SOL PLAATJE MUNICIPALITY
Local Municipality /Plaaslike Munisipaliteit
Masepala wa selegae
WE SERVE

Monthly Budget Statement

S71 Monthly Report

August 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: 14 September 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 AUGUST 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 R4,779,442 billion, of which 88% of the debt is owed in excess of 90 days. The total debt by customer group is classified as follows; R752,043 million is owed by government, R708,575 million by businesses and R3,166,423 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 August 2026**, the ten working day reporting limit expires on **14 September 2026.** The National Treasury will use only the *m*SCOA data strings required for submission as prescribed and all publications will use the data collected from the *m*SCOA data strings" which must be submitted before or on **14 September 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 below:

Summary Statement of Financial Performance: Original Budget					
Description R thousand	**Original Budget**	**YTD Actual August 2026**	**Variance Favourable (Unfavourable)**	**% YTD Actual vs Original Budget**	**% Variance Favourable (Unfavourable) Ideal IYM % - 16.67%**
Total Revenue (excluding capital transfers and contributions)	3,347,357	735,999	457,053	22.0%	5.3%
Total Revenue (including capital transfers and contributions)	4,050,740	740,681	403,120	18.3%	1.6%
Total Operational Expenditure	3,364,907	364,592	84,183	10.8%	-5.8%

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

Indicated in Table 1.1 above is the YTD actual compared to the Original Budget. When calculating the ideal In-Year-Monitoring percentage of 16.67% [calculated as follow: (100/12 months x 2 month of the year)] as at the end of August 2026, the Total operational revenue excluding capital grants versus the Original Budget resulted in a satisfactory variance of 5.3%. The Total operational revenue including capital grants versus the Original Budget resulted in a satisfactory variance of 1.6%. The Total Operational Expenditure resulted in a satisfactory variance of minus 5.8%. Reasons for the variances are articulated in Section 4.1 and 4.2 below.

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. The municipality drafted a Budget Funding Plan which must still be approved by Council.

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**	**735,999**	**22.0%**	**-**	**-**	**-**	**-**	**-**	**-**	**735,999**	**22.0%**
Operating Expenditure	**3,364,907**	**3,364,907**	**364,592**	**10.8%**	**-**	**-**	**-**	**-**	**-**	**-**	**364,592**	**10.8%**
Transfers and subsidies - capital (monetary allocations)	703,383	703,383	4,682	70.0%	-	-	-	-	-	-	4,682	70%
Total Revenue	**4,050,740**	**4,050,740**	**740,681**	**18.3%**	**-**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**	**740,681**	**18.3%**

Table 1.2: Part 1: Operating Revenue and Expenditure

As per Table 1.2 above, overall Operating revenue is performing satisfactorily, with the actual achieved versus the Main appropriation standing at 22.0% versus the ideal percentage of 16.67%. This is mainly attributable to annual billing on Property rates and the receipt of the first tranche of the Equitable share. Operating expenditure is 10.8% spent. It should be noted that Post-retirement health benefits is not yet accounted for and the bulk electricity account for August 2026 will be captured during September 2026. Depreciation and Debt Impairment is not accounted for. Transfers and subsidies – capital transferred to revenue amounted to R4,682 million of the Original Budget, as grants will be recognized when the conditions are met. Total Revenue is standing at 18.3% as at end of August 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**	**5,498**	**0.9%**	**-**	**-**	**-**	**-**	**-**	**-**	**5,498**	**0.9%**
Transfers recognised - capital	607,290	607,290	5,457	0.9%	-	-	-	-	-	-	5,457	0.9%
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	25,348	25,348	41	0.2%	-	-	-	-	-	-	41	0.2%

Table 1.3: Part 2: Capital Revenue and Expenditure

Performance on the capital is normally poor during the start of the financial year. As indicated in Table 1.3 above, total capital expenditure stands at 0.9% spent versus the Original Budget, whilst conditional grants spent amount to 0.9% and internally generated funds at 0.2% 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

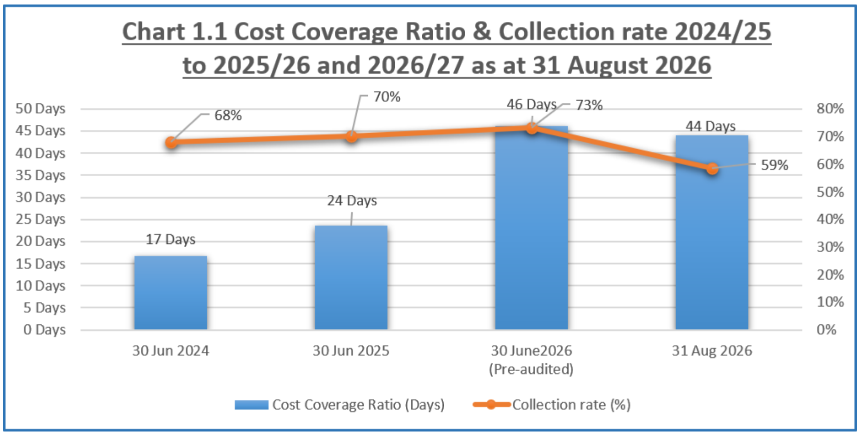


Chart 1.2 Growth in Outstanding debtors

	30 Jun 2024	30 Jun 2025	30 Jun 2026	31 Aug 2026
Gross debtors	3,656,067	4,244,821	4,546,554	4,779,442
R-value Increase (Decrease)	–	588,755	301,733	232,888
Debt over 90 days	3,274,028	3,824,324	4,098,345	4,212,400
Growth in debtors	0%	16%	7%	5%
Debt over 90 days as % of Gross debtors	90%	90%	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 August 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 more than one month but still 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 August 2026 is low, standing at 44 days. The average collection rate for August 2026, is 59%.
- Debtors increased by R588,755m (16%) from 2023/24 to 2024/25, by R301,733m (7%) from 2024/25 to 2025/26, and by R232,888m (5%) from 30 June 2026 to 31 August 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 **R638,050,912.58**. Arrears on the outstanding invoices including interest amounts to R524,150,912.58 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 July 2026, amount to R93,386 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 83,316,482.56	R -	R 6,700,000.00	R 6,700,000.00	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
Jul-26	R 152,726,312.29	R 70,000,000.00	R 82,726,312.29	R -	R 82,726,312.29	R 7,557,617.89
TOTAL ESKOM	**R 2,382,505,339.97**	**R 1,858,354,427.39**	**R 524,150,912.58**	**R 113,900,000.00**	**R 638,050,912.58**	**R 93,386,569.12**

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 130,371.45	R -	R -	R -	R -
Jul-26	R 23,715,113.64	R 10,000,000.00	R 13,715,113.64	R -	R 13,715,113.64	R -
TOTAL WATER	**R 366,784,782.23**	**R 103,802,787.86**	**R 262,981,994.37**	**-R 14,703,680.46**	**R 248,278,313.91**	**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, September 2025 and June 2026 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 **R248,278,313.91** 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 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) - M02 August										
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 % - 16.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Revenue										
Exchange Revenue										
Service charges - Electricity	1,180,220	106,469	202,307	196,703	102.8%	5,603	2.8%	17.1%	5,603	0.5%
Service charges - Water	409,032	65,892	54,961	68,172	80.6%	(13,211)	-19.4%	13.4%	(13,211)	-3.2%
Service charges - Waste Water Management	109,297	10,050	20,466	18,216	112.3%	2,249	12.3%	18.7%	2,249	2.1%
Service charges - Waste management	88,676	6,215	14,034	14,779	95.0%	(746)	-5.0%	15.8%	(746)	-0.8%
Sale of Goods and Rendering of Services	18,813	2,028	5,287	3,136	168.6%	2,152	68.6%	28.1%	2,152	11.4%
Agency services	–	–	–	–		–			–	
Interest	–	–	–	–		–			–	
Interest earned from Receivables	161,100	15,740	31,328	26,850	116.7%	4,478	16.7%	19.4%	4,478	2.8%
Interest from Current and Non Current Assets	36,000	3,145	3,181	6,000	53.0%	(2,819)	-47.0%	8.8%	(2,819)	-7.8%
Dividends	–	–	–	–		–			–	
Rent on Land	–	–	–	–		–			–	
Rental from Fixed Assets	34,645	3,061	5,882	5,774	101.9%	108	1.9%	17.0%	108	0.3%
Licence and permits	750	22	34	125	26.9%	(91)	-73.1%	4.5%	(91)	-12.2%
Operational Revenue	3,803	1,810	2,062	634	325.2%	1,428	225.2%	54.2%	1,428	37.5%
Non-Exchange Revenue	–									
Property rates	778,948	56,906	228,648	129,825	176.1%	98,823	76.1%	29.4%	98,823	12.7%
Surcharges and Taxes	–	–	–	–		–			–	
Fines, penalties and forfeits	36,890	2,112	4,041	6,148	65.7%	(2,107)	-34.3%	11.0%	(2,107)	-5.7%
Licence and permits	9,100	(493)	688	1,517	45.4%	(829)	-54.6%	7.6%	(829)	-9.1%
Transfers and subsidies - Operational	345,532	1,512	137,493	57,589	238.8%	79,904	138.8%	39.8%	79,904	23.1%
Interest	123,500	7,102	14,185	20,583	68.9%	(6,398)	-31.1%	11.5%	(6,398)	-5.2%
Fuel Levy	–	–	–	–						
Operational Revenue	11,050	1,014	1,879	1,842	102.0%	37	2.0%	17.0%	37	0.3%
Gains on disposal of Assets	–	9,526	9,526	–		9,526	#DIV/0!		9,526	
Other Gains	–	–	–	–		–			–	
Discontinued Operations	–	–	–	–						
Total Revenue (excluding capital transfers and contributions)	**3,347,357**	**292,110**	**735,999**	**557,893**	**131.9%**	**178,107**	**31.9%**	**22.0%**	**178,107**	**5.3%**
Transfers and subsidies - capital	703,383	4,410	4,682	117,231	4.0%	(112,549)	-96.0%	0.7%	(112,549)	-16.0%
Total Revenue (including capital transfers and contributions)	**4,050,740**	**296,521**	**740,681**	**675,123**	**109.7%**	**65,558**	**9.7%**	**18.3%**	**65,558**	**1.6%**

Table 3: Table C4 Financial Performance (Revenue)

Comparison against Original Budget

Based on the IYM percentage of 16.67%, the majority of revenue sources are performing satisfactorily.

Exchange Revenue

- Overall, Service charges when compared to the Original budget is performing satisfactorily. 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.
- Sale of Goods and Rendering of Services is showing a satisfactory variance of 11.4%, when compared to the Original Budget, due to advance receipts of building plan approvals.
- Interest earned from Receivables is showing a satisfactory variance of 2.8%, 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 minus 7.8%. 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 0.3%.
- Licences and permits are showing an unsatisfactory variance of minus 12.2%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated, 4.48% achievement versus a budget of R750 thousand.

- ❖ Operational Revenue is showing a satisfactory variance of 37.5% as a result on an over-recovery on Commission: Transaction Handling Fees.

Non-Exchange Revenue

- ❖ Property Rates is showing a satisfactory variance of 12.7%, as a result of the annual billing on Property rates
- ❖ Fines, penalties and forfeits is showing a satisfactory variance of minus 5.7%, due to an under-recovery on Fines: Law Enforcement that is standing at 2.18% achieved versus a target of R13,750 million.
- ❖ Licence and permits are showing an unsatisfactory variance of minus 9.1%, due to possible outstanding payments due to the Department of Transport, Safety and Liaison
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 23.1%, due to the receipt of the first tranche of the Equitable share.
- ❖ Interest is showing a satisfactory variance of minus 5.2%, as a result of an under-recovery for interest from Property rates.
- ❖ Operational Revenue is showing a positive variance of 0.3%.
- ❖ Transfers and subsidies - Capital is showing an unsatisfactory variance of minus 16.0%. 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 August 2026. The main contributors of the municipality's revenue are Service Charges (39.6%), Property Rates (31.1%) and Transfers and subsidies - Operational (18.7%). The weighting is distorted due to the annual billing on Property rates and the receipt of the first tranche of the Equitable share.

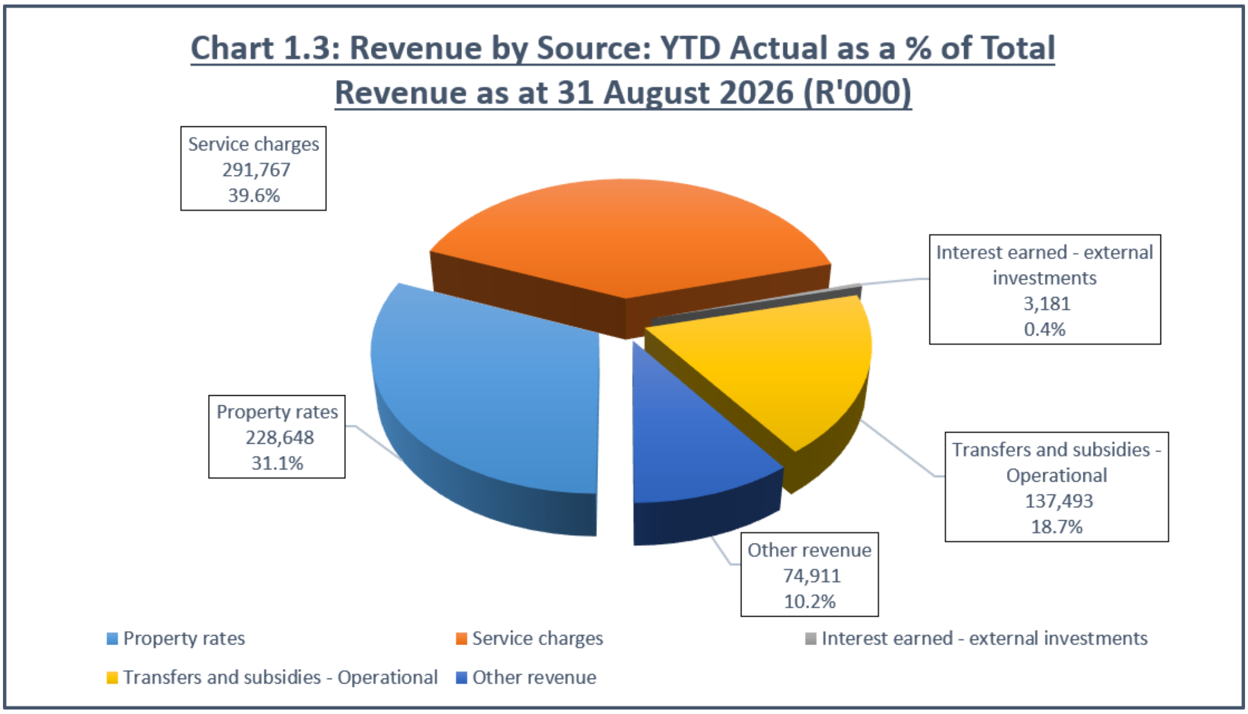


Chart 1.3: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Operating Expenditure by Type

Table C4 Monthly Budget Statement - Financial Performance (Expenditure) - M02 August										
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 % - 16.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	1,123,783	70,879	145,975	209,537	69.7%	(63,563)	-30.3%	13.0%	(41,323)	-3.7%
Remuneration of councillors	41,064	3,096	6,319	6,844	92.3%	(525)	-7.7%	15.4%	(525)	-1.3%
Bulk purchases - electricity	1,087,700	133,791	133,791	272,970	49.0%	(139,179)	-51.0%	12.3%	(47,492)	-4.4%
Inventory consumed	317,278	23,834	37,535	52,880	71.0%	(15,345)	-29.0%	11.8%	(15,345)	-4.8%
Debt impairment	425,149	–	–	70,858	0.0%	(70,858)	-100.0%	0.0%	(70,858)	-16.7%
Depreciation and amortisation	90,500	–	–	15,083	0.0%	(15,083)	-100.0%	0.0%	(15,083)	-16.7%
Interest	13,735	0	0	–	#DIV/0!	0	#DIV/0!	0.0%	(2,289)	-16.7%
Contracted services	36,865	3,111	3,227	6,148	52.5%	(2,921)	-47.5%	8.8%	(2,917)	-7.9%
Transfers and subsidies	1,000	–	–	167	0.0%	(167)	-100.0%	0.0%	(167)	-16.7%
Irrecoverable debts written off	–	4	11	–		11			11	
Operational costs	169,833	15,252	37,734	28,454	132.6%	9,280	32.6%	22.2%	9,428	5.6%
Losses on Disposal of Assets	–	–	–	–		–			–	
Other Losses	58,000	–	–	9,667	0.0%	(9,667)	-100.0%	0.0%	(9,667)	-16.7%
Total Expenditure	**3,364,907**	**249,968**	**364,592**	**672,608**	**54.2%**	**(308,016)**	**-45.8%**	**10.8%**	**(196,226)**	**-5.8%**

Table 4: Table C4 Financial Performance (Expenditure)

<u>Comparison against Original Budget</u>

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 August 2026 is 16.67%. The total operational expenditure against the Original budget is 10.8% spent, resulting in a satisfactory variance of minus 5.8%.

- Employee related costs show a satisfactory variance of minus 3.7%, due to Post-retirement benefit obligations that are not factored in and which will only be finalised as part of year-end procedures. There was a moratorium on the filling of non-critical vacancies and the sale of leave has been suspended, except for exiting employees.
- Remuneration of councillors is showing a satisfactory variance of minus 1.3%. 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 a satisfactory variance of minus 4.4%. The invoice for August 2026 will be processed during September 2026.
- The expenditure on Inventory consumed is showing a satisfactory variance of minus 4.8%. 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.

Table 4.1 R&M Expenditure per Directorate per inventory type							
R&M Expenditure per Directorate per Inventory type as at 31 August 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 16.67%
VOTE 1 - COUNCILLORS AND ADMIN	**156,000**	**156,000**	**5,306**	**5,306**	**3.40%**	**3.40%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	79,000	79,000	5,306	5,306	6.72%	6.72%	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**	**2,906,033**	**5,838,370**	**24.29%**	**24.29%**	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	600,000	600,000	52,744	83,262	13.88%	13.88%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	300,000	300,000	70,335	109,045	36.35%	36.35%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,139,000	23,139,000	2,782,953	5,646,063	24.40%	24.40%	OVERSPENT
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**	**139,993**	**166,084**	**10.63%**	**10.63%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	736,000	736,000	118,825	130,973	17.80%	17.80%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	208,000	208,000	20,529	32,825	15.78%	15.78%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	100,000	100,000	-	1,646	1.65%	1.65%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	519,000	519,000	639	639	0.12%	0.12%	UNSATISFACTORY
VOTE 5 - COMMUNITY SERVICES	**34,384,400**	**34,384,400**	**2,456,965**	**4,049,085**	**11.78%**	**11.78%**	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	971,000	971,000	114,229	118,410	12.19%	12.19%	SATISFACTORY
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	3,000	7,357	2.49%	2.49%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,171,000	1,171,000	220,556	225,350	19.24%	19.24%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,471,000	8,471,000	942,907	1,751,446	20.68%	20.68%	SATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	421,400	421,400	150,057	239,274	56.78%	56.78%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,012,000	23,012,000	1,026,217	1,707,248	7.42%	7.42%	UNSATISFACTORY
VOTE 6 - FINANCIAL SERVICES	**2,298,000**	**2,298,000**	**171,237**	**246,991**	**10.75%**	**10.75%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,248,000	1,248,000	128,961	189,467	15.18%	15.18%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	162,000	162,000	3,951	5,554	3.43%	3.43%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	175,000	175,000	29,602	38,563	22.04%	22.04%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	713,000	713,000	8,723	13,407	1.88%	1.88%	UNSATISFACTORY
VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	**7,661,000**	**7,661,000**	**715,761**	**813,955**	**10.62%**	**10.62%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	360,000	360,000	39,954	51,403	14.28%	14.28%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	52,000	52,000	2,047	3,925	7.55%	7.55%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	350,000	350,000	75,197	105,291	30.08%	30.08%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	12,000	12,000	1,350	1,619	13.50%	13.50%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	6,887,000	6,887,000	597,214	651,716	9.46%	9.46%	UNSATISFACTORY
VOTE 8 - INFRASTRUCTURE SERVICES	**246,160,742**	**246,160,742**	**17,437,502**	**26,413,788**	**10.73%**	**10.73%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	785,000	785,000	41,576	42,924	5.47%	5.47%	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	3,849,286	5,906,695	25.51%	25.51%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	4,874,000	4,874,000	76,536	100,242	2.06%	2.06%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	9,440,000	9,440,000	1,270,745	2,328,774	24.67%	24.67%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	420,000	420,000	2,159	2,159	0.51%	0.51%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	157,169,742	157,169,742	11,326,801	17,162,595	10.92%	10.92%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	50,320,000	50,320,000	870,399	870,399	1.73%	1.73%	UNSATISFACTORY
Grand Total	**316,492,463**	**316,492,463**	**23,832,798**	**37,533,579**	**11.86%**	**11.86%**	SATISFACTORY

Table 4.1 R&M Expenditure per Directorate per inventory type

Table 4.2 R&M Expenditure per Service per inventory type							
R&M Expenditure per Service per Inventory Type as at 31 August 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 16.67%
2480 - REFUSE	**19,847,000**	**19,847,000**	**1,278,247**	**2,445,488**	**12.32%**	**12.32%**	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	97,000	97,000	-	1,616	1.67%	1.67%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	150,000	150,000	5,064	5,064	3.38%	3.38%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,000,000	6,000,000	588,034	1,219,009	20.32%	20.32%	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	685,149	1,219,799	9.04%	9.04%	UNSATISFACTORY
2830 - ROADS	**42,380,000**	**42,380,000**	**470,152**	**658,122**	**1.55%**	**1.55%**	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	470,152	658,122	1.56%	1.56%	UNSATISFACTORY
2840 - HOUSING	**3,507,000**	**3,507,000**	**121,361**	**215,455**	**6.14%**	**6.14%**	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	7.38%	7.38%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	140,000	140,000	13,451	27,729	19.81%	19.81%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,100,000	3,100,000	107,910	176,282	5.69%	5.69%	UNSATISFACTORY
2850 - SEWERAGE	**36,752,000**	**36,752,000**	**4,277,306**	**5,893,429**	**16.04%**	**16.04%**	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	13,348	19,969	7.56%	7.56%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,600,000	2,600,000	267,505	518,881	19.96%	19.96%	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	3,996,454	5,354,578	15.93%	15.93%	SATISFACTORY
2860 - WATER	**107,333,000**	**107,333,000**	**6,724,103**	**9,308,294**	**8.67%**	**8.67%**	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	95,000	95,000	5,453	5,453	5.74%	5.74%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	23,000,000	23,000,000	3,849,286	5,906,695	25.68%	25.68%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	153,000	153,000	22,838	23,793	15.55%	15.55%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,500,000	2,500,000	343,883	546,429	21.86%	21.86%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	320,000	320,000	2,159	2,159	0.67%	0.67%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	30,945,000	30,945,000	1,630,086	1,953,365	6.31%	6.31%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	50,320,000	50,320,000	870,399	870,399	1.73%	1.73%	UNSATISFACTORY
2880 - ELECTRICITY	**55,542,000**	**55,542,000**	**4,787,697**	**8,462,410**	**15.24%**	**15.24%**	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	330,000	330,000	22,095	22,303	6.76%	6.76%	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	5,524	5,976	7.38%	7.38%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	55,130,000	55,130,000	4,760,077	8,434,131	15.30%	15.30%	SATISFACTORY
Grand Total	**265,361,000**	**265,361,000**	**17,658,865**	**26,983,198**	**10.17%**	**10.17%**	UNSATISFACTORY

Table 4.2 R&M Expenditure per Service per inventory type

- Depreciation was projected for on a straight-line basis. The municipality implemented the Asset module (AM) on the financial system. This will resolve the automation of accounting for depreciation monthly. This did not transpire for the month of July and August 2026. The matter will be taken up with the acting Asset Manager and 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 R13,237 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. This will be corrected during the Adjustments budget.
- Expenditure on Contracted services is showing a fairly unsatisfactory variance of minus 7.9%, as various line items is showing lower expenditure than anticipated.
- Transfers and subsidies showing negative variance of minus 16.7%. 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 a satisfactory variance of 5.6%.

