtor Accounts at 94.5%
- Receivables from Exchange Transactions - Property Rental Debtors at 97.5%
- Waste Water Management (93.2%) and Waste Management (93.1%).

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

- Receivables from Non-exchange Transactions - Property Rates at 18.2%
- Interest on Arrear Debtor Accounts 26.4%, and
- Trade and Other Receivables from Exchange Transactions – Water at 22.2%

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.

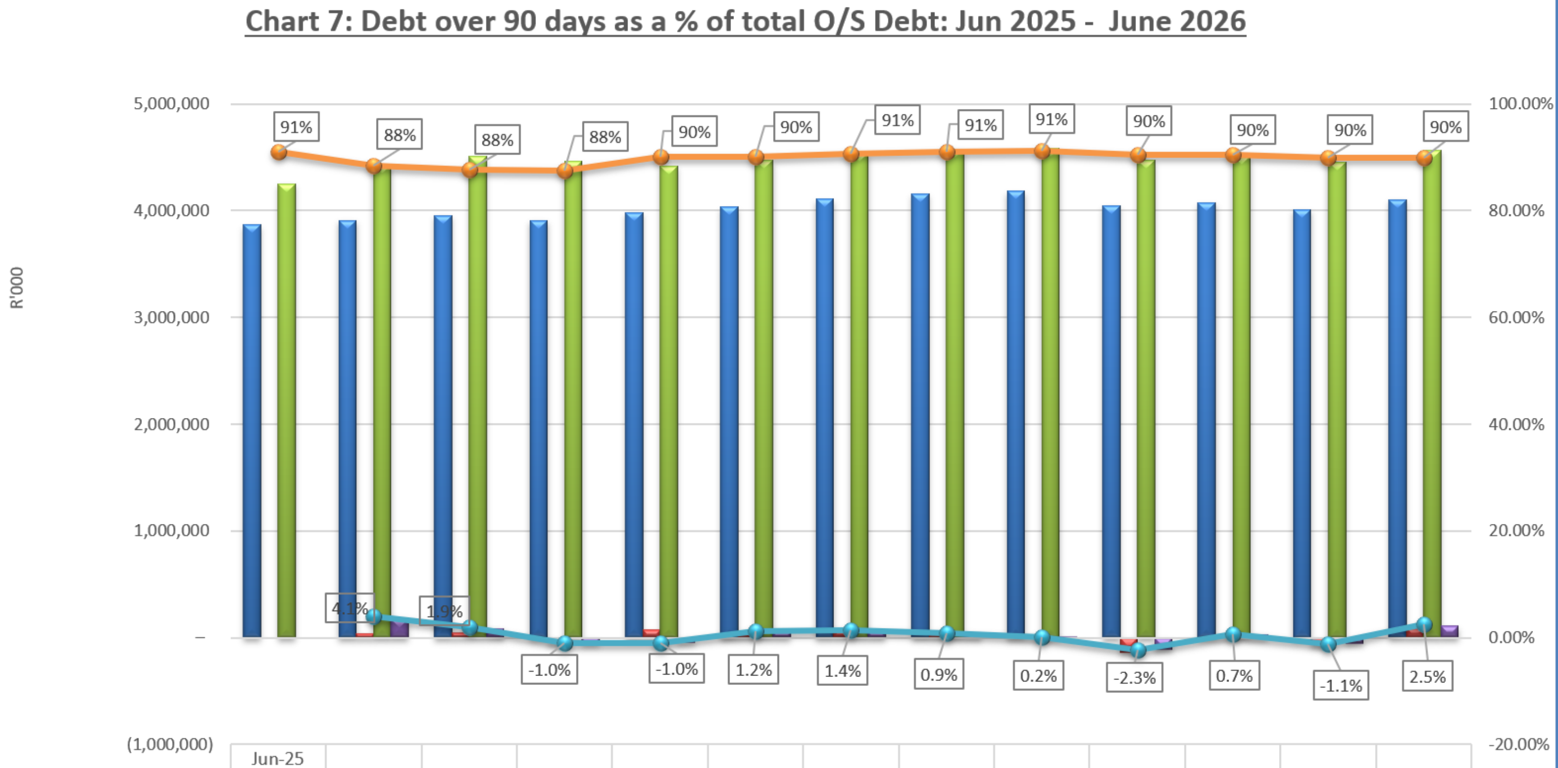
The percentage weighting of debt owed by Customer Group, over 90 days is:

- Organs of State at 89.1%; Commercial at 84.1%; Households at 91.0% and Other at 93.6%.

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

- Organs of state at 13.6%, total debt outstanding is R620,850 million
- Businesses at 14.8%, total debt outstanding is R675,610 million
- Households at 68.3%, total debt outstanding is R3,120,453 billion
- Other at 3.3%, total debt outstanding is R148,926 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 R93,501 million in respect of the month-to-month comparison. The month-to-month increase, on total debt amounted to R109,876 million. It is concerning that total debt over 90 days is hovering at an average of 90 percent.



	Jun-25 (preliminary)	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-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	4,008,466	4,101,967
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	(66,462)	93,501
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	4,455,963	4,565,839
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	(51,745)	109,876
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%	-1.1%	2.5%
% Weighting of Debt over 90 days	91%	88%	88%	88%	90%	90%	91%	91%	91%	90%	90%	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 June 2025, this will have to confirmed with NT, if it is for the same period of the prior year or the audited outcomes that are required. The error on Chart C4 Consumer Debtors (total by Debtor Customer Category) must be communicated to NT as the 2024/25 audited actuals is not aligned to the AFS and is based on an erroneous formula which the municipality is strictly prohibited from fixing manually. The C-schedule for this reason, is completely password protected. The corrected charts are indicated below.

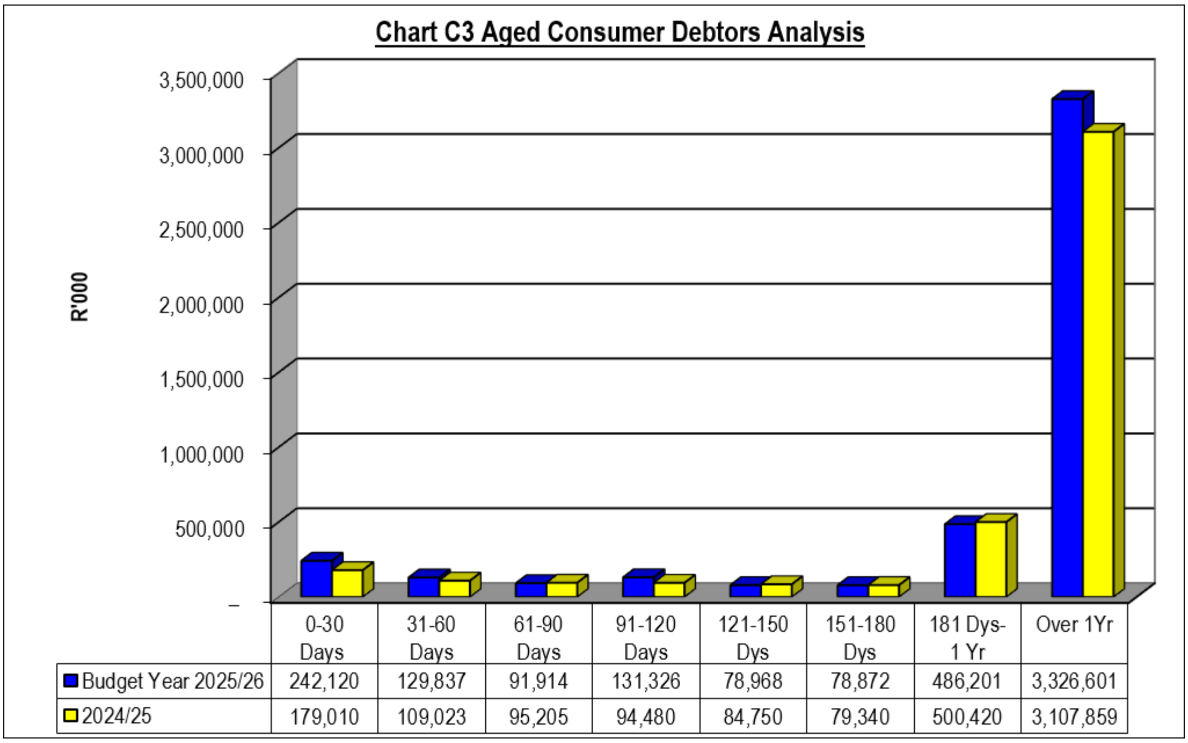


Chart 8: Aged Consumer Debtor Analysis

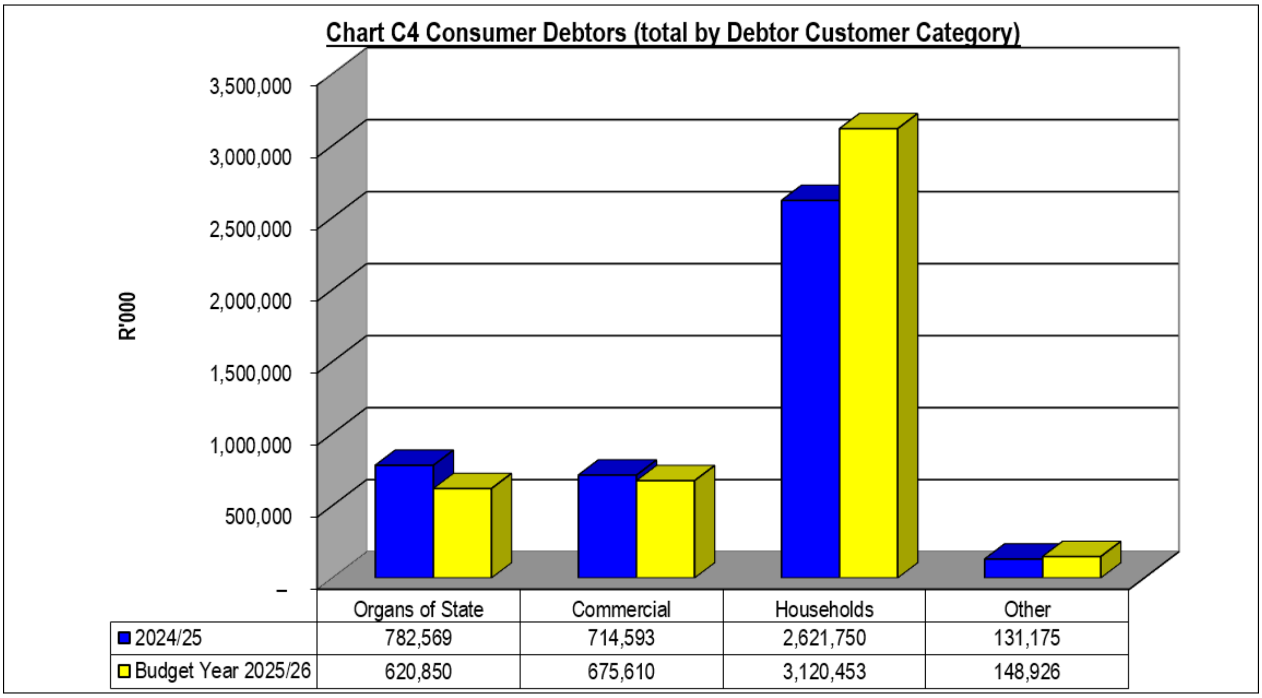


Chart 9: Consumer Debtors (total by Debtor Customer Category)

Revised collection rate

As per Table 9 below, when taking into consideration what was billed in May 2026 and received in June 2026, the monthly collection rate is 62%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 57%. 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 R21,407 million and will be allocated during July 2026. Indicated in Table 10 below is the revised average collection rate of 81%, 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 June to 30 June 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.

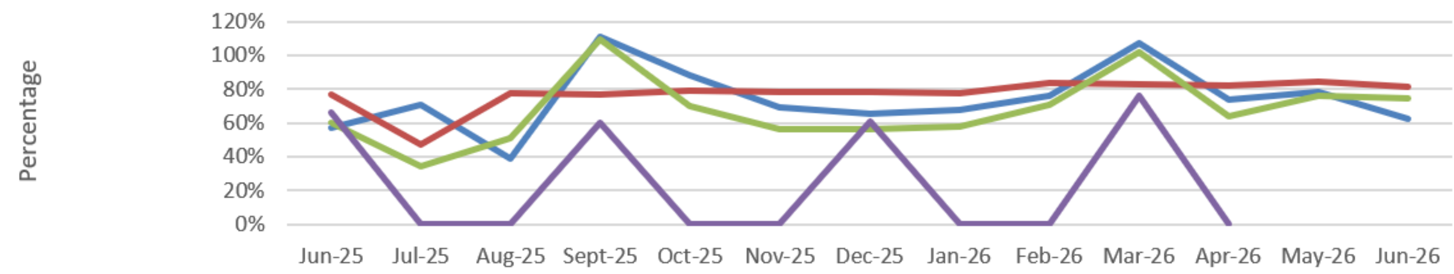
Monthly Collection Rate	Debits (Billed May 2026)	Credits (Received June 2026)	% Collected
PROPERTY RATES	53,447,622	32,933,160	62%
ELECTRICITY	36,921,865	33,043,873	89%
WATER	26,972,996	10,842,385	40%
SEWERAGE	10,596,574	4,155,313	39%
REFUSE	8,447,967	3,469,451	41%
PROPERTY RATES & SERVICES	**136,387,024**	**84,444,180**	**62%**
OTHER	26,056,143	8,474,163	33%
TOTAL	**162,443,167**	**92,918,344**	**57%**

Table 9: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL JUNE 2026	YTD RECEIPTS	Rate
PROPERTY RATES	R 697,444,094	R 593,763,978	**85.1%**
SERVICE CHARGE ELECTRICITY	R 625,343,555	R 579,329,053	**92.6%**
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 375,992,141	R 375,992,141	**100.0%**
SERVICE CHARGE WATER	R 370,912,658	R 179,654,490	**48.4%**
SERVICE CHARGE SANITATION	R 117,056,136	R 53,283,071	**45.5%**
SERVICE CHARGE REFUSE	R 88,409,117	R 46,449,572	**52.5%**
SERVICE CHARGES NON-EXCHANGE	R 11,609,547	R 2,780,341	**23.9%**
UNALLOCATED CREDITS		R 21,407,048	
REVISED AVERAGE COLLECTION RATE - JUNE 2026	**R 2,286,767,248**	**R 1,852,659,694**	**81.0%**

Table 10: Revised Average collection rate

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

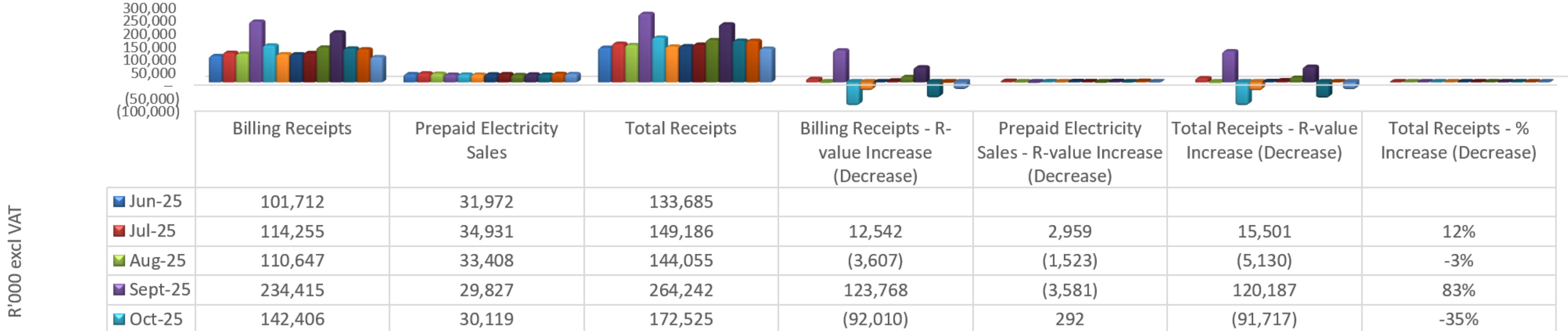


	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Monthly collection rate (Property rates and Services)	57%	71%	39%	111%	88%	69%	65%	67%	76%	107%	74%	78%	62%
Revised average collection rate (SPLM)	77%	47%	77%	76%	79%	78%	78%	77%	83%	83%	82%	84%	81%
Collection rate per Ward (Monthly)	60%	34%	51%	109%	70%	56%	56%	58%	70%	102%	64%	76%	74%
Collection rate per Ward (Quarterly)	66%	-	-	60%	-	-	61%	-	-	76%	-		70%

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 June 2026. The monthly collection rate (Property rates & Services) for June 2026 is unsatisfactory at 62%. The revised average collection for June 2026 which includes Prepaid sales and unallocated credits is 81%, 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 74% for the month under review. The quarterly collection rate per ward is 70%. 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 R21,407 million was unallocated at month-end.

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



	Billing Receipts	Prepaid Electricity Sales	Total Receipts	Billing Receipts - R-value Increase (Decrease)	Prepaid Electricity Sales - R-value Increase (Decrease)	Total Receipts - R-value Increase (Decrease)	Total Receipts - % Increase (Decrease)
Jun-25	101,712	31,972	133,685				
Jul-25	114,255	34,931	149,186	12,542	2,959	15,501	12%
Aug-25	110,647	33,408	144,055	(3,607)	(1,523)	(5,130)	-3%
Sept-25	234,415	29,827	264,242	123,768	(3,581)	120,187	83%
Oct-25	142,406	30,119	172,525	(92,010)	292	(91,717)	-35%
Nov-25	108,606	29,575	138,182	(33,800)	(543)	(34,343)	-20%
Dec-25	108,610	31,143	139,753	3	1,568	1,571	1%
Jan-26	113,553	32,137	145,690	4,943	994	5,937	4%
Feb-26	134,698	28,600	163,299	21,146	(3,537)	17,609	12%
Mar-26	192,920	30,955	223,874	58,221	2,355	60,576	37%
Apr-26	130,886	29,905	160,792	(62,033)	(1,050)	(63,083)	-28%
May-26	127,622	32,964	160,586	(3,265)	3,059	(206)	-0.1%
Jun-26	97,732	32,427	130,159	(29,890)	(538)	(30,427)	-18.9%

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

As indicated in Chart 11 above, the Total Receipts for June 2026 amounted to R130,159 million which resulted in a decrease of R30,427 (18.9%) in respect of the month-to-month comparison. Billing receipts decreased by R29,890 million, whilst Prepaid Electricity Sales decreased by R538 thousand. The deteriorating situation for the past few months/years does not bode well for the municipality's cash flow because on a monthly basis the municipality does not collect sufficient cash to cover its monthly commitments. Unallocated billing receipts at month end amounted to R21,407 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.

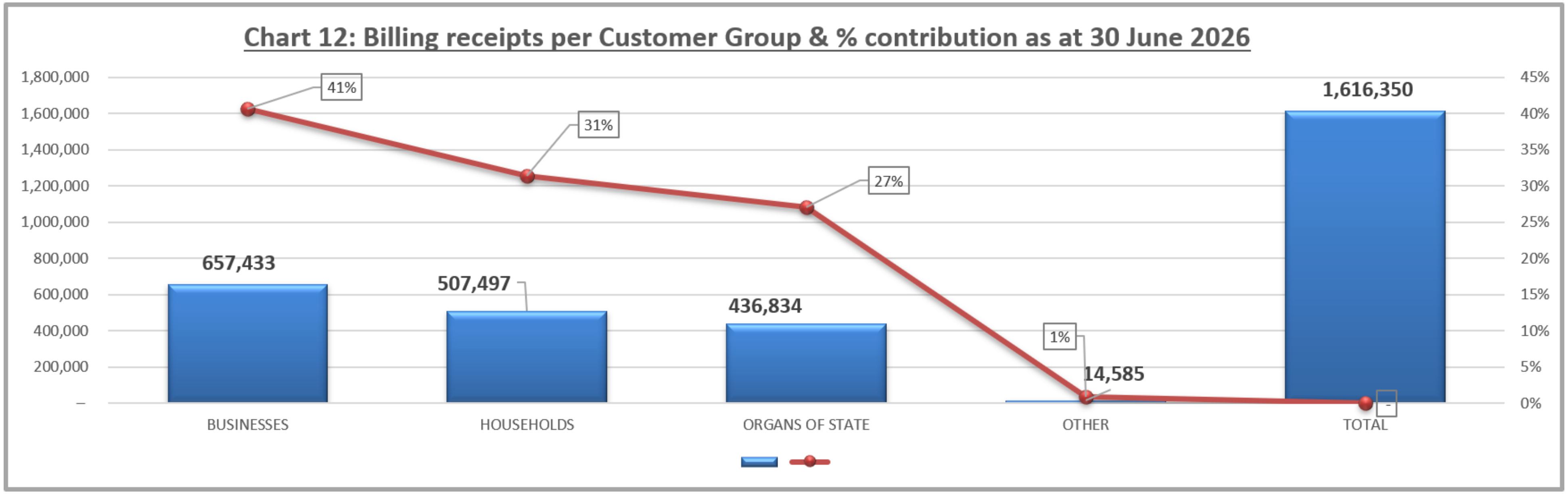


Chart 12: Billing receipts per Customer Group

Indicated in Chart 12 above, is the billing receipts and percentage contribution per major Customer group as at 30 June 2026 which amounts to R1,616,350 billion. The municipality received R657,433 million (41%) from Businesses, Households R507,497 million (31%), Organs of State R436,834 million (27%) and Other R14,585 million (1%).

7. Creditors’ Analysis

Part 5: Creditor Age Analysis										
	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
R thousands	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Creditor Age Analysis										
Bulk Electricity	130,803	10.7%	96,159	7.8%	34,516	2.8%	964,265	78.7%	1,225,743	73.3%
Bulk Water	130	-	-	-	-	-	270,701	100.0%	270,831	16.2%
PAYE deductions	11,402	100.0%	-	-	-	-	-	-	11,402	.7%
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	8,898	100.0%	-	-	-	-	-	-	8,898	.5%
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	16,791	41.7%	18,511	46.0%	3,147	7.8%	1,782	4.4%	40,232	2.4%
Auditor-General	143	25.9%	410	74.1%	-	-	-	-	553	-
Other	93,177	88.7%	418	.4%	102	.1%	11,305	10.8%	105,002	6.3%
Medical Aid deductions	9,275	100.0%	-	-	-	-	-	-	9,275	.6%
Total	**270,618**	**16.2%**	**115,499**	**6.9%**	**37,765**	**2.3%**	**1,248,054**	**74.6%**	**1,671,935**	**100.0%**

Table 11: Part 5: Creditors Age Analysis

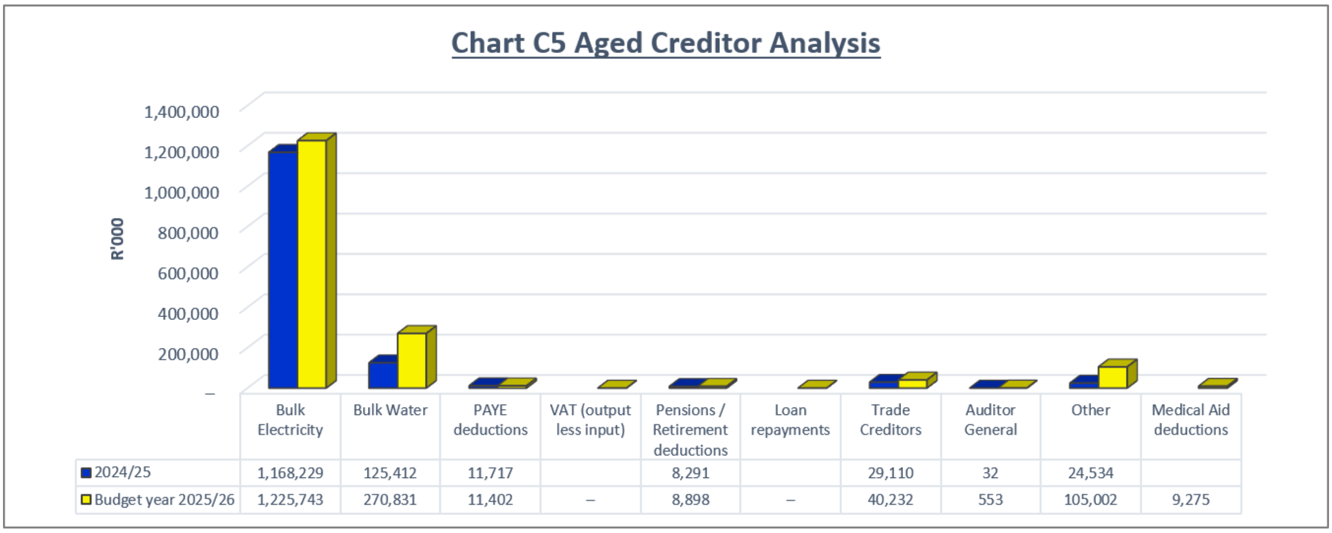


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2024/25 in Chart 13 is based on the outstanding creditors as at end of June 2025 (prior year totals for the same period). Articulated in Table 11 above, is the age creditors analysis, which is standing at R1,671,935 billion owed to creditors. The analysis shows that 16.2% of creditors is owed between 0 to 30 days, whilst 74.6% of creditors is owed over 90 days. Bulk Electricity is the largest creditor at 73.3%, followed by Bulk Water at 16.2%.

Bulk Electricity – As at the 30 June 2026, the outstanding debt owed to ESKOM amounted to R1,225,743 billion.

Bulk Water – As at the 30 June 2026, the outstanding debt owed to DWS amounted R270,831 million. The debt owed to DWS is spiralling out of control. This is a huge concern, and management will have to take drastic action to ratify the situation. A payment agreement with DWS for the 2022/23 financial year was concluded for a period of 24 months as the municipality participated in the Debt Incentive scheme that the Department provided to municipalities. All invoices for 2022/23 and 2023/24 financial year were settled in full. The total outstanding debt must be concurred with the Department.

VAT – after the monthly VAT reconciliation, the municipality claimed an amount of R2,041 million from SARS.

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

Trade creditors are all suppliers registered on the municipality’s database, and it is a prerequisite for these suppliers to be registered on the Central Supplier Database (CSD).

Auditor General – the current account to the AGSA is R143 thousand. The total debt owed to AGSA is R533 thousand. The invoice of R410 thousand was settled on 8 July 2026.

