SOL PLAATJE MUNICIPALITY

Local Municipality /Plaaslike Munisipaliteit Masepala wa selegae

WE SERVE

Monthly Budget Statement

S71 Monthly Report

July 2026

To comply with section 71 of the MFMA and the requirements as promulgated in the Municipal Budget and Reporting Regulations Government Gazette No 32141 of 17 April 2009 by submitting the Monthly Budget Statement to the Executive Mayor and National Treasury within 10 working days after the end of each month, containing prescribed financial performance particulars for that reporting month and for the financial year up to the end of that month.

Due Date: 17 August 2026

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List of Abbreviations and Acronyms used in the Monthly Budget Statement

AFS – Annual Financial Statements
AGSA - Auditor-General of South Africa
BTO - Budget and Treasury Office
CAPEX – Capital Expenditure
CFO - Chief Financial Officer
COGHSTA - Department of Co-operative Governance, Human Settlement and Traditional Affairs
CRU - Community Residential Unit
DBSA - Development Bank of South Africa
DoRA - Division of Revenue Act
DPW – Department of Public Works
DSAC – Department of Sports, Arts and Culture
DWS - Department of Water and Sanitation
ED - Executive Director
EEDSM - Energy Efficiency and Demand Side Management Grant
EPWP - Expanded Public Works Programme
FMG – Financial Management Grant
FY – Financial Year
GG – Government Gazette
GRAP - Generally Recognised Accounting Practices
IDP - Integrated Development Plan
INEP - Integrated National Electrification Programme
ISDG - Infrastructure Skills Development Grant
IT - Information Technology
IUDG –Integrated Urban Development Grant
IYM – In-year Monitoring
KPA or KPI - Key Performance Area or Indicator
MBRR - Municipal Budget and Reporting Regulations (GG 32141 of 17 April 2009)
MBS – Monthly Budget Statement
MFMA - Municipal Finance Management Act (Act 56 of 2003)
MM - Municipal Manager
mSCOA – Municipal Standard Chart of Accounts
MTREF - Medium Term Revenue and Expenditure Framework
NDPG - Neighbourhood Development Partnership Grant
NERSA - National Energy Regulator of South Africa (“the Regulator”)
NT - National Treasury
OPEX – Operational Expenditure
O/S - Outstanding
PPE - Property, Plant and Equipment
R&M - Repairs and Maintenance
SALGA - South African Local Government Association
SCM - Supply Chain Management
SDBIP - Service Delivery and Budget Implementation Plan
SEDP - Strategic Economic Development and Planning
SLA - Service Level Agreement
SMME - Small, Medium and Micro Enterprises
SPCA - Society for the Prevention of Cruelty to Animals
SPLM - Sol Plaatje Local Municipality
VAT – Value Added Tax
YTD – Year-to-date
WRM - Water Resource Management
WRL - Water Research Levy
WSIG – Water Services Infrastructure Grant

PART 1: IN-YEAR REPORT

TO: THE EXECUTIVE MAYOR

DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT: S71 MONTHLY REPORT FOR THE PERIOD ENDING 31 JULY 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 R4,687,053 billion, of which 90% of the debt is owed in excess of 90 days. The total debt by customer group is classified as follows; R733,685 million is owed by government, R685,357 million by businesses and R3,118,105 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 **31 July 2026**, the ten working day reporting limit expires on **17 August 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 **17 August 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 July 2026**	**YTD Actual July 2026**	**Variance Favourable (Unfavourable)**	**% YTD Actual vs YTD Budget**	**% Variance Favourable (Unfavourable)**
Total Revenue (excluding capital transfers and contributions)	278,946	443,889	164,943	159.1%	59.1%
Total Revenue (including capital transfers and contributions)	337,562	444,161	106,599	131.6%	31.6%
Total Operational Expenditure	330,575	114,623	(215,952)	34.7%	-65.3%

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

As indicated in Table 1.1 above, as at 31 July 2026, the billed revenue excluding capital grants amounted to R443,889 million which resulted in a satisfactory variance of 59.1% when compared to the YTD Budget of R278,946 million. The billed revenue including capital grants amounted to R444,161 million, resulting in a satisfactory variance of 31.6% when compared to the YTD budget of R337,562 million. 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 R114,623 million versus the YTD Budget of R330,575 million resulting in an unsatisfactory variance of minus 65.3%. Reasons for the variance are articulated in Section 4.2 below.

Summary Statement of Financial Performance: Original Budget					
Description R thousand	**Original Budget**	**YTD Actual July 2026**	**Variance Favourable (Unfavourable)**	**% YTD Actual vs Original Budget**	**% Variance Favourable (Unfavourable) Ideal IYM % - 8.33%**
Total Revenue (excluding capital transfers and contributions)	3,347,357	443,889	164,943	13.3%	4.9%
Total Revenue (including capital transfers and contributions)	4,050,740	444,161	106,599	11.0%	2.6%
Total Operational Expenditure	3,364,907	114,623	(165,786)	3.4%	-4.9%

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

Indicated in Table 1.2 above is the YTD actual compared to the Original Budget. When calculating the ideal In-Year-Monitoring percentage of 8.33% [calculated as follow: (100/12 months x 1 month of the year)] as at the end of July 2026, the Total operational revenue excluding capital grants versus the Original Budget resulted in a satisfactory variance of 4.9%. The Total operational revenue including capital grants versus the Original Budget resulted in a satisfactory variance of 2.6%. The Total Operational Expenditure resulted in a satisfactory variance of minus 4.9%.

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

4. Budget performance overview

The municipality is implementing the Original budget for 2026/27 financial year. The Original budget for 2026/27 was assessed as unfunded with a firm recommendation from NT that the collection rate must improve.

Operating Revenue and Expenditure

Part 1: Operating Revenue and Expenditure												
	2026/27											
	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	3,347,357	3,347,357	443,889	13.3%	-	-	-	-	-	-	443,889	13.3%
Operating Expenditure	3,364,907	3,364,907	114,623	3.4%	-	-	-	-	-	-	114,623	3.4%
Transfers and subsidies - capital (monetary allocations)	703,383	703,383	271	0.0%	-	-	-	-	-	-	271	0.0%
Total Revenue	4,050,740	4,050,740	444,161	11.0%	-	0.0%	-	0.0%	-	0.0%	444,161	11.0%

Table 1.3: Part 1: Operating Revenue and Expenditure

As per Table 1.3 above, overall Operating revenue is performing satisfactorily, with the actual achieved versus the Main appropriation standing at 13.3% versus the ideal percentage of 8.33%. This is mainly attributable to annual billing on Property rates and the receipt of the first tranche of the Equitable share. Operating expenditure is 3.4% spent. It should be noted that Post-retirement health benefits is not yet accounted for and the bulk electricity account for July 2026 will be captured during August 2026. Depreciation and Debt Impairment is not accounted for. Transfers and subsidies – capital transferred to revenue amounted to R271 thousand of the Original Budget, as grants will be recognized when the conditions are met. Total Revenue is standing at 11% as at end of July 2026.

Capital Revenue and Expenditure

Part 2: Capital Revenue and Expenditure												
	2026/27											
	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	**632,638**	**632,638**	**594**	**.1%**	**-**	**-**	**-**	**-**	**-**	**-**	**594**	**.1%**
Transfers recognised - capital	607,290	607,290	553	.1%	-	-	-	-	-	-	553	.1%
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	25,348	25,348	41	.2%	-	-	-	-	-	-	41	.2%

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 1% spent versus the Original Budget, whilst conditional grants spent amount to 1% and internally generated funds at 2% 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

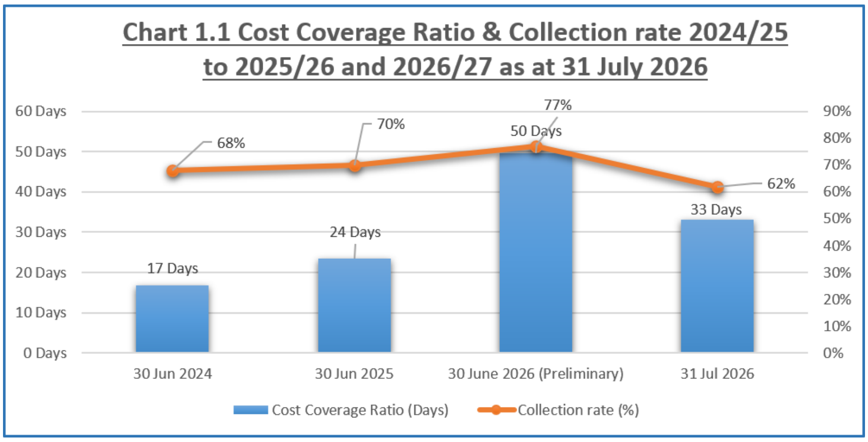


Chart 1.2 Growth in Outstanding debtors

	30 Jun 2024	30 Jun 2025	30 Jun 2026	31 Jul 2026
Gross debtors	3,656,067	4,250,087	4,565,839	4,687,053
R-value Increase (Decrease)	–	594,020	315,752	121,214
Debt over 90 days	3,274,028	3,866,849	4,101,967	4,135,664
Growth in debtors	0%	16%	7%	3%
Debt over 90 days as % of Gross debtors	90%	91%	90%	88%

- 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 2023/24 to 2025/26 and 2026/27 until 31 July 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 close to one month and far below the norm of 3 months, whilst the collection rate on average is 70%, also well below the norm and SDBIP target of 95%. The Cost coverage ratio as at 31 July 2026 is low, standing at 33 days. The average collection rate for July 2026, is 62%.
- Debtors increased by R594,020m (16%) from 2023/24 to 2024/25, by R315,752m (7%) from 2024/25 to 2025/26, and by R121,214m (3%) from 30 June 2026 to 31 July 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 are 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 **R562,641,082.85**. Arrears on the outstanding invoices including interest amounts to R448,741,082.85 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 June 2026, amount to R85,829 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 76,000,000.00	R 4,364,895.03	R 6,700,000.00	R 11,064,895.03	R 4,431,994.83
Dec-25	R 83,316,482.56	R 76,000,000.00	R 7,316,482.56	R 6,700,000.00	R 14,016,482.56	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 84,515,538.44	R -	R -	R -	R 6,869,542.60
May-26	R 96,158,743.37	R 96,158,743.37	R -	R -	R -	R 4,535,645.77
Jun-26	R 130,802,829.40	R -	R 130,802,829.40	R -	R 130,802,829.40	R 5,917,912.77
TOTAL ESKOM	**R 2,229,779,027.68**	**R 1,781,037,944.83**	**R 448,741,082.85**	**R 113,900,000.00**	**R 562,641,082.85**	**R 85,828,951.23**

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 21,433,972.20	R -	R -	R -	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 -
Jun-26	R 130,371.45	R -	R 130,371.45	R -	R 130,371.45	R -
TOTAL WATER	**R 343,069,668.59**	**R 93,672,416.41**	**R 249,397,252.18**	**-R 14,703,680.46**	**R 234,693,571.72**	**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, August, October, November, December 2025, January, February and March 2026 accounts for Water. The February, March, July 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 **R234,693,571.72** 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.

LEGAL PROCESS will entail the following:

- The Collection agencies shall, in the absence of sufficient response and / or proactive actions from an account holder institute all necessary legal actions up to and including the granting of a warrant of execution.
- Issue Summons to defaulting account holders.
- Obtain Default Judgment against and blacklisting of defaulting account holders.
- Obtain emolument attachment and movable asset attachment order.
- Obtain Court order for attachment and sale in execution of immovable assets. Prior written approval to be obtained from the Accounting Officer and/or powers and duties delegated to Chief Financial Officer in respect of the following legal proceedings:

  a. Blacklisting
  b. Attachment of movable assets
  c. Sale in execution of immovable assets
  d. Defended matters

On 28 April 2025, the municipality had a television interview with SABC News with regards to debt owed to the Municipality, by the different Customer Groups. The interview was to also inform our Customers of the collection initiatives we have set in place for the year i.e. collection through Debt Collection Agencies.

We have commenced with our campaigning in the community, to make us more visible to our customers. Providing information relating to the importance of paying of the municipal account on a monthly basis, arrangements, disconnections/blocking of electricity due to non-payment and the social package offered by the Municipality (indigent assistance).

In terms of Council resolution number C236/12/25, Council resolved on a Debt Relief Programme afforded to all Sol Plaatje Municipality Customers owing the Municipality for a period equal to or over 90 days. **FULL AND FINAL SETTLEMENT OF ACCOUNT - 50% SETTLEMENT DISCOUNT (ON TOTAL MUNICIPAL ACCOUNT)** ***Valid until 31 March 2026.***

4.1 Operating Revenue by Source

Table C4 Monthly Budget Statement - Financial Performance (Revenue) - M01 July										
Description	Original Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance	Achieved Original Budget	Original Budget Variance	Original Budget Variance IYM % - 8.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Revenue										
Exchange Revenue										
Service charges - Electricity	1,180,220	95,838	95,838	98,352	97.4%	(2,514)	-2.6%	8.1%	(2,514)	-0.2%
Service charges - Water	409,032	(10,931)	(10,931)	34,086	-32.1%	(45,017)	-132.1%	-2.7%	(45,017)	-11.0%
Service charges - Waste Water Management	109,297	10,415	10,415	9,108	114.3%	1,307	14.3%	9.5%	1,307	1.2%
Service charges - Waste management	88,676	7,819	7,819	7,390	105.8%	429	5.8%	8.8%	429	0.5%
Sale of Goods and Rendering of Services	18,813	3,259	3,259	1,568	207.9%	1,691	107.9%	17.3%	1,691	9.0%
Agency services	–	–	–	–		–			–	
Interest	–	–	–	–		–			–	
Interest earned from Receivables	161,100	15,588	15,588	13,425	116.1%	2,163	16.1%	9.7%	2,163	1.3%
Interest from Current and Non Current Assets	36,000	36	36	3,000	1.2%	(2,964)	-98.8%	0.1%	(2,964)	-8.2%
Dividends	–	–	–	–		–			–	
Rent on Land	–	–	–	–		–			–	
Rental from Fixed Assets	34,645	2,821	2,821	2,887	97.7%	(66)	-2.3%	8.1%	(66)	-0.2%
Licence and permits	750	12	12	63	19.1%	(51)	-80.9%	1.6%	(51)	-6.7%
Operational Revenue	3,803	252	252	317	79.4%	(65)	-20.6%	6.6%	(65)	-1.7%
Non-Exchange Revenue	–									
Property rates	778,948	171,742	171,742	64,912	264.6%	106,829	164.6%	22.0%	106,829	13.7%
Surcharges and Taxes	–	–	–	–		–			–	
Fines, penalties and forfeits	36,890	1,929	1,929	3,074	62.8%	(1,145)	-37.2%	5.2%	(1,145)	-3.1%
Licence and permits	9,100	1,181	1,181	758	155.8%	423	55.8%	13.0%	423	4.6%
Transfers and subsidies - Operational	345,532	135,981	135,981	28,794	472.2%	107,186	372.2%	39.4%	107,186	31.0%
Interest	123,500	7,083	7,083	10,292	68.8%	(3,209)	-31.2%	5.7%	(3,209)	-2.6%
Fuel Levy	–	–	–	–						
Operational Revenue	11,050	865	865	921	93.9%	(56)	-6.1%	7.8%	(56)	-0.5%
Gains on disposal of Assets	–	–	–	–		–			–	
Other Gains	–	–	–	–		–			–	
Discontinued Operations	–	–	–	–						
Total Revenue (excluding capital transfers and contributions)	**3,347,357**	**443,889**	**443,889**	**278,946**	**159.1%**	**164,943**	**59.1%**	**13.3%**	**164,943**	**4.9%**
Transfers and subsidies - capital	703,383	271	271	58,615	0.5%	(58,344)	-99.5%	0.0%	(58,344)	-8.3%
Total Revenue (including capital transfers and contributions)	**4,050,740**	**444,161**	**444,161**	**337,562**	**131.6%**	**106,599**	**31.6%**	**11.0%**	**106,599**	**2.6%**

Table 3: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

Exchange Revenue

- ❖ Service charges - Electricity is showing a satisfactory variance of minus 2.6%. Service charges Water is unsatisfactory with a variance of minus 132%, due to a correction of a billing error of R39 million for the month of June 2026. It is imperative that the Billing section does a proper investigation to ensure that all properties have functional meters installed and are billed accurately. This can be achieved by considering all properties on the General Valuation Roll. The same applies to all Service charges. Sanitation and Refuse is performing satisfactorily and is showing an over-recovery when compared to the YTD budget.
- ❖ Sale of Goods and Rendering of Services is performing satisfactorily with a positive variance of 107.9%, when compared to the YTD Budget, due to advance receipts of building plan approvals.
- ❖ Interest earned from Receivables is showing a satisfactory variance of 16.1% due to the increase in outstanding debt and high level of debt over 90 days.
- ❖ Interest from Current and Non-current Assets shows a negative variance of 98.8%. 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 minus 2.3% when compared to the YTD budget.

- ❖ Licences and permits are showing a negative variance of 80.9%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated, 1.58% achievement versus a budget of R750 thousand.
- ❖ Operational Revenue is showing an unsatisfactory variance of minus 20.6%, as a result on an under-recovery on Insurance refunds.

Non-Exchange Revenue

- ❖ Property Rates is showing a satisfactory variance of 164.6%, as a result of the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing an unsatisfactory variance of minus 37.2%, due to an under-recovery on Fines: Law Enforcement that is standing at 1.34% achieved versus a target of R13,750 million.
- ❖ Licence and permits are showing a satisfactory variance of 55.8%, due to possible outstanding payments due to the Department of Transport, Safety and Liaison.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 372%, due to the receipt of the first tranche of the Equitable Share.
- ❖ Interest is showing an under-recovery of minus 31.2%, as a result of an under-recovery for interest from Property rates.
- ❖ Operational Revenue is showing a satisfactory variance of minus 6.1%.
- ❖ Transfers and subsidies - Capital is showing an unsatisfactory variance of minus 99.5% when compared to the YTD budget. Capital grants are recognised monthly in the Statement of Financial Performance, as soon as the conditions of the grant have been met.

Comparison against Original Budget

Based on the IYM percentage of 8.33%, the majority of revenue sources are performing satisfactorily.

Exchange Revenue

- ❖ Overall, Service charges when compared to the Original budget is performing satisfactorily, with the exception of water sales. Same factors are applicable as described in the paragraph above.
- ❖ Sale of Goods and Rendering of Services is showing a satisfactory variance of 9%. Same factors are applicable as described in the paragraph above.
- ❖ Interest earned from Receivables is showing a satisfactory variance of 1.3%. Same factors are applicable as described in the paragraph above.
- ❖ Interest from Current and Non-current Assets shows a negative variance of minus 8.2%. Same factors are applicable as described in the paragraph above.
- ❖ Rental from Fixed Assets is showing a satisfactory variance of minus 0.2%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing a fairly satisfactory variance of minus 6.7%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a satisfactory variance of minus 1.7%. Same factors are applicable as described in the paragraph above.

Non-Exchange Revenue

- ❖ Property Rates is showing a satisfactory variance of 13.7%. Same factors are applicable as described in the paragraph above.
- ❖ Fines, penalties and forfeits is showing a satisfactory variance of minus 3.1%. Same factors are applicable as described in the paragraph above.
- ❖ Licence and permits are showing a satisfactory variance of 4.6%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 31.0%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a positive variance of minus 0.5%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Capital is showing an unsatisfactory variance of minus 8.3%. Capital grant expenditure must be monitored continuously. Serious intervention will have to be taken by Management to improve on monthly capital grant expenditure and capital expenditure overall. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met.

Indicated in Chart 1.3 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 31 July 2026. The main contributors of the municipality's revenue are Service Charges (23.2%), Property Rates (38.7%) and Transfers and subsidies - Operational (30.6%). The weighting is distorted due to the annual billing on Property rates and the receipt of the first tranche of the Equitable share.

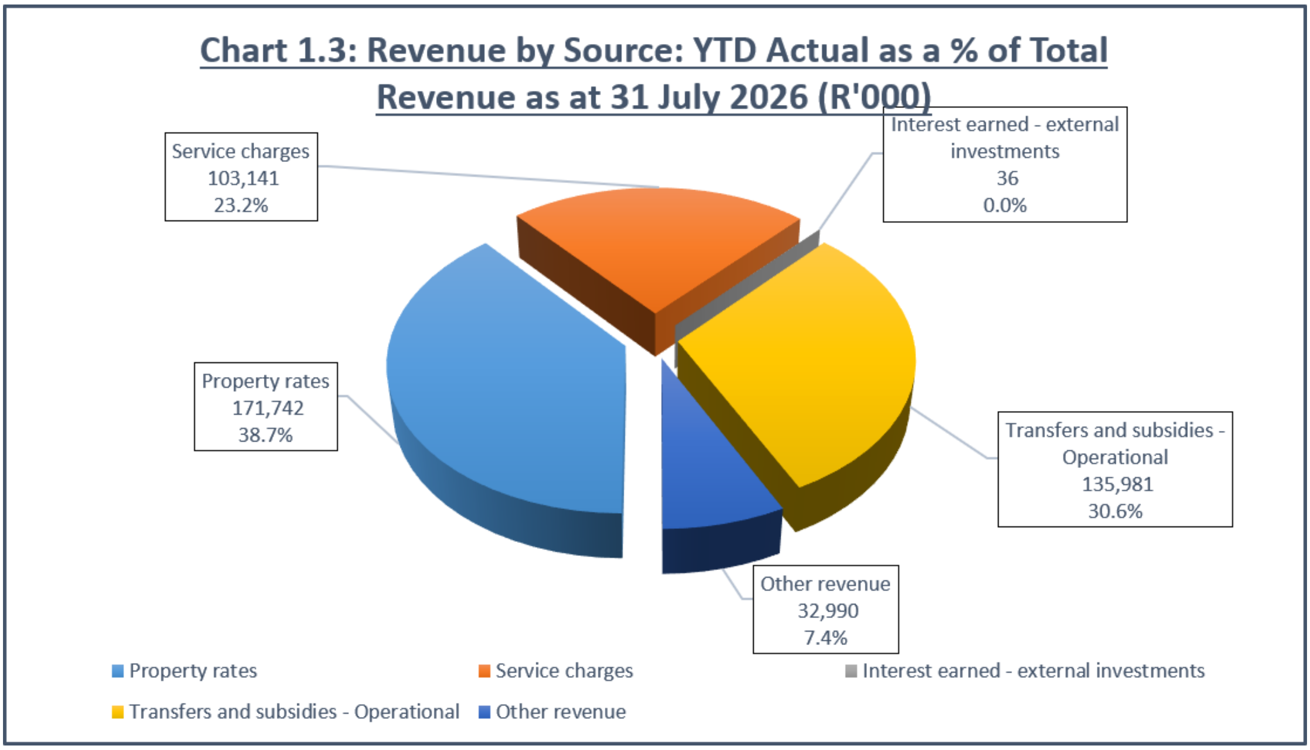


Chart 1.3: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Operating Expenditure by Type

Table C4 Monthly Budget Statement - Financial Performance (Expenditure) - M01 July										
Description	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance	Achieved Original Budget	Original Budget Variance	Original Budget Variance IYM % - 8.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	1,123,783	75,095	75,095	91,425	82.1%	(16,329)	-17.9%	6.7%	(18,553)	-1.7%
Remuneration of councillors	41,064	3,223	3,223	3,422	94.2%	(199)	-5.8%	7.8%	(199)	-0.5%
Bulk purchases - electricity	1,087,700	–	–	144,192	0.0%	(144,192)	-100.0%	0.0%	(90,642)	-8.3%
Inventory consumed	317,278	13,701	13,701	26,440	51.8%	(12,739)	-48.2%	4.3%	(12,739)	-4.0%
Debt impairment	425,149	–	–	35,429	0.0%	(35,429)	-100.0%	0.0%	(35,429)	-8.3%
Depreciation and amortisation	90,500	–	–	7,542	0.0%	(7,542)	-100.0%	0.0%	(7,542)	-8.3%
Interest	13,735	0	0	–	#DIV/0!	0	#DIV/0!	0.0%	(1,144)	-8.3%
Contracted services	36,865	116	116	3,072	3.8%	(2,956)	-96.2%	0.3%	(2,956)	-8.0%
Transfers and subsidies	1,000	–	–	83	0.0%	(83)	-100.0%	0.0%	(83)	-8.3%
Irrecoverable debts written off	–	7	7	–		7			7	
Operational costs	169,833	22,481	22,481	14,138	159.0%	8,343	59.0%	13.2%	8,329	4.9%
Losses on Disposal of Assets	–	–	–	–		–			–	
Other Losses	58,000	–	–	4,833	0.0%	(4,833)	-100.0%	0.0%	(4,833)	-8.3%
Total Expenditure	**3,364,907**	**114,623**	**114,623**	**330,575**	**34.7%**	**(215,952)**	**-65.3%**	**3.4%**	**(165,786)**	**-4.9%**

Table 4: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 31 July 2026 current YTD expenditure shows an unsatisfactory variance of minus 65.3%. The YTD actual amounted to R114,623 million against the YTD Budget of R330,575 million.

- Employee related costs show an unsatisfactory variance of minus 17.9%, 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 5.8%. The gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils is normally issued in December of each year.
- Bulk purchases – Electricity is showing an unsatisfactory variance of minus 100%. The invoice for July 2026 will be processed during August 2026.
- The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 48.2%. 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 31 July 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 8.33%
VOTE 1 - COUNCILLORS AND ADMIN	**156,000**	**156,000**	**-**	**-**	**0.00%**	**0.00%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	79,000	79,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	76,000	76,000	-	-	0.00%	0.00%	UNSATISFACTORY
VOTE 2 - MUNICIPAL AND GENERAL	**24,039,000**	**24,039,000**	**2,932,338**	**2,932,338**	**12.20%**	**12.20%**	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	600,000	600,000	30,518	30,518	5.09%	5.09%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	300,000	300,000	38,710	38,710	12.90%	12.90%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,139,000	23,139,000	2,863,110	2,863,110	12.37%	12.37%	SATISFACTORY
VOTE 3 - MUNICIPAL MANAGER	**230,321**	**230,321**	**-**	**-**	**0.00%**	**0.00%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	215,321	215,321	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	15,000	15,000	-	-	0.00%	0.00%	UNSATISFACTORY
VOTE 4 - CORPORATE SERVICES	**1,563,000**	**1,563,000**	**26,091**	**26,091**	**1.67%**	**1.67%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	736,000	736,000	12,148	12,148	1.65%	1.65%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	208,000	208,000	12,296	12,296	5.91%	5.91%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	100,000	100,000	1,646	1,646	1.65%	1.65%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	519,000	519,000	-	-	0.00%	0.00%	UNSATISFACTORY
VOTE 5 - COMMUNITY SERVICES	**34,384,400**	**34,384,400**	**1,592,120**	**1,592,120**	**4.63%**	**4.63%**	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	971,000	971,000	4,181	4,181	0.43%	0.43%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	43,000	43,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	295,000	295,000	4,357	4,357	1.48%	1.48%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,171,000	1,171,000	4,795	4,795	0.41%	0.41%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,471,000	8,471,000	808,539	808,539	9.54%	9.54%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	421,400	421,400	89,217	89,217	21.17%	21.17%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,012,000	23,012,000	681,031	681,031	2.96%	2.96%	UNSATISFACTORY
VOTE 6 - FINANCIAL SERVICES	**2,298,000**	**2,298,000**	**75,754**	**75,754**	**3.30%**	**3.30%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,248,000	1,248,000	60,506	60,506	4.85%	4.85%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	162,000	162,000	1,603	1,603	0.99%	0.99%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	175,000	175,000	8,961	8,961	5.12%	5.12%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	713,000	713,000	4,684	4,684	0.66%	0.66%	UNSATISFACTORY
VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	**7,661,000**	**7,661,000**	**98,193**	**98,193**	**1.28%**	**1.28%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	360,000	360,000	11,450	11,450	3.18%	3.18%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	52,000	52,000	1,878	1,878	3.61%	3.61%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	350,000	350,000	30,094	30,094	8.60%	8.60%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	12,000	12,000	270	270	2.25%	2.25%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	6,887,000	6,887,000	54,502	54,502	0.79%	0.79%	UNSATISFACTORY
VOTE 8 - INFRASTRUCTURE SERVICES	**246,160,742**	**246,160,742**	**8,976,286**	**8,976,286**	**3.65%**	**3.65%**	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	785,000	785,000	1,348	1,348	0.17%	0.17%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	23,150,000	23,150,000	2,057,409	2,057,409	8.89%	8.89%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	4,874,000	4,874,000	23,707	23,707	0.49%	0.49%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	9,440,000	9,440,000	1,058,029	1,058,029	11.21%	11.21%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	420,000	420,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	157,169,742	157,169,742	5,835,793	5,835,793	3.71%	3.71%	SATISFACTORY
2326600 (INVENTORY - WATER)	50,320,000	50,320,000	-	-	0.00%	0.00%	UNSATISFACTORY
Grand Total	**316,492,463**	**316,492,463**	**13,700,781**	**13,700,781**	**4.33%**	**4.33%**	SATISFACTORY

Table 4.1 R&M Expenditure per Directorate per inventory type

R&M Expenditure per Service per Inventory Type as at 31 July 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 8.33%
2480 - REFUSE	**19,847,000**	**19,847,000**	**1,167,241**	**1,167,241**	**5.88%**	**5.88%**	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	97,000	97,000	1,616	1,616	1.67%	1.67%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	150,000	150,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,000,000	6,000,000	630,975	630,975	10.52%	10.52%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	100,000	100,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	13,500,000	13,500,000	534,650	534,650	3.96%	3.96%	SATISFACTORY
2830 - ROADS	**42,380,000**	**42,380,000**	**187,970**	**187,970**	**0.44%**	**0.44%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	45,000	45,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	61,000	61,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	42,274,000	42,274,000	187,970	187,970	0.44%	0.44%	UNSATISFACTORY
2840 - HOUSING	**3,507,000**	**3,507,000**	**94,094**	**94,094**	**2.68%**	**2.68%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	111,000	111,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	155,000	155,000	11,443	11,443	7.38%	7.38%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	140,000	140,000	14,278	14,278	10.20%	10.20%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,100,000	3,100,000	68,372	68,372	2.21%	2.21%	UNSATISFACTORY
2850 - SEWERAGE	**36,752,000**	**36,752,000**	**1,616,122**	**1,616,122**	**4.40%**	**4.40%**	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	34,000	34,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	150,000	150,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	264,000	264,000	6,621	6,621	2.51%	2.51%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,600,000	2,600,000	251,377	251,377	9.67%	9.67%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	100,000	100,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	33,604,000	33,604,000	1,358,125	1,358,125	4.04%	4.04%	SATISFACTORY
2860 - WATER	**107,333,000**	**107,333,000**	**2,584,191**	**2,584,191**	**2.41%**	**2.41%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	95,000	95,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	23,000,000	23,000,000	2,057,409	2,057,409	8.95%	8.95%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	153,000	153,000	956	956	0.62%	0.62%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,500,000	2,500,000	202,547	202,547	8.10%	8.10%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	320,000	320,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	30,945,000	30,945,000	323,279	323,279	1.04%	1.04%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	50,320,000	50,320,000	-	-	0.00%	0.00%	UNSATISFACTORY
2880 - ELECTRICITY	**55,542,000**	**55,542,000**	**3,674,714**	**3,674,714**	**6.62%**	**6.62%**	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	330,000	330,000	208	208	0.06%	0.06%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	81,000	81,000	452	452	0.56%	0.56%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	55,130,000	55,130,000	3,674,053	3,674,053	6.66%	6.66%	SATISFACTORY
Grand Total	**265,361,000**	**265,361,000**	**9,324,332**	**9,324,332**	**3.51%**	**3.51%**	SATISFACTORY

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 for the month of July 2026. The matter will be taken up with the service provider.
- ❖ Debt impairment will be provided for on a quarterly basis.
- ❖ 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 R7,558 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. This will be corrected during the Adjustment budget.
- ❖ Expenditure on Contracted services is showing an unsatisfactory variance of minus 96.2%, as various line items is showing lower expenditure than anticipated.
- ❖ Transfers and subsidies showing negative variance of minus 100%. Due to cash constraints the municipality will be paying the allocation of R1,000 million, due to the SPCA over instalments, as and when sufficient cash is available.
- ❖ The movement under Irrecoverable debts written off is an error and needs to be investigated.
- ❖ Operational cost is showing an unsatisfactory variance of 59%.

  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 R3,655 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 R10,749 million for predominantly annual SALGA membership fees. Monthly payments are being made to SALGA amounting to R1,344 million.