  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 R3,907 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 16.7%. Bulk purchases Water is treated in line with GRAP 12. The invoices are captured on the balance sheet under Water: Input Vol: Bulk Purchases and the actual costs incurred is then split between Water inventory and Water losses and journalised from the Balance sheet to the Income Statement. A corrective journal for the recognition of Water inventory and losses for July and August 2026 must still be processed on the system.

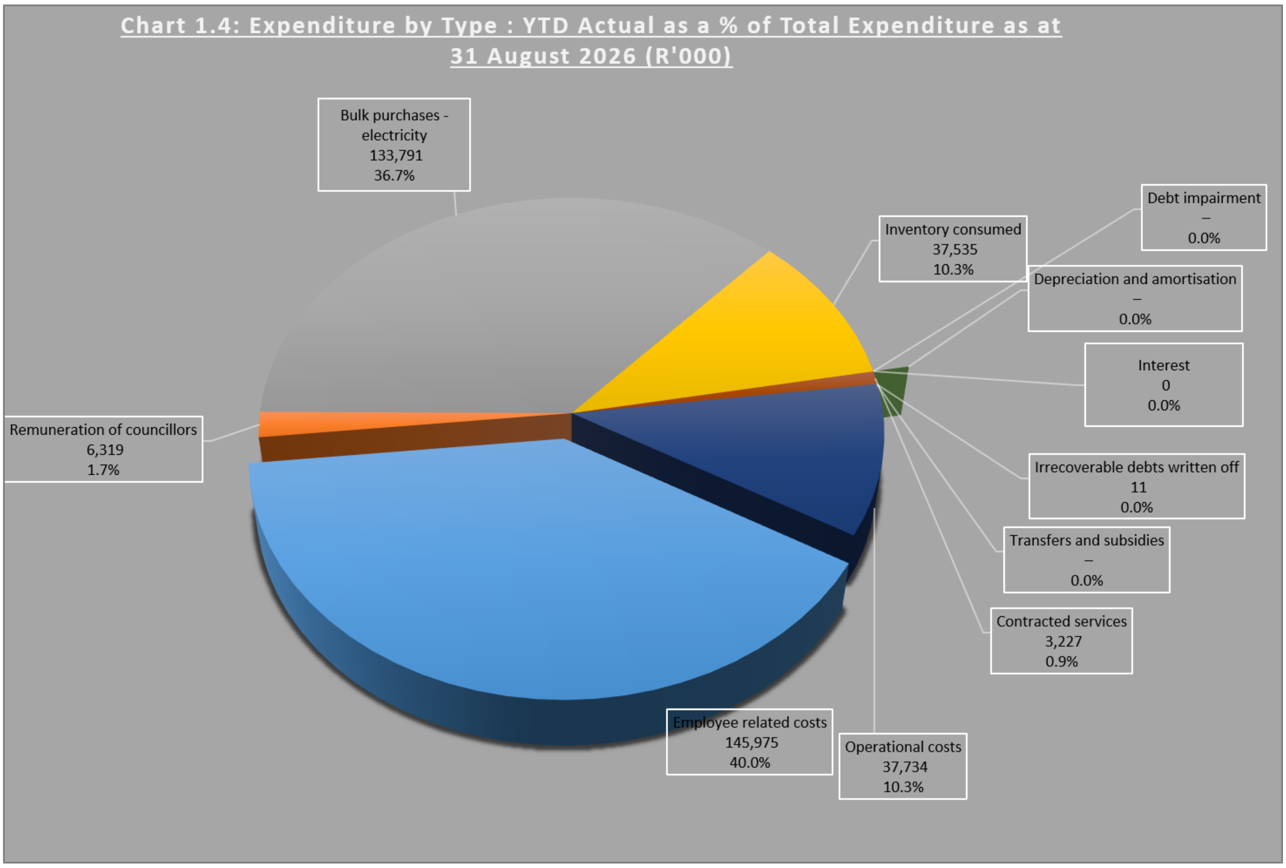


Chart 1.4: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

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 August 2026. The main cost drivers of the municipality are Employee Related Costs (40.0%), Bulk Purchases – Electricity (36.7%), Debt Impairment (0.0%) and Inventory consumed (10.3%).
It should be noted that the weighting per Expenditure type is distorted as a result of the following:

- Employee costs, the Post-retirement benefit obligations will be finalized as part of the year-end procedures.
- 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 August 2026 will be captured during September 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 16.67% as at end of August 2026, Bulk Purchases Electricity is showing a satisfactory variance of minus 4.37%. The bulk invoice for August 2026 will be processed during September 2026.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 16.67%
BULK PURCHASES: ELECTRICITY	1,087,700,000	133,791,265	133,791,265	12.30%	-4.37%
Total	**1,087,700,000**	**133,791,265**	**133,791,265**	**12.30%**	**-4.37%**

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 15.90%, when compared to the ideal percentage of 16.67%. 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 and August 2026 must still be processed on the system.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 16.67%
INVENTORY - WATER	50,320,000	870,399	870,399	1.73%	-14.94%
NON-REVENUE WATER LOSSES	58,000,000	-	-	0.00%	-16.67%
Total	**108,320,000**	**870,399**	**870,399**	**0.8%**	**-15.9%**

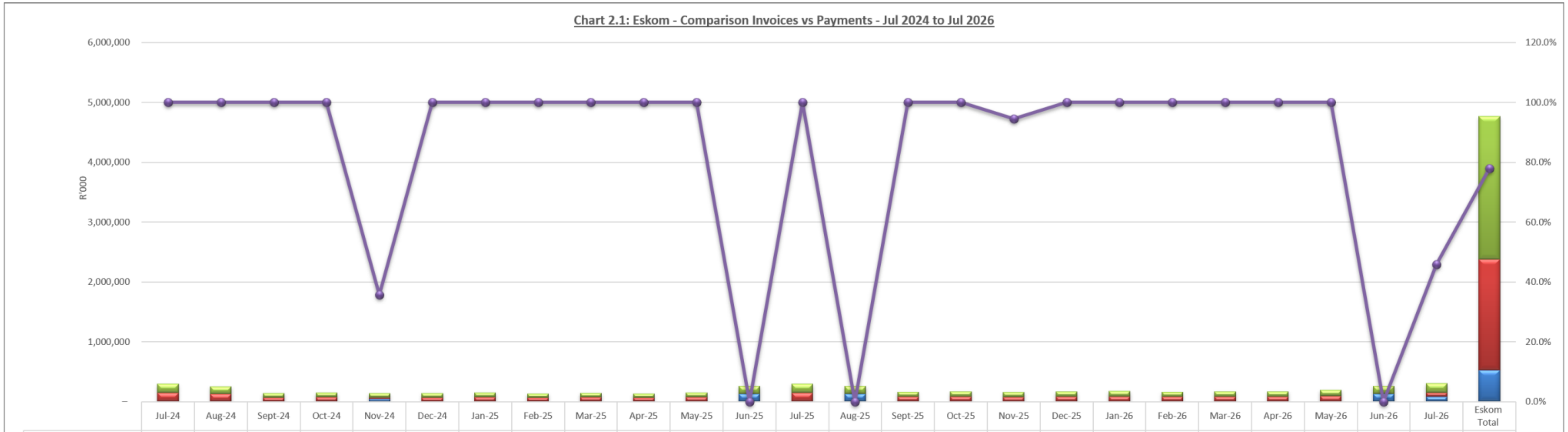
Table 5.2: Summary of YTD Bulk Water expenditure

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	**265,744**	**–**		**(496,256)**	**27,554**	**27,554**	**–**
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**	**909,707**	**–**		**264,481**	**264,481**	**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	83,316	–		–	–	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	**286,489**	**70,000**	**–**		**216,489**	**82,726**	**13,237**
Jul-26	152,726	70,000	–		82,726	82,726	7,558
Aug-26	133,763	–	–		133,763	–	5,679
Grand Total ESKOM	**4,146,822**	**2,781,405**	**(107,114)**	**(496,256)**	**1,020,113**	**886,350**	**99,066**

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R1,020,113 billion. The first and second debt write off of R496 million is accounted for. The second debt write off of R248 million must still be effected in the municipality's books. The write off, of the second tranche is accounted for on the Eskom invoice for August 2026. The total arrear debt amounts to R886,350 million summarized as follow 2021/22 (R27,554m); 2022/23 (R248,878m); 2023/24 (R85,767m); 2024/25 (R176,944m), 2025/26 (R264,481m). The total interest charges on overdue accounts for the current financial year amounted to R13,237 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	Jul-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	152,726	2,382,505
Paid Amount	146,873	–	81,800	86,066	76,000	83,316	88,135	81,367	85,475	84,516	96,159	–	70,000	1,858,354
Outstanding Balance	–	129,313	–	–	4,365	–	–	–	–	–	–	130,803	82,726	524,151
% Paid	100.0%	0.0%	100.0%	100.0%	94.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	45.8%	78.0%

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 August 2026 is excluded because it is not yet due and payable. It will also distort the percentage paid. The YTD actual until July 2026 shows that 78.0% of invoices were settled, based on invoices raised of R2,382,505 billion versus payments of R1,858,354 billion. The percentage on partially paid invoices are November 2024 (35.7%); June 2025 (0%); August 2025 (0%), November 2025 (94.6%), June 2026 (0%), July 2026 (45.8%). The total arrear outstanding balance for the period July 2024 to July 2026 amounts to R524,151 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**	**41,607**	**137,444**	**137,444**
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	–	–
2026/27	**48,494**	**10,000**	**38,494**	**13,715**
Jul-26	23,715	10,000	13,715	13,715
Aug-26	24,779	–	24,779	–
Grand Total	**667,259**	**379,498**	**287,761**	**262,982**

Table 6.2: Summary of outstanding DWS debt

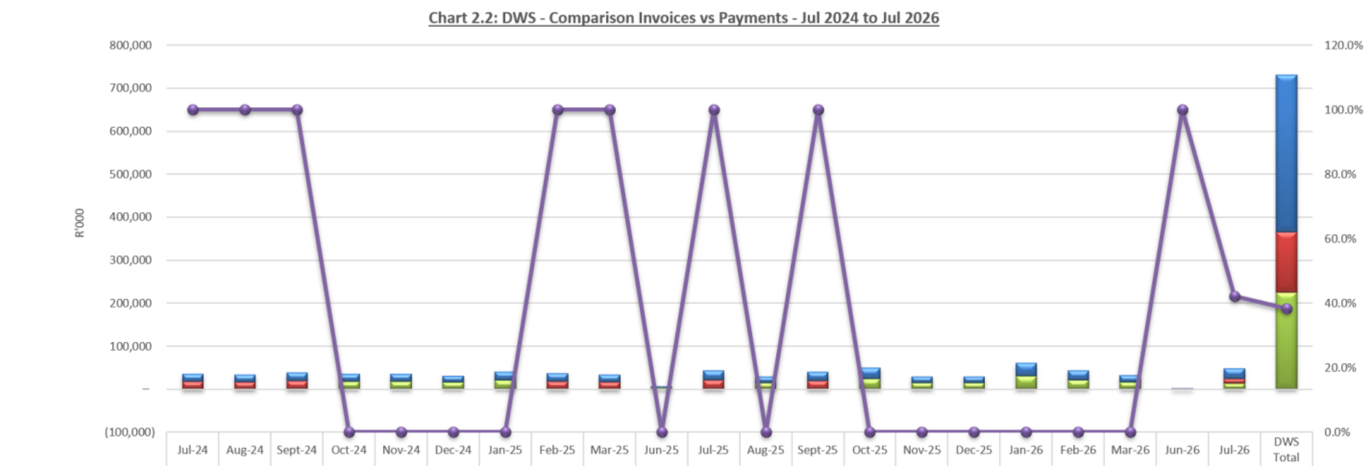
Indicated in Table 6.2 above, is the total outstanding debt owed to DWS which amounts to R287,761 million. The total debt must be concurred with the Department. The total arrear debt amounts to R262,982 million which pertains to outstanding invoices for 2021/22 (R37,558m); 2024/25 (74,264m), 2025/26 (R137,444m) and 2026/27 (R13,715m). 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, March and July 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, March, June and July 2026 invoices. The February, March, July, September 2025

and June 2026 accounts were settled in full. The municipality incurred accumulative arrear debt for the prior and current year of R262 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.

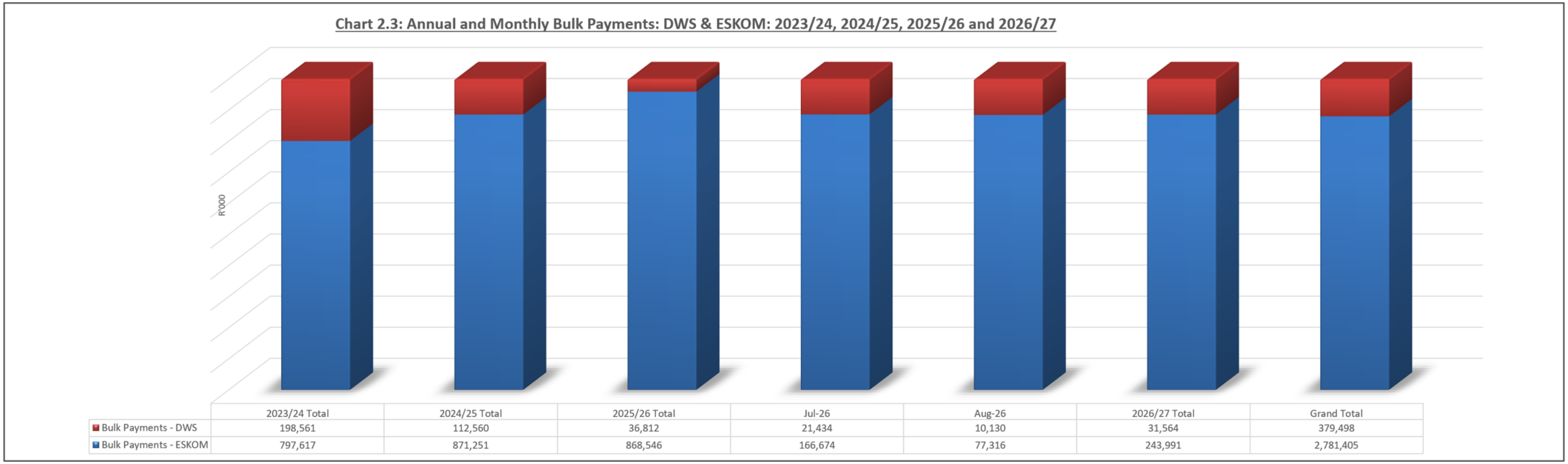
- Repayment of debt over 12 months (municipality requested 24-month repayment period, which was approved by the Department)
- Also included in the Incentive scheme, is the writing-off of all accrued interest and suppression of interest going forward, hence no interest was charged for the prior and current 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	Jul-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	23,715	365,523
Paid Amount	17,724	16,698	18,973	–	–	–	–	18,328	16,769	–	21,434	–	20,043	–	–	–	–	–	–	130	10,000	140,099
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	–	13,715	225,424
% 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%	100.0%	42.2%	38.3%

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 July 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 July 2026 shows that 38.3% of invoices were settled, based on invoices raised of R365,523 million versus payments of R140,099 million. Invoices for July to September 2024, February, March, July, September 2025 and June 2026 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 July 2026 remain unpaid. The total arrear outstanding balance for the period July 2024 to July 2026 amounts to R225,424 million.



	2023/24 Total	2024/25 Total	2025/26 Total	Jul-26	Aug-26	2026/27 Total	Grand Total
Bulk Payments - DWS	198,561	112,560	36,812	21,434	10,130	31,564	379,498
Bulk Payments - ESKOM	797,617	871,251	868,546	166,674	77,316	243,991	2,781,405

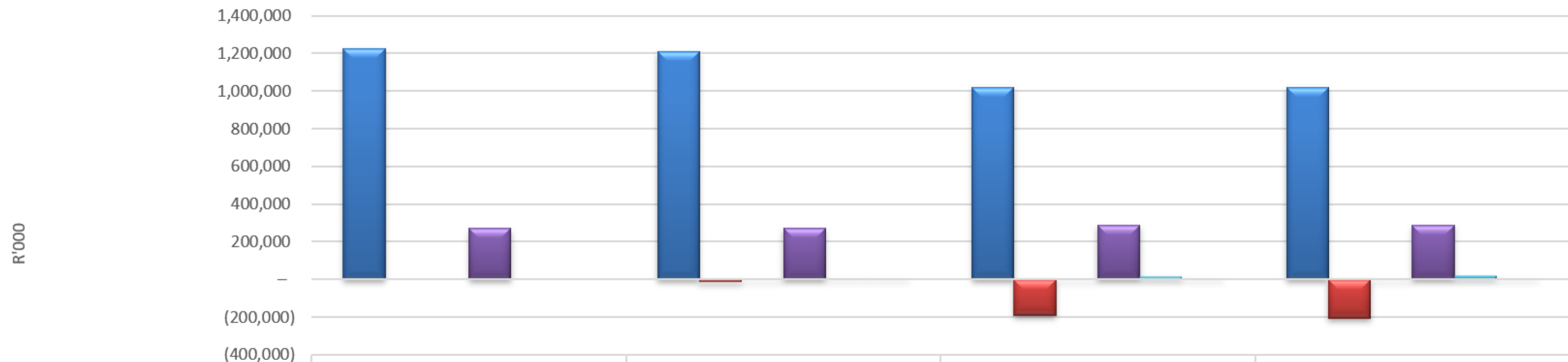
Chart 2.3: Monthly payments to DWS & ESKOM

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 August 2026.

DWS – For the month under review, the municipality made payments of R10,130 million. 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 R31,564 million. The total payments amounted to R379,498 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 July 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 – For the month under review, the municipality made payments of R77,316 million. 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 R243,991 million resulting in the total payments for the periods amounting to R2,781,405 billion. The high months remains a major concern.

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



	Jun-26	Jul-26	Aug-26	YTD Total
Bulk Electricity - Total Debt	1,225,743	1,211,795	1,020,113	1,020,113
Bulk Electricity Debt: Monthly/YTD R-Value increase (decrease)		(13,948)	(191,682)	(205,630)
Bulk Electricity - Monthly/YTD % increase (decrease) in O/S Debt		-1.1%	-15.8%	-16.8%
Bulk Water - Total Debt	270,831	273,112	287,892	287,892
Bulk Water Debt: Monthly/YTD R-Value increase (decrease)		2,281	14,779	17,060
Bulk Water - Monthly/YTD % increase (decrease) in O/S Debt		0.8%	5.4%	6.3%

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 July to August 2026, debt owed to ESKOM decreased by R191,682 million or 15.8%, from R1,211,795 billion to R1,020,113 billion. When comparing the total outstanding debt to June 2026, the outstanding debt decreased by R205,630 million or 16.8%, from R1,225,743 billion to R1,020,113 billion. It should be noted that the debt write off for the second third debt write off is taken into account.