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

Medical Aid deductions –medical aid contributions were settled on or before 07 July 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 June 2026, the value of total investments made was R377,634 million. Partially or prematurely withdrawn investments amounted to R83,398 million. Investment top-up for the month under review amounted to R11,339 million. 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:

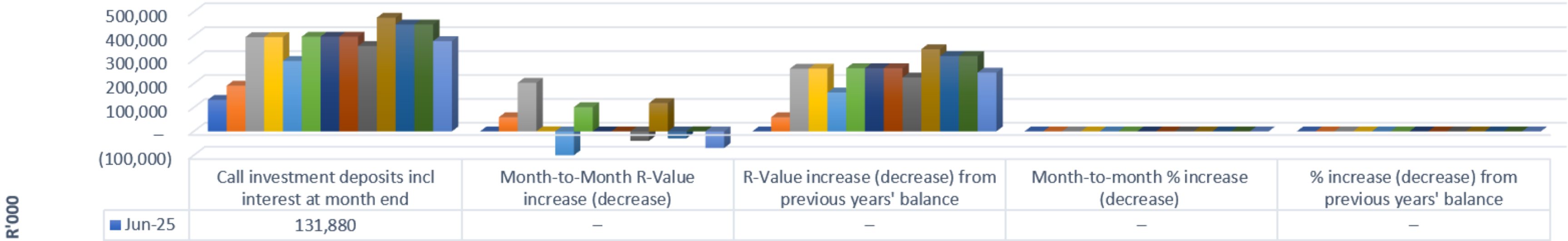
Purpose	R'000
• A fixed deposit that was invested and ceded to Development Bank of South Africa representing the equivalent of one instalment of the long-term loan.	21,959
• A fixed deposit that was made as a security to the Self-Insurance Workman Compensation reserve as required by the Department of Labour - Compensation Commissioner.	18,749
• Unspent Capital grant receipts that were invested for the current year.	154,490
• Own funds invested - • Committed funds invested including retentions	182,437
Total	**377,634**

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June

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 ³	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Standard Bank 048466271-089		6 months	Call a/c	No	Variable	6.9	0			–	–	–	–	–
Standard Bank 04 846 6271- 090		48 hours	Notice	No	Fixed	8.85%	0	n/a		–	–	–	–	–
Standard Bank - 04 846 6271-092		6 months	Notice	No	Fixed	892.00%	0	n/a		145,321	884	(854)	–	**145,350**
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	9.71%	0		2023/06/28	7,936	53	(579)	11,339	**18,749**
Standard Bank - 04 846 6271-091		Monthly	Notice	No	Fixed	890.00%	0	n/a	2024/06/30	5,000	31	(30)	–	**5,001**
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	11,530	64	(11,594)	–	**0**
Absa - 94 0279 0375		Monthly	Notice	No	Variable	745.00%	0	n/a	2026/06/30	255,500	1,414	(70,339)	–	**186,575**
Standard Bank - 04 846 6271-094		12 months	Fixed	No	Fixed	742.50%	0	n/a	2026/11/12	21,831	128	–	–	**21,959**
Municipality sub-total										**447,118**	**2,575**	**(83,398)**	**11,339**	**377,634**

Table 12: Supporting Table SC5: Investment portfolio

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



	Call investment deposits incl interest at month end	Month-to-Month R-Value increase (decrease)	R-Value increase (decrease) from previous years' balance	Month-to-month % increase (decrease)	% increase (decrease) from previous years' balance
Jun-25	131,880	–	–	–	–
Jul-25	191,031	59,152	59,152	44.85%	44.85%
Aug-25	394,190	203,158	262,310	106.35%	198.90%
Sept-25	394,437	247	262,557	0.06%	199.09%
Oct-25	294,707	(99,730)	162,827	-25.28%	123.47%
Nov-25	396,022	101,316	264,142	34.38%	200.29%
Dec-25	396,216	194	264,336	0.05%	200.44%
Jan-26	396,384	167	264,504	0.04%	200.56%
Feb-26	357,056	(39,328)	225,176	-9.92%	170.74%
Mar-26	475,620	118,564	343,740	33.21%	260.65%
Apr-26	446,876	(28,744)	314,996	-6.04%	238.85%
May-26	447,118	242	315,238	0.05%	239.03%
Jun-26	377,634	(69,484)	245,754	-15.54%	186.35%

Chart 14: Call investment deposits at month-end

As indicated in the Chart 14 above from May to June 2026 investments incl interest decreased by R69,484 million (15.54%), in respect of the month-to-month comparison. Investments increased by R245,754 million (186.35%) 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 - M12 June

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		294,090	314,669	314,669	1,005	314,304	314,669	(365)	-0.1%	314,669
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Equitable Share		282,104	301,722	301,722	–	301,722	301,722	–	0.0%	301,722
Expanded Public Works Programme Integrated Grant		2,927	4,442	4,442	–	4,442	4,442	–	0.0%	4,442
Infrastructure Skills Development Grant		4,500	4,400	4,400	–	4,027	4,400	(373)	-8.5%	4,400
Integrated Urban Development Grant		2,759	2,305	2,305	–	2,313	2,305	8	0.4%	2,305
Local Government Financial Management Grant	3	1,800	1,800	1,800	1,005	1,800	1,800	–	0.0%	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	–	1,213	16,737	(15,524)	-92.8%	16,737
Capacity Building and Other Grants		9,264	9,007	9,737	–	1,213	9,737	(8,524)	-87.5%	9,737
Infrastructure Grant		10,057	–	7,000	–	–	7,000	(7,000)	-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	1,005	315,517	331,406	(15,889)	-4.8%	331,406
Capital Transfers and Grants										
National Government:		574,062	684,166	684,166	75,466	546,990	684,166	(137,176)	-20.1%	684,166
Energy Efficiency and Demand Side Management Grant		5,000	5,000	5,000	573	2,865	5,000	(2,135)	-42.7%	5,000
Integrated National Electrification Programme Grant		4,500	19,000	19,000	20	14,632	19,000	(4,368)	-23.0%	19,000
Integrated Urban Development Grant		72,562	76,066	76,066	17,473	66,257	76,066	(9,809)	-12.9%	76,066
Municipal Infrastructure Grant		–	–	–	–	–	–	–		–
Neighbourhood Development Partnership Grant		–	100	100	–	–	100	(100)	-100.0%	100
Regional Bulk Infrastructure Grant		492,000	574,000	574,000	57,400	460,047	574,000	(113,953)	-19.9%	574,000
Water Services Infrastructure Grant		–	10,000	10,000	–	3,189	10,000	(6,811)	-68.1%	10,000
Provincial Government:		–	–	–	–	–	–	–		–
Infrastructure Grant		–	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Specify (Add grant description)		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
European Union		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants	5	574,062	684,166	684,166	75,466	546,990	684,166	(137,176)	-20.1%	684,166
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	985,191	1,007,842	1,015,572	76,471	862,507	1,015,572	(153,065)	-15.1%	1,015,572

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 - M12 June

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		**144,938**	**145,524**	**157,668**	**20,254**	**145,537**	**157,668**	**(12,131)**	**-7.7%**	**157,668**
								–		
Equitable Share		132,993	132,573	144,717	18,411	132,731	144,717	(11,986)	-8.3%	144,717
Expanded Public Works Programme Integrated Grant		3,143	4,442	4,442	38	4,644	4,442	202	4.5%	4,442
Infrastructure Skills Development Grant		4,373	4,400	4,400	293	3,794	4,400	(606)	-13.8%	4,400
Integrated Urban Development Grant		2,629	2,305	2,305	400	2,568	2,305	263	11.4%	2,305
Local Government Financial Management Grant		1,800	1,804	1,804	1,113	1,800	1,804	(4)	-0.2%	1,804
Municipal Disaster Relief Grant		–	–	–	–	–	–	–		–
Provincial Government:		**14,526**	**8,942**	**15,687**	**545**	**4,298**	**15,687**	**(11,389)**	**-72.6%**	**15,687**
								–		
Capacity Building and Other Grants		9,055	8,942	9,687	253	1,456	9,687	(8,231)	-85.0%	9,687
Infrastructure Grant		5,471	–	6,000	292	2,842	6,000	(3,158)	-52.6%	6,000
District Municipality:		–	–	–	–	–	–	–		–
								–		
Other grant providers:		–	–	–	–	–	–	–		–
European Union		–	–	–	–	–	–	–		–
Total operating expenditure of Transfers and Grants:		**159,464**	**154,467**	**173,356**	**20,800**	**149,836**	**173,356**	**(23,520)**	**-13.6%**	**173,356**
Capital expenditure of Transfers and Grants										
National Government:		504,592	594,927	595,392	65,320	474,257	595,392	(121,135)	**-20.3%**	595,392
Energy Efficiency and Demand Side Management Grant		4,545	4,348	4,348	195	2,492	4,348	(1,856)	-42.7%	4,348
Integrated National Electrification Programme Grant		3,958	16,522	16,522	18	12,723	16,522	(3,799)	-23.0%	16,522
Integrated Urban Development Grant		64,588	66,144	66,609	15,194	57,615	66,609	(8,995)	-13.5%	66,609
Municipal Infrastructure Grant		–	–	–	–	–	–	–		–
Neighbourhood Development Partnership Grant		–	87	87	–	–	87	(87)	-100.0%	87
Regional Bulk Infrastructure Grant		431,501	499,130	499,130	49,913	400,041	499,130	(99,089)	-19.9%	499,130
Water Services Infrastructure Grant		–	8,696	8,696	–	1,387	8,696	(7,309)	-84.1%	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**	**65,320**	**474,257**	**595,392**	**(121,135)**	**-20.3%**	**595,392**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**664,056**	**749,393**	**768,747**	**86,119**	**624,093**	**768,747**	**(144,655)**	**-18.8%**	**768,747**

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	Adjustment Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original	% Spent Adj Budget
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,144	66,609	15,194	57,615	–	87.10%	86.50%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,348	4,348	195	2,492	–	57.31%	57.31%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	499,130	499,130	49,913	400,041	–	80.15%	80.15%
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	16,522	16,522	18	12,723	–	77.01%	77.01%
NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)	87	87	–	–	–	0.00%	0.00%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	8,696	8,696	–	1,387	–	15.95%	15.95%
Grand Total	**594,927**	**595,392**	**65,320**	**474,257**	**–**	**79.72%**	**79.65%**

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R474,257 million or 79.65% 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 - M12 June

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	–	
Intergrated Urban Development Grant		535		535	–	
Provincial Government:		–	–	–	–	
					–	
District Municipality:		–	–	–	–	
					–	
Other grant providers:		–	–	–	–	
					–	
Total capital expenditure of Approved Roll-overs		535	–	535	–	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		535	–	535	–	

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 - M12 June

Summary of Employee and Councillor remuneration R thousands	Ref	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		–	30,893	30,704	4,892	30,485	30,704	(220)	-1%	30,704
Pension and UIF Contributions		1,040	1,540	1,115	77	998	1,115	(117)	-10%	1,115
Medical Aid Contributions		657	710	825	54	664	825	(161)	-20%	825
Motor Vehicle Allowance		–	950	1,397	180	1,396	1,397	(1)	0%	1,397
Cellphone Allowance		3,048	2,910	3,042	251	3,035	3,042	(7)	0%	3,042
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		29,049	80	–	(2,392)	–	–	–		–
Sub Total - Councillors		**33,794**	**37,083**	**37,083**	**3,062**	**36,578**	**37,083**	**(506)**	**-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	5,699	8,743	(3,045)	-35%	8,743
Pension and UIF Contributions		747	1,351	1,351	33	508	1,351	(843)	-62%	1,351
Medical Aid Contributions		208	140	198	16	217	198	19	10%	198
Overtime								–		
Performance Bonus								–		
Motor Vehicle Allowance		1,136	2,113	2,113	102	1,221	2,113	(892)	-42%	2,113
Cellphone Allowance		115	198	198	11	134	198	(64)	-32%	198
Housing Allowances		21	24	24	2	21	24	(3)	-12%	24
Other benefits and allowances								–		
Payments in lieu of leave								–		
Long service awards		29	31	31	1	16	31	(16)	-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**	**7,816**	**12,659**	**(4,843)**	**-38%**	**12,659**
% increase	4		**57.2%**	**57.9%**						**57.9%**
Other Municipal Staff										
Basic Salaries and Wages		463,558	538,612	535,367	40,767	494,716	535,367	(40,651)	-8%	535,367
Pension and UIF Contributions		83,957	99,661	102,214	7,487	88,400	102,214	(13,814)	-14%	102,214
Medical Aid Contributions		58,162	69,790	74,269	5,737	67,164	74,269	(7,105)	-10%	74,269
Overtime		78,779	58,301	76,229	6,350	82,935	76,229	6,706	9%	76,229
Performance Bonus		30,549	39,432	40,909	947	31,525	40,909	(9,384)	-23%	40,909
Motor Vehicle Allowance		41,631	50,362	50,308	3,502	40,731	50,308	(9,577)	-19%	50,308
Cellphone Allowance		1,585	1,740	1,743	136	1,542	1,743	(201)	-12%	1,743
Housing Allowances		4,158	3,152	3,199	237	2,868	3,199	(331)	-10%	3,199
Other benefits and allowances		31,886	32,935	36,306	2,714	33,746	36,306	(2,561)	-7%	36,306
Payments in lieu of leave		10,012	16,200	9,200	329	3,113	9,200	(6,087)	-66%	9,200
Long service awards		30,742	31,845	31,991	2,675	31,960	31,991	(31)	0%	31,991
Post-retirement benefit obligations	2	41,384	49,900	49,900	1,448	6,524	49,900	(43,376)	-87%	49,900
Entertainment								–		
Scarcity								–		
Acting and post related allowance								–		
In kind benefits								–		
Sub Total - Other Municipal Staff		**876,402**	**991,931**	**1,011,636**	**72,330**	**885,224**	**1,011,636**	**(126,411)**	**-12%**	**1,011,636**
% increase	4		**13.2%**	**15.4%**						**15.4%**
Total Parent Municipality		**918,214**	**1,041,615**	**1,061,378**	**76,011**	**929,618**	**1,061,378**	**(131,760)**	**-12%**	**1,061,378**
TOTAL SALARY, ALLOWANCES & BENEFITS		**918,214**	**1,041,615**	**1,061,378**	**76,011**	**929,618**	**1,061,378**	**(131,760)**	**-12%**	**1,061,378**
% increase	4		**13.4%**	**15.6%**						**15.6%**
TOTAL MANAGERS AND STAFF		**884,420**	**1,004,532**	**1,024,295**	**72,949**	**893,041**	**1,024,295**	**(131,254)**	**-13%**	**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 13%. 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, 2024/25 and 2025/26 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 June 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	59,548,000	4,959,851	65,948,651	156%	111%
MS: OVERTIME - STRUCTURED	3,506,000	3,692,000	289,050	3,316,501	95%	90%
Overtime as at 30 June 2026	**45,682,000**	**63,240,000**	**5,248,901**	**69,265,152**	**152%**	**110%**

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	122,189	1,219,290	218%	114%
21-MUNICIPAL AND GENERAL	-	-	-	-		
22-MUNICIPAL MANAGER	-	24,000	4,003	68,291		
23-CORPORATE SERVICES	2,035,000	4,999,000	382,405	5,133,042	252%	103%
24-COMMUNITY SERVICES	17,145,000	16,009,000	1,341,284	18,162,292	106%	113%
26-FINANCIAL SERVICES	1,216,000	2,016,000	310,021	2,435,344	200%	121%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	1,112,000	988,000	106,081	769,340	69%	78%
28-INFRASTRUCTURE SERVICES	23,614,000	38,132,000	2,982,918	41,477,554	176%	109%
Overtime as at 30 June 2026	**45,682,000**	**63,240,000**	**5,248,901**	**69,265,152**	**152%**	**110%**

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 110% spent versus the Adjustments budget, resulting in an unsatisfactory variance of 10% for the period under review, when compared to the ideal IYM percentage of 100.00%.

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

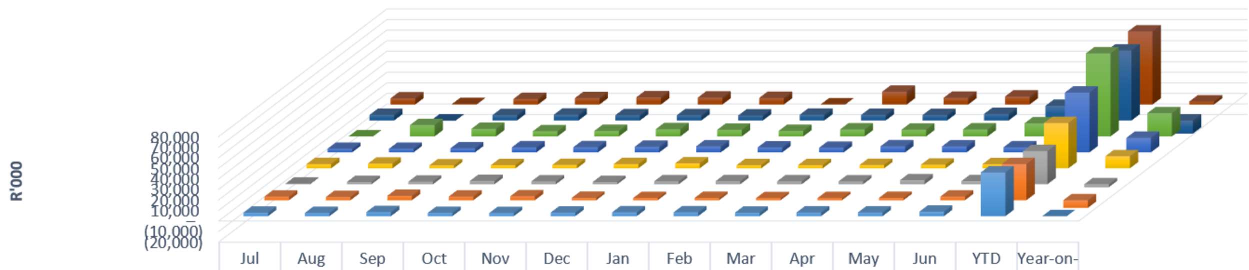
	Adjustments Budget	YTD Actual - Overtime	Amount Overspent / (Unspent)	% Spent vs Budget	% Variance	YTD Actuals - Employee Costs	YTD Actual Overtime as % of YTD Actual Employee Costs
2025/26 June 2026	63,247	69,265	6,018	110%	10%	893,041	8%
2024/25	43,547	66,349	22,802	152%	52%	856,427	8%
2023/24	59,353	78,738	19,385	133%	33%	884,420	9%
2022/23	32,558	56,711	24,152	174%	74%	784,645	7%
2021/22	31,021	42,922	11,902	138%	38%	766,906	6%
2020/21	27,252	31,457	4,205	115%	15%	726,331	4%
2019/20	28,847	34,231	5,384	119%	19%	653,809	5%
2018/19	26,222	41,467	15,245	158%	58%	688,187	6%

Chart 15.1: Overtime Actual vs Budget

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 June 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 and 2025/26 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 15.2: Monthly and Annual Overtime Comparison - Jul 2018 to Jun 2026



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD Actual	Year-on-year and YTD increase (decrease)
2018/19	3,267	3,074	3,856	3,117	2,954	3,409	3,645	3,593	3,326	3,471	3,483	4,272	41,467	–
2019/20	3,433	3,062	4,188	3,523	3,762	2,242	2,106	2,174	1,994	2,045	2,206	3,498	34,231	(7,236)
2020/21	587	2,200	2,520	3,132	2,715	2,178	2,821	2,958	2,783	2,703	3,876	2,985	31,457	(2,774)
2021/22	4,022	4,455	2,845	3,001	3,190	4,047	4,748	3,010	3,033	3,142	3,509	3,917	42,922	11,465
2022/23	3,414	3,400	3,840	4,808	4,875	5,335	5,715	4,724	4,396	5,766	5,668	4,770	56,711	13,788
2023/24	–	10,783	7,219	4,939	5,240	6,904	6,294	5,263	6,656	6,402	6,656	12,382	78,738	22,027
2024/25	5,300	(178)	5,055	5,496	5,001	4,942	4,724	5,420	5,278	5,170	6,205	13,937	66,349	(12,389)
2025/26	5,892	511	5,351	6,145	6,866	6,598	6,331	145	12,172	6,385	7,619	5,249	69,265	2,916

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.

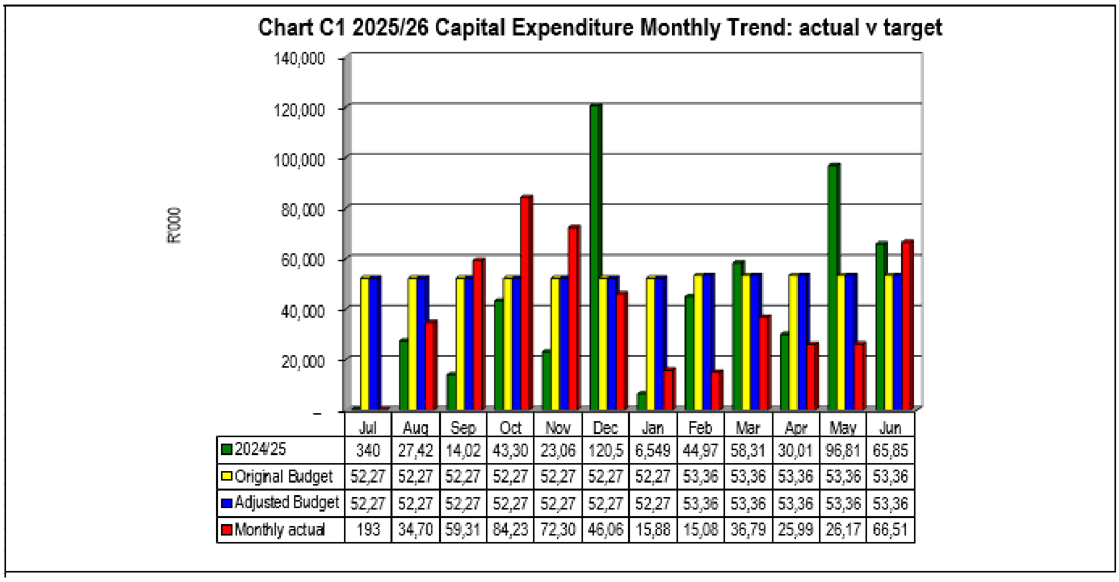


Chart 16.1: Capital Expenditure Monthly Trend: actual v target

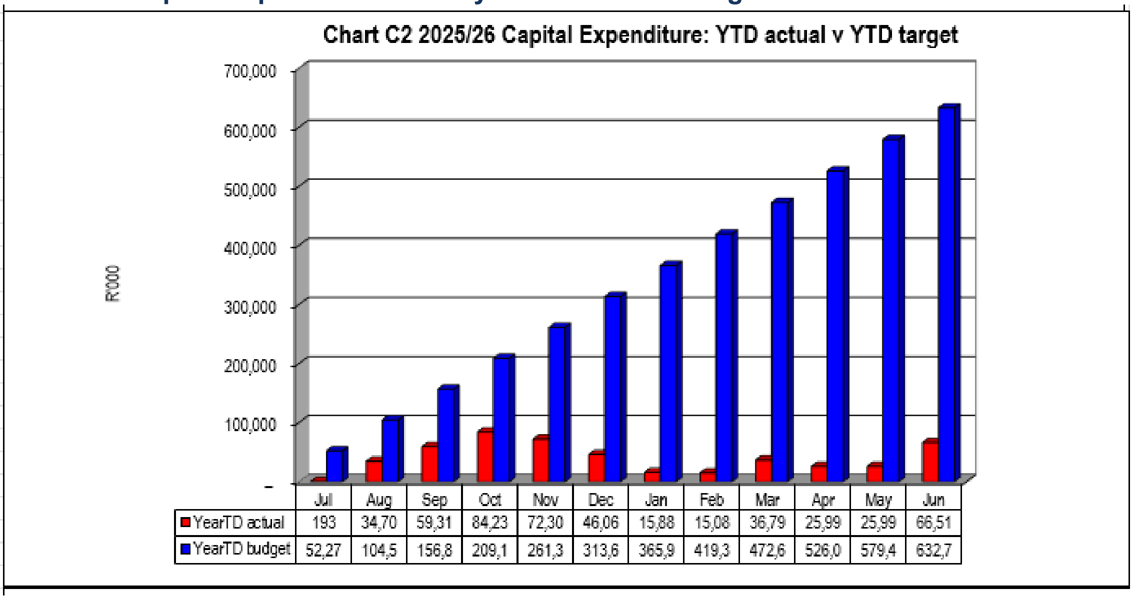


Chart 16.2: Capital Expenditure: YTD actual vs YTD target

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**	**1,199**	**9,003**	**–**	**27.78%**	**24.08%**
ACQ-COMPUTER EQUIPMENT REPLACEMENT	6,783	3,913	–	2,484	–	36.62%	63.48%
ACQ-FLEET REPLACEMENT	4,348	4,348	–	–	–	0.00%	0.00%
ACQ-FURNITURE AND OFFICE EQUIP REPLACEM	870	870	–	–	–	0.00%	0.00%
CAPITAL SPARES-ACQ-PREPAID METERS	435	435	–	–	–	0.00%	0.00%
DSITRBUTION-ACQ-WAT METER REPLACEME	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	303	497	–	35.29%	87.56%
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	825	864	–	#DIV/0!	99.42%
TOWNSHIP ESTABLISHMENT	1,739	1,739	72	1,142	–	65.66%	65.66%
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	–	1,611	–	37.06%	30.89%
LERATO PARK SEWER UPGR DOWNSTREAM INFRA	–	8,696	–	–	–	#DIV/0!	0.00%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	**66,144**	**66,609**	**15,194**	**57,615**	**–**	**87.10%**	**86.50%**
UPGRADE GRAVEL ROADS WARDS VARIOUS	8,261	14,276	1,359	14,047	–	170.04%	98.40%
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	1,412	3,604	–	138.15%	92.11%
CONSTRUCTION OLD SINK TOILETS	9,565	11,344	3,476	10,824	–	113.16%	95.42%
UPGRADE OF RITCHIE SPORTS GROUNDS	1,739	870	–	870	–	50.00%	100.00%
REDEVELOPMENT OF RC ELLIOT HALL	2,174	2,174	–	730	–	33.56%	33.56%
DEVELOPMENT OF RIVERTON HALL	870	435	–	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	1,101	2,974	–	136.82%	97.73%
BEACONSFIELD WASTE WATER TREATMENT WORKS	12,609	12,609	1,594	8,230	–	65.27%	65.27%
HIGH MAST LIGHTS	8,696	8,696	4,515	8,066	–	92.76%	92.76%
UPGRADING OF ROODEPAN CEMETERY	–	1,739	1,739	1,739	–	#DIV/0!	99.97%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	**4,348**	**4,348**	**195**	**2,492**	**–**	**57.31%**	**57.31%**
STREETLIGHTS AND HIGH MAST RETROFITTING	4,348	4,348	195	2,492	–	57.31%	57.31%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	**499,130**	**499,130**	**49,913**	**400,041**	**–**	**80.15%**	**80.15%**
UPGRADE EXISTING/NEW RESERVOIR CONSTRUCT	46,541	29,391	2,564	24,706	–	53.08%	84.06%
REFURBISHMENT/REPLACEMENT BULK PIPELINE	366,547	198,317	–	198,252	–	54.09%	99.97%
KBY/RITCHIE NETWORK LEAK DETECT/REPAIR	32,220	40,626	4,455	36,660	–	113.78%	90.24%
KBY/RITCHIE BULK METERS/PRESSURE MANAGE	3,698	17,000	636	5,883	–	159.11%	34.61%
NEWTON AND RIVERTON WWTW	50,125	213,796	42,257	134,540	–	268.41%	62.93%
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	**16,522**	**16,522**	**18**	**12,723**	**–**	**77.01%**	**77.01%**
ELECTRIFICATION OF JACKSONVILLE	5,891	5,891	–	4,399	–	74.67%	74.67%
NETWORKS ACQ - ELECTR SANTA CENTRE	2,804	2,804	18	2,804	–	99.99%	99.99%
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**	**66,519**	**483,260**	**–**	**77.03%**	**76.37%**

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 June 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 June 2026 amounted to R66,519 million. The total YTD Capex amounts to R483,260 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 (86.50%), EEDSM (57.31%), RBIG (80.15%), INEP (77.01%), WSIG (15.95%). Spending on Internally generated funds is 24.08% 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 June 2026.

- The draft Monthly Debt Relief Non-Compliance Report accompanied by the Municipal Debt Relief Compliance Certificate issued by National Treasury for May 2026.
- The municipality's self-assessment for the month of June 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 Agreement.
- 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 (Pay-as-you-earn (PAYE) deductions, pension and medical aid contributions) 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 - M12 June

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	687,339	717,920	717,920	52,785	697,444	717,920	(20,475)	-3%	717,920
Service charges	1,449,088	1,761,512	1,766,433	191,808	1,577,714	1,766,433	(188,719)	-11%	1,766,433
Investment revenue	21,841	18,000	18,000	27,834	32,401	18,000	14,401	80%	18,000
Transfers and subsidies - Operational	411,128	323,676	331,406	1,005	315,517	331,406	(15,889)	(0)	331,406
Other own revenue	430,140	413,080	394,974	31,400	339,985	394,974	(54,990)	-14%	394,974
Total Revenue (excluding capital transfers and contributions)	**2,999,537**	**3,234,188**	**3,228,733**	**304,831**	**2,963,061**	**3,228,733**	**(265,672)**	**-8%**	**3,228,733**
Employee costs	884,420	1,004,532	1,024,295	72,949	893,041	1,024,295	(131,254)	-13%	1,024,295
Remuneration of Councillors	33,794	37,083	37,083	3,062	36,578	37,083	(506)	-1%	37,083
Depreciation and amortisation	99,985	90,200	90,200	–	87,394	90,200	(2,806)	-3%	90,200
Interest	85,783	15,880	85,900	7,616	71,860	85,900	(14,040)	-16%	85,900
Inventory consumed and bulk purchases	1,182,440	1,331,852	1,363,475	137,189	1,149,076	1,363,475	(214,400)	-16%	1,363,475
Transfers and subsidies	2,807	4,300	4,450	707	2,795	4,450	(1,655)	-37%	4,450
Other expenditure	848,755	728,658	878,656	45,787	857,669	878,656	(20,986)	-2%	878,656
Total Expenditure	**3,137,984**	**3,212,506**	**3,484,060**	**267,309**	**3,098,413**	**3,484,060**	**(385,647)**	**-11%**	**3,484,060**
Surplus/(Deficit)	**(138,447)**	**21,682**	**(255,327)**	**37,522**	**(135,352)**	**(255,327)**	**119,975**	**-47%**	**(255,327)**
Transfers and subsidies - capital (monetary	574,062	684,166	684,166	75,466	546,990	684,166	####	-20%	684,166
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**435,615**	**705,848**	**428,839**	**112,988**	**411,638**	**428,839**	**(17,201)**	**-4%**	**428,839**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**435,615**	**705,848**	**428,839**	**112,988**	**411,638**	**428,839**	**(17,201)**	**-4%**	**428,839**
Capital expenditure & funds sources									
Capital expenditure	**561,573**	**627,331**	**632,781**	**66,519**	**483,260**	**632,781**	**(149,521)**	**-24%**	**632,781**
Capital transfers recognised	504,592	594,927	595,392	65,320	474,257	595,392	(121,135)	-20%	595,392
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**56,981**	**32,404**	**37,389**	**1,199**	**9,003**	**37,389**	**(28,386)**	**-76%**	**37,389**
Total sources of capital funds	**561,573**	**627,331**	**632,781**	**66,519**	**483,260**	**632,781**	**(149,521)**	**-24%**	**632,781**
Financial position									
Total current assets	2,957,797	3,027,796	2,820,433		3,430,368				2,820,433
Total non current assets	2,718,554	3,131,060	3,136,510		3,114,420				3,136,510
Total current liabilities	1,204,094	1,669,231	1,744,326		1,459,889				1,744,326
Total non current liabilities	1,158,726	442,927	442,927		1,142,022				442,927
Community wealth/Equity	**3,313,531**	**4,046,698**	**3,769,690**		**3,952,159**				**3,769,690**
Cash flows									
Net cash from (used) operating	517,024	753,802	619,910	(292,415)	90,817	619,910	529,093	85%	619,910
Net cash from (used) investing	(554,810)	(721,431)	(726,881)	(66,519)	(483,265)	(726,881)	(243,616)	34%	(726,881)
Net cash from (used) financing	100	(16,688)	(16,688)	21	68	(16,688)	(16,756)	100%	(16,688)
Cash/cash equivalents at the month/year end	**76,040**	**146,574**	**7,232**	**(228,472)**	**(228,472)**	**7,232**	**235,703**	**3259%**	**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	242,120	129,837	91,914	131,326	78,968	78,872	486,201	3,326,601	4,565,839
Creditors Age Analysis									
Total Creditors	270,618	115,499	37,765	19,030	21,860	30,245	267,829	909,091	1,671,935