Other Losses is showing an unsatisfactory variance of minus 100%. Bulk purchases Water is treated in line with GRAP 12. The invoices are captured on the balance sheet under Water: Input Vol: Bulk Purchases and the actual costs incurred is then split between Water inventory and Water losses and journalised from the Balance sheet to the Income Statement. A corrective journal for the recognition of Water inventory and losses for July 2026 must still be processed on the system.

Operating Expenditure by Type: Comparison against Adjustment Budget

Indicated in Table 4 above, is the YTD actual compared to the Original Budget. The ideal In-Year-Monitoring percentage as at the end of July 2026 is 8.33%. The total operational expenditure against the Original budget is 3.4% spent, resulting in a satisfactory variance of minus 4.9%.

- Employee related costs show a satisfactory variance of minus 1.7%. Same factors are applicable as explained above.
- Remuneration of councillors is showing a satisfactory variance of minus 0.5%. Same factors are applicable as explained above.
- Bulk purchases – Electricity is showing an unsatisfactory variance of minus 8.3%. Same factors are applicable as explained above.
- The expenditure on Inventory consumed is showing a satisfactory variance of minus 4.0%. Same factors are applicable as explained above.
- Debt impairment is showing an unsatisfactory variance of 8.3%. Same factors are applicable as explained above.
- Depreciation shows an unsatisfactory variance of minus 8.3%. Same factors are applicable as explained above.
- Interest is showing an unsatisfactory variance of minus 8.3%. Same factors are applicable as explained above.
- Expenditure on Contracted services is unsatisfactory at minus 8.0%, when compared to the Original budget. The YTD expenditure is lower than anticipated.
- Transfers and subsidies show an unsatisfactory variance of minus 8.3%. Same factors are applicable as explained above.
- Operational cost is showing a satisfactory variance of 4.9%. Same factors are applicable as explained above.
- Other Losses is showing an unsatisfactory variance of minus 8.3%. Same factors are applicable as explained above.

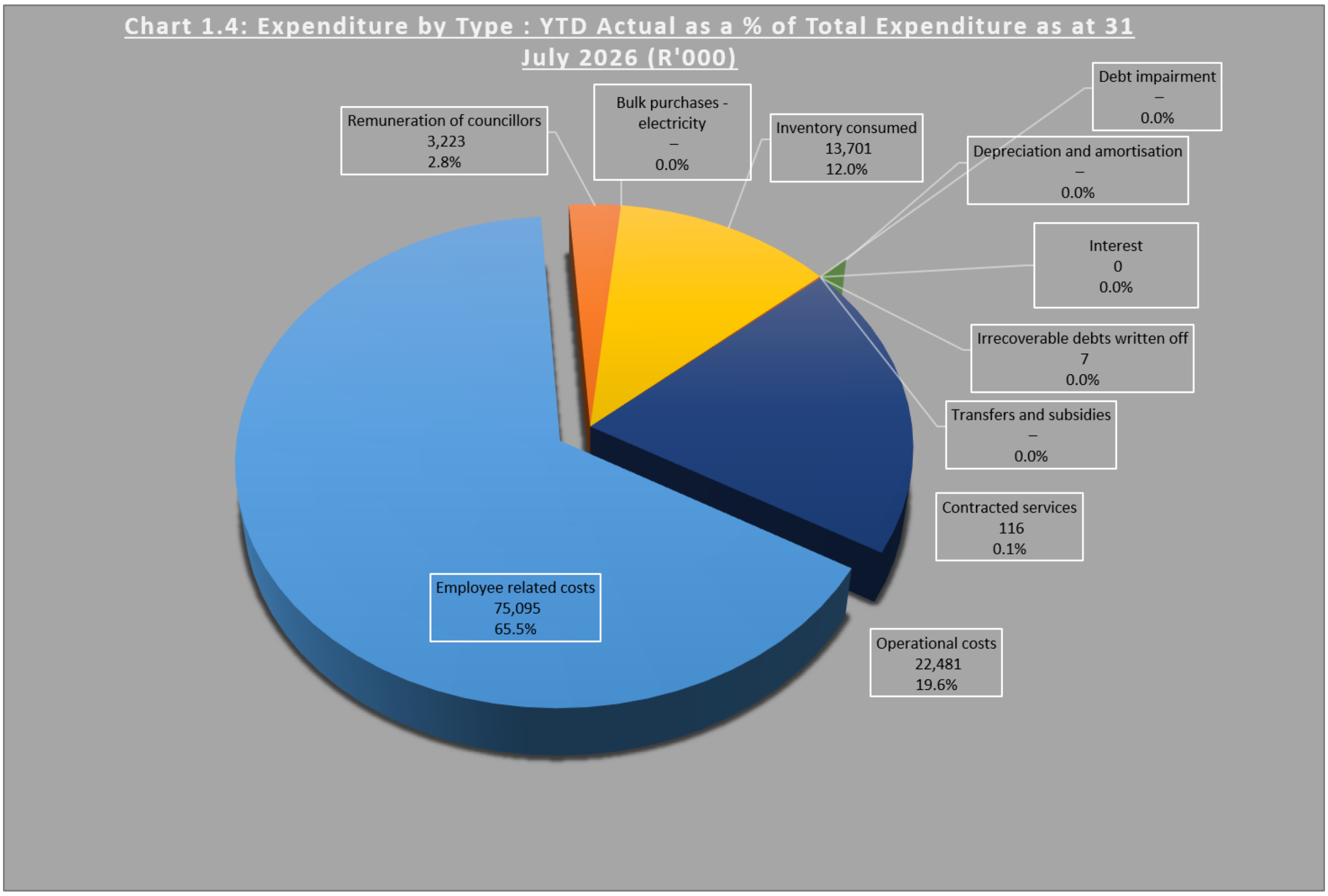


Chart 1.4: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

Also indicated in Chart 1.4 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 31 July 2026. The main cost drivers of the municipality are Employee Related Costs (65.5%), Bulk Purchases – Electricity (0.0%), Debt Impairment (0.0%) and Inventory consumed (12.0%).
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 July 2026 will be captured during August 2026.
- Depreciation is not yet accounted for.

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 8.33% as at end of July 2026, Bulk Purchases Electricity is showing an unsatisfactory variance of minus 8.33%. The bulk invoice for July 2026 will be processed during August 2026.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 8.33%
BULK PURCHASES: ELECTRICITY	1,087,700,000	-	-	0.00%	-8.33%
Total	**1,087,700,000**	**-**	**-**	**0.00%**	**-8.33%**

Table 5.1: Summary of YTD Bulk Electricity expenditure

- Indicated in Table 5.2 below, is the Water inventory and Water losses which is showing an unsatisfactory variance of minus 8.33%, when compared to the ideal percentage of 8.33%. During the Adjustment budget for 2021/22 and advised by NT, Bulk purchases Water was split between Water Inventory and Water losses in the Statement of Financial Performance aligned to GRAP 12. A corrective journal for the actuals for July 2026 must still be processed on the system.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 8.33%
INVENTORY - WATER	50,320,000	-	-	0.00%	-8.33%
NON-REVENUE WATER LOSSES	58,000,000	-	-	0.00%	-8.33%
Total	**108,320,000**	**-**	**-**	**0.0%**	**-8.3%**

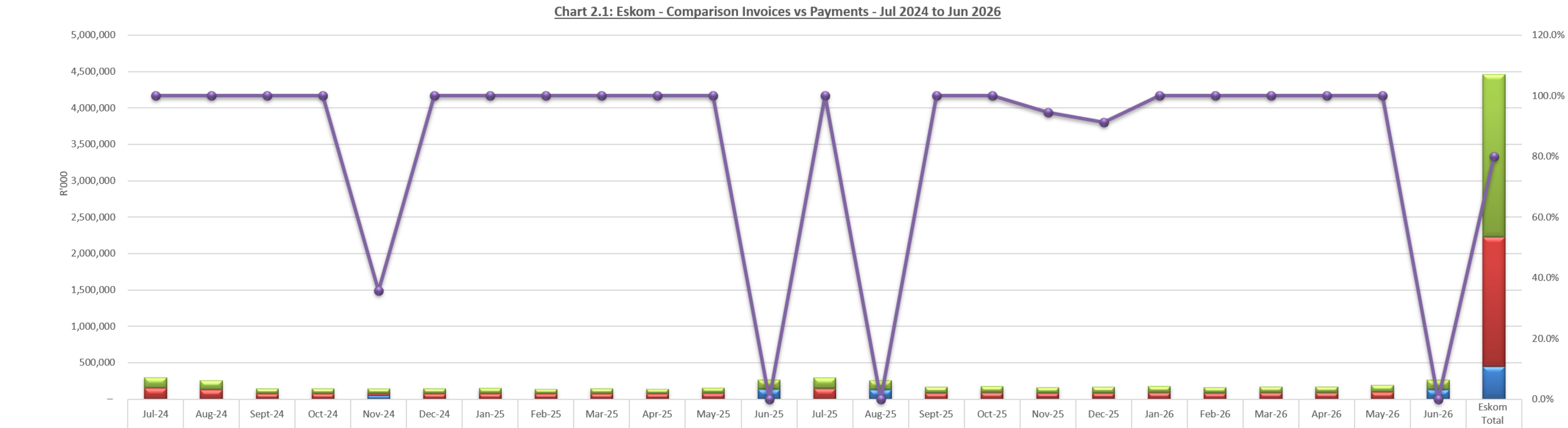
Table 5.2: Summary of YTD Bulk Water expenditure

Outstanding debt: ESKOM

ESKOM - Outstanding debt (R'000)	Sum of Invoice amount	Sum of Bulk Payments (2023/24, 2024/25, 2025/26 & 2026/27)	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**	**–**
2022/23	**389,602**	**103,242**	**(37,482)**		**248,878**	**248,878**	**–**
2023/24	**975,208**	**819,809**	**(69,632)**		**85,767**	**85,767**	**–**
2024/25	**1,055,591**	**878,647**	**–**		**176,944**	**176,944**	**19,389**
2025/26	**1,174,188**	**902,391**	**–**		**271,797**	**271,797**	**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	76,000	–		4,365	4,365	4,432
Dec-25	83,316	76,000	–		7,316	7,316	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	84,516	–		–	–	6,870
May-26	96,159	96,159	–		–	–	4,536
Jun-26	130,803	–	–		130,803	130,803	5,918
2026/27	**152,726**	**–**	**–**		**152,726**	**–**	**7,558**
Jul-26	152,726	–	–		152,726	–	7,558
Grand Total ESKOM	**4,022,998**	**2,704,088**	**(107,114)**	**(248,128)**	**1,211,795**	**1,059,068**	**93,387**

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R1,211,795 billion. The first debt write off of R248 million is accounted for and second debt write off of R248 million must still be effected in the municipality's books as soon as confirmation is received from Eskom. The total arrear debt amounts to R1,059,068 billion summarized as follow 2021/22 (R275,682m); 2022/23 (R248,878m); 2023/24 (R85,767m); 2024/25 (R176,944m), 2025/26 (R271,797m). The total interest charges on overdue accounts for the current financial year amounted to R7,558 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. The budget on Interest on overdue accounts will be corrected during the Adjustments budget.



	Jul-24	Aug-24	Sept-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
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
Paid Amount	148,333	127,601	71,087	73,508	25,000	71,859	75,732	68,070	72,107	68,058	77,292	–
Outstanding Balance	–	–	–	–	44,974	–	–	–	–	–	–	131,970
% 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%

	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Eskom Total
Invoice Amount	146,873	129,313	81,800	86,066	80,365	83,316	88,135	81,367	85,475	84,516	96,159	130,803	2,229,779
Paid Amount	146,873	–	81,800	86,066	76,000	76,000	88,135	81,367	85,475	84,516	96,159	–	1,781,038
Outstanding Balance	–	129,313	–	–	4,365	7,316	–	–	–	–	–	130,803	448,741
% Paid	100.0%	0.0%	100.0%	100.0%	94.6%	91.2%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	79.9%

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 July 2026 is excluded because it is not yet due and payable. It will also distort the percentage paid. The YTD actual until June 2026 shows that 79.9% of invoices were settled, based on invoices raised of R2,229,779 billion versus payments of R1,781,038 billion. The percentage on partially paid invoices are November 2024 (35.7%); June 2025 (0%); August 2025 (0%), November 2025 (94.6%), December 2025 (91.2%), and June 2026 (0%). The total arrear outstanding balance for the period July 2024 to June 2026 amounts to R448,741 million.

Outstanding debt: DWS

DWS - Outstanding debt (R'000)	Sum of Invoice amount	Sum of Bulk Payments (2023/24, 2024/25, 2025/26 & 2026/27)	Sum of Outstanding Balance	Sum of Arrear Debt
⊞2021/22	**126,431**	**88,873**	**37,558**	**37,558**
⊞2023/24	**150,526**	**150,526**	**–**	**–**
⊞2024/25	**162,756**	**88,492**	**74,264**	**74,264**
⊟2025/26	**179,052**	**41,477**	**137,575**	**137,575**
Jul-25	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	130
⊟2026/27	**23,715**	**–**	**23,715**	**–**
Jul-26	23,715	–	23,715	–
Grand Total	**642,480**	**369,368**	**273,112**	**249,397**

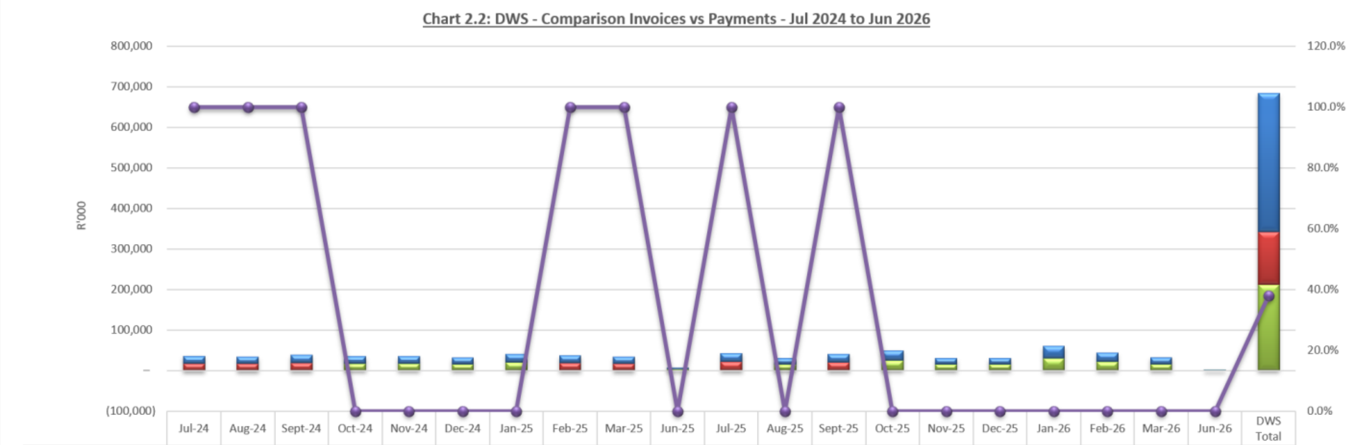
Table 6.2: Summary of outstanding DWS debt

Indicated in Table 6.2 above, is the total outstanding debt owed to DWS which amounts to R273,112 million. The total debt must be concurred with the Department. The total arrear debt amounts to R249,397 million which pertains to outstanding invoices for 2021/22 (R37,558m); 2024/25 (74,264m) and 2025/26 (R137,575m). 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, 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, July and September 2025 accounts were settled in full. The municipality incurred accumulative arrear debt for the prior and current year of R249 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.

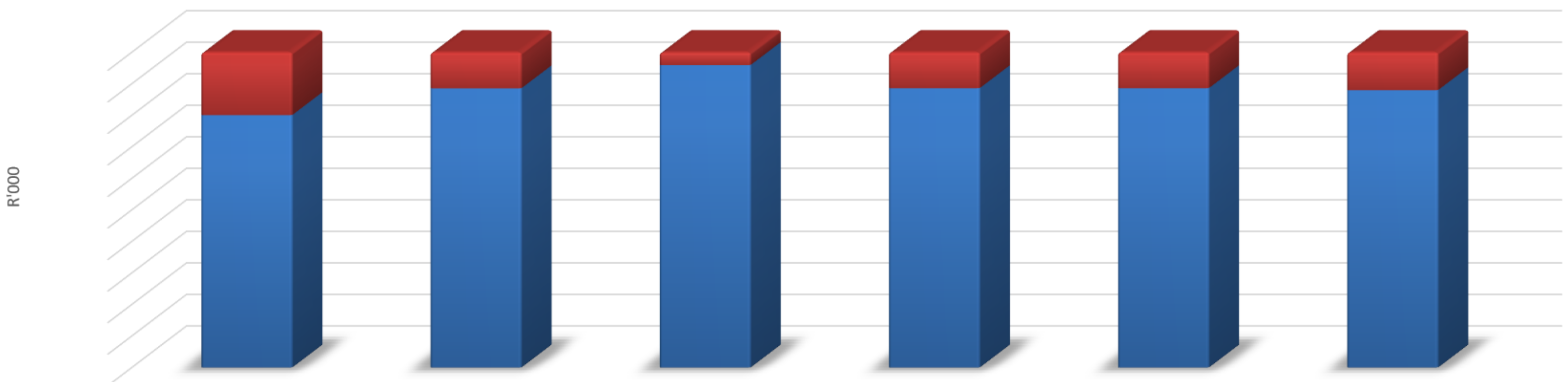


	Jul-24	Aug-24	Sept-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Jun-26	DWS Total
Invoice Amount	17,724	16,698	18,973	17,504	17,504	15,681	20,396	18,328	16,769	3,179	21,434	14,866	20,043	24,801	14,866	14,866	30,103	21,740	16,202	130	341,808
Paid Amount	17,724	16,698	18,973	–	–	–	–	18,328	16,769	–	21,434	–	20,043	–	–	–	–	–	–	–	129,969
Outstanding Balance	–	–	–	17,504	17,504	15,681	20,396	(0)	(0)	3,179	–	14,866	–	24,801	14,866	14,866	30,103	21,740	16,202	130	211,839
% Paid	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	38.0%

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 June 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 38.0% of invoices were settled, based on invoices raised of R341,808 million versus payments of R129,969 million. Invoices for July to September 2024, February, March, July and September 2025 were settled in full, whilst the invoices for October 2024 to January 2025, June, August, October, November and December 2025 and January, February, March and June 2026 remain unpaid. The total arrear outstanding balance for the period July 2024 to June 2026 amounts to R211,839 million.

Chart 2.3: Annual and Monthly Bulk Payments: DWS & ESKOM: 2023/24, 2024/25, 2025/26 and 2026/27



	2023/24 Total	2024/25 Total	2025/26 Total	Jul-26	2026/27 Total	Grand Total
Bulk Payments - DWS	198,561	112,560	36,812	21,434	21,434	369,368
Bulk Payments - ESKOM	797,617	871,251	868,546	166,674	166,674	2,704,088

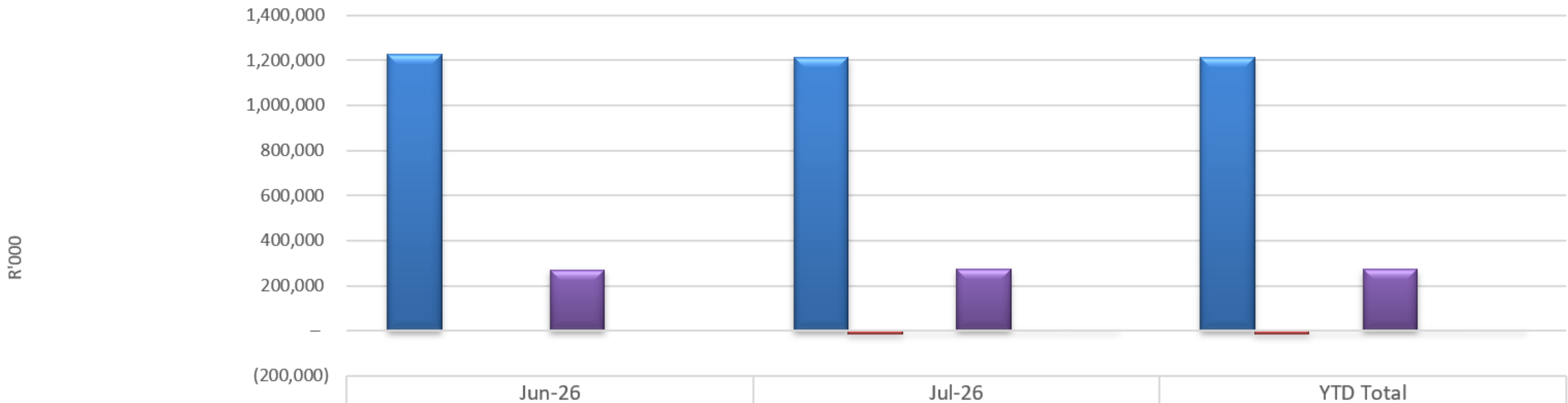
Chart 2.3: Monthly payments to DWS & ESKOM

Indicated in Chart 2.3 above, are the annual and monthly payments made to DWS and ESKOM for 2023/24, 2024/25, 2025/26 and 2026/27 financial year as at 31 July 2026.

DWS – The invoice payments for 2023/24 amounted to R198,561 million, whilst payments for 2024/25 amounted to R112,560 million. The payments for 2025/26 amounted to R36,812 million. The payments for 2026/27 amounted to R21,434 million. The total payments amounted to R369,368 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, August, October, November and December 2025 and January, February, March and June 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, For 2026/27 the total payments amounted to R166,674 million resulting in the total payments for the periods amounting to R2,704,088 billion. The high months remains a major concern.

Chart 3: Monthly & YTD comparison of Bulk Electricity and Water debt - Jun 2026 to Jul 2026



	Jun-26	Jul-26	YTD Total
Bulk Electricity - Total Debt	1,225,743	1,211,795	1,211,795
Bulk Electricity Debt: Monthly/YTD R-Value increase (decrease)		(13,948)	(13,948)
Bulk Electricity - Monthly/YTD % increase (decrease) in O/S Debt		-1.1%	-1.1%
Bulk Water - Total Debt	270,831	273,112	273,112
Bulk Water Debt: Monthly/YTD R-Value increase (decrease)		2,281	2,281
Bulk Water - Monthly/YTD % increase (decrease) in O/S Debt		0.8%	0.8%

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 June to July 2026, debt owed to ESKOM decreased by R13,948 million or 1.1%, from R1,225,743 billion to R1,211,795 billion. When comparing the total outstanding debt to June 2026, the outstanding debt decreased by R13,948 million or 1.1%, from R1,225,743 billion to R1,211,795 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 June to July 2026, debt owed to DWS increased by R2,281 million or 0.8% from R270,831 million to R273,112 million. When comparing the total outstanding debt to June 2026, the outstanding debt increased by R2,281 million or 0.8% from R270,831 million to R273,112 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, July 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 - M01 July										
Capital expenditure	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Budget Variance IYM % - 8.33%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	632,638	594	594	52,720	1.13%	(52,126)	-98.9%	0.1%	(52,126)	-8.2%
Funded by										
Capital transfers recognised	607,290	553	553	50,607	1.09%	(50,054)	-98.9%	0.1%	(50,054)	-8.2%
Internally generated funds	25,348	41	41	2,112	1.9%	(2,072)	-98.1%	0.2%	(2,072)	-8.2%
Weighting Capital transfer recognised	96.0%	93.1%	93.1%	96.0%						
Weighting Internally generated funds	4.0%	6.9%	6.9%	4.0%						

Table 7: High level summary: Capital Expenditure

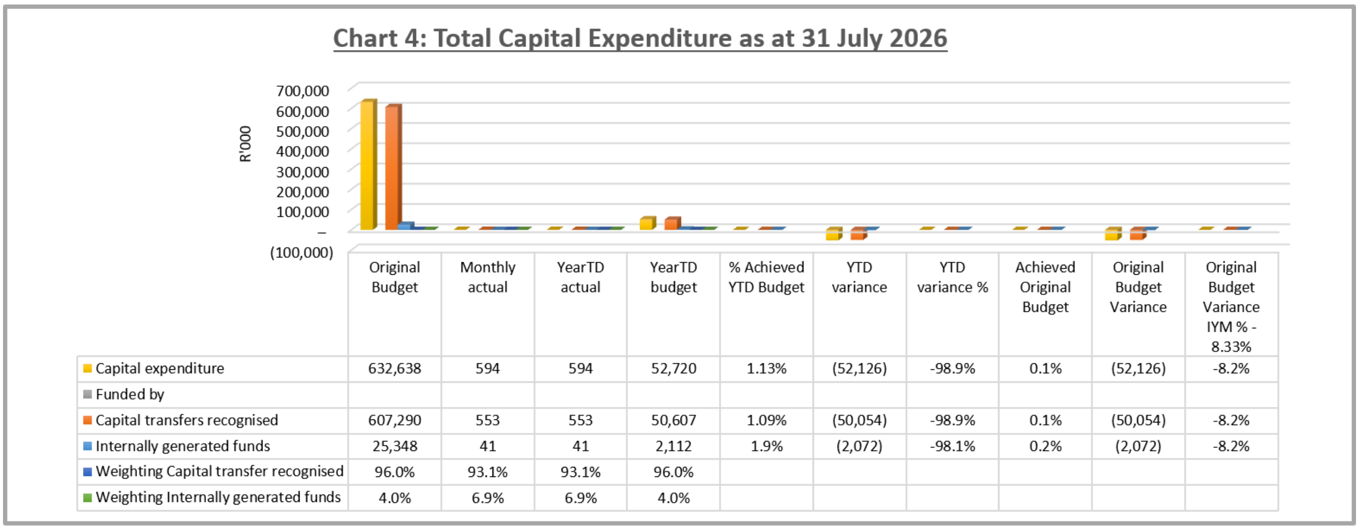


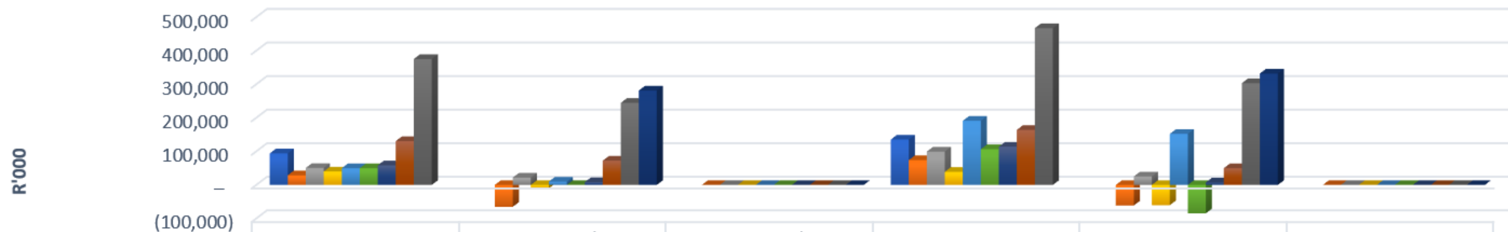
Chart 4: Total Capital expenditure

As indicated in the Table 7 and Chart 4 above, the YTD Actual on capital expenditure as at end of July 2026 amounted to R594 thousand and 1.13% spent when compared to the YTD budget of R52,720 million and 0.1% spent when compared to the Original Budget of R632,638 million. The total YTD capex is funded from Capital grants R553 thousand (93.1%) and Internally generated funds R41 thousand (6.9%). 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

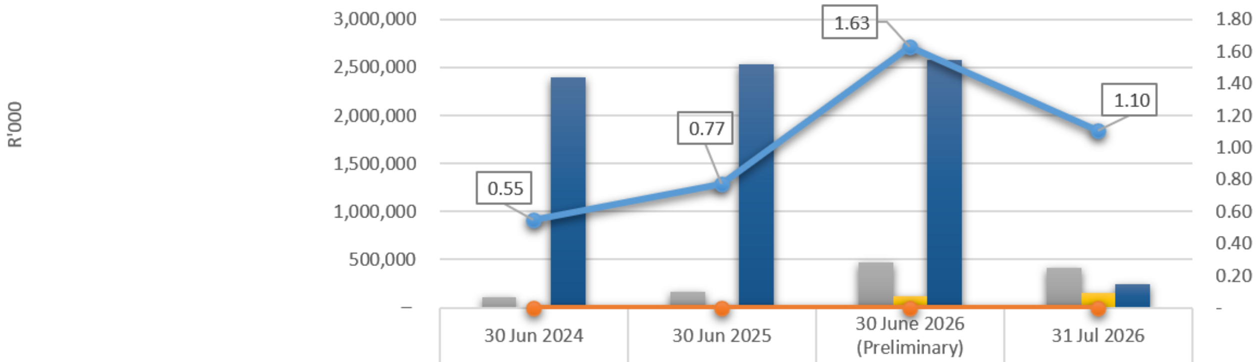


	Investment deposits at year-end	Investments / Year-on-year R-Value Increase (Decrease)	Investments / Year-on-year % Increase/(Decrease)	Cash and cash equivalents at year-end	Cash and cash equivalents / Year-on-year R-Value Increase/(Decrease)	Cash and cash equivalents / Year-on-year % Increase/(Decrease)
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%
30 June 2026 (Preliminary)	375,195	244,500	187%	467,109	303,173	185%
Total Increase (Decrease) - 2018 to 2026		281,217	299%		331,869	245%

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

Investments decreased by R65,278 million or (69%) from 2018 to 2019. 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. Investments increased by R244 500 million from 2025 to 2026. From 2018 to 2026, the total investments increased by R281,217 million (299%). 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, Investment increased substantially from 2025 to 2026, due to the unspent portion of the capital grants and retention money. 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 charges, increase in bulk purchases, operational expenditure, including excessive expenditure on Overtime and EPWP, excessive water and electricity losses. And the servicing of the long-term loan. The decline in investments and Cash & cash equivalents is concerning and must be addressed by management.

Chart 6: Cash & cash equivalents and Cost Coverage Ratio from 2023/24 to 2025/26 and 2026/27 as at 31 July 2026



	30 Jun 2024	30 Jun 2025	30 June 2026 (Preliminary)	31 Jul 2026
Cash and cash equivalents	113,952	163,937	467,109	416,365
Unspent Conditional Grants	4,057	742	117,178	150,461
Total Annual / YTD Operational Expenditure	2,393,016	2,532,099	2,575,334	240,850
Cost Coverage Ratio (Days)	17 Days	24 Days	50 Days	33 Days
Cost Coverage Ratio	0.55	0.77	1.63	1.10

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 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 preliminary outcome for the year ended 30 June 2026 is (1.63; 50 days; R467,109m). The Cost coverage ratio as at 31 July 2026 is calculated at (1.10; 33 days; R416,365m). Unspent conditional grants amounted to R150,461 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		Actual Bad Debts Written Off to Debtors		Impairment -Bad Debts ito	
R thousands	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	35,182	3.6%	28,234	2.9%	21,613	2.2%	893,658	91.3%	978,688	20.9%	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	82,931	25.5%	19,291	5.9%	12,414	3.8%	210,448	64.7%	325,084	6.9%	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	159,948	16.8%	18,135	1.9%	33,986	3.6%	738,422	77.7%	950,491	20.3%	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	10,762	3.0%	7,165	2.0%	6,663	1.9%	333,929	93.1%	358,519	7.6%	-	-	-	-
Receivables from Exchange Transactions - Waste Management	8,642	3.1%	5,501	2.0%	5,024	1.8%	255,513	93.0%	274,680	5.9%	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	965	.9%	940	.8%	915	.8%	108,960	97.5%	111,780	2.4%	-	-	-	-
Interest on Arrear Debtor Accounts	21,916	1.8%	21,249	1.7%	25,021	2.0%	1,155,121	94.4%	1,223,307	26.1%	-	-	-	-
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	8,748	1.9%	8,042	1.7%	8,104	1.7%	439,612	94.6%	464,506	9.9%	-	-	-	-
Total By Income Source	**329,093**	**7.0%**	**108,557**	**2.3%**	**113,740**	**2.4%**	**4,135,664**	**88.2%**	**4,687,053**	**100.0%**	**-**	**-**	**-**	**-**
Debtors Age Analysis By Customer Group														
Organs of State	140,170	19.1%	15,737	2.1%	21,908	3.0%	555,869	75.8%	733,685	15.7%	-	-	-	-
Commercial	86,249	12.6%	21,588	3.1%	16,086	2.3%	561,433	81.9%	685,357	14.6%	-	-	-	-
Households	99,526	3.2%	67,704	2.2%	72,838	2.3%	2,878,037	92.3%	3,118,105	66.5%	-	-	-	-
Other	3,147	2.1%	3,527	2.4%	2,907	1.9%	140,324	93.6%	149,906	3.2%	-	-	-	-
Total By Customer Group	**329,093**	**7.0%**	**108,557**	**2.3%**	**113,740**	**2.4%**	**4,135,664**	**88.2%**	**4,687,053**	**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 R4,687,053 billion as at the end of July 2026 and the bulk of SPM's debt is aged over 90 days with an overall weighting of 88.2%.