DWS - From July to August 2026, debt owed to DWS increased by R14,779 million or 5.4% from R273,112 million to R287,892 million. When comparing the total outstanding debt to June 2026, the outstanding debt increased by R17,060 million or 6.3% from R270,831 million to R287,892 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. 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 - M02 August										
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 % - 16.67%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	632,638	4,904	5,498	105,440	5.21%	(99,941)	-94.8%	0.9%	(99,941)	-15.8%
Funded by										
Capital transfers recognised	607,290	4,904	5,457	101,215	5.39%	(95,758)	-94.6%	0.9%	(95,758)	-15.8%
Internally generated funds	25,348	–	41	4,225	1.0%	(4,184)	-99.0%	0.2%	(4,184)	-16.5%
Weighting Capital transfer recognised	96.0%	100.0%	99.3%	96.0%						
Weighting Internally generated funds	4.0%	0.0%	0.7%	4.0%						

Table 7: High level summary: Capital Expenditure

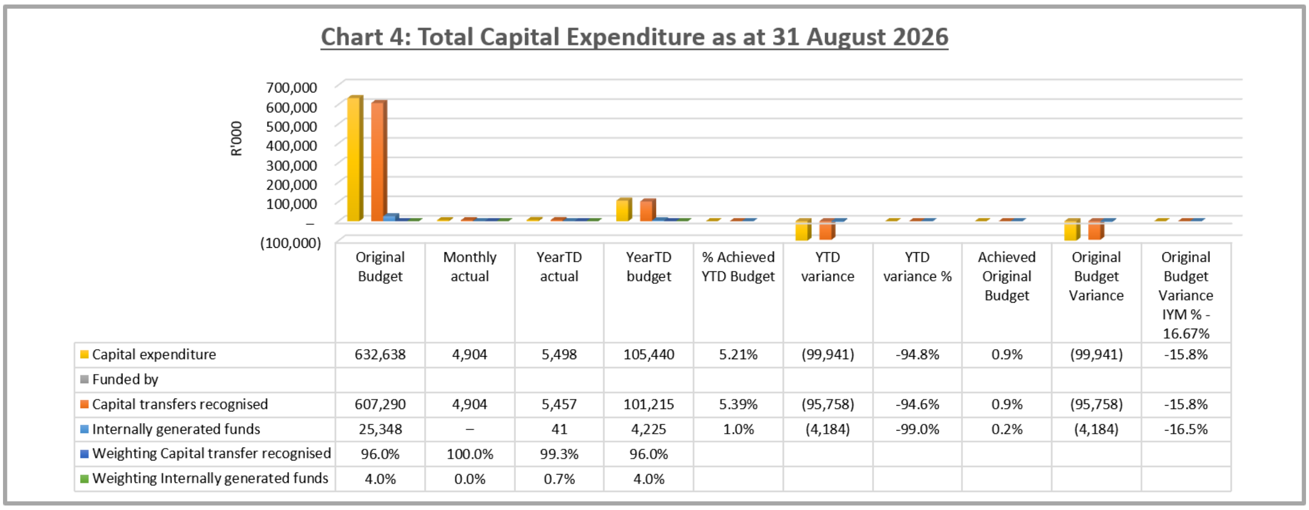


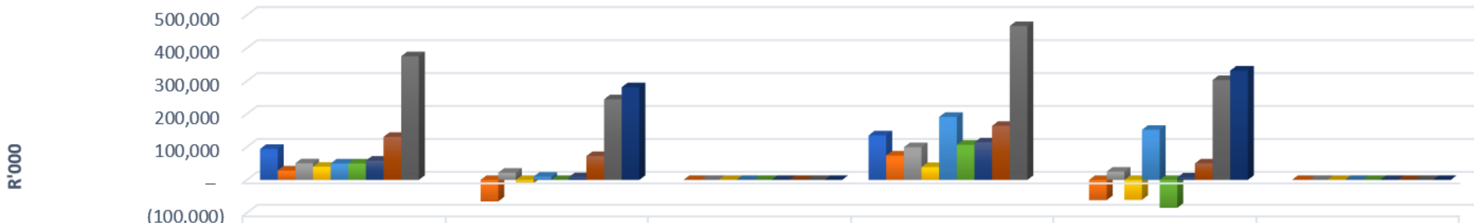
Chart 4: Total Capital expenditure

As indicated in the Table 7 and Chart 4 above, the YTD Actual on capital expenditure as at end of August 2026 amounted to R5,498 million and 5.21% spent when compared to the YTD budget of R105,440 million and 0.9% spent when compared to the Original Budget of R632,638 million. The total YTD capex is funded from Capital grants R5,457 million (99.3%) and Internally generated funds R41 thousand (0.7%). 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

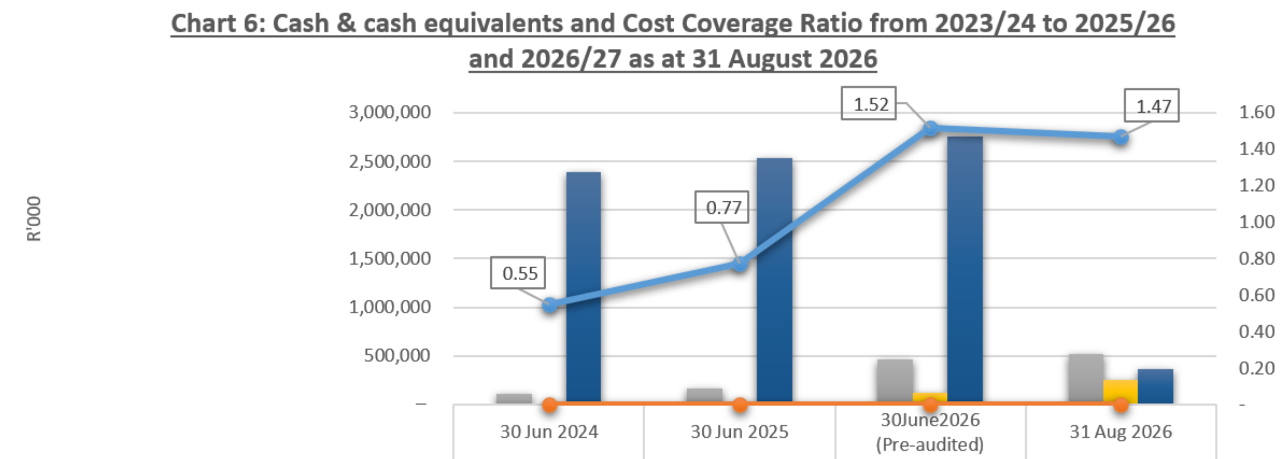
Chart 5: Current investment deposits and Cash & cash equivalents at year-end



	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 (Pre-audited)	375,207	244,512	187%	466,855	302,918	185%
Total Increase (Decrease) - 2018 to 2026		281,229	299%		331,615	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 512 (187%) million from 2025 to 2026. From 2018 to 2026, the total investments increased by R281,229 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. The decline for the previous years 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.



	30 Jun 2024	30 Jun 2025	30June2026 (Pre-audited)	31 Aug 2026
Cash and cash equivalents	113,952	163,937	466,855	524,396
Unspent Conditional Grants	4,057	671	118,313	256,767
Total Annual / YTD Operational Expenditure	2,393,016	2,533,677	2,757,658	364,581
Cost Coverage Ratio (Days)	17 Days	24 Days	46 Days	44 Days
Cost Coverage Ratio	0.55	0.77	1.52	1.47

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 pre-audited outcome for the year ended 30 June 2026 is (1.52; 46 days; R466,855m). The Cost coverage ratio as at 31 August 2026 is calculated at (1.47; 44 days; R524,396m). Unspent conditional grants amounted to R256,767 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 struggle with settling of the Eskom 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 billed charges.

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

6. Debtors' Analysis

Part 4: Debtor Age Analysis

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total		Actual Bad Debts Written Off to Debtors		Impairment -Bad Debts ito	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	37,253	3.8%	25,660	2.6%	24,475	2.5%	905,181	91.2%	992,570	20.8%	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	85,726	24.5%	37,305	10.6%	13,584	3.9%	213,810	61.0%	350,425	7.3%	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	45,827	4.8%	131,692	13.8%	15,502	1.6%	764,252	79.8%	957,273	20.0%	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	10,658	2.9%	7,672	2.1%	6,667	1.8%	338,411	93.1%	363,408	7.6%	-	-	-	-
Receivables from Exchange Transactions - Waste Management	8,414	3.0%	5,881	2.1%	4,960	1.8%	258,357	93.1%	277,612	5.8%	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	965	.9%	940	.8%	938	.8%	109,609	97.5%	112,451	2.4%	-	-	-	-
Interest on Arrear Debtor Accounts	22,116	1.8%	21,862	1.8%	21,178	1.7%	1,177,290	94.8%	1,242,446	26.0%	-	-	-	-
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	22,303	4.6%	8,086	1.7%	7,378	1.5%	445,490	92.2%	483,257	10.1%	-	-	-	-
Total By Income Source	**233,263**	**4.9%**	**239,098**	**5.0%**	**94,682**	**2.0%**	**4,212,400**	**88.1%**	**4,779,442**	**100.0%**	**-**	**-**	**-**	**-**
Debtors Age Analysis By Customer Group														
Organs of State	34,780	4.6%	132,832	17.7%	10,971	1.5%	573,460	76.3%	752,043	15.7%	-	-	-	-
Commercial	96,150	13.6%	29,969	4.2%	17,028	2.4%	565,427	79.8%	708,575	14.8%	-	-	-	-
Households	98,426	3.1%	73,345	2.3%	63,543	2.0%	2,931,110	92.6%	3,166,423	66.3%	-	-	-	-
Other	3,907	2.6%	2,952	1.9%	3,140	2.1%	142,403	93.4%	152,401	3.2%	-	-	-	-
Total By Customer Group	**233,263**	**4.9%**	**239,098**	**5.0%**	**94,682**	**2.0%**	**4,212,400**	**88.1%**	**4,779,442**	**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 R4,779,442 billion as at the end of August 2026 and the bulk of SPM's debt is aged over 90 days with an overall weighting of 88.1%.

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

- ❖ Interest on Arrear Debtor Accounts at 94.8%
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 97.5%
- ❖ Waste Water Management (93.1%) and Waste Management (93.1%).

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

- ❖ Receivables from Non-exchange Transactions - Property Rates at 20.0%
- ❖ Interest on Arrear Debtor Accounts 26.0%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 20.8%

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.

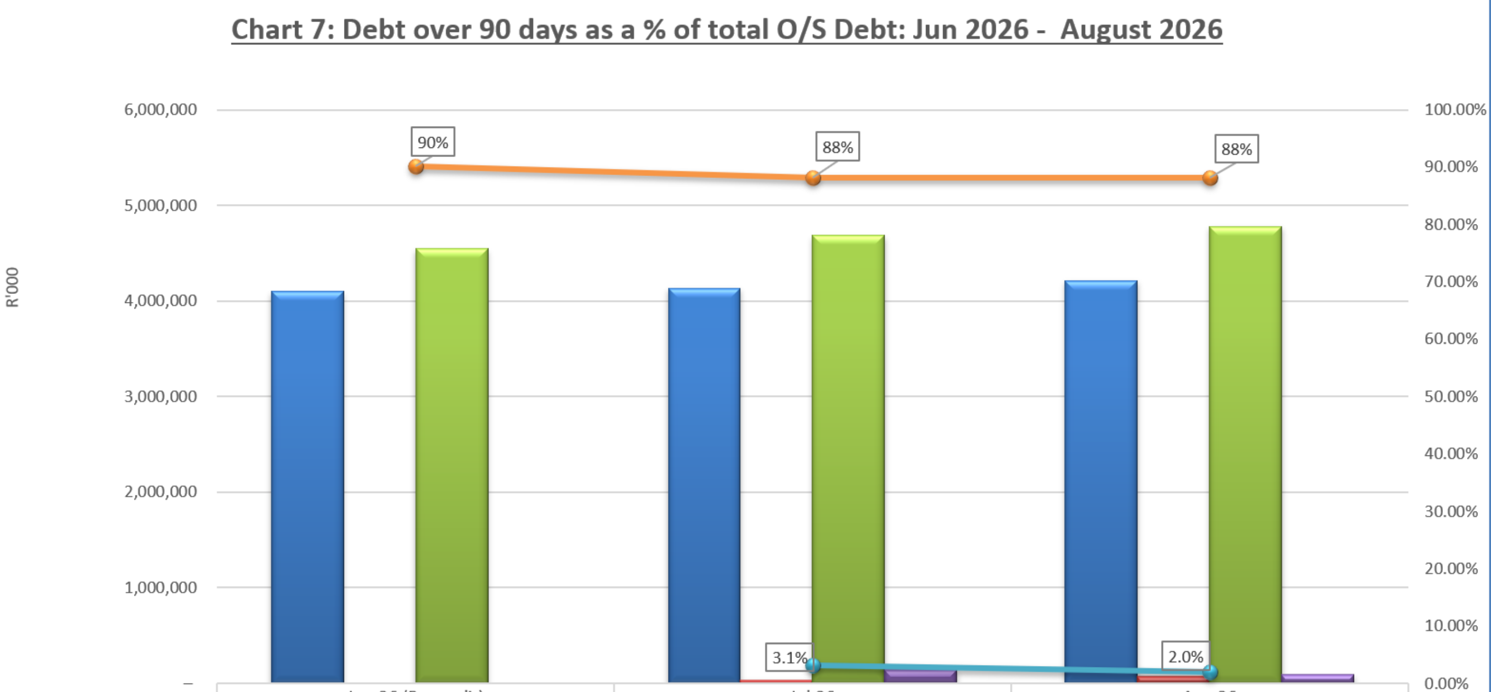
The percentage weighting of debt owed by Customer Group, over 90 days is:

- ❖ Organs of State at 76.3%; Commercial at 79.8%; Households at 92.6% and Other at 93.4%.

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

- ❖ Organs of state at 15.7%, total debt outstanding is R752,043 million
- ❖ Businesses at 14.8%, total debt outstanding is R708,575 million
- ❖ Households at 66.3%, total debt outstanding is R3,166,423 billion
- ❖ Other at 3.2%, total debt outstanding is R152,401 million.

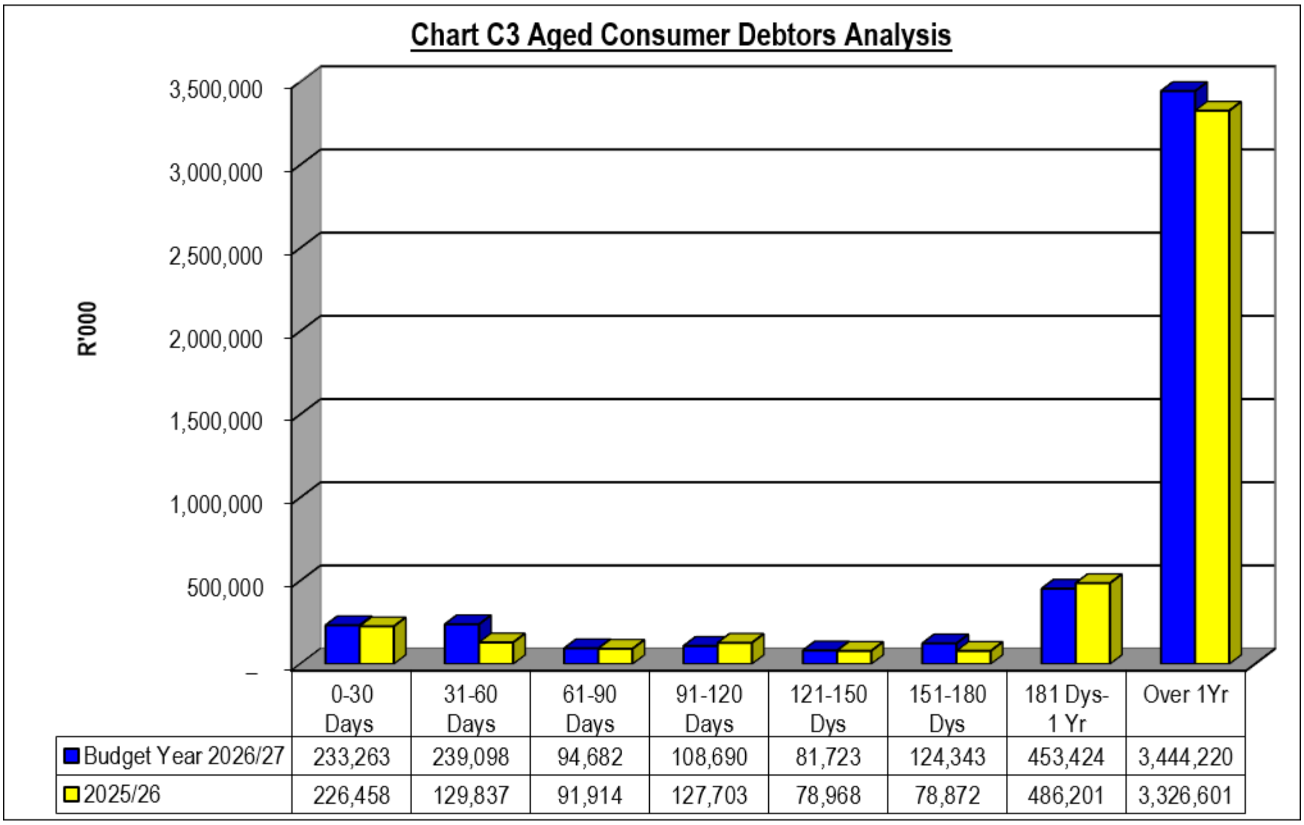
Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt remained constant at 88% for the month under review. Debt over 90 days increased by R76,736 million in respect of the month-to-month comparison. The month-to-month increase, on total debt amounted to R92,389 million. It is concerning that total debt over 90 days is hovering at an average of 88 percent.



	Jun-26 (Pre-audit)	Jul-26	Aug-26
Debt over 90 days (R'000)	4,098,345	4,135,664	4,212,400
Month-to-Month R-value Increase (Decrease) of Debt over 90 days		37,319	76,736
Total Debt (R'000)	4,546,554	4,687,053	4,779,442
Month-to-Month R-value Increase (Decrease) of Total debt		140,500	92,389
Month-to-Month % Increase (Decrease) on Total Debt		3.1%	2.0%
% Weighting of Debt over 90 days	90%	88%	88%

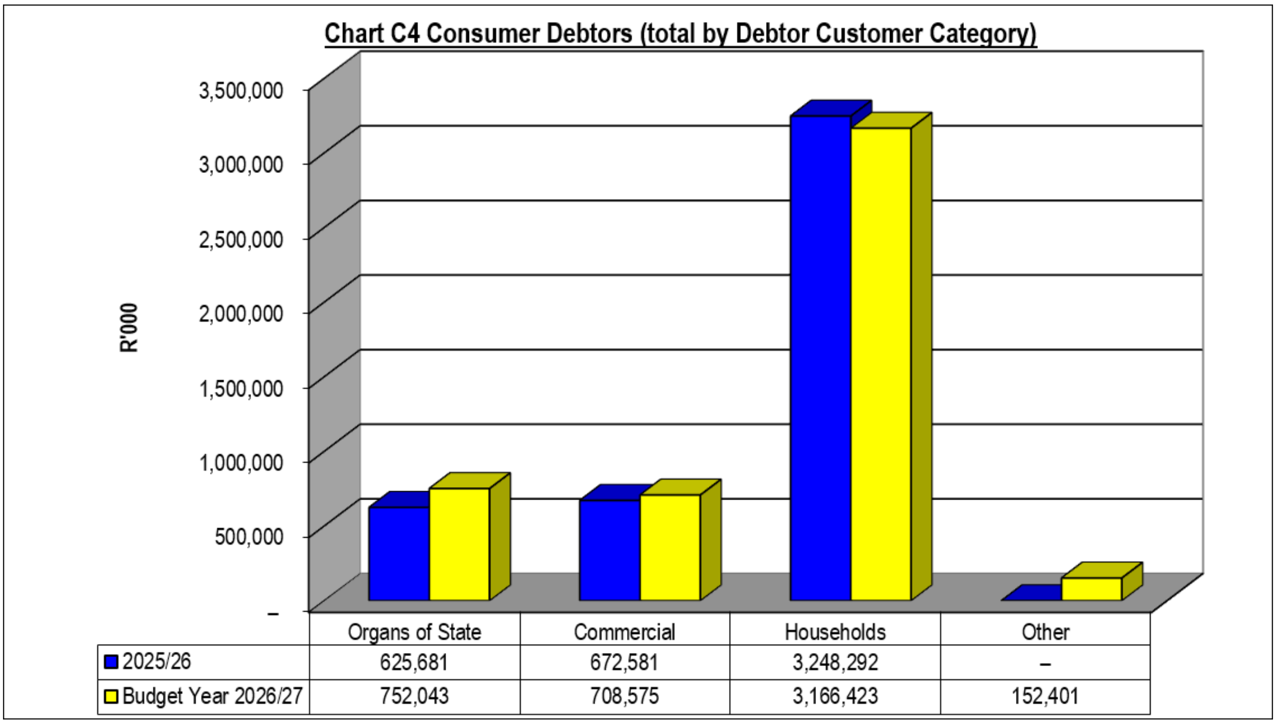
Chart 7: Debt over 90 days as a percentage of Total O/S Debt

- There is an error on the C-schedules, supporting schedule SC3 – Aged Debtors for the audited outcome for 2025/26. 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 August 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 2025/26 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	233,263	239,098	94,682	108,690	81,723	124,343	453,424	3,444,220
2025/26	226,458	129,837	91,914	127,703	78,968	78,872	486,201	3,326,601

Chart 8: Aged Consumer Debtor Analysis



	Organs of State	Commercial	Households	Other
2025/26	625,681	672,581	3,248,292	–
Budget Year 2026/27	752,043	708,575	3,166,423	152,401

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 July 2026 and received in August 2026, the monthly collection rate is 43%, for Property Rates and Service charges only. The collection rate is distorted due to the annual billing on Property rates. When including Other billing and receipts, the monthly collection rate is 45%. 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 R11,236 million and will be allocated during September 2026. Indicated in Table 10 below is the revised average collection rate of 58.7%, 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. The average collection rate is also lower due to the annual billing on Property rates.