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**1,868,278**	**1,815,862**	**1,829,372**	**167,072**	**1,704,644**	**1,829,372**	(124,728)	-7%	**1,829,372**
Executive and council		1,146,927	1,067,130	1,080,640	112,592	995,704	1,080,640	(84,936)	-8%	1,080,640
Finance and administration		721,351	748,732	748,732	54,480	708,940	748,732	(39,792)	-5%	748,732
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**52,398**	**46,152**	**51,404**	**4,725**	**38,461**	**51,404**	(12,943)	-25%	**51,404**
Community and social services		12,453	12,888	13,410	1,685	5,860	13,410	(7,550)	-56%	13,410
Sport and recreation		3,217	2,910	2,910	446	3,327	2,910	417	14%	2,910
Public safety		818	570	570	32	412	570	(158)	-28%	570
Housing		31,910	29,708	29,938	2,562	28,862	29,938	(1,076)	-4%	29,938
Health		4,000	75	4,575	–	–	4,575	(4,575)	-100%	4,575
Economic and environmental services		**21,781**	**23,377**	**25,876**	**914**	**14,749**	**25,876**	(11,127)	-43%	**25,876**
Planning and development		8,200	9,207	9,907	521	8,551	9,907	(1,356)	-14%	9,907
Road transport		13,581	14,170	15,969	393	6,198	15,969	(9,771)	-61%	15,969
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**1,619,577**	**2,020,883**	**1,994,167**	**205,261**	**1,738,526**	**1,994,167**	**(255,641)**	-13%	**1,994,167**
Energy sources		984,262	1,305,623	1,258,649	111,594	1,025,137	1,258,649	(233,513)	-19%	1,258,649
Water management		387,287	448,093	451,395	71,946	449,206	451,395	(2,189)	0%	451,395
Waste water management		141,634	157,774	163,707	12,432	150,722	163,707	(12,985)	-8%	163,707
Waste management		106,393	109,393	120,416	9,290	113,461	120,416	(6,955)	-6%	120,416
Other	4	**11,566**	**12,081**	**12,081**	**2,326**	**13,672**	**12,081**	**1,591**	**13%**	**12,081**
Total Revenue - Functional	2	**3,573,599**	**3,918,354**	**3,912,899**	**380,298**	**3,510,051**	**3,912,899**	**(402,848)**	**-10%**	**3,912,899**
Expenditure - Functional										
Governance and administration		**805,088**	**756,026**	**846,806**	**53,597**	**864,886**	**846,806**	18,079	2%	**846,806**
Executive and council		566,451	532,963	606,037	22,852	576,233	606,037	(29,805)	-5%	606,037
Finance and administration		234,475	219,046	236,752	30,286	283,877	236,752	47,125	20%	236,752
Internal audit		4,162	4,017	4,017	459	4,776	4,017	759	19%	4,017
Community and public safety		**195,831**	**219,901**	**228,330**	**18,905**	**195,214**	**228,330**	(33,116)	-15%	**228,330**
Community and social services		48,397	52,711	53,264	4,261	47,106	53,264	(6,157)	-12%	53,264
Sport and recreation		63,434	66,957	67,389	5,994	61,731	67,389	(5,659)	-8%	67,389
Public safety		42,589	47,422	50,124	4,546	43,853	50,124	(6,271)	-13%	50,124
Housing		22,733	31,345	30,278	2,448	23,960	30,278	(6,318)	-21%	30,278
Health		18,679	21,467	27,276	1,656	18,564	27,276	(8,712)	-32%	27,276
Economic and environmental services		**179,646**	**189,177**	**213,418**	**21,513**	**198,867**	**213,418**	(14,552)	-7%	**213,418**
Planning and development		48,260	55,838	55,643	4,609	51,091	55,643	(4,552)	-8%	55,643
Road transport		130,479	132,364	156,800	16,829	146,825	156,800	(9,975)	-6%	156,800
Environmental protection		907	975	975	76	951	975	(24)	-2%	975
Trading services		**1,932,419**	**2,016,320**	**2,162,060**	**171,285**	**1,814,595**	**2,162,060**	**(347,465)**	-16%	**2,162,060**
Energy sources		1,292,570	1,303,951	1,389,336	106,520	1,162,545	1,389,336	(226,791)	-16%	1,389,336
Water management		439,992	445,043	481,062	44,574	412,148	481,062	(68,914)	-14%	481,062
Waste water management		117,220	158,834	175,737	13,752	140,580	175,737	(35,157)	-20%	175,737
Waste management		82,637	108,493	115,925	6,438	99,323	115,925	(16,603)	-14%	115,925
Other		**25,000**	**31,081**	**33,445**	**2,010**	**24,851**	**33,445**	**(8,594)**	**-26%**	**33,445**
Total Expenditure - Functional	3	**3,137,984**	**3,212,506**	**3,484,060**	**267,309**	**3,098,413**	**3,484,060**	**(385,647)**	**-11%**	**3,484,060**
Surplus/ (Deficit) for the year		**435,615**	**705,848**	**428,839**	**112,988**	**411,638**	**428,839**	**(17,201)**	**-0.0401107**	**428,839**

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 01 - Executive & Council		–	–	–	–	–	–	–		–
Vote 02 - Municipal And General		1,146,927	1,067,130	1,080,640	112,592	995,704	1,080,640	(84,936)	-7.9%	1,080,640
Vote 03 - Municipal Manager		2,759	2,305	2,305	–	2,313	2,305	8	0.4%	2,305
Vote 04 - Corporate Services		6,263	6,110	6,110	4	4,079	6,110	(2,031)	-33.2%	6,110
Vote 05 - Community Services		149,002	148,586	164,631	14,084	136,353	164,631	(28,278)	-17.2%	164,631
Vote 06 - Financial Services		714,281	742,122	742,122	54,602	704,411	742,122	(37,710)	-5.1%	742,122
Vote 07 - Strategy Econ Development And Planning		8,419	10,003	10,703	403	8,934	10,703	(1,769)	-16.5%	10,703
Vote 08 - Infrastructure And Services		1,545,949	1,942,098	1,906,388	198,612	1,658,256	1,906,388	(248,132)	-13.0%	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**	**380,298**	**3,510,051**	**3,912,899**	**(402,848)**	**-10.3%**	**3,912,899**
Expenditure by Vote	1									
Vote 01 - Executive & Council		57,033	61,221	61,955	4,849	59,250	61,955	(2,705)	-4.4%	61,955
Vote 02 - Municipal And General		495,160	464,832	536,992	16,211	502,412	536,992	(34,580)	-6.4%	536,992
Vote 03 - Municipal Manager		29,886	30,614	31,271	3,462	29,324	31,271	(1,946)	-6.2%	31,271
Vote 04 - Corporate Services		73,335	81,513	89,312	6,874	79,957	89,312	(9,355)	-10.5%	89,312
Vote 05 - Community Services		320,158	363,848	381,544	28,623	336,672	381,544	(44,872)	-11.8%	381,544
Vote 06 - Financial Services		143,187	173,366	183,603	17,196	152,198	183,603	(31,405)	-17.1%	183,603
Vote 07 - Strategy Econ Development And Planning		55,692	76,090	78,020	5,859	55,222	78,020	(22,798)	-29.2%	78,020
Vote 08 - Infrastructure And Services		1,963,535	1,961,023	2,121,363	184,236	1,883,379	2,121,363	(237,984)	-11.2%	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**	**267,309**	**3,098,413**	**3,484,060**	**(385,647)**	**-11.1%**	**3,484,060**
Surplus/ (Deficit) for the year	2	**435,615**	**705,848**	**428,839**	**112,988**	**411,638**	**428,839**	**(17,201)**	**-4.0%**	**428,839**

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		942,441	1,218,923	1,219,183	109,879	1,001,336	1,219,183	(217,848)	-18%	1,219,183
Service charges - Water		312,941	362,722	363,126	65,214	370,913	363,126	7,787	2%	363,126
Service charges - Waste Water Management		110,559	106,274	106,317	9,561	117,056	106,317	10,740	10%	106,317
Service charges - Waste management		83,147	73,593	77,807	7,153	88,409	77,807	10,602	14%	77,807
Sale of Goods and Rendering of Services		16,897	18,644	20,425	2,710	17,415	20,425	(3,010)	-15%	20,425
Agency services								–		
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		166,017	142,100	182,139	14,870	175,945	182,139	(6,194)	-3%	182,139
Interest from Current and Non Current Assets		21,841	18,000	18,000	27,834	32,401	18,000	14,401	80%	18,000
Dividends		–	–	–	–	–	–	–		–
Rent on Land								–		
Rental from Fixed Assets		32,057	29,740	29,740	2,585	29,096	29,740	(644)	-2%	29,740
Licence and permits		660	1,000	1,000	37	385	1,000	(615)	-61%	1,000
Special rating levies								–		
Operational Revenue		3,152	3,383	5,182	112	7,618	5,182	2,436	47%	5,182
Non-Exchange Revenue								–		
Property rates		687,339	717,920	717,920	52,785	697,444	717,920	(20,475)	-3%	717,920
Surcharges and Taxes								–		
Fines, penalties and forfeits		36,851	34,743	34,743	1,013	5,573	34,743	(29,170)	-84%	34,743
Licence and permits		8,435	8,200	8,200	2,236	10,621	8,200	2,421	30%	8,200
Transfers and subsidies - Operational		411,128	323,676	331,406	1,005	315,517	331,406	(15,889)	-5%	331,406
Interest		103,759	117,020	102,540	6,866	81,710	102,540	(20,830)	-20%	102,540
Fuel Levy								–		
Operational Revenue		27,322	58,250	11,005	955	11,610	11,005	605	5%	11,005
Gains on disposal of Assets		6,763	–	–	–	(5)	–	(5)	#DIV/0!	–
Other Gains		28,227	–	–	16	16	–	16	#DIV/0!	–
Discontinued Operations								–		
Total Revenue (excluding capital transfers and contributions)		**2,999,537**	**3,234,188**	**3,228,733**	**304,831**	**2,963,061**	**3,228,733**	**(265,672)**	**-8%**	**3,228,733**
Expenditure By Type										
Employee related costs		884,420	1,004,532	1,024,295	72,949	893,041	1,024,295	(131,254)	-13%	1,024,295
Remuneration of councillors		33,794	37,083	37,083	3,062	36,578	37,083	(506)	-1%	37,083
Bulk purchases - electricity		901,045	1,000,000	1,000,000	84,208	860,161	1,000,000	(139,839)	-14%	1,000,000
Inventory consumed		281,395	331,852	363,475	52,981	288,914	363,475	(74,561)	-21%	363,475
Debt impairment		476,743	437,149	526,399	–	526,399	526,399	–		526,399
Depreciation and amortisation		99,985	90,200	90,200	–	87,394	90,200	(2,806)	-3%	90,200
Interest		85,783	15,880	85,900	7,616	71,860	85,900	(14,040)	-16%	85,900
Contracted services		125,349	45,856	50,356	6,203	29,087	50,356	(21,269)	-42%	50,356
Transfers and subsidies		2,807	4,300	4,450	707	2,795	4,450	(1,655)	-37%	4,450
Irrecoverable debts written off		–	–	–	5	1,076	–	1,076	#DIV/0!	–
Operational costs		151,187	176,654	197,555	21,303	200,337	197,555	2,782	1%	197,555
Losses on Disposal of Assets		929	–	–	–	–	–	–		–
Other Losses		94,546	69,000	104,346	18,275	100,771	104,346	(3,575)	-3%	104,346
Total Expenditure		**3,137,984**	**3,212,506**	**3,484,060**	**267,309**	**3,098,413**	**3,484,060**	**(385,647)**	**-11%**	**3,484,060**
Surplus/(Deficit)		**(138,447)**	**21,682**	**(255,327)**	**37,522**	**(135,352)**	**(255,327)**	**119,975**	**(0)**	**(255,327)**
Transfers and subsidies - capital (monetary allocations)		574,062	684,166	684,166	75,466	546,990	684,166	(137,176)	**(0)**	684,166
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**435,615**	**705,848**	**428,839**	**112,988**	**411,638**	**428,839**	**(17,201)**	**(0)**	**428,839**
Income Tax								–		
Surplus/(Deficit) after income tax		**435,615**	**705,848**	**428,839**	**112,988**	**411,638**	**428,839**	**(17,201)**	**(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**	**112,988**	**411,638**	**428,839**	(17,201)	(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**	**112,988**	**411,638**	**428,839**	**(17,201)**	**(0)**	**428,839**

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 01 - Executive & Council		–	–	–	–	–	–	–		–
Vote 02 - Municipal And General		2,214	1,739	870	–	870	870	–		870
Vote 03 - Municipal Manager		–	–	–	–	–	–	–		–
Vote 04 - Corporate Services		–	–	–	–	–	–	–		–
Vote 05 - Community Services		3,043	6,579	4,654	–	2,045	4,654	(2,610)	-56%	4,654
Vote 06 - Financial Services		–	–	–	–	–	–	–		–
Vote 07 - Strategy Econ Development And Planning		143	3,130	3,130	72	1,347	3,130	(1,783)	-57%	3,130
Vote 08 - Infrastructure And Services		509,323	524,952	520,167	58,196	407,011	520,167	(113,156)	-22%	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**	**58,268**	**411,273**	**528,821**	**(117,549)**	**-22%**	**528,821**
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		–	–	–	–	–	–	–		–
Vote 02 - Municipal And General		16,951	19,826	9,380	–	2,484	9,380	(6,896)	-74%	9,380
Vote 03 - Municipal Manager		–	–	–	–	–	–	–		–
Vote 04 - Corporate Services		–	–	–	–	–	–	–		–
Vote 05 - Community Services		2,014	5,217	6,956	1,739	6,955	6,956	(1)	0%	6,956
Vote 06 - Financial Services		–	870	–	–	–	–	–		–
Vote 07 - Strategy Econ Development And Planning		1,518	7,361	7,389	1,404	5,670	7,389	(1,719)	-23%	7,389
Vote 08 - Infrastructure And Services		26,368	57,657	80,235	5,109	56,878	80,235	(23,357)	-29%	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	8,252	71,988	103,960	**(31,972)**	**-31%**	103,960
Total Capital Expenditure		**561,573**	**627,331**	**632,781**	**66,519**	**483,260**	**632,781**	**(149,521)**	**-24%**	**632,781**
Capital Expenditure - Functional Classification										
Governance and administration		**19,165**	**22,435**	**10,249**	**–**	**3,353**	**10,249**	(6,896)	-67%	**10,249**
Executive and council		19,165	21,565	10,249	–	3,353	10,249	(6,896)	-67%	10,249
Finance and administration		–	870	–	–	–	–	–		–
Internal audit								–		
Community and public safety		**5,056**	**11,797**	**11,610**	**1,739**	**9,000**	**11,610**	(2,610)	-22%	**11,610**
Community and social services		3,043	11,797	11,610	1,739	9,000	11,610	(2,610)	-22%	11,610
Sport and recreation		2,014	–	–	–	–	–	–		–
Public safety								–		
Housing								–		
Health								–		
Economic and environmental services		**38,159**	**17,913**	**26,101**	**3,943**	**22,132**	**26,101**	(3,969)	-15%	**26,101**
Planning and development		1,415	7,043	7,913	1,173	4,482	7,913	(3,431)	-43%	7,913
Road transport		36,744	10,870	18,188	2,770	17,651	18,188	(538)	-3%	18,188
Environmental protection								–		
Trading services		**498,947**	**571,739**	**582,213**	**60,535**	**446,238**	**582,213**	(135,975)	-23%	**582,213**
Energy sources		34,000	30,000	30,870	5,552	24,145	30,870	(6,725)	-22%	30,870
Water management		444,716	499,565	499,565	49,913	400,041	499,565	(99,524)	-20%	499,565
Waste water management		20,231	42,174	51,778	5,070	22,052	51,778	(29,726)	-57%	51,778
Waste management								–		
Other		246	3,448	2,607	303	2,536	2,607	(71)	-3%	2,607
Total Capital Expenditure - Functional Classification	3	**561,573**	**627,331**	**632,781**	**66,519**	**483,260**	**632,781**	**(149,521)**	**-24%**	**632,781**
Funded by:										
National Government		504,592	594,927	595,392	65,320	474,257	595,392	(121,135)	-20%	595,392
Provincial Government								–		
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**504,592**	**594,927**	**595,392**	**65,320**	**474,257**	**595,392**	**(121,135)**	**-20%**	**595,392**
Borrowing	6							–		
Internally generated funds		56,981	32,404	37,389	1,199	9,003	37,389	(28,386)	-76%	37,389
Total Capital Funding		**561,573**	**627,331**	**632,781**	**66,519**	**483,260**	**632,781**	**(149,521)**	**-24%**	**632,781**

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M12 June

Description	Ref	2024/25	Budget Year 2025/26			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		163,909	146,574	6,414	411,364	6,414
Trade and other receivables from exchange transactions		1,517,568	1,518,421	1,495,551	1,664,457	1,495,551
Receivables from non-exchange transactions		993,234	1,060,605	1,016,271	933,840	1,016,271
Current portion of non-current receivables		–	–	–	–	–
Inventory		107,239	112,013	112,013	117,023	112,013
VAT		175,145	189,484	189,484	303,332	189,484
Other current assets		704	699	699	352	699
Total current assets		**2,957,797**	**3,027,796**	**2,820,433**	**3,430,368**	**2,820,433**
Non current assets						
Investments						
Investment property		200,308	205,599	205,599	201,616	205,599
Property, plant and equipment		2,465,059	2,873,339	2,879,630	2,863,977	2,879,630
Biological assets						
Living and non-living resources						
Heritage assets		12,071	13,480	12,639	12,568	12,639
Intangible assets		41,117	38,642	38,642	36,259	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**	**3,114,420**	**3,136,510**
TOTAL ASSETS		**5,676,351**	**6,158,856**	**5,956,943**	**6,544,787**	**5,956,943**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	(16,688)	(16,688)	–	(16,688)
Consumer deposits		50,445	49,962	49,962	52,879	49,962
Trade and other payables from exchange transactions		900,690	1,191,824	1,266,824	946,459	1,266,824
Trade and other payables from non-exchange transactions		742	106,409	106,409	154,490	106,409
Provision		788	788	788	788	788
VAT		251,429	336,936	337,031	305,274	337,031
Other current liabilities		–	–	–	–	–
Total current liabilities		**1,204,094**	**1,669,231**	**1,744,326**	**1,459,889**	**1,744,326**
Non current liabilities						
Financial liabilities		841,699	139,019	139,019	824,995	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**	**1,142,022**	**442,927**
TOTAL LIABILITIES		**2,362,820**	**2,112,158**	**2,187,253**	**2,601,911**	**2,187,253**
NET ASSETS	2	**3,313,531**	**4,046,698**	**3,769,690**	**3,942,876**	**3,769,690**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		3,238,727	3,971,894	3,694,886	3,877,355	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**	**3,952,159**	**3,769,690**

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M12 June

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		468,755	610,232	610,232	39,052	595,865	610,232	(14,367)	-2%	610,232
Service charges		1,254,616	1,891,008	1,841,542	106,984	1,271,680	1,841,542	(569,862)	-31%	1,841,542
Other revenue		1,080,654	421,814	440,858	39,055	623,215	440,858	182,356	41%	440,858
Transfers and Subsidies - Operational		312,601	323,676	331,406	–	336,884	331,406	5,478	2%	331,406
Transfers and Subsidies - Capital		574,597	684,166	684,166	–	679,371	684,166	(4,795)	-1%	684,166
Interest		29,685	46,525	49,974	2,902	42,342	49,974	(7,631)	-15%	49,974
Dividends								–		
Payments										
Suppliers and employees		(3,204,798)	(3,207,739)	(3,252,367)	(477,561)	(3,456,900)	(3,252,367)	204,533	-6%	(3,252,367)
Interest		914	(15,880)	(85,900)	(2,847)	(1,641)	(85,900)	(84,260)	98%	(85,900)
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**517,024**	**753,802**	**619,910**	**(292,415)**	**90,817**	**619,910**	**529,093**	**85%**	**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)	(66,519)	(483,260)	(726,881)	(243,621)	34%	(726,881)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(554,810)**	**(721,431)**	**(726,881)**	**(66,519)**	**(483,265)**	**(726,881)**	**(243,616)**	**34%**	**(726,881)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		100	–	–	21	68	–	68	#DIV/0!	–
Payments										
Repayment of borrowing		–	(16,688)	(16,688)	–	–	(16,688)	(16,688)	100%	(16,688)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**100**	**(16,688)**	**(16,688)**	**21**	**68**	**(16,688)**	**(16,756)**	**100%**	**(16,688)**
NET INCREASE/ (DECREASE) IN CASH HELD		**(37,686)**	**15,684**	**(123,659)**	**(358,913)**	**(392,380)**	**(123,659)**			**(123,659)**
Cash/cash equivalents at beginning:		113,726	130,891	130,891	130,442	163,909	130,891			163,909
Cash/cash equivalents at month/year end:		76,040	146,574	7,232	(228,472)	(228,472)	7,232			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 R411,364 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

National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Municipality Self-Assessment

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period Jun'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

Condition				Notes/Comments
	6,3 + 6,12	**Maintaining the Eskom and bulk water current account –** (current account for the purpose of this exercise means the account for a single month's consumption).		
1	6.12.2	- Has the municipality paid its ***bulk water current account*** within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? ***Note*** *- refer condition 6.12 .2*	No	No current account was billed for May 2026 due to our servitude that commences 1st of April each year.
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	No	No payment was made to DWS
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes	
4	6.3.1	- Has the municipality paid its ***Eskom bulk current account*** within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? ***Note*** *- current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.*	No	The municipality missed the cut-off time of the bank on the 30 June 2026 and the balance of R34 million settled on the April 2026 account, was subsequently released on 1 July 2026. The municipality had insufficient cash to settle the current account for May 2026 amounting to R96 million.
5	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	Yes	
6	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes	
	6.4	**Compliance with a funded MTREF –** ***(choose from drop down list the MTREF assessed)***	2025/26 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?	Yes	
		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 propert 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".*		
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment *(considering its asset register and physical state of assets)* on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes	
		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".*		
11	6.4.2	- ***If the municipality's MTREF is not funded*** , has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	N/A - the MTREF is funde	
		Note - *if the municipality has an FRP, a separate budget funding plan is not necesary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strenghtening.*		
12	6.4.2	- ***If the municipality's MTREF is not funded and it has an FRP per the legislative framework*** , does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? ***Note*** *- only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.*	N/a	
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends *(For example higher winter Eskom tariffs, lower January collection rates, etc.?)*	Yes	
14	6.5	**Cost reflective tariffs –** (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	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? Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.	No	
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? ***Note –*** *the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.*	No	
	6.6	***Supporting evidence*** *: The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.*		
	6.7	**Maintain a minimum average quarterly collection of property rates and services charges –**		
19	6.7.1	- Has the municipality achieved a minimum of *80 per cent average quarterly collection* of property rates and service charges **with effect from 01 April 2023** and *85 per cent average quarterly collection* **with effect from 01 April 2024** during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	No	
		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.*		
	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;	No	
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	Does not have function	
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	No	
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes	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? ***Note*** *- monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement*	Yes	
28	6.8.2	- **For the latest ending Quarte**r -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za?	Yes	
	6.9	**Monitor and report on implementation –**		
29	6.9.1	- **MFMA section 71 reporting –** has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes	
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the **active intervention evident** from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? ***Note*** *- condition 6.9.2 has a typing error and must refer to 6.9.1.*	Yes	
31	6.9.3	- **Municipalities with financial recovery plans (FRP)** – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP	
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	No FRP	
		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.		
	6.10	*Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:*		
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes	
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the **conditions for provincial treasuries** (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? ***Note*** *- in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.*	Yes	
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the **conditions for provincial treasuries** (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	No	

		Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.		
36	6.11	**Limitation on municipality borrowing powers -** has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	No	
		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.		
	6.12	**For the duration of the Municipal Debt Relief (to ensure proper management of resources):**		
37	6.12.1	- has the municipality **apportioned and ring-fenced in a sub-account** to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) **the component of the** Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	No	The municipality had insufficient cash to settle arrear Water accounts and settled the final balance outstanding on the Eskom current account for April 2026. The municipality had insufficient cash to settle the current account for May 2026 amounting to R96 million.
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	No	The municipality had insufficient cash to settle arrear Water accounts and settled the final balance outstanding on the Eskom current account for April 2026. The municipality had insufficient cash to settle the current account for May 2026 amounting to R96 million.
		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).		
39		***Supporting evidence*** : Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	Yes	
40	6.13	**Accounting Treatment -** has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? *Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.*	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?	Yes	
		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.		

PT: HOD/ NT / MM Name: ______________________

Signature of HOD/ NT/ MM: ______________________

Date: ______________________

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

Note – The Signed Certificate to be uploaded on Gomuni must not include comments column - comments need to be incoporated 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 June 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
NC091	Frances Baard	Sol Plaatje

Monthly Performance Report

Municipal Details			Part A: Eskom And Bulk water current account						Part B: Compliance with a funded MTREF				
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11
25.July25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A
26.August25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A
27.September25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A
28.October25	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
29.November25	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
30.December25	Sol Plaatje	NC091	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A
31.January26	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A
32.February26	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
33.March26	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
34.April26	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A
35.May26	Sol Plaatje	NC091	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A
36.June26	Sol Plaatje	NC091	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A

Month	Part C: FRP/BFP & Tariff Assessment			Part D: Electricity and water as collection tools			
	C12	C13	C14	C15	C16	C17	C18
25.July25	N/A	Yes	No	Yes	Yes	No	No
26.August25	N/A	Yes	No	Yes	Yes	No	No
27.September25	N/A	Yes	No	Yes	Yes	No	No
28.October25	N/A	Yes	No	Yes	Yes	No	No
29.November25	N/A	Yes	No	Yes	Yes	No	No
30.December25	N/A	Yes	No	Yes	Yes	No	No
31.January26	N/A	Yes	No	Yes	Yes	No	No
32.February26	N/A	Yes	No	Yes	Yes	No	No
33.March26	N/A	Yes	No	Yes	Yes	No	No
34.April26	N/A	Yes	No	Yes	Yes	No	No
35.May26	N/A	Yes	No	Yes	Yes	No	No
36.June26	N/A	Yes	No	Yes	Yes	No	No

Month	Part C: Quarterly collection of property rates and services charges							Maximization of Revenue Base		
	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28
25.July25	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
26.August25	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
27.September25	No	No	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes
28.October25	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
29.November25	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
30.December25	No	No	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes
31.January26	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
32.February26	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
33.March26	No	No	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes
34.April26	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
35.May26	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
36.June26	No	No	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes

Month	Part E: Oversight													Scoring and Rating	
	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating
25.July25	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	83%	Above Moderate
26.August25	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	88%	Above Moderate
27.September25	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	73%	Moderate compliance
28.October25	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	80%	Above Moderate
29.November25	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	78%	Moderate compliance
30.December25	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	71%	Moderate compliance
31.January26	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	76%	Moderate compliance
32.February26	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	78%	Moderate compliance
33.March26	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	71%	Moderate compliance
34.April26	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	76%	Moderate compliance
35.May26	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	80%	Above Moderate
36.June26	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	71%	Moderate compliance

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

- The partial payment on the Eskom current account.
- The municipality could not settle the Eskom payment arrangement instalment of R6.7 million which was due at the end of June 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 81% for the month of June 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 74%. The quarterly collection rate for the fourth quarter is 70%. 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 draft National Treasury debt relief compliance certificate and non-compliance report issued to the municipality for the month of May 2026 is attached to this S71 report.

Here are the specific high-level recommendations for May 2026 according to the draft 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 April 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 R493.313 million and the DWS amount of R255.997 million required to remain on the Department's Debt Incentive Programme. The plan must include funding sources, 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 with a funding response.

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. Repeated red status must trigger consequence management and Council escalation. The tracker must also include the seven validation matters reflected in the April CoC workbook.

4. Finalise the 2026/27 MTREF with a cash-backed funding test. The final budget must reconcile the technical surplus to actual collection performance and must include sensitivity analysis showing the effect of collection remaining at 82 per cent, improving to 85 per cent or reaching the 95 per cent debt relief benchmark. The final budget must protect debt impairment, depreciation, repairs and maintenance and first-call bulk-service obligations.

5. Correct and approve the tariff tool before final budget adoption. The April CoC records Condition 6.5 as No. The final tariff-tool pack must be reconciled to Table A4, include all direct and indirect costs, allocate equitable share correctly, disclose debt impairment and depreciation assumptions, explain tariff shortfalls and set out a phase-in plan where tariffs are not yet fully cost reflective.

6. 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 position that most conventional water meters cannot restrict supply must be treated as a problem to be solved, not as a reason for continued non-compliance.

7. Intensify service-level collection recovery. The Municipality must target water, wastewater and refuse collection specifically, while also addressing government, business and household arrears. A general collection report is insufficient. The recovery plan must include debtor segmentation, top debtor actions, payment-arrangement enforcement, legal collections and monthly service-level recovery reporting.

8. Prepare a debt relief accounting confirmation signed by the CFO. The confirmation must reconcile the first and second write-off approval, the ledger processing, the compliance register and the remaining relief benefit at risk. The accounting file must be ready audit and must be aligned to mSCOA, creditor statements and Eskom confirmations.

9. Strengthen Council oversight. Council must 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 reasons for each failure, the corrective action and the financial consequence of inaction. Council must approve corrective actions and implementation instructions, not merely note the report.

10. Submit a management response matrix with the next GoMuni pack. The matrix must be signed by the Municipal Manager and CFO and must respond to each non-compliant or materially qualified condition separately. For each item it must set out the root cause, corrective action, amount involved, evidence to be submitted, responsible official and deadline. Without this matrix, the Municipality is likely to continue presenting broad explanations without enforceable accountability.

Conclusion

Sol Plaatje Local Municipality remains under severe financial pressure and its April 2026 MDRP performance does not provide sufficient assurance that the Municipality has restored the discipline required by MFMA Circular No. 124. The corrected April performance result is 31 compliant scored items out of 41, or 75.61 per cent, with a Moderate compliance rating. This result must not be overstated. The Municipality has made some progress in administrative reporting, Eskom monthly CoC scoring and draft budget preparation, but these positives are outweighed by DWS current-account failure, continued Eskom good-standing exposure, arrear instalment pressure, weak collection, non-implementation of water restriction, incomplete cost-reflective tariff-tool compliance and unresolved accounting treatment of the debt relief benefit.

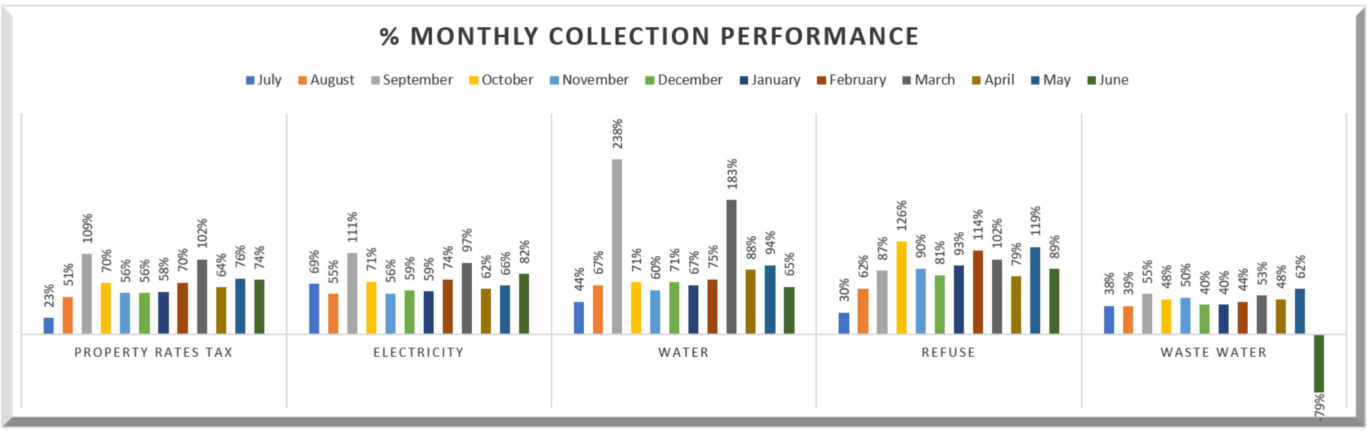
The draft 2026/27 MTREF and draft tariff tool provide an opportunity to correct the recovery path, but they do not remove the April risk. Condition 6.4 is technically positive because the draft MTREF reflects a funded position and a narrow operating surplus. However, that funded position is exposed to collection underperformance, aged debtors and creditor arrears. Condition 6.5 remains non-compliant because the tariff tool requires correction, completion and reconciliation before it can support a full cost-reflective tariff finding. These two conditions must be finalised properly before the adoption of the final budget.