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

- ❖ Interest on Arrear Debtor Accounts at 94.4%
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 97.5%
- ❖ Waste Water Management (93.1%) and Waste Management (93.0%).

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

- ❖ Receivables from Non-exchange Transactions - Property Rates at 20.3%
- ❖ Interest on Arrear Debtor Accounts 26.1%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 20.9%

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

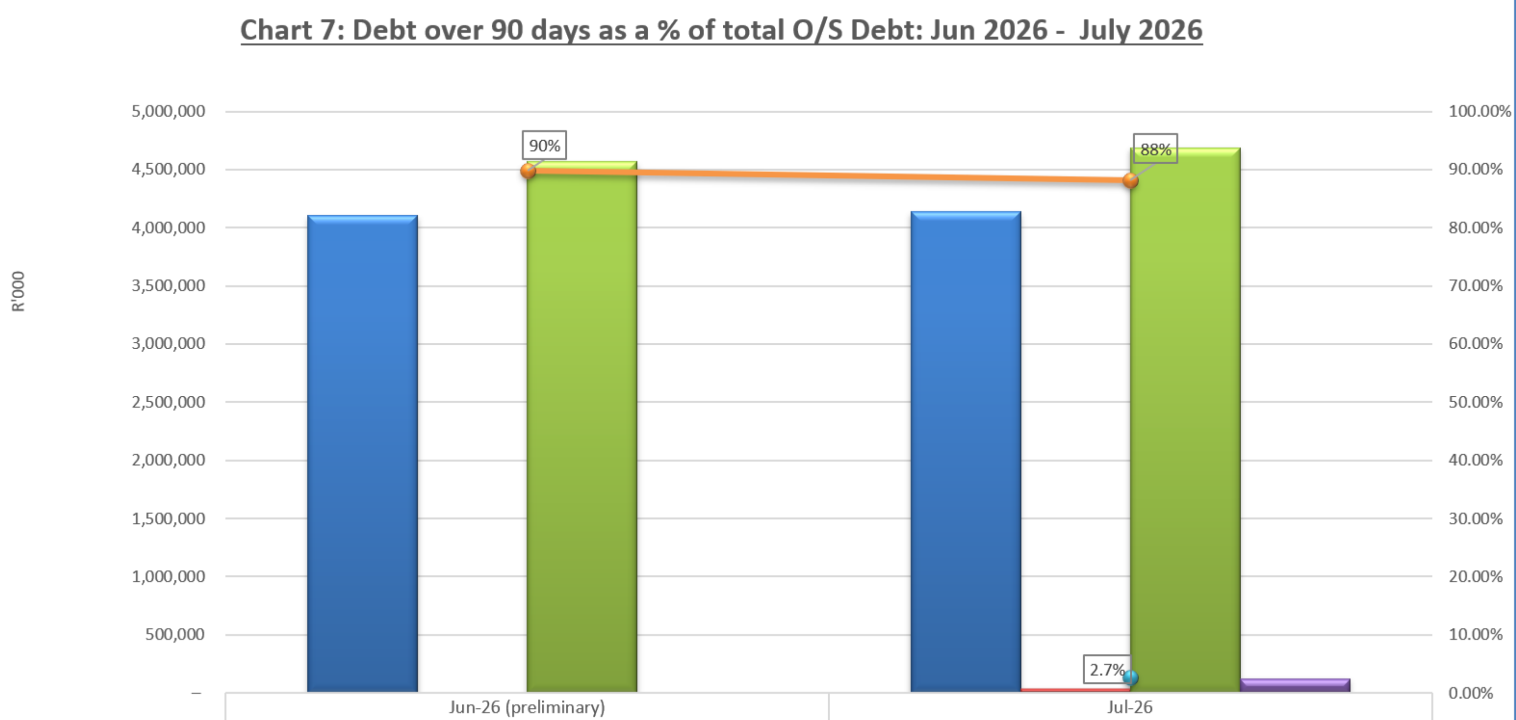
The percentage weighting of debt owed by Customer Group, over 90 days is:

- ❖ Organs of State at 75.8%; Commercial at 81.9%; Households at 92.3% and Other at 93.6%.

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

- ❖ Organs of state at 15.7%, total debt outstanding is R733,685 million
- ❖ Businesses at 14.6%, total debt outstanding is R685,357 million
- ❖ Households at 66.5%, total debt outstanding is R3,118,105 billion
- ❖ Other at 3.2%, total debt outstanding is R149,906 million.

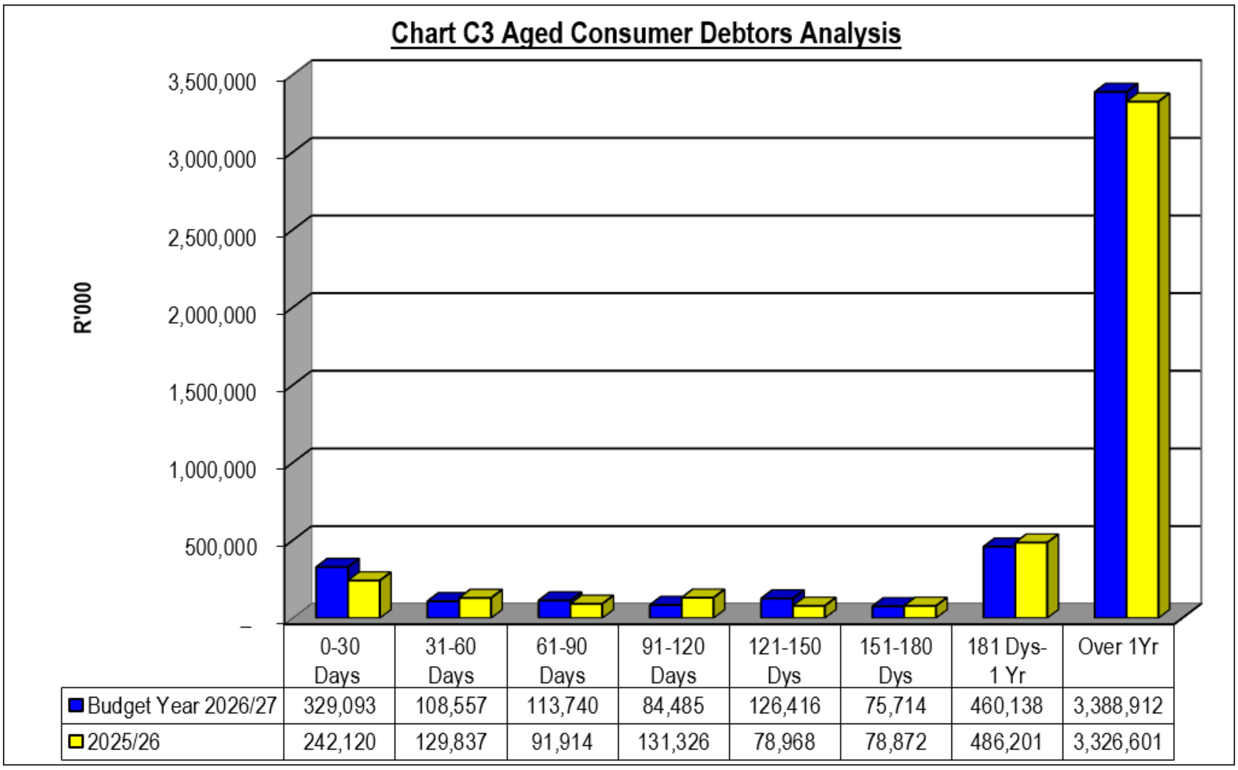
Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt decreased 90% to 88% for the month under review. Debt over 90 days increased by R33,696 million in respect of the month-to-month comparison. The month-to-month increase, on total debt amounted to R121,214 million. It is concerning that total debt over 90 days is hovering at an average of 90 percent.



	Jun-26 (preliminary)	Jul-26
Debt over 90 days (R'000)	4,101,967	4,135,664
Month-to-Month R-value Increase (Decrease) of Debt over 90 days		33,696
Total Debt (R'000)	4,565,839	4,687,053
Month-to-Month R-value Increase (Decrease) of Total debt		121,214
Month-to-Month % Increase (Decrease) on Total Debt		2.7%
% Weighting of Debt over 90 days	90%	88%

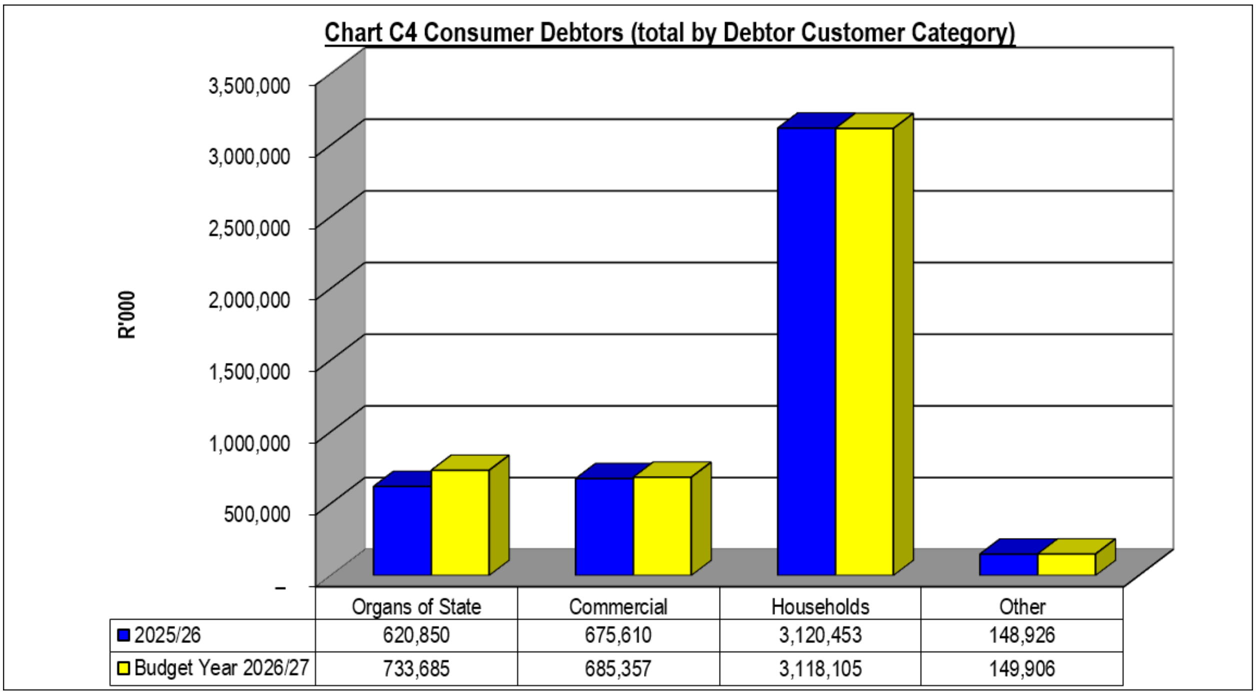
Chart 7: Debt over 90 days as a percentage of Total O/S Debt

- 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.



	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr
Budget Year 2026/27	329,093	108,557	113,740	84,485	126,416	75,714	460,138	3,388,912
2025/26	242,120	129,837	91,914	131,326	78,968	78,872	486,201	3,326,601

Chart 8: Aged Consumer Debtor Analysis



	Organs of State	Commercial	Households	Other
2025/26	620,850	675,610	3,120,453	148,926
Budget Year 2026/27	733,685	685,357	3,118,105	149,906

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 June 2026 and received in July 2026, the monthly collection rate is 74%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 69%. 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 R14,809 million and will be allocated during August 2026. Indicated in Table 10 below is the revised average collection rate of 61.5%, 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. Water is showing a negative movement due to a billing error correction that transpired in June 2026. The collection rate is also lower due to the annual billing on Property rates.

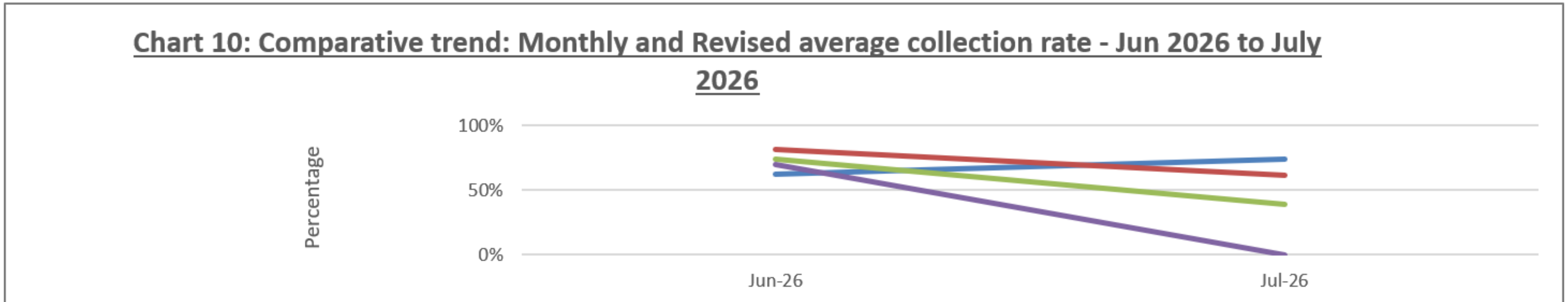
When considering the average collection rate, various factors are taken into account, like the receipts on Prepaid Electricity, unallocated credits, etc. The YTD billing on Property Rates and Service Charges are obtained from the general ledger. Billing on Other is obtained from the BS902 report (Debits Raised Versus Payments). The BS566 report (Payments per Service per Day/Period) includes all monies received from 1 July to 31 July 2026. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, have until the end of September 2026 to settle their outstanding accounts.

Monthly Collection Rate	Debits (Billed June 2026)	Credits (Received July 2026)	% Collected
PROPERTY RATES	53,459,966	37,636,799	70%
ELECTRICITY	51,530,271	50,385,434	98%
WATER	25,647,657	14,201,003	55%
SEWERAGE	10,590,612	4,646,401	44%
REFUSE	8,450,286	4,265,897	50%
PROPERTY RATES & SERVICES	**149,678,792**	**111,135,534**	**74%**
OTHER	27,143,929	11,592,841	43%
TOTAL	**176,822,721**	**122,728,375**	**69%**

Table 9: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL JULY 2026	YTD RECEIPTS	Rate
PROPERTY RATES	R 171,741,743	R 43,057,391	**25.1%**
SERVICE CHARGE ELECTRICITY	R 61,465,707	R 52,506,788	**85.4%**
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 34,372,310	R 34,372,310	**100.0%**
SERVICE CHARGE WATER	R -10,930,617	R 14,872,327	**-136.1%**
SERVICE CHARGE SANITATION	R 10,415,101	R 5,073,708	**48.7%**
SERVICE CHARGE REFUSE	R 7,818,684	R 4,682,625	**59.9%**
SERVICE CHARGES NON-EXCHANGE	R 864,886	R 221,629	**25.6%**
UNALLOCATED CREDITS		R 14,809,004	
REVISED AVERAGE COLLECTION RATE - JULY 2026	**R 275,747,813**	**R 169,595,782**	**61.5%**

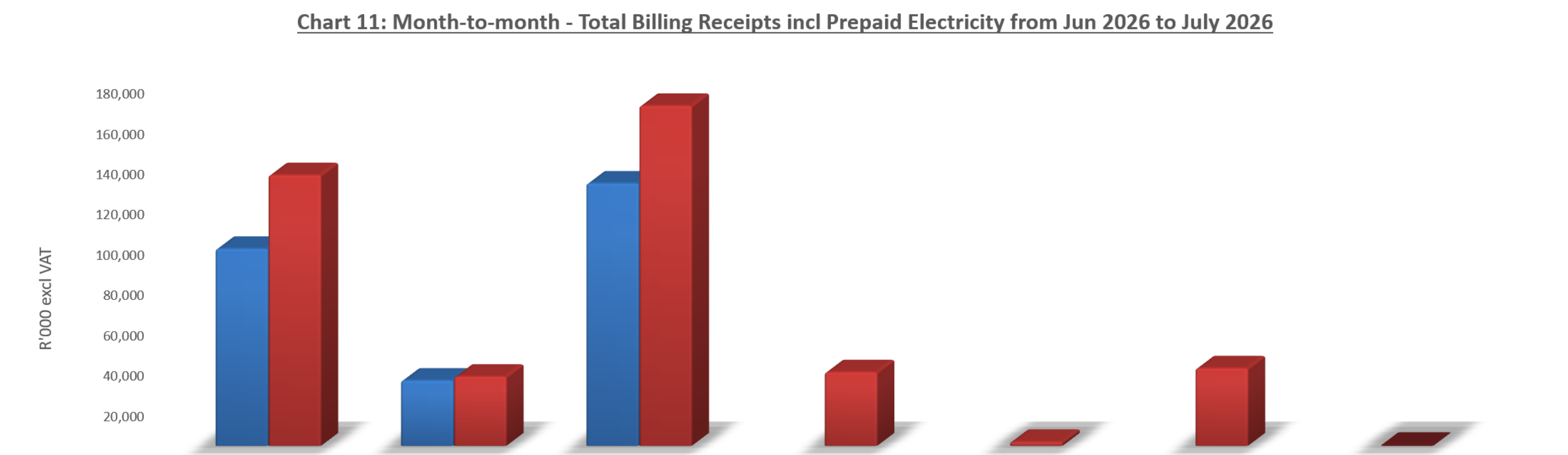
Table 10: Revised Average collection rate



	Jun-26	Jul-26
Monthly collection rate (Property rates and Services)	62%	74%
Revised average collection rate (SPLM)	81%	62%
Collection rate per Ward (Monthly)	74%	39%
Collection rate per Ward (Quarterly)	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 2026 to July 2026. The monthly collection rate (Property rates & Services) for July 2026 is unsatisfactory at 74%. The revised average collection for July 2026 which includes Prepaid sales and unallocated credits is 62%, 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 39% for the month under review. This due to the annual billing on Property rates. The quarterly collection rate per ward will be reported on at the end of September 2026. 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 R14,809 million was unallocated at month-end.



	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-26	97,732	32,427	130,159				
Jul-26	134,289	34,372	168,661	36,557	1,946	38,502	30%

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

As indicated in Chart 11 above, the Total Receipts for July 2026 amounted to R168,661 million which resulted in an increase of R38,502 (30%) in respect of the month-to-month comparison. Billing receipts increased by R36,557 million, whilst Prepaid Electricity Sales increased by R1,946 million. The deteriorating situation for the past few months/years does not bode well for the municipality's cash flow because on a monthly basis the municipality does not collect sufficient cash to cover its monthly commitments. Unallocated billing receipts at month end amounted to R14,809 million. Unallocated receipts are not factored into the actual receipts as per the chart above. All unallocated receipts are investigated, and assistance is sourced from the bank, when the municipality is unable to trace receipts so that it can be allocated accurately.

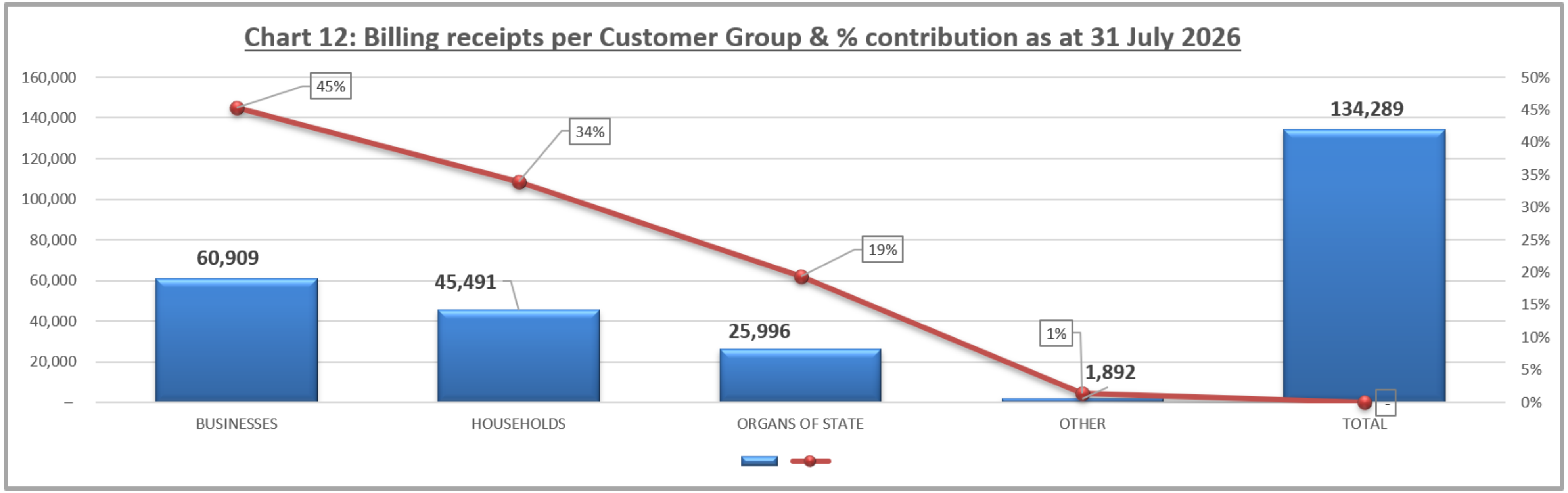


Chart 12: Billing receipts per Customer Group

Indicated in Chart 12 above, is the billing receipts and percentage contribution per major Customer group as at 31 July 2026 which amounts to R134,289 million. The municipality received R60,909 million (45%) from Businesses, Households R45,491 million (34%), Organs of State R25,996 million (19%) and Other R1,892 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	152,726	12.6%	130,803	10.8%	-	-	928,265	76.6%	1,211,795	76.6%
Bulk Water	23,715	8.7%	130	-	-	-	249,267	91.3%	273,112	17.3%
PAYE deductions	12,535	100.0%	-	-	-	-	-	-	12,535	.8%
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	9,289	100.0%	-	-	-	-	-	-	9,289	.6%
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	14,616	46.9%	13,584	43.6%	2,961	9.5%	-	-	31,161	2.0%
Auditor-General	-	-	-	-	-	-	-	-	-	-
Other	12,230	27.7%	12,323	27.9%	312	.7%	19,295	43.7%	44,160	2.8%
Medical Aid deductions	-	-	-	-	-	-	-	-	-	-
Total	**225,111**	**14.2%**	**156,840**	**9.9%**	**3,274**	**.2%**	**1,196,827**	**75.7%**	**1,582,052**	**100.0%**

Table 11: Part 5: Creditors Age Analysis

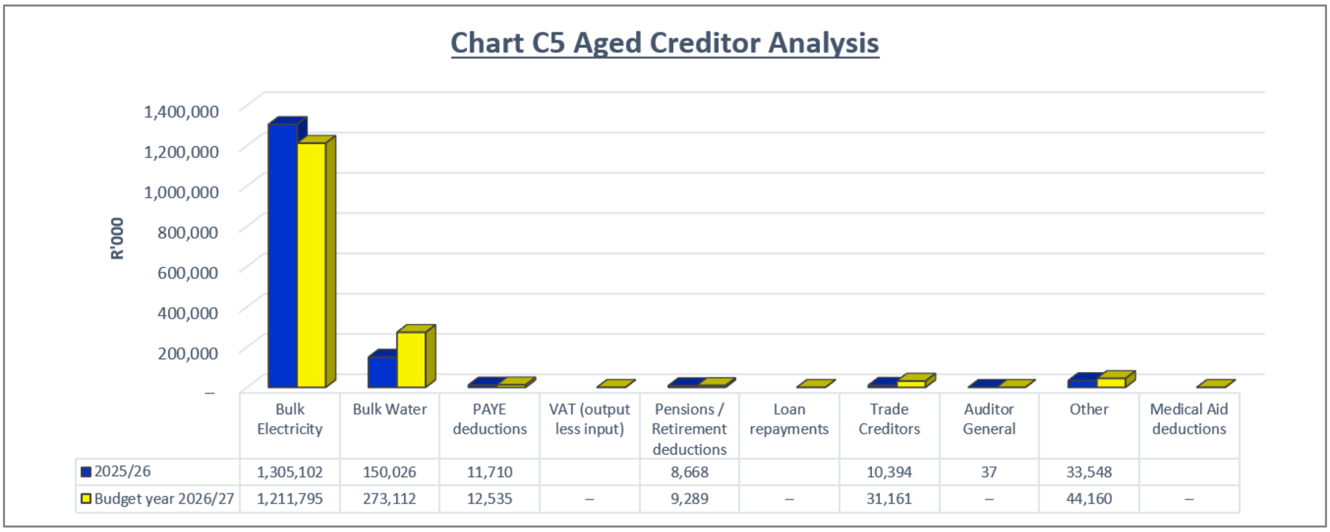


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2024/25 in Chart 13 is based on the outstanding creditors as at end of July 2025 (prior year totals for the same period). Articulated in Table 11 above, is the age creditors analysis, which is standing at R1,582,052 billion owed to creditors. The analysis shows that 14.2% of creditors are owed between 0 to 30 days, whilst 75.7% of creditors are owed over 90 days. Bulk Electricity is the largest creditor at 76.6%, followed by Bulk Water at 17.3%.

Bulk Electricity – As at the 31 July 2026, the outstanding debt owed to ESKOM amounted to R1,211,795 billion.

Bulk Water – As at the 31 July 2026, the outstanding debt owed to DWS amounted R273,112 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 paid an amount of R4,046 million to SARS.

PAYE and Pension statutory deductions are paid over monthly to the relevant institutions on or before 7 August 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 – there is no current account due to the AGSA.

Other creditors – includes Sundry creditors which were unpaid as at 31 July 2026.

Medical Aid deductions –medical aid contributions were settled on or before 31 July 2026 for the month under review.

8. Investment portfolio analysis

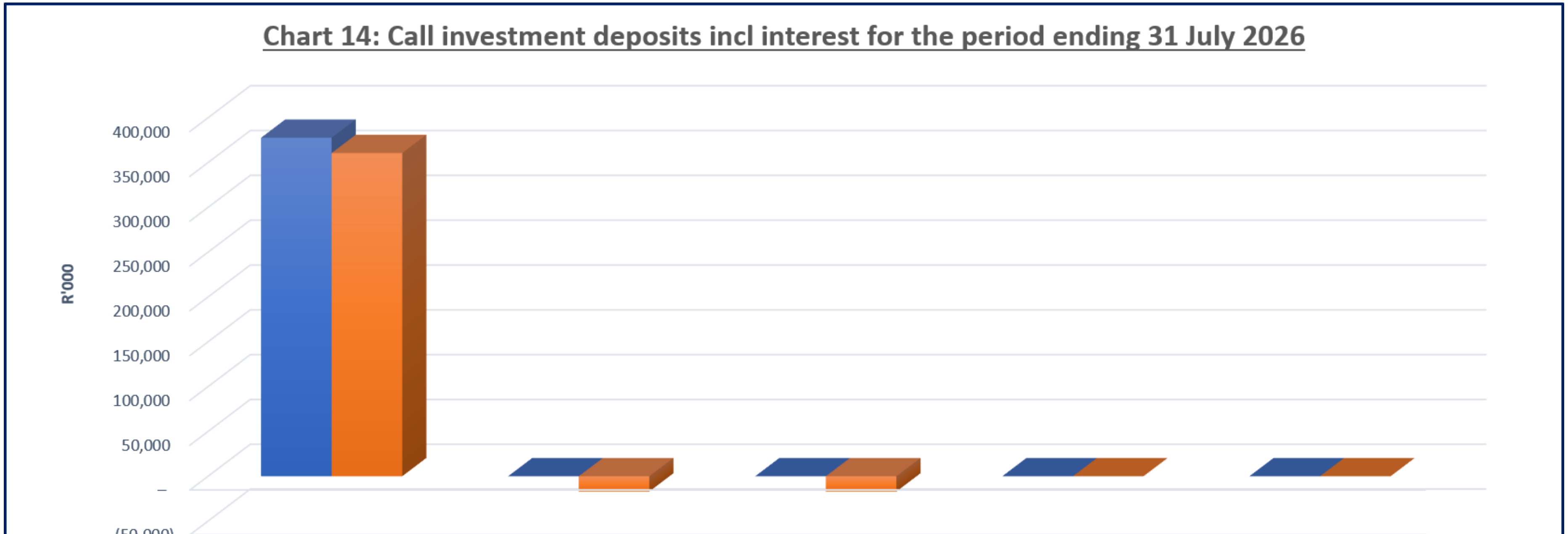
The market value of the investment portfolio has been utilized and for the period ending 31 July 2026, the value of total investments made was R360,608 million. Partially or prematurely withdrawn investments amounted to R19,360 million. Investment top-up for the month under review amounted to zero rand. 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.	22,091
• 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.	18,867
• Unspent Capital grant receipts that were invested for the current year.	150,461
• Own funds invested - • Committed funds invested including retentions	169,189
Total	**360,608**

NC091 Sol Plaatje - Supporting Table SC16 Monthly Budget Statement - Investment Portfolio - M01 July

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														
First National Bank 62776321293		6 months	Call a/c	No	Variable	5.2	0			–	–	–	–	–
Absa Bank 9286041059		6 months	Call a/c	No	Variable	0	0			–	–	–	–	–
Investec 1400093272500		6 months	Call a/c	No	Variable	5.35	0			–	–	–	–	–
Standard Bank 04846627-014		6 months	Call a/c	No	Variable	5.5	0			–	–	–	–	–
Absa Bank 92 7195 3033		6 months	Call a/c	No	Variable	4.3	0			–	–	–	–	–
Absa Bank - 9382218821		Monthly	Call a/c	No	Fixed	8.90%	0	n/a		–	–	–	–	–
Standard Bank 048466271-089		6 months	Call a/c	No	Variable	690.00%	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		145,350	884	(913)	–	**145,321**
Nedbank 9002324052		6 months	Call a/c	Yes	Variable	525.00%	0		2019/06/06	–	–	–	–	–
Absa Bank 20-7291-5615		6 months	Notice	Yes	Fixed	8.02%	0		2019/06/06	–	–	–	–	–
Investec Bank Jb 9778751		6 months	Notice	Yes	Fixed	7.95%	0		2019/06/06	–	–	–	–	–
Absa Bank 20-78146864		5 months	Fixed	Yes	Fixed	7.54%	0		2019/06/26	–	–	–	–	–
First Rand,Nedbank,S'Dard,Investec		12 months	Call a/c	Yes	Variable	6.30%	0		2020/06/30	–	–	–	–	–
Standard Bank 048466271-085		12 months	Notice	No	Fixed	585.00%	0		2022/11/10	–	–	–	–	–
Standard Bank - 048466271-087		48 hours	Notice	No	Variable	8.80%	0		2023/08/31	–	–	–	–	–
Standard Bank 048466271-086		12 months	Notice	No	Fixed	9.03%	0		2023/11/10	–	–	–	–	–
Standard Bank - 04 846 6271-091		Monthly	Notice	No	Fixed	890.00%	0	n/a	2024/06/30	5,001	31	(32)	–	**5,000**
Standard Bank 048466271-088		12 months	Notice	No	Fixed	970.00%	0		2024/11/10	–	–	–	–	–
Standard Bank - 048466271-093		12 months	Fixed	No	Fixed	887.00%	0		2025/11/10	–	–	–	–	–
Standard Bank 048466271-073		4 months	Fixed	Yes	Fixed	745.00%	0		2026/06/28	–	–	–	–	–
Absa - 94 0279 0375		Monthly	Notice	No	Variable	745.00%	0	n/a	2026/06/30	186,575	1,168	(18,414)	–	**169,329**
Standard Bank - 04 846 6271-094		12 months	Fixed	No	Fixed	742.50%	0	n/a	2026/11/12	21,959	132	–	–	**22,091**
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	7.94%	0		2027/06/29	18,749	118	–	–	**18,867**
Municipality sub-total										**377,634**	**2,334**	**(19,360)**	**–**	**360,608**

Table 12: Supporting Table SC5: Investment portfolio



	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-26	377,634	–	–	–	–
Jul-26	360,608	(17,026)	(17,026)	-4.51%	-4.51%