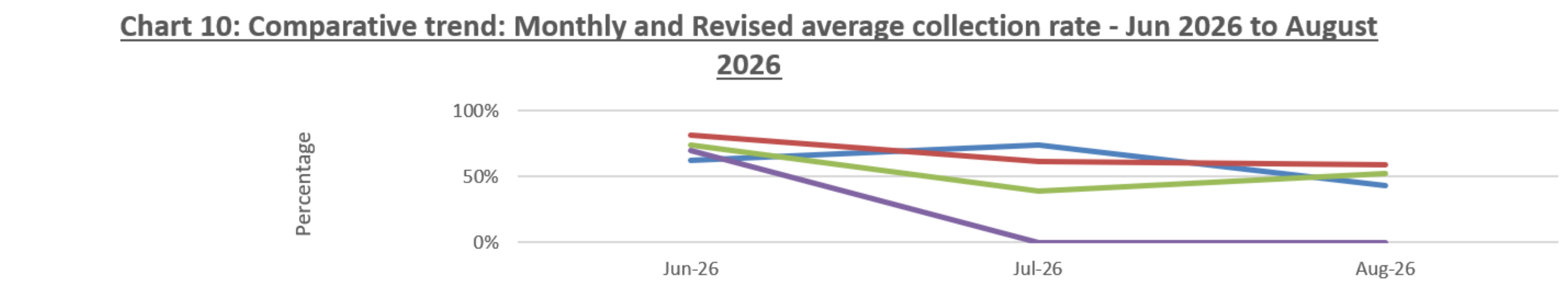
When considering the average collection rate, various factors are taken into account, like the receipts on Prepaid Electricity, unallocated credits, etc. The YTD billing on Property Rates and Service Charges are obtained from the general ledger. Billing on Other is obtained from the BS902 report (Debits Raised Versus Payments). The BS566 report (Payments per Service per Day/Period) includes all monies received from 1 August to 31 August 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 July 2026)	Credits (Received August 2026)	% Collected
PROPERTY RATES	171,758,157	44,088,118	26%
ELECTRICITY	52,833,348	51,161,837	97%
WATER	26,443,245	13,104,743	50%
SEWERAGE	10,978,589	4,847,975	44%
REFUSE	8,758,332	4,216,698	48%
PROPERTY RATES & SERVICES	**270,771,671**	**117,419,371**	**43%**
OTHER	28,934,869	18,202,447	63%
TOTAL	**299,706,541**	**135,621,818**	**45%**

Table 9: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL AUGUST 2026	YTD RECEIPTS	Rate
PROPERTY RATES	R 228,647,560	R 81,517,729	**35.7%**
SERVICE CHARGE ELECTRICITY	R 134,936,610	R 100,940,578	**74.8%**
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 67,369,991	R 67,369,991	**100.0%**
SERVICE CHARGE WATER	R 54,961,146	R 27,065,745	**49.2%**
SERVICE CHARGE SANITATION	R 20,465,529	R 9,512,794	**46.5%**
SERVICE CHARGE REFUSE	R 14,033,718	R 8,468,277	**60.3%**
SERVICE CHARGES NON-EXCHANGE	R 1,878,840	R 416,092	**22.1%**
UNALLOCATED CREDITS		R 11,235,869	
REVISED AVERAGE COLLECTION RATE - AUGUST 2026	**R 522,293,395**	**R 306,527,076**	**58.7%**

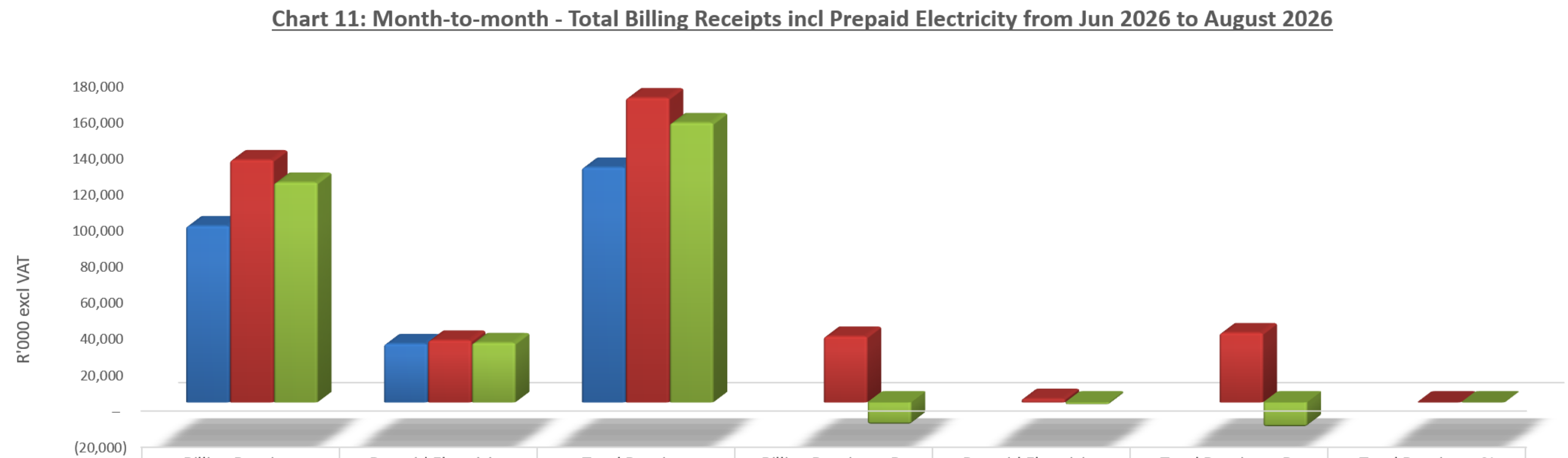
Table 10: Revised Average collection rate



	Jun-26	Jul-26	Aug-26
Monthly collection rate (Property rates and Services)	62%	74%	43%
Revised average collection rate (SPLM)	81%	62%	59%
Collection rate per Ward (Monthly)	74%	39%	52%
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 July 2026 to August 2026. The monthly collection rate (Property rates & Services) for August 2026 is unsatisfactory at 43%. The revised average collection for August 2026 which includes Prepaid sales and unallocated credits is 59%, 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 52% for the month under review. 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 R11,236 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%
Aug-26	121,836	32,998	154,833	(12,453)	(1,375)	(13,828)	-8%

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

As indicated in Chart 11 above, the Total Receipts for August 2026 amounted to R154,833 million which resulted in a decrease of R13,828 (8%) in respect of the month-to-month comparison. Billing receipts decreased by R12,453 million, whilst Prepaid Electricity Sales decreased by R1,375 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 R11,236 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.

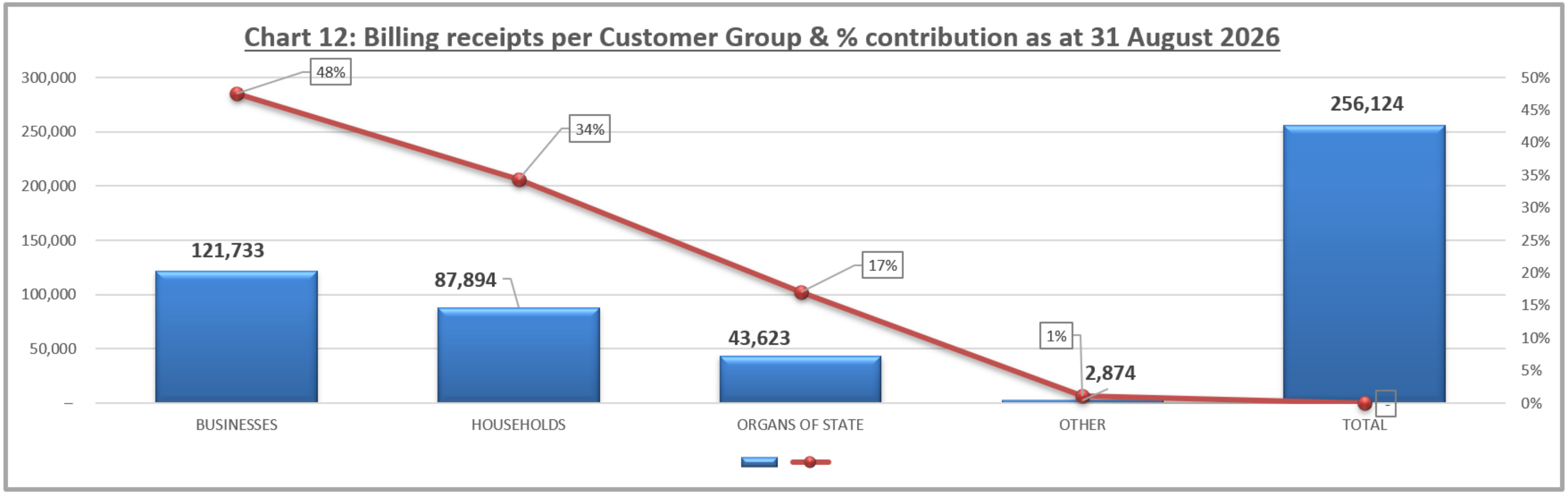


Chart 12: Billing receipts per Customer Group

Indicated in Chart 12 above, is the billing receipts and percentage contribution per major Customer group as at 31 August 2026 which amounts to R256,124 million. The municipality received R121,733 million (48%) from Businesses, Households R87,894 million (34%), Organs of State R43,623 million (17%) and Other R2,874 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	133,763	13.1%	82,726	8.1%	130,803	12.8%	672,821	66.0%	1,020,113	72.4%
Bulk Water	24,779	8.6%	13,715	4.8%	-	-	249,267	86.6%	287,761	20.4%
PAYE deductions	12,337	100.0%	-	-	-	-	-	-	12,337	.9%
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	10,370	100.0%	-	-	-	-	-	-	10,370	.7%
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	13,435	54.0%	7,891	31.7%	3,540	14.2%	-	-	24,865	1.8%
Auditor-General	665	100.0%	-	-	-	-	-	-	665	-
Other	13,762	32.3%	1,473	3.5%	8,127	19.1%	19,275	45.2%	42,637	3.0%
Medical Aid deductions	10,918	100.0%	-	-	-	-	-	-	10,918	.8%
Total	**220,029**	**15.6%**	**105,806**	**7.5%**	**142,469**	**10.1%**	**941,363**	**66.8%**	**1,409,667**	**100.0%**

Table 11: Part 5: Creditors Age Analysis

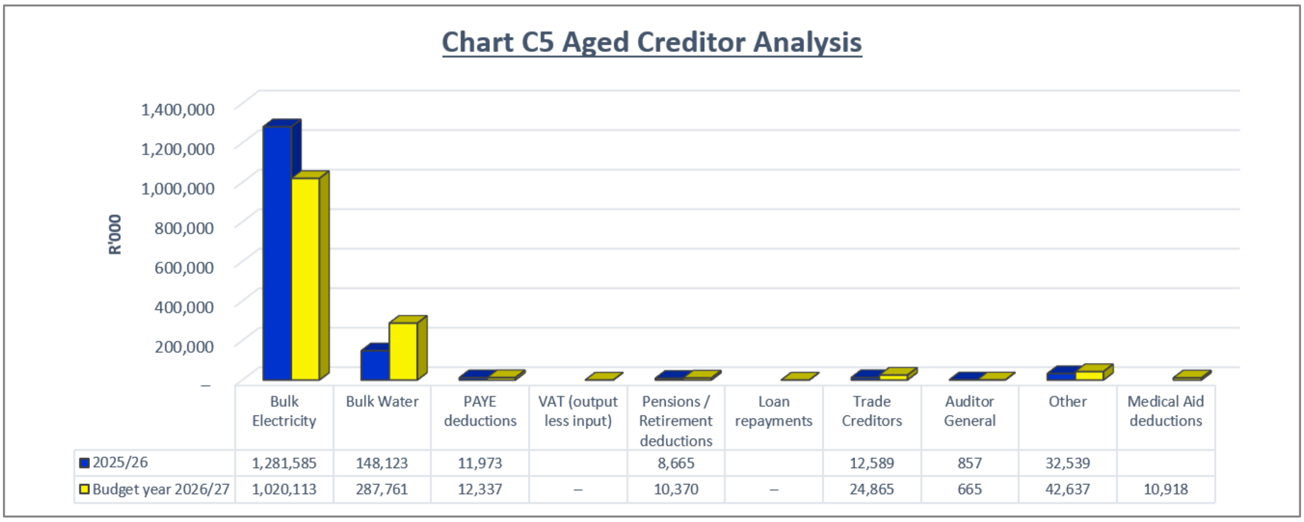


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2024/25 in Chart 13 is based on the outstanding creditors as at end of August 2025 (prior year totals for the same period). Articulated in Table 11 above, is the age creditors analysis, which is standing at R1,409,667 billion owed to creditors. The analysis shows that 15.6% of creditors are owed between 0 to 30 days, whilst 66.8% of creditors are owed over 90 days. Bulk Electricity is the largest creditor at 72.4%, followed by Bulk Water at 20.4%.

Bulk Electricity – As at the 31 August 2026, the outstanding debt owed to ESKOM amounted to R1,020,113 billion.

Bulk Water – As at the 31 August 2026, the outstanding debt owed to DWS amounted R287,761 million. The debt owed to DWS is spiralling out of control. This is a huge concern, and management will have to take drastic action to ratify the situation. A payment agreement with DWS for the 2022/23 financial year was concluded for a period of 24 months as the municipality participated in the Debt Incentive scheme that the Department provided to municipalities. All invoices for 2022/23 and 2023/24 financial year were settled in full. The total outstanding debt must be concurred with the Department.

VAT – after the monthly VAT reconciliation, the municipality claimed an amount of R15,692 million to SARS.

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

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

Auditor General – the current account due to the AGSA is R665 thousand.

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

Medical Aid deductions –medical aid contributions amounted to R10,918 million which was settled on or before 7 September 2026 for the month under review.

8. Investment portfolio analysis

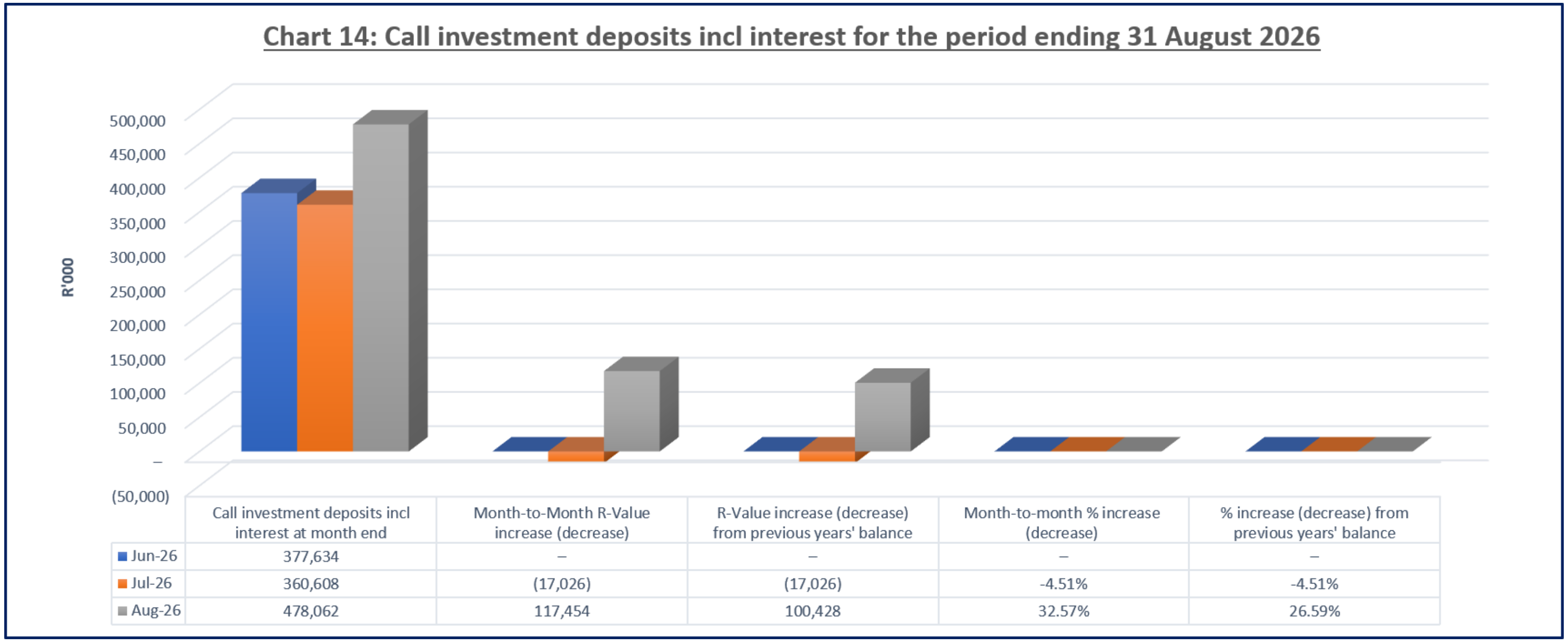
The market value of the investment portfolio has been utilized and for the period ending 31 August 2026, the value of total investments made was R478,062 million. Partially or prematurely withdrawn investments amounted to R113,743 million. Investment top-up for the month under review amounted to R228,100 million. The current status quo does not bode well for the municipality and we are running into major trouble in terms of meeting commitments to pay salaries, Eskom, DWS and even other creditors. The disclosure of interest has to be discussed with NT so that the municipality can align interest received to the data strings, whilst NT must provide guidance of the YTD accrued interest that are not yet reflected in the books. This exercise is normally performed during year-end procedures. Please note that the investments are committed and/or held for the following reasons:

Purpose	**R'000**
• A fixed deposit that was invested and ceded to Development Bank of South Africa representing the equivalent of one instalment of the long-term loan.	22,223
• 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.	18,989
• Unspent Capital grant receipts that were invested for the current year.	256,767
• Own funds invested - • Committed funds invested including retentions	180,082
Total	**478,062**

NC091 Sol Plaatje - Supporting Table SC16 Monthly Budget Statement - Investment Portfolio - M02 August

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		145,321	913	(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	5,000	32	(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	169,329	1,064	(1,168)	–	**169,225**
Standard Bank 048466271 097		14 days	Fixed	No	Fixed	745.00%	0	n/a	2026/08/21	–	317	(111,317)	111,000	–
Standard Bank - 04 846 6271-094		12 months	Fixed	No	Fixed	742.50%	0	n/a	2026/11/12	22,091	132	–	–	**22,223**
Standard Bank 048466271 098		6 months	Fixed	No	Fixed	785.00%	0	n/a	2027/02/21	–	203	–	86,000	**86,203**
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	7.94%	0		2027/06/29	18,867	122	–	–	**18,989**
Standard Bank 048466271 096		Monthly	Notice	No	Variable	747.00%	0	n/a	2027/06/30	–	312	(312)	31,100	**31,100**
Municipality sub-total										**360,608**	**3,097**	**(113,743)**	**228,100**	**478,062**

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%
Aug-26	478,062	117,454	100,428	32.57%	26.59%

Chart 14: Call investment deposits at month-end

As indicated in the Chart 14 above from July to August 2026 investments incl interest increased by R117,454 million (32.57%), in respect of the month-to-month comparison. Investments increased by R100,428 million (26.59%) 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 financial year. 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 - M02 August

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
RECEIPTS	1.2									
Operating										
National Government										
Monetary Allocations								81,658	#DIV/0!	
Equitable Share		301,722	319,064	319,064	–	132,943	53,177	79,766	150.0%	319,064
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
								–		
Expanded Public Works Programme Integrated Grant		4,442	3,409	3,409	844	3,409	568	2,841	500.0%	3,409
Infrastructure Skills Development Grant		4,044	5,000	5,000	197	389	833	(445)	-53.4%	5,000
Integrated Urban Development Grant		2,305	3,259	3,259	179	347	543	(196)	-36.0%	3,259
Local Government Financial Management Grant		1,800	2,000	2,000	13	26	333	(308)	-92.3%	2,000
Municipal Disaster Relief Grant		–	–	–	–	–	–	81,658	#DIV/0!	–
Municipal Infrastructure Grant		–	–	–	–	–	–	–		–
Municipal Systems Improvement Grant		–	–	–	–	–	–	–		–
								–		
								–		
Total Monetary Allocations		314,313	332,732	332,732	1,233	137,114	55,455	81,658	147.3%	332,732
Total Operating/National Government		314,313	332,732	332,732	1,233	137,114	55,455	81,658	147.3%	332,732
Provincial Government								–		
Monetary Allocations								–		
Capacity Building and Other Grants		9,300	9,300	9,300	126	226	1,550	(1,324)	-85.4%	9,300
Infrastructure Grant		4,500	3,500	3,500	154	154	583			3,500
								–		
Total Monetary Allocations		13,800	12,800	12,800	280	380	2,133	(1,754)	-82.2%	12,800
Total Operating/Provincial Government		13,800	12,800	12,800	280	380	2,133	243,651	11421.1%	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)		35,772	–	–	–	–	–	–		–
Unspecified		–	–	–	–	–	–	–		–
								–		
Total Monetary Allocations		35,772	-	-	-	-	-	–		-
Allocations In-kind								–		
[insert description]										
Total Allocations In-kind		-	-	-	-	-	-	243,651	#DIV/0!	-
Total Operating/Other Grant Providers		35,772	-	-	-	-	-			-
Total Operating	5	363,885	345,532	345,532	1,512	137,493	57,589			345,532
Capital										
National Government										
Monetary Allocations										
Energy Efficiency and Demand Side Management Grant		4,919	5,000	5,000	–	–	833			5,000
Integrated National Electrification Programme Grant		15,875	25,521	25,521	782	864	4,254			25,521
Integrated Urban Development Grant		73,409	86,862	86,862	1,986	2,175	14,477			86,862
Municipal Infrastructure Grant		–	–	–	–	–	–			–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–			–
Regional Bulk Infrastructure Grant		471,025	579,000	579,000	–	–	96,500			579,000
Water Services Infrastructure Grant		2,774	5,000	5,000	1,642	1,642	833			5,000
Total Monetary Allocations		568,001	701,383	701,383	4,410	4,682	116,897			701,383
Total Capital/National Government		568,001	701,383	701,383	4,410	4,682	116,897			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	–	–	333			2,000
Total Monetary Allocations		2,500	2,000	2,000	-	-	333			2,000
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-			-
Total Capital/District Municipalities		2,500	2,000	2,000	-	-	333			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	570,501	703,383	703,383	4,410	4,682	117,231			703,383
TOTAL RECEIPTS OF TRANSFERS AND GRANTS		934,386	1,048,915	1,048,915	5,923	142,175	174,819			1,048,915