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 April 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.

It is recommended that National Treasury issue this April 2026 assessment to the Municipality with a requirement that the Municipal Manager and CFO submit a written response to each non-compliant and qualified condition. The response must be supported by auditable evidence and must be tabled before Council as a dedicated Municipal Debt Relief Programme item. The Municipality must demonstrate implementation before the next reporting cycle, not merely provide further explanations.

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

16.4.1 Monthly / Quarterly collection per ward



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

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

Collection Rate Assessment

Aggregate Collection	Summary - Quarter 1				Q1
	Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	712,602,749	427,760,345	284,842,404	60%	60%
2.Collection excl Eskom supplied areas	615,488,939	386,831,143	228,657,797	63%	63%
3.Collection: **Property Rates**	271,762,961	198,901,285	72,861,677	73%	73%
4.Total average collection: **Electricity** (Municipal supplied areas)	210,307,976	153,191,710	57,116,267	73%	73%
5.Total average collection: **Water**	89,997,083	41,522,306	48,474,778	46%	46%
6.Total average collection: **Wastewater**	37,866,749	14,045,569	23,821,181	37%	37%
7.Total average collection: **Refuse**	29,158,508	12,148,152	17,010,356	42%	42%
8.Total average collection: **Interest**	73,509,471	7,951,324	65,558,146	11%	0%

Aggregate Collection	Summary - Quarter 2				Q2
	Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	547,951,689	334,244,910	213,706,779	61%	61%
2.Collection excl Eskom supplied areas	477,894,866	297,098,399	180,796,467	62%	62%
3.Collection: **Property Rates**	160,810,941	108,300,214	52,510,728	67%	67%
4.Total average collection: **Electricity** (Municipal supplied areas)	149,824,188	148,563,435	1,260,753	99%	99%
5.Total average collection: **Water**	101,759,190	46,821,695	54,937,495	46%	46%
6.Total average collection: **Wastewater**	36,651,378	13,562,572	23,088,807	37%	37%
7.Total average collection: **Refuse**	29,000,248	11,671,830	17,328,418	40%	40%
8.Total average collection: **Interest**	69,905,744	5,325,165	64,580,579	8%	8%

Aggregate Collection	Summary - Quarter 3				Q1
	Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	543,418,253	414,578,227	128,840,026	76%	76%
2.Collection excl Eskom supplied areas	475,648,241	362,580,843	113,067,398	76%	76%
3.Collection: **Property Rates**	159,703,495	172,776,946	(13,073,451)	108%	108%
4.Total average collection: **Electricity** (Municipal supplied areas)	148,080,347	152,569,734	(4,489,387)	103%	103%
5.Total average collection: **Water**	105,898,580	47,841,529	58,057,052	45%	45%
6.Total average collection: **Wastewater**	36,865,685	13,313,652	23,552,033	36%	36%
7.Total average collection: **Refuse**	28,970,020	11,849,390	17,120,630	41%	41%
8.Total average collection: **Interest**	63,900,126	16,226,977	47,673,150	25%	25%

Aggregate Collection	Summary - Quarter 4				Q1
	Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	448,279,805	315,658,920	132,620,886	70%	70%
2.Collection excl Eskom supplied areas	406,336,091	278,065,047	128,271,044	68%	68%
3.Collection: **Property Rates**	141,402,584	114,044,836	27,357,748	81%	81%
4.Total average collection: **Electricity** (Municipal supplied areas)	134,559,716	126,256,467	8,303,249	94%	94%
5.Total average collection: **Water**	45,539,284	44,056,864	1,482,420	97%	97%
6.Total average collection: **Wastewater**	37,570,140	13,348,013	24,222,127	36%	36%
7.Total average collection: **Refuse**	29,452,439	11,486,176	17,966,263	39%	39%
8.Total average collection: **Interest**	59,755,642	6,466,563	53,289,079	11%	11%

Description	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Monthly collection rate (Property rates and Services)	57%	71%	39%	111%	88%	69%	65%	67%	76%	107%	74%	78%	62%
Revised average collection rate (SPLM)	77%	47%	77%	76%	79%	78%	78%	77%	83%	83%	82%	84%	81%
Collection rate per Ward (Monthly)	60%	34%	51%	109%	70%	56%	56%	58%	70%	102%	64%	76%	74%
Collection rate per Ward (Quarterly)	66%	-	-	60%	-	-	61%	-	-	76%	-		70%

The monthly collection rate per ward is a major concern and it not at a desired level. The monthly collection rate per ward decreased from 76% to 74% for the month under review. The quarterly collection rate per ward is 70% for the period 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 June 2026 is 81%, 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 Billing	Collection	R - Billing not collected	% Collection	Q1	Summary - Quarter 2 Billing	Collection	R - Billing not collected	% Collection	Q2	Summary - Quarter 3 Billing	Collection	R - Billing not collected	% Collection	Q1	12.June - Reporting for May in June Billing For May	Collection in June	R - Billing not collected	% Collection	Summary - Quarter 4 Billing	Collection	R - Billing not collected	% Collection	Q1
1.Collection for whole demarcation	Summary	712,602,749	427,760,345	284,842,404	60%	60%	547,951,689	334,244,910	213,706,779	61%	61%	543,418,253	414,578,227	128,840,026	76%	76%	121,961,623	90,412,147	57,457,315	74%	448,279,805	315,658,920	132,620,886	70%	70%
2.Collection excl Eskom supplied areas		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	362,580,843	113,067,398	76%	76%	101,666,151	83,720,178	73,128,228	82%	406,336,091	278,065,047	128,271,044	68%	68%
3.Collection: **Property Rates**		271,762,961	198,901,285	72,861,677	73%	73%	160,810,941	108,300,214	52,510,728	67%	67%	159,703,495	172,776,946	(13,073,451)	108%	108%	53,396,974	34,492,861	18,904,113	65%	141,402,584	114,044,836	27,357,748	81%	81%
4.Total average collection: **Electricity** (Municipal supplied areas)		210,307,976	153,191,710	57,116,267	73%	73%	149,824,188	148,563,435	1,260,753	99%	99%	148,080,347	152,569,734	(4,489,387)	103%	103%	38,352,425	34,175,344	4,177,081	89%	134,559,716	126,256,467	8,303,249	94%	94%
5.Total average collection: **Water**		89,997,083	41,522,306	48,474,778	46%	46%	101,759,190	46,821,695	54,937,495	46%	46%	105,898,580	47,841,529	58,057,052	45%	45%	(14,471,604)	11,436,236	0	-79%	45,539,284	44,056,864	1,482,420	97%	97%
6.Total average collection: **Wastewater**		37,866,749	14,045,569	23,821,181	37%	37%	36,651,378	13,562,572	23,088,807	37%	37%	36,865,685	13,313,652	23,552,033	36%	36%	12,538,414	4,422,934	8,115,480	35%	37,570,140	13,348,013	24,222,127	36%	36%
7.Total average collection: **Refuse**		29,158,508	12,148,152	17,010,356	42%	42%	29,000,248	11,671,830	17,328,418	40%	40%	28,970,020	11,849,390	17,120,630	41%	41%	9,815,439	3,684,224	6,131,214	38%	29,452,439	11,486,176	17,966,263	39%	39%
8. 7.Total average collection: **Interest**		73,509,471	7,951,324	65,558,146	11%		69,905,744	5,325,165	64,580,579	8%	8%	63,900,126	16,226,977	47,673,150	25%	25%	22,329,974	2,200,548	20,129,426	10%	59,755,642	6,466,563	53,289,079	11%	11%

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Complete This Section

Quarter 1 Performance Per Ward / **Quarter 2 Performance Per Ward**

Services	Electricity Supplier	Ward Name & Number	Q1 Billing	Collection	R - Billing not collected	% Collection	Q1	Q2 Billing	Collection	R - Billing not collected	% Collection	Q2
Property Rates Tax	Mun Supplied	Ward 1 - Platfontein, Sunset Manor, Legaeng/ (Lethabo Park)	492,378	154,369	338,009	31%	31%	476,040	445,861	30,179	94%	94%
Electricity			2,567,655	4,322,077	(1,754,423)	168%	168%	5,931,685	2,971,498	2,960,186	50%	50%
Water			6,296,797	3,602,939	2,693,858	57%	57%	6,947,326	3,499,419	3,447,907	50%	50%
Refuse			366,116	106,627	259,488	29%	29%	387,992	81,803	306,189	21%	21%
Waste Water			329,689	81,047	248,642	25%	25%	333,280	127,908	205,372	38%	38%
Interest			2,170,893	99,583	2,071,310	5%	5%	2,151,801	52,966	2,098,835	2%	2%
Property Rates Tax	Mun Supplied	Ward 2 - Roodepan	5,242,831	3,884,629	1,358,201	74%	74%	3,054,214	1,432,323	1,621,891	47%	47%
Electricity			1,059,380	605,927	453,453	57%	57%	904,244	646,924	257,320	72%	72%
Water			1,976,652	674,882	1,301,770	34%	34%	2,422,064	765,741	1,656,323	32%	32%
Refuse			1,303,328	324,350	978,978	25%	25%	1,333,248	350,142	983,107	26%	26%
Waste Water			1,912,778	486,290	1,426,488	25%	25%	1,964,207	499,614	1,464,593	25%	25%
Interest			2,567,306	96,127	2,471,179	4%	4%	2,467,851	131,374	2,336,477	5%	5%
Property Rates Tax	Mun Supplied	Ward 3 - Homevale, Homelite, Homestead, Sol plaatje RE, Ramora	3,643,290	865,077	2,778,212	24%	24%	1,996,877	855,812	1,141,065	43%	43%
Electricity			649,692	364,252	285,440	56%	56%	480,860	333,983	146,877	69%	69%
Water			1,517,029	383,037	1,133,992	25%	25%	1,898,643	415,651	1,482,992	22%	22%
Refuse			766,239	206,771	559,468	27%	27%	772,239	223,482	548,757	29%	29%
Waste Water			1,091,587	300,702	790,885	28%	28%	1,099,384	310,843	788,541	28%	28%
Interest			1,676,993	80,468	1,596,524	5%	5%	1,682,477	149,748	1,532,730	9%	9%
Property Rates Tax	Mun Supplied	Ward 4 - Vergenoeg Ext 3, Vergenoeg Ext 4, Vergenoeg 9, Witdam	2,294,578	571,336	1,723,243	25%	25%	1,279,708	506,287	773,421	40%	40%
Electricity			1,004,993	767,096	237,897	76%	76%	863,131	784,237	78,894	91%	91%
Water			1,903,582	451,285	1,452,296	24%	24%	1,700,762	420,489	1,280,273	25%	25%
Refuse			681,705	211,104	470,601	31%	31%	690,400	167,515	522,885	24%	24%
Waste Water			972,687	293,743	678,944	30%	30%	984,971	254,825	730,145	26%	26%
Interest			1,338,717	61,357	1,277,360	5%	5%	1,330,628	71,150	1,259,478	5%	5%
Property Rates Tax	Mun Supplied	Ward 5 - Vergenoeg Ext 2, Redirile, Thusano	1,237,385	342,812	894,573	28%	28%	860,364	299,097	561,267	35%	35%
Electricity			166,945	119,314	47,631	71%	71%	148,380	115,278	33,102	78%	78%
Water			920,402	238,418	681,984	26%	26%	1,079,826	211,775	868,051	20%	20%
Refuse			681,377	144,094	537,284	21%	21%	682,864	139,308	543,556	20%	20%
Waste Water			955,645	205,559	750,086	22%	22%	957,895	188,762	769,133	20%	20%
Interest			1,222,379	26,403	1,195,976	2%	2%	1,191,229	21,843	1,169,386	2%	2%
Property Rates Tax	Mun Supplied	Ward 6 - Vergenoeg Ext 10, Boikhutsong, Solly Legodi, Blikkies	560,799	169,668	391,131	30%	30%	590,533	162,474	428,059	28%	28%
Electricity			43,975	16,972	27,003	39%	39%	36,874	70,329	(33,454)	191%	191%
Water			4,628,969	135,464	4,493,505	3%	3%	1,495,795	142,250	1,353,545	10%	10%
Refuse			642,899	91,261	551,638	14%	14%	649,047	92,128	556,919	14%	14%
Waste Water			904,612	115,921	788,690	13%	13%	913,679	132,157	781,522	14%	14%
Interest			1,550,950	24,332	1,526,617	2%	2%	1,522,272	31,861	1,490,411	2%	2%
Property Rates Tax	Mun Supplied	Ward 7 - Sol Plaatje RE, [illegible]	1,820,273	646,084	1,174,190	35%	35%	695,601	265,144	430,457	38%	38%
Electricity			373,270	141,325	231,945	38%	38%	295,723	182,188	113,535	62%	62%
Water			1,266,046	260,063	1,005,983	21%	21%	1,406,947	244,385	1,162,562	17%	17%
Refuse			670,036	143,499	526,537	21%	21%	671,556	143,598	527,959	21%	21%
Waste Water			973,517	205,309	768,208	21%	21%	976,172	206,114	770,058	21%	21%
Interest			1,225,607	35,035	1,190,572	3%	3%	1,233,876	29,488	1,204,387	2%	2%
Property Rates Tax	Mun Supplied	Ward 8 - John Mampe 1, Mampe Ext, Lethlabile Park, Donkerhoek	2,964,544	9,400,637	(6,436,093)	317%	317%	406,128	115,238	290,890	28%	28%
Electricity			463,301	279,536	183,765	60%	60%	329,226	423,241	(94,016)	129%	129%
Water			1,300,836	107,320	1,193,516	8%	8%	1,288,143	133,636	1,154,506	10%	10%
Refuse			736,303	49,118	687,185	7%	7%	732,489	56,890	675,598	8%	8%
Waste Water			1,055,996	62,584	993,412	6%	6%	1,046,838	67,105	979,733	6%	6%
Interest			1,447,576	11,202	1,436,374	1%	1%	1,180,353	8,498	1,171,855	1%	1%
Property Rates Tax	Mun Supplied	Ward 9 - Ipopeng, Retswelele	3,261,856	1,870,220	1,391,636	57%	57%	2,435,707	1,294,427	1,141,280	53%	53%
Electricity			651,217	447,188	204,030	69%	69%	454,637	373,255	81,382	82%	82%
Water			2,063,869	616,159	1,447,710	30%	30%	1,461,026	545,151	915,875	37%	37%
Refuse			680,707	342,943	337,764	50%	50%	681,247	295,181	386,067	43%	43%
Waste Water			973,339	451,476	521,863	46%	46%	974,154	411,298	562,856	42%	42%
Interest			1,304,783	97,516	1,207,266	7%	7%	1,249,843	91,518	1,158,325	7%	7%
Property Rates Tax	Mun Supplied	Ward 10 - Tshwaragano, Vergenoeg Ext 7, Vergenoeg Ext 5	2,893,785	516,619	2,377,166	18%	18%	1,211,658	551,478	660,180	46%	46%
Electricity			1,774,624	1,097,966	676,659	62%	62%	1,506,950	1,319,296	187,654	88%	88%
Water			1,440,103	364,378	1,075,726	25%	25%	1,701,548	395,533	1,306,015	23%	23%
Refuse			687,638	200,224	487,414	29%	29%	695,339	205,567	489,772	30%	30%
Waste Water			911,215	239,801	671,414	26%	26%	922,218	254,998	667,219	28%	28%
Interest			1,351,019	63,086	1,287,933	5%	5%	1,358,589	68,073	1,290,516	5%	5%
Property Rates Tax	Mun Supplied	Ward 11 - Retswelele, Agisanang, Vergenoeg Ext 6, Vergenoeg Ext 8	4,936,802	164,629	4,772,173	3%	3%	453,808	170,687	283,121	38%	38%
Electricity			1,281,548	836,906	444,641	65%	65%	720,759	647,565	73,194	90%	90%
Water			1,352,801	391,603	961,198	29%	29%	1,483,789	223,696	1,260,093	15%	15%
Refuse			515,243	141,005	374,238	27%	27%	520,571	112,803	407,768	22%	22%
Waste Water			810,498	254,295	556,204	31%	31%	817,738	172,649	645,089	21%	21%
Interest			1,303,293	42,859	1,260,434	3%	3%	1,363,568	33,077	1,330,491	2%	2%
Property Rates Tax	Mun Supplied	Ward 12 - KwaNobantu Ext 1, KwaNobantu, Galeshewe proper, Galeshewe Ext 2	2,429,457	2,216,292	213,165	91%	91%	931,657	446,518	485,139	48%	48%
Electricity			388,661	256,325	132,337	66%	66%	383,504	285,829	97,675	75%	75%
Water			1,185,102	294,890	890,212	25%	25%	1,324,780	312,804	1,011,976	24%	24%
Refuse			582,745	160,649	422,096	28%	28%	582,391	165,320	417,071	28%	28%
Waste Water			826,908	233,155	593,753	28%	28%	826,339	235,861	590,478	29%	29%
Interest			1,283,981	64,711	1,219,270	5%	5%	1,217,762	52,868	1,164,894	4%	4%
Property Rates Tax	Mun Supplied	Ward 13 - Santa Centre, Galeshewe Ext 6, Galeshewe Ext 1, Gemdene	2,369,536	465,404	1,904,132	20%	20%	790,548	731,297	59,251	93%	93%
Electricity			2,687,258	1,094,204	1,593,055	41%	41%	1,556,960	2,057,733	(500,773)	132%	132%
Water			1,130,342	238,627	891,715	21%	21%	1,352,798	286,233	1,066,565	21%	21%
Refuse			330,809	99,245	231,564	30%	30%	335,763	118,412	217,351	35%	35%
Waste Water			504,042	173,319	330,723	34%	34%	510,319	186,532	323,787	37%	37%
Interest			848,528	30,998	817,530	4%	4%	850,883	157,853	693,030	19%	19%
Property Rates Tax	Mun Supplied	Ward 14 - Northview, Colville, Gemdene, Square Hill Park, Floors, Utility, Ashburnham	12,329,573	10,004,505	2,325,069	81%	81%	4,211,946	3,026,535	1,185,411	72%	72%
Electricity			7,080,727	4,854,166	2,226,561	69%	69%	5,537,894	4,755,381	782,513	86%	86%
Water			2,544,345	1,506,486	1,037,858	59%	59%	3,500,206	1,544,139	1,956,066	44%	44%
Refuse			1,141,340	915,686	225,654	80%	80%	1,171,710	823,360	348,350	70%	70%
Waste Water			1,145,239	1,052,753	92,487	92%	92%	1,152,170	723,214	428,957	63%	63%
Interest			2,586,426	514,176	2,072,251	20%	20%	2,470,374	203,719	2,266,655	8%	8%
Property Rates Tax	Mun Supplied	Ward 15 - Ipeleng, Phomolong, Phutanang, Sol Plaatje RE	2,498,459	447,262	2,051,198	18%	18%	960,417	443,635	516,782	46%	46%
Electricity			721,057	316,135	404,922	44%	44%	452,906	324,840	128,065	72%	72%
Water			1,649,258	199,168	1,450,090	12%	12%	1,642,130	230,693	1,411,437	14%	14%
Refuse			777,969	114,818	663,151	15%	15%	772,642	118,363	654,279	15%	15%
Waste Water			1,095,559	178,564	916,995	16%	16%	1,087,647	175,575	912,072	16%	16%
Interest			1,540,338	42,789	1,497,550	3%	3%	1,555,867	84,570	1,471,297	5%	5%
Property Rates Tax	Mun Supplied	Ward 16 - Phutanang, Cemetery, Lerato Park, Lindiwe, Tswelelang	489,266	59,835	429,431	12%	12%	486,368	76,957	409,410	16%	16%
Electricity			267,330	635	266,695	0%	0%	258,512	2,332	256,180	1%	1%
Water			1,409,086	74,727	1,334,359	5%	5%	1,826,493	102,298	1,724,195	6%	6%
Refuse			698,339	49,516	648,823	7%	7%	700,501	64,340	636,161	9%	9%
Waste Water			1,003,044	71,329	931,715	7%	7%	1,006,133	97,911	908,221	10%	10%
Interest			1,650,984	16,699	1,634,285	1%	1%	1,633,747	17,772	1,615,975	1%	1%

Quarter 3 Performance Per Ward / **Quarter 4 Performance Per Ward**

Services	Ward	Q3 Billing	Collection	R - Billing not collected	% Collection	Q3	12.June Billing For August	Collection for August in September	Rand Value of Billing not collected	% Collection	Q4 Billing	Collection	R - Billing not collected	% Collection	Q4
Property Rates Tax	Ward 1	476,040	126,911	349,129	27%	27%	158,680	55,222	103,458	35%	476,040	275,392	200,648	58%	58%
Electricity		6,509,271	2,553,026	3,956,245	39%	39%	2,059,157	396,003	1,663,153	19%	7,860,326	3,568,293	4,292,033	45%	45%
Water		6,549,726	3,320,609	3,229,117	51%	51%	(1,986,038)	124,860	0	-6%	(878,781)	4,585,378	(5,464,159)	-522%	-522%
Refuse		387,227	114,157	273,070	29%	29%	127,492	12,500	114,993	10%	432,906	98,431	334,475	23%	23%
Waste Water		335,596	83,720	251,876	25%	25%	113,924	13,734	100,191	12%	340,808	75,883	264,925	22%	22%
Interest		2,062,415	57,915	2,004,500	3%	3%	838,534	31,098	807,436	4%	2,449,628	75,880	2,373,749	3%	3%
Property Rates Tax	Ward 2	3,041,870	2,378,537	663,332	78%	78%	1,014,401	458,332	556,070	45%	3,045,769	1,379,884	1,665,885	45%	45%
Electricity		910,137	575,508	334,629	63%	63%	355,493	443,652	0	125%	1,253,136	965,079	288,057	77%	77%
Water		3,045,911	904,731	2,141,180	30%	30%	776,783	276,539	500,243	36%	2,518,926	768,854	1,750,072	31%	31%
Refuse		1,363,503	340,125	1,023,378	25%	25%	460,822	104,710	356,112	23%	1,378,144	305,653	1,072,491	22%	22%
Waste Water		1,998,267	486,603	1,511,664	24%	24%	681,725	138,846	542,878	20%	2,038,997	425,687	1,613,309	21%	21%
Interest		2,310,018	165,264	2,144,754	7%	7%	842,186	22,481	819,705	3%	2,456,536	108,813	2,347,723	4%	4%
Property Rates Tax	Ward 3	1,996,661	1,610,864	385,797	81%	81%	665,783	217,636	448,147	33%	1,996,890	683,519	1,313,371	34%	34%
Electricity		478,719	434,924	43,795	91%	91%	185,550	88,224	97,326	48%	666,815	287,954	378,861	43%	43%
Water		2,057,774	463,631	1,594,143	23%	23%	1,351,350	129,150	1,222,199	10%	2,519,363	368,422	2,150,941	15%	15%
Refuse		777,168	206,943	570,225	27%	27%	265,271	59,501	205,770	22%	792,976	176,105	616,871	22%	22%
Waste Water		1,106,518	361,311	745,207	33%	33%	377,719	84,660	293,058	22%	1,129,103	251,824	877,279	22%	22%
Interest		1,571,970	124,889	1,447,081	8%	8%	564,936	21,164	543,773	4%	1,638,582	48,870	1,589,712	3%	3%
Property Rates Tax	Ward 4	1,279,808	1,061,808	218,001	83%	83%	426,918	175,323	251,595	41%	1,280,124	564,496	715,627	44%	44%
Electricity		803,600	794,713	8,886	99%	99%	408,532	128,086	280,446	31%	931,616	563,209	368,407	60%	60%
Water		1,915,645	563,486	1,352,160	29%	29%	505,693	117,036	388,657	23%	1,517,020	585,134	931,886	39%	39%
Refuse		681,705	179,690	502,015	26%	26%	236,648	63,051	173,597	27%	702,782	191,731	511,051	27%	27%
Waste Water		972,814	273,801	699,013	28%	28%	337,677	107,984	229,693	32%	1,002,800	301,484	701,316	30%	30%
Interest		1,240,877	117,208	1,123,669	9%	9%	435,644	29,321	406,324	7%	1,273,770	72,122	1,201,648	6%	6%
Property Rates Tax	Ward 5	859,497	528,539	330,958	61%	61%	288,081	132,225	155,857	46%	861,083	417,540	443,543	48%	48%
Electricity		146,642	130,857	15,785	89%	89%	54,977	39,631	15,346	72%	157,550	111,558	45,991	71%	71%
Water		1,356,762	267,740	1,089,022	20%	20%	312,558	105,114	207,444	34%	1,136,904	260,952	875,952	23%	23%
Refuse		686,507	127,740	558,767	19%	19%	238,330	46,689	191,640	20%	707,670	147,782	559,888	21%	21%
Waste Water		962,332	187,825	774,507	20%	20%	334,309	63,473	270,836	19%	993,119	198,463	794,656	20%	20%
Interest		1,132,953	35,157	1,097,797	3%	3%	406,060	8,121	397,939	2%	1,184,196	35,878	1,148,318	3%	3%
Property Rates Tax	Ward 6	556,832	178,916	377,916	32%	32%	185,670	47,284	138,386	25%	557,047	154,213	402,834	28%	28%
Electricity		40,031	32,383	7,648	81%	81%	10,786	4,386	6,400	41%	41,588	20,517	21,071	49%	49%
Water		1,982,693	217,186	1,765,507	11%	11%	503,037	46,737	456,300	9%	1,717,747	142,330	1,575,417	8%	8%
Refuse		657,692	120,625	537,067	18%	18%	227,833	27,490	200,343	12%	680,797	86,247	594,551	13%	13%
Waste Water		926,216	156,547	769,668	17%	17%	320,903	36,318	284,585	11%	958,849	120,445	838,404	13%	13%
Interest		1,431,841	64,325	1,367,516	4%	4%	518,242	6,451	511,790	1%	1,508,044	22,218	1,485,826	1%	1%
Property Rates Tax	Ward 7	695,146	893,941	(198,796)	129%	129%	231,658	106,010	125,648	46%	694,837	335,821	359,016	48%	48%
Electricity		233,323	244,354	(11,031)	105%	105%	109,750	83,633	26,116	76%	346,467	237,504	108,963	69%	69%
Water		1,772,877	313,928	1,458,949	18%	18%	799,988	89,512	710,476	11%	1,984,823	305,167	1,679,657	15%	15%
Refuse		677,231	158,636	518,595	23%	23%	232,589	44,609	187,980	19%	692,952	144,812	548,140	21%	21%
Waste Water		984,086	244,611	739,475	25%	25%	337,638	64,841	272,797	19%	1,006,113	214,811	791,302	21%	21%
Interest		1,131,731	81,360	1,050,371	7%	7%	401,998	14,123	387,875	4%	1,172,303	54,303	1,118,001	5%	5%
Property Rates Tax	Ward 8	407,061	1,158,770	(751,709)	285%	285%	135,115	26,349	108,767	20%	405,393	103,276	302,117	25%	25%
Electricity		632,242	266,221	366,020	42%	42%	180,459	554,448	0	307%	512,928	658,673	(145,745)	128%	128%
Water		1,334,455	147,371	1,187,084	11%	11%	574,893	75,867	499,026	13%	1,618,126	150,329	1,467,796	9%	9%
Refuse		726,759	62,088	664,671	9%	9%	250,044	22,338	227,707	9%	747,851	52,886	694,965	7%	7%
Waste Water		1,039,158	78,717	960,441	8%	8%	357,517	16,357	341,161	5%	1,070,236	50,404	1,019,831	5%	5%
Interest		1,094,449	388,766	705,683	36%	36%	381,813	3,641	378,172	1%	1,115,748	11,399	1,104,348	1%	1%
Property Rates Tax	Ward 9	2,435,910	1,514,568	921,341	62%	62%	811,365	443,689	367,676	55%	2,433,820	1,285,455	1,148,366	53%	53%
Electricity		425,815	398,654	27,160	94%	94%	558,309	119,892	438,416	21%	1,216,360	373,162	843,198	31%	31%
Water		1,754,759	660,273	1,094,486	38%	38%	622,316	206,255	416,061	33%	1,799,902	591,892	1,208,010	33%	33%
Refuse		685,295	314,268	371,027	46%	46%	231,224	99,734	131,490	43%	692,996	294,523	398,473	42%	42%
Waste Water		979,937	435,751	544,186	44%	44%	330,593	132,538	198,055	40%	990,812	408,080	582,733	41%	41%
Interest		1,197,622	234,730	962,891	20%	20%	417,566	51,361	366,205	12%	1,221,140	205,340	1,015,800	17%	17%
Property Rates Tax	Ward 10	1,212,613	1,453,036	(240,424)	120%	120%	404,482	168,463	236,020	42%	1,212,891	481,919	730,972	40%	40%
Electricity		1,135,272	1,413,376	(278,104)	124%	124%	490,886	298,684	192,202	61%	1,543,701	1,010,597	533,104	65%	65%
Water		2,026,740	443,602	1,583,138	22%	22%	581,119	162,585	418,535	28%	1,599,801	434,513	1,165,287	27%	27%
Refuse		696,346	224,099	472,247	32%	32%	239,436	68,726	170,710	29%	716,957	195,069	521,887	27%	27%
Waste Water		934,185	272,578	661,607	29%	29%	318,344	89,872	228,472	28%	953,102	238,335	714,767	25%	25%
Interest		1,261,546	88,968	1,172,578	7%	7%	433,906	21,435	412,471	5%	1,266,783	47,181	1,219,602	4%	4%
Property Rates Tax	Ward 11	453,808	2,503,450	(2,049,642)	552%	552%	150,897	56,455	94,442	37%	453,436	181,056	272,379	40%	40%
Electricity		754,310	501,262	253,048	66%	66%	388,688	345,524	43,164	89%	950,072	830,026	120,047	87%	87%
Water		1,422,979	353,288	1,069,691	25%	25%	332,115	119,040	213,075	36%	1,244,746	324,007	920,739	26%	26%
Refuse		527,057	143,784	383,273	27%	27%	181,135	41,300	139,835	23%	541,784	128,093	413,690	24%	24%
Waste Water		827,003	249,045	577,958	30%	30%	283,453	74,031	209,422	26%	848,043	226,520	621,523	27%	27%
Interest		1,245,931	161,513	1,084,418	13%	13%	418,675	11,223	407,452	3%	1,220,690	39,676	1,181,015	3%	3%
Property Rates Tax	Ward 12	930,851	944,689	(13,838)	101%	101%	310,265	141,902	168,363	46%	932,558	424,968	507,590	46%	46%
Electricity		362,088	188,060	174,028	52%	52%	164,247	64,924	99,324	40%	447,460	233,950	213,510	52%	52%
Water		1,499,960	500,744	999,216	33%	33%	332,273	112,201	220,072	34%	1,121,851	311,679	810,173	28%	28%
Refuse		587,319	181,755	405,564	31%	31%	200,208	51,549	148,660	26%	599,680	154,007	445,672	26%	26%
Waste Water		833,394	242,429	590,965	29%	29%	284,148	74,070	210,078	26%	851,094	227,279	623,815	27%	27%
Interest		1,144,585	212,746	931,838	19%	19%	404,315	15,078	389,238	4%	1,178,371	44,862	1,133,509	4%	4%
Property Rates Tax	Ward 13	790,548	1,212,992	(422,444)	153%	153%	258,530	164,692	93,838	64%	785,562	500,327	285,234	64%	64%
Electricity		1,606,480	1,662,189	(55,709)	103%	103%	348,753	600,016	0	172%	1,472,413	1,339,065	133,348	91%	91%
Water		1,411,337	434,175	977,162	31%	31%	263,882	144,479	119,403	55%	1,100,272	351,353	748,919	32%	32%
Refuse		337,655	169,744	167,911	50%	50%	108,867	26,699	82,168	25%	335,771	87,854	247,917	26%	26%
Waste Water		513,021	237,563	275,458	46%	46%	165,742	56,270	109,472	34%	510,203	161,195	349,008	32%	32%
Interest		778,045	241,473	536,572	31%	31%	260,067	28,335	231,732	11%	772,451	66,000	706,451	9%	9%
Property Rates Tax	Ward 14	4,213,621	6,979,254	(2,765,633)	166%	166%	1,404,310	946,533	457,777	67%	4,213,862	2,931,889	1,281,973	70%	70%
Electricity		5,201,733	3,935,013	1,266,721	76%	76%	2,207,499	1,140,581	1,066,918	52%	5,338,692	4,085,837	1,252,855	77%	77%
Water		3,648,483	1,784,253	1,864,230	49%	49%	(504,406)	424,778	0	-84%	1,649,169	1,370,735	278,435	83%	83%
Refuse		1,174,277	806,388	367,889	69%	69%	392,822	187,041	205,781	48%	1,178,060	820,352	357,708	70%	70%
Waste Water		1,155,838	731,067	424,771	63%	63%	387,274	235,700	151,574	61%	1,161,243	675,962	485,281	58%	58%
Interest		2,229,782	633,194	1,596,587	28%	28%	755,712	31,399	724,313	4%	2,158,396	199,946	1,958,450	9%	9%
Property Rates Tax	Ward 15	965,136	976,029	(10,893)	101%	101%	321,541	138,415	183,126	43%	964,881	388,208	576,673	40%	40%
Electricity		397,528	275,511	122,017	69%	69%	163,592	107,410	56,183	66%	457,393	233,189	224,205	51%	51%
Water		1,909,601	259,728	1,649,873	14%	14%	472,351	79,225	393,126	17%	1,976,443	201,348	1,775,095	10%	10%
Refuse		776,956	127,015	649,941	16%	16%	266,020	37,111	228,908	14%	796,466	107,226	689,239	13%	13%
Waste Water		1,089,189	195,165	894,024	18%	18%	373,036	51,836	321,200	14%	1,116,985	154,585	962,401	14%	14%
Interest		1,450,300	125,097	1,325,203	9%	9%	522,100	15,576	506,524	3%	1,519,248	39,863	1,479,385	3%	3%
Property Rates Tax	Ward 16	486,515	77,285	409,230	16%	16%	162,178	21,622	140,556	13%	484,456	58,642	425,814	12%	12%
Electricity		243,889	1,163	242,726	0%	0%	84,242	197	84,045	0%	248,276	331	247,945	0%	0%
Water		2,289,327	103,205	2,186,122	5%	5%	557,649	16,666	540,983	3%	1,862,907	73,984	1,788,923	4%	4%
Refuse		705,147	61,059	644,088	9%	9%	238,435	14,082	224,353	6%	714,364	43,052	671,312	6%	6%
Waste Water		1,013,093	92,129	920,965	9%	9%	342,590	20,365	322,225	6%	1,026,424	63,503	962,921	6%	6%
Interest		1,526,128	37,514	1,488,614	2%	2%	555,718	3,693	552,025	1%	1,611,921	10,249	1,601,672	1%	1%