Chart 14: Call investment deposits at month-end

As indicated in the Chart 14 above from June to July 2026 investments incl interest decreased by R17,026 million (4.51%), in respect of the month-to-month comparison. Investments decreased by R17,026 million (4.51%) when compared to the previous years' balance of R377,634 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 Schedule SC18 Monthly Budget Statement - Transfers and Grant Receipts - M01 July

Description	Ref	2025/26 Audited Outcome	Budget Year 2026/27 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS	1,2									
Operating										
National Government										
Monetary Allocations								108,153	#DIV/0!	
Equitable Share		301,722	319,064	319,064	132,943	132,943	26,589	106,354	400.0%	319,064
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
								–		
Expanded Public Works Programme Integrated Grant		4,442	3,409	3,409	2,565	2,565	284	2,281	803.0%	3,409
Infrastructure Skills Development Grant		4,044	5,000	5,000	192	192	417	(225)	-54.0%	5,000
Integrated Urban Development Grant		2,305	3,259	3,259	169	169	272	(103)	-37.9%	3,259
Local Government Financial Management Grant		1,800	2,000	2,000	12	12	167	(154)	-92.7%	2,000
Municipal Disaster Relief Grant		–	–	–	–	–	–	108,153	#DIV/0!	–
Municipal Infrastructure Grant		–	–	–	–	–	–	–		–
Municipal Systems Improvement Grant		–	–	–	–	–	–	–		–
								–		
								–		
Total Monetary Allocations		314,313	332,732	332,732	135,881	135,881	27,728	108,153	390.1%	332,732
Total Operating/National Government		314,313	332,732	332,732	135,881	135,881	27,728	108,153	390.1%	332,732
Provincial Government								–		
Monetary Allocations								–		
Capacity Building and Other Grants		9,300	9,300	9,300	100	100	775	(675)	-87.1%	9,300
Infrastructure Grant		4,500	3,500	3,500	–	–	292			3,500
								–		
Total Monetary Allocations		13,800	12,800	12,800	100	100	1,067	(967)	-90.7%	12,800
Total Operating/Provincial Government		13,800	12,800	12,800	100	100	1,067	323,784	30354.8%	12,800
District Municipalities										
Monetary Allocations										
Other transfers/grants [insert description]								–		
								–		
Total Monetary Allocations		-	-	-	-	-	-	–		-
Allocations In-kind								–		
Other transfers/grants [insert description]								–		
								–		
Total Allocations In-kind		-	-	-	-	-	-	–		-
Total Operating/District Municipalities		-	-	-	-	-	-	–		-
Other Grant Providers								–		
Monetary Allocations								–		
ESKOM		–	–	–	–	–	–	–		–
European Union		–	–	–	–	–	–	–		–
Higher Education SA (HESA)		–	–	–	–	–	–	–		–
Unspecified		–	–	–	–	–	–	–		–
								–		
Total Monetary Allocations		-	-	-	-	-	-	–		-
Allocations In-kind								–		
[insert description]										
Total Allocations In-kind		-	-	-	-	-	-	323,784	#DIV/0!	-
Total Operating/Other Grant Providers		-	-	-	-	-	-			-
Total Operating	5	328,113	345,532	345,532	135,981	135,981	28,794			345,532
Capital										
National Government										
Monetary Allocations										
Energy Efficiency and Demand Side Management Grant		4,806	5,000	5,000	–	–	417			5,000
Integrated National Electrification Programme Grant		17,193	25,521	25,521	82	82	2,127			25,521
Integrated Urban Development Grant		73,409	86,862	86,862	189	189	7,239			86,862
Municipal Infrastructure Grant		–	–	–	–	–	–			–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–			–
Regional Bulk Infrastructure Grant		471,025	579,000	579,000	–	–	48,250			579,000
Water Services Infrastructure Grant		2,774	5,000	5,000	–	–	417			5,000
Total Monetary Allocations		569,206	701,383	701,383	271	271	58,449			701,383
Total Capital/National Government		569,206	701,383	701,383	271	271	58,449			701,383
Provincial Government										
Monetary Allocations										
Infrastructure Grant		–	–	–	–	–	–			–
Total Monetary Allocations		-	-	-	-	-	-			-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-			-
Total Capital/Provincial Government		-	-	-	-	-	-			-
District Municipalities										
Monetary Allocations										
Specify (Add grant description)		2,500	2,000	2,000	–	–	167			2,000
Total Monetary Allocations		2,500	2,000	2,000	-	-	167			2,000
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-			-
Total Capital/District Municipalities		2,500	2,000	2,000	-	-	167			2,000
Other Grant Providers										
Monetary Allocations										
European Union		–	–	–	–	–	–			–
Total Monetary Allocations		-	-	-	-	-	-			-
Allocations In-kind										
[insert description]										
Total Allocations In-kind		-	-	-	-	-	-			-
Total Capital/Other Grant Providers		-	-	-	-	-	-			-
Total Capital	5	571,706	703,383	703,383	271	271	58,615			703,383
TOTAL RECEIPTS OF TRANSFERS AND GRANTS		899,819	1,048,915	1,048,915	136,252	136,252	87,410			1,048,915

Table 13: Supporting Table SC6: Transfers and grant receipts

Operational grant monies were received for the month under review.
Equitable Share - R132,943 million
ISDG – R3,000 million

Capital grant monies were received for the month under review.
IUDG – R31,100 million
WSIG – R2,500 million

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

Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Schedule SC19 Monthly Budget Statement - Expenditure on Transfers and Grants - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE	1									
Operating										
National Government										
Monetary Allocations										
Local Government Equitable Share		133,409	130,228	130,228	8,312	8,312	10,034	(1,723)	-17.2%	130,228
								–		
Expanded Public Works Programme Integrated Grant		4,644	3,409	3,409	–	–	284	(284)	-100.0%	3,409
Infrastructure Skills Development Grant		3,807	5,000	5,000	181	181	417	(236)	-56.6%	5,000
Integrated Urban Development Grant		2,582	2,938	3,110	177	177	259	(83)	-31.8%	3,110
Local Government Financial Management Grant		1,800	2,003	2,003	12	12	167	(155)	-92.7%	2,003
Municipal Disaster Relief Grant		–	–	–	–	–	–	–		–
								–		
								–		
								–		
								–		
Total Monetary Allocations		146,242	143,578	143,750	8,681	8,681	11,161	(2,480)	-22.2%	143,750
Total National Government		146,242	143,578	143,750	8,681	8,681	11,161	(2,480)	-22.2%	143,750
Provincial Government								–		
Monetary Allocations								–		
Capacity Building and Other Grants		9,189	9,728	9,728	98	98	811	(712)	-87.9%	9,728
Infrastructure Grant		2,862	3,500	3,500	106	106	292			3,500
								–		
Total Monetary Allocations		12,052	13,228	13,228	204	204	1,102	(898)	-81.5%	13,228
Total Provincial Government		12,052	13,228	13,228	204	204	1,102	(712)	-64.6%	13,228
District Municipalities										
Monetary Allocations										
Other transfers/grants [insert description]								–		
								–		
Total Monetary Allocations		-	-	-	-	-	-	-		-
Allocations In-kind								–		
Other transfers/grants [insert description]								–		
								–		
Total Allocations In-kind		-	-	-	-	-	-	-		-
Total Operating/District Municipalities		-	-	-	-	-	-	-		-
Other Grant Providers										
Monetary Allocations										
European Union		–	–	–	–	–	–	–		–
								–		
								–		
								–		
								–		
Total Monetary Allocations		-	-	-	-	-	-	-		-
Allocations In-kind										
Other transfers/grants [insert description]								–		
Total Allocations In-kind		-	-	-	-	-	-	-		-
Total Operating/Other Grant Providers		-	-	-	-	-	-	-		-
Total operating expenditure of Transfers and Grants		158,293	156,806	156,978	8,886	8,886	12,264	(3,192)	(0)	156,978
Capital										
National Government										
Monetary Allocations										
Energy Efficiency and Demand Side Management Grant		4,200	4,348	4,348	7	7	362	(355)	-98.0%	4,348
Integrated National Electrification Programme Grant		14,951	17,844	17,844	74	74	1,487	(1,413)	-95.0%	17,844
Integrated Urban Development Grant		64,182	75,532	75,532	472	472	6,294	(5,822)	-92.5%	75,532
Municipal Infrastructure Grant		–	–	–	–	–	–	–		–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–		–
Regional Bulk Infrastructure Grant		409,587	503,478	503,478	–	–	41,957			503,478
Water Services Infrastructure Grant		2,412	4,348	4,348	–	–	362			4,348
								–		
Total Monetary Allocations		495,332	605,551	605,551	553	553	50,463	(7,590)		605,551
Total National Government		495,332	605,551	605,551	553	553	50,463	(7,590)		605,551
Provincial Government										
Monetary Allocations										
Other transfers/grants [insert description]								–		
								–		
Total Monetary Allocations		-	-	-	-	-	-	-		-
Total Provincial Government		-	-	-	-	-	-	-		-
District Municipalities										
Monetary Allocations										
Specify (Add grant description)		–	1,739	1,739	–	–	145	(145)	-100.0%	1,739
								–		
Total Monetary Allocations		-	1,739	1,739	-	-	145	(145)		1,739
Allocations In-kind										
Other transfers/grants [insert description]								–		
								–		
Total Allocations In-kind		-	-	-	-	-	-	-		-
Total Capital/District Municipalities		-	1,739	1,739	-	-	145	(145)		1,739
Other Grant Providers										
Monetary Allocations										
European Union		–	–	–	–	–	–	–		–
								–		
								–		
Total Monetary Allocations		-	-	-	-	-	-	-		-
Allocations In-kind										
								–		
Total Allocations In-kind		-	-	-	-	-	-	-		-
Total Capital/Other Grant Providers		-	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants		495,332	607,290	607,290	553	553	50,607	(7,735)		607,290
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		653,625	764,095	764,267	9,439	9,439	62,871	(10,928)		764,267

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 R3,409 million. In addition to this, the municipality budgeted to R15,000 million for this programme.

Description (R'000)	Original Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	75,532	472	472	1,846	0.63%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,348	7	7	–	0.16%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	503,478	–	–	–	0.00%
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	17,844	74	74	–	0.41%
NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)	4,348	–	–	–	0.00%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	1,739	–	–	–	0.00%
Grand Total	**607,290**	**553**	**553**	**1,846**	**0.09%**

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R553 thousand or 0.09% spent against the Original capital grant allocation of R607,290 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 2025/26 financial year will be submitted to National Treasury on or before 31 August 2026.

Table 16 not required

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

10. Councillor and board member allowances and employee benefits

NC091 Sol Plaatje - Supporting Table SC22 Monthly Budget Statement - councillor and staff benefits - M01 July

Summary of Employee and Councillor remuneration R thousands	Ref	2025/26 Audited Outcome	Budget Year 2026/27 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)										
Allowances and Service Related Benefits										
Basic Salary		30,485	33,851	33,851	2,593	2,593	2,821	(228)	-8%	33,851
Cell phone Allowance		3,035	3,208	3,208	269	269	267	1	1%	3,208
Housing Allowance		–	–	–	–	–	–	–		–
In-kind Benefits								–		
Market Related Non-pensionable Allowance								–		
Motor Vehicle Allowance		1,396	1,205	1,205	238	238	100	138	137%	1,205
Office-bearer Allowance		–	–	–	–	–	–	–		–
Out of pocket Expenses								–		
Travelling Allowance		–	80	80	–	–	7	(7)	-100%	80
Use of Personal Facilities								–		
Total Allowances and Service Related Benefits		34,916	38,344	38,344	3,100	3,100	3,195	(96)	-3%	38,344
Social Contributions										
Medial Aid Benefits		664	1,100	1,100	54	54	92	(38)	-42%	1,100
Pension Fund Contributions		998	1,620	1,620	70	70	135	(65)	-48%	1,620
Total Social Contributions		1,662	2,720	2,720	123	123	227	(103)	-46%	2,720
Total Councillors		36,578	41,064	41,064	3,223	3,223	3,422	(199)	-6%	41,064
% increase	4									
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		8,106	8,489	8,436	630	630	703	(73)	-10%	8,436
Bonuses								–		
Allowance								–		
Accommodation, Travel and Incidental								–		
Cellular and Telephone	3	200	221	221	17	17	18	(2)	-9%	221
Housing Benefits	3	21	29	29	2	2	2	(1)	-27%	29
Non-pensionable								–		
Travel or Motor Vehicle	3	1,935	1,950	1,950	162	162	163	(0)	0%	1,950
Voluntary Work										
Total Allowance		2,157	2,201	2,201	181	181	183	(2)	-1%	2,201
Service Related Benefits										
Acting	3							–		
Bonus	3							–		
Danger Allowance	3							–		
Entertainment	3							–		
Fire Brigade								–		
In-kind Benefits	3							–		
Leave Pay	3							–		
Lifeguard/Duty Squads								–		
Long Service Award		31	33	33	3	3	3	(0)	0%	33
Overtime								–		
Scarcity	3							–		
Standby Allowance	3							–		
Tools Allowance	3							–		
Uniform/Special/Protective Clothing	3							–		
Leave gratuity								–		
Long Term Service Award								–		
Total Service Related Benefits		31	33	33	3	3	3	(0)	0%	33
Total Salaries and Allowances		10,294	10,723	10,670	814	814	889	(76)	-8%	10,670
Social Contributions										
Bargaining Council								–		
Group Life Insurance		21	21	21	2	2	2	(0)	-2%	21
Medical		299	253	306	25	25	25	(0)	-1%	306
Pension		1,178	1,256	1,256	78	78	105	(26)	-25%	1,256
Unemployment Insurance		13	13	13	1	1	1	0	0%	13
Total Social Contributions		1,511	1,543	1,596	106	106	133	(27)	-20%	1,596
Post-retirement Benefit	6									
Medical								–		
Other Benefits								–		
Pension								–		
Total Post-retirement Benefit		-	-	-	-	-	-	-		-
Costs Capitalised to PPE								–		
Sub Total - Senior Managers of Municipality		11,805	12,266	12,266	920	920	1,022	(102)	-10%	12,266
% increase	4									
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		493,172	589,513	588,861	42,393	42,393	46,875	(4,483)	-10%	588,861
Bonuses								–		
Allowance										
Accommodation, Travel and Incidental								–		
Cellular and Telephone	3	1,477	1,708	1,718	121	121	140	(18)	-13%	1,718
Housing Benefits	3	2,868	3,102	3,146	236	236	238	(3)	-1%	3,146
Non-pensionable								–		
Travel or Motor Vehicle	3	40,016	48,596	48,809	3,300	3,300	4,067	(768)	-19%	48,809
Voluntary Work								–		
Total Allowance		44,361	53,406	53,673	3,657	3,657	4,445	(789)	-18%	53,673
Service Related Benefits										
Acting	3							–		
Bonus	3	30,807	47,690	47,917	766	766	3,993	(3,227)	-81%	47,917
Danger Allowance	3							–		
Entertainment	3							–		
Fire Brigade								–		
In-kind Benefits	3							–		
Leave Pay	3	12,105	25,044	25,000	90	90	2,083	(1,993)	-96%	25,000
Lifeguard/Duty Squads								–		
Long Service Award		31,954	33,138	33,044	2,795	2,795	2,754	41	1%	33,044
Overtime		82,983	48,831	48,720	7,795	7,795	4,060	3,735	92%	48,720
Scarcity	3							–		
Standby Allowance	3	10,673	11,539	11,594	948	948	966	(18)	-2%	11,594
Tools Allowance	3	3	32	3	0	0	0	0	0%	3
Uniform/Special/Protective Clothing	3	23,083	26,687	27,068	1,884	1,884	2,256	(372)	-16%	27,068
Leave gratuity								–		
Long Term Service Award								–		
Total Service Related Benefits		191,607	192,960	193,345	14,278	14,278	16,112	(1,834)	-11%	193,345
Total Salaries and Allowances		729,140	835,879	835,879	60,327	60,327	67,433	(7,105)	-11%	835,879
Social Contributions										
Bargaining Council								–		
Group Life Insurance		13,163	20,313	20,313	1,177	1,177	1,693	(515)	-30%	20,313
Medical		67,086	104,381	104,381	5,528	5,528	8,698	(3,171)	-36%	104,381
Pension		70,725	97,744	97,744	6,323	6,323	8,145	(1,823)	-22%	97,744
Unemployment Insurance		3,818	4,500	4,500	314	314	375	(61)	-16%	4,500
Total Social Contributions		154,791	226,938	226,938	13,342	13,342	18,911	(5,570)	-29%	226,938
Post-retirement Benefit	6									
Medical		6,524	48,700	48,700	506	506	4,058	(3,552)	-88%	48,700
Other Benefits								–		
Pension								–		
Total Post-retirement Benefit		6,524	48,700	48,700	506	506	4,058	(3,552)		48,700
Costs Capitalised to PPE								–		
Sub Total - Other Municipal Staff		890,456	1,111,517	1,111,517	74,175	74,175	90,402	(16,227)		1,111,517
% increase	4									
Total Parent Municipality		938,838	1,164,847	1,164,847	78,318	78,318	94,847	(16,529)	-17%	1,164,847
TOTAL SALARY, ALLOWANCES & BENEFITS		938,838	1,164,847	1,164,847	78,318	78,318	94,847	(16,529)		1,164,847
% increase	4									
TOTAL MANAGERS AND STAFF	5,7	902,261	1,123,783	1,123,783	75,095	75,095	91,425	(16,329)		1,123,783

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 17%. 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 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 shows a satisfactory variance of minus 6% when compared to the YTD Budget. The gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils is normally issued December each year.

For reporting purposes on Overtime, the municipality is only concentrating on (Overtime Structured and Non-structured). However, as per NT mapping Night-shift allowance and Payments - Shift Add Remuneration is also mapped to Overtime. The Overtime controls are not effective and the desired outcome to remain within budget, was not achieved for 2023/24, 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 July 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	32,971,680	32,965,770	6,111,285	6,111,285	19%	19%
MS: OVERTIME - STRUCTURED	3,735,013	3,745,013	462,264	462,264	12%	12%
Overtime as at 31 July 2026	**36,706,693**	**36,710,783**	**6,573,549**	**6,573,549**	**18%**	**18%**

Row Labels	Original Budget	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Spent of Adjustments Budget
20-EXECUTIVE AND COUNCIL	429,861	429,861	178,700	178,700	42%	42%
21-MUNICIPAL AND GENERAL	-	-	-	-		
22-MUNICIPAL MANAGER	212,883	189,000	4,519	4,519	2%	2%
23-CORPORATE SERVICES	219,706	221,479	79,472	79,472	36%	36%
24-COMMUNITY SERVICES	14,559,315	14,585,515	2,025,519	2,025,519	14%	14%
26-FINANCIAL SERVICES	1,804,733	1,804,733	281,888	281,888	16%	16%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	779,209	779,209	159,609	159,609	20%	20%
28-INFRASTRUCTURE SERVICES	18,700,986	18,700,986	3,843,841	3,843,841	21%	21%
Overtime as at 31 July 2026	**36,706,693**	**36,710,783**	**6,573,549**	**6,573,549**	**18%**	**18%**

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 18% spent versus the virement Adjustments budget, resulting in an unsatisfactory variance of 9.6% for the period under review, when compared to the ideal IYM percentage of 8.33%.

Chart 15.1: Overtime Actual vs Budget - 2018/19 to 2026/27

	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
2026/27 July 2026	36,711	6,574	(30,137)	18%	-82%	75,095	9%
2025/26	63,240	69,311	6,071	110%	10%	893,269	8%
2024/25	43,547	66,349	22,802	152%	52%	856,427	8%
2023/24	59,353	78,738	19,385	133%	33%	910,544	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%

Indicated in Chart 15.1, is the actual Overtime versus Budget from 2018/19 to 2026/27 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 July 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 15.1: Overtime Actual vs Budget

Chart 15.2: Monthly and Annual Overtime Comparison - Jul 2018 to Jul 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
2026/27	6,574	–	–	–	–	–	–	–	–	–	–	–	6,574	682

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 September 2026.

12. Capital programme performance

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

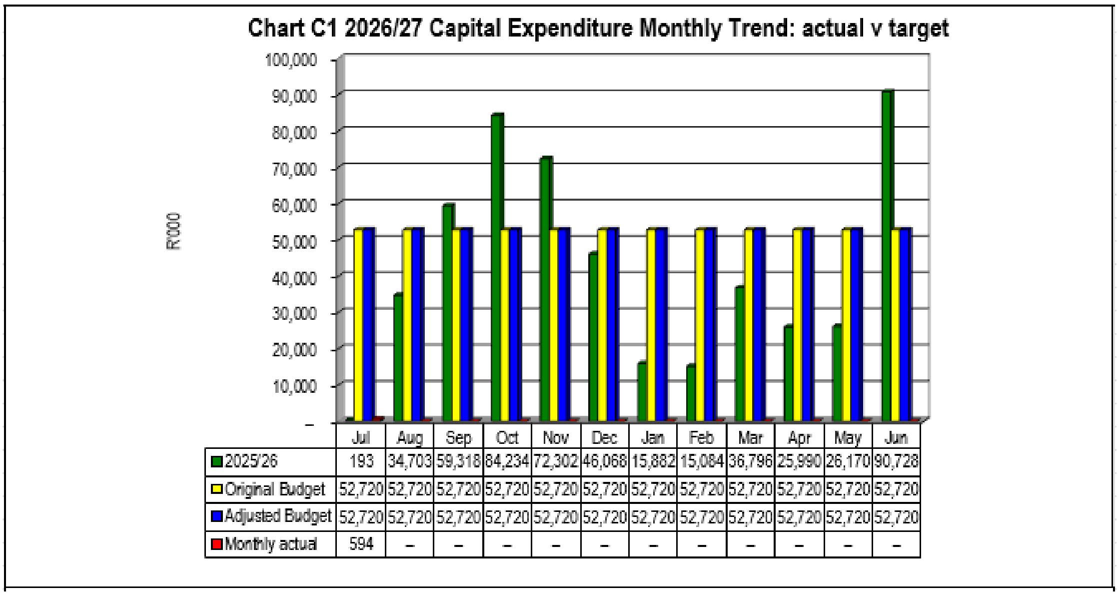


Chart 16.1: Capital Expenditure Monthly Trend: actual v target

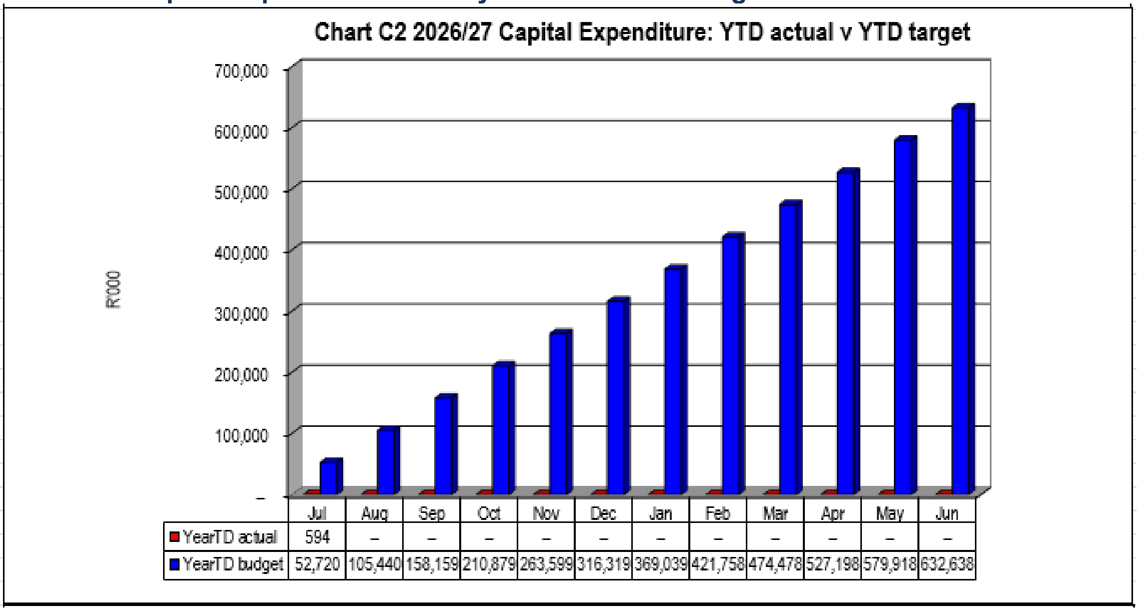


Chart 16.2: Capital Expenditure: YTD actual vs YTD target

Projects per funding source (R'000)	Original Budget	Adjusted Budget	Monthly Actuals	YTD Actuals	Commitments	% Original Bud	% Adjusted Bud
INTERNALLY GENERATED FUNDS	**25,348**	**25,348**	**41**	**41**	**69**	**0.16%**	**0.16%**
ACQ-COMPUTER EQUIPMENT REPLACEMENT	1,304	1,304	–	–	55	0.00%	0.00%
ACQ-FLEET REPLACEMENT	6,087	6,087	–	–	–	0.00%	0.00%
ACQ-FURNITURE AND OFFICE EQUIP REPLACEM	870	870	–	–	–	0.00%	0.00%
CAPITAL SPARES-ACQ-PREPAID METERS	870	870	–	–	–	0.00%	0.00%
PROJECT MANAGEMENT	870	870	–	–	–	0.00%	0.00%
RUFURBISHMENT OF THE VINTAGE TRAM	1,696	1,696	–	–	–	0.00%	0.00%
TOWNSHIP ESTABLISHMENT	1,739	1,739	41	41	14	2.35%	2.35%
TOWNSHIP REVITALISATION	870	870	–	–	–	0.00%	0.00%
REFURBISHMENT OF HOMEVALE WWTW	8,696	8,696	–	–	–	0.00%	0.00%
REFURBISHMENT OF CITY HALL	1,739	1,739	–	–	–	0.00%	0.00%
PROP CADASTRAL RECTIFIC/SURV IN NO 2	609	609	–	–	–	0.00%	0.00%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	**75,532**	**75,532**	**472**	**472**	**1,846**	**0.63%**	**0.63%**
P-CIER RDS ROADS	8,696	8,696	–	–	–	0.00%	0.00%
UPGRADE GRAVEL ROADS WARDS VARIOUS	6,749	6,749	438	438	921	6.49%	6.49%
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	13,913	13,913	–	–	–		
LINING OF STORMWATER CHANNELS WARD 16	2,696	2,696	–	–	925	0.00%	0.00%
CONSTRUCTION OLD SINK TOILETS	4,348	4,348	–	–	–	0.00%	0.00%
UPGRADE OF RITCHIE SPORTS GROUNDS	6,957	6,957	–	–	–	0.00%	0.00%
REDEVELOPMENT OF RC ELLIOT HALL	10,000	10,000	–	–	–	0.00%	0.00%
BEACONSFIELD WASTE WATER TREATMENT WORKS	8,696	8,696	–	–	–	0.00%	0.00%
HIGH MAST LIGHTS	2,174	2,174	35	35	–	1.60%	1.60%
EXTENSION OF ROODEPAN CEMETERY	2,609	2,609	–	–	–	0.00%	0.00%
UPGR THAMBO SQ PUMP STAT/OUTFALL P/LINE	8,696	8,696	–	–	–	0.00%	0.00%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	**4,348**	**4,348**	**7**	**7**	**–**	**0.16%**	**0.16%**
STREETLIGHTS AND HIGH MAST RETROFITTING	4,348	4,348	7	7	–	0.16%	0.16%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	**503,478**	**503,478**	**–**	**–**	**–**	**0.00%**	**0.00%**
UPGRADE EXISTING/NEW RESERVOIR CONSTRUCT	12,304	12,304	–	–	–	0.00%	0.00%
REFURBISHMENT/REPLACEMENT BULK PIPELINE	260,650	260,650	–	–	–	0.00%	0.00%
KBY/RITCHIE NETWORK LEAK DETECT/REPAIR	42,266	42,266	–	–	–	0.00%	0.00%
KBY/RITCHIE BULK METERS/PRESSURE MANAGE	533	533	–	–	–	0.00%	0.00%
NEWTON AND RIVERTON WWTW	187,726	187,726	–	–	–	0.00%	0.00%
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	**17,844**	**17,844**	**74**	**74**	**–**	**0.41%**	**0.41%**
ELECTRIFICATION LERATO PARK	3,005	3,005	–	–	–	0.00%	0.00%
GALESHEWE TRANSFORMER	7,602	7,602	–	–	–	0.00%	0.00%
NETWORKS ACQ - ELECTR PLATFONTEIN	2,229	2,229	74	74	–	3.31%	3.31%
ELECTRIFICATION OF MARIKANA	4,007	4,007	–	–	–	0.00%	0.00%
ELECTRIFICATION OF TSWARAGANO	1,002	1,002	–	–	–	0.00%	0.00%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	**4,348**	**4,348**	**–**	**–**	**–**	**0.00%**	**0.00%**
ACQ - CARTERS GLEN SEWER PUMP STATION	4,348	4,348	–	–	–	0.00%	0.00%
FRANCES BAARD DISTRICT MUNICIPALITY	**1,739**	**1,739**	**–**	**–**	**–**	**0.00%**	**0.00%**
RESEALING OF ROADS FB WM	1,739	1,739	–	–	–	0.00%	0.00%
Grand Total	**632,638**	**632,638**	**594**	**594**	**1,915**	**0.09%**	**0.09%**

Table 19: Detailed capital expenditure report

Indicated in Table 19 above, is a list of projects with the applicable funding source compared to the Original budget. Capital expenditure as at the end of July 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 July 2026 amounted to R594 thousand. The total YTD Capex amounts to R594 thousand. 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 (0.63%), EEDSM (0.16%), RBIG (0.00%), INEP (0.41%), WSIG (0.00%), Frances Baard District Municipality (0.00%). Spending on Internally generated funds is 0.16% 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 July 2026.