Table 13: Supporting Table SC6: Transfers and grant receipts

Operational grant monies were received for the month under review.
Frances Baard District Municipality – R4,500 million
EPWP – R852 thousand

Capital grant monies were received for the month under review.
INEP – R10,234 million
RBIG – R100,000 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 - M02 August

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		133,607	130,228	130,228	7,763	16,075	20,069	(3,994)	-19.9%	130,228
								–		
Expanded Public Works Programme Integrated Grant		4,644	3,409	3,409	42	42	568	(527)	-92.7%	3,409
Infrastructure Skills Development Grant		3,818	5,000	5,000	174	355	833	(478)	-57.4%	5,000
Integrated Urban Development Grant		2,541	2,938	3,110	171	347	518	(171)	-33.0%	3,110
Local Government Financial Management Grant		1,800	2,003	2,003	13	26	334	(308)	-92.3%	2,003
Municipal Disaster Relief Grant		–	–	–	–	–	–	–		–
								–		
								–		
								–		
								–		
Total Monetary Allocations		**146,409**	**143,578**	**143,750**	**8,163**	**16,844**	**22,323**	**(5,478)**	-24.5%	**143,750**
Total National Government		**146,409**	**143,578**	**143,750**	**8,163**	**16,844**	**22,323**	**(5,478)**	-24.5%	**143,750**
Provincial Government								–		
Monetary Allocations								–		
Capacity Building and Other Grants		9,186	9,728	9,728	123	221	1,621	(1,400)	-86.3%	9,728
Infrastructure Grant		2,862	3,500	3,500	45	151	583			3,500
								–		
Total Monetary Allocations		**12,048**	**13,228**	**13,228**	**168**	**373**	**2,205**	(1,832)	-83.1%	**13,228**
Total Provincial Government		**12,048**	**13,228**	**13,228**	**168**	**373**	**2,205**	**(1,400)**	**-63.5%**	**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		**158,458**	**156,806**	**156,978**	**8,332**	**17,217**	**24,527**	**(6,878)**	**(0)**	**156,978**
Capital										
National Government										
Monetary Allocations										
Energy Efficiency and Demand Side Management Grant		(16,970)	4,348	4,348	1,278	1,285	725	560	77.3%	4,348
Integrated National Electrification Programme Grant		13,804	17,844	17,844	698	772	2,974	(2,202)	-74.1%	17,844
Integrated Urban Development Grant		64,182	75,532	75,532	1,500	1,973	12,589	(10,616)	-84.3%	75,532
Municipal Infrastructure Grant		–	–	–	–	–	–	–		–
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–		–
Regional Bulk Infrastructure Grant		409,587	503,478	503,478	–	–	83,913			503,478
Water Services Infrastructure Grant		2,412	4,348	4,348	1,428	1,428	725			4,348
								–		
Total Monetary Allocations		**473,015**	**605,551**	**605,551**	**4,904**	**5,457**	**100,925**	**(12,258)**		**605,551**
Total National Government		**473,015**	**605,551**	**605,551**	**4,904**	**5,457**	**100,925**	**(12,258)**		**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	–	–	290	(290)	-100.0%	1,739
								–		
Total Monetary Allocations		-	**1,739**	**1,739**	-	-	**290**	**(290)**		**1,739**
Allocations In-kind										
Other transfers/grants [insert description]								–		
								–		
Total Allocations In-kind		-	-	-	-	-	-	-		-
Total Capital/District Municipalities		-	**1,739**	**1,739**	-	-	**290**	**(290)**		**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		**473,015**	**607,290**	**607,290**	**4,904**	**5,457**	**101,215**	**(12,548)**		**607,290**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**631,473**	**764,095**	**764,267**	**13,236**	**22,675**	**125,742**	**(19,426)**		**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 an amount of 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	1,500	1,973	8,574	2.61%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,348	1,278	1,285	8	29.55%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	503,478	–	–	–	0.00%
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	17,844	698	772	–	4.32%
NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)	4,348	1,428	1,428	–	32.84%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	1,739	–	–	–	0.00%
Grand Total	**607,290**	**4,904**	**5,457**	**8,582**	**0.90%**

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R5,457 million or 0.90% 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 - M02 August

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	2,548	5,141	5,642	(501)	-9%	33,851
Cell phone Allowance		3,035	3,208	3,208	255	523	535	(11)	-2%	3,208
Housing Allowance		–	–	–	–	–	–	–		–
In-kind Benefits								–		
Market Related Non-pensionable Allowance								–		
Motor Vehicle Allowance		1,396	1,205	1,205	164	402	201	201	100%	1,205
Office-bearer Allowance		–	–	–	–	–	–	–		–
Out of pocket Expenses								–		
Travelling Allowance		–	80	80	–	–	13	(13)	-100%	80
Use of Personal Facilities								–		
Total Allowances and Service Related Benefits		34,916	38,344	38,344	2,967	6,066	6,391	(324)	-5%	38,344
Social Contributions										
Medial Aid Benefits		664	1,100	1,100	54	108	183	(76)	-41%	1,100
Pension Fund Contributions		998	1,620	1,620	75	145	270	(125)	-46%	1,620
Total Social Contributions		1,662	2,720	2,720	129	253	453	(201)	-44%	2,720
Total Councillors		36,578	41,064	41,064	3,096	6,319	6,844	(525)	-8%	41,064
% increase	4									
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		8,098	8,489	8,436	716	1,346	1,406	(60)	-4%	8,436
Bonuses								–		
Allowance								–		
Accommodation, Travel and Incidental								–		
Cellular and Telephone	3	200	221	221	17	34	37	(3)	-9%	221
Housing Benefits	3	21	29	29	2	4	5	(1)	-27%	29
Non-pensionable								–		
Travel or Motor Vehicle	3	1,935	1,950	1,950	162	325	325	(0)	0%	1,950
Voluntary Work										
Total Allowance		2,157	2,201	2,201	181	362	367	(5)	-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	5	5	(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	5	5	(0)	0%	33
Total Salaries and Allowances		10,287	10,723	10,670	900	1,714	1,778	(65)	-4%	10,670
Social Contributions										
Bargaining Council								–		
Group Life Insurance		21	21	21	2	3	3	(0)	-2%	21
Medical		299	253	306	26	52	51	1	1%	306
Pension		1,178	1,256	1,256	78	156	209	(53)	-25%	1,256
Unemployment Insurance		13	13	13	1	2	2	0	0%	13
Total Social Contributions		1,511	1,543	1,596	107	214	266	(52)	-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		11,798	12,266	12,266	1,007	1,927	2,044	(117)	-6%	12,266
% increase	4									
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		493,173	589,513	588,837	42,785	85,177	120,108	(34,931)	-29%	588,837
Bonuses								–		
Allowance										
Accommodation, Travel and Incidental								–		
Cellular and Telephone	3	1,477	1,708	1,718	121	242	321	(79)	-25%	1,718
Housing Benefits	3	2,868	3,102	3,146	253	489	763	(274)	-36%	3,146
Non-pensionable								–		
Travel or Motor Vehicle	3	40,016	48,596	48,809	3,169	6,469	8,135	(1,666)	-20%	48,809
Voluntary Work								–		
Total Allowance		44,361	53,406	53,673	3,543	7,199	9,219	(2,019)	-22%	53,673
Service Related Benefits										
Acting	3							–		
Bonus	3	30,807	47,690	47,917	1,547	2,313	7,986	(5,673)	-71%	47,917
Danger Allowance	3							–		
Entertainment	3							–		
Fire Brigade								–		
In-kind Benefits	3							–		
Leave Pay	3	12,105	25,044	25,000	321	411	4,167	(3,756)	-90%	25,000
Lifeguard/Duty Squads								–		
Long Service Award		31,954	33,138	33,044	2,864	5,659	5,507	152	3%	33,044
Overtime		89,483	48,831	48,744	319	8,114	8,122	(8)	0%	48,744
Scarcity	3							–		
Standby Allowance	3	10,673	11,539	11,594	918	1,867	1,932	(66)	-3%	11,594
Tools Allowance	3	3	32	3	0	0	0	0	0%	3
Uniform/Special/Protective Clothing	3	22,577	26,687	27,068	1,957	3,840	4,511	(671)	-15%	27,068
Leave gratuity								–		
Long Term Service Award								–		
Total Service Related Benefits		197,602	192,960	193,369	7,926	22,204	32,226	(10,022)	-31%	193,369
Total Salaries and Allowances		735,136	835,879	835,879	54,254	114,581	161,553	(46,972)	-29%	835,879
Social Contributions										
Bargaining Council								–		
Group Life Insurance		13,163	20,313	20,313	1,363	2,541	3,385	(845)	-25%	20,313
Medical		52,617	104,381	104,381	6,265	11,793	17,397	(5,604)	-32%	104,381
Pension		70,725	97,744	97,744	7,167	13,490	16,291	(2,801)	-17%	97,744
Unemployment Insurance		3,818	4,500	4,500	331	646	750	(104)	-14%	4,500
Total Social Contributions		140,323	226,938	226,938	15,127	28,469	37,823	(9,354)	-25%	226,938
Post-retirement Benefit	6									
Medical		51,565	48,700	48,700	492	998	8,117	(7,119)	-88%	48,700
Other Benefits								–		
Pension								–		
Total Post-retirement Benefit		51,565	48,700	48,700	492	998	8,117	(7,119)		48,700
Costs Capitalised to PPE								–		
Sub Total - Other Municipal Staff		927,023	1,111,517	1,111,517	69,872	144,047	207,493	(63,446)		1,111,517
% increase	4									
Total Parent Municipality		975,399	1,164,847	1,164,847	73,975	152,293	216,381	(64,088)	-30%	1,164,847
TOTAL SALARY, ALLOWANCES & BENEFITS		975,399	1,164,847	1,164,847	73,975	152,293	216,381	(64,088)		1,164,847
% increase	4									
TOTAL MANAGERS AND STAFF	5,7	938,821	1,123,783	1,123,783	70,879	145,975	209,537	(63,563)		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 30% when compared to the YTD Budget. 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 an unsatisfactory variance of minus 8% 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.

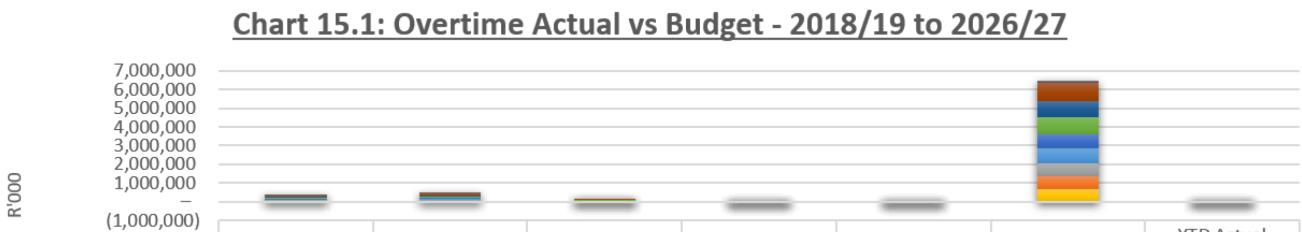
And indicated in Table 18 below, is the YTD Overtime expenditure per line item and also per Directorate as at end of August 2026.

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	32,989,770	-794,587	5,316,699	16%	16%
MS: OVERTIME - STRUCTURED	3,735,013	3,745,013	-89,602	372,661	10%	10%
Overtime as at 31 August 2026	**36,706,693**	**36,734,783**	**-884,189**	**5,689,360**	**15%**	**15%**

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	-110,461	68,238	16%	16%
21-MUNICIPAL AND GENERAL	-	-	-	-		
22-MUNICIPAL MANAGER	212,883	189,000	-1,808	2,712	1%	1%
23-CORPORATE SERVICES	219,706	221,479	-230,322	-150,849	-69%	-68%
24-COMMUNITY SERVICES	14,559,315	14,585,515	-121,955	1,903,563	13%	13%
26-FINANCIAL SERVICES	1,804,733	1,828,733	-15,700	266,188	15%	15%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	779,209	779,209	17,700	177,310	23%	23%
28-INFRASTRUCTURE SERVICES	18,700,986	18,700,986	-421,642	3,422,199	18%	18%
Overtime as at 31 August 2026	**36,706,693**	**36,734,783**	**-884,189**	**5,689,360**	**15%**	**15%**

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 15% spent versus the virement Adjustments budget, resulting in a satisfactory variance of 1.2% for the period under review, when compared to the ideal IYM percentage of 16.67%. The negative movement is due to the recognition of accrued Overtime for June 2026 which was transferred to the prior financial year.

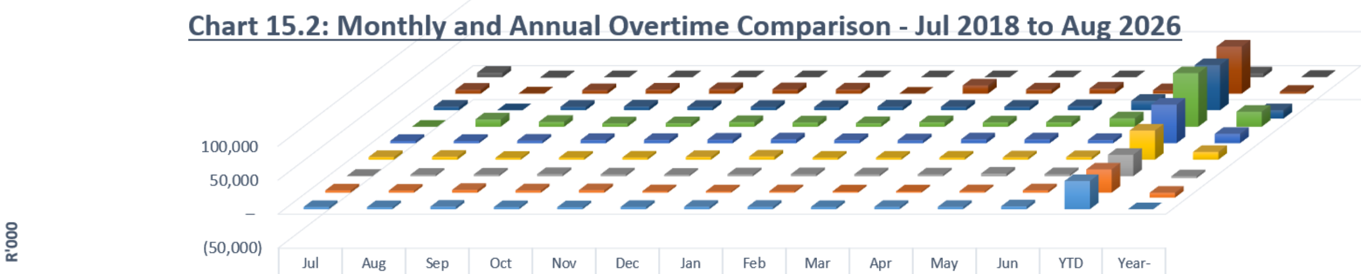


	Adjustments Budget	YTD Actual - Overtime	Amount Overspent / (Unspent)	% Spent vs Budget	% Variance	YTD Actuals - Employee Costs	YTD Actual Overtime as % of YTD Actual Employee Costs
2026/27 August 2026	36,711	5,689	(31,021)	15%	-85%	145,975	4%
2025/26	63,240	69,311	6,071	110%	10%	938,821	7%
2024/25	43,547	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 August 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



	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	(884)	–	–	–	–	–	–	–	–	–	–	5,689	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.

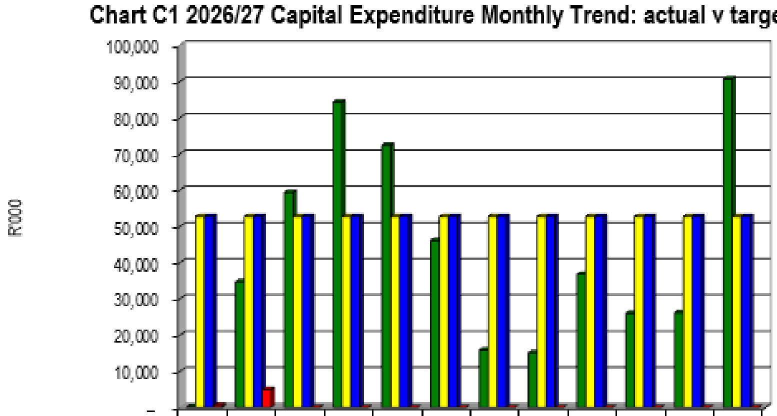
- Ensuring accountability across all directorates and ensuring that Executive directors, Line Managers and Supervisors take full responsibility.
- Identify and investigate possible abuse and alleged fraudulent allegations and taking disciplinary action, where applicable.
- Ensuring the compliance and 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.

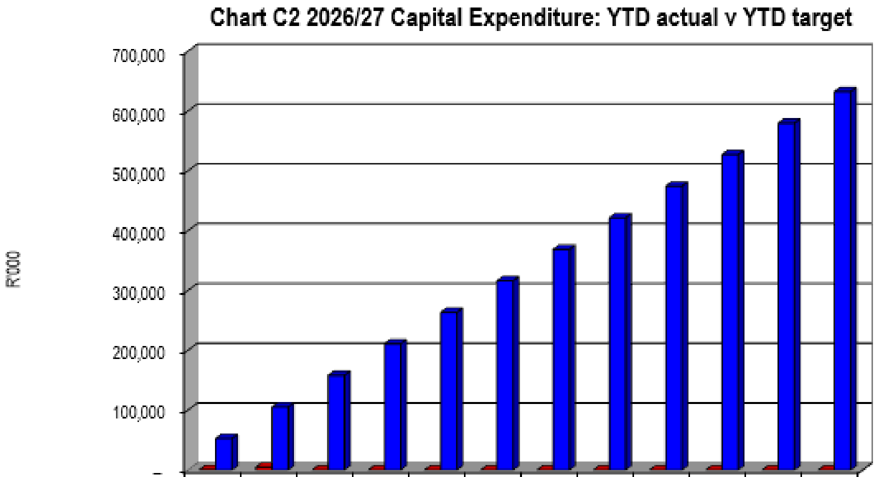
12. Capital programme performance

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



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2025/26	193	34,703	59,318	84,234	72,302	46,068	15,882	15,084	36,796	25,990	26,170	90,728
Original Budget	52,720	52,720	52,720	52,720	52,720	52,720	52,720	52,720	52,720	52,720	52,720	52,720
Adjusted Budget	52,720	52,720	52,720	52,720	52,720	52,720	52,720	52,720	52,720	52,720	52,720	52,720
Monthly actual	594	4,904	–	–	–	–	–	–	–	–	–	–

Chart 16.1: Capital Expenditure Monthly Trend: actual v target



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
YearTD actual	594	4,904	–	–	–	–	–	–	–	–	–	–
YearTD budget	52,720	105,440	158,159	210,879	263,599	316,319	369,039	421,758	474,478	527,198	579,918	632,638

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**	**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	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**	**1,500**	**1,973**	**8,574**	**2.61%**	**2.61%**
P-CIER RDS ROADS	8,696	8,696	–	–	–	0.00%	0.00%
UPGRADE GRAVEL ROADS WARDS VARIOUS	6,749	6,749	1,028	1,465	4,053	21.71%	21.71%
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	13,913	13,913	–	–	–		
LINING OF STORMWATER CHANNELS WARD 16	2,696	2,696	420	420	714	15.56%	15.56%
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	53	88	1,921	4.04%	4.04%
EXTENSION OF ROODEPAN CEMETERY	2,609	2,609	–	–	1,885	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**	**1,278**	**1,285**	**8**	**29.55%**	**29.55%**
STREETLIGHTS AND HIGH MAST RETROFITTING	4,348	4,348	1,278	1,285	8	29.55%	29.55%
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**	**698**	**772**	**–**	**4.32%**	**4.32%**
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	25	99	–	4.44%	4.44%
ELECTRIFICATION OF MARIKANA	4,007	4,007	501	501	–	12.51%	12.51%
ELECTRIFICATION OF TSWARAGANO	1,002	1,002	171	171	–	17.11%	17.11%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	**4,348**	**4,348**	**1,428**	**1,428**	**–**	**32.84%**	**32.84%**
ACQ - CARTERS GLEN SEWER PUMP STATION	4,348	4,348	1,428	1,428	–	32.84%	32.84%
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**	**4,904**	**5,498**	**8,650**	**0.87%**	**0.87%**

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 August 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 August 2026 amounted to R4,904 million. The total YTD Capex amounts to R5,498 million. Please note that Commitments is excluded from the YTD actual. Capital expenditure is also exclusive of VAT. Spending on grants needs improvement. The percentage expenditure per funding source IUDG (2.61%), EEDSM (29.55%), RBIG (0.00%), INEP (4.32%), WSIG (32.84%), 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 August 2026.