Services	Electricity Supplier	Ward Name & Number	Q1 Billing	Q1 Collection	Q1 R - Billing not collected	Q1 % Collection	Q1	Q2 Billing	Q2 Collection	Q2 R - Billing not collected	Q2 % Collection	Q2	Q3 Billing	Q3 Collection	Q3 R - Billing not collected	Q3 % Collection	Q3	12.June Billing For August	Collection for August in September	Rand Value of Billing not collected	% Collection	Q4 Billing	Q4 Collection	Q4 R - Billing not collected	Q4 % Collection	Q4
Property Rates Tax	Mun Supplied	Ward 17 - Kagiso, Tlhageng, John Mampe 2, Direlang	1,399,614	667,658	731,956	48%	48%	1,386,879	579,673	807,206	42%	42%	1,381,211	729,056	652,155	53%	53%	460,037	193,855	266,182	42%	1,379,655	603,743	775,913	44%	44%
Electricity			156,375	85,551	70,824	55%	55%	130,197	75,855	54,342	58%	58%	130,961	61,785	69,176	47%	47%	48,888	27,732	21,157	57%	154,116	87,503	66,613	57%	57%
Water			1,442,529	283,845	1,158,685	20%	20%	1,923,240	294,699	1,628,540	15%	15%	2,087,557	398,451	1,689,106	19%	19%	592,219	91,282	500,937	15%	1,801,249	296,414	1,504,835	16%	16%
Refuse			916,437	182,122	734,315	20%	20%	925,008	178,523	746,485	19%	19%	935,622	215,981	719,641	23%	23%	322,593	52,113	270,479	16%	966,562	157,597	808,965	16%	16%
Waste Water			1,261,560	246,793	1,014,768	20%	20%	1,269,088	228,791	1,040,297	18%	18%	1,288,970	303,521	985,450	24%	24%	444,971	71,943	373,028	16%	1,333,174	228,363	1,104,812	17%	17%
Interest			1,850,559	53,547	1,797,013	3%	3%	1,819,450	38,399	1,781,052	2%	2%	1,707,879	152,092	1,555,786	9%	9%	620,031	9,860	610,171	2%	1,803,916	79,666	1,724,251	4%	4%
Property Rates Tax	Mun Supplied	Ward 18 - Kristenhof, Nxumalo Street Area, Galeshewe Ext 7, Verwoerd Park, Riviera	11,441,519	8,112,026	3,329,494	71%	71%	3,443,598	4,707,715	(1,264,117)	137%	137%	3,490,049	3,688,840	(198,791)	106%	106%	1,158,623	682,227	476,397	59%	3,472,348	3,367,015	105,333	97%	97%
Electricity			6,612,742	2,643,832	3,968,910	40%	40%	2,995,593	5,448,049	(2,452,456)	182%	182%	3,429,205	7,074,879	(3,645,675)	206%	206%	1,524,249	278,433	1,245,815	18%	3,784,684	3,200,938	583,746	85%	85%
Water			2,466,069	1,137,307	1,328,761	46%	46%	2,776,899	1,382,372	1,394,527	50%	50%	3,006,760	1,412,911	1,593,849	47%	47%	1,138,754	340,292	798,463	30%	3,052,929	1,413,930	1,638,999	46%	46%
Refuse			702,806	385,756	317,051	55%	55%	704,776	417,044	287,732	59%	59%	710,740	432,078	278,662	61%	61%	237,394	118,675	118,719	50%	711,374	386,394	324,980	54%	54%
Waste Water			921,228	523,773	397,456	57%	57%	923,907	555,803	368,105	60%	60%	930,417	538,897	391,520	58%	58%	311,284	144,930	166,354	47%	932,682	484,752	447,930	52%	52%
Interest			2,208,921	233,564	1,975,357	11%	11%	2,051,744	250,927	1,800,818	12%	12%	1,748,099	1,432,778	315,320	82%	82%	554,744	43,043	511,701	8%	1,610,670	177,327	1,433,343	11%	11%
Property Rates Tax	Mun Supplied	Ward 19 - Galeshewe Ext 3, Galeshewe Ext 5 , Galeshewe Ext 4	1,137,499	320,135	817,364	28%	28%	748,348	354,438	393,910	47%	47%	749,523	554,743	194,779	74%	74%	250,010	112,269	137,741	45%	750,025	299,167	450,858	40%	40%
Electricity			198,823	72,759	126,065	37%	37%	161,624	75,695	85,929	47%	47%	162,508	89,182	73,326	55%	55%	37,534	35,828	1,705	95%	(207,595)	98,878	(306,473)	-48%	-48%
Water			1,877,222	273,947	1,603,275	15%	15%	1,706,801	373,630	1,333,171	22%	22%	2,190,889	334,858	1,856,031	15%	15%	534,540	108,686	425,854	20%	1,929,577	292,674	1,636,903	15%	15%
Refuse			613,512	138,105	475,407	23%	23%	619,669	142,812	476,857	23%	23%	624,110	144,807	479,302	23%	23%	211,289	38,903	172,386	18%	631,976	116,911	515,065	18%	18%
Waste Water			825,166	163,369	661,797	20%	20%	831,677	183,170	648,506	22%	22%	837,838	188,653	649,185	23%	23%	284,462	54,057	230,405	19%	850,685	153,770	696,915	18%	18%
Interest			1,677,758	46,472	1,631,285	3%	3%	1,629,781	71,317	1,558,464	4%	4%	1,521,211	55,651	1,465,560	4%	4%	538,975	11,103	527,872	2%	1,578,016	33,135	1,544,881	2%	2%
Property Rates Tax	Mun Supplied	Ward 20 - West End, Kimberley Mine, Kimberley North, Kimberley North, Diamant Park, Albertynshof, Kestellhof	54,428,075	53,112,352	1,315,724	98%	98%	41,441,963	29,624,194	11,817,769	71%	71%	40,162,670	40,952,353	(789,683)	102%	102%	13,385,723	9,183,570	4,202,153	69%	40,173,610	28,094,536	12,079,074	70%	70%
Electricity			47,483,042	37,302,293	10,180,749	79%	79%	34,844,754	30,861,792	3,982,962	89%	89%	34,813,336	31,301,071	3,512,264	90%	90%	12,510,014	8,894,375	3,615,639	71%	35,946,199	30,052,018	5,894,181	84%	84%
Water			10,167,073	6,718,537	3,448,536	66%	66%	11,238,688	7,331,834	3,906,854	65%	65%	7,380,232	7,360,504	19,728	100%	100%	2,968,808	2,257,867	710,941	76%	9,529,627	6,764,759	2,764,868	71%	71%
Refuse			3,377,860	2,479,467	898,392	73%	73%	3,416,159	2,528,684	887,476	74%	74%	3,399,161	2,388,674	1,010,487	70%	70%	1,127,827	873,798	254,029	77%	3,384,380	2,435,194	949,186	72%	72%
Waste Water			2,834,763	2,011,693	823,070	71%	71%	2,851,439	2,113,082	738,357	74%	74%	2,860,028	1,869,106	990,922	65%	65%	953,401	783,429	169,972	82%	2,858,023	2,144,784	713,239	75%	75%
Interest			6,579,561	2,836,777	3,742,784	43%	43%	5,940,518	824,851	5,115,667	14%	14%	5,500,973	2,736,342	2,764,631	50%	50%	2,037,849	756,561	1,281,287	37%	5,443,891	1,298,840	4,145,052	24%	24%
Property Rates Tax	Mun Supplied	Ward 21 - De Beers, Hull Street Area, Ernestville, Moghul Park, Herlear, Belgravia, Turner Road Industrial area	14,329,425	12,816,583	1,512,842	89%	89%	10,188,665	7,649,000	2,539,665	75%	75%	9,964,113	9,887,337	76,776	99%	99%	3,288,438	2,188,090	1,100,348	67%	9,904,922	6,902,238	3,002,684	70%	70%
Electricity			13,233,503	11,734,788	1,498,715	89%	89%	11,111,503	9,590,058	1,521,445	86%	86%	10,387,272	19,377,471	(8,990,199)	187%	187%	4,169,898	1,678,112	2,491,786	40%	11,475,826	10,638,720	837,106	93%	93%
Water			3,714,629	3,503,718	210,911	94%	94%	3,996,575	3,057,742	938,833	77%	77%	5,092,804	3,045,003	2,047,801	60%	60%	1,176,602	781,270	395,331	66%	3,936,009	2,972,471	963,538	76%	76%
Refuse			1,271,361	1,133,623	137,738	89%	89%	1,273,807	963,956	309,851	76%	76%	1,286,738	985,707	301,030	77%	77%	424,959	289,280	135,679	68%	1,275,962	1,042,849	233,113	82%	82%
Waste Water			1,450,478	1,099,316	351,163	76%	76%	1,455,101	1,097,677	357,424	75%	76%	1,456,125	984,385	471,740	68%	68%	487,402	334,900	152,502	69%	1,462,319	1,318,006	144,313	90%	90%
Interest			2,817,737	1,004,147	1,813,590	36%	36%	2,711,022	1,230,551	1,480,470	45%	45%	2,080,410	3,807,713	(1,727,302)	183%	183%	602,652	55,588	547,064	9%	1,754,077	937,414	816,663	53%	53%
Property Rates Tax	Mun Supplied	Ward 22 - South Ridge, Green Point, Fabricia	11,661,437	6,470,460	5,190,977	55%	55%	4,279,437	2,773,692	1,505,745	65%	65%	4,212,635	6,461,231	(2,248,596)	153%	153%	1,401,006	1,015,981	385,026	73%	4,204,839	2,772,549	1,432,290	66%	66%
Electricity			10,488,968	7,868,638	2,620,330	75%	75%	7,009,157	6,810,993	198,165	97%	97%	6,935,908	5,113,833	1,822,076	74%	74%	2,875,757	1,221,622	1,654,135	42%	12,215,658	4,192,594	8,023,063	34%	34%
Water			2,410,982	976,252	1,434,730	40%	40%	3,081,084	1,113,761	1,967,322	36%	36%	3,210,146	1,015,944	2,194,203	32%	32%	1,281,620	296,924	984,696	23%	2,661,585	742,923	1,918,662	28%	28%
Refuse			927,567	298,116	629,451	32%	32%	1,059,588	259,217	800,371	24%	24%	915,072	321,843	593,230	35%	35%	316,554	99,510	217,044	31%	946,148	257,204	688,944	27%	27%
Waste Water			1,241,827	352,436	889,391	28%	28%	1,244,529	327,497	917,033	26%	26%	1,247,467	440,779	806,689	35%	35%	432,153	123,294	308,860	29%	1,291,441	335,349	956,092	26%	26%
Interest			1,578,996	158,886	1,420,110	10%	10%	1,603,648	44,591	1,559,057	3%	3%	1,475,046	372,648	1,102,398	25%	25%	512,239	17,323	494,916	3%	1,479,552	51,341	1,428,211	3%	3%
Property Rates Tax	Mun Supplied	Ward 23 - Civic Centre, New Park, Labram, Roylglen, Roydene, Monument Heights, El toro Park, Minerva Gardens	44,758,065	40,457,618	4,300,447	90%	90%	27,555,136	20,909,092	6,646,044	76%	76%	27,738,371	31,726,032	(3,987,661)	114%	114%	9,344,603	7,721,261	1,623,342	83%	28,074,384	22,534,003	5,540,381	80%	80%
Electricity			46,998,902	33,532,768	13,466,134	71%	71%	31,844,468	36,525,193	(4,680,725)	115%	115%	31,709,639	35,030,570	(3,320,931)	110%	110%	(2,260,437)	8,246,036	0	-365%	5,506,691	29,699,203	(24,192,512)	539%	539%
Water			5,585,673	5,259,856	325,817	94%	94%	9,708,951	7,029,842	2,679,109	72%	72%	10,261,384	7,193,084	3,068,300	70%	70%	2,216,503	1,974,839	241,664	89%	6,397,054	7,019,402	(622,348)	110%	110%
Refuse			1,480,333	1,218,839	261,494	82%	82%	1,492,936	1,233,270	259,667	83%	83%	1,487,565	1,179,571	307,994	79%	79%	498,191	390,982	107,208	78%	1,507,090	1,210,274	296,816	80%	80%
Waste Water			1,885,118	1,462,397	422,721	78%	78%	1,902,930	1,572,106	330,824	83%	83%	1,895,121	1,388,936	506,184	73%	73%	629,332	510,262	119,070	81%	1,928,542	1,541,729	386,814	80%	80%
Interest			2,663,964	334,035	2,329,928	13%	13%	2,536,919	471,492	2,065,427	19%	19%	2,021,471	1,894,889	126,583	94%	94%	569,743	266,728	303,015	47%	1,726,773	893,416	833,356	52%	52%
Property Rates Tax	Mun Supplied	Ward 24 - Carters Glen, Lindene, Rhodesdene, Heuwelsig, Hadison Park	15,803,655	10,866,682	4,936,973	69%	69%	11,038,020	8,360,020	2,678,000	76%	76%	11,039,293	9,483,171	1,556,122	86%	86%	3,679,473	2,941,339	738,134	80%	11,042,144	8,327,406	2,714,738	75%	75%
Electricity			9,213,283	6,903,443	2,309,841	75%	75%	5,259,311	4,972,211	287,100	95%	95%	4,281,142	4,857,050	(575,908)	113%	113%	(244,424)	1,503,189	0	-615%	3,660,350	4,252,774	(592,424)	116%	116%
Water			3,968,408	2,914,676	1,053,732	73%	73%	4,218,795	3,517,267	701,527	83%	83%	5,438,234	3,707,153	1,731,081	68%	68%	1,072,325	1,090,535	0	102%	3,637,639	3,250,131	387,509	89%	89%
Refuse			973,629	905,490	68,139	93%	93%	971,479	842,516	128,963	87%	87%	974,290	829,181	145,108	85%	85%	324,808	287,100	37,708	88%	974,830	842,551	132,279	86%	86%
Waste Water			1,380,480	1,598,254	(217,774)	116%	116%	1,376,338	1,152,449	223,889	84%	84%	1,380,918	1,055,275	325,643	76%	76%	460,370	411,319	49,052	89%	1,381,690	1,162,916	218,774	84%	84%
Interest			1,018,987	544,440	474,546	53%	53%	968,946	312,196	656,750	32%	32%	901,795	538,096	363,699	60%	60%	296,867	339,846	0	114%	867,643	623,196	244,447	72%	72%
Property Rates Tax	Mun Supplied	Ward 25 - De Beers Mine, Beaconsfield, Memorial Road Area, Klisserville	9,677,726	6,402,822	3,274,903	66%	66%	5,323,101	4,017,390	1,305,711	75%	75%	5,320,870	6,211,252	(890,382)	117%	117%	1,770,224	1,229,580	540,645	69%	5,310,057	3,527,066	1,782,992	66%	66%
Electricity			5,710,199	3,780,605	1,929,594	66%	66%	4,080,343	3,296,232	784,111	81%	81%	3,984,303	3,200,006	782,297	80%	80%	3,048,019	1,038,935	2,009,085	34%	7,355,386	3,005,920	4,349,466	41%	41%
Water			2,739,086	1,919,840	819,246	70%	70%	3,017,340	2,271,256	746,084	75%	75%	3,539,830	2,339,215	1,200,615	66%	66%	860,047	555,246	304,801	65%	2,661,435	1,761,374	900,061	66%	66%
Refuse			654,193	462,799	191,394	71%	71%	655,253	458,981	196,273	70%	70%	658,088	471,200	186,888	72%	72%	217,328	141,885	75,444	65%	652,464	410,725	241,739	63%	63%
Waste Water			863,494	603,499	259,995	70%	70%	875,815	615,916	259,899	70%	70%	878,820	569,969	308,851	65%	65%	293,889	173,180	120,708	59%	880,701	537,492	343,209	61%	61%
Interest			1,525,726	444,556	1,081,170	29%	29%	1,488,746	115,387	1,373,360	8%	8%	1,342,225	676,937	665,289	50%	50%	446,109	40,626	405,484	9%	1,301,545	79,923	1,221,621	6%	6%
Property Rates Tax	Partial Eskom & Mun Supplied	Ward 26 - Sol Plaatje RE, Rietvale, Mandela Square, Motswedimosa, Ikageng, Ritchie, Diskobolos, Diamond Park, De Beers Mine	40,867,894	13,269,852	27,598,042	32%	32%	20,985,289	11,235,495	9,749,794	54%	54%	21,431,857	30,200,868	(8,769,011)	141%	141%	7,176,125	3,583,119	3,593,006	50%	10,565,374	19,585,779	(9,020,405)	185%	185%
Electricity			23,909,076	13,708,323	10,200,752	57%	57%	14,410,730	16,554,845	(2,144,116)	115%	115%	13,845,836	13,305,676	540,161	96%	96%	2,759,180	2,142,216	616,964	78%	12,823,833	10,930,749	1,893,084	85%	85%
Water			9,589,653	5,128,323	4,461,330	53%	53%	12,803,392	7,410,677	5,392,716	58%	58%	11,309,008	6,105,668	5,203,340	54%	54%	3,157,415	458,835	2,698,579	15%	9,519,101	4,985,157	4,533,944	52%	52%
Refuse			1,616,519	654,361	962,158	40%	40%	1,586,227	465,106	1,121,120	29%	29%	1,627,649	510,079	1,117,569	31%	31%	545,781	133,051	412,730	24%	1,635,114	548,458	1,086,657	34%	34%
Waste Water			1,739,764	379,558	1,360,206	22%	22%	1,709,023	382,813	1,326,210	22%	22%	1,718,782	380,070	1,338,712	22%	22%	585,277	122,576	462,701	21%	1,752,865	399,266	1,353,599	23%	23%
Interest			11,045,912	477,536	10,568,377	4%	4%	10,977,039	251,877	10,725,162	2%	2%	10,032,794	688,270	9,344,525	7%	7%	3,588,521	141,980	3,446,540	4%	10,261,884	532,451	9,729,433	5%	5%
Property Rates Tax	Partial Eskom & Mun Supplied	Ward 27 - Rietvale, Sol Plaatje RE	1,400,487	7,258,548	(5,858,062)	518%	518%	944,904	671,599	273,304	71%	71%	970,514	386,153	584,361	40%	40%	314,456	90,803	223,653	29%	(6,741,018)	509,631	(7,250,649)	-8%	-8%
Electricity			24,723	1,624	23,099	7%	7%	24,723	1,943	22,779	8%	8%	24,723	25,116	(394)	102%	102%	8,241	988	7,253	12%	24,723	1,943	22,780	8%	8%
Water			2,639,017	15,570	2,623,447	1%	1%	2,607,425	16,641	2,590,784	1%	1%	2,950,558	65,262	2,885,296	2%	2%	800,426	5,371	795,055	1%	2,741,209	15,423	2,725,785	1%	1%
Refuse			501,753	15,790	485,963	3%	3%	500,942	13,376	487,566	3%	3%	508,306	19,160	489,146	4%	4%	174,862	5,368	169,494	3%	524,587	11,824	512,762	2%	2%
Waste Water			799,012	15,534	783,478	2%	2%	797,854	21,726	776,128	3%	3%	808,447	27,391	781,056	3%	3%	277,357	6,725	270,633	2%	832,072	17,005	815,067	2%	2%
Interest			2,980,000	4,183	2,975,817	0%	0%	2,709,277	120,412	2,588,865	4%	4%	2,541,538	283,671	2,257,867	11%	11%	907,830	937	906,893	0%	(1,996,029)	56,188	(2,052,217)	-3%	-3%
Property Rates Tax	Mun Supplied	Ward 28 - Sol Plaatje Re, Kenilworth, Kimdustria, Greenside, De Beers Mine	9,251,326	5,221,182	4,030,144	56%	56%	8,456,044	5,014,758	3,441,286	59%	59%	8,456,534	5,709,733	2,746,800	68%	68%	2,819,871	1,615,136	1,204,735	57%	8,212,121	5,565,278	2,646,842	68%	68%
Electricity			23,213,492	19,036,473	4,177,019	82%	82%	16,681,255	18,204,421	(1,523,165)	109%	109%	17,015,519	18,873,336	(1,857,817)	111%	111%	5,403,390	4,415,085	988,305	82%	16,576,274	14,794,573	1,781,701	89%	89%
Water			3,734,591	2,974,422	760,170	80%	80%	4,776,500	2,592,536	2,183,965	54%	54%	4,522,054	3,069,189	1,452,865	68%	68%	1,148,748	879,898	268,850	77%	4,671,528	2,733,602	1,937,926	59%	59%
Refuse			1,080,187	521,096	559,091	48%	48%	1,143,327	562,515	580,812	49%	49%	1,085,622	514,734	570,888	47%	47%	364,873	175,495	189,378	48%	1,092,082	584,456	507,626	54%	54%
Waste Water			1,308,615	625,393	683,222	48%	48%	1,316,541	689,372	627,169	52%	52%	1,321,923	622,443	699,480	47%	47%	444,787	217,774	227,013	49%	1,331,697	682,621	649,076	51%	51%
Interest			3,869,259	386,529	3,482,730	10%	10%	3,800,782	254,911	3,545,872	7%	7%	3,404,589	313,537	3,091,052	9%	9%	1,033,082	135,184	897,897	13%	3,029,037	453,961	2,575,076	15%	15%
Property Rates Tax	Mun Supplied	Ward 29 - Roodepan, Sol Plaatje RE, Langleg and Riverton	518,884	111,211	407,674	21%	21%	380,218	107,138	273,080	28%	28%	380,218	738,272	(358,054)	194%	194%	126,739	64,228	62,511	51%	380,497	128,509	251,988	34%	34%
Electricity			145,899	87,576	58,324	60%	60%	165,443	43,227	122,216	26%	26%	2,996	12,330	(9,334)	412%	412%	76,501	39,479	37,022	52%	149,280	45,734	103,546	31%	31%
Water			298,738	87,121	211,617	29%	29%	404,324	57,592	346,732	14%	14%	473,008	61,056	411,952	13%	13%	110,588	46,618	63,970	42%	407,804	84,846	322,958	21%	21%
Refuse			208,535	32,022	176,512	15%	15%	208,670	32,580	176,090	16%	16%	212,453	34,435	178,018	16%	16%	73,610	10,061	63,549	14%	219,344	30,620	188,724	14%	14%
Waste Water			293,577	44,894	248,683	15%	15%	293,770	44,047	249,723	15%	15%	299,175	45,548	253,627	15%	15%	103,714	12,761	90,953	12%	309,020	41,636	267,384	13%	13%
Interest			894,547	14,108	880,439	2%	2%	865,688	12,517	853,171	1%	1%	811,842	198,297	613,545	24%	24%	286,466	3,377	283,089	1%	834,130	10,886	823,244	1%	1%
Property Rates Tax	Mun Supplied	Ward 30 - Platfontein Industrial, Jacksonville, Lerato Park	928,262	176,745	751,517	19%	19%	924,525	122,534	801,990	13%	13%	729,763	470,637	259,125	64%	64%	333,789	68,223	265,566	20%	1,000,261	192,460	807,801	19%	19%
Electricity			240,145	111,594	128,551	46%	46%	154,595	27,452	127,143	18%	18%	158,759	43,918	114,841	28%	28%	96,833	18,026	78,807	19%	279,872	55,698	224,174	20%	20%
Water			1,144,602	99,821	1,044,781	9%	9%	1,295,852	97,962	1,197,890	8%	8%	1,675,521	167,160	1,508,362	10%	10%	(39,068,884)	44,605	0	0%	(38,116,721)	98,845	(38,215,566)	0%	0%
Refuse			1,285,312	62,600	1,222,712	5%	5%	796,460	59,227	737,232	7%	7%	810,315	80,816	729,500	10%	10%	290,063	30,754	259,309	11%	862,356	69,405	792,952	8%	8%
Waste Water			2,479,041	75,931	2,403,110	3%	3%	1,137,979	80,247	1,057,733	7%	7%	1,146,976	94,249	1,052,728	8%	8%	405,687	35,126	370,562	9%	1,205,872	78,987	1,126,884	7%	7%
Interest			2,991,131	16,909	2,974,222	1%	1%	1,663,300	25,802	1,637,498	2%	2%	1,585,000	87,737	1,497,263	6%	6%	591,117	8,134	582,983	1%	1,723,227	29,113	1,694,114	2%	2%
Property Rates Tax	Mun Supplied	Ward 31 - Kutlwanong, Soul City, Riviera, Fransfarm	1,430,348	226,665	1,203,684	16%	16%	668,955	200,576	468,379	30%	30%	670,403	253,611	416,792	38%	38%	223,654	69,862	153,792	31%	670,990	229,383	441,607	34%	34%
Electricity			81,605	12,465	69,140	15%	15%	(122,256)	2,687	(124,943)	-2%	-2%	54,079	4,262	49,817	8%	8%	22,287	922	21,365	4%	61,886	1,181	60,704	2%	2%
Water			1,730,492	179,937	1,550,555	10%	10%	1,657,281	155,864	1,501,417	9%	9%	2,611,570	178,863	2,432,707	7%	7%	740,080	63,780	676,300	9%	2,252,995	171,959	2,081,036	8%	8%
Refuse			1,044,892	117,830	927,062	11%	11%	1,030,624	116,567	914,057	11%	11%	1,042,731	151,536	891,195	15%	15%	362,799	42,918	319,881	12%	1,084,480	112,396	972,084	10%	10%
Waste Water			1,475,072	171,293	1,303,779	12%	12%	1,454,737	176,957	1,277,780	12%	12%	1,471,983	208,185	1,263,798	14%	14%	512,409	62,206	450,204	12%	1,531,630	165,843	1,365,786	11%	11%
Interest			1,870,289	23,637	1,846,652	1%	1%	1,863,791	28,636	1,835,155	2%	2%	1,757,002	64,477	1,692,525	4%	4%	630,311	22,324	607,987	4%	1,834,265	43,659	1,790,606	2%	2%
Property Rates Tax	Mun Supplied	Ward 32 - Phutanang, Sol Plaatje RE, Platfontein	938,102	59,080	879,023	6%	6%	328,820	47,458	281,362	14%	19%	329,044	272,782	56,262	83%	83%	109,680	20,053	89,627	18%	329,085	64,844	264,241	20%	20%
Electricity			385,938	132,790	253,149	34%	34%	286,664	142,872	143,792	50%	50%	309,419	135,811	173,608	44%	44%	112,234	28,439	83,794	25%	319,068	114,096	204,973	36%	36%
Water			1,759,686	63,585	1,696,101	4%	4%	1,755,224	75,659	1,679,564	4%	4%	1,816,895	81,645	1,735,250	4%	4%	491,287	30,870	460,417	6%	1,564,288	89,305	1,474,983	6%	6%
Refuse			554,891	37,764	517,128	7%	7%	541,786	32,218	509,568	6%	6%	544,772	36,985	507,787	7%	7%	188,702	11,365	177,337	6%	563,539	39,013	524,526	7%	7%
Waste Water			754,786	48,195	706,591	6%	6%	737,016	43,341	693,675	6%	6%	741,368	50,416	690,952	7%	7%	256,807	13,867	242,940	5%	766,796	53,450	713,346	7%	7%
Interest			1,121,573	7,959	1,113,614	1%	1%	1,126,252	4,894	1,121,358	0%	0%	1,068,170	20,839	1,047,331	2%	2%	389,734	2,567	387,167	1%	1,131,095	13,609	1,117,486	1%	1%
Property Rates Tax	Mun Supplied	Ward 33 - Chris Hani Park, Galeshewe Ext 6, Chris Hani South, China Square, West End, Thambo Square, Diamant Park	1,872,487	1,485,466	387,021	79%	79%	1,425,768	842,509	583,259	59%	59%	1,424,809	1,057,961	366,848	74%	74%	474,746	405,739	69,007	85%	1,424,943	939,598	485,345	66%	66%
Electricity			849,593	612,068	237,524	72%	72%	729,755	604,348	125,407	83%	83%	759,100	618,427	140,673	81%	81%	255,761	182,067	73,694	71%	735,233	538,027	197,206	73%	73%
Water			2,059,752	441,122	1,618,629	21%	21%	2,125,771	559,642	1,566,129	26%	26%	2,224,949	560,489	1,664,460	25%	25%	762,707	176,131	586,576	23%	2,257,406	530,530	1,726,876	24%	24%
Refuse			662,532	197,947	464,585	30%	30%	668,591	203,684	464,906	30%	30%	673,725	192,556	481,168	29%	29%	227,863	74,647	153,216	33%	681,831	194,232	487,598	28%	28%
Waste Water			845,683	212,597	633,085	25%	25%	852,077	229,740	622,337	27%	27%	859,454	214,097	645,357	25%	25%	290,942	82,653	208,289	28%	870,466	205,337	665,129	24%	24%
Interest			1,589,437	55,088	1,534,349	3%	3%	1,535,068	57,760	1,477,308	4%	4%	1,449,187	116,807	1,332,380	8%	8%	515,483	29,462	486,021	6%	1,503,115	66,947	1,436,168	4%	4%
Property Rates Tax	Mun Supplied	Ward 999 Unknown	453,342	86,824	366,518	19%	19%	449,700	259,163	190,537	58%	58%	449,700	393,324	56,376	87%	87%	149,900	7,374	142,525	5%	449,700	235,026	214,673	52%	52%
Electricity			180,036	44,098	135,937	24%	24%	194,085	31,654	162,431	16%	16%	194,565	34,796	159,769	18%	18%	137,581	8,568	129,012	6%	253,436	26,973	226,463	11%	11%
Water			83,662	4,979	78,683	6%	6%	132,776	8,828	123,948	7%	7%	128,150	7,121	121,029	6%	6%	49,050	3,142	45,908	6%	145,351	7,043	138,308	5%	5%
Refuse			23,395	3,515	19,880	15%	15%	24,949	3,343	21,606	13%	13%	25,219	1,932	23,288	8%	8%	8,767	1,189	7,578	14%	26,165	2,247	23,918	9%	9%
Waste Water			40,730	4,797	35,933	12%	12%	48,414	2,473	45,941	5%	5%	51,225	2,873	48,352	6%	6%	17,576	1,039	16,537	6%	52,534	2,249	50,285	4%	4%
Interest			155,344	1,611	153,733	1%	1%	152,655	2,269	150,386	1%	1%	140,701	16,075	124,626	11%	11%	50,750	1,405	49,345	3%	121,025	2,893	118,133	2%	2%