- ➢ The draft Monthly Debt Relief Non-Compliance Report accompanied by the Municipal Debt Relief Compliance Certificate issued by National Treasury for June 2026.
- ➢ The municipality's self-assessment for the month of July 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 with 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 unfunded Budget

1. These are the risks associated with the implementation of the municipality's Budget Funding Plan and / or unfunded 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 with 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 2022/23 and 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 R72,663 million for meters over the 2026/27 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 - M01 July

Description	2025/26	Budget Year 2026/27							
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	669,598	778,948	778,948	171,742	171,742	64,912	106,829	165%	778,948
Service charges	1,560,942	1,787,226	1,787,226	103,141	103,141	148,935	(45,794)	-31%	1,787,226
Investment revenue	35,592	36,000	36,000	36	36	3,000	(2,964)	-99%	36,000
Transfers and subsidies - Operational	328,113	345,532	345,532	135,981	135,981	28,794	107,186	0	345,532
Other own revenue	594,203	399,651	399,651	32,990	32,990	33,304	(315)	-1%	399,651
Total Revenue (excluding capital transfers and contributions)	**3,188,448**	**3,347,357**	**3,347,357**	**443,889**	**443,889**	**278,946**	**164,943**	**59%**	**3,347,357**
Employee costs	902,261	1,123,783	1,123,783	75,095	75,095	91,425	(16,329)	-18%	1,123,783
Remuneration of Councillors	36,578	41,064	41,064	3,223	3,223	3,422	(199)	-6%	41,064
Depreciation, amortisation and impairment	712	90,500	90,500	–	–	7,542	(7,542)	-100%	90,500
Interest, Dividends and Rent on Land	82,316	13,735	13,735	0	0	–	0	#DIV/0!	13,735
Inventory consumed and bulk purchases	1,264,904	1,404,978	1,404,978	13,701	13,701	170,632	(156,931)	-92%	1,404,978
Transfers and subsidies	2,795	1,000	1,000	–	–	83	(83)	-100%	1,000
Other expenditure	821,871	689,847	689,847	22,604	22,604	57,472	(34,868)	-61%	689,847
Total Expenditure	**3,111,436**	**3,364,907**	**3,364,907**	**114,623**	**114,623**	**330,575**	**(215,952)**	**-65%**	**3,364,907**
Surplus/(Deficit)	**77,012**	**(17,550)**	**(17,550)**	**329,266**	**329,266**	**(51,629)**	**380,895**	**-738%**	**(17,550)**
Transfers and subsidies - capital (monetary	571,706	703,383	703,383	271	271	58,615	(58,344)	-100%	703,383
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**648,718**	**685,833**	**685,833**	**329,537**	**329,537**	**6,986**	**322,551**	**4617%**	**685,833**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**648,718**	**685,833**	**685,833**	**329,537**	**329,537**	**6,986**	**322,551**	**4617%**	**685,833**
Capital expenditure & funds sources									
Capital expenditure	**507,469**	**632,638**	**632,638**	**594**	**594**	**52,720**	**(52,126)**	**-99%**	**632,638**
Capital transfers recognised	495,332	607,290	607,290	553	553	50,607	(50,054)	-99%	607,290
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**12,138**	**25,348**	**25,348**	**41**	**41**	**2,112**	**(2,072)**	**-98%**	**25,348**
Total sources of capital funds	**507,469**	**632,638**	**632,638**	**594**	**594**	**52,720**	**(52,126)**	**-99%**	**632,638**
Financial position									
Total current assets	3,533,623	3,370,692	3,370,692		3,628,409				3,370,692
Total non current assets	3,230,719	3,750,076	3,750,076		3,231,313				3,750,076
Total current liabilities	1,892,076	2,152,879	2,152,879		1,672,220				2,152,879
Total non current liabilities	900,930	136,915	136,915		900,930				136,915
Community wealth/Equity	**3,962,345**	**4,830,974**	**4,830,974**		**4,291,883**				**4,830,974**
Cash flows									
Net cash from (used) operating	350,026	719,495	719,495	(11,363)	(11,363)	59,958	71,321	119%	719,495
Net cash from (used) investing	(507,474)	(726,733)	(726,733)	(594)	(594)	(60,561)	(59,967)	99%	(726,733)
Net cash from (used) financing	1,146	(16,688)	(16,688)	8	8	(1,391)	(1,398)	101%	(16,688)
Cash/cash equivalents at the month/year end	**7,607**	**54,567**	**54,567**	**455,160**	**455,160**	**76,499**	**(378,661)**	**-495%**	**443,183**
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	329,093	108,557	113,740	84,485	126,416	75,714	460,138	3,388,912	4,687,053
Creditors Age Analysis									
Total Creditors	225,111	156,840	3,274	67	25,615	21,747	240,514	908,883	1,582,052

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		**1,642,721**	**1,956,820**	**1,956,820**	**319,744**	**319,744**	**163,068**	156,676	96%	**1,956,820**
Executive and council		961,611	1,144,156	1,144,156	145,898	145,898	95,346	50,552	53%	1,144,156
Finance and administration		681,111	812,664	812,664	173,846	173,846	67,722	106,124	157%	812,664
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**51,034**	**51,793**	**51,793**	**3,510**	**3,510**	**4,316**	(806)	-19%	**51,793**
Community and social services		13,941	13,007	13,007	572	572	1,084	(512)	-47%	13,007
Sport and recreation		3,319	3,510	3,510	110	110	293	(182)	-62%	3,510
Public safety		412	870	870	30	30	73	(43)	-59%	870
Housing		28,862	34,401	34,401	2,798	2,798	2,867	(69)	-2%	34,401
Health		4,500	5	5	–	–	0	(0)	-100%	5
Economic and environmental services		**21,998**	**26,470**	**26,470**	**3,082**	**3,082**	**2,206**	876	40%	**26,470**
Planning and development		6,657	9,620	9,620	2,818	2,818	802	2,016	252%	9,620
Road transport		15,341	16,850	16,850	264	264	1,404	(1,140)	-81%	16,850
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**2,031,882**	**2,002,877**	**2,002,877**	**116,606**	**116,606**	**166,906**	**(50,300)**	-30%	**2,002,877**
Energy sources		1,286,323	1,218,320	1,218,320	97,434	97,434	101,527	(4,093)	-4%	1,218,320
Water management		446,461	494,483	494,483	(4,143)	(4,143)	41,207	(45,350)	-110%	494,483
Waste water management		171,112	163,297	163,297	13,331	13,331	13,608	(277)	-2%	163,297
Waste management		127,986	126,776	126,776	9,984	9,984	10,565	(581)	-5%	126,776
Other	4	**12,519**	**12,780**	**12,780**	**1,218**	**1,218**	**1,065**	**153**	**14%**	**12,780**
Total Revenue - Functional	2	**3,760,154**	**4,050,740**	**4,050,740**	**444,161**	**444,161**	**337,562**	**106,599**	**32%**	**4,050,740**
Expenditure - Functional										
Governance and administration		**778,934**	**871,232**	**871,232**	**53,400**	**53,400**	**70,353**	(16,954)	-24%	**871,232**
Executive and council		487,055	532,218	532,218	31,156	31,156	44,341	(13,185)	-30%	532,218
Finance and administration		286,914	331,770	331,770	21,815	21,815	25,408	(3,593)	-14%	331,770
Internal audit		4,964	7,244	7,244	428	428	604	(176)	-29%	7,244
Community and public safety		**198,427**	**241,014**	**241,014**	**15,259**	**15,259**	**20,085**	(4,826)	-24%	**241,014**
Community and social services		47,487	57,100	57,100	3,830	3,830	4,758	(928)	-20%	57,100
Sport and recreation		62,344	73,230	73,230	4,652	4,652	6,103	(1,451)	-24%	73,230
Public safety		45,773	50,986	50,986	3,493	3,493	4,249	(756)	-18%	50,986
Housing		24,151	37,712	37,712	1,873	1,873	3,143	(1,269)	-40%	37,712
Health		18,672	21,985	21,985	1,411	1,411	1,832	(421)	-23%	21,985
Economic and environmental services		**200,561**	**226,961**	**226,961**	**13,002**	**13,002**	**18,913**	(5,912)	-31%	**226,961**
Planning and development		51,300	64,359	64,359	4,330	4,330	5,363	(1,033)	-19%	64,359
Road transport		148,308	161,579	161,579	8,593	8,593	13,465	(4,872)	-36%	161,579
Environmental protection		953	1,023	1,023	78	78	85	(7)	-8%	1,023
Trading services		**1,908,486**	**1,994,489**	**1,994,489**	**31,090**	**31,090**	**218,623**	**(187,533)**	-86%	**1,994,489**
Energy sources		1,274,643	1,341,512	1,341,512	8,833	8,833	164,535	(155,702)	-95%	1,341,512
Water management		402,474	384,592	384,592	8,368	8,368	31,841	(23,473)	-74%	384,592
Waste water management		131,540	158,648	158,648	7,668	7,668	13,103	(5,434)	-41%	158,648
Waste management		99,829	109,737	109,737	6,221	6,221	9,145	(2,924)	-32%	109,737
Other		**25,028**	**31,211**	**31,211**	**1,873**	**1,873**	**2,601**	**(728)**	**-28%**	**31,211**
Total Expenditure - Functional	3	**3,111,436**	**3,364,907**	**3,364,907**	**114,623**	**114,623**	**330,575**	**(215,952)**	**-65%**	**3,364,907**
Surplus/ (Deficit) for the year		**648,718**	**685,833**	**685,833**	**329,537**	**329,537**	**6,986**	**322,551**	**46.169751**	**685,833**

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

Vote Description	Ref	2025/26	Budget Year 2026/27							
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		961,611	1,144,156	1,144,156	145,898	145,898	95,346	50,552	53.0%	1,144,156
Vote 03 - Municipal Manager		2,305	3,259	3,259	169	169	272	(103)	-37.9%	3,259
Vote 04 - Corporate Services		4,096	6,934	6,934	196	196	578	(382)	-66.1%	6,934
Vote 05 - Community Services		171,441	168,289	168,289	12,092	12,092	14,024	(1,932)	-13.8%	168,289
Vote 06 - Financial Services		676,565	804,930	804,930	173,588	173,588	67,077	106,511	158.8%	804,930
Vote 07 - Strategy Econ Development And Planning		7,048	9,771	9,771	2,720	2,720	814	1,905	234.0%	9,771
Vote 08 - Infrastructure And Services		1,937,088	1,913,402	1,913,402	109,498	109,498	159,450	(49,952)	-31.3%	1,913,402
Vote 09 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**3,760,154**	**4,050,740**	**4,050,740**	**444,161**	**444,161**	**337,562**	**106,599**	**31.6%**	**4,050,740**
Expenditure by Vote	1									
Vote 01 - Executive & Council		59,305	65,966	65,966	5,180	5,180	5,497	(317)	-5.8%	65,966
Vote 02 - Municipal And General		413,034	452,595	452,595	25,166	25,166	37,706	(12,540)	-33.3%	452,595
Vote 03 - Municipal Manager		29,685	31,606	31,606	2,071	2,071	2,634	(563)	-21.4%	31,606
Vote 04 - Corporate Services		81,026	53,796	53,796	3,653	3,653	4,483	(830)	-18.5%	53,796
Vote 05 - Community Services		340,545	429,809	429,809	27,530	27,530	35,817	(8,288)	-23.1%	429,809
Vote 06 - Financial Services		153,981	185,384	185,384	10,785	10,785	13,209	(2,425)	-18.4%	185,384
Vote 07 - Strategy Econ Development And Planning		55,477	72,708	72,708	4,287	4,287	6,059	(1,772)	-29.2%	72,708
Vote 08 - Infrastructure And Services		1,978,383	2,073,043	2,073,043	35,951	35,951	225,169	(189,218)	-84.0%	2,073,043
Vote 09 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**3,111,436**	**3,364,907**	**3,364,907**	**114,623**	**114,623**	**330,575**	**(215,952)**	**-65.3%**	**3,364,907**
Surplus/ (Deficit) for the year	2	**648,718**	**685,833**	**685,833**	**329,537**	**329,537**	**6,986**	**322,551**	**4617.0%**	**685,833**

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
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		1,001,393	1,180,220	1,180,220	95,838	95,838	98,352	(2,514)	-3%	1,180,220
Service charges - Water		360,168	409,032	409,032	(10,931)	(10,931)	34,086	(45,017)	-132%	409,032
Service charges - Waste Water Management		113,446	109,297	109,297	10,415	10,415	9,108	1,307	14%	109,297
Service charges - Waste management		85,934	88,676	88,676	7,819	7,819	7,390	429	6%	88,676
Sale of Goods and Rendering of Services		15,516	18,813	18,813	3,259	3,259	1,568	1,691	108%	18,813
Agency services								–		
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		175,945	161,100	161,100	15,588	15,588	13,425	2,163	16%	161,100
Interest from Current and Non Current Assets		35,592	36,000	36,000	36	36	3,000	(2,964)	-99%	36,000
Dividends		–	–	–	–	–	–	–		–
Rent on Land								–		
Rental from Fixed Assets		29,096	34,645	34,645	2,821	2,821	2,887	(66)	-2%	34,645
Licence and permits		384	750	750	12	12	63	(51)	-81%	750
Special rating levies								–		
Construction Contract Revenue										
Development Charges										
Operational Revenue		7,616	3,803	3,803	252	252	317	(65)	-21%	3,803
Non-Exchange Revenue								–		
Property rates		669,598	778,948	778,948	171,742	171,742	64,912	106,829	165%	778,948
Surcharges and Taxes								–		
Fines, penalties and forfeits		14,716	36,890	36,890	1,929	1,929	3,074	(1,145)	-37%	36,890
Licence and permits		9,471	9,100	9,100	1,181	1,181	758	423	56%	9,100
Transfers and subsidies - Operational		328,113	345,532	345,532	135,981	135,981	28,794	107,186	372%	345,532
Interest		81,710	123,500	123,500	7,083	7,083	10,292	(3,209)	-31%	123,500
Fuel Levy								–		
Operational Revenue		11,610	11,050	11,050	865	865	921	(56)	-6%	11,050
Gains on disposal of Fixed and Intangible Assets		(5)	–	–	–	–	–	–		–
Other Gains		248,144	–	–	–	–	–	–		–
Discontinued Operations								–		
Total Revenue (excluding capital transfers and contributions)		**3,188,448**	**3,347,357**	**3,347,357**	**443,889**	**443,889**	**278,946**	**164,943**	**59%**	**3,347,357**
Expenditure By Type										
Employee related costs		902,261	1,123,783	1,123,783	75,095	75,095	91,425	(16,329)	-18%	1,123,783
Remuneration of councillors		36,578	41,064	41,064	3,223	3,223	3,422	(199)	-6%	41,064
Bulk purchases - electricity		963,259	1,087,700	1,087,700	–	–	144,192	(144,192)	-100%	1,087,700
Inventory consumed		301,644	317,278	317,278	13,701	13,701	26,440	(12,739)	-48%	317,278
Debt impairment		526,399	425,149	425,149	–	–	35,429	(35,429)	-100%	425,149
Depreciation, amortisation and impairment		712	90,500	90,500	–	–	7,542	(7,542)	-100%	90,500
Interest, Dividends and Rent on Land		82,316	13,735	13,735	0	0	–	0	#DIV/0!	13,735
Contracted services		30,832	36,865	36,865	116	116	3,072	(2,956)	-96%	36,865
Transfers and subsidies		2,795	1,000	1,000	–	–	83	(83)	-100%	1,000
Irrecoverable debts written off		–	–	–	7	7	–	7	#DIV/0!	–
Operational costs		163,870	169,833	169,833	22,481	22,481	14,138	8,343	59%	169,833
Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–		–
Other Losses		100,771	58,000	58,000	–	–	4,833	(4,833)	-100%	58,000
Total Expenditure		**3,111,436**	**3,364,907**	**3,364,907**	**114,623**	**114,623**	**330,575**	**(215,952)**	**-65%**	**3,364,907**
Surplus/(Deficit)		**77,012**	**(17,550)**	**(17,550)**	**329,266**	**329,266**	**(51,629)**	**380,895**	**(0)**	**(17,550)**
Transfers and subsidies - capital (monetary allocations)		571,706	703,383	703,383	271	271	58,615	(58,344)	(0)	703,383
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**648,718**	**685,833**	**685,833**	**329,537**	**329,537**	**6,986**	**322,551**	**0**	**685,833**
Income Tax								–		
Surplus/(Deficit) after income tax		**648,718**	**685,833**	**685,833**	**329,537**	**329,537**	**6,986**	**322,551**	**0**	**685,833**
Share of Surplus/Deficit attributable to Joint Venture								–		
Share of Surplus/Deficit attributable to Minorities								–		
Surplus/(Deficit) attributable to municipality		**648,718**	**685,833**	**685,833**	**329,537**	**329,537**	**6,986**	322,551	0	**685,833**
Share of Surplus/Deficit attributable to Associate								–		
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		
Surplus/ (Deficit) for the year		**648,718**	**685,833**	**685,833**	**329,537**	**329,537**	**6,986**	**322,551**	**0**	**685,833**

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 - M01 July

Description	Ref	2025/26	Budget Year 2026/27			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		467,109	54,828	54,828	416,365	54,828
Short term Investments						
Trade and other receivables from exchange transactions		1,904,683	1,981,909	1,981,909	1,889,743	1,981,909
Receivables from non-exchange transactions		938,481	1,161,128	1,161,128	1,061,375	1,161,128
Current portion of non-current receivables		–	–	–	–	–
Inventory		117,137	112,929	112,929	116,928	112,929
VAT Receivable		105,861	59,219	59,219	143,341	59,219
Other current assets		352	679	679	658	679
Total current assets		**3,533,623**	**3,370,692**	**3,370,692**	**3,628,409**	**3,370,692**
Non current assets						
Investments						
Investment property		200,413	203,225	203,225	200,454	203,225
Property, plant and equipment		2,976,622	3,497,968	3,497,968	2,977,175	3,497,968
Biological assets						
Living resources						
Heritage assets		12,568	13,767	13,767	12,568	13,767
Intangible assets		41,117	35,117	35,117	41,117	35,117
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**3,230,719**	**3,750,076**	**3,750,076**	**3,231,313**	**3,750,076**
TOTAL ASSETS		**6,764,342**	**7,120,768**	**7,120,768**	**6,859,722**	**7,120,768**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	(16,688)	(16,688)	–	(16,688)
Consumer deposits		52,857	51,673	51,673	52,754	51,673
Trade and other payables from exchange transactions		1,612,511	2,098,699	2,098,699	1,342,916	2,098,699
Trade and other payables from non-exchange transactions		117,178	–	–	150,469	–
Provision		788	788	788	788	788
VAT Payable		108,742	18,407	18,407	125,292	18,407
Other current liabilities		–	–	–	–	–
Total current liabilities		**1,892,076**	**2,152,879**	**2,152,879**	**1,672,220**	**2,152,879**
Non current liabilities						
Financial liabilities		576,867	123,287	123,287	576,867	123,287
Provision		20,664	13,628	13,628	20,664	13,628
Long term portion of trade payables						
Other non-current liabilities		303,399	–	–	303,399	–
Total non current liabilities		**900,930**	**136,915**	**136,915**	**900,930**	**136,915**
TOTAL LIABILITIES		**2,793,005**	**2,289,794**	**2,289,794**	**2,573,149**	**2,289,794**
NET ASSETS	2	**3,971,337**	**4,830,974**	**4,830,974**	**4,286,573**	**4,830,974**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		3,887,541	4,756,170	4,756,170	4,217,079	4,756,170
Reserves and funds		74,804	74,804	74,804	74,804	74,804
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	**3,962,345**	**4,830,974**	**4,830,974**	**4,291,883**	**4,830,974**

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		595,865	662,106	662,106	38,475	38,475	55,175	(16,700)	-30%	662,106
Service charges		1,273,679	1,844,750	1,844,750	106,922	106,922	153,729	(46,807)	-30%	1,844,750
Other revenue		610,632	437,308	437,308	56,325	56,325	36,442	19,883	55%	437,308
Transfers and Subsidies - Operational		339,189	345,532	345,532	135,943	135,943	28,794	107,149	372%	345,532
Transfers and Subsidies - Capital		677,066	703,383	703,383	33,600	33,600	58,615	(25,015)	-43%	703,383
Interest		42,342	65,275	65,275	5,874	5,874	5,440	435	8%	65,275
Dividends								–		
Payments										
Suppliers and employees		(3,187,108)	(3,325,123)	(3,325,123)	(391,350)	(391,350)	(277,094)	114,256	-41%	(3,325,123)
Finance charges		(1,641)	(13,735)	(13,735)	2,847	2,847	(1,145)	(3,992)	349%	(13,735)
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**350,026**	**719,495**	**719,495**	**(11,363)**	**(11,363)**	**59,958**	**71,321**	**119%**	**719,495**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		(5)	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments								–		
Insurance Refund - Capital		–	800	800	–	–	67	(67)		800
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments								–		
Payments										
Capital assets		(507,469)	(727,533)	(727,533)	(594)	(594)	(60,628)	(60,034)	99%	(727,533)
Retention (Capital)								–		
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(507,474)**	**(726,733)**	**(726,733)**	**(594)**	**(594)**	**(60,561)**	**(59,967)**	**99%**	**(726,733)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		1,146	–	–	8	8	–	8	#DIV/0!	–
Payments										
Repayment of borrowing		–	(16,688)	(16,688)	–	–	(1,391)	(1,391)	100%	(16,688)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**1,146**	**(16,688)**	**(16,688)**	**8**	**8**	**(1,391)**	**(1,398)**	**101%**	**(16,688)**
NET INCREASE/ (DECREASE) IN CASH HELD		**(156,302)**	**(23,926)**	**(23,926)**	**(11,949)**	**(11,949)**	**(1,994)**			**(23,926)**
Cash/cash equivalents at beginning:		163,909	78,493	78,493	467,109	467,109	78,493			467,109
Cash/cash equivalents at month/year end:		7,607	54,567	54,567	455,160	455,160	76,499			443,183

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 R416,365 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	Jul'26
National Financial Year	2026/27
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	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):		Notes/Comments
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	The municipality did not timeously settle the current account for June 2026 amounting to R130 thousand. A payment of R21,433 million was made on the July 2025 account that is now fully settled.
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	No	
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	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 had insufficient cash to settle the current account for June 2026 amounting to R130,803 million. The following payments were made in July 2026, the April 2026 account amounting to R34,516 million, the May account amounting to R96.159 million that is now fully settled. Partial payments on November 2025 account amounting to R16,000 million and December 2025 amounting to R20,000 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)***	2026/27 Adopted MTREF	
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?	No	
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?	No	
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)?	No	
		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.*	No	
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends *(For example higher winter Eskom tariffs, lower January collection rates, etc.?)*	Yes	
14	6.5	**Cost reflective tariffs –** (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes	

	6.6	**Electricity and water as collection tools –** has the municipality, with effect from the tabling of the 2023/24 MTREF, ***demonstrated, through its by-laws and budget related policies*** that:		
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	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?	Not yet end of quarter	
		***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;	not yet the end of a quart	
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	Does not have function	
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	not yet the end of a quart	
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 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	
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	
		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 did not timeously settle the current water account for June 2026 amounting to R130 thousand . The municipality had insufficient cash to settle the current account for June 2026 amounting to R130,803 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 did not timeously settle the current water account for June 2026 amounting to R130 thousand. The municipality had insufficient cash to settle the current account for June 2026 amounting to R130,803 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.*	Yes	The municipality accounted 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 for July 2026. The National Treasury debt relief approval was effective from 1 October 2023.

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

Code	District	ode Descriptio
NC091	Frances Baard	Sol Plaatje

Monthly Performance Report

Municipal Details			Part A						Part B					Part C			Part D			
			Eskom And Bulk water current account						Compliance with a funded MTREF					FRP/BFP & Tariff Assessment			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
1.July 2026	Sol Plaatje	NC091	No	No	Yes	No	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	No
2.August 2026	Sol Plaatje	NC091																		
3.September 2026	Sol Plaatje	NC091																		
4.October 2026	Sol Plaatje	NC091																		
5.November 2026	Sol Plaatje	NC091																		
6.December 2026	Sol Plaatje	NC091																		
7.January 2027	Sol Plaatje	NC091																		
8.February 2027	Sol Plaatje	NC091																		
9.March 2027	Sol Plaatje	NC091																		
10.April 2027	Sol Plaatje	NC091																		
11.May 2027	Sol Plaatje	NC091																		
12.June 2027	Sol Plaatje	NC091																		

	Part C										Part E													Part F	
	Quarterly collection of property rates and services charges							Maximization of Revenue Base			Oversight													Compliance Status	
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	
1.July 2026	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	66%	Non Compliance
2.August 2026																								0%	Non Compliance
3.September 2026																								0%	Non Compliance
4.October 2026																								0%	Non Compliance
5.November 2026																								0%	Non Compliance
6.December 2026																								0%	Non Compliance
7.January 2027																								0%	Non Compliance
8.February 2027																								0%	Non Compliance
9.March 2027																								0%	Non Compliance
10.April 2027																								0%	Non Compliance
11.May 2027																								0%	Non Compliance
12.June 2027																								0%	Non Compliance

The overall performance for the month under review stood at 66% compliance. However, it should be noted that some of the conditions are required to be reported on, on a quarterly basis and is therefore reported as “not yet end of quarter”. This affects the percentage achieved. These are the major factors that negatively influenced the performance for the month and the quarter under review.

- The non-payment on the Eskom current account for June 2026. However, for the month of July 2026 the municipality made payments of R166 million to Eskom.
- The non-payment on the DWS current account for June 2026. However, for the month of July 2026 the municipality made payments of R21 million to DWS.
- The municipality could not settle the Eskom payment arrangement instalment of R6.7 million which was due at the end of July 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 62% for the month of July 2026, is not at a desired level, and below 95%, for the third cycle. This was negatively affected by the annual billing on Property rates. 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 39%, due to the annual billing on Property rates. Prepaid electricity sales are excluded from the calculation. The collection rate is one of the items that gets reported on, on a quarterly basis in terms of Compliance certificate Annexure B.
- A tangible solution must be sought for the interrupting or restricting of water supply. The majority of properties have conventional water meters installed. These are old meters that do not have the capability or functionality to restrict and/or interrupt the supply of water. The current infrastructure design and connection hampers the municipality from effecting this for one property only. The Municipality planned to install about 15 000 new water meters funded through Reginal Bulk Infrastructure Grant programme which is underway.
- The municipality cannot prove that the poorer collection rate is attributable to the non-collection of the ESKOM supplied area in Ritchie because it is a poor community and will therefore not have a significant impact on the collection rate.
- It is imperative that the non-compliance issues as raised by National Treasury is addressed as a matter of urgency with a decisive implementation strategy and stringent monitoring thereof.
- 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 June 2026 is attached to this S71 report.

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

1. Sol Plaatje Local Municipality should restore full compliance with the Municipal Debt Relief Programme by prioritising the settlement of current Eskom and Department of Water and Sanitation (DWS) accounts through a structured cash management process that ensures all current bulk-service obligations are settled by their due dates before discretionary expenditure is incurred.
2. The municipality should implement an intensive revenue enhancement and debt recovery programme focused on increasing the average collection rate towards the Municipal Debt Relief Programme benchmark of 95 per cent. The programme should prioritise high-value debtors, government accounts, commercial consumers, inactive prepaid customers and long-outstanding consumer debt while strengthening credit-control enforcement across all municipal services.
3. Council should strengthen oversight of the Municipal Debt Relief Programme by receiving monthly compliance reports that assess progress against each programme condition, identify emerging financial risks, monitor implementation of corrective actions and hold responsible officials accountable for agreed deliverables.
4. The municipality should implement a comprehensive liquidity improvement strategy supported by daily cash-flow monitoring, rolling cash-flow forecasts and strict expenditure controls to improve cash conversion, increase unrestricted cash reserves and strengthen its ability to finance current operational commitments.
5. The municipality should complete and submit a fully compliant Cost-Reflective Tariff Tool assessment supported by comprehensive cost-of-service information and, where necessary, implement an approved phased tariff strategy that balances affordability with long-term financial sustainability.
6. Revenue assurance should be strengthened by integrating the General Valuation Roll reconciliation, Smart Prepaid Meter Programme, meter-reading information, customer verification database, indigent register and billing system into a single revenue assurance framework. All identified billing exceptions should be assigned to responsible officials and resolved within defined implementation timeframes.
7. The municipality should strengthen the implementation of its Credit Control and Debt Collection Policy by extending enforcement measures to qualifying defaulting water consumers, improving payment arrangement monitoring, increasing customer verification activities and reporting monthly on the financial outcomes of all revenue enhancement initiatives.
8. Provincial Treasury should continue enhancing its monthly oversight and verification process by reviewing the completeness and accuracy of supporting financial evidence, including bulk-service payments, bank statements, supplier reconciliations, collection performance, liquidity indicators and implementation of agreed corrective actions before issuing compliance certification.
9. The Chief Financial Officer should ensure that all Municipal Debt Relief accounting transactions, including approved Eskom debt write-offs, creditor reconciliations and supporting journals, are accurately processed, fully supported by audit evidence and reflected correctly in the municipality's financial records before the preparation of the Annual Financial Statements.
10. National Treasury recommends that the municipality develop and implement a comprehensive Financial Sustainability Action Plan for the 2026/27 financial year, incorporating measurable performance indicators, implementation milestones, responsible officials and monthly reporting requirements to monitor progress in restoring liquidity, improving revenue collection, maintaining current bulk-service accounts and achieving sustained compliance with the Municipal Debt Relief Programme.

Conclusion

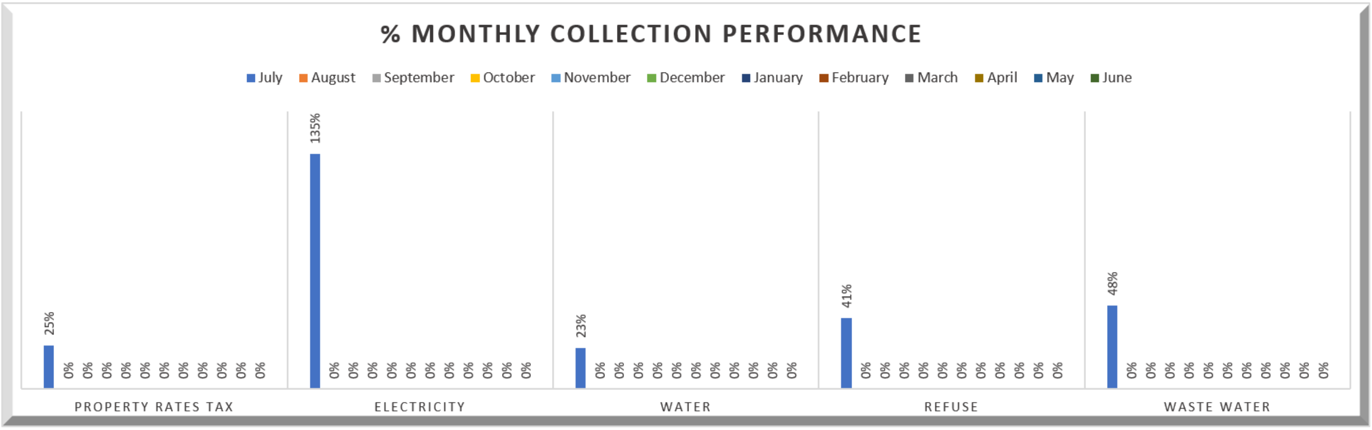
The June 2026 assessment concludes that Sol Plaatje Local Municipality has demonstrated measurable progress in strengthening governance, financial reporting, revenue administration and institutional oversight during the 2025/26 financial year. The municipality has continued implementing several positive initiatives, including revenue enhancement measures, smart prepaid metering, customer verification programmes, property rates reconciliation and improved monitoring processes. These interventions provide a sound foundation for future financial recovery and demonstrate management's commitment to improving financial performance.

Notwithstanding these improvements, the municipality remains exposed to significant financial risks that continue to threaten its long-term financial sustainability and compliance with the Municipal Debt Relief Programme. Persistent liquidity constraints, below-target revenue collection, increasing consumer debt and continued non-compliance with current Eskom and Department of Water and Sanitation obligations remain the most significant challenges requiring immediate management attention. The June 2026 assessment further confirms that, while the municipality continues to maintain a technically funded budget, the underlying cash-flow position remains insufficient to support sustainable operations and current bulk-service account payments.

Continued participation in the Municipal Debt Relief Programme remains appropriate, provided that the municipality implements the corrective actions identified in this report and demonstrates measurable improvements in revenue collection, liquidity management, current bulk-service account compliance and financial discipline during the 2026/27 financial year. Sustained implementation of these interventions will be essential to protecting the remaining Municipal Debt Relief benefits, restoring financial stability and improving the municipality's capacity to deliver sustainable municipal services to its communities.

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	320,362,495	123,774,605	196,587,890	39%	39%
2.Collection excl Eskom supplied areas	276,928,896	111,407,245	165,521,650	40%	40%
3.Collection: **Property Rates**	172,338,557	43,074,374	129,264,182	25%	25%
4.Total average collection: **Electricity** (Municipal supplied areas)	38,915,009	52,689,135	(13,774,126)	135%	135%
5.Total average collection: **Water**	63,869,744	14,917,636	48,952,109	23%	23%
6.Total average collection: **Wastewater**	12,673,398	5,161,997	7,511,400	41%	41%
7.Total average collection: **Refuse**	9,907,930	4,744,325	5,163,605	48%	48%
8.Total average collection: **Interest**	22,657,857	3,187,138	19,470,719	14%	0%

Aggregate Collection	Summary - Quarter 2				Q2	Summary - Quarter 3				Q1	Summary - Quarter 4				Q1
	Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	
2.Collection excl Eskom supplied areas	-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	
3.Collection: **Property Rates**	-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	
4.Total average collection: **Electricity** (Municipal supplied areas)	-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	
5.Total average collection: **Water**	-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	
6.Total average collection: **Wastewater**	-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	
7.Total average collection: **Refuse**	-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	
8.Total average collection: **Interest**	-	-	-	#DIV/0!		-	-	-	#DIV/0!		-	-	-	#DIV/0!	