- The draft Monthly Debt Relief Non-Compliance Report accompanied by the Municipal Debt Relief Compliance Certificate issued by National Treasury for July 2026.
- The municipality's self-assessment for the month of August 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 - M02 August

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	722,537	778,948	778,948	56,906	228,648	129,825	98,823	76%	778,948
Service charges	1,522,396	1,787,226	1,787,226	188,626	291,767	297,871	(6,104)	-2%	1,787,226
Investment revenue	35,592	36,000	36,000	3,145	3,181	6,000	(2,819)	-47%	36,000
Transfers and subsidies - Operational	363,885	345,532	345,532	1,512	137,493	57,589	79,904	0	345,532
Other own revenue	605,348	399,651	399,651	41,921	74,911	66,609	8,302	12%	399,651
Total Revenue (excluding capital transfers and contributions)	**3,249,758**	**3,347,357**	**3,347,357**	**292,110**	**735,999**	**557,893**	**178,107**	**32%**	**3,347,357**
Employee costs	938,821	1,123,783	1,123,783	70,879	145,975	209,537	(63,563)	-30%	1,123,783
Remuneration of Councillors	36,578	41,064	41,064	3,096	6,319	6,844	(525)	-8%	41,064
Depreciation, amortisation and impairment	103,574	90,500	90,500	–	–	15,083	(15,083)	-100%	90,500
Interest, Dividends and Rent on Land	143,028	13,735	13,735	0	0	–	0	#DIV/0!	13,735
Inventory consumed and bulk purchases	1,318,450	1,404,978	1,404,978	157,626	171,326	325,850	(154,523)	-47%	1,404,978
Transfers and subsidies	2,795	1,000	1,000	–	–	167	(167)	-100%	1,000
Other expenditure	649,644	689,847	689,847	18,367	40,972	115,127	(74,155)	-64%	689,847
Total Expenditure	**3,192,890**	**3,364,907**	**3,364,907**	**249,968**	**364,592**	**672,608**	**(308,016)**	**-46%**	**3,364,907**
Surplus/(Deficit)	**56,868**	**(17,550)**	**(17,550)**	**42,142**	**371,408**	**(114,715)**	**486,123**	**-424%**	**(17,550)**
Transfers and subsidies - capital (monetary	570,501	703,383	703,383	4,410	4,682	117,231	####	-96%	703,383
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**627,369**	**685,833**	**685,833**	**46,552**	**376,089**	**2,515**	**373,574**	**14851%**	**685,833**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**627,369**	**685,833**	**685,833**	**46,552**	**376,089**	**2,515**	**373,574**	**14851%**	**685,833**
Capital expenditure & funds sources									
Capital expenditure	**490,158**	**632,638**	**632,638**	**4,904**	**5,498**	**105,440**	**(99,941)**	**-95%**	**632,638**
Capital transfers recognised	473,015	607,290	607,290	4,904	5,457	101,215	(95,758)	-95%	607,290
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**17,143**	**25,348**	**25,348**	**–**	**41**	**4,225**	**(4,184)**	**-99%**	**25,348**
Total sources of capital funds	**490,158**	**632,638**	**632,638**	**4,904**	**5,498**	**105,440**	**(99,941)**	**-95%**	**632,638**
Financial position									
Total current assets	2,907,178	3,370,692	3,370,692		3,293,054				3,370,692
Total non current assets	3,068,068	3,750,076	3,750,076		3,073,566				3,750,076
Total current liabilities	1,825,626	2,152,879	2,157,879		1,863,192				2,157,879
Total non current liabilities	1,028,276	136,915	136,915		1,013,807				136,915
Community wealth/Equity	**3,126,822**	**4,830,974**	**4,830,974**		**3,502,911**				**4,830,974**
Cash flows									
Net cash from (used) operating	350,026	719,495	719,495	205,158	193,796	119,916	(73,880)	-62%	719,495
Net cash from (used) investing	(507,474)	(726,733)	(726,733)	4,622	4,028	(121,122)	(125,150)	103%	(726,733)
Net cash from (used) financing	1,146	(16,688)	(16,688)	39	47	(2,781)	(2,828)	102%	(16,688)
Cash/cash equivalents at the month/year end	**7,607**	**54,567**	**54,567**	**276,363**	**276,363**	**74,506**	**(201,858)**	**-271%**	**54,567**
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	217,016	220,532	94,211	108,571	125,492	75,341	458,650	3,429,975	4,729,788
Creditors Age Analysis									
Total Creditors	220,029	105,806	142,469	–	90	25,608	110,741	804,924	1,409,667

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 August

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		**1,742,623**	**1,956,820**	**1,956,820**	**87,647**	**407,391**	**326,137**	81,254	25%	**1,956,820**
Executive and council		1,008,573	1,144,156	1,144,156	28,181	174,080	190,693	(16,613)	-9%	1,144,156
Finance and administration		734,050	812,664	812,664	59,465	233,311	135,444	97,867	72%	812,664
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**51,034**	**51,793**	**51,793**	**3,968**	**7,478**	**8,632**	(1,154)	-13%	**51,793**
Community and social services		13,941	13,007	13,007	633	1,205	2,168	(963)	-44%	13,007
Sport and recreation		3,319	3,510	3,510	255	365	585	(220)	-38%	3,510
Public safety		412	870	870	46	76	145	(69)	-48%	870
Housing		28,862	34,401	34,401	3,035	5,832	5,734	99	2%	34,401
Health		4,500	5	5	–	–	1	(1)	-100%	5
Economic and environmental services		**21,998**	**26,470**	**26,470**	**2,059**	**5,141**	**4,412**	730	17%	**26,470**
Planning and development		6,657	9,620	9,620	512	3,329	1,603	1,726	108%	9,620
Road transport		15,341	16,850	16,850	1,547	1,812	2,808	(997)	-35%	16,850
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**1,992,085**	**2,002,877**	**2,002,877**	**202,381**	**318,988**	**333,813**	**(14,825)**	-4%	**2,002,877**
Energy sources		1,284,936	1,218,320	1,218,320	108,178	205,612	203,053	2,559	1%	1,218,320
Water management		407,581	494,483	494,483	72,812	68,668	82,414	(13,745)	-17%	494,483
Waste water management		171,445	163,297	163,297	12,995	26,326	27,216	(890)	-3%	163,297
Waste management		128,122	126,776	126,776	8,397	18,381	21,129	(2,749)	-13%	126,776
Other	4	**12,519**	**12,780**	**12,780**	**465**	**1,683**	**2,130**	**(447)**	**-21%**	**12,780**
Total Revenue - Functional	2	**3,820,259**	**4,050,740**	**4,050,740**	**296,521**	**740,681**	**675,123**	**65,558**	**10%**	**4,050,740**
Expenditure - Functional										
Governance and administration		**658,085**	**871,232**	**871,232**	**39,029**	**92,429**	**167,578**	(75,149)	-45%	**871,232**
Executive and council		461,093	532,218	532,218	15,955	47,111	88,683	(41,571)	-47%	532,218
Finance and administration		195,058	331,770	331,770	22,646	44,461	77,687	(33,226)	-43%	331,770
Internal audit		1,934	7,244	7,244	428	856	1,207	(351)	-29%	7,244
Community and public safety		**199,069**	**241,014**	**241,014**	**16,670**	**31,929**	**40,169**	(8,240)	-21%	**241,014**
Community and social services		47,653	57,100	57,100	4,198	8,028	9,517	(1,489)	-16%	57,100
Sport and recreation		62,476	73,230	73,230	5,551	10,203	12,205	(2,002)	-16%	73,230
Public safety		46,114	50,986	50,986	3,348	6,841	8,498	(1,657)	-19%	50,986
Housing		24,155	37,712	37,712	1,875	3,748	6,285	(2,537)	-40%	37,712
Health		18,672	21,985	21,985	1,698	3,109	3,664	(555)	-15%	21,985
Economic and environmental services		**195,024**	**226,961**	**226,961**	**13,592**	**26,594**	**37,827**	(11,233)	-30%	**226,961**
Planning and development		44,651	64,359	64,359	4,828	9,159	10,727	(1,568)	-15%	64,359
Road transport		149,420	161,579	161,579	8,685	17,278	26,930	(9,651)	-36%	161,579
Environmental protection		953	1,023	1,023	78	157	170	(14)	-8%	1,023
Trading services		**2,115,667**	**1,994,489**	**1,994,489**	**178,746**	**209,835**	**421,833**	**(211,997)**	-50%	**1,994,489**
Energy sources		1,405,840	1,341,512	1,341,512	144,430	153,263	313,657	(160,394)	-51%	1,341,512
Water management		429,796	384,592	384,592	17,975	26,343	63,681	(37,338)	-59%	384,592
Waste water management		178,103	158,648	158,648	10,684	18,353	26,205	(7,853)	-30%	158,648
Waste management		101,928	109,737	109,737	5,656	11,877	18,290	(6,412)	-35%	109,737
Other		**25,045**	**31,211**	**31,211**	**1,931**	**3,805**	**5,202**	**(1,397)**	**-27%**	**31,211**
Total Expenditure - Functional	3	**3,192,890**	**3,364,907**	**3,364,907**	**249,968**	**364,592**	**672,608**	**(308,016)**	**-46%**	**3,364,907**
Surplus/ (Deficit) for the year		**627,369**	**685,833**	**685,833**	**46,552**	**376,089**	**2,515**	**373,574**	**148.511738**	**685,833**

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August

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		1,008,573	1,144,156	1,144,156	28,181	174,080	190,693	(16,613)	-8.7%	1,144,156
Vote 03 - Municipal Manager		2,305	3,259	3,259	179	347	543	(196)	-36.0%	3,259
Vote 04 - Corporate Services		4,096	6,934	6,934	201	397	1,156	(759)	-65.6%	6,934
Vote 05 - Community Services		171,577	168,289	168,289	9,000	21,091	28,048	(6,957)	-24.8%	168,289
Vote 06 - Financial Services		729,504	804,930	804,930	59,042	232,630	134,155	98,475	73.4%	804,930
Vote 07 - Strategy Econ Development And Planning		7,048	9,771	9,771	1,466	4,186	1,629	2,557	157.0%	9,771
Vote 08 - Infrastructure And Services		1,897,155	1,913,402	1,913,402	198,451	307,949	318,900	(10,951)	-3.4%	1,913,402
Vote 09 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**3,820,259**	**4,050,740**	**4,050,740**	**296,521**	**740,681**	**675,123**	**65,558**	**9.7%**	**4,050,740**
Expenditure by Vote	1									
Vote 01 - Executive & Council		59,484	65,966	65,966	4,762	9,942	10,994	(1,052)	-9.6%	65,966
Vote 02 - Municipal And General		394,166	452,595	452,595	9,376	34,542	75,412	(40,870)	-54.2%	452,595
Vote 03 - Municipal Manager		29,649	31,606	31,606	3,137	5,207	5,268	(60)	-1.1%	31,606
Vote 04 - Corporate Services		81,410	53,796	53,796	3,222	6,875	8,966	(2,091)	-23.3%	53,796
Vote 05 - Community Services		335,559	429,809	429,809	28,729	56,259	71,635	(15,376)	-21.5%	429,809
Vote 06 - Financial Services		154,069	185,384	185,384	11,529	22,314	53,290	(30,976)	-58.1%	185,384
Vote 07 - Strategy Econ Development And Planning		56,719	72,708	72,708	5,121	9,407	12,118	(2,711)	-22.4%	72,708
Vote 08 - Infrastructure And Services		2,081,835	2,073,043	2,073,043	184,093	220,045	434,925	(214,880)	-49.4%	2,073,043
Vote 09 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**3,192,890**	**3,364,907**	**3,364,907**	**249,968**	**364,592**	**672,608**	**(308,016)**	**-45.8%**	**3,364,907**
Surplus/ (Deficit) for the year	2	**627,369**	**685,833**	**685,833**	**46,552**	**376,089**	**2,515**	**373,574**	**14851.2%**	**685,833**

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description 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
Revenue										
Exchange Revenue										
Service charges - Electricity		1,001,393	1,180,220	1,180,220	106,469	202,307	196,703	5,603	3%	1,180,220
Service charges - Water		321,288	409,032	409,032	65,892	54,961	68,172	(13,211)	-19%	409,032
Service charges - Waste Water Management		113,645	109,297	109,297	10,050	20,466	18,216	2,249	12%	109,297
Service charges - Waste management		86,070	88,676	88,676	6,215	14,034	14,779	(746)	-5%	88,676
Sale of Goods and Rendering of Services		15,516	18,813	18,813	2,028	5,287	3,136	2,152	69%	18,813
Agency services								–		
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		175,974	161,100	161,100	15,740	31,328	26,850	4,478	17%	161,100
Interest from Current and Non Current Assets		35,592	36,000	36,000	3,145	3,181	6,000	(2,819)	-47%	36,000
Dividends		–	–	–	–	–	–	–		–
Rent on Land								–		
Rental from Fixed Assets		29,096	34,645	34,645	3,061	5,882	5,774	108	2%	34,645
Licence and permits		384	750	750	22	34	125	(91)	-73%	750
Special rating levies								–		
Construction Contract Revenue										
Development Charges										
Operational Revenue		7,616	3,803	3,803	1,810	2,062	634	1,428	225%	3,803
Non-Exchange Revenue								–		
Property rates		722,537	778,948	778,948	56,906	228,648	129,825	98,823	76%	778,948
Surcharges and Taxes								–		
Fines, penalties and forfeits		14,716	36,890	36,890	2,112	4,041	6,148	(2,107)	-34%	36,890
Licence and permits		9,471	9,100	9,100	(493)	688	1,517	(829)	-55%	9,100
Transfers and subsidies - Operational		363,885	345,532	345,532	1,512	137,493	57,589	79,904	139%	345,532
Interest		94,111	123,500	123,500	7,102	14,185	20,583	(6,398)	-31%	123,500
Fuel Levy								–		
Operational Revenue		11,610	11,050	11,050	1,014	1,879	1,842	37	2%	11,050
Gains on disposal of Fixed and Intangible Assets		(1,289)	–	–	9,526	9,526	–	9,526	#DIV/0!	–
Other Gains		248,144	–	–	–	–	–	–		–
Discontinued Operations								–		
Total Revenue (excluding capital transfers and contributions)		**3,249,758**	**3,347,357**	**3,347,357**	**292,110**	**735,999**	**557,893**	**178,107**	**32%**	**3,347,357**
Expenditure By Type										
Employee related costs		938,821	1,123,783	1,123,783	70,879	145,975	209,537	(63,563)	-30%	1,123,783
Remuneration of councillors		36,578	41,064	41,064	3,096	6,319	6,844	(525)	-8%	41,064
Bulk purchases - electricity		963,259	1,087,700	1,087,700	133,791	133,791	272,970	(139,179)	-51%	1,087,700
Inventory consumed		355,190	317,278	317,278	23,834	37,535	52,880	(15,345)	-29%	317,278
Debt impairment		330,916	425,149	425,149	–	–	70,858	(70,858)	-100%	425,149
Depreciation, amortisation and impairment		103,574	90,500	90,500	–	–	15,083	(15,083)	-100%	90,500
Interest, Dividends and Rent on Land		143,028	13,735	13,735	0	0	–	0	#DIV/0!	13,735
Contracted services		31,983	36,865	36,865	3,111	3,227	6,148	(2,921)	-48%	36,865
Transfers and subsidies		2,795	1,000	1,000	–	–	167	(167)	-100%	1,000
Irrecoverable debts written off		–	–	–	4	11	–	11	#DIV/0!	–
Operational costs		163,149	169,833	169,833	15,252	37,734	28,454	9,280	33%	169,833
Disposal of Fixed and Intangible Assets		727	–	–	–	–	–	–		–
Other Losses		122,869	58,000	58,000	–	–	9,667	(9,667)	-100%	58,000
Total Expenditure		**3,192,890**	**3,364,907**	**3,364,907**	**249,968**	**364,592**	**672,608**	**(308,016)**	**-46%**	**3,364,907**
Surplus/(Deficit)		**56,868**	**(17,550)**	**(17,550)**	**42,142**	**371,408**	**(114,715)**	**486,123**	**(0)**	**(17,550)**
Transfers and subsidies - capital (monetary allocations)		570,501	703,383	703,383	4,410	4,682	117,231	(112,549)	**(0)**	703,383
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**627,369**	**685,833**	**685,833**	**46,552**	**376,089**	**2,515**	**373,574**	**0**	**685,833**
Income Tax								–		
Surplus/(Deficit) after income tax		**627,369**	**685,833**	**685,833**	**46,552**	**376,089**	**2,515**	**373,574**	**0**	**685,833**
Share of Surplus/Deficit attributable to Joint Venture								–		
Share of Surplus/Deficit attributable to Minorities								–		
Surplus/(Deficit) attributable to municipality		**627,369**	**685,833**	**685,833**	**46,552**	**376,089**	**2,515**	373,574	0	**685,833**
Share of Surplus/Deficit attributable to Associate								–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		**627,369**	**685,833**	**685,833**	**46,552**	**376,089**	**2,515**	**373,574**	**0**	**685,833**

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

Vote 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
Multi-Year expenditure appropriation	2									
Vote 01 - Executive & Council		–	–	–	–	–	–	–		–
Vote 02 - Municipal And General		870	6,957	6,957	–	–	1,159	(1,159)	-100%	6,957
Vote 03 - Municipal Manager		–	–	–	–	–	–	–		–
Vote 04 - Corporate Services		–	–	–	–	–	–	–		–
Vote 05 - Community Services		3,310	11,739	11,739	–	–	1,957	(1,957)	-100%	11,739
Vote 06 - Financial Services		–	–	–	–	–	–	–		–
Vote 07 - Strategy Econ Development And Planning		206	2,348	2,348	–	41	391	(350)	-90%	2,348
Vote 08 - Infrastructure And Services		399,712	520,522	520,522	4,206	4,686	86,754	(82,068)	-95%	520,522
Vote 09 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	**404,097**	**541,565**	**541,565**	**4,206**	**4,727**	**90,261**	**(85,534)**	**-95%**	**541,565**
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		–	–	–	–	–	–	–		–
Vote 02 - Municipal And General		371	8,261	8,261	–	–	1,377	(1,377)	-100%	8,261
Vote 03 - Municipal Manager		–	–	–	–	–	–	–		–
Vote 04 - Corporate Services		–	–	–	–	–	–	–		–
Vote 05 - Community Services		6,955	2,609	2,609	–	–	435	(435)	-100%	2,609
Vote 06 - Financial Services		–	–	–	–	–	–	–		–
Vote 07 - Strategy Econ Development And Planning		3,310	2,565	2,565	–	–	428	(428)	-100%	2,565
Vote 08 - Infrastructure And Services		75,426	77,638	77,638	698	772	12,940	(12,168)	-94%	77,638
Vote 09 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	86,061	91,072	91,072	698	772	15,179	**(14,407)**	**-95%**	91,072
Total Capital Expenditure		**490,158**	**632,638**	**632,638**	**4,904**	**5,498**	**105,440**	**(99,941)**	**-95%**	**632,638**
Capital Expenditure - Functional Classification										
Governance and administration		**1,240**	**15,217**	**15,217**	**–**	**–**	**2,536**	(2,536)	-100%	**15,217**
Executive and council		1,240	15,217	15,217	–	–	2,536	(2,536)	-100%	15,217
Finance and administration		–	–	–	–	–	–	–		–
Internal audit								–		
Community and public safety		**10,265**	**14,348**	**14,348**	**–**	**–**	**2,391**	(2,391)	-100%	**14,348**
Community and social services		10,265	14,348	14,348	–	–	2,391	(2,391)	-100%	14,348
Sport and recreation		–	–	–	–	–	–	–		–
Public safety								–		
Housing								–		
Health								–		
Economic and environmental services		**20,763**	**23,098**	**23,098**	**1,447**	**1,926**	**3,850**	(1,924)	-50%	**23,098**
Planning and development		3,018	3,217	3,217	–	41	536	(495)	-92%	3,217
Road transport		17,745	19,880	19,880	1,447	1,885	3,313	(1,428)	-43%	19,880
Environmental protection								–		
Trading services		**457,393**	**578,279**	**578,279**	**3,457**	**3,572**	**96,380**	(92,808)	-96%	**578,279**
Energy sources		16,980	25,236	25,236	2,029	2,144	4,206	(2,062)	-49%	25,236
Water management		409,587	504,348	504,348	–	–	84,058	(84,058)	-100%	504,348
Waste water management		30,826	48,696	48,696	1,428	1,428	8,116	(6,688)	-82%	48,696
Waste management								–		
Other		497	1,696	1,696	–	–	283	(283)	-100%	1,696
Total Capital Expenditure - Functional Classification	3	**490,158**	**632,638**	**632,638**	**4,904**	**5,498**	**105,440**	**(99,941)**	**-95%**	**632,638**
Funded by:										
National Government		473,015	605,551	605,551	4,904	5,457	100,925	(95,468)	-95%	605,551
Provincial Government								–		
District Municipality		–	1,739	1,739	–	–	290	(290)	-100%	1,739
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**473,015**	**607,290**	**607,290**	**4,904**	**5,457**	**101,215**	**(95,758)**	**-95%**	**607,290**
Borrowing	6							–		
Internally generated funds		17,143	25,348	25,348	–	41	4,225	(4,184)	-99%	25,348
Total Capital Funding		**490,158**	**632,638**	**632,638**	**4,904**	**5,498**	**105,440**	**(99,941)**	**-95%**	**632,638**