16.4.2 Monthly - Restriction of Free Basic Services to Indigent Households

Articulated in table below, is the Indigent information for the reporting for the month of June 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 indigent registrations. The indigent households in informal settlements cannot be loaded on the system, due to the areas not being formalised. It should be noted that as per the Indigent Policy, it is a prerequisite for approval that all indigent households must have a prepaid electricity meter installed.

National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

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

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

Description	Ref	As Per Debt Relief Application	Current Year - 2025/2026			2025/2026 - Monthly Monitoring											
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12
Indigent Household service targets	1																
Water : (Include All Indigent households also in Eskom supplied areas)																	
Indigent HH's with piped water inside dwelling		7,390	11,800	11,800	11,800	7,659	7,518	7,196	7,332	7,497	7,477	7,563	7,747	8,275	8,743	9,152	9,213
Indigent HH's with piped water inside yard (but not in dwelling)																	
Indigent HH's using public tap (at least min.service level)	2																
Indigent HH's with other water supply (at least min.service level)	4																
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		**7,390**	**11,800**	**11,800**	**11,800**	**7,659**	**7,518**	**7,196**	**7,332**	**7,497**	**7,477**	**7,563**	**7,747**	**8,275**	**8,743**	**9,152**	**9,213**
Indigent HH's using public tap (< min.service level)	3																
Indigent HH's with other water supply (< min.service level)	4																
Indigent HH's with No water supply																	
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total number of registered indigent households	5	**7,390**	**11,800**	**11,800**	**11,800**	**7,659**	**7,518**	**7,196**	**7,332**	**7,497**	**7,477**	**7,563**	**7,747**	**8,275**	**8,743**	**9,152**	**9,213**
Status of Water meters :																	
Number of Indigent HH's with prepaid Water																	
Number of Indigent HH's with conventional metered Water		7,390	11,800	11,800	11,800	7,659	7,518	7,196	7,332	7,497	7,477	7,563	7,747	8,275	8,743	9,152	9,213
Number of Indigent HH's NOT metered currently - Water																	
Number of Indigent HH's with NO Water supply - No metering		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total number of registered indigent households	10	**7,390**	**11,800**	**11,800**	**11,800**	**7,659**	**7,518**	**7,196**	**7,332**	**7,497**	**7,477**	**7,563**	**7,747**	**8,275**	**8,743**	**9,152**	**9,213**
Status of unlimited supply of Water :																	
Number of Indigent HH's with conventional metered Water - where the municipality is *NOT physcally restricting Water to the national free basic limit of 6 kilolitres per \household per month*																	
Number of Indigent HH's NOT metered currently receiving unlimited supply - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total number of registered indigent households receiving unlimited supply - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's **billed for consumption above the 6 kilolitres**	11																
Energy : (Include All Indigent households also in Eskom supplied areas)																	
Indigent HH's with Electricity (at least min.service level)																	
Indigent HH's with Electricity - prepaid (min.service level)																	
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Indigent HH's with Electricity (< min.service level)																	
Indigent HH's with Electricity - prepaid (< min. service level)																	
Indigent HH's with other energy sources																	
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total number of registered indigent households	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Status of Electricity meters :																	
Number of Indigent HH's with prepaid Electricity		7,390	11,800	11,800	11,800	6,899	6,793	6,430	6,571	7,497	7,477	7,563	7,747	8,275	8,743	9,152	9,213
Number of Indigent HH's with conventional metered Electricity																	
Number of Indigent HH's NOT metered currently - Electricity																	
Number of indigent HH's with other energy sources - No metering		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total number of registered indigent households	12	**7,390**	**11,800**	**11,800**	**11,800**	**6,899**	**6,793**	**6,430**	**6,571**	**7,497**	**7,477**	**7,563**	**7,747**	**8,275**	**8,743**	**9,152**	**9,213**
Status of unlimited supply of Electricity :																	
Number of Indigent HH's with conventional metered Electricity - where the municipality is *NOT physcally restricting Electricity to the national free basic limit of 50kwh per \household per month*																	
Number of Indigent HH's NOT metered currently receiving unlimited supply - Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total number of registered indigent households receiving unlimited supply - Electricity		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's **billed for consumption above the 50 kwh**	13																
Number of ALL Households receiving Free Basic Service *(including registered Indigent Households)*	7																
Water (6 kilolitres per household per month)		7,390	11,800	11,800	11,800	7,659	7,518	7,196	7,332	7,497	7,477	7,563	7,747	8,275	8,743	9,152	9,213
Electricity/other energy (50kwh per household per month)		7,390	11,800	11,800	11,800	6,899	6,793	6,430	6,571	7,497	7,477	7,563	7,747	8,275	8,743	9,152	9,213
Cost of Free Basic Services provided to ALLHouseholds in - Formal Settlements (R'000)																	
Water (6 kilolitres per household per month)		10,000,000	8,000,000	8,000,000	8,000,000	258,044	275,513	271,989	272,560	277,661	259,510	331,050	271,771	309,084	317,842	330,477	####
Electricity/other energy (50kwh per household per month)		12,000,000	13,000,000	13,000,000	13,000,000	884,716	18,128	870,917	1,649,889	17,690	836,043	845,045	1,740,709	587	949,335	690	690
Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)																	
Water (6 kilolitres per household per month)																	
Electricity/other energy (50kwh per household per month)																	
Total cost of FBS Water and Electricity provided to ALL Households	8	**22,000,000**	**21,000,000**	**21,000,000**	**21,000,000**	**1,142,760**	**293,641**	**1,142,907**	**1,922,450**	**295,351**	**1,095,554**	**1,176,095**	**2,012,480**	**309,670**	**1,267,177**	**331,167**	**#####**
Highest level of free service provided per household (ALL Households)																	
Property rates (R value threshold)		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	####
Water (kilolitres per household per month)		6	6	6	6												
Sanitation (kilolitres per household per month)		213	213	213	213												
Sanitation (Rand per household per month)		189	198	198	198												
Electricity (kwh per household per month)		50	50	50	50												
Refuse (average litres per week)		21	21	21	21												
Revenue cost of subsidised services provided for ALL Households (R'000)	9																
Residential Category : Property rates **(tariff adjustment) (impermissable values per section 17 of MPRA)**	14(a)																
PSI Category : Property rates **(tariff adjustment) (impermissable values per section 17 of MPRA)**	14(b)																
Additional Subsidies: Property rates exemptions, reductions and rebates **in excess of section 17 of MPRA)**		37,240,000	36,400,000	36,400,000	36,400,000	641,608	591,385	591,983	593,904	595,500	595,756	594,979	598,178	601,045	605,924	605,535	####
Water **(in excess of 6 kilolitres per indigent household per month)**	15	21,500,000	20,000,000	20,000,000	20,000,000	–	766,241	714,745	720,957	976,728	854,746	779,853	821,478	810,280	790,120	773,575	####
Sanitation **(in excess of free sanitation service to indigent households)**	16	3,400,000	3,500,000	3,500,000	3,500,000	–	–	–	–	–	–	–	–	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		41,000,000	41,000,000	41,000,000	41,000,000	–	1,756,506	1,085,859	877,648	687,242	686,096	699,004	688,316	653,100	609,636	713,502	####
Refuse **(in excess of one removal a week for indigent households)**		4,400,000	4,800,000	4,800,000	4,800,000	–	126,511	126,511	130,950	126,781	124,822	130,856	127,441	129,032	127,441	128,237	####
Municipal Housing - rental rebates																	
Housing - top structure subsidies	6																
Other																	
Total revenue cost of subsidised services provided		**107,540,000**	**#########**	**105,700,000**	**105,700,000**	**641,608**	**3,240,643**	**2,519,098**	**2,323,459**	**2,386,251**	**2,261,420**	**2,204,692**	**2,235,413**	**2,193,458**	**2,133,121**	**2,220,848**	**#####**

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

	Number of Properties			Market Values		
Propety Categories	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

	Monthly Billing - Mapped Accounts			Monthly Billing - Un Mapped Accounts		
Propety Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	24,167,439	23,954,831	212,608	24,167,439	24,095,900	71,539
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	63,232,850	52,875,727	10,357,124	63,232,850	53,447,190	9,785,660

Properties reconciliation

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

Eskom

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

NORTH WESTERN REGION
PRIVATE BAG X16 Westville 3630

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

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

YOUR ACCOUNT NO	5449407898
SECURITY HELD	32617894.65
BILLING DATE	2026-06-02
TAX INVOICE NO	544789968052
ACCOUNT MONTH	MAY 2026
CURRENT DUE DATE	2026-07-02
VAT REG NO	4370102313

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

NORTH WESTERN REGION
PRIVATE BAG X16 Westville 3630

DIRECT DEPOSIT DETAIL

BANK:	First National Bank
BRANCH CODE:	223626
BANK ACC NO:	55070067316

TAX INVOICE

E-MAIL: tmoilwa@solplaatje.org.za

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE		R	609.77
TRANSMISSION NETWORK CAPACITY		R	1,065,600.00
DIST. NETWORK CAPACITY CHARGE		R	1,802,640.00
NETWORK DEMAND CHARGE		R	906,711.84
URBAN LOW VOLTAGE SUBSIDY		R	247,530.00
ANCILLARY SERVICE (ALL)		R	156,964.35
GENERATOR CAPACITY CHARGE		R	717,060.00
LEGACY CHARGE (ALL)		R	8,879,091.13
ENERGY CHARGE (STD)	17,680,031.00	R	26,191,197.92
ENERGY CHARGE (PEAK)	7,205,186.00	R	18,983,503.55
ENERGY CHARGE (OFF)	17,537,579.00	R	18,556,512.34
SERVICE CHARGE		R	35,213.52
ELECTRIFICATION AND RURAL SUBS (ALL)		R	2,129,624.36
TOTAL CHARGES FOR BILLING PERIOD		R	**79,672,258.78**

ACCOUNT SUMMARY FOR MAY 2026

BALANCE BROUGHT FORWARD	(Due Date 2026-06-04)	R	1,066,351,748.10
PAYMENT(S) RECEIVED	Cash - 2026-05-05	R	-25,475,024.94
PAYMENT(S) RECEIVED	Cash - 2026-05-28	R	-50,000,000.00
TOTAL CHARGES FOR BILLING PERIOD		R	79,672,258.78
ADJUSTMENT	Interest on overdue account	R	3,659,762.67
ADJUSTMENT	Interest on overdue account	R	722,159.50
ADJUSTMENT	Interest on overdue payment arrangement debt	R	27,891.23
ADJUSTMENT	Interest on overdue payment arrangement debt	R	125,832.37
PAYMENT ARRANGEMENT	5447737377 (Balance o/s R 8,962,000.00)	R	6,700,000.00
VAT RAISED ON ITEMS AT 15%		R	11,950,838.82

CURRENT	TOTAL DUE	R	1,093,735,466.53
102,858,743.37			

ARREARS

>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS
807,486,159.78	92,175,024.94	0.00	91,215,538.44

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

ACCOUNT NO / REFERENCE NO
5449407898

NAME
SOL PLAATJE LOCAL MUNICIPALITY

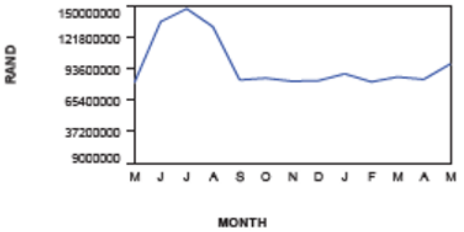
FAX NUMBER

unipay 7100 10 0010

272157001544940789884

>>>>>>> 9207 2544 9407 8987

TOTAL AMOUNT DUE
1,093,735,466.53



PAYMENT ARRANGEMENT	
INSTALMENT	6,700,000.00
ARREARS (Due Immediately)	990,876,723.16
DUE DATE (For Current Amount)	2026-07-02
AMOUNT PAID	

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BILL GROUP	
BILL PAGE	1 OF 2

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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ii) Indicated below is the June 2026 account which is due and payable on or before 01 August 2026.

Eskom

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

NORTH WESTERN REGION
PRIVATE BAG X16 Westville 3630

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

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

YOUR ACCOUNT NO	5449407898
SECURITY HELD	32617894.65
BILLING DATE	2026-07-02
TAX INVOICE NO	544101645056
ACCOUNT MONTH	JUNE 2026
CURRENT DUE DATE	2026-08-01
VAT REG NO	4370102313

Eskom

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:	55070067318

TAX INVOICE

E-MAIL: tmoilwa@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	863,465.28
URBAN LOW VOLTAGE SUBSIDY		R	247,530.00
ANCILLARY SERVICE (ALL)		R	153,029.93
GENERATOR CAPACITY CHARGE		R	717,060.00
LEGACY CHARGE (ALL)		R	8,656,530.97
ENERGY CHARGE (PEAK)	7,530,057.00	R	47,805,319.87
ENERGY CHARGE (OFF)	16,103,773.00	R	17,039,402.21
ENERGY CHARGE (STD)	17,725,611.00	R	28,134,089.78
SERVICE CHARGE		R	34,077.60
ELECTRIFICATION AND RURAL SUBS (ALL)		R	2,076,243.94
TOTAL CHARGES FOR BILLING PERIOD		R	**108,595,579.68**

ACCOUNT SUMMARY FOR JUNE 2026

BALANCE BROUGHT FORWARD	(Due Date 2026-07-02)		R	1,093,735,466.53
TOTAL CHARGES FOR BILLING PERIOD			R	108,595,579.68
ADJUSTMENT	Interest on overdue account		R	531,405.92
ADJUSTMENT	Interest on overdue account		R	5,386,506.85
PAYMENT ARRANGEMENT	5447737377 (Balance o/s R	13,400,000.00)	R	2,262,000.00
VAT RAISED ON ITEMS AT 15%			R	16,289,336.95

CURRENT	TOTAL DUE	R	1,226,800,295.93
133,064,829.40			

ARREARS

>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS
899,661,184.72	0.00	194,074,281.81	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	

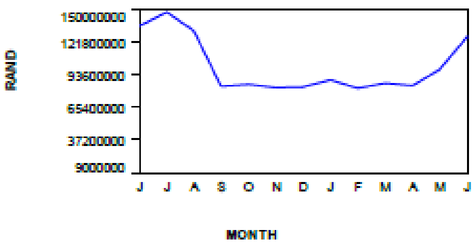
unipay 7100 10 0010

2721570015449407898 4

>>>>>>> 9207 2544 9407 8987

TOTAL AMOUNT DUE

1,226,800,295.93



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BILL GROUP	
BILL PAGE	1 OF 2

PAYMENT ARRANGEMENT	
INSTALMENT	2,262,000.00
ARREARS (Due Immediately)	1,093,735,466.53
DUE DATE (For Current Amount)	2026-08-01
AMOUNT PAID	