Description	Jun-26	Jul-26
Monthly collection rate (Property rates and Services)	62%	74%
Revised average collection rate (SPLM)	81%	62%
Collection rate per Ward (Monthly)	74%	39%
Collection rate per Ward (Quarterly)	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 74% to 39% for the month under review. The collection rate for July 2026 is distorted, due to the annual billing on Property rates. The average collection rate calculated by the municipality for July 2026 is 62%, 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		1.July - Reporting for June in July: Billing For June	Collection in July	R - Billing not collected	% Collection	Summary - Quarter 1: Billing	Collection	R - Billing not collected	% Collection	Q1
1.Collection for whole demarcation	Summary	320,362,495	123,774,605	210,362,016	39%	320,362,495	123,774,605	196,587,890	39%	39%
2.Collection excl Eskom supplied areas		276,928,896	111,407,245	195,207,031	40%	276,928,896	111,407,245	165,521,650	40%	40%
3.Collection: **Property Rates**		172,338,557	43,074,374	129,264,182	25%	172,338,557	43,074,374	129,264,182	25%	25%
4.Total average collection: **Electricity** (Municipal supplied areas)		38,915,009	52,689,135	0	135%	38,915,009	52,689,135	(13,774,126)	135%	135%
5.Total average collection: **Water**		63,869,744	14,917,636	48,952,109	23%	63,869,744	14,917,636	48,952,109	23%	23%
6.Total average collection: **Wastewater**		12,673,398	5,161,997	7,511,400	41%	12,673,398	5,161,997	7,511,400	41%	41%
7.Total average collection: **Refuse**		9,907,930	4,744,325	5,163,605	48%	9,907,930	4,744,325	5,163,605	48%	48%
8. 7.Total average collection: **Interest**		22,657,857	3,187,138	19,470,719	14%	22,657,857	3,187,138	19,470,719	14%	

Complete This Section

Quarter 1 Performance Per Ward

Services	Electricity Supplier	Ward Name & Number	1.July: Billing For June	Collection for June in July	Rand Value of Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Q1
Property Rates Tax	Mun Supplied	Ward 1 - Platfontein, Sunset Manor, Legaeng/ (Lethabo Park)	181,485.84	487,385.89	0	269%	181,486	487,386	(305,900)	269%	269%
Electricity			2,799,466.01	2,152,519.31	646,947	77%	2,799,466	2,152,519	646,947	77%	77%
Water			1,656,917.13	819,177.06	837,740	49%	1,656,917	819,177	837,740	49%	49%
Refuse			108,589.30	68,611.44	39,978	63%	108,589	68,611	39,978	63%	63%
Waste Water			113,241.18	52,206.40	61,035	46%	113,241	52,206	61,035	46%	46%
Interest			835,877.96	80,222.93	755,655	10%	835,878	80,223	755,655	10%	10%
Property Rates Tax	Mun Supplied	Ward 2 - Roodepan	3,332,036.58	536,404.17	2,795,632	16%	3,332,037	536,404	2,795,632	16%	16%
Electricity			378,716.58	240,354.19	138,362	63%	378,717	240,354	138,362	63%	63%
Water			971,093.75	267,619.37	703,474	28%	971,094	267,619	703,474	28%	28%
Refuse			448,462.79	133,795.42	314,667	30%	448,463	133,795	314,667	30%	30%
Waste Water			657,846.81	178,595.91	479,251	27%	657,847	178,596	479,251	27%	27%
Interest			857,649.12	41,541.69	816,107	5%	857,649	41,542	816,107	5%	5%
Property Rates Tax	Mun Supplied	Ward 3 - Homevale, Homelite, Homestead, Sol plaatje RE, Ramora	2,398,039.83	266,352.37	2,131,687	11%	2,398,040	266,352	2,131,687	11%	11%
Electricity			212,962.04	148,501.32	64,461	70%	212,962	148,501	64,461	70%	70%
Water			- 290,374.63	161,405.37	0	-56%	(290,375)	161,405	(451,780)	-56%	-56%
Refuse			274,944.84	67,984.14	206,961	25%	274,945	67,984	206,961	25%	25%
Waste Water			392,490.33	106,932.15	285,558	27%	392,490	106,932	285,558	27%	27%
Interest			576,103.00	25,438.04	550,665	4%	576,103	25,438	550,665	4%	4%
Property Rates Tax	Mun Supplied	Ward 4 - Vergenoeg Ext 3, Vergenoeg Ext 4, Vergenoeg 9, Witdam	1,476,519.14	210,440.56	1,266,079	14%	1,476,519	210,441	1,266,079	14%	14%
Electricity			373,916.84	161,474.45	212,442	43%	373,917	161,474	212,442	43%	43%
Water			532,337.53	209,170.20	323,167	39%	532,338	209,170	323,167	39%	39%
Refuse			245,248.78	69,809.73	175,439	28%	245,249	69,810	175,439	28%	28%
Waste Water			349,670.72	101,790.87	247,880	29%	349,671	101,791	247,880	29%	29%
Interest			443,359.27	29,325.87	414,033	7%	443,359	29,326	414,033	7%	7%
Property Rates Tax	Mun Supplied	Ward 5 - Vergenoeg Ext 2, Redirile, Thusano	687,630.80	130,191.97	557,439	19%	687,631	130,192	557,439	19%	19%
Electricity			43,539.02	48,997.45	0	113%	43,539	48,997	(5,458)	113%	113%
Water			342,897.27	113,100.99	229,796	33%	342,897	113,101	229,796	33%	33%
Refuse			247,329.95	59,443.65	187,886	24%	247,330	59,444	187,886	24%	24%
Waste Water			347,326.34	84,039.33	263,287	24%	347,326	84,039	263,287	24%	24%
Interest			411,515.57	23,499.69	388,016	6%	411,516	23,500	388,016	6%	6%
Property Rates Tax	Mun Supplied	Ward 6 - Vergenoeg Ext 10, Boikhutsong, Solly Legodi, Blikkies	192,559.86	68,047.47	124,512	35%	192,560	68,047	124,512	35%	35%
Electricity			15,491.58	27,380.22	0	177%	15,492	27,380	(11,889)	177%	177%
Water			499,133.64	52,295.90	446,838	10%	499,134	52,296	446,838	10%	10%
Refuse			236,784.01	38,558.39	198,226	16%	236,784	38,558	198,226	16%	16%
Waste Water			333,328.33	51,406.14	281,922	15%	333,328	51,406	281,922	15%	15%
Interest			525,183.53	9,421.97	515,762	2%	525,184	9,422	515,762	2%	2%
Property Rates Tax	Mun Supplied	Ward 7 - Sol Plaatje RE, Solly Legodi square, Vergenoeg Ext 1, Vergenoeg, Ubuntu Golf Course/Riemvasmaak	1,406,826.64	122,214.01	1,284,613	9%	1,406,827	122,214	1,284,613	9%	9%
Electricity			150,753.16	55,560.90	95,192	37%	150,753	55,561	95,192	37%	37%
Water			715,510.23	104,802.43	610,708	15%	715,510	104,802	610,708	15%	15%
Refuse			233,040.02	72,103.47	160,937	31%	233,040	72,103	160,937	31%	31%
Waste Water			338,445.52	85,898.87	252,547	25%	338,446	85,899	252,547	25%	25%
Interest			408,559.99	31,604.23	376,956	8%	408,560	31,604	376,956	8%	8%
Property Rates Tax	Mun Supplied	Ward 8 - John Mampe 1, Mampe Ext, Lathli Mabilo Park, Donkerhoek	2,793,225.72	38,446.61	2,754,779	1%	2,793,226	38,447	2,754,779	1%	1%
Electricity			271,675.02	33,203.84	238,471	12%	271,675	33,204	238,471	12%	12%
Water			253,475.83	40,400.56	213,075	16%	253,476	40,401	213,075	16%	16%
Refuse			239,060.50	21,018.89	218,042	9%	239,061	21,019	218,042	9%	9%
Waste Water			343,196.68	25,872.10	317,325	8%	343,197	25,872	317,325	8%	8%
Interest			390,028.12	3,522.44	386,506	1%	390,028	3,522	386,506	1%	1%
Property Rates Tax	Mun Supplied	Ward 9 - Ipopeng, Retswelele	1,692,527.47	535,684.65	1,156,843	32%	1,692,527	535,685	1,156,843	32%	32%
Electricity			173,584.33	124,857.76	48,727	72%	173,584	124,858	48,727	72%	72%
Water			661,729.29	230,460.31	431,269	35%	661,729	230,460	431,269	35%	35%
Refuse			240,184.85	117,452.27	122,733	49%	240,185	117,452	122,733	49%	49%
Waste Water			343,348.53	156,352.32	186,996	46%	343,349	156,352	186,996	46%	46%
Interest			423,836.15	27,206.59	396,630	6%	423,836	27,207	396,630	6%	6%
Property Rates Tax	Mun Supplied	Ward 10 - Tshwaragano, Vergenoeg Ext 7, Vergenoeg Ext 5	2,162,798.53	186,903.69	1,975,895	9%	2,162,799	186,904	1,975,895	9%	9%
Electricity			731,358.31	350,027.62	381,331	48%	731,358	350,028	381,331	48%	48%
Water			398,132.92	138,940.50	259,192	35%	398,133	138,941	259,192	35%	35%
Refuse			248,932.32	75,569.27	173,363	30%	248,932	75,569	173,363	30%	30%
Waste Water			331,108.50	81,865.73	249,243	25%	331,109	81,866	249,243	25%	25%
Interest			439,955.47	17,810.41	422,145	4%	439,955	17,810	422,145	4%	4%
Property Rates Tax	Mun Supplied	Ward 11 - Retswelele, Agisanang, Vergenoeg Ext 8, Vergenoeg Ext 6	4,807,127.76	64,206.03	4,742,922	1%	4,807,128	64,206	4,742,922	1%	1%
Electricity			440,536.07	400,343.43	40,193	91%	440,536	400,343	40,193	91%	91%
Water			459,798.57	119,499.95	340,299	26%	459,799	119,500	340,299	26%	26%
Refuse			187,685.68	51,220.92	136,465	27%	187,686	51,221	136,465	27%	27%
Waste Water			293,736.01	92,288.04	201,448	31%	293,736	92,288	201,448	31%	31%
Interest			421,505.35	9,783.23	411,722	2%	421,505	9,783	411,722	2%	2%
Property Rates Tax	Mun Supplied	Ward 12 - KwaNobantu Ext 1, KwaNobantu, Galeshewe proper, Galeshewe Ext 2	1,873,286.62	162,117.15	1,711,169	9%	1,873,287	162,117	1,711,169	9%	9%
Electricity			160,674.64	64,233.86	96,441	40%	160,675	64,234	96,441	40%	40%
Water			348,991.54	104,500.21	244,491	30%	348,992	104,500	244,491	30%	30%
Refuse			207,333.73	58,950.81	148,383	28%	207,334	58,951	148,383	28%	28%
Waste Water			294,271.99	89,087.47	205,185	30%	294,272	89,087	205,185	30%	30%
Interest			410,275.09	17,726.85	392,548	4%	410,275	17,727	392,548	4%	4%
Property Rates Tax	Mun Supplied	Ward 13 - Santa Centre, Galeshewe Ext 6, Galeshewe Ext 1, Gemdene	1,910,674.22	177,088.64	1,733,586	9%	1,910,674	177,089	1,733,586	9%	9%
Electricity			729,713.47	532,217.17	197,496	73%	729,713	532,217	197,496	73%	73%
Water			520,707.64	100,202.56	420,505	19%	520,708	100,203	420,505	19%	19%
Refuse			114,047.84	32,425.90	81,622	28%	114,048	32,426	81,622	28%	28%
Waste Water			174,557.59	65,458.00	109,100	37%	174,558	65,458	109,100	37%	37%
Interest			270,192.36	8,286.87	261,905	3%	270,192	8,287	261,905	3%	3%
Property Rates Tax	Mun Supplied	Ward 14 - Northview, Colville, Gemdene, Square Hill Park, Floors, Utility, Arshburnham	9,831,762.24	1,140,942.62	8,690,820	12%	9,831,762	1,140,943	8,690,820	12%	12%
Electricity			2,483,838.14	1,713,184.79	770,653	69%	2,483,838	1,713,185	770,653	69%	69%
Water			809,558.31	564,717.11	244,841	70%	809,558	564,717	244,841	70%	70%
Refuse			405,046.34	407,578.42	0	101%	405,046	407,578	(2,532)	101%	101%
Waste Water			399,513.97	241,198.71	158,315	60%	399,514	241,199	158,315	60%	60%
Interest			756,933.90	90,966.18	665,968	12%	756,934	90,966	665,968	12%	12%
Property Rates Tax	Mun Supplied	Ward 15 - Ipeleng, Phomolong, Phutanang, Sol Plaatje RE	1,936,855.72	135,465.69	1,801,390	7%	1,936,856	135,466	1,801,390	7%	7%
Electricity			131,376.24	111,668.28	19,708	85%	131,376	111,668	19,708	85%	85%
Water			566,455.57	76,120.82	490,335	13%	566,456	76,121	490,335	13%	13%
Refuse			263,795.98	40,700.55	223,095	15%	263,796	40,701	223,095	15%	15%
Waste Water			372,165.75	61,823.53	310,342	17%	372,166	61,824	310,342	17%	17%
Interest			531,243.20	11,726.96	519,516	2%	531,243	11,727	519,516	2%	2%
Property Rates Tax	Mun Supplied	Ward 16 - Phutanang Cemetery, Promise Land, Lindelani, Snake Park, Tswelelang,	171,254.83	35,504.16	135,751	21%	171,255	35,504	135,751	21%	21%
Electricity			54,992.65	2,808.18	52,184	5%	54,993	2,808	52,184	5%	5%
Water			979,519.80	28,510.55	951,009	3%	979,520	28,511	951,009	3%	3%
Refuse			227,476.06	17,660.30	209,816	8%	227,476	17,660	209,816	8%	8%
Waste Water			326,864.70	28,367.20	298,498	9%	326,865	28,367	298,498	9%	9%
Interest			564,268.17	2,912.57	561,356	1%	564,268	2,913	561,356	1%	1%

Complete This Section			Quarter 1 Performance Per Ward								
			1.July								
Services	Electricity Supplier	Ward Name & Number	Billing For June	Collection for June in July	Rand Value of Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection	Q1
Property Rates Tax	Mun Supplied	Ward 17 - Kagiso, Tlhageng, John Mampe 2, Direlanang	492,924.38	269,126.52	223,798	55%	492,924	269,127	223,798	55%	55%
Electricity			64,428.80	18,546.29	45,883	29%	64,429	18,546	45,883	29%	29%
Water			416,145.03	131,016.79	285,128	31%	416,145	131,017	285,128	31%	31%
Refuse			332,291.50	65,876.53	266,415	20%	332,292	65,877	266,415	20%	20%
Waste Water			458,251.40	94,543.03	363,708	21%	458,251	94,543	363,708	21%	21%
Interest			627,504.53	16,380.50	611,124	3%	627,505	16,381	611,124	3%	3%
Property Rates Tax	Mun Supplied	Ward 18 - Kristenhof, Nxumalo Street Area, Galeshewe Ext 7, Verwoerd Park, Riviera	9,461,744.56	816,222.24	8,645,522	9%	9,461,745	816,222	8,645,522	9%	9%
Electricity			1,959,513.76	973,752.88	985,761	50%	1,959,514	973,753	985,761	50%	50%
Water			1,108,031.38	387,757.18	720,274	35%	1,108,031	387,757	720,274	35%	35%
Refuse			245,757.00	141,524.60	104,232	58%	245,757	141,525	104,232	58%	58%
Waste Water			322,062.32	172,205.27	149,857	53%	322,062	172,205	149,857	53%	53%
Interest			564,358.64	48,038.14	516,321	9%	564,359	48,038	516,321	9%	9%
Property Rates Tax	Mun Supplied	Ward 19 - Galeshewe Ext 3, Galeshewe Ext 5 , Galeshewe Ext 4	661,069.77	136,286.81	524,783	21%	661,070	136,287	524,783	21%	21%
Electricity			- 10,705.40	36,429.82	0	-340%	(10,705)	36,430	(47,135)	-340%	-340%
Water			442,832.64	101,949.56	340,883	23%	442,833	101,950	340,883	23%	23%
Refuse			217,569.15	51,760.76	165,808	24%	217,569	51,761	165,808	24%	24%
Waste Water			292,995.68	62,900.90	230,095	21%	292,996	62,901	230,095	21%	21%
Interest			542,844.54	16,863.51	525,981	3%	542,845	16,864	525,981	3%	3%
Property Rates Tax	Mun Supplied	Ward 20 - West End, Kimberley Mine, Kimberley North, Kimberley North, Diamant Park, Albertynshof, Kestelhof	28,391,677.05	14,226,875.54	14,164,802	50%	28,391,677	14,226,876	14,164,802	50%	50%
Electricity			14,563,937.34	10,985,383.91	3,578,553	75%	14,563,937	10,985,384	3,578,553	75%	75%
Water			709,414.72	2,296,456.85	0	324%	709,415	2,296,457	(1,587,042)	324%	324%
Refuse			1,135,434.11	1,111,786.06	23,648	98%	1,135,434	1,111,786	23,648	98%	98%
Waste Water			964,294.42	872,040.83	92,254	90%	964,294	872,041	92,254	90%	90%
Interest			1,722,688.23	1,486,178.69	236,510	86%	1,722,688	1,486,179	236,510	86%	86%
Property Rates Tax	Mun Supplied	Ward 21 - De Beers, Hull Street Area, Ernestville, Moghul Park, Herlear, Belgravia, Turner Road Industrial area	7,942,968.64	2,436,643.28	5,506,325	31%	7,942,969	2,436,643	5,506,325	31%	31%
Electricity			5,080,417.02	2,907,370.78	2,173,046	57%	5,080,417	2,907,371	2,173,046	57%	57%
Water			1,309,985.91	1,176,843.29	133,143	90%	1,309,986	1,176,843	133,143	90%	90%
Refuse			436,766.26	360,088.54	76,678	82%	436,766	360,089	76,678	82%	82%
Waste Water			496,880.26	401,280.63	95,600	81%	496,880	401,281	95,600	81%	81%
Interest			606,905.40	173,760.15	433,145	29%	606,905	173,760	433,145	29%	29%
Property Rates Tax	Mun Supplied	Ward 22 - South Ridge, Green Point, Fabricia	9,151,797.71	929,057.31	8,222,740	10%	9,151,798	929,057	8,222,740	10%	10%
Electricity			3,144,112.32	4,147,087.77	0	132%	3,144,112	4,147,088	(1,002,975)	132%	132%
Water			1,065,974.32	414,993.32	650,981	39%	1,065,974	414,993	650,981	39%	39%
Refuse			301,265.93	94,263.12	207,003	31%	301,266	94,263	207,003	31%	31%
Waste Water			411,463.01	126,627.98	284,835	31%	411,463	126,628	284,835	31%	31%
Interest			507,306.51	67,065.73	440,241	13%	507,307	67,066	440,241	13%	13%
Property Rates Tax	Mun Supplied	Ward 23 - Civic Centre, New Park, Labram, Royglen, Roydene, Monument Heights, El toro Park, Minerva Gardens	27,428,457.66	8,623,791.70	18,804,666	31%	27,428,458	8,623,792	18,804,666	31%	31%
Electricity			- 11,115,163.85	13,595,626.94	0	-122%	(11,115,164)	13,595,627	(24,710,791)	-122%	-122%
Water			2,266,001.69	1,734,437.61	531,564	77%	2,266,002	1,734,438	531,564	77%	77%
Refuse			504,057.45	427,377.82	76,680	85%	504,057	427,378	76,680	85%	85%
Waste Water			636,815.50	563,660.68	73,155	89%	636,816	563,661	73,155	89%	89%
Interest			580,674.15	250,352.98	330,321	43%	580,674	250,353	330,321	43%	43%
Property Rates Tax	Mun Supplied	Ward 24 - Carters Glen, Lindene, Rhodesdene, Heuwelsig, Hadison Park	8,774,381.06	3,079,509.78	5,694,871	35%	8,774,381	3,079,510	5,694,871	35%	35%
Electricity			1,616,584.59	1,810,429.35	0	112%	1,616,585	1,810,429	(193,845)	112%	112%
Water			1,138,612.85	1,031,463.76	107,149	91%	1,138,613	1,031,464	107,149	91%	91%
Refuse			336,463.96	311,055.52	25,408	92%	336,464	311,056	25,408	92%	92%
Waste Water			477,010.95	424,549.54	52,461	89%	477,011	424,550	52,461	89%	89%
Interest			292,385.67	107,876.42	184,509	37%	292,386	107,876	184,509	37%	37%
Property Rates Tax	Mun Supplied	Ward 25 - De Beers Mine, Beaconsfield, Memorial Road Area, Kisserville	6,396,845.19	1,602,118.66	4,794,727	25%	6,396,845	1,602,119	4,794,727	25%	25%
Electricity			1,605,410.96	1,068,493.32	536,918	67%	1,605,411	1,068,493	536,918	67%	67%
Water			- 735,797.05	557,682.66	0	-76%	(735,797)	557,683	(1,293,480)	-76%	-76%
Refuse			218,041.27	181,374.93	36,666	83%	218,041	181,375	36,666	83%	83%
Waste Water			292,144.03	255,386.71	36,757	87%	292,144	255,387	36,757	87%	87%
Interest			455,596.82	42,484.02	413,113	9%	455,597	42,484	413,113	9%	9%
Property Rates Tax	Partial Eskom & Mun Supplied	Ward 26 - Sol Plaatje RE, Rietvale, Mandela Square, Motswedimosa, Ikageng, Ritchie,Diskobolos, Diamond Park, De Beers Mine	28,048,429.94	4,021,035.57	24,027,394	14%	28,048,430	4,021,036	24,027,394	14%	14%
Electricity			4,455,450.41	4,996,737.46	0	112%	4,455,450	4,996,737	(541,287)	112%	112%
Water			2,386,595.59	2,493,316.00	0	104%	2,386,596	2,493,316	(106,720)	104%	104%
Refuse			565,161.32	245,882.16	319,279	44%	565,161	245,882	319,279	44%	44%
Waste Water			608,940.30	149,775.04	459,165	25%	608,940	149,775	459,165	25%	25%
Interest			3,696,078.21	289,964.96	3,406,113	8%	3,696,078	289,965	3,406,113	8%	8%
Property Rates Tax	Partial Eskom & Mun Supplied	Ward 27 - Rietvale, Sol Plaatje RE	795,685.04	153,981.35	641,704	19%	795,685	153,981	641,704	19%	19%
Electricity			6,416.49	991.63	5,425	15%	6,416	992	5,425	15%	15%
Water			1,445,208.04	5,145.66	1,440,062	0%	1,445,208	5,146	1,440,062	0%	0%
Refuse			181,463.92	4,291.51	177,172	2%	181,464	4,292	177,172	2%	2%
Waste Water			287,816.12	5,214.70	282,601	2%	287,816	5,215	282,601	2%	2%
Interest			956,353.73	1,023.40	955,330	0%	956,354	1,023	955,330	0%	0%
Property Rates Tax	Mun Supplied	Ward 28 - Sol Plaatjie Re, Kenilworth, Kimdustria, Greenside, De Beers Mine	3,727,007.25	1,907,525.44	1,819,482	51%	3,727,007	1,907,525	1,819,482	51%	51%
Electricity			7,773,973.07	5,611,271.68	2,162,701	72%	7,773,973	5,611,272	2,162,701	72%	72%
Water			1,597,825.74	1,013,990.43	583,835	63%	1,597,826	1,013,990	583,835	63%	63%
Refuse			375,540.74	231,553.66	143,987	62%	375,541	231,554	143,987	62%	62%
Waste Water			460,472.42	281,262.47	179,210	61%	460,472	281,262	179,210	61%	61%
Interest			1,048,875.91	111,308.60	937,567	11%	1,048,876	111,309	937,567	11%	11%
Property Rates Tax	Mun Supplied	Ward 29 - Roodepan, Sol Plaatje RE, Langleg and Riverton	271,919.11	40,341.69	231,577	15%	271,919	40,342	231,577	15%	15%
Electricity			67,755.40	7,241.03	60,514	11%	67,755	7,241	60,514	11%	11%
Water			105,298.34	26,685.64	78,613	25%	105,298	26,686	78,613	25%	25%
Refuse			76,468.85	13,640.15	62,829	18%	76,469	13,640	62,829	18%	18%
Waste Water			107,750.76	17,854.59	89,896	17%	107,751	17,855	89,896	17%	17%
Interest			291,054.47	5,988.43	285,066	2%	291,054	5,988	285,066	2%	2%
Property Rates Tax	Mun Supplied	Ward 30 - Platfontein Industrial, Jacksonville, Lerato Park	1,083,981.22	88,559.49	995,422	8%	1,083,981	88,559	995,422	8%	8%
Electricity			93,152.46	8,635.85	84,517	9%	93,152	8,636	84,517	9%	9%
Water			39,900,266.27	82,361.32	39,817,905	0%	39,900,266	82,361	39,817,905	0%	0%
Refuse			281,121.36	38,007.01	243,114	14%	281,121	38,007	243,114	14%	14%
Waste Water			393,460.13	46,335.38	347,125	12%	393,460	46,335	347,125	12%	12%
Interest			892,769.32	44,976.72	847,793	5%	892,769	44,977	847,793	5%	5%
Property Rates Tax	Mun Supplied	Ward 31 - Kutlwanong, Soul City, Riviera, Fransfarm	994,653.16	99,998.07	894,655	10%	994,653	99,998	894,655	10%	10%
Electricity			25,274.62	1,084.70	24,190	4%	25,275	1,085	24,190	4%	4%
Water			728,825.74	79,703.73	649,122	11%	728,826	79,704	649,122	11%	11%
Refuse			354,343.31	42,798.89	311,544	12%	354,343	42,799	311,544	12%	12%
Waste Water			500,136.13	64,113.51	436,023	13%	500,136	64,114	436,023	13%	13%
Interest			639,934.37	9,580.85	630,354	1%	639,934	9,581	630,354	1%	1%
Property Rates Tax	Mun Supplied	Ward 32 - Phutanang, Sol Plaatje RE, Platfontein	745,743.99	36,576.37	709,168	5%	745,744	36,576	709,168	5%	5%
Electricity			138,512.19	171,902.14	0	124%	138,512	171,902	(33,390)	124%	124%
Water			370,572.10	52,591.89	317,980	14%	370,572	52,592	317,980	14%	14%
Refuse			176,424.61	18,783.61	157,641	11%	176,425	18,784	157,641	11%	11%
Waste Water			238,625.72	28,481.41	210,144	12%	238,626	28,481	210,144	12%	12%
Interest			395,359.06	19,939.98	375,419	5%	395,359	19,940	375,419	5%	5%
Property Rates Tax	Mun Supplied	Ward 33 - Chris Hani Park, Galeshewe Ext 6, Chris Hani South, China Square, West End, Thambo Square, Diamant Park	955,442.41	300,469.07	654,973	31%	955,442	300,469	654,973	31%	31%
Electricity			241,378.96	170,193.80	71,185	71%	241,379	170,194	71,185	71%	71%
Water			158,128.82	197,292.15	0	125%	158,129	197,292	(39,163)	125%	125%
Refuse			234,456.78	71,132.93	163,324	30%	234,457	71,133	163,324	30%	30%
Waste Water			300,539.14	92,096.45	208,443	31%	300,539	92,096	208,443	31%	31%
Interest			519,226.81	63,447.34	455,779	12%	519,227	63,447	455,779	12%	12%
Property Rates Tax	Mun Supplied	Ward 999 Unknown	159,216.57	8,859.46	150,357	6%	159,217	8,859	150,357	6%	6%
Electricity			51,965.47	10,622.69	41,343	20%	51,965	10,623	41,343	20%	20%
Water			29,937.90	3,024.11	26,914	10%	29,938	3,024	26,914	10%	10%
Refuse			7,339.58	243.33	7,096	3%	7,340	243	7,096	3%	3%
Waste Water			12,626.55	485.47	12,141	4%	12,627	485	12,141	4%	4%
Interest			51,454.49	911.15	50,543	2%	51,454	911	50,543	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 July 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.

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 - 2026/2027			2026/2027 - 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																	
Indigent HH's with piped water inside yard (but not in dwelling)		13,944	12,000	12,000	12,000	6,675											
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		**13,944**	**12,000**	**12,000**	**12,000**	**6,675**	–	–	–	–	–	–	–	–	–	–	–
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	**13,944**	**12,000**	**12,000**	**12,000**	**6,675**	–	–	–	–	–	–	–	–	–	–	–
Status of Water meters :																	
Number of Indigent HH's with prepaid Water																	
Number of Indigent HH's with conventional metered Water		13,944	12,000	12,000	12,000	6,675											
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	**13,944**	**12,000**	**12,000**	**12,000**	**6,675**	–	–	–	–	–	–	–	–	–	–	–
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		13,944	12,000	12,000	12,000	6,675											
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	**13,944**	**12,000**	**12,000**	**12,000**	**6,675**	–	–	–	–	–	–	–	–	–	–	–
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)		13,944	12,000	12,000	12,000	6,675											
Electricity/other energy (50kwh per household per month)		13,944	12,000	12,000	12,000	6,675											
Cost of Free Basic Services provided to ALLHousehols in - Formal Settlements (R'000)																	
Water (6 kilolitres per household per month)		3,513,859	8,000,000	8,000,000	8,000,000	213,665											
Electricity/other energy (50kwh per household per month)		10,803,568	10,979,648	10,979,648	10,979,648	–											
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	**14,317,427**	**18,979,648**	**18,979,648**	**18,979,648**	**213,665**	–	–	–	–	–	–	–	–	–	–	–
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											
Water (kilolitres per household per month)		6	6	6	6												
Sanitation (kilolitres per household per month)																	
Sanitation (Rand per household per month)		222	230	230	230												
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)**																	
Water **(in excess of 6 kilolitres per indigent household per month)**	15	35,072,620	39,494,253	39,494,253	39,494,253	685,168											
Sanitation **(in excess of free sanitation service to indigent households)**	16	21,689,655	10,000,000	10,000,000	10,000,000	–											
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		3,609,739	4,000,000	4,000,000	4,000,000	–											
Refuse **(in excess of one removal a week for indigent households)**		9,990,973	10,498,688	10,498,688	10,498,688	–											
Municipal Housing - rental rebates		4,009,509	5,000,000	5,000,000	5,000,000	–											
Housing - top structure subsidies	6																
Other																	
Total revenue cost of subsidised services provided		**74,372,496**	**68,992,941**	**68,992,941**	**68,992,941**	**685,168**	–	–	–	–	–	–	–	–	–	–	–

16.5 MFMA Circular 124 – Condition 6.8 (Completeness of the revenue base)

GV Reconciliation Summary	
Province	NC
District	Sol Plaatje
Type	LM
Municipal Name	Frances Baard District
GV Period	01/07/2023 - 30/06/2027
Financial Year	2025/2026
Reconciliation Period	**Quarter 4**

Part A - Reconciliation Summary

	Number of Properties			Market Values		
Propety Categories	**Valuation Roll**	**Mun System**	**Variance**	**Valuation Roll**	**Mun System**	**Variance**
Residential	51172	51172	0	24,268,424,702	24,268,424,702	-
Industrial	203	203	0	801,740,000	801,740,000	-
Business and Commercial	2338	2338	0	7,721,690,001	7,721,690,001	-
Agricultural	425	425	0	2,633,716,700	2,633,716,700	-
Mining	21	21	0	102,685,400	102,685,400	-
State Owned for Public Purpose	133	133	0	2,498,871,000	2,498,871,000	-
PSI	453	453	0	149,999,000	149,999,000	-
PBO	232	232	0	541,800,001	541,800,001	-
Multi Use	0	0	0	-	-	-
Vacant	0	0	0	-	-	-
POW	240	240	0	609,129,000	609,129,000	-
Municipal	9301	9301	0	1,577,967,503	1,577,967,503	-
Other	0	0	0	-	-	-
Total	**64,518**	**64,518**	**-**	**40,906,023,307**	**40,906,023,307**	**-**

Part B - Detailed Reconciliation

	Monthly Billing - Mapped Accounts			Monthly Billing - Un Mapped Accounts		
Propety Categories	**GV**	**MFS**	**Variance**	**GV**	**MFS**	**Variance**
Residential	25,574,875	23,947,592	1,627,283	25,574,875	24,088,172	1,486,703
Industrial	2,534,701	2,406,919	127,782	2,534,701	2,476,788	57,913
Business and Commercial	24,412,123	21,953,460	2,458,663	24,412,123	22,329,718	2,082,405
Agricultural	693,984	489,405	204,580	693,984	490,122	203,862
Mining	649,288	622,018	27,270	649,288	622,018	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	**64,661,968**	**52,888,992**	**11,772,976**	**64,661,968**	**53,459,966**	**11,202,002**

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 June 2026 which was 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) 037566Sharaca
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:	55070087316

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

27215700154494078984

>>>>>>> 9207 2544 9407 8987

PayIT

easypay

TOTAL AMOUNT DUE
1,226,800,295.93

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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

000011000011

ii) Indicated below is the July 2026 account which is due and payable on or before 02 September 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	2026-08-03
TAX INVOICE NO	544852407408
ACCOUNT MONTH	JULY 2026
CURRENT DUE DATE	2026-09-02
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:	55070067316

TAX INVOICE

E-MAIL: tmoilwa@solplaatje.org.za

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE		R	664.64
TRANSMISSION NETWORK CAPACITY		R	1,161,060.00
DIST. NETWORK CAPACITY CHARGE		R	1,964,700.00
NETWORK DEMAND CHARGE		R	954,912.23
URBAN LOW VOLTAGE SUBSIDY		R	269,730.00
ANCILLARY SERVICE (ALL)		R	173,866.19
GENERATOR CAPACITY CHARGE		R	1,090,020.00
LEGACY CHARGE (ALL)		R	9,919,066.16
ENERGY CHARGE (OFF)	16,211,893.00	R	18,567,481.05
ENERGY CHARGE (PEAK)	8,322,851.00	R	57,191,302.93
ENERGY CHARGE (STD)	18,931,803.00	R	32,524,837.55
SERVICE CHARGE		R	38,386.37
ELECTRIFICATION AND RURAL SUBS (ALL)		R	2,377,620.18
TOTAL CHARGES FOR BILLING PERIOD		R	**126,233,647.30**

ACCOUNT SUMMARY FOR JULY 2026

BALANCE BROUGHT FORWARD	(Due Date 2026-08-01)	R	1,226,800,295.93
PAYMENT(S) RECEIVED	Cash - 2026-07-01	R	-34,515,538.44
PAYMENT(S) RECEIVED	Cash - 2026-07-09	R	-60,000,000.00
PAYMENT(S) RECEIVED	Cash - 2026-07-10	R	-52,158,743.37
TOTAL CHARGES FOR BILLING PERIOD		R	126,233,647.30
ADJUSTMENT	Interest on overdue account	R	7,557,617.89
VAT RAISED ON ITEMS AT 15%		R	18,935,047.10

CURRENT	TOTAL DUE	R	1,232,852,326.41
152,726,312.29			

ARREARS

>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS
844,202,441.35	102,858,743.37	133,064,829.40	0.00

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

ACCOUNT NO / REFERENCE NO
5449407898
NAME
SOL PLAATJE LOCAL MUNICIPALITY
FAX NUMBER

unipay 7100 10 0010

272157001 5449407898 4

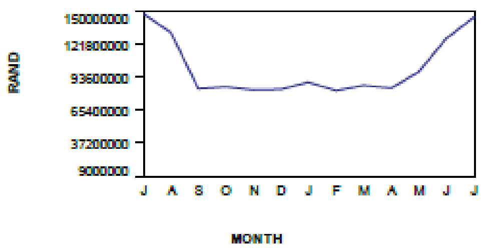
>>>>>>> 9207 2544 9407 8987

PayIT

easypay

TOTAL AMOUNT DUE

1,232,852,326.41



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PAYMENT ARRANGEMENT	
INSTALMENT	
	0.00
ARREARS	(Due Immediately)
	1,080,126,014.12
DUE DATE	(For Current Amount)
2026-09-02	
AMOUNT PAID	

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

iii) Indicated below is the municipality's proof of payments of the Eskom Bulk account payments for the month of July 2026. However, it should be noted that the payment of R34,516 million was only released on 1 July 2026, because the municipality missed the cut-off time of the bank on 30 June 2026.