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M02 August

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	524,396	54,828
Short term Investments						
Trade and other receivables from exchange transactions		1,279,198	1,981,909	1,981,909	1,407,424	1,981,909
Receivables from non-exchange transactions		938,481	1,161,128	1,161,128	1,068,247	1,161,128
Current portion of non-current receivables		–	–	–	–	–
Inventory		116,177	112,929	112,929	132,727	112,929
VAT Receivable		105,861	59,219	59,219	159,544	59,219
Other current assets		352	679	679	716	679
Total current assets		**2,907,178**	**3,370,692**	**3,370,692**	**3,293,054**	**3,370,692**
Non current assets						
Investments						
Investment property		199,296	203,225	203,225	199,337	203,225
Property, plant and equipment		2,828,564	3,497,968	3,497,968	2,834,021	3,497,968
Biological assets						
Living resources						
Heritage assets		6,760	13,767	13,767	6,760	13,767
Intangible assets		33,448	35,117	35,117	33,448	35,117
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**3,068,068**	**3,750,076**	**3,750,076**	**3,073,566**	**3,750,076**
TOTAL ASSETS		**5,975,246**	**7,120,768**	**7,120,768**	**6,366,621**	**7,120,768**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	(16,688)	(16,688)	–	(16,688)
Consumer deposits		52,858	51,673	51,673	51,608	51,673
Trade and other payables from exchange transactions		1,544,925	2,098,699	2,098,699	1,412,900	2,098,699
Trade and other payables from non-exchange transactions		118,313	–	5,000	256,767	5,000
Provision		788	788	788	788	788
VAT Payable		108,742	18,407	18,407	141,128	18,407
Other current liabilities		–	–	–	–	–
Total current liabilities		**1,825,626**	**2,152,879**	**2,157,879**	**1,863,192**	**2,157,879**
Non current liabilities						
Financial liabilities		637,579	123,287	123,287	637,579	123,287
Provision		20,689	13,628	13,628	20,689	13,628
Long term portion of trade payables						
Other non-current liabilities		370,007	–	–	355,539	–
Total non current liabilities		**1,028,276**	**136,915**	**136,915**	**1,013,807**	**136,915**
TOTAL LIABILITIES		**2,853,901**	**2,289,794**	**2,294,794**	**2,876,999**	**2,294,794**
NET ASSETS	2	**3,121,344**	**4,830,974**	**4,825,974**	**3,489,622**	**4,825,974**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		3,052,017	4,756,170	4,756,170	3,428,107	4,756,170
Reserves and funds		74,804	74,804	74,804	74,804	74,804
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	**3,126,822**	**4,830,974**	**4,830,974**	**3,502,911**	**4,830,974**

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M02 August

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	38,460	76,936	110,351	(33,415)	-30%	662,106
Service charges		1,273,679	1,844,750	1,844,750	103,518	210,441	307,458	(97,018)	-32%	1,844,750
Other revenue		610,632	437,308	437,308	131,618	187,943	72,885	115,058	158%	437,308
Transfers and Subsidies - Operational		339,189	345,532	345,532	852	136,795	57,589	79,206	138%	345,532
Transfers and Subsidies - Capital		677,066	703,383	703,383	110,234	143,834	117,231	26,603	23%	703,383
Interest		42,342	65,275	65,275	4,733	10,607	10,879	(272)	-2%	65,275
Dividends								–		
Payments										
Suppliers and employees		(3,187,108)	(3,325,123)	(3,325,123)	(184,258)	(575,607)	(554,187)	21,420	-4%	(3,325,123)
Finance charges		(1,641)	(13,735)	(13,735)	–	2,847	(2,289)	(5,136)	224%	(13,735)
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**350,026**	**719,495**	**719,495**	**205,158**	**193,796**	**119,916**	**(73,880)**	**-62%**	**719,495**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		(5)	–	–	9,526	9,526	–	9,526	#DIV/0!	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments								–		
Insurance Refund - Capital		–	800	800	–	–	133	(133)		800
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments								–		
Payments										
Capital assets		(507,469)	(727,533)	(727,533)	(4,904)	(5,498)	(121,256)	(115,757)	95%	(727,533)
Retention (Capital)								–		
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(507,474)**	**(726,733)**	**(726,733)**	**4,622**	**4,028**	**(121,122)**	**(125,150)**	**103%**	**(726,733)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		1,146	–	–	39	47	–	47	#DIV/0!	–
Payments										
Repayment of borrowing		–	(16,688)	(16,688)	–	–	(2,781)	(2,781)	100%	(16,688)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**1,146**	**(16,688)**	**(16,688)**	**39**	**47**	**(2,781)**	**(2,828)**	**102%**	**(16,688)**
NET INCREASE/ (DECREASE) IN CASH HELD		**(156,302)**	**(23,926)**	**(23,926)**	**209,819**	**197,870**	**(3,988)**			**(23,926)**
Cash/cash equivalents at beginning:		163,909	78,493	78,493	66,544	78,493	78,493			78,493
Cash/cash equivalents at month/year end:		7,607	54,567	54,567	276,363	276,363	74,506			54,567

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 R524,396 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	Aug'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)

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):	*Choose from drop down list*	**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 made a partial payment of R10,000 million towards the July 2026 account amounting to R23,715 million. A payment of R130 thousand was made on the June 2026 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?	Yes	
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 made a partial payment of R70,000 million towards the July 2026 amounting to R152,276 million. A payment of R7,316 million was made on the December 2025 account that is now fully settled.
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 Quarte**r -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za?	Yes	
	6.9	**Monitor and report on implementation –**		
29	6.9.1	**- MFMA section 71 reporting –** has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes	
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the **active intervention evident** from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? ***Note*** *- condition 6.9.2 has a typing error and must refer to 6.9.1.*	Yes	
31	6.9.3	- **Municipalities with financial recovery plans (FRP)** – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No	
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	

No.	Ref	Condition	Response	Comments
		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 made a partial payment of R10,000 million towards the current water account for July 2026 amounting to R23,715 million. The municipality made a partial payment of R70,000 million towards the current Eskom account for July 2026 amounting to R152,726 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	
		***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	
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 August 2026. The National Treasury debt relief approval was effective from 1 October 2023.

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

Province				
NW				
Code		District		Code Description
NC091		Frances Baard		Sol Plaatje

Monthly Performance Report

Municipal Details; Part A: Eskom And Bulk water current account; Part B: Compliance with a funded MTREF; Part C: 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	No	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes
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: 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
1.July 2026	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
2.August 2026	Yes	Yes	No	No	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes
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: Oversight; Part F: 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	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	68%	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 68% compliance. However, it should be noted that some of the conditions are required to be reported on, on a quarterly basis and is therefore reported as "not yet end of quarter". This affects the percentage achieved. These are the major factors that negatively influenced the performance for the month and the quarter under review.

- The partial payment on the Eskom and DWS current account for July 2026.
- The municipality could not settle the Eskom payment arrangement instalment of R6.7 million which was due at the end of August 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 and third cycle it should be at 95%. The average collection rate calculated by the municipality is standing at 59% for the month of August 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 52%. 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 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 July 2026 is attached to this S71 report.

HIGH-LEVEL RECOMMENDATIONS AND IMPLEMENTATION-ASSURANCE PLAN

The following actions should be adopted as the formal July 2026 corrective plan. The Municipal Manager and CFO should assign named responsible officials, and the Mayoral Committee and Provincial Treasury should monitor completion. Where an amount or deadline changes following supplier confirmation, the revised amount and basis should be recorded in the monthly report

Action	Required intervention	Responsible function	Timeframe	Evidence of completion
1. Restore Eskom current-account compliance	Settle the June current account and each subsequent current invoice by the due date; provide invoice-level proof, bank extract, remittance, ledger and Section 41 reconciliation.	Municipal Manager / CFO / Electricity / Expenditure	Immediate and monthly	Zero unpaid current invoices; reconciled evidence pack
2. Remedy Eskom payment-arrangement default	Agree and implement a funded plan to clear R113.900 million in arrangement arrears and prevent further missed instalments.	CFO / Eskom liaison	Within 10 working days	Eskom-confirmed arrangement and proof of first compliant payment
3. Restore DWS compliance	Settle current invoices and the debt-agreement instalment; reconcile the R234.694 million good-standing amount and the R14.704 million potential interest benefit.	Municipal Manager / CFO / Water Services	Within 10 working days	DWS-confirmed reconciliation and payment plan
4. Implement a cash-waterfall protocol	Identify electricity, water, sanitation and FBS receipts daily and apply them in the prescribed priority before discretionary expenditure.	CFO / Treasury / Revenue	Immediate	Daily and weekly cash-waterfall report signed by CFO
5. Submit a credible Budget Funding Plan	Replace the not-applicable form with a funded monthly plan covering collections, cash coverage, losses, creditors, expenditure controls and bulk accounts.	CFO / Budget Office	Before the August Section 71 submission	Council-approved BFP and monthly performance schedule
6. Close the daily collection gap	Increase daily cash collection from R6.543 million toward at least R11.112 million through segmented recovery and channel targets.	Revenue Management	Monthly	Daily dashboard and cash collected per intervention
7. Strengthen electricity enforcement	Track the 2,256 blocked accounts through payment, arrangement, unblocking, handover and closure; evaluate the four debt collectors on net cash outcomes.	Revenue / Electricity / Legal	Monthly	Movement report and recovery ratio by agency
8. Operationalise water restriction	Replace the not-applicable submission with an interim restriction plan and a funded rollout plan for approximately 15,000 replacement meters.	Engineering: Water / Revenue / SCM	Plan within 20 working days	Approved plan, procurement milestones and monthly restrictions
9. Cleanse the revenue base	Resolve Ward 999, negative billings, over-100% rates, multi-use properties, annual-billing treatment and Ward 30 water anomalies.	Revenue / Valuations / ICT / Billing	Monthly, with high-risk exceptions first	Account-level exception register and value corrected
10. Reconcile indigent and FBS data	Correct the reporting year; reconcile 6,675 beneficiaries to billing, meters, vending, GL and equitable share; explain zero electricity FBS cost.	Indigent Management / Revenue / Finance	Before the August submission	Completed, signed Annexure C and reconciliation
11. Correct tariff sustainability	Address the R123.192 million electricity shortfall and adopt a phased service-by-service tariff and loss-reduction strategy for years two and three.	CFO / Electricity / Water / Council	During the 2026/27 adjustment process	Updated Tariff Tool and approved implementation plan
12. Reconcile debt-relief accounting	Reconcile R248.128 million, R462.248 million and R496.256 million to approvals, Eskom confirmations and ledger journals.	CFO / Financial Reporting	Within 10 working days	CFO-certified debt-relief accounting file
13. Clear bank reconciling items	Age and clear unreconciled deposits, direct-deposit transfers, undeposited receipts, Pay@ and Poff items.	Financial Accounting	Within the following month	Zero aged unexplained reconciling items
14. Strengthen Council oversight	Table a dedicated MDR dashboard and formally resolve on each breach, action owner, deadline and escalation.	Municipal Manager / Executive Mayor	Monthly	Council/Mayoral Committee resolution and action tracker
15. Provincial Treasury verification	Verify source evidence and progress before final certification; escalate non-delivery to National Treasury.	Northern Cape Provincial Treasury	Monthly	Independent verification report and certification
16. NERSA consequence preparedness	Provide Council with a legal and operational briefing on licence-related risks and the steps required to avoid escalation.	Municipal Manager / Legal / Electricity	Within 20 working days	Council-noted briefing and compliance-restoration resolution

CONCLUSION

The July 2026 assessment confirms a deterioration in Sol Plaatje Local Municipality's Municipal Debt Relief compliance position. The municipality's score declined to 66 per cent and the external register classifies the municipality as overdue and in Standard Breach. The primary causes are not reporting failures alone; they are the continued inability to settle current Eskom and DWS accounts, default on payment arrangements, an unfunded budget, weak cash conversion, inadequate water restriction and failure to apply ring-fenced service revenue in the prescribed order.

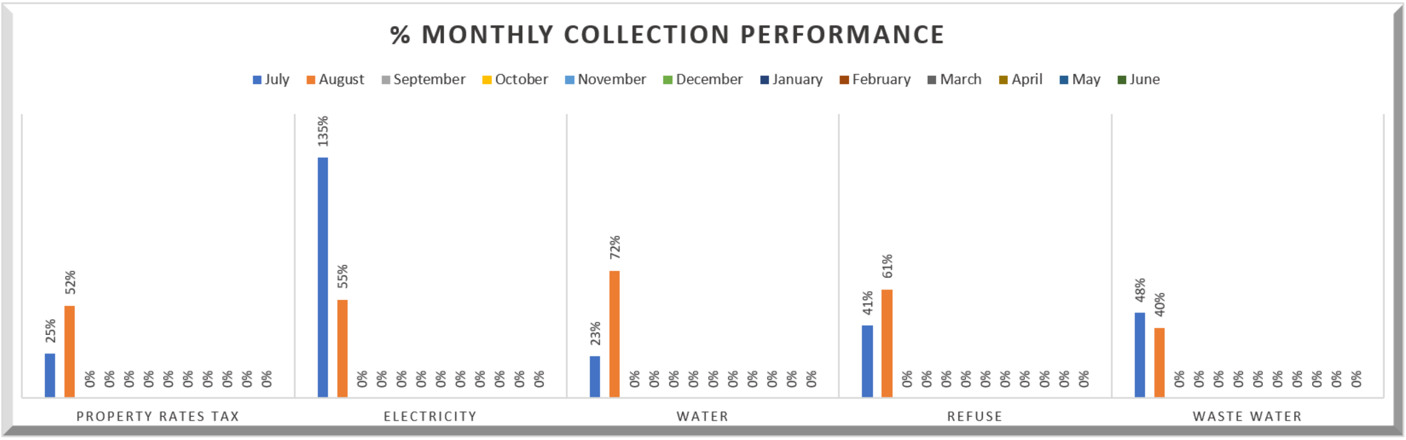
There are positive controls on which recovery can be built. The municipality submitted a detailed Section 71 report, reconciled its primary bank account, completed and submitted the GVR reconciliation, maintained account-level electricity blocking records, reconciled certain bulk-account ledger movements and completed a Tariff Tool assessment. The smart-meter project has installed 15,328 meters and four debt collectors have been appointed. These measures provide an operating platform, but their financial benefits are not yet sufficient or consistently measured.

The municipality's July accounting surplus should not obscure the cash position. Net operating cash flow was negative, cost coverage was 33 days, the revised collection rate was 62 per cent, consumer debt increased to R4.687 billion and bulk arrangements remained unpaid. Unless the municipality converts its revenue-enhancement activities into sustained cash collections and applies those receipts to current obligations, new arrears will continue to replace the debt that has been relieved.

National Treasury should therefore maintain enhanced monthly monitoring and require the corrective plan in this report to be formally adopted and implemented. Continued participation remains appropriate only if Sol Plaatje demonstrates measurable improvement in August and subsequent months. The remaining final-third debt-relief benefit of approximately R248.128 million should remain conditional on verified restoration of current-account discipline, funded-budget implementation, revenue collection, ring-fencing and audit-ready accounting evidence.

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	Summary - Quarter 2				Q2
	Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	530,048,661	232,938,415	297,110,247	44%	44%	-	-	-	#DIV/0!	
2.Collection excl Eskom supplied areas	459,877,903	212,931,849	246,946,054	46%	46%	-	-	-	#DIV/0!	
3.Collection: **Property Rates**	226,015,793	81,562,368	144,453,426	36%	36%	-	-	-	#DIV/0!	
4.Total average collection: **Electricity** (Municipal supplied areas)	118,125,235	101,197,845	16,927,390	86%	86%	-	-	-	#DIV/0!	
5.Total average collection: **Water**	94,700,870	27,151,699	67,549,171	29%	29%	-	-	-	#DIV/0!	
6.Total average collection: **Wastewater**	25,691,845	9,676,929	16,014,916	38%	38%	-	-	-	#DIV/0!	
7.Total average collection: **Refuse**	19,997,876	8,572,300	11,425,575	43%	43%	-	-	-	#DIV/0!	
8.Total average collection: **Interest**	45,517,043	4,777,275	40,739,769	10%	0%	-	-	-	#DIV/0!	

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

Description	Jun-26	Jul-26	Aug-26
Monthly collection rate (Property rates and Services)	62%	74%	43%
Revised average collection rate (SPLM)	81%	62%	59%
Collection rate per Ward (Monthly)	74%	39%	52%
Collection rate per Ward (Quarterly)	70%	-	-

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

The monthly collection rate per ward is a major concern and it not at a desired level. The monthly collection rate per ward increased from 39% to 52% for the month under review. The average collection rate calculated by the municipality for August 2026 is 59%, which is slightly higher due to prepaid electricity sales and unallocated credits being taken into consideration. The collection rate is distorted, due to the annual billing on Property rates. 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	2.August - Reporting for July in August: Billing For July	Collection in August	R - Billing not collected	% Collection	Q1
1.Collection for whole demarcation	Summary	320,362,495	123,774,605	210,362,016	39%	209,686,167	109,163,810	100,522,357	52%	44%
2.Collection excl Eskom supplied areas		276,928,896	111,407,245	195,207,031	40%	182,949,007	101,524,604	84,406,384	55%	46%
3.Collection: **Property Rates**		172,338,557	43,074,374	129,264,182	25%	53,677,237	38,487,993	15,189,243	72%	36%
4.Total average collection: **Electricity** (Municipal supplied areas)		38,915,009	52,689,135	0	135%	79,210,226	48,508,710	30,701,516	61%	86%
5.Total average collection: **Water**		63,869,744	14,917,636	48,952,109	23%	30,831,125	12,234,063	18,597,062	40%	29%
6.Total average collection: **Wastewater**		12,673,398	5,161,997	7,511,400	41%	13,018,447	4,514,931	8,503,516	35%	38%
7.Total average collection: **Refuse**		9,907,930	4,744,325	5,163,605	48%	10,089,945	3,827,976	6,261,970	38%	43%
8. 7.Total average collection: **Interest**		22,657,857	3,187,138	19,470,719	14%	22,859,186	1,590,137	21,269,049	7%	

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	2.August: Billing For July	Collection for July in August	Rand Value of 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%	164,542.56	96,418.15	68,124	59%	169%
Electricity			2,799,466.01	2,152,519.31	646,947	77%	3,357,316.90	1,761,267.82	1,596,049	52%	64%
Water			1,656,917.13	819,177.06	837,740	49%	1,023,751.48	628,857.80	394,894	61%	54%
Refuse			108,589.30	68,611.44	39,978	63%	124,345.64	26,441.53	97,904	21%	41%
Waste Water			113,241.18	52,206.40	61,035	46%	116,496.60	53,060.14	63,436	46%	46%
Interest			835,877.96	80,222.93	755,655	10%	846,484.48	124,587.30	721,897	15%	12%
Property Rates Tax	Mun Supplied	Ward 2 - Roodepan	3,332,036.58	536,404.17	2,795,632	16%	1,052,465.94	477,742.09	574,724	45%	23%
Electricity			378,716.58	240,354.19	138,362	63%	552,878.69	246,359.10	306,520	45%	52%
Water			971,093.75	267,619.37	703,474	28%	915,726.56	218,021.33	697,705	24%	26%
Refuse			448,462.79	133,795.42	314,667	30%	476,319.11	106,587.27	369,732	22%	26%
Waste Water			657,846.81	178,595.91	479,251	27%	706,735.65	150,840.16	555,895	21%	24%
Interest			857,649.12	41,541.69	816,107	5%	869,835.04	22,852.13	846,983	3%	4%
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%	690,412.76	232,733.94	457,679	34%	16%
Electricity			212,962.04	148,501.32	64,461	70%	227,733.16	181,273.61	46,460	80%	75%
Water			- 290,374.63	161,405.37	0	-56%	650,237.76	130,050.41	520,187	20%	81%
Refuse			274,944.84	67,984.14	206,961	25%	274,384.44	60,155.49	214,229	22%	23%
Waste Water			392,490.33	106,932.15	285,558	27%	391,689.65	82,448.38	309,241	21%	24%
Interest			576,103.00	25,438.04	550,665	4%	584,673.86	18,519.77	566,154	3%	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%	454,239.10	190,919.04	263,320	42%	21%
Electricity			373,916.84	161,474.45	212,442	43%	406,783.44	305,230.27	101,553	75%	60%
Water			532,337.53	209,170.20	323,167	39%	720,051.34	128,067.90	591,983	18%	27%
Refuse			245,248.78	69,809.73	175,439	28%	245,253.77	59,089.55	186,164	24%	26%
Waste Water			349,670.72	101,790.87	247,880	29%	349,677.86	97,679.22	251,999	28%	29%
Interest			443,359.27	29,325.87	414,033	7%	447,917.69	20,444.75	427,473	5%	6%
Property Rates Tax	Mun Supplied	Ward 5 - Vergenoeg Ext 2, Redirile, Thusano	687,630.80	130,191.97	557,439	19%	297,164.29	115,664.74	181,500	39%	25%
Electricity			43,539.02	48,997.45	0	113%	56,433.71	30,946.00	25,488	55%	80%
Water			342,897.27	113,100.99	229,796	33%	429,611.96	69,246.51	360,365	16%	24%
Refuse			247,329.95	59,443.65	187,886	24%	247,049.75	44,813.62	202,236	18%	21%
Waste Water			347,326.34	84,039.33	263,287	24%	346,926.00	72,573.62	274,352	21%	23%
Interest			411,515.57	23,499.69	388,016	6%	414,551.41	9,291.81	405,260	2%	4%
Property Rates Tax	Mun Supplied	Ward 6 - Vergenoeg Ext 10, Boikhutsong, Solly Legodi, Blikkies	192,559.86	68,047.47	124,512	35%	192,559.86	49,954.94	142,605	26%	31%
Electricity			15,491.58	27,380.22	0	177%	17,833.48	5,102.66	12,731	29%	97%
Water			499,133.64	52,295.90	446,838	10%	504,569.14	40,023.46	464,546	8%	9%
Refuse			236,784.01	38,558.39	198,226	16%	238,636.38	28,104.08	210,532	12%	14%
Waste Water			333,328.33	51,406.14	281,922	15%	337,131.56	43,434.25	293,697	13%	14%
Interest			525,183.53	9,421.97	515,762	2%	530,350.06	6,713.28	523,637	1%	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%	240,213.84	106,111.69	134,102	44%	14%
Electricity			150,753.16	55,560.90	95,192	37%	150,798.10	56,119.65	94,678	37%	37%
Water			715,510.23	104,802.43	610,708	15%	687,222.10	92,966.17	594,256	14%	14%
Refuse			233,040.02	72,103.47	160,937	31%	239,347.85	46,635.00	192,713	19%	25%
Waste Water			338,445.52	85,898.87	252,547	25%	348,426.92	76,514.86	271,912	22%	24%
Interest			408,559.99	31,604.23	376,956	8%	416,520.00	14,502.92	402,017	3%	6%
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%	138,997.48	29,956.00	109,041	22%	2%
Electricity			271,675.02	33,203.84	238,471	12%	295,844.41	30,959.29	264,885	10%	11%
Water			253,475.83	40,400.56	213,075	16%	415,038.06	32,622.18	382,416	8%	11%
Refuse			239,060.50	21,018.89	218,042	9%	276,405.74	22,426.81	253,979	8%	8%
Waste Water			343,196.68	25,872.10	317,325	8%	395,072.88	25,583.38	369,490	6%	7%
Interest			390,028.12	3,522.44	386,506	1%	399,984.25	7,833.89	392,150	2%	1%
Property Rates Tax	Mun Supplied	Ward 9 - Ipopeng, Retswelele	1,692,527.47	535,684.65	1,156,843	32%	840,974.96	515,591.31	325,384	61%	41%
Electricity			173,584.33	124,857.76	48,727	72%	198,310.11	104,653.96	93,656	53%	62%
Water			661,729.29	230,460.31	431,269	35%	686,677.20	207,777.28	478,900	30%	33%
Refuse			240,184.85	117,452.27	122,733	49%	239,624.45	117,239.51	122,385	49%	49%
Waste Water			343,348.53	156,352.32	186,996	46%	342,547.85	146,794.66	195,753	43%	44%
Interest			423,836.15	27,206.59	396,630	6%	430,326.11	25,841.40	404,485	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%	419,436.25	166,529.08	252,907	40%	14%
Electricity			731,358.31	350,027.62	381,331	48%	973,466.54	380,598.30	592,868	39%	43%
Water			398,132.92	138,940.50	259,192	35%	620,260.37	103,416.68	516,844	17%	24%
Refuse			248,932.32	75,569.27	173,363	30%	246,332.56	59,691.66	186,641	24%	27%
Waste Water			331,108.50	81,865.73	249,243	25%	329,306.97	67,502.72	261,804	20%	23%
Interest			439,955.47	17,810.41	422,145	4%	446,212.86	13,119.01	433,094	3%	3%
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%	156,799.05	48,549.32	108,250	31%	2%
Electricity			440,536.07	400,343.43	40,193	91%	494,032.93	179,102.26	314,931	36%	62%
Water			459,798.57	119,499.95	340,299	26%	470,918.51	98,509.28	372,409	21%	23%
Refuse			187,685.68	51,220.92	136,465	27%	188,806.48	41,544.95	147,262	22%	25%
Waste Water			293,736.01	92,288.04	201,448	31%	295,337.37	73,538.36	221,799	25%	28%
Interest			421,505.35	9,783.23	411,722	2%	427,034.50	4,766.60	422,268	1%	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%	321,735.97	140,181.39	181,555	44%	14%
Electricity			160,674.64	64,233.86	96,441	40%	156,259.91	74,421.97	81,838	48%	44%
Water			348,991.54	104,500.21	244,491	30%	384,726.67	99,663.04	285,064	26%	28%
Refuse			207,333.73	58,950.81	148,383	28%	208,164.35	52,671.15	155,493	25%	27%
Waste Water			294,271.99	89,087.47	205,185	30%	295,458.73	75,875.92	219,583	26%	28%
Interest			410,275.09	17,726.85	392,548	4%	415,927.40	11,719.62	404,208	3%	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%	273,268.42	177,470.51	95,798	65%	16%
Electricity			729,713.47	532,217.17	197,496	73%	799,716.33	456,767.17	342,949	57%	65%
Water			520,707.64	100,202.56	420,505	19%	340,748.49	84,276.83	256,472	25%	21%
Refuse			114,047.84	32,425.90	81,622	28%	121,798.40	28,592.23	93,206	23%	26%
Waste Water			174,557.59	65,458.00	109,100	37%	184,191.75	48,102.97	136,089	26%	32%
Interest			270,192.36	8,286.87	261,905	3%	273,757.94	18,874.86	254,883	7%	5%
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%	1,459,121.52	1,072,503.20	386,618	74%	20%
Electricity			2,483,838.14	1,713,184.79	770,653	69%	2,647,770.71	1,912,690.37	735,080	72%	71%
Water			809,558.31	564,717.11	244,841	70%	941,240.84	429,699.00	511,542	46%	57%
Refuse			405,046.34	407,578.42	0	101%	385,160.86	247,438.70	137,722	64%	83%
Waste Water			399,513.97	241,198.71	158,315	60%	402,396.85	231,790.56	170,606	58%	59%
Interest			756,933.90	90,966.18	665,968	12%	783,898.43	100,573.89	683,325	13%	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%	333,615.57	116,876.01	216,740	35%	11%
Electricity			131,376.24	111,668.28	19,708	85%	185,281.78	110,019.52	75,262	59%	70%
Water			566,455.57	76,120.82	490,335	13%	887,634.35	61,869.07	825,765	7%	9%
Refuse			263,795.98	40,700.55	223,095	15%	273,096.71	38,338.08	234,759	14%	15%
Waste Water			372,165.75	61,823.53	310,342	17%	384,011.84	56,908.01	327,104	15%	16%
Interest			531,243.20	11,726.96	519,516	2%	536,936.99	27,945.13	508,992	5%	4%
Property Rates Tax	Mun Supplied	Ward 16 - Phutanang Cemetery, Promise Land, Lindelani, Snake Park, Tswelelang,	171,254.83	35,504.16	135,751	21%	168,173.04	21,877.40	146,296	13%	17%
Electricity			54,992.65	2,808.18	52,184	5%	112,380.09	784.45	111,596	1%	2%
Water			979,519.80	28,510.55	951,009	3%	478,692.17	18,433.15	460,259	4%	3%
Refuse			227,476.06	17,660.30	209,816	8%	246,529.66	14,695.21	231,834	6%	7%
Waste Water			326,864.70	28,367.20	298,498	9%	354,239.27	23,374.27	330,865	7%	8%
Interest			564,268.17	2,912.57	561,356	1%	572,442.57	4,580.75	567,862	1%	1%

Complete This Section			Quarter 1 Performance Per Ward								
			1.July				2.August				
Services	Electricity Supplier	Ward Name & Number	Billing For June	Collection for June in July	Rand Value of Billing not collected	% Collection	Billing For July	Collection for July in August	Rand Value of Billing not collected	% Collection	Q1
Property Rates Tax	Mun Supplied	Ward 17 - Kagiso, Tlhlageng, John Mampe 2, Direlanang	492,924.38	269,126.52	223,798	55%	473,634.22	220,993.32	252,641	47%	51%
Electricity			64,428.80	18,546.29	45,883	29%	51,090.24	22,594.90	28,495	44%	36%
Water			416,145.03	131,016.79	285,128	31%	780,280.85	98,963.29	681,318	13%	19%
Refuse			332,291.50	65,876.53	266,415	20%	327,720.75	59,651.71	268,069	18%	19%
Waste Water			458,251.40	94,543.03	363,708	21%	456,069.75	83,262.96	372,807	18%	19%
Interest			627,504.53	16,380.50	611,124	3%	634,408.23	26,432.27	607,976	4%	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%	1,202,254.16	1,323,987.66	0	110%	20%
Electricity			1,959,513.76	973,752.88	985,761	50%	1,916,829.42	655,052.27	1,261,777	34%	42%
Water			1,108,031.38	387,757.18	720,274	35%	869,889.74	411,698.76	458,191	47%	40%
Refuse			245,757.00	141,524.60	104,232	58%	246,441.83	149,751.00	96,691	61%	59%
Waste Water			322,062.32	172,205.27	149,857	53%	322,903.16	215,058.83	107,844	67%	60%
Interest			564,358.64	48,038.14	516,321	9%	572,103.86	98,568.73	473,535	17%	13%
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%	259,259.73	107,016.32	152,243	41%	26%
Electricity			- 10,705.40	36,429.82	0	-340%	147,413.25	19,412.49	128,001	13%	41%
Water			442,832.64	101,949.56	340,883	23%	639,901.73	83,724.45	556,177	13%	17%
Refuse			217,569.15	51,760.76	165,808	24%	218,549.85	42,341.90	176,208	19%	22%
Waste Water			292,995.68	62,900.90	230,095	21%	294,396.87	54,192.07	240,205	18%	20%
Interest			542,844.54	16,863.51	525,981	3%	549,788.04	14,886.68	534,901	3%	3%
Property Rates Tax	Mun Supplied	Ward 20 - West End, Kimberley Mine, Kimberley North, Kimberley North, Diamant Park, Albertynshof, Kestellhof	28,391,677.05	14,226,875.54	14,164,802	50%	13,898,376.15	9,653,441.21	4,244,935	69%	56%
Electricity			14,563,937.34	10,985,383.91	3,578,553	75%	17,585,255.54	11,334,259.51	6,250,996	64%	69%
Water			709,414.72	2,296,456.85	0	324%	2,316,604.07	2,746,696.89	0	119%	167%
Refuse			1,135,434.11	1,111,786.06	23,648	98%	1,145,735.78	883,150.09	262,586	77%	87%
Waste Water			964,294.42	872,040.83	92,254	90%	987,623.26	690,543.63	297,080	70%	80%
Interest			1,722,688.23	1,486,178.69	236,510	86%	1,724,104.05	333,980.24	1,390,124	19%	53%
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%	3,448,451.90	2,677,222.32	771,230	78%	45%
Electricity			5,080,417.02	2,907,370.78	2,173,046	57%	6,454,064.17	3,764,469.29	2,689,595	58%	58%
Water			1,309,985.91	1,176,843.29	133,143	90%	1,291,893.73	998,699.00	293,195	77%	84%
Refuse			436,766.26	360,088.54	76,678	82%	433,379.71	312,020.39	121,359	72%	77%
Waste Water			496,880.26	401,280.63	95,600	81%	505,408.78	353,517.08	151,892	70%	75%
Interest			606,905.40	173,760.15	433,145	29%	557,622.13	159,669.37	397,953	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%	1,455,019.90	1,022,578.02	432,442	70%	18%
Electricity			3,144,112.32	4,147,087.77	0	132%	3,852,909.23	2,560,462.86	1,292,446	66%	96%
Water			1,065,974.32	414,993.32	650,981	39%	1,510,405.16	242,567.85	1,267,837	16%	26%
Refuse			301,265.93	94,263.12	207,003	31%	324,240.87	89,290.29	234,951	28%	29%
Waste Water			411,463.01	126,627.98	284,835	31%	448,239.19	126,853.66	321,386	28%	29%
Interest			507,306.51	67,065.73	440,241	13%	516,769.85	25,715.47	491,054	5%	9%
Property Rates Tax	Mun Supplied	Ward 23 - Civic Centre, New Park, Labram, Roylglen, Royldene, Monument Heights, El toro Park, Minerva Gardens	27,428,457.66	8,623,791.70	18,804,666	31%	7,837,624.08	8,452,185.68	0	108%	48%
Electricity			- 11,115,163.85	13,595,626.94	0	-122%	17,288,446.66	11,467,403.60	5,821,043	66%	406%
Water			2,266,001.69	1,734,437.61	531,564	77%	2,719,818.59	1,633,886.92	1,085,932	60%	68%
Refuse			504,057.45	427,377.82	76,680	85%	505,617.84	393,855.60	111,762	78%	81%
Waste Water			636,815.50	563,660.68	73,155	89%	652,803.12	535,181.59	117,622	82%	85%
Interest			580,674.15	250,352.98	330,321	43%	576,880.03	141,300.67	435,579	24%	34%
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%	3,850,763.84	4,448,117.70	0	116%	60%
Electricity			1,616,584.59	1,810,429.35	0	112%	4,080,975.95	1,805,835.37	2,275,141	44%	63%
Water			1,138,612.85	1,031,463.76	107,149	91%	1,380,534.72	855,951.62	524,583	62%	75%
Refuse			336,463.96	311,055.52	25,408	92%	334,556.68	281,119.62	53,437	84%	88%
Waste Water			477,010.95	424,549.54	52,461	89%	477,140.59	385,301.22	91,839	81%	85%
Interest			292,385.67	107,876.42	184,509	37%	295,549.47	97,213.72	198,336	33%	35%
Property Rates Tax	Mun Supplied	Ward 25 - De Beers Mine, Beaconsfield, Memorial Road Area, Klisserville	6,396,845.19	1,602,118.66	4,794,727	25%	1,835,461.43	1,330,320.16	505,141	72%	36%
Electricity			1,605,410.96	1,068,493.32	536,918	67%	1,551,619.58	951,150.47	600,469	61%	64%
Water			- 735,797.05	557,682.66	0	-76%	903,938.17	502,569.30	401,369	56%	631%
Refuse			218,041.27	181,374.93	36,666	83%	223,971.94	131,113.77	92,858	59%	71%
Waste Water			292,144.03	255,386.71	36,757	87%	304,756.45	180,935.00	123,821	59%	73%
Interest			455,596.82	42,484.02	413,113	9%	460,534.43	52,205.04	408,329	11%	10%
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%	7,474,677.69	3,309,046.62	4,165,631	44%	21%
Electricity			4,455,450.41	4,996,737.46	0	112%	7,913,163.95	2,683,735.68	5,229,428	34%	62%
Water			2,386,595.59	2,493,316.00	0	104%	3,755,508.73	1,044,099.29	2,711,409	28%	58%
Refuse			565,161.32	245,882.16	319,279	44%	563,604.13	165,130.95	398,473	29%	36%
Waste Water			608,940.30	149,775.04	459,165	25%	608,940.30	133,138.27	475,802	22%	23%
Interest			3,696,078.21	289,964.96	3,406,113	8%	3,708,796.56	71,994.45	3,636,802	2%	5%
Property Rates Tax	Partial Eskom & Mun Supplied	Ward 27 - Rietvale, Sol Plaatje RE	795,685.04	153,981.35	641,704	19%	332,563.36	181,396.53	151,167	55%	30%
Electricity			6,416.49	991.63	5,425	15%	8,655.21	1,015.82	7,639	12%	13%
Water			1,445,208.04	5,145.66	1,440,062	0%	926,901.13	10,478.39	916,423	1%	1%
Refuse			181,463.92	4,291.51	177,172	2%	177,587.83	9,531.33	168,057	5%	4%
Waste Water			287,816.12	5,214.70	282,601	2%	282,394.37	13,683.51	268,711	5%	3%
Interest			956,353.73	1,023.40	955,330	0%	984,366.08	15,955.38	968,411	2%	1%
Property Rates Tax	Mun Supplied	Ward 28 - Sol Plaatje Re, Kenilworth, Kimdustria, Greenside, De Beers Mine	3,727,007.25	1,907,525.44	1,819,482	51%	2,935,753.78	1,683,456.63	1,252,297	57%	54%
Electricity			7,773,973.07	5,611,271.68	2,162,701	72%	8,258,346.24	7,066,985.44	1,191,361	86%	79%
Water			1,597,825.74	1,013,990.43	583,835	63%	1,394,945.29	856,531.05	538,414	61%	63%
Refuse			375,540.74	231,553.66	143,987	62%	369,157.44	170,149.99	199,007	46%	54%
Waste Water			460,472.42	281,262.47	179,210	61%	461,032.95	222,670.26	238,363	48%	55%
Interest			1,048,875.91	111,308.60	937,567	11%	1,058,706.11	55,647.84	1,003,058	5%	8%
Property Rates Tax	Mun Supplied	Ward 29 - Roodepan, Sol Plaatje RE, Langleg and Riverton	271,919.11	40,341.69	231,577	15%	131,730.45	46,138.85	85,592	35%	21%
Electricity			67,755.40	7,241.03	60,514	11%	81,599.89	4,532.60	77,067	6%	8%
Water			105,298.34	26,685.64	78,613	25%	154,419.36	15,288.38	139,131	10%	16%
Refuse			76,468.85	13,640.15	62,829	18%	75,488.15	9,706.40	65,782	13%	15%
Waste Water			107,750.76	17,854.59	89,896	17%	106,349.57	13,248.20	93,101	12%	15%
Interest			291,054.47	5,988.43	285,066	2%	296,068.90	2,083.61	293,985	1%	1%
Property Rates Tax	Mun Supplied	Ward 30 - Platfontein Industrial, Jacksonville, Lerato Park	1,083,981.22	88,559.49	995,422	8%	343,000.23	64,912.87	278,087	19%	11%
Electricity			93,152.46	8,635.85	84,517	9%	94,992.47	19,141.69	75,851	20%	15%
Water			39,900,266.27	82,361.32	39,817,905	0%	421,007.55	32,230.82	388,777	8%	0%
Refuse			281,121.36	38,007.01	243,114	14%	295,971.95	22,304.31	273,668	8%	10%
Waste Water			393,460.13	46,335.38	347,125	12%	415,305.21	34,296.17	381,009	8%	10%
Interest			892,769.32	44,976.72	847,793	5%	901,951.93	13,420.35	888,532	1%	3%
Property Rates Tax	Mun Supplied	Ward 31 - Kutlwanong, Soul City, Riviera, Fransfarm	994,653.16	99,998.07	894,655	10%	231,942.92	75,746.74	156,196	33%	14%
Electricity			25,274.62	1,084.70	24,190	4%	27,056.01	1,125.22	25,931	4%	4%
Water			728,825.74	79,703.73	649,122	11%	655,397.69	57,958.30	597,439	9%	10%
Refuse			354,343.31	42,798.89	311,544	12%	377,039.51	34,428.79	342,611	9%	11%
Waste Water			500,136.13	64,113.51	436,023	13%	532,563.67	49,879.98	482,684	9%	11%
Interest			639,934.37	9,580.85	630,354	1%	649,550.75	8,586.05	640,965	1%	1%
Property Rates Tax	Mun Supplied	Ward 32 - Phutanang, Sol Plaatje RE, Platfontein	745,743.99	36,576.37	709,168	5%	115,922.76	33,862.00	82,061	29%	8%
Electricity			138,512.19	171,902.14	0	124%	- 1,125,694.40	92,544.15	0	-8%	-27%
Water			370,572.10	52,591.89	317,980	14%	312,170.09	47,045.49	265,125	15%	15%
Refuse			176,424.61	18,783.61	157,641	11%	194,541.27	17,027.76	177,514	9%	10%
Waste Water			238,625.72	28,481.41	210,144	12%	263,174.17	21,953.04	241,221	8%	10%
Interest			395,359.06	19,939.98	375,419	5%	400,545.86	5,799.94	394,746	1%	3%
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%	491,639.96	289,499.91	202,140	59%	41%
Electricity			241,378.96	170,193.80	71,185	71%	300,906.95	211,474.60	89,432	70%	70%
Water			158,128.82	197,292.15	0	125%	588,109.67	148,880.09	439,230	25%	46%
Refuse			234,456.78	71,132.93	163,324	30%	235,992.90	62,688.69	173,304	27%	28%
Waste Water			300,539.14	92,096.45	208,443	31%	301,505.84	74,818.68	226,687	25%	28%
Interest			519,226.81	63,447.34	455,779	12%	520,528.93	33,300.31	487,229	6%	9%
Property Rates Tax	Mun Supplied	Ward 999 Unknown	159,216.57	8,859.46	150,357	6%	155,439.77	8,992.14	146,448	6%	6%
Electricity			51,965.47	10,622.69	41,343	20%	89,755.23	11,217.49	78,538	12%	15%
Water			29,937.90	3,024.11	26,914	10%	52,291.91	3,292.78	48,999	6%	8%
Refuse			7,339.58	243.33	7,096	3%	9,090.83	248.32	8,843	3%	3%
Waste Water			12,626.55	485.47	12,141	4%	18,192.05	375.70	17,816	2%	3%
Interest			51,454.49	911.15	50,543	2%	54,057.53	1,209.51	52,848	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 August 2026. The municipality is experiencing challenges in the restricting/interrupting of water supply and intervention is required from the technical department. The municipality embarked on an indigent drive throughout the community to increase the number of indigent registrations. The indigent households in informal settlements cannot be loaded on the system, due to the areas not being formalised. It should be noted that as per the Indigent Policy, it is a prerequisite for approval that all indigent households must have a prepaid electricity meter installed.

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

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

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

Description	Ref	As Per Debt Relief Application	Current Year - 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)		9,127	12,000	12,000	12,000	6,675	9,140										
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		**9,127**	**12,000**	**12,000**	**12,000**	**6,675**	**9,140**	–	–	–	–	–	–	–	–	–	–
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	**9,127**	**12,000**	**12,000**	**12,000**	**6,675**	**9,140**	–	–	–	–	–	–	–	–	–	–
Status of Water meters :																	
Number of Indigent HH's with prepaid Water																	
Number of Indigent HH's with conventional metered Water		9,127	12,000	12,000	12,000	6,675	9,140										
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	**9,127**	**12,000**	**12,000**	**12,000**	**6,675**	**9,140**	–	–	–	–	–	–	–	–	–	–
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		9,127	12,000	12,000	12,000	6,675	9,140										
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	**9,127**	**12,000**	**12,000**	**12,000**	**6,675**	**9,140**	–	–	–	–	–	–	–	–	–	–
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)		9,127	12,000	12,000	12,000	6,675	9,140										
Electricity/other energy (50kwh per