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

000011000001\

iii) Indicated below is the municipality's proof of payment of the Eskom Bulk account payments for the month of June 2026. However, it should be noted that the payment was only released on 1 July 2026, because the municipality missed the cut-off time of the bank on 30 June 2026.

```
SOL PLAATJE MUNICIPALITY
PRIVATE BAG X5030            REMITTANCE  ADVICE
KIMBERLEY 8300               ------------------

ESKOM HOLDINGS                                            30/06/2026
PRIVATE BAG X16
WESTVILLE
3630
                                                  SUPPLIER No: SESK01

CONTACT PERSON:                                  VOUCHER NO:  CATZ000026
TEL NO: 0829413707          FAX NO:
E-MAIL ADDRESS:
                                             CHEQUE/ELE NO:    77078981


DATE       TYPE REFERENCE              EXCL VAT  DISCOUNT    VAT        NETT
05/05/2026 SUN  544500222058         30013511.69         4502026.75 34515538.44


SUB TOTAL:                                               4502026.75 34515538.44

                                                         4502026.75 34515538.44

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 M12 – June 2026 pertaining to electricity.

	2026	
	M12	
Account Name		
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Deposits	-101,365,738	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	84,207,905	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	203,544,081	287,751,986
Expenditure:Bulk Purchases:Electricity:ESKOM	84,207,905	

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

Datastrings & FMS Recon - June 2026 M12	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
BULK PURCHASES:ELECTRICITY:ESKOM	**507,388,336.76**	**423,180,432.21**	**84,207,904.55**	Bulk Purchases vote reconciles to datastrings
Combined vouchers	30,013,511.69	-	30,013,511.69	
Cheque No : 77078981 Bank No : 901	30,013,511.69	-	30,013,511.69	Payment of R34.5 million
Sundry Accruals	84,207,904.55	-	84,207,904.55	
Sundry CATA014603	84,207,904.55	-	84,207,904.55	Invoice for May 2026 authorised on system
Sundry Accruals Reversals	52,173,913.04	371,006,519.17	- 318,832,606.13	
	52,173,913.04	340,993,007.48	- 288,819,094.44	
Cheque No : 77078981 Bank No : 901	-	30,013,511.69	- 30,013,511.69	
Year End Sundry Payments	340,993,007.48	52,173,913.04	288,819,094.44	
Sundry CATA013541 Creditor Control	112,982,623.81	-	112,982,623.81	
Sundry CATA013943 Creditor Control	70,460,603.70	52,173,913.04	18,286,690.66	
Sundry CATA013984 Creditor Control	73,341,875.42	-	73,341,875.42	
Sundry CATA014603 Creditor Control	84,207,904.55	-	84,207,904.55	
Grand Total	**507,388,336.76**	**423,180,432.21**	**84,207,904.55**	

Datastrings & FMS Recon - June 2026 M12	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
ELECTRICITY BULK PURCH ACC 01:WITHDRAWAL	**287,751,985.96**	**-**	**287,751,985.96**	Withdrawal vote reconciles to datastrings
Create Cheque 77078603 Voucher No CATA014541	589.36	-	589.36	
Create Cheque 77078604 Voucher No CATA014542	5,086.32	-	5,086.32	
Create Cheque 77078605 Voucher No CATA014556	10,987.01	-	10,987.01	
Create Cheque 77078830 Voucher No CATA014539	38,288.51	-	38,288.51	
Create Cheque 77078831 Voucher No CATA014540	140,267.90	-	140,267.90	
Create Cheque 77078832 Voucher No CATA014604	20,122.56	-	20,122.56	
Create Cheque 77078833 Voucher No CATA014605	7,949.70	-	7,949.70	Minor Eskom payment
Create Cheque 77078834 Voucher No CATA014622	500.07	-	500.07	
Create Cheque 77078835 Voucher No CATA014630	9,322.87	-	9,322.87	
Create Cheque 77078836 Voucher No CATA014641	15,748.38	-	15,748.38	
Create Cheque 77078837 Voucher No CATA014642	46,855.47	-	46,855.47	
Create Cheque 77078838 Voucher No CATA014643	14,831.47	-	14,831.47	
Create Cheque 77078876 Voucher No CATA014655	4,316.43	-	4,316.43	
Create Cheque 77078965 Voucher No CATZ000025	41,507,243.78	-	41,507,243.78	Cancelled ELE, possible corrective journal to be done
Create Cheque 77078966 Voucher No CATA007545	50,812,779.51	-	50,812,779.51	Cancelled ELE, possible corrective journal to be done
Create Cheque 77078967 Voucher No CATA007615	51,379,198.31	-	51,379,198.31	Cancelled ELE, possible corrective journal to be done
Create Cheque 77078968 Voucher No CATA007715	53,401,058.31	-	53,401,058.31	Cancelled ELE, possible corrective journal to be done
Create Cheque 77078969 Voucher No DUNA007060	51,027,860.62	-	51,027,860.62	Cancelled ELE, possible corrective journal to be done
Create Cheque 77078981 Voucher No CATZ000026	34,515,538.44	-	34,515,538.44	Payment of R34.5m on April 2026 account
Create Cheque 77078991 Voucher No CATA014644	117,159.14	-	117,159.14	Minor Eskom payment
Create Cheque 77078992 Voucher No CATA014645	4,676,281.80	-	4,676,281.80	Payment on the Riverton account
ELECTRICITY BULK PURCHASE ACC 01:DEPOSIT	**368,777,155.25**	**470,142,892.77**	**- 101,365,737.52**	Deposits vote reconciles to datastrings
Create Cheque 77078603 Voucher No CATA014541	589.36	589.36	-	
Create Cheque 77078604 Voucher No CATA014542	5,086.32	5,086.32	-	
Create Cheque 77078605 Voucher No CATA014556	10,987.01	10,987.01	-	
Create Cheque 77078830 Voucher No CATA014539	38,288.51	38,288.51	-	
Create Cheque 77078831 Voucher No CATA014540	140,267.90	140,267.90	-	
Create Cheque 77078832 Voucher No CATA014604	20,122.56	20,122.56	-	
Create Cheque 77078833 Voucher No CATA014605	7,949.70	7,949.70	-	
Create Cheque 77078834 Voucher No CATA014622	500.07	500.07	-	
Create Cheque 77078835 Voucher No CATA014630	9,322.87	9,322.87	-	
Create Cheque 77078836 Voucher No CATA014641	15,748.38	15,748.38	-	
Create Cheque 77078837 Voucher No CATA014642	46,855.47	46,855.47	-	
Create Cheque 77078838 Voucher No CATA014643	14,831.47	14,831.47	-	
Create Cheque 77078876 Voucher No CATA014655	4,316.43	4,316.43	-	
Create Cheque 77078981 Voucher No CATZ000026	34,515,538.44	34,515,538.44	-	
Create Cheque 77078991 Voucher No CATA014644	117,159.14	117,159.14	-	
Create Cheque 77078992 Voucher No CATA014645	4,676,281.80	4,676,281.80	-	
Sundry CATA013541 Creditor Control	129,313,188.86	129,313,188.86	-	
Sundry CATA013943 Creditor Control	20,364,895.03	20,364,895.03	-	
Sundry CATA013984 Creditor Control	83,316,482.56	83,316,482.56	-	
Sundry CATA014539 Creditor Control	-	38,288.51	- 38,288.51	
Sundry CATA014540 Creditor Control	-	140,267.90	- 140,267.90	
Sundry CATA014541 Creditor Control	-	589.36	- 589.36	
Sundry CATA014542 Creditor Control	-	5,086.32	- 5,086.32	
Sundry CATA014556 Creditor Control	-	10,987.01	- 10,987.01	
Sundry CATA014603 Creditor Control	96,158,743.37	192,317,486.74	- 96,158,743.37	
Sundry CATA014604 Creditor Control	-	20,122.56	- 20,122.56	
Sundry CATA014605 Creditor Control	-	7,949.70	- 7,949.70	
Sundry CATA014622 Creditor Control	-	500.07	- 500.07	
Sundry CATA014630 Creditor Control	-	9,322.87	- 9,322.87	
Sundry CATA014641 Creditor Control	-	15,748.38	- 15,748.38	
Sundry CATA014642 Creditor Control	-	46,855.47	- 46,855.47	
Sundry CATA014643 Creditor Control	-	14,831.47	- 14,831.47	
Sundry CATA014644 Creditor Control	-	117,159.14	- 117,159.14	
Sundry CATA014645 Creditor Control	-	4,676,281.80	- 4,676,281.80	
Sundry CATA014655 Creditor Control	-	4,316.43	- 4,316.43	
Sundry CATA014699 Creditor Control	-	57,130.49	- 57,130.49	
Sundry CATA014700 Creditor Control	-	19,046.52	- 19,046.52	
Sundry CATA014701 Creditor Control	-	22,510.15	- 22,510.15	
Grand Total	**656,529,141.21**	**470,142,892.77**	**186,386,248.44**	

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) No Water account was billed for May due to our servitude (free water allocation) that commences 1st of April each year. Indicated below is the account for June 2026.07.12

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NWRI Customer Ref no: 60005150
Customer No: 25014305
Contract Acc. No: 100478320
Document No: 493873183
Document Date: 30.06.2026
Payment Terms: 30 Days
Due Date: 30.07.2026
Customer VAT Reg. No: 4370102313

TAX INVOICE

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

YOUR CONTACT OFFICE:

Department: Water and Sanitation
Private Bag X313
Pretoria
0001
R535 Waterbron Building
185 Francis Baard Street
Pretoria

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

PHONE 0800 200 200
FAX 012 336 1408
EMAIL:revenue@dws.gov.za

Water Use Description	Tariff Category	Quantity m3/HA Registered/Consumed	Unit Price(c/m3/HA)	Amount(Rand)
Property Details: Property Name: DROOGFONTEIN; Property Number: 6866; Registration Division: KIMBERLEY RD; Portion Number: 1; Title Deed: T16761/1921 ; Water Use Details: WMA: VAAL; Legal Sector Code: 21A Tk water fr a water resource; Water Use Sector: D&I_WATER SUPPLY SERVICE Water Source Type: SCHEME;				
Contract No: 10087405 (25014305/13)				
Water Use Period: 01.06.2026 to 30.06.2026				
	Consumptive (O&M)	18,223.60	39.88	7,267.57
	Consumptive (ROA)	18,223.60	34.30	6,250.69
	Consumptive (Depr)	18,223.60	20.18	3,677.52
	TCTA (AMD)	18,223.60	9.90	1,804.14
	TCTA (LHWP)	18,223.60	510.80	93,086.15
Water Use Period: 01.04.2026 to 30.06.2026				
	Plus 15.00% VAT			16,812.91
	Subtotal			**128,898.98**
Water Use Period: 01.06.2026 to 30.06.2026				
	WRL	18,223.60	8.08	1,472.47
	Total Charges			**130,371.45**

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ii) There is no proof of payment for DWS because the municipality had insufficient cash to settle the arrear debt.

iii) 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 M11 – June 2026).

	2026
	M12
Account Name	
Assets:Current Assets:Inventory:Water:System Input Volume:Bulk Purchases	825

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

Datastrings & FMS Recon - June 2026 M12	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
WATER:INPUT VOL: BULK PURCHASES	136,408,242.25	136,407,417.25	825.00	Water:Input Vol: Bulk Purchases vote reconciles to datastrings
Sundry Accruals	825.00	-	825.00	
SORA01:ORANJE RIET WATER USERS ASSOCIATION	825.00	-	825.00	
Sundry Accruals Reversals	-	136,407,417.25	- 136,407,417.25	
SORA01 : ORANJE RIET WATER USERS ASSOCIATION	-	825.00	- 825.00	
SWAT01 : DEPARTMENT OF WATER AND SANITATION	-	18,411,130.30	- 18,411,130.30	
SWAT01:DEPARTMENT OF WATER AND SANITATION	-	117,995,461.95	- 117,995,461.95	
Sundry Payments	825.00	-	825.00	
SORA01 : ORANJE RIET WATER USERS ASSOCIATION	825.00	-	825.00	Payment of Oranje Riet Water Users Association
Year End Sundry Payments	136,406,592.25	-	136,406,592.25	
Sundry CATA013572 Creditor Control	12,762,478.68	-	12,762,478.68	
Sundry CATA013983 Creditor Control	15,412,299.31	-	15,412,299.31	
Sundry CATA014060 Creditor Control	12,762,480.48	-	12,762,480.48	
Sundry CATA014179 Creditor Control	1,870,545.10	-	1,870,545.10	
Sundry CATA014180 Creditor Control	4,567,920.90	-	4,567,920.90	
Sundry CATA014181 Creditor Control	5,879,436.14	-	5,879,436.14	Vouchers carried over to the new year
Sundry CATA014380 Creditor Control	18,663,749.77	-	18,663,749.77	
Sundry CATA014522 Creditor Control	13,909,502.58	-	13,909,502.58	
Sundry DUNA008538 Creditor Control	12,762,480.48	-	12,762,480.48	
Sundry DUNA008629 Creditor Control	19,404,568.51	-	19,404,568.51	
SWAT01 : DEPARTMENT OF WATER AND SANITATION	18,411,130.30	-	18,411,130.30	
Grand Total	136,408,242.25	136,407,417.25	825.00	

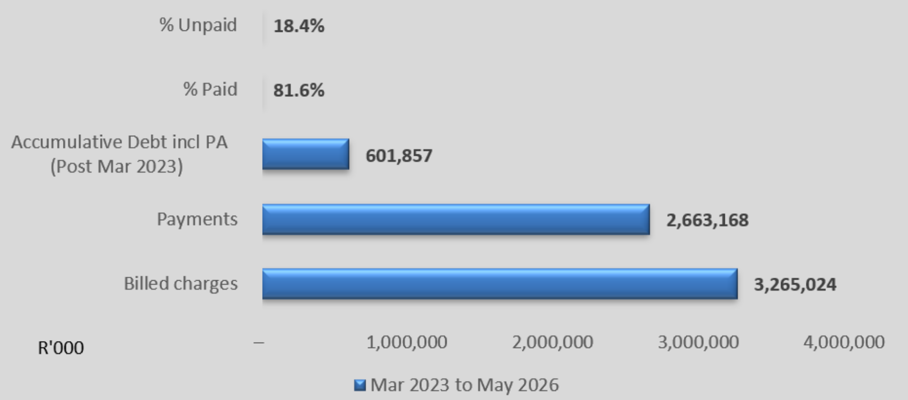
Datastrings & FMS Recon - June 2026 M12	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
WATER BULK PURCHASE:DEPOSITS	158,878,374.20	158,878,374.20	-	
	158,878,374.20	21,433,972.20	137,444,402.00	
Sundry CATA013572 Creditor Control	-	14,866,090.79	- 14,866,090.79	
Sundry CATA013983 Creditor Control	-	17,952,675.70	- 17,952,675.70	
Sundry CATA014060 Creditor Control	-	14,866,092.88	- 14,866,092.88	
Sundry CATA014179 Creditor Control	-	2,178,863.06	- 2,178,863.06	
Sundry CATA014180 Creditor Control	-	5,320,841.55	- 5,320,841.55	Vouchers carried over to the new year
Sundry CATA014181 Creditor Control	-	6,848,531.04	- 6,848,531.04	
Sundry CATA014380 Creditor Control	-	21,740,055.80	- 21,740,055.80	
Sundry CATA014522 Creditor Control	-	16,202,176.19	- 16,202,176.19	
Sundry DUNA008538 Creditor Control	-	14,866,092.88	- 14,866,092.88	
Sundry DUNA008629 Creditor Control	-	22,602,982.11	- 22,602,982.11	
Grand Total	158,878,374.20	158,878,374.20	-	

vii) Total outstanding debt owed to ESKOM and DWS as at 30 June 2026

Age analysis on debt owed to ESKOM and DWS as at 30 June 2026

	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total Debt	Total Arrear Debt	Debt over 90 days	% of Debt over 90 days
Bulk Electricity	130,803	96,159	34,516	–	–	–	176,995	787,271	1,225,743	1,094,940	964,265	79%
Bulk Water	130	–	–	16,202	21,740	30,103	90,833	111,822	270,831	270,701	270,701	100%
TOTAL	130,933	96,159	34,516	16,202	21,740	30,103	267,828	899,093	1,496,574	1,365,641	1,234,966	83%
% of O/S Debt	8.7%	6.4%	2.3%	1.1%	1.5%	2.0%	17.9%	60.1%	100.0%	91.3%	82.5%	

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

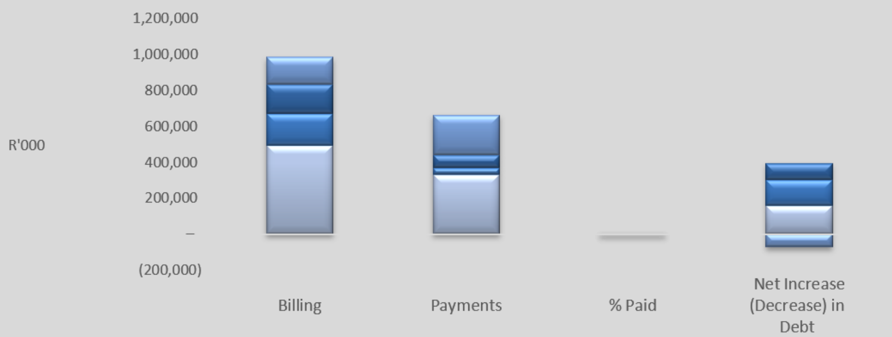


Indicated in the adjacent chart is a summary of the percentage payments versus billed charges for Eskom for the period March 2023 to May 2026. The June 2026 account is excluded as it not yet due and payable.

The total billed charges for the period amounted to R3,265,024 billion, and payments made amounted to R2,663,168 billion. For the period the municipality managed to settle 81.6% of the billed charges.

The debt outstanding post March 2023 amounts to R601,857 million, which includes the outstanding balance on the Payment Arrangement.

DWS - % Payments vs Billing (Jul 2023 - May 2026)



	Billing	Payments	% Paid	Net Increase (Decrease) in Debt
Jul 2023 - Jun 2024	150,526	222,301	148%	(71,775)
Jul 2024 - Jun 2025	162,756	71,722	44%	91,033
Jul 2025 - Mar 2026	178,922	36,812	21%	142,109
YTD Jul 2023 - May 2026	492,203	330,836	67%	161,368

Indicated in the adjacent chart is a summary of the percentage payments versus billing for DWS, for the period, July 2023 to May 2026. There is no account for May 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.

<table>
<tr><th>MFMA Circular Reference and Focus Areas</th><th>Eskom Debt Relief Conditions</th><th>Reporting Frequency / Target Dates</th><th>Target / Portfolio of Evidence</th><th>Progress Reporting period - June 2026</th></tr>
<tr><td rowspan="5">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)</td><td>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</td><td>Monthly, within 30 days of receiving invoice on or before due date as per the monthly invoice</td><td>Proof of payment (which includes, remittance advice, invoice and extract of corresponding bank statement)</td><td>Non-Compliant - ESKOM
The municipality missed the cut-off time of the bank on the 30 June 2026 and the balance of R34 million settled on the April 2026 account, was subsequently released on 1 July 2026. The municipality had insufficient cash to settle the current account for May 2026 amounting to R96 million.
Non-Compliant - DWS
The municipality did not have sufficient cash available to settle the arrear accounts for Water.</td></tr>
<tr><td>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</td><td>Monthly, 5th of each month</td><td></td><td>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 June 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 July 2026.</td></tr>
<tr><td>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</td><td>Within 1 day after making payment</td><td>Proof of payment and proof of email submission</td><td>Compliant
Email was sent within one day after making payment to ESKOM.</td></tr>
<tr><td>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.</td><td>Monthly, within 10 working days after month end</td><td>GoMuni Status of Schedule of Revenue Documents Submissions Report</td><td>Compliant
The N/A form was uploaded onto GoMuni, due to the municipality missing the cut-off time on Standard Bank Business online. The payment scheduled for 30 June 2026 was subsequently released on the 1 July 2026.</td></tr>
<tr><td>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</td><td>Monthly, within 10 working days after month end</td><td>Monthly financial data strings</td><td>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.</td></tr>
</table>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - June 2026
6.6 Electricity and Water Collection (*Demonstration through by-laws and budget related policies)*	**6.6.1** Issue monthly billing and allocate payment received from customers in the following priority order: (1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity	Monthly	Monthly billing reconciliation / Financial system generated hierachy allocation report	**Compliant** Priority of order of allocations was corrected on the system. This is a once-off correction that the system will apply when payments are made.
	6.6.2 The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner	Monthly	Number of disconnected / blocked meters	Prepaid disconnections = 714 Conventional disconnections = 121
	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 = 74%. Quarterly S71 Revenue Collection rate per Ward outcome Q4 = 70% Municipality's average collection rate = 81% (Prepaid electricity sales and allocated credits are included) **Not Achieved** Average daily cash collection for June 2026, was R6,728m.
	6.7.2 If the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality must demonstrate to the satisfaction of the National Treasury the reasons or that – 6.7.2.1 Underperformance directly relates to Eskom Supplied areas 6.7.2.2 Physical restriction and/or limit of supply of water is due to Technical Engineering reason(s) 6.7.2.3 The municipality has attempted to enter into SLA with Eskom for Eskom Supplied Areas and document reason(s) for failure	Quarterly	Monthly S71 Revenue Collection Ward Template	Ritchie is a small poor community and will not have a significant impact on the collection rate.
	6.7.3 Install progressively smart prepaid meters in municipal supplied areas (Electricity)	Quarterly	Report on the number of meters installed Annual Target: 2000 Q1: 0 Q2: 0 Q3: 0 Q4: 2,000 (As per SDBIP)	Smart meter project is completed. YTD installations until 31 March 2025 = 15,328

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - June 2026
6.7 Maintain a minimum average quarterly collection of property rates and services charges	**6.7.3** Install progressively smart prepaid meters in municipal supplied areas (Water)	Quarterly	Report on the number of meters installed Annual Target: 2000 Q1: 0 Q2: 0 Q3: 0 Q4: 2,000 (As per SDBIP)	Zero smart prepaid water meters were installed.
	6.7.4 All new electricity connections from 2023/24 MTREF must be smart-pre-paid meters	Quarterly	Report on the number of new connections installed with smart prepaid electricity meters	Smart meter project is completed. YTD installations until 31 March 2025 = 15,328
6.8 Completeness of the revenue base	**6.8.1** The municipality must demonstrate by completing the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer and demonstrate the steps taken to correct the variances identified; and	Quarterly	GVR Reconcialiation & GoMuni Status of Schedule of Revenue Documents Submissions Report	**Compliant** GVR reconciliation for the third quarter was completed on 13 July 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 14 July 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 June 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 performed by the relevant PT			
	Executive Management Team (EMT) to review the National Treasury: Local Government Budget Analysis (NT: LGBA) compliance certification for the prior month and take immediate remedial action	Monthly, within 1 days after issue	NT: LGBA Compliance Certification	The municipality received the draft compliance certificate for May 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 ito be invested weekly and withdrawn monthly	Investment account and primary bank statement	**Finalised** Daily process developed to identify amounts received per service.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - June 2026
				EQS portion to be considered on a monthly basis, once subsidies have been allocated on the system. **Partially Compliant** The scheduled payment for 30 June 2026 was only released on the 1 July 2026 because the municipality missed the cut-off time with the bank. Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124
	6.12.2 must monthly first apply the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it may apply the revenue in the sub-account for any other purpose.	Monthly	Investment account and bank statement and proof of payment aligned to actual receipts	**Partially Compliant** The scheduled payment for 30 June 2026 was only released on the 1 July 2026 because the municipality missed the cut-off time with the bank. The municipality has shown improvement on its cash flow management, however substantial receipts from debtors are not materialising. Municipality has a backlog in terms of built-up reserves. Salaries and third-party salary payments including commitments to other creditors make this requirement difficult to maintain.
	The municipality monthly submit a copy of the bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue	Monthly, within 10 working days after month end	Bank statement and proof of payment aligned to actual receipts	**Compliant** Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124. Primary bank account statement was uploaded onto GoMuni. Payments made directly from Primary bank account.

17. Recommendations

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

1. The monthly budget statement (S71 Report) for the month of June 2026.

2. The non-compliance emanating from the municipality's debt relief self-assessment and overall performance from July 2025, as well as the draft National Treasury's independent assessment set-out in paragraph 16.3 above. Please refer to the draft Non-compliance report and compliance certificate for May 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.

10. That the Mayoral committee take note of the Fruitless and Wasteful expenditure incurred on interest on overdue accounts amounting to R79,911 million for bulk electricity for the period Jul 2024 to May 2026.

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 **R598,512,535.26**, as indicated in the table below. Arrears on the outstanding invoices including interest amounts to R484,612,535.26 and the arrears on the payment arrangement amount to R113,900,000.00.

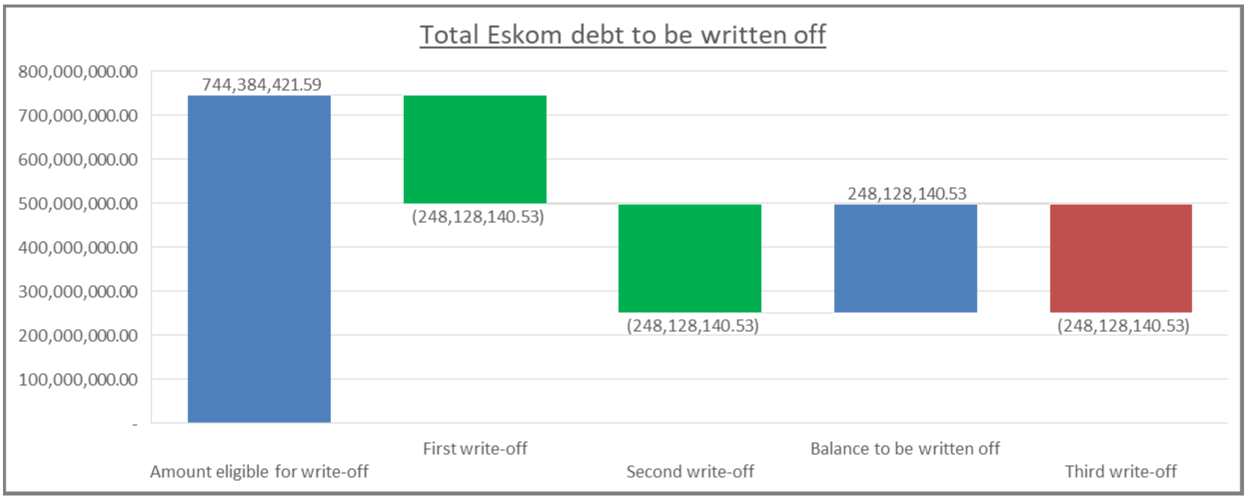
Month	Invoice Amount incl Interest	Paid Amount	Balance due incl Interest	Arrear instalments Payment Arrangement	Total Due to be in Good standing	Interest
Jul-24	R 148,333,011.78	R 148,333,011.78	R -	R -	R -	R 273,911.75
Aug-24	R 127,600,942.44	R 127,600,942.44	R -	R 6,700,000.00	R 6,700,000.00	R 154,610.92
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 85,475,024.94	R -	R -	R -	R 5,618,983.74
Apr-26	R 84,515,538.44	R 50,000,000.00	R 34,515,538.44	R -	R 34,515,538.44	R 6,869,542.60
May-26	R 96,158,743.37	R -	R 96,158,743.37	R -	R 96,158,743.37	R 4,535,645.77
TOTAL ESKOM	**R 2,098,976,198.28**	**R 1,614,363,663.02**	**R 484,612,535.26**	**R 113,900,000.00**	**R 598,512,535.26**	**R 79,911,038.46**

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 -
Apr-26	R -	R -	R -	R -	R -	R -
May-26	R -	R -	R -	R -	R -	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 **June 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: 14 /07/2026

national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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

Email: BMatlala@solplaatje.org.za; Sadesh.Ramjathan@gov.za;

Dear Mr Matlala and Mr Ramjathan

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

Sol Plaatje Local Municipality submitted its May 2026 Municipal Debt Relief Programme reporting package against the requirements of MFMA Circular No. 124. This report has been compiled in the same assessment style and condition-by-condition format used for the April 2026 certificate, but it has been updated for the May 2026 reporting cycle, the May Certificate of Compliance, the May Section 71 monthly budget statement, the primary bank reconciliation, the May C Schedule and the supporting evidence made available through the municipal reporting pack.

The May 2026 assessment records an improved automated compliance result when compared with April 2026. The May automated performance workbook reflects 34 compliant scored items out of 41 compliance indicators, equivalent to 82.93 per cent. On the automated scale this places the Municipality in the Above Moderate compliance band. This movement is noted, but it must not be interpreted as a clean recovery outcome. The improvement is largely supported by continued administrative compliance on the funded budget, revenue-base monitoring and oversight indicators, while the most material financial discipline weaknesses remain unresolved.

The controlling National Treasury view for May 2026 is therefore qualified. Sol Plaatje remains within the Municipal Debt Relief Programme and continues to submit core reporting documents, but it still presents a high-risk compliance profile. The risk is concentrated in four areas: non-payment or partial payment of bulk-service obligations, weak application of ring-fenced cash to first-call obligations, poor collection performance on water, sanitation and refuse, and the inability to demonstrate full cost reflectiveness through the tariff tool and related tariff evidence.

The May Section 71 report confirms that the Municipality generated billed operating revenue excluding capital transfers of R2.658 billion year-to-date against a year-to-date budget of R2.960 billion, resulting in an unfavourable variance of R302.078 million or 10.2 per cent. Revenue including capital transfers amounted to R3.130 billion against a year-to-date budget of R3.587 billion, also reflecting an unfavourable position. The aggregate revenue result does not provide comfort because electricity and water remain below budget and the cash conversion rate remains below the Municipal Debt Relief benchmark.

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Operating expenditure amounted to R2.831 billion year-to-date against a year-to-date budget of R3.107 billion, an apparent underspending position of 8.9 per cent. This must be interpreted with caution. Underspending is not equivalent to financial discipline where creditors are accumulating, infrastructure maintenance remains under pressure and current bulk accounts are not fully funded on a first-call basis. The assessment therefore distinguishes between reported expenditure levels and actual financial execution. The latter remains weak because the Municipality continues to defer pressure into Eskom, DWS, suppliers and statutory obligations.

The most serious May 2026 concern remains the bulk-creditor position. The May reporting pack records that the Municipality made only a partial payment of R50 million on the April 2026 Eskom current account, leaving an outstanding balance of approximately R35 million. The Municipality also did not have sufficient cash available from operations to settle the Eskom payment-arrangement instalment of R6.7 million by the end of May 2026. The DWS position is equally material: the Municipality did not have sufficient cash available to settle water arrear accounts and did not settle the DWS debt-repayment of R6 million by the applicable date. These are direct MDRP risk events.

The May debt relief register confirms the continuing Eskom exposure. The original ring-fenced Eskom debt remains R744.384 million. National Treasury has approved write-off benefits of R496.256 million to date, leaving the final one-third benefit of approximately R248.128 million at risk if the Municipality fails to maintain the conditions of relief. The residual arrear debt is recorded at R29.062 million; the post-approval debt growth is R371.599 million; the current account exposure is R203.934 million; and the municipality is recorded as Overdue, greater than three months outstanding, with a Standard Breach status. This is not consistent with a stable debt-relief recovery path.

The May Section 71 report records total outstanding debtors at approximately R4.456 billion. Approximately 90 per cent of the debtor book is older than 90 days. Government debt amounts to approximately R605.100 million, business debt to R671.131 million, household debt to R3.031 billion and other debt to R148.374 million. This debtor composition confirms that household non-payment remains the dominant driver of cash stress, but it also confirms that government and business debt are material enough to require a separate executive-level recovery plan.

Collection performance remains below the standard required for relief sustainability. When April 2026 billings are compared with May 2026 receipts, the monthly collection rate for property rates and service charges is 78 per cent. When other billing and receipts are included, the May monthly rate increases to 80 per cent. The revised average collection rate for May is 84.2 per cent after taking account of prepaid electricity, other receipts and unallocated credits. These results remain materially below the 95 per cent Municipal Debt Relief benchmark. The monthly collection rate per ward is reported at 76 per cent, and the quarterly collection rate was not reported because May is not yet the end of the fourth quarter.

The service-level collection profile shows why the headline result is not sufficient. Electricity collection is strong on the conventional monthly measure, but water, sewerage and refuse remain weak. Water collected only 69 per cent of April billing in May receipts, sewerage collected 45 per cent and refuse collected 52 per cent. The year-to-date collection position is also weak for water at 55.0 per cent, sanitation at 45.5 per cent and refuse at 52.7 per cent. This reinforces the conclusion that the Municipality's credit-control approach remains disproportionately dependent on electricity and has not yet translated into effective water, sanitation and refuse enforcement.

The liquidity position is better than the weakest periods but remains fragile when unspent conditional grants and bulk-creditor obligations are considered. The May Section 71 report records cost coverage at 1.46 months or 44 days, with cash and cash equivalents of R525.366 million. This remains below the National Treasury norm of three months. Unspent conditional grants of R230.961 million must be netted off when assessing available cash for operations. The resulting position confirms that cash is still insufficient to settle all immediate obligations comfortably, particularly when Eskom, DWS, salaries, statutory deductions and critical suppliers fall due in the same period.

The creditor profile confirms that the liquidity risk is already materialising. Total creditors are recorded at approximately R1.461 billion, with 84.2 per cent older than 90 days. Bulk electricity is the largest creditor component at R1.095 billion, representing approximately 74.9 per cent of total creditors, followed by DWS at R270.701 million or approximately 18.5 per cent. This structure confirms that the Municipality's financial distress is being carried mainly by bulk-service creditors. That is precisely the risk the Municipal Debt Relief Programme was designed to prevent.

The May 2026 assessment must also recognise positive elements. The Municipality continues to submit the Section 71 reporting pack, the primary bank reconciliation confirms that the adjusted bank statement and adjusted cashbook account reconcile, the funded MTREF indicators remain positive, the Municipality confirms no new borrowing, and the monitoring and Provincial Treasury oversight indicators remain largely in place. The smart prepaid meter grant has also been implemented, and the Municipality reports that blocking prepaid meters and electricity disconnections are being used as collection measures.

These positives do not offset the core weaknesses. The purpose of the Municipal Debt Relief Programme is not merely to reward reporting submission; it is to restore cash discipline and prevent the recurrence of arrear debt after historic Eskom obligations are written off. On that measure, Sol Plaatje remains exposed. The May assessment therefore certifies Above Moderate performance on the automated score, but it must be accompanied by a firm qualification that the Municipality remains in standard breach and must demonstrate sustained cash-first execution before the final one-third write-off can be considered low risk.

NC091 Sol Plaatje Local Municipality overall relief performance for May 2026

The May 2026 Monthly Performance Report assesses Sol Plaatje against 41 MDRP compliance indicators grouped under the main Circular 124 conditions. The automated result is 34 out of 41, or 82.93 per cent. This represents an improvement from the corrected April result of 31 out of 41, or 75.61 per cent. The rating improves to Above Moderate; however, the pattern of non-compliance remains concentrated in the conditions that carry the highest fiscal risk: payment of Eskom and DWS current accounts, application of ring-fenced revenue, cost-reflective tariffs, water restriction and accounting treatment.

Part A of the performance report remains the most important risk area. The Municipality recorded mixed outcomes under Eskom and bulk water current-account discipline. The bulk water current-account payment was marked Yes, but the supporting evidence for the bulk water current-account payment was marked No. The Eskom current-account payment within 30 days was also marked No, while Eskom supporting evidence and reconciliation were marked Yes. This is not a clean compliance outcome because the obligation is substantive, not merely evidential: the Municipality must pay the account on time, submit proof, and reconcile the amount to the ledger and the relevant supplier statement.

Part B remains positive in respect of the funded MTREF. The May workbook indicates Yes responses for the funded status, operating surplus, debt impairment, depreciation and cash-flow projection indicators, with the funding plan and FRP items recorded as not applicable because the MTREF is funded. This technical result is accepted for purposes of the May score, but it remains heavily qualified by the fact that the funded budget does not yet translate into stable bulk-creditor payments or a collection rate capable of funding monthly commitments.

Part C and Part D continue to expose revenue and enforcement weaknesses. Condition 6.5, cost-reflective tariffs, is marked No. Condition 6.6 records that consolidated billing and electricity disconnection or prepaid blocking are being used, but water restriction remains No and the indigent-defaulting-consumer control is also No. These matters are not administrative. They determine whether the Municipality can collect water, sanitation and refuse revenue at a level that supports cost recovery, equitable service delivery and compliance with current bulk-service obligations.

The quarterly collection conditions are not due for final assessment in May because the month is not yet the end of the fourth quarter. The May monthly indicators nevertheless provide an early warning. A property rates and services collection result of 78 per cent and a revised average of 84.2 per cent remain materially below the 95 per cent debt-relief benchmark. National Treasury should therefore treat Condition 6.7 as not finally tested for the quarter, but the Municipality must not wait for the June close-out before implementing corrective measures.

The automated May score therefore provides limited comfort only. It demonstrates that the Municipality is complying with several reporting, budget and oversight items, but it does not demonstrate that cash discipline has been restored. The compliance score must therefore be read together with the May Section 71 evidence, the debt relief register, the debtor and creditor age analyses, and the proof-of-payment evidence. When these are considered together, the Municipality remains at risk of forfeiting the final one-third Eskom write-off benefit if immediate corrective actions are not implemented.

Condition 6.1 – Municipality non-compliance

Condition 6.1 must be assessed as materially qualified for May 2026. The Municipality has not failed to submit all core documentation, and it has improved its automated compliance score. However, the May evidence confirms continuing non-compliance in the areas that matter most for the programme. The Municipality remains overdue on Eskom-related obligations, has failed to settle the payment arrangement instalment, and has not maintained sufficient cash discipline to settle DWS arrear obligations and the DWS instalment. These failures go to the purpose of relief and cannot be neutralised by administrative compliance elsewhere.

The Municipality's non-compliance is no longer a once-off timing matter. The May Section 71 report records that balances remain outstanding for multiple months and that the high winter months are the biggest concern. The Municipality also reports that actual receipts during high-consumption periods are below the actual bill. This confirms a structural cash-flow mismatch. Unless the Municipality protects electricity and water revenue at source and applies it first to Eskom and DWS, post-approval arrear growth will continue.

Council and senior management must therefore treat May as a breach-response month. The Municipality must maintain a live breach register that records each non-compliant item, the responsible official, the cash value at risk, the due date for correction, and the evidence required for closure. The register must be tabled to the Executive Mayor, the Municipal Manager, the Chief Financial Officer, the Provincial Treasury and

National Treasury monthly until Sol Plaatje demonstrates three consecutive months of clean current-account payment discipline.

NC091 Sol Plaatje Local Municipality overall relief performance for May 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

Monthly Performance Report

Municipal Details			Part A: Eskom And Bulk water current account						Part B: Compliance with a funded MTREF					Part C: FRP/BFP & Tariff Assessment			Part D: Electricity and water as collection tools			
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18
25.July25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	No	Yes	No	No
26.August25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	No	Yes	No	No
27.September25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	No	Yes	No	No
28.October25	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	No	Yes	No	No
29.November25	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	No	Yes	No	No
30.December25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	No	Yes	No	No
31.January26	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	No	Yes	No	No
32.February26	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	Yes	Yes	No	No
33.March26	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	Yes	Yes	No	No
34.April26	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	No	Yes	No	No
35.May26	Sol Plaatje	NC091	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	Yes	Yes	No	No
36.June26	Sol Plaatje	NC091																		

Month	Part C: Quarterly collection of property rates and services charges							Maximization of Revenue Base			Part E: Oversight													Scoring and Rating	
Month	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating
25.July25	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	N/A	Yes	Yes	N/A	N/A	N/A	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No	78%	Moderate compliance
26.August25	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	N/A	Yes	Yes	N/A	N/A	N/A	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No	78%	Moderate compliance
27.September25	No	No	No	No	Yes	Yes	Yes	Yes	N/A	Yes	Yes	N/A	N/A	N/A	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No	71%	Moderate compliance
28.October25	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	83%	Above Moderate
29.November25	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	78%	Moderate compliance
30.December25	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	83%	Above Moderate
31.January26	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	N/A	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	73%	Moderate compliance
32.February26	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	80%	Above Moderate
33.March26	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	73%	Moderate compliance
34.April26	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	76%	Moderate compliance
35.May26	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	83%	Above Moderate
36.June26																								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 April 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 May 2026, Sol Plaatje achieved an overall compliance score of 83 per cent**,** resulting in a rating of Moderate compliance. This represents a slight improvement from the April 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 remains technically compliant because Sol Plaatje entered the Municipal Debt Relief Programme on the basis of a supported application and Council resolution. The debt relief approval date in the May register remains 1 October 2023. The original qualifying Eskom debt was R744.384 million, and the Municipality has already benefited from two approved write-off tranches amounting to R496.256 million. This confirms that the entry condition was satisfied.