The municipality had insufficient cash to settle the current account for June 2026 amounting to R130,803 million. The following payments were made in July 2026, the April 2026 account amounting to R34,516 million, the May account amounting to R96,159 million that is now fully settled. Partial payments on November 2025 account amounting to R16,000 million and December 2025 amounting to R20,000 million.

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: ....

SOL PLAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

ESKOM HOLDINGS
PRIVATE BAG X16
WESTVILLE
3630

09/07/2026

SUPPLIER No: SESK01

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

VOUCHER NO: CATZ000027

CHEQUE/ELE NO: 77079042

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
02/06/2026	SUN	544789968052	48229873.24		7234480.99	55464354.23
02/06/2026	SUN	544789968052	4535645.77		0.00	4535645.77
SUB TOTAL:					7234480.99	60000000.00
					7234480.99	60000000.00

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

COMPILED BY..: ....

CHECKED BY...: ....

AUTHORISED BY: ....

SOL PLAATJE MUNICIPALITY
PRIVATE BAG X5030
KIMBERLEY 8300

REMITTANCE ADVICE

ESKOM HOLDINGS
PRIVATE BAG X16
WESTVILLE
3630

10/07/2026

SUPPLIER No: SESK01

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

VOUCHER NO: CATZ000028

CHEQUE/ELE NO: 77079124

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
02/06/2026	SUN	544789968052	31442385.54		4716357.83	36158743.37
SUB TOTAL:					4716357.83	36158743.37
					4716357.83	36158743.37

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

COMPILED BY..: ....

CHECKED BY...: ....

AUTHORISED BY: ....

SOL PLAATJE MUNICIPALITY
PRIVATE BAG X5030 REMITTANCE ADVICE
KIMBERLEY 8300

ESKOM HOLDINGS 10/07/2026
PRIVATE BAG X16
WESTVILLE
3630

SUPPLIER No: SESK01

CONTACT PERSON: VOUCHER NO: CATZ000029
TEL NO: 0829413707 FAX NO:
E-MAIL ADDRESS:
CHEQUE/ELE NO: 77079125

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
01/12/2025	SUN	544407248712	62233047.97		9334957.20	71568005.17
01/12/2025	SUN	544407248712	4431994.83		0.00	4431994.83
01/12/2025	SUN	54407248712	-52173913.04		-7826086.96	-60000000.00

SUB TOTAL:	1508870.24	16000000.00
	1508870.24	16000000.00

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

COMPILED BY..: ....

CHECKED BY...: ....

AUTHORISED BY: ....

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

ESKOM HOLDINGS 31/07/2026
PRIVATE BAG X16
WESTVILLE
3630

SUPPLIER No: SESK01

CONTACT PERSON: VOUCHER NO: CATZ000031
TEL NO: 0829413707 FAX NO:
E-MAIL ADDRESS:

CHEQUE/ELE NO: 77079471

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
02/01/2026	SUN	544578641500	17391304.35		2608695.65	20000000.00
SUB TOTAL:					2608695.65	20000000.00
					2608695.65	20000000.00

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

COMPILED BY..: ....

CHECKED BY...: ....

AUTHORISED BY: ....

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

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

Indicated in the table below is a summary of the data strings for M01 – July 2026 pertaining to electricity.

	2027
	M01
Account Name	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Deposits	-187,753
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	138,693,894

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

Datastrings & FMS Recon - July 2026 M01	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
ELECTRICITY BULK PURCH ACC 01:WITHDRAWAL	**138,693,894.19**	**-**	**138,693,894.19**	Withdrawal vote reconciles to datastrings
Create Cheque 77079042 Voucher No CATZ000027	60,000,000.00	-	60,000,000.00	Payment of the May 2026 account
Create Cheque 77079047 Voucher No CATA014699	57,130.49	-	57,130.49	
Create Cheque 77079048 Voucher No CATA014700	19,046.52	-	19,046.52	Minor Eskom account payments
Create Cheque 77079049 Voucher No CATA014701	22,510.15	-	22,510.15	
Create Cheque 77079124 Voucher No CATZ000028	36,158,743.37	-	36,158,743.37	Payment of the May 2026 account
Create Cheque 77079125 Voucher No CATZ000029	16,000,000.00	-	16,000,000.00	Payment of the Nov 2025 account
Create Cheque 77079301 Voucher No CATA014733	3,201.16	-	3,201.16	
Create Cheque 77079302 Voucher No CATA014734	9,247.29	-	9,247.29	
Create Cheque 77079303 Voucher No CATA014735	16,177.54	-	16,177.54	
Create Cheque 77079304 Voucher No CATA014736	5,328.46	-	5,328.46	
Create Cheque 77079305 Voucher No CATA014755	176,821.69	-	176,821.69	Minor Eskom account payments
Create Cheque 77079306 Voucher No CATA014758	43,057.32	-	43,057.32	
Create Cheque 77079307 Voucher No CATA014772	12,060.05	-	12,060.05	
Create Cheque 77079308 Voucher No CATA014789	16,407.20	-	16,407.20	
Create Cheque 77079332 Voucher No CATA014791	535.79	-	535.79	
Create Cheque 77079395 Voucher No CATA014766	5,982,817.29	-	5,982,817.29	Payment of the Riverton account
Create Cheque 77079407 Voucher No CATA014814	134,008.26	-	134,008.26	
Create Cheque 77079408 Voucher No CATA014815	10,242.29	-	10,242.29	
Create Cheque 77079409 Voucher No CATA014816	5,904.77	-	5,904.77	Minor Eskom account payments
Create Cheque 77079410 Voucher No CATA014817	17,159.61	-	17,159.61	
Create Cheque 77079411 Voucher No CATA014818	3,494.94	-	3,494.94	
Create Cheque 77079471 Voucher No CATZ000031	20,000,000.00	-	20,000,000.00	Payment of the Dec 2025 account
ELECTRICITY BULK PURCHASE ACC 01:DEPOSIT	**187,752.86**	**375,505.72**	**- 187,752.86**	Deposits vote reconciles to datastrings
Create Cheque 77079308 Voucher No CATA014789	16,407.20	16,407.20	-	
Create Cheque 77079332 Voucher No CATA014791	535.79	535.79	-	
Create Cheque 77079407 Voucher No CATA014814	134,008.26	134,008.26	-	
Create Cheque 77079408 Voucher No CATA014815	10,242.29	10,242.29	-	
Create Cheque 77079409 Voucher No CATA014816	5,904.77	5,904.77	-	
Create Cheque 77079410 Voucher No CATA014817	17,159.61	17,159.61	-	
Create Cheque 77079411 Voucher No CATA014818	3,494.94	3,494.94	-	Minor Eskom account payments
Sundry CATA014789 Creditor Control	-	16,407.20	- 16,407.20	
Sundry CATA014791 Creditor Control	-	535.79	- 535.79	
Sundry CATA014814 Creditor Control	-	134,008.26	- 134,008.26	
Sundry CATA014815 Creditor Control	-	10,242.29	- 10,242.29	
Sundry CATA014816 Creditor Control	-	5,904.77	- 5,904.77	
Sundry CATA014817 Creditor Control	-	17,159.61	- 17,159.61	
Sundry CATA014818 Creditor Control	-	3,494.94	- 3,494.94	
Grand Total	**138,881,647.05**	**375,505.72**	**138,506,141.33**	

Explanatory notes

- Ideally, when a payment is made in full the Sundry accrual and Sundry accrual reversal transactions on the system should be equal to each other, resulting in a net movement of zero rand on the relevant expenditure vote number.
- The system has been updated to provide for partial payments
- The minor accounts linked to bulk control accounts is a concern, which the municipality attempted to address but no tangible solution has been implemented. Notwithstanding this challenge, the reconciliation does indicate that what the municipality settled for the reporting month is reflecting in the ledger.
- The focus is on the Withdrawal vote – indicating the payments made for the bulk current account.

i) Indicated below, is the DWS current account for June 2026 which was due and payable on or before the 30 July 2026.

Page 1 of 1

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

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

YOUR CONTACT OFFICE:

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

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

Water Use Description	Tariff Category	Quantity m3/HA Registered/Consumed	Unit Price(c/m3/HA)	Amount(Rand)
Property Details: Property Name: DROOGFONTEIN; Property Number: 6866; Registration Division: KIMBERLEY RD; Portion Number: 1; Title Deed: T16761/1921 ; Water Use Details: WMA: VAAL; Legal Sector Code: 21A Tk water fr a water resource; Water Use Sector: D&I_WATER SUPPLY SERVICE Water Source Type: SCHEME;				
Contract No: 10087405 (25014305/13)				
Water Use Period: 01.06.2026 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**

Page 1 of 1

ii) Indicated below, is the DWS Bulk current invoice for July 2026, which is due and payable, on or before 31 August 2026.

Page 1 of 1

NWRI Customer Ref no: 60005150
Customer No: 25014305
Contract Acc. No: 100478320
Document No: 493873376
Document Date: 31.07.2026
Payment Terms: 30 Days
Due Date: 31.08.2026
Customer VAT Reg. No: 4370102313

TAX INVOICE

DWS VAT Reg. no 4040112361

water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

Bill To:

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

YOUR CONTACT OFFICE:

Department: Water and Sanitation
Private Bag X313
Pretoria
0001

R535 Waterbron Building
185 Francis Baard Street
Pretoria
PHONE 0800 200 200
FAX 012 336 1408
Email:revenue@dws.gov.za

Water Use Description	Tariff Category	Quantity m3/HA Registered/Consumed	Unit Price (c/m3/HA)	Amount (Rand)
Property Details: Property Name: DROOGFONTEIN; Property Number: 6866; Registration Division: KIMBERLEY RD; Portion Number: 1; Title Deed: T16761/1921 Water Use Details: WMA: VAAL; Legal Sector Code: 21A Tk water fr a water resource; Water Use Sector: DOMESTIC & INDUSTRIAL; Water Source Type: SCHEME; Contract No: 10087405 (25014305/13) Serv.Vol:9,125,000.40; YtD Consumed Vol:12456,830.00 Water Use Period: 01.07.2026 to 31.07.2026				
	Consumptive (O&M)	3,313,606.00	39.88	1,321,466.07
	Consumptive (ROA)	3,313,606.00	34.30	1,136,566.86
	Consumptive (Depr)	3,313,606.00	20.18	668,685.69
	TCTA (AMD)	3,313,606.00	9.90	328,046.99
	TCTA (LHWP)	3,313,606.00	510.80	16,925,899.45
	Plus 15.00% VAT			3,057,099.76
	Subtotal			23,437,764.82
	WRL(0%VAT)	3,313,606.000	8.37	277,348.82
	WRL(0%VAT)	0.000	0.00	0.00
	Total Charges			23,715,113.64

Bank Name: ABSA Bank	Bank Name: FNB	Bank Name: Standard Bank
Account Number:4054697285	Account Number:62030646311	Account Number:010215808
Branch Code: 630145	Branch Code: 250655	Branch Code: 051001
Reference : Contract Acc.No.	Reference : Contract Acc.No.	Reference: Contract Acc.No.

iii) A payment of R21,433 million was made on the July 2025 account that is now fully settled.

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

DEPARTMENT OF WATER AND SANITATION                               15/07/2026
PRIVATE BAG X313
PRETORIA
0001
                                                    SUPPLIER No: SWAT01

CONTACT PERSON:                                    VOUCHER NO:  CATA013456
TEL NO:                     FAX NO:
E-MAIL ADDRESS: info@dws.gov.za
                                                 CHEQUE/ELE NO:    77079223


DATE       TYPE REFERENCE              EXCL VAT  DISCOUNT    VAT       NETT
31/07/2025 SUN  412703352            18411130.30         2761669.55 21172799.85
31/07/2025 SUN  412703352              261172.35               0.00   261172.35



SUB TOTAL:                                               2761669.55 21433972.20

                                                         2761669.55 21433972.20

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

COMPILED BY..:  .................

CHECKED BY...:  .................

AUTHORISED BY:  .................
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iv) Payment arrangement instalment of R6 million was not settled due to insufficient cash available from operations. The arrear debt should have been settled at the end of January 2025, but due to severe cash flow challenges this did not materialise.

The municipality's water reconciliation statement (aligning to the mSCOA data string upload for M11 – July 2026).

	2027
	M01
Account Name	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Withdrawals	21,433,972
Assets:Current Assets:Inventory:Water:System Input Volume:Bulk Purchases	79,894

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

Datastrings & FMS Recon - July 2026 M01	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
WATER:INPUT VOL: BULK PURCHASES	**159,787.92**	**79,893.96**	**79,893.96**	Water:Input Vol: Bulk Purchases vote reconciles to datastrings
Sundry Accruals	**79,893.96**	**-**	**79,893.96**	
SORA01:ORANJE RIET WATER USERS ASSOCIATION	79,893.96	-	79,893.96	
Sundry Accruals Reversals	**-**	**79,893.96**	**- 79,893.96**	
SORA01 : ORANJE RIET WATER USERS ASSOCIATION	-	79,893.96	- 79,893.96	
Sundry Payments	**79,893.96**	**-**	**79,893.96**	
SORA01 : ORANJE RIET WATER USERS ASSOCIATION	79,893.96	-	79,893.96	Payment of the Oranje Riet Water Association
Grand Total	**159,787.92**	**79,893.96**	**79,893.96**	

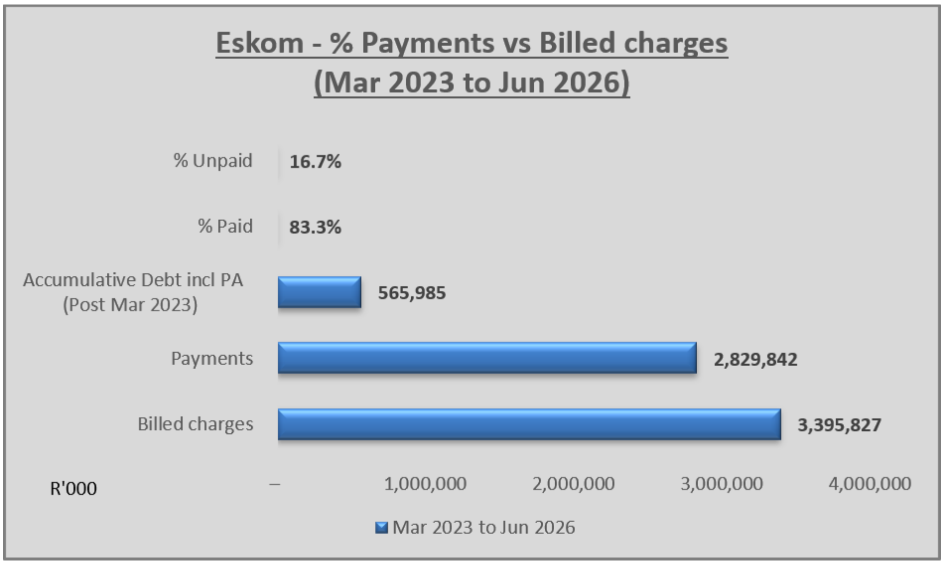
Datastrings & FMS Recon - July 2026 M01	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
WATER BULK PURCHASE:WITHDRAWALS	**21,433,972.20**	**-**	**21,433,972.20**	Withdrawal vote reconciles to datastrings
Create Cheque 77079223 Voucher No CATA013456	21,433,972.20	-	21,433,972.20	Payment of the Jul 2025 account
Grand Total	**21,433,972.20**	**-**	**21,433,972.20**	

vii) Total outstanding debt owed to ESKOM and DWS as at 31 July 2026

Age analysis on debt owed to ESKOM and DWS as at 31 July 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	152,726	130,803	–	–	–	–	140,995	787,271	1,211,795	1,059,068	928,265	77%
Bulk Water	23,715	130	–	–	16,202	21,740	99,502	111,822	273,112	249,397	249,267	91%
TOTAL	176,441	130,933	–	–	16,202	21,740	240,497	899,093	1,484,907	1,308,466	1,177,532	79%
% of O/S Debt	11.9%	8.8%	0.0%	0.0%	1.1%	1.5%	16.2%	60.5%	100.0%	88.1%	79.3%	

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

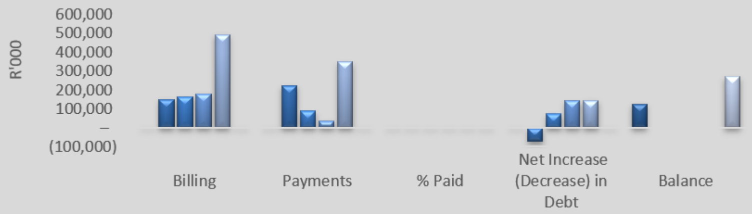


Indicated in the adjacent chart is a summary of the percentage payments versus billed charges for Eskom for the period March 2023 to May 2026. The June 2026 account is excluded as it not yet due and payable.

The total billed charges for the period amounted to R3,395,827 billion, and payments made amounted to R2,829,842 billion. For the period the municipality managed to settle 83.3% of the billed charges.

The debt outstanding post March 2023 amounts to R565,985 million, which includes the outstanding balance on the Payment Arrangement.

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



	Billing	Payments	% Paid	Net Increase (Decrease) in Debt	Balance
Opening balance	-	-	-	-	126,431
Jul 2023 - Jun 2024	150,526	222,301	148%	(71,775)	
Jul 2024 - Jun 2025	162,756	88,820	55%	73,935	
Jul 2025 - Jun 2026	179,052	36,812	21%	142,239	
YTD Jul 2023 - Jun 2026	492,334	347,934	71%	144,400	
Closing balance as at 30 June 2026	-	-	-	-	270,831

Indicated in the adjacent chart is a summary of the percentage payments versus billing for DWS, for the period, July 2023 to June 2026.

The total billing for the period amounted to R492,334 million, and payments made amounted to R347,934 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 R73,935 million. For 2025/26 financial year, outstanding debt escalated by R142,239 million. The net increase in outstanding debt amounts to R144,400 million.

16.7 Municipal Debt Relief Monitoring Plan – Progress report

Indicated in the table below is the monthly progress in terms of the municipal debt relief monitoring.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - July 2026
6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means the account for a single month's consumption)	**6.3.1** The municipality must monthly pay and maintain its **Eskom bulk current account** and **bulk water current account** - Department of Water and Sanitation (DWS), within 30 days of receiving the relevant invoice	Monthly, within 30 days of receiving invoice on or before due date as per the monthly invoice	Proof of payment (which includes, remittance advice, invoice and extract of corresponding bank statement)	**Non-Compliant - ESKOM** The municipality had insufficient cash to settle the current account for June 2026 amounting to R130,803 million. The following payments were made in July 2026, the April 2026 account amounting to R34,516 million, the May account amounting to R96,159 million that is now fully settled. Partial payments on November 2025 account amounting to R16,000 million and December 2025 amounting to R20,000 million. **Non-Compliant - DWS** The municipality did not timeously settle the current account for Water for the month of June 2026. A payment of R21,433 million was made on the July 2025 account that is now fully settled.
	6.3.1 (a) At a minimum, pay the monthly debt instalment on 5th of each month as per signed debt agreement with DWS. **(b)** Pay the monthly debt instalment of R6,700m to Eskom with the current account	Monthly, 5th of each month		**Non-Compliant - ESKOM** The municipality had insufficient cash available from operations to settle R6.7m instalment on the ESKOM payment arrangement as at the end of July 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 August 2026.
	6.3.2 Submit the supporting evidence of the bulk Eskom current account payment to the National Treasury, Eskom and DWS, within 1 day of making any such payment	Within 1 day after making payment	Proof of payment and proof of email submission	**Compliant** Email was sent within one day after making payment to ESKOM.
	6.3.3 Submit the proof of payment to the National Treasury in PDF format via the GoMuni Upload Portal to substantiate that payment was made.	Monthly, within 10 working days after month end	GoMuni Status of Schedule of Revenue Documents Submissions Report	**Compliant** The proof of payment was uploaded onto GoMuni on 11 August 2026
	6.3.4 - The amount as per the proof of payment must reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom and DWS	Monthly, within 10 working days after month end	Monthly financial data strings	**Compliant** Transactions as per the ledger reconciles with the monthly datastrings. However minor account payments for Eskom and DWS are posted to the same bulk control votes. Erroneous transactions will be journalised, where applicable. Disclosure issue - the capturing of the current invoice on the system is problematic because it is only received in the new month and captured after month-end closure, resulting in a

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - July 2026
				misalignment between the YTD actual and outstanding creditor amount.
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 = 2,256 Conventional disconnections = 0
	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 = 39%.due to the annual billing on Property Rates Quarterly S71 Revenue Collection rate per Ward outcome Q1 = not yet end of the quarter Municipality's average collection rate = 62% (Prepaid electricity sales and allocated credits are included) **Not Achieved** Average daily cash collection for July 2026, was R6,543m.
	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 - July 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 fourth quarter was completed on 14 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 July 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 June 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

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - July 2026
	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. EQS portion to be considered on a monthly basis, once subsidies have been allocated on the system. **Partially Compliant** The municipality had insufficient cash to settle the current account for June 2026 amounting to R130,803 million. The following payments were made in July 2026, the April 2026 account amounting to R34,516 million, the May account amounting to R96,159 million that is now fully settled. Partial payments on November 2025 account amounting to R16,000 million and December 2025 amounting to R20,000 million. The municipality did not timeously settle the current account for Water for the month of June 2026. A payment of R21,433 million was made on the July 2025 account that is now fully settled. 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 municipality had insufficient cash to settle the current account for June 2026 amounting to R130,803 million. The following payments were made in July 2026, the April 2026 account amounting to R34,516 million, the May account amounting to R96,159 million that is now fully settled. Partial payments on November 2025 account amounting to R16,000 million and December 2025 amounting to R20,000 million. The municipality did not timeously settle the current account for Water for the month of June 2026. A payment of R21,433 million was made on the July 2025 account that is now fully settled. The municipality has shown improvement on its cash flow management, however substantial receipts from debtors are not materialising. Municipality has a backlog in terms of built-up reserves. Salaries and third-party salary payments including commitments to other creditors make this requirement difficult to maintain.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - July 2026
	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 July 2026.

2. The non-compliance emanating from the municipality's debt relief self-assessment and overall performance, 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 June 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 R85,829 million for bulk electricity for the period Jul 2024 to June 2026.

11. The municipality is in breach of the conditions and has accumulative arrears for the prior years'. 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 **R562,641,082.85**, as indicated in the table below. Arrears on the outstanding invoices including interest amounts to R448,741,082.85 and the arrears on the payment arrangement amount to R113,900,000.00.

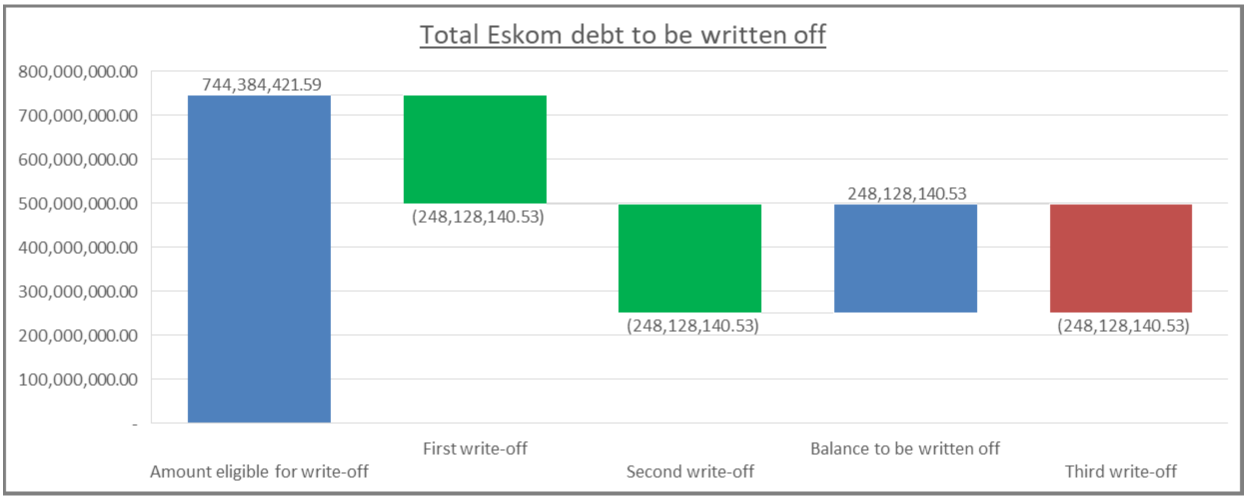
Month	Invoice Amount incl Interest	Paid Amount	Balance due incl Interest	Arrear instalments Payment Arrangement	Total Due to be in Good standing	Interest
Jul-24	R 148,333,011.78	R 148,333,011.78	R -	R -	R -	R 273,911.75
Aug-24	R 127,600,942.44	R 127,600,942.44	R -	R 6,700,000.00	R 6,700,000.00	R 154,610.92
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 76,000,000.00	R 4,364,895.03	R 6,700,000.00	R 11,064,895.03	R 4,431,994.83
Dec-25	R 83,316,482.56	R 76,000,000.00	R 7,316,482.56	R 6,700,000.00	R 14,016,482.56	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 84,515,538.44	R -	R -	R -	R 6,869,542.60
May-26	R 96,158,743.37	R 96,158,743.37	R -	R -	R -	R 4,535,645.77
Jun-26	R 130,802,829.40	R -	R 130,802,829.40	R -	R 130,802,829.40	R 5,917,912.77
TOTAL ESKOM	**R 2,229,779,027.68**	**R 1,781,037,944.83**	**R 448,741,082.85**	**R 113,900,000.00**	**R 562,641,082.85**	**R 85,828,951.23**

12. The municipality is in breach of the conditions and has accumulative arrears for the prior years'. To be in good standing with DWS, the municipality must settle the accounts for October to December 2024, January, June, August, September, October, November, December 2025, January, February and March 2026 amounting to a combined total of **R249,397,252.18** 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 **R234,693,571.72**, 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 21,433,972.20	R -	R -	R -	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 -
Jun-26	R 130,371.45	R -	R 130,371.45	R -	R 130,371.45	R -
TOTAL WATER	**R 343,069,668.59**	**R 93,672,416.41**	**R 249,397,252.18**	**-R 14,703,680.46**	**R 234,693,571.72**	**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)

- [x] 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 **July 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: 18 /08/2026

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

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

Email: BMatlala@solplaatje.org.za; 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 JUNE 2026

This report presents National Treasury's assessment of Sol Plaatje Local Municipality's financial performance and compliance with the Municipal Debt Relief Programme (MDRP) for the financial year ending 30 June 2026. The assessment has been undertaken using the June 2026 Section 71 Monthly Budget Statement, the June 2026 C-Schedule, the Municipal Debt Relief compliance submissions, valuation roll reconciliation, payment rate information, revenue collection reports, budget funding information and other supporting documentation submitted by the municipality. The purpose of the assessment is to determine the municipality's level of compliance with MFMA Circular No. 124 and to evaluate whether the municipality is progressing towards long-term financial sustainability. The June 2026 Section 71 report confirms the municipality's financial performance, liquidity position, debtor profile and compliance reporting framework.

The assessment concludes that Sol Plaatje Local Municipality has continued strengthening governance, financial reporting and institutional oversight throughout the 2025/26 financial year. Management has maintained regular submission of statutory financial reports, improved executive monitoring of municipal finances and implemented several revenue enhancement initiatives aimed at improving the integrity of municipal billing and strengthening future revenue collection. These initiatives include valuation roll reconciliation, implementation of smart prepaid metering, deployment of the meter reading system, customer verification programmes and the appointment of external debt collection agencies.

Despite these positive institutional developments, the municipality remains under considerable financial pressure. Operating revenue excluding capital transfers amounted to R2.963 billion, representing 91.8 per cent of the adjusted budget, while operating expenditure amounted to R3.098 billion, representing 88.9 per cent of the adjusted budget. Revenue performance remains below expectations, particularly within electricity services, and continued weaknesses in cash collection have constrained liquidity throughout the financial year.

Liquidity remains the municipality's most significant financial challenge. The municipality reported a cost coverage ratio of approximately 36 days, substantially below the National Treasury norm of three months. Consumer debt continues to increase and approximately ninety per cent of outstanding debt remains older than ninety days. The average collection rate remains approximately 81 per cent, significantly below the

Municipal Debt Relief Programme benchmark of 95 per cent. These factors continue to limit the municipality's ability to finance current operational commitments and maintain adequate unrestricted cash reserves.

The municipality also continues experiencing significant pressure relating to Eskom and Department of Water and Sanitation obligations. National Treasury has approved the first two debt-relief write-off tranches amounting to approximately R496 million. However, the municipality remains exposed because continued non-compliance with current account obligations places the remaining debt-relief benefit of approximately R248 million at risk. The June 2026 Section 71 report indicates that approximately R598.5 million is required for the municipality to restore good standing with Eskom, while approximately R256.0 million is required to restore good standing with the Department of Water and Sanitation.

National Treasury concludes that Sol Plaatje Local Municipality has demonstrated measurable institutional improvement during the reporting period. Governance, financial reporting and revenue administration continue to improve; however, sustainable financial recovery remains dependent upon improved revenue collection, strengthened liquidity, disciplined expenditure management and maintenance of current bulk-service accounts.

NC091 Sol Plaatje Local Municipality overall relief performance for June 2026

The June 2026 Monthly Performance Report assesses Sol Plaatje Local Municipality against the Municipal Debt Relief Programme (MDRP) compliance indicators prescribed in MFMA Circular No. 124. As the final reporting period for the 2025/26 financial year, the June assessment places greater emphasis on the municipality's year-end financial position and its ability to demonstrate sustained compliance with the substantive requirements of the programme, rather than administrative reporting alone.

The municipality continued to submit the prescribed Section 71 Monthly Budget Statement, Municipal Debt Relief reporting pack and supporting financial information in accordance with the reporting framework. Notwithstanding the improvements in financial reporting and governance, the June assessment confirms that the municipality remains exposed to significant fiscal risks. These risks continue to be concentrated in maintaining current Eskom and Department of Water and Sanitation (DWS) accounts, improving liquidity, strengthening revenue collection and converting billed revenue into sustainable cash flows. The June Section 71 report confirms that the municipality remains under severe liquidity pressure, with a cost coverage ratio of approximately 36 days, an average collection rate of approximately 81 per cent and consumer debt amounting to approximately R4.566 billion, of which about 90 per cent is older than ninety days.

Bulk-service account compliance remains the municipality's most significant area of financial risk. Although governance over Eskom and Department of Water and Sanitation monitoring has improved, the municipality continues to experience material non-compliance in maintaining current bulk-service obligations. The June Section 71 report indicates that approximately R598.5 million is required to restore the municipality to good standing with Eskom, while approximately R256.0 million is required to comply with the Department of Water and Sanitation Debt Incentive Programme. These obligations continue to place the remaining Municipal Debt Relief benefit at considerable risk should sustained compliance not be achieved.

The municipality continues to maintain a technically funded Medium-Term Revenue and Expenditure Framework (MTREF), with positive results against the funded budget indicators, operating surplus assumptions, debt impairment provisions and financial reporting requirements. This outcome demonstrates continued compliance with the technical funding requirements of the Municipal Finance Management Act. However, National Treasury considers this position to remain qualified because the funded budget has not yet translated into sufficient operating cash to sustain current bulk-service obligations. Operating revenue continues to underperform against budget while liquidity remains constrained, indicating that the municipality's funded budget is still dependent upon significant improvements in revenue collection and cash conversion. The June Section 71 report confirms that operating revenue achieved 91.8 per cent of the adjusted budget, while operating expenditure reached 88.9 per cent of the adjusted budget.

Revenue management and credit-control implementation continue to require significant improvement. The municipality has strengthened consolidated billing, expanded smart prepaid metering, continued electricity disconnections and prepaid meter blocking, and appointed external debt collection agencies to improve revenue recovery. These initiatives have strengthened revenue administration and billing integrity. However, the implementation of water restriction measures remains inadequate, limiting the municipality's ability to improve collection performance for water, sanitation and refuse services. The municipality acknowledges within the June Section 71 report that urgent intervention is required to strengthen water restriction measures and improve collection performance across these services.

Revenue collection performance remains below the minimum benchmark prescribed under the Municipal Debt Relief Programme. Although the municipality has implemented several revenue enhancement initiatives, including valuation roll reconciliation, the MeterMo meter-reading system, customer verification programmes and smart prepaid metering, these initiatives have not yet produced sufficient improvements in cash collections. National Treasury therefore concludes that the municipality must continue prioritising revenue collection, debtor recovery, liquidity management and strengthened credit-control implementation during the 2026/27 financial year to achieve sustainable financial recovery.

Overall, the June 2026 assessment provides improved assurance regarding governance, financial reporting and institutional oversight when compared with previous reporting periods. Nevertheless, these administrative improvements do not yet demonstrate that financial discipline has been fully restored. The municipality's compliance position must therefore be considered together with the June Section 71 financial results, the Municipal Debt Relief register, debtor and creditor ageing analyses, Eskom and Department of Water and Sanitation current account positions and supporting payment evidence. When these factors are assessed collectively, National Treasury concludes that Sol Plaatje Local Municipality remains exposed to significant financial risk. Immediate implementation of corrective measures is required to strengthen liquidity, improve revenue collection, restore current bulk-service account compliance and safeguard the remaining Municipal Debt Relief Programme benefits.

Condition 6.1 – Municipality non-compliance

This is assessed as materially qualified for June 2026. Sol Plaatje Local Municipality continued to demonstrate compliance with the administrative requirements of the Municipal Debt Relief Programme by submitting the prescribed June 2026 Section 71 Monthly Budget Statement, Municipal Debt Relief compliance documentation and supporting evidence within the prescribed reporting framework. The quality of financial reporting and management oversight has improved throughout the 2025/26 financial year, reflecting a stronger institutional commitment to governance, accountability and compliance with MFMA Circular No. 124.

Despite these improvements in governance and reporting, the municipality remains materially non-compliant with the substantive financial management conditions that underpin the Municipal Debt Relief Programme. The June 2026 assessment confirms that the municipality has not restored current Eskom and Department of Water and Sanitation (DWS) account discipline, and its liquidity position remains critically constrained. The municipality requires approximately R598.5 million to restore good standing with Eskom and approximately R256.0 million to remain compliant with the Department of Water and Sanitation Debt Incentive Programme. Continued non-compliance places the remaining Municipal Debt Relief benefit of approximately R248 million at significant risk and exposes the municipality to the consequences prescribed in MFMA Circular No. 124.

The June 2026 financial results further demonstrate that the municipality's financial challenges are structural rather than temporary. Operating revenue achieved only 91.8 per cent of the adjusted budget, while the average collection rate remained approximately 81 per cent, substantially below the Municipal Debt Relief Programme benchmark of 95 per cent. The cost coverage ratio remained at approximately 36 days, significantly below the National Treasury benchmark of three months. Consumer debt increased to approximately R4.566 billion, with nearly 90 per cent of outstanding debt older than ninety days. These indicators confirm that the municipality continues to experience a structural cash-flow imbalance whereby cash generated from operations is insufficient to finance current operational commitments and bulk-service obligations.

The municipality has continued implementing a range of financial recovery interventions during the reporting period, including completion of the Smart Prepaid Meter Programme, deployment of the electronic meter-reading system, appointment of external debt collection agencies, customer verification initiatives, valuation roll reconciliation and implementation of the Revenue Enhancement Strategy. These initiatives have strengthened financial governance and revenue administration; however, they have not yet produced sufficient improvements in cash collection, liquidity or current bulk-service account performance. The municipality acknowledges that urgent intervention remains necessary to improve revenue collection, strengthen water restriction measures, reduce outstanding consumer debt and restore sustainable financial performance.

NC091 Sol Plaatje Local Municipality overall relief performance for June 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		
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	Yes
26.August25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes
27.September25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes
28.October25	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes
29.November25	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes
30.December25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes
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														

	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	No	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	N/A	Yes
26.August25	No	Yes	No	No	N/A	N/A	N/A	N/A	No	Yes	Yes	Yes	N/A	Yes
27.September25	No	Yes	No	No	No	No	No	No	Yes	Yes	Yes	Yes	N/A	Yes
28.October25	No	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
29.November25	No	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
30.December25	No	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
31.January26	No	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	N/A	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	No	No	Yes	Yes	Yes	Yes	Yes	Yes
34.April26	No	Yes	No	No	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	N/A	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
37.July26														

	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	N/A	N/A	N/A	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No	78%	Moderate compliance
26.August25	Yes	N/A	N/A	N/A	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No	78%	Moderate compliance
27.September25	Yes	N/A	N/A	N/A	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No	71%	Moderate compliance
28.October25	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	83%	Above Moderate
29.November25	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	78%	Moderate compliance
30.December25	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	83%	Above Moderate
31.January26	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	73%	Moderate compliance
32.February26	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	80%	Above Moderate
33.March26	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	73%	Moderate compliance
34.April26	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	76%	Moderate compliance
35.May26	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	83%	Above Moderate
36.June26	Yes	N/A	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	No	No	76%	Moderate compliance
37.July26														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 June 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 June 2026, Sol Plaatje achieved an overall compliance score of 76 per cent**,** resulting in a rating of Moderate compliance. This represents a slight drop 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 June 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 June 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

This condition 6.2 is assessed as compliant for June 2026. Sol Plaatje Local Municipality continues to participate in the Municipal Debt Relief Programme on the basis of an approved application supported by a Council resolution, which remains valid throughout the implementation period. The municipality's approval into the programme became effective on 1 October 2023, following confirmation that it satisfied the qualifying criteria prescribed in MFMA Circular No. 124. The original qualifying Eskom debt amounted to approximately R744.384 million, of which two approved debt-relief write-off tranches totalling approximately R496.256 million have already been implemented. The municipality therefore remains eligible to participate in the programme, subject to continued compliance with the prescribed conditions.

While the original Council resolution remains valid, National Treasury considers it to be a continuing governance commitment rather than a once-off approval. Council is responsible for ensuring that the municipality continuously complies with the conditions of the Municipal Debt Relief Programme and that appropriate oversight is exercised over the implementation of the approved Financial Recovery Plan and associated revenue enhancement initiatives. The June 2026 assessment confirms that significant financial risks remain, particularly in relation to current Eskom and Department of Water and Sanitation (DWS) obligations, constrained liquidity, below-target revenue collection and growing consumer debt. These matters require ongoing oversight by Council to safeguard the remaining Municipal Debt Relief benefits.

Council should therefore continue receiving a dedicated Municipal Debt Relief Programme compliance report as a standing agenda item. The report should provide an assessment of compliance against each programme condition, progress with implementing corrective measures, current Eskom and DWS account positions, post-approval debt growth, collection performance, liquidity indicators, financial risks and progress against the municipality's Revenue Enhancement Strategy. This will strengthen governance oversight, improve accountability and enable Council to intervene promptly where programme conditions are not being achieved.

Condition 6.3 – Maintaining the Eskom bulk current account

Condition 6.3 is assessed as materially non-compliant for June 2026. Although Sol Plaatje Local Municipality has continued to engage with Eskom and monitor its bulk electricity obligations, the June 2026 assessment confirms that the municipality has not restored current-account payment discipline as required by the Municipal Debt Relief Programme. The June Section 71 report indicates that approximately R598.5 million is required to restore the municipality to good standing with Eskom, confirming that current obligations continue to exceed the municipality's available cash resources. This position represents a material breach of the programme requirement to maintain the Eskom current account throughout the debt relief period.

The June 2026 financial results demonstrate that the municipality's Eskom non-compliance is primarily driven by persistent liquidity constraints rather than administrative deficiencies. The municipality continues to experience insufficient operating cash flows to settle bulk electricity obligations while simultaneously funding day-to-day operations. Operating revenue achieved only 91.8 per cent of the adjusted budget, the average collection rate remained approximately 81 per cent and cost coverage remained at approximately 36 days, significantly below the National Treasury benchmark of three months. These indicators confirm that revenue generated from consumers is not being converted into sufficient cash to sustain current bulk-service payments.

The municipality has implemented several revenue enhancement and financial recovery initiatives during the reporting period, including the completion of the Smart Prepaid Meter Programme, expansion of prepaid metering, deployment of the MeterMo electronic meter-reading system, appointment of external debt collection agencies and implementation of customer verification programmes. While these interventions are expected to improve revenue performance over the medium term, the June assessment confirms that they have not yet produced sufficient cash collections to restore compliance with the Eskom current-account condition.

National Treasury remains concerned that continued non-compliance with Condition 6.3 places the municipality's remaining Municipal Debt Relief benefit of approximately R248.128 million at significant risk. Failure to maintain current bulk-service account payments undermines one of the primary objectives of the Municipal Debt Relief Programme, namely preventing the accumulation of new post-relief arrears while improving long-term financial sustainability. Continued deterioration in the Eskom account also increases the municipality's exposure to additional interest, collection actions and supply-related risks, all of which could further weaken its financial position.

Condition 6.4 – A funded MTREF

This condition is assessed as compliant for June 2026. The June 2026 assessment confirms that Sol Plaatje Local Municipality continues to maintain a technically funded Medium-Term Revenue and Expenditure Framework (MTREF) in accordance with the funding requirements prescribed by the Municipal Finance Management Act and the Municipal Budget and Reporting Regulations. The municipality's approved 2025/26 adjusted budget remains funded, and the June Section 71 results indicate that the municipality has continued to monitor budget implementation against the approved financial framework.

Although the municipality remains technically compliant with the funded budget requirements, National Treasury considers this compliance to be materially qualified from a financial sustainability perspective. A funded budget is sustainable only where projected revenue is converted into sufficient operating cash to finance day-to-day operations and meet all current financial obligations. The June 2026 financial results demonstrate that operating revenue achieved approximately 91.8 per cent of the adjusted budget, while the municipality continues to experience significant liquidity constraints. The average collection rate remained approximately 81 per cent, cost coverage remained at approximately 36 days and consumer debt increased to approximately R4.566 billion, with nearly 90 per cent of outstanding debt older than ninety days. These indicators confirm that the municipality continues to experience a significant gap between budgeted revenue and actual cash collections.

The June assessment further confirms that the municipality has not yet translated its technically funded budget into sustainable cash-flow management. The continued inability to restore current Eskom and Department of Water and Sanitation (DWS) account compliance demonstrates that available operating cash remains insufficient to meet all priority financial commitments. Approximately R598.5 million is required to restore the municipality to good standing with Eskom, while approximately R256.0 million is required to restore compliance with the Department of Water and Sanitation Debt Incentive Programme. These financial obligations indicate that, although the municipality satisfies the technical funded budget indicators, the underlying assumptions regarding revenue conversion, liquidity and cash availability remain under considerable pressure.

Conditions 6.5 – Cost reflective tariffs

It is assessed as non-compliant for June 2026. The June 2026 assessment confirms that Sol Plaatje Local Municipality has not yet provided sufficient evidence to demonstrate that all municipal tariffs are fully cost-reflective in accordance with National Treasury's Cost-Reflective Tariff Tool (CRTT) methodology and the requirements of MFMA Circular No. 124. Although the municipality has continued implementing revenue enhancement initiatives and has monitored tariff performance throughout the financial year, the available evidence does not confirm that all trading services are being recovered through cost-reflective tariff structures supported by comprehensive cost-of-service information.

The June 2026 financial results continue to demonstrate that significant weaknesses remain in the municipality's revenue performance and cost recovery. Operating revenue achieved approximately 91.8 per cent of the adjusted budget, while the average collection rate remained approximately 81 per cent and consumer debt increased to approximately R4.566 billion. Approximately 90 per cent of outstanding consumer debt is older than ninety days, indicating that revenue collection challenges continue to undermine the financial sustainability of the municipality. These financial indicators demonstrate that tariff increases alone are insufficient to achieve sustainable revenue performance where billing accuracy, customer payment behaviour, credit-control implementation and cash collection remain constrained.

National Treasury considers that cost-reflective tariffs must be supported by a comprehensive cost-of-service assessment demonstrating the relationship between operating expenditure, bulk-service costs, repairs and maintenance, depreciation, debt impairment, equitable share allocations, affordability considerations and projected revenue requirements for each trading service. The municipality should further demonstrate that tariff assumptions are supported by realistic collection rates, consumption trends, metering accuracy and customer billing information to ensure that approved tariffs can be translated into sustainable cash collections.

The municipality has made positive progress in strengthening revenue administration through the implementation of the Smart Prepaid Meter Programme, the electronic meter-reading system, customer verification initiatives, valuation roll reconciliation and the Revenue Enhancement Strategy. These initiatives will improve billing integrity and support future tariff implementation; however, they do not, on their own, demonstrate compliance with the cost-reflective tariff requirements prescribed by National Treasury.

Condition 6.6 – Electricity and water as collection tools

This important condition is assessed as materially qualified for June 2026. The June 2026 assessment confirms that Sol Plaatje Local Municipality has continued implementing several revenue management and credit-control measures aimed at improving revenue collection and reducing outstanding consumer debt. The municipality continues to issue consolidated monthly accounts, undertake electricity disconnections, block defaulting prepaid electricity meters and utilise external debt collection agencies to recover outstanding debt. These interventions have strengthened the municipality's credit-control framework and demonstrate continued commitment to improving revenue administration. The June Section 71 report further indicates that customer verification initiatives, debt collection campaigns and revenue enhancement projects remain ongoing to improve billing accuracy and strengthen payment compliance.

Despite these positive interventions, significant weaknesses remain in the implementation of the municipality's credit-control policy. The June assessment confirms that water restriction measures for qualifying defaulting consumers have not yet been implemented to the extent required to support effective enforcement across all municipal services. While electricity revenue is actively protected through disconnections and prepaid meter blocking, similar enforcement mechanisms have not been consistently applied to water services. This continues to constrain the municipality's ability to improve revenue collection for water, sanitation and refuse services and contributes to the ongoing deterioration in liquidity and cash-flow performance. The municipality acknowledges that urgent intervention remains necessary to strengthen water restriction measures and improve collection performance across these services.

The municipality has continued implementing the Smart Prepaid Meter Programme and associated revenue enhancement initiatives during the reporting period. The completion of the Smart Meter Programme, together with the deployment of the electronic meter-reading system, customer verification initiatives, valuation roll reconciliation and appointment of external debt collection agencies, represents significant progress in strengthening revenue administration and billing integrity. These initiatives are expected to reduce estimated billing, improve meter reading accuracy, identify non-purchasing prepaid customers and strengthen consumer accountability. However, the June assessment confirms that these initiatives have not yet translated into sufficient improvements in revenue collection or operating cash generation to restore financial sustainability.

The June 2026 financial results continue to reflect the impact of these collection challenges. The municipality achieved an average collection rate of approximately 81 per cent, while consumer debt increased to approximately R4.566 billion, with nearly 90 per cent of outstanding debt older than ninety days. These indicators confirm that existing revenue management interventions have not yet produced the level of cash recovery required to support sustainable operations or maintain current bulk-service account obligations.

Condition 6.7: Maintain a Minimum Average Quarterly Collection Rate

Condition 6.7 is assessed as non-compliant for June 2026. As June represents the end of the fourth quarter and the close of the 2025/26 financial year, the municipality is required to demonstrate compliance with the Municipal Debt Relief Programme minimum collection benchmark. The June 2026 assessment confirms that Sol Plaatje Local Municipality has not achieved the required collection performance. The average collection rate remained approximately 81 per cent, which is materially below the Municipal Debt Relief Programme benchmark of 95 per cent and continues to constrain the municipality's ability to generate sufficient operating cash to support financial sustainability.

The June 2026 financial results further confirm that revenue collection challenges remain widespread across the municipality's consumer base. Consumer debt increased to approximately R4.566 billion, with nearly 90 per cent of outstanding debt older than ninety days. The high level of long-outstanding debt continues to weaken cash flow, increase debt impairment requirements and reduce the municipality's capacity to settle current Eskom and Department of Water and Sanitation obligations. These trends demonstrate that, although billing levels remain satisfactory, the conversion of billed revenue into cash receipts remains inadequate to support the objectives of the Municipal Debt Relief Programme.

During the reporting period the municipality continued implementing a range of revenue enhancement initiatives, including customer verification programmes, the Smart Prepaid Meter Programme, deployment of the MeterMo electronic meter-reading system, appointment of external debt collection agencies, valuation roll reconciliation and strengthened credit-control measures. These interventions have improved revenue administration and billing integrity and are expected to support improved collection performance over time. However, the June assessment confirms that the measurable improvement in cash collections remains insufficient to achieve the minimum Municipal Debt Relief Programme collection target or restore sustainable liquidity.

Conditions 6.8 – Completeness of the Revenue Base

GV Reconciliation Summary	
Province	NC
District	Sol Plaatje
Type	LM
Municipal Name	Frances Baard District
GV Period	01/07/2023 - 30/06/2027
Financial Year	2025/2026
Reconciliation Period	**Quarter 4**

Part A - Reconciliation Summary

	Number of Properties			Market Values		
Propety Categories	**Valuation Roll**	**Mun System**	**Variance**	**Valuation Roll**	**Mun System**	**Variance**
Residential	51172	51172	0	24,268,424,702	24,268,424,702	-
Industrial	203	203	0	801,740,000	801,740,000	-
Business and Commercial	2338	2338	0	7,721,690,001	7,721,690,001	-
Agricultural	425	425	0	2,633,716,700	2,633,716,700	-
Mining	21	21	0	102,685,400	102,685,400	-
State Owned for Public Purpose	133	133	0	2,498,871,000	2,498,871,000	-
PSI	453	453	0	149,999,000	149,999,000	-
PBO	232	232	0	541,800,001	541,800,001	-
Multi Use	0	0	0	-	-	-
Vacant	0	0	0	-	-	-
POW	240	240	0	609,129,000	609,129,000	-
Municipal	9301	9301	0	1,577,967,503	1,577,967,503	-
Other	0	0	0	-	-	-
Total	**64,518**	**64,518**	**-**	**40,906,023,307**	**40,906,023,307**	**-**

Part B - Detailed Reconciliation

	Monthly Billing - Mapped Accounts			Monthly Billing - Un Mapped Accounts		
Propety Categories	**GV**	**MFS**	**Variance**	**GV**	**MFS**	**Variance**
Residential	25,574,875	23,947,592	1,627,283	25,574,875	24,088,172	1,486,703
Industrial	2,534,701	2,406,919	127,782	2,534,701	2,476,788	57,913
Business and Commercial	24,412,123	21,953,460	2,458,663	24,412,123	22,329,718	2,082,405
Agricultural	693,984	489,405	204,580	693,984	490,122	203,862
Mining	649,288	622,018	27,270	649,288	622,018	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	**64,661,968**	**52,888,992**	**11,772,976**	**64,661,968**	**53,459,966**	**11,202,002**

Condition 6.8 is assessed as compliant for June 2026. The June 2026 assessment confirms that Sol Plaatje Local Municipality continued to comply with the General Valuation Roll (GVR) and billing system reconciliation requirements prescribed by the Municipal Debt Relief Programme. The Quarter 3 General Valuation Roll Reconciliation reflects that the municipality successfully reconciled all property categories between the approved General Valuation Roll and the municipal billing system, with no variances recorded in either the number of properties or the total market values. A total of 64,508 properties, with an aggregate market value of approximately R40.894 billion, were successfully reconciled, demonstrating the integrity of the municipality's property master data and valuation records.

The reconciliation confirms that the municipality has maintained alignment across all major property categories, including residential, industrial, business and commercial, agricultural, mining, state-owned properties, public benefit organisations, public open space and municipal properties. This represents an important governance control, as an accurate valuation roll provides the foundation for correct property rates billing, equitable categorisation and reliable revenue administration.

Although the reconciliation is compliant, the detailed billing reconciliation continues to identify material variances between the General Valuation Roll and the municipal financial system. The Quarter 3 reconciliation reflects total mapped billing variances of approximately R11.762 million and unmapped billing variances of approximately R11.191 million. The largest variances continue to occur within the residential, business and commercial, state-owned property and agricultural categories. These differences require further investigation to determine whether they relate to account mapping, billing configuration, customer categorisation, meter linkage or other system-related exceptions before they can be regarded as fully resolved.

National Treasury considers that compliance with the reconciliation requirement should not be viewed as an administrative exercise only. The value of the reconciliation lies in its ability to strengthen revenue assurance by identifying omitted properties, incorrect property categories, inactive customer accounts, incorrect meter linkages, under-billing, duplicate records and properties receiving municipal services without appropriate billing. Given that consumer debt remains approximately R4.566 billion, with nearly 90 per cent of outstanding balances older than ninety days, every identified variance should be treated as a revenue recovery opportunity rather than simply a reconciliation difference.

The municipality should therefore integrate the General Valuation Roll reconciliation, Smart Prepaid Meter Programme, electronic meter-reading system, customer verification programme, indigent register and service-connection database into a single revenue assurance framework. This process should identify every billing exception affecting revenue collection and assign each item to a responsible official for corrective action. The revenue assurance register should include the property description, account number, valuation category, service connection, meter status, billing exception, estimated revenue impact, corrective action, responsible official and date of resolution.

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, 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.

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 6.9 is assessed as compliant for June 2026. The June 2026 assessment confirms that the prescribed Municipal Debt Relief Programme reporting and oversight processes continued to be implemented through the submission of the required Section 71 Monthly Budget Statement, Municipal Debt Relief compliance documentation and supporting evidence to facilitate ongoing monitoring by Provincial Treasury and National Treasury. The municipality continued to participate in the established monthly reporting and certification process, thereby supporting external oversight and independent verification of programme implementation.

While the certification process remains compliant, National Treasury considers that certification should extend beyond confirming the submission of documents and should provide assurance regarding the accuracy, completeness and reliability of the supporting financial evidence. The June 2026 assessment identified continued material risks relating to current Eskom and Department of Water and Sanitation (DWS) obligations, liquidity constraints, below-target revenue collection and the municipality's ability to convert billed revenue into sustainable operating cash flows. These matters should continue to receive focused attention during the monthly certification process to ensure that substantive financial risks are identified and addressed at an early stage.

Provincial Treasury should continue verifying the completeness and accuracy of all supporting evidence submitted by the municipality, including proof of payment for Eskom and Department of Water and Sanitation accounts, reconciliation of supplier statements to the general ledger and mSCOA records, bank statement verification, debtor and creditor reconciliations, collection rate calculations, liquidity indicators and implementation of agreed corrective actions. Particular attention should be given to confirming that reported financial information is fully supported by documentary evidence and accurately reflects the municipality's financial position at month-end.

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 June 2026. The June CoC records a negative 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

This condition 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 June 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 June 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:

1. Sol Plaatje Local Municipality should restore full compliance with the Municipal Debt Relief Programme by prioritising the settlement of current Eskom and Department of Water and Sanitation (DWS) accounts through a structured cash management process that ensures all current bulk-service obligations are settled by their due dates before discretionary expenditure is incurred.
2. The municipality should implement an intensive revenue enhancement and debt recovery programme focused on increasing the average collection rate towards the Municipal Debt Relief Programme benchmark of 95 per cent. The programme should prioritise high-value debtors, government accounts, commercial consumers, inactive prepaid customers and long-outstanding consumer debt while strengthening credit-control enforcement across all municipal services.
3. Council should strengthen oversight of the Municipal Debt Relief Programme by receiving monthly compliance reports that assess progress against each programme condition, identify emerging financial risks, monitor implementation of corrective actions and hold responsible officials accountable for agreed deliverables.
4. The municipality should implement a comprehensive liquidity improvement strategy supported by daily cash-flow monitoring, rolling cash-flow forecasts and strict expenditure controls to improve cash conversion, increase unrestricted cash reserves and strengthen its ability to finance current operational commitments.
5. The municipality should complete and submit a fully compliant Cost-Reflective Tariff Tool assessment supported by comprehensive cost-of-service information and, where necessary, implement an approved phased tariff strategy that balances affordability with long-term financial sustainability.
6. Revenue assurance should be strengthened by integrating the General Valuation Roll reconciliation, Smart Prepaid Meter Programme, meter-reading information, customer verification database, indigent register and billing system into a single revenue assurance framework. All identified billing exceptions should be assigned to responsible officials and resolved within defined implementation timeframes.
7. The municipality should strengthen the implementation of its Credit Control and Debt Collection Policy by extending enforcement measures to qualifying defaulting water consumers, improving payment

arrangement monitoring, increasing customer verification activities and reporting monthly on the financial outcomes of all revenue enhancement initiatives.

8. Provincial Treasury should continue enhancing its monthly oversight and verification process by reviewing the completeness and accuracy of supporting financial evidence, including bulk-service payments, bank statements, supplier reconciliations, collection performance, liquidity indicators and implementation of agreed corrective actions before issuing compliance certification.
9. The Chief Financial Officer should ensure that all Municipal Debt Relief accounting transactions, including approved Eskom debt write-offs, creditor reconciliations and supporting journals, are accurately processed, fully supported by audit evidence and reflected correctly in the municipality's financial records before the preparation of the Annual Financial Statements.
10. National Treasury recommends that the municipality develop and implement a comprehensive Financial Sustainability Action Plan for the 2026/27 financial year, incorporating measurable performance indicators, implementation milestones, responsible officials and monthly reporting requirements to monitor progress in restoring liquidity, improving revenue collection, maintaining current bulk-service accounts and achieving sustained compliance with the Municipal Debt Relief Programme.

Conclusion

The June 2026 assessment concludes that Sol Plaatje Local Municipality has demonstrated measurable progress in strengthening governance, financial reporting, revenue administration and institutional oversight during the 2025/26 financial year. The municipality has continued implementing several positive initiatives, including revenue enhancement measures, smart prepaid metering, customer verification programmes, property rates reconciliation and improved monitoring processes. These interventions provide a sound foundation for future financial recovery and demonstrate management's commitment to improving financial performance.

Notwithstanding these improvements, the municipality remains exposed to significant financial risks that continue to threaten its long-term financial sustainability and compliance with the Municipal Debt Relief Programme. Persistent liquidity constraints, below-target revenue collection, increasing consumer debt and continued non-compliance with current Eskom and Department of Water and Sanitation obligations remain the most significant challenges requiring immediate management attention. The June 2026 assessment further confirms that, while the municipality continues to maintain a technically funded budget, the underlying cash-flow position remains insufficient to support sustainable operations and current bulk-service account payments.

Continued participation in the Municipal Debt Relief Programme remains appropriate, provided that the municipality implements the corrective actions identified in this report and demonstrates measurable improvements in revenue collection, liquidity management, current bulk-service account compliance and financial discipline during the 2026/27 financial year. Sustained implementation of these interventions will be essential to protecting the remaining Municipal Debt Relief benefits, restoring financial stability and improving the municipality's capacity to deliver sustainable municipal services to its communities.

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

Annexures (June 2026 Compliance Certificates)

National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Province				
NW				
Code		District		ode Descripti
NC091		Frances Baard		Sol Plaatje

Monthly Performance Report

Municipal Details			Part A						Part B					Part C		
			Eskom And Bulk water current account						Compliance with a funded MTREF					FRP/BFP & Tariff Assessment		
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14
1.July 2026	Sol Plaatje	NC091	No	No	Yes	No	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes
2.August 2026	Sol Plaatje	NC091														
3.September 2026	Sol Plaatje	NC091														
4.October 2026	Sol Plaatje	NC091														
5.November 2026	Sol Plaatje	NC091														
6.December 2026	Sol Plaatje	NC091														
7.January 2027	Sol Plaatje	NC091														
8.February 2027	Sol Plaatje	NC091														
9.March 2027	Sol Plaatje	NC091														
10.April 2027	Sol Plaatje	NC091														
11.May 2027	Sol Plaatje	NC091														
12.June 2027	Sol Plaatje	NC091														

	Part D				Part C									
	Electricity and water as collection tools				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
1.July 2026	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
2.August 2026														
3.September 2026														
4.October 2026														
5.November 2026														
6.December 2026														
7.January 2027														
8.February 2027														
9.March 2027														
10.April 2027														
11.May 2027														
12.June 2027														

	Part E													Part F	
	Oversight													Compliance Status	
Month	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	
1.July 2026	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	66%	Non Compliance
2.August 2026														0%	Non Compliance
3.September 2026														0%	Non Compliance
4.October 2026														0%	Non Compliance
5.November 2026														0%	Non Compliance
6.December 2026														0%	Non Compliance
7.January 2027														0%	Non Compliance
8.February 2027														0%	Non Compliance
9.March 2027														0%	Non Compliance
10.April 2027														0%	Non Compliance
11.May 2027														0%	Non Compliance
12.June 2027														0%	Non Compliance

		Comments/Motivation
HOD Name:	BS MATLACA	
Signature of HOD:	[signature]	
Date:	18/08/2026	

** 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		Jul'26
National Financial Year		2026/27
Demarcation Code of Municipality being assessed		NC091
District	**Frances Baard**	
Demarcation Description	**Sol Plaatje**	

Notes/Comments

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 –**		
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	The municipality did not timeously settle the current account for June 2026 amounting to R130 thousand. A payment of R21,433 million was made on the July 2025 account that is now fully settled.
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	No	
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	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 had insufficient cash to settle the current account for June 2026 amounting to R130,803 million. The following payments were made in July 2026, the April 2026 account amounting to R34,516 million, the May account amounting to R96,159 million that is now fully settled. Partial payments on November 2025 account amounting to R16,000 million and December 2025 amounting to R20,000 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)*	2026/27 Adopted MTREF	
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?	No	
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?	No	
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)?	No	
		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*	No	
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends *(For example higher winter Eskom tariffs, lower January collection rates, etc.?)*	Yes	
14	6.5	**Cost reflective tariffs** – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes	

	6.6	**Electricity and water as collection tools** – has the municipality, with effect from the tabling of the 2023/24 MTREF, *demonstrated, through its by-laws and budget related policies* that:		
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	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?	Not yet end of quarter	
		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 and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	not yet the end of a quarte	
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	Does not have function	
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	not yet the end of a quarte	
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 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	
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	
	6.10	[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 did not timeously settle the current water account for June 2026 amounting to R130 thousand. The municipality had insufficient cash to settle the current account for June 2026 amounting to R130,803 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 did not timeously settle the current water account for June 2026 amounting to R130 thousand. The municipality had insufficient cash to settle the current account for June 2026 amounting to R130,803 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.*	Yes	The municipality accounted 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 MATCALA

Signature of HOD/ NT/ MM: [signature]

Date: 18/08/2026

***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 incorporated into the related PT report***