However, Council's original resolution must be treated as a continuing undertaking. It is not only an authorisation to participate; it is also a commitment to comply with the programme conditions throughout the relief period. Council must therefore receive a dedicated May 2026 MDRP risk report showing the current breach status, the remaining write-off benefit at risk, the value of post-approval arrears, the DWS exposure, the collection performance gap and the remedial actions required before June quarter-end.

The recommendation is that the Municipal Manager table a May 2026 debt relief compliance item to Council and the Mayoral Committee. That item must explicitly record that a final one-third Eskom write-off benefit of approximately R248.128 million remains at risk. It must also record that the Municipality cannot rely on a technically funded budget while failing to maintain current bulk accounts, payment-arrangement instalments and effective credit-control enforcement.

Condition 6.3 – Maintaining the Eskom bulk current account

Condition 6.3 remains the most serious area of concern for May 2026. The automated workbook records mixed responses, but the Section 71 monitoring plan provides a clear substantive conclusion: the Municipality was non-compliant on Eskom and DWS current-account discipline. During May 2026 the Municipality made only a partial payment of R50 million on the April 2026 Eskom current account, leaving an outstanding balance of approximately R35 million. It also lacked sufficient cash to settle the R6.7 million Eskom payment-arrangement instalment by month-end.

The DWS position is also non-compliant. The Municipality reports that it did not have sufficient cash to settle the water arrear accounts and did not settle the DWS repayment instalment of R6 million by the due date. This is a significant concern because the DWS incentive arrangement and interest benefits depend on sustained payment discipline. The outstanding DWS balance is recorded at R270.701 million, and the Section 71 report warns that the debt is spiraling out of control. The Municipality must reconcile this balance formally with DWS and agree on an executable payment path.

The Eskom position remains high risk. Total outstanding Eskom debt is recorded at R1.095 billion, with the first and second write-off tranches of R496 million still requiring proper accounting treatment in the municipal books. The total arrear balance for July 2024 to April 2026 is R388.454 million, and the debt relief register records post-approval debt growth of R371.599 million. This is a direct warning that the historic write-off has not yet produced the required behavioral change.

National Treasury should require a bulk-creditor command process for Sol Plaatje. The process must be led by the Municipal Manager and CFO, not left to ordinary accounts payable cycles. Each Eskom and DWS invoice must be captured on the date received, linked to a due date, matched to ring-fenced revenue, reflected in a payment dashboard and reconciled to the bank statement, general ledger, mSCOA data string and supplier statement. Any short payment must be escalated within 24 hours with a written cash-allocation decision.

The Municipality must also prepare for the June, July and August high-consumption months. The May report itself identifies the high months as the biggest concern. The Municipality must submit a winter bulk-account funding plan that shows projected Eskom bills, expected cash receipts, committed payment dates, the amount available for each payment, and the contingency source for any shortfall. Without this plan, the Municipality's May improvement in score may reverse quickly in the next reporting cycle.

Condition 6.4 – A funded MTREF

Condition 6.4 is technically compliant for May 2026. The May workbook records positive responses for the funded MTREF indicators. The Municipality's 2025/26 original and adjustment budgets were assessed as funded, and the draft 2026/27 MTREF has also been incorporated into the April-format assessment. The May result therefore accepts that the Municipality has presented a funded budget position and that the funding plan and FRP indicators are not applicable in the same way they would be for an unfunded MTREF.

The technical funded status is nevertheless fragile. A funded MTREF is meaningful only if the revenue assumptions, tariff assumptions, cash-flow projections and expenditure commitments are credible and executable. Sol Plaatje's May evidence shows that operating revenue excluding capital transfers is below the year-to-date budget by 10.2 per cent, while service-charge performance for electricity and water remains weak. It also shows that the Municipality cannot yet meet all bulk-creditor commitments from operating cash. These facts require a qualified funded-budget conclusion.

National Treasury should therefore require the final 2026/27 budget to include a cash-backed debt-relief funding test. The test must show, by month, whether projected own revenue is sufficient to pay Eskom, DWS, salaries, statutory deductions, critical repairs and the minimum supplier-payment commitments. It must also show what happens if collection remains at 84 per cent, 80 per cent or 75 per cent. Without this sensitivity analysis, the funded MTREF could overstate the Municipality's ability to trade out of the current cash position.

The final-budget process must also prioritised debt impairment, depreciation, repairs and maintenance, and bulk-purchase realism. The Municipality cannot continue to maintain a funded position on paper while the creditor book shifts risk to Eskom, DWS and suppliers. Condition 6.4 should remain compliant for score purposes, but the compliance certificate must record a formal qualification that funding credibility depends on immediate improvement in cash conversion and current-account payment execution.

Conditions 6.5 – Cost reflective tariffs

Condition 6.5 remains non-compliant for May 2026. The May workbook records the cost-reflective tariff condition as No. This is consistent with the April assessment, where the draft 2026/27 tariff tool existed but was not sufficient to demonstrate full cost reflectiveness. The existence of a tariff tool and draft tariff schedule is not the same as a completed cost-reflective tariff assessment. The Municipality must demonstrate the link between cost of service, revenue required, tariff structure, equitable share treatment, affordability and the phasing strategy for any tariff that cannot immediately reach cost recovery.

The May evidence makes this condition especially important. Water, sanitation and refuse collection remain weak. Year-to-date water collections are 55.0 per cent, sanitation 45.5 per cent and refuse 52.7 per cent. These services cannot be assessed only through tariff increases; they must be assessed through a combined tariff, billing accuracy, metering, consumption management, debt recovery and enforcement lens. A tariff that is technically increased but not collectible does not produce cost recovery.

The Municipality should use the final 2026/27 budget process to correct the tariff tool and submit a complete evidence pack to National Treasury. The pack must reconcile to the A Schedule, show service-by-service direct costs, shared costs, bulk-purchase assumptions, repairs and maintenance allocations, depreciation, debt impairment, revenue loss assumptions and collection assumptions. It must also include the proposed treatment of indigent support and equitable share allocation. Where tariffs are not fully cost-reflective, the Municipality must submit an approved phase-in plan with quantified cash-flow implications.

Condition 6.5 should therefore remain non-compliant until the tariff evidence is corrected and resubmitted. National Treasury should not accept a general statement that tariffs were tabled or approved. The condition requires evidence that the tariffs are cost reflective or that a credible phase-in mechanism exists. For Sol Plaatje, that proof is particularly important because the Municipality is attempting to recover from bulk-creditor distress while service-specific collection rates remain materially below sustainable levels.

Condition 6.6 – Electricity and water as collection tools

Condition 6.6 remains materially weak. The May workbook confirms that the Municipality issues consolidated monthly bills and uses electricity disconnections or prepaid blocking as collection tools. This is positive, and the May Section 71 report notes that cut teams and electricians are on the ground disconnecting households, government departments and businesses that owe substantial amounts. The report also notes that customers are coming forward to pay or plan once they discover that they have been blocked.

The water component remains the main failure. The workbook records No for restricting or interrupting water supply for defaulting consumers, and No for the indigent-defaulting-consumer control. This is the same structural weakness identified in April. The Municipality cannot sustain water, sanitation and refuse revenue recovery if water remains outside the practical enforcement framework. The May Section 71 report acknowledges that urgent intervention is required on restricting or interrupting water supply and that collection rates for water, sanitation and refuse are poor.

The smart prepaid meter programme is a positive intervention, but it must be converted into measurable revenue outcomes. The Municipality reports that the smart prepaid meter grant of R100 million has been implemented and that the smart metering solution is expected to improve billing accuracy, address non-buying prepaid customers and resolve billing disputes. For MDRP purposes, the next step is not to report implementation completion only. The Municipality must report the number of meters installed, the number of previously non-buying meters converted to buying status, the revenue increases attributable to the programme, and the reduction in estimated or disputed billing.

National Treasury should require a water-restriction implementation protocol by ward and consumer category. The protocol must distinguish between indigent households, vulnerable consumers, illegal connections, commercial users, government users and high-value defaulting households. It must also comply with constitutional and administrative-law requirements, but it cannot be left unimplemented indefinitely. The absence of a water restriction tool is now directly linked to poor water, sanitation and refuse collections and therefore to the Municipality's inability to pay DWS.

Condition 6.7: Maintain a Minimum Average Quarterly Collection Rate

Condition 6.7 is not finally due for quarterly assessment in May 2026 because May is not the end of the fourth quarter. The May workbook accordingly records the quarterly collection response as not yet end of quarter. This treatment is accepted for score purposes. However, the May monthly and year-to-date collection information must still be treated as an early warning indicator for the June quarter-end assessment.

The monthly collection rate for property rates and service charges is 78 per cent. Including other billing and receipts, the rate increases to 80 per cent. The revised average collection rate, after taking account of prepaid electricity and unallocated credits, is 84.2 per cent. These figures remain well below the 95 per cent MDRP benchmark. The service-level breakdown is more concerning: water is 69 per cent for May monthly billing and receipts, sewerage is 45 per cent and refuse is 52 per cent. The revised year-to-date rates show water at 55.0 per cent, sanitation at 45.5 per cent and refuse at 52.7 per cent.

The Municipality must therefore enter June with a targeted collection acceleration plan. The plan must prioritised the highest-value debtors, annual billing accounts that have not settled, government debt, business debt, non-buying prepaid customers, water accounts with consumption but no payment, and customers who pay only after repeated blocking. The plan must include daily targets for receipts, collection actions, payment arrangements, disconnections, restrictions, dispute resolution and allocation of unallocated receipts.

For the June quarter-end assessment, National Treasury should require the Municipality to submit ward-level collection data, collection per service, collection per customer category, arrear-payment arrangements entered into, arrangements defaulted, electricity disconnections completed, prepaid blocks implemented, water restrictions implemented and the value collected from each action. Without this evidence, the Municipality cannot demonstrate that it has moved from reporting collection weakness to managing it actively.

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

	Number of Properties			Market Values		
Propety Categories	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

	Monthly Billing - Mapped Accounts			Monthly Billing - Un Mapped Accounts		
Propety Categories	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**

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-based 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-based completeness must become a cash-recovery intervention, not merely a quarterly compliance upload.

Revenue-based 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, underbilled, 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

Condition 6.9 remains compliant in procedural terms because the Municipality submitted the May Section 71 monthly report and included a detailed debt relief monitoring section. The report identifies risks, mitigation actions and the status of Circular 124 conditions. It also records key municipal interventions, including the moratorium on non-critical recruitment, suspension of leave sales except for exiting employees, overtime controls, smart meter implementation, debt collection by appointed debt collectors, MeterMo meter-reading improvements and revenue enhancement phases.

The weakness is not the absence of reporting; it is the gap between reporting and execution. The May report records many of the same issues identified in previous months: low collections, Eskom arrears, DWS arrears, weak water enforcement, high debtors, high creditors and insufficient cash. This means reporting must now become an accountability instrument. Each reported risk must be linked to a decision, an owner, a deadline and a measurable outcome.

National Treasury should require the Municipality to submit a monthly executive dashboard as part of Condition 6.9. The dashboard should record daily cash received, daily cash paid, Eskom invoice status, DWS invoice status, supplier arrears over 90 days, debtor book movement, collection rate by service, unallocated receipts, number of disconnections, number of water restrictions, smart meter revenue impact and the status of each breach item. Without this dashboard, monitoring will remain descriptive rather than corrective.

DRAFT

MFMA S71 Statement component		Compliance (Yes / No)
1.	***The Budget Performance Overview (paragraph 4) of the MFMA S71 statement*** explicitly advised on the municipality's progress in implementing the municipality's budget and (where relevant also the budget funding plan) – where implementation is slow, the statement advised explicitly on progress, challenges and corrective actions.	Yes
2.	***The conclusion (paragraph 14) of the MFMA S71 statement*** explicitly advised as part of the MFMA Circular 124: Condition 6.9 reporting - i. Any risk associated; and ii. The mitigating factors with the implementation of the municipality's Budget Funding Plan and / or Funded Budget.	Yes
3.	***Annexure B of the MFMA S71 statement included the following debt relief reporting components-***	
3.1.1	The municipality's MFMA Circular 124 self-assessment	Yes
3.1.2	The self-assessment (refer 3.1.1 above) was included in the format of **MFMA Budget Circular 128 (Annexure B)**	Yes
3.2	The municipality's overall relief compliance across the months of its debt relief participation since its National Treasury debt relief approval effective date	Yes
3.3	The latest Provincial Treasury debt relief compliance certificate and report issued to the municipality	Yes
3.4.1	The municipality's revenue collection performance i. the overall performance graph; ii. Summary worksheet; and iii. Collection per ward indicating who supplies electricity in the ward	Yes
3.4.2	The revenue collection performance information (refer 3.4.2) was included in the format of **MFMA Budget Circular 128 (Annexure D).**	Yes
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

MFMA S71 Statement component		Compliance (Yes / No)
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 *m*SCOA 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 remains broadly compliant for May 2026. The workbook records that the relevant Provincial Treasury or National Treasury certification process is in place and that oversight certification is being performed. This is positive because the MDRP depends on a monthly verification chain rather than self-reporting only. However, the certification process must be robust enough to identify substantive breaches and not merely confirm that documents were submitted.

The May assessment requires Provincial Treasury to focus on the quality of evidence for bulk-service payments, reconciliation of proof of payment to the ledger and supplier statements, accuracy of collection calculations and the practicality of mitigation plans. The DWS supporting evidence weakness and Eskom payment-timing failure must therefore be highlighted in the certification comments. Provincial Treasury should also confirm whether the Municipality has provided a realistic June high-month funding plan.

National Treasury should continue to require monthly certification but should strengthen the evidence checklist. The checklist should include invoice date, due date, payment date, amount paid, balance outstanding, bank statement reference, ledger vote, mSCOA string, supplier-statement reference and upload date. This will make it easier to distinguish between full compliance, late payment, partial payment, no evidence and reconciliation failure.

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 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 materially qualified for April 2026. The April CoC records a positive response for apportioning and ring-fencing electricity, water and sanitation revenue and the relevant local government equitable share free basic services component. It also records the submission of bank statement evidence as positive. However, the CoC records No for the requirement that the Municipality must first apply the revenue in the sub-account to pay the current Eskom and bulk water accounts and related arrear obligations. This is a substantive failure because ring-fencing is only meaningful if the cash is protected and applied to the intended obligations.

The Municipality reports that cash-flow pressure is caused by weak receipts from debtors, salaries, third-party salary-related commitments and other creditor obligations. These pressures are real, but they do not cure compliance failure. The debt relief programme requires the Municipality to prioritise bulk-service current accounts and agreed arrangements. If cash is used for other purposes before Eskom and DWS are addressed, the ring-fencing control is not functioning as intended, even if a sub-account or accounting allocation is reported.

A ring-fencing control that exists only as an accounting narrative is inadequate. The Municipality must produce a daily or weekly cash-waterfall report that records receipts from electricity, water and sanitation, the related equitable share component, the amount ring-fenced, the amount released to Eskom, the amount released to DWS, the arrear instalments paid and any deviation approved. Deviations must be signed by the Municipal Manager and CFO and must be reported to Council. This is required to convert Condition 6.12 from a compliance statement into a practical cash-control mechanism.

National Treasury should require the Municipality to submit a cash-waterfall policy for the debt relief period. The policy must define the order of payment, responsible officials, approval thresholds, reporting format and breach escalation. It must also explain how the Municipality will protect statutory deductions, employee-related third-party payments and essential creditors without compromising Eskom and DWS current-account obligations.

Condition 6.13 - Accounting treatment

Condition 6.13 remains a significant audit and compliance risk. The April evidence contains inconsistent signals on the Eskom write-off benefit. The Section 71 report records that the total debt eligible for write-off over the three-year period amounts to R744.384 million and that National Treasury approved two thirds of the municipal debt amounting to approximately R496.256 million. It also records that the first and second debt write-offs of approximately R496 million must still be effected in the Municipality's books. This creates uncertainty that must be resolved before year-end.

The accounting treatment is not an administrative detail. Debt relief changes the creditor balance, accumulated surplus or deficit position, audit trail and evidence base for future relief. If the second third has been approved but not processed, the Municipality must show the reason, the journal status, Eskom confirmation, ledger movement and reconciliation to the debt relief register. If only the first third has been processed, the Municipality must separate approved, processed and remaining benefits clearly. A material relief benefit cannot be left ambiguous in financial reporting.

The CFO must maintain a dedicated debt relief accounting file. The file must include the original approval, eligible debt calculation, first and second third approval letters where applicable, Eskom confirmations, journals processed, mSCOA classification, creditor ledger movement, Council reporting and evidence of CFO review. The file must also show how any interest suppression or related benefit was treated. This file must be ready for audit review and for National Treasury verification.

National Treasury should classify Condition 6.13 as not fully compliant until the accounting evidence is reconciled. The April report must require written CFO confirmation that specifies the amount approved, the amount processed in the ledger, the amount reflected in the compliance register, the residual amount at risk and the expected treatment in the annual financial statements.

Condition 6.14 – NERSA License

Condition 6.14 remains a high-risk consequence condition. The Municipality failed to comply with several substantive debt relief conditions during April 2026, including bulk water current-account payment, proper payment-priority application, effective water restriction, cost-reflective tariff-tool compliance and debt relief accounting certainty. The purpose of Condition 6.14 is to ensure that Council understands that continued non-compliance may have consequences for the electricity distribution function and for the Municipality's continued benefit from debt relief.

The April position should not be treated as an isolated monthly failure. The Municipality has shown repeated arrear accumulation and partial-payment behaviour over several months. Even where the April CoC records specific Eskom sub-items as positive, the Municipality remains exposed to good-standing risk and has not demonstrated stable compliance across all bulk obligations. The NERSA license consequence must therefore be communicated as a risk-management issue, not as a theoretical clause in the programme documentation.

The immediate recommendation is not to trigger license revocation. The immediate recommendation is to force compliance restoration before escalation becomes unavoidable. The Municipality should be placed on formal notice that repeated failure to pay current accounts, protect service revenue, implement credit-control tools and maintain audit-ready evidence may lead to escalation under the debt relief framework, including consideration of the license-related consequence where the statutory requirements are met.

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 briefing must also explain that the remaining relief benefit is conditional, and that continued breach may lead to loss of support and renewed enforcement action by creditors.

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 April 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 R493.313 million and the DWS amount of R255.997 million required to remain on the Department's Debt Incentive Programme. The plan must include funding sources, 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 with a funding response.

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. Repeated red status must trigger consequence management and Council escalation. The tracker must also include the seven validation matters reflected in the April CoC workbook.

4. Finalise the 2026/27 MTREF with a cash-backed funding test. The final budget must reconcile the technical surplus to actual collection performance and must include sensitivity analysis showing the effect of collection remaining at 82 per cent, improving to 85 per cent or reaching the 95 per cent debt relief benchmark. The final budget must protect debt impairment, depreciation, repairs and maintenance and first-call bulk-service obligations.

5. Correct and approve the tariff tool before final budget adoption. The April CoC records Condition 6.5 as No. The final tariff-tool pack must be reconciled to Table A4, include all direct and indirect costs, allocate equitable share correctly, disclose debt impairment and depreciation assumptions, explain tariff shortfalls and set out a phase-in plan where tariffs are not yet fully cost reflective.

6. 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 position that most conventional water meters cannot restrict supply must be treated as a problem to be solved, not as a reason for continued non-compliance.

7. Intensify service-level collection recovery. The Municipality must target water, wastewater and refuse collection specifically, while also addressing government, business and household arrears. A general collection report is insufficient. The recovery plan must include debtor segmentation, top debtor actions, payment-arrangement enforcement, legal collections and monthly service-level recovery reporting.

8. Prepare a debt relief accounting confirmation signed by the CFO. The confirmation must reconcile the first and second write-off approval, the ledger processing, the compliance register and the remaining relief benefit at risk. The accounting file must be ready audit and must be aligned to mSCOA, creditor statements and Eskom confirmations.

9. Strengthen Council oversight. Council must 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 reasons for each failure, the corrective action and the financial consequence of inaction. Council must approve corrective actions and implementation instructions, not merely note the report.

10. Submit a management response matrix with the next GoMuni pack. The matrix must be signed by the Municipal Manager and CFO and must respond to each non-compliant or materially qualified condition separately. For each item it must set out the root cause, corrective action, amount involved, evidence to be submitted, responsible official and deadline. Without this matrix, the Municipality is likely to continue presenting broad explanations without enforceable accountability.

Conclusion

Sol Plaatje Local Municipality remains under severe financial pressure and its April 2026 MDRP performance does not provide sufficient assurance that the Municipality has restored the discipline required by MFMA Circular No. 124. The corrected April performance result is 31 compliant scored items out of 41, or 75.61 per cent, with a Moderate compliance rating. This result must not be overstated. The Municipality has made some progress in administrative reporting, Eskom monthly CoC scoring and draft budget preparation, but these positives are outweighed by DWS current-account failure, continued Eskom good-standing exposure, arrear instalment pressure, weak collection, non-implementation of water restriction, incomplete cost-reflective tariff-tool compliance and unresolved accounting treatment of the debt relief benefit.

The draft 2026/27 MTREF and draft tariff tool provide an opportunity to correct the recovery path, but they do not remove the April risk. Condition 6.4 is technically positive because the draft MTREF reflects a funded position and a narrow operating surplus. However, that funded position is exposed to collection underperformance, aged debtors and creditor arrears. Condition 6.5 remains non-compliant because the tariff tool requires correction, completion and reconciliation before it can support a full cost-reflective tariff finding. These two conditions must be finalised properly before the adoption of the final budget.

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 April 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.

It is recommended that National Treasury issue this April 2026 assessment to the Municipality with a requirement that the Municipal Manager and CFO submit a written response to each non-compliant and qualified condition. The response must be supported by auditable evidence and must be tabled before Council as a dedicated

Municipal Debt Relief Programme item. The Municipality must demonstrate implementation before the next reporting cycle, not merely provide further explanations.

For enquiries, please feel free to contact Ms MATJATJI MASHOESOE
Matjatji.Mashoeshoe@treasury.gov.za

Kind regards

Ms MATJATJI MASHOESOE

DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS

DATE: 29/06/2026

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

DRAFT

Annexures (April 2026 Compliance Certificates)

DRAFT

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

Monthly Performance Report

Municipal Details			Part A: Eskom And Bulk water current account						Part B: Compliance with a funded MTREF					Part C: FRP/BFP & Tariff Assessment		
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14
25.July25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No
26.August25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No
27.September25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No
28.October25	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No
29.November25	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No
30.December25	Sol Plaatje	NC091	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No
31.January26	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No
32.February26	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No
33.March26	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No
34.April26	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No
35.May26	Sol Plaatje	NC091	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No
36.June26	Sol Plaatje	NC091	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No
37.July26	Sol Plaatje	NC091														
38.August26	Sol Plaatje	NC091														
39.September26	Sol Plaatje	NC091														
40.October26	Sol Plaatje	NC091														
41.November26	Sol Plaatje	NC091														

Month	Part D: Electricity and water as collection tools				Part C: Quarterly collection of property rates and services charges							Maximization of Revenue Base		
Month	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28
25.July25	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
26.August25	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
27.September25	Yes	Yes	No	No	No	No	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes
28.October25	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
29.November25	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
30.December25	Yes	Yes	No	No	No	No	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes
31.January26	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
32.February26	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
33.March26	Yes	Yes	No	No	No	No	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes
34.April26	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
35.May26	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
36.June26	Yes	Yes	No	No	No	No	N/A	No	Yes	Yes	Yes	Yes	Yes	Yes
37.July26														
38.August26														
39.September26														
40.October26														
41.November26														

Month	Part E: Oversight													Scoring and Rating	
Month	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating
25.July25	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	83%	Above Moderate
26.August25	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	88%	Above Moderate
27.September25	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	73%	Moderate compliance
28.October25	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	80%	Above Moderate
29.November25	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	78%	Moderate compliance
30.December25	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	71%	Moderate compliance
31.January26	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	76%	Moderate compliance
32.February26	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	78%	Moderate compliance
33.March26	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	71%	Moderate compliance
34.April26	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	76%	Moderate compliance
35.May26	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	80%	Above Moderate
36.June26	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	71%	Moderate compliance
37.July26														0%	Not completed
38.August26														0%	Not completed
39.September26														0%	Not completed
40.October26														0%	Not completed
41.November26														0%	Not completed

		Comments/Motivation
HOD Name:	BS MATLALA	
Signature of HOD:		
Date:	14/07/2026	

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

Annexure A2 - Monthly

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

Municipality Self-Assessment

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period	Jun'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.

Notes/Comments

Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop down list

	Condition			Notes/Comments
	6.3 + 6.12	**Maintaining the Eskom and bulk water current account** –		
1	6.12.2	- Has the municipality paid its ***bulk water current account*** within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? ***Note*** *- refer condition 6.12.2*	No	No current account was billed for May 2026 due to our servitude that commences 1st of April each year.
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://lg.uploadportal.treasury.gov.za?	No	No payment was made to DWS
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Yes	
4	6.3.1	- Has the municipality paid its ***Eskom bulk current account*** within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? ***Note*** *- current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s)) up to the date of NT approval of the application.*	No	The municipality missed the cut-off time of the bank on the 30 June 2026 and the balance of R34 million settled on the April 2026 account, was subsequently released on 1 July 2026. The municipality had insufficient cash to settle the current account for May 2026 amounting to R96 million.
5	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lg.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)*	Select	
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?	Yes	
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes	
9	6.4.1	- Has the municipality made adequate provision for debt impairment *(considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget)* on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes	
		Note - [illegible]		
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment *(considering its asset register and physical state of assets)* on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes	
		Note - [illegible]		
11	6.4.2	- ***If the municipality's MTREF is not funded***, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	N/A - the MTREF is funde	
		Note - [illegible]		
12	6.4.2	- ***If the municipality's MTREF is not funded and it has an FRP per the legislative framework***, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? ***Note*** *- only if the municipality does not have an FRP may "N/A" be selected from the dropdown list*	N/a	
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends *(For example higher winter Eskom tariffs, lower January collection rates, etc.?)*	Yes	
14	6.5	**Cost reflective tariffs** – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	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? Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water	No	
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? *Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the indigent information in the required NT format*	No	
	6.6	*Supporting evidence* - [illegible]		
	6.7	**Maintain a minimum average quarterly collection of property rates and services charges** –		
19	6.7.1	- Has the municipality achieved a minimum of *80 per cent average quarterly collection* of property rates and service charges **with effect from 01 April 2023** and *85 per cent average quarterly collection* **with effect from 01 April 2024** during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	No	
		Note - [illegible]		
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, **has the municipality demonstrated to the satisfaction of National Treasury the following :**		
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	No	
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	Does not have function	
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure?	No	
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes	Smart meter project is completed. YTD installations till end of 31 March 2025 = 15,328
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes	
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes	
	6.8	**Municipality's Completeness of the revenue base** –		
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes	
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? *Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement*	Yes	
28	6.8.2	- **For the latest ending Quarter** -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za?	Yes	
	6.9	**Monitor and report on implementation** –		
29	6.9.1	- **MFMA section 71 reporting** – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes	
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the **active intervention evident** from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? *Note - condition 6.9.2 has a typing error and must refer to 6.9.1*	Yes	
31	6.9.3	- **Municipalities with financial recovery plans (FRP)** – If the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No FRP	
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://guploadportal.treasury.gov.za?	No FRP	
		[illegible]		
	6.10	*Provincial Treasury* [illegible]		
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes	
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the **conditions for provincial treasuries** (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? *Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate*	Yes	
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the **conditions for provincial treasuries** (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	No	

		Note – [illegible]		
36	6.11	**Limitation on municipality borrowing powers** - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	No	
		Note – [illegible]		
	6.12	**For the duration of the Municipal Debt Relief (to ensure proper management of resources):**		
37	6.12.1	– has the municipality **apportioned and ring-fenced in a sub-account** to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) **the component of the** Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	No	The municipality had insufficient cash to settle arrear Water accounts and settled the final balance outstanding on the Eskom current account for April 2026. The municipality had insufficient cash to settle the current account for May 2026 amounting to R96 million.
38	6.12.2	– has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	No	The municipality had insufficient cash to settle arrear Water accounts and settled the final balance outstanding on the Eskom current account for April 2026. The municipality had insufficient cash to settle the current account for May 2026 amounting to R96 million.
		Note: [illegible]		
39		***Supporting evidence*** : Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	Yes	
40	6.13	**Accounting Treatment** - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? ***Note** - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA*	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?	Yes	
		Note: [illegible]		

PT: HOD/ NT / MM Name: BS MATLALA

Signature of HOD/ NT/ MM:

Date: 14/07/2026

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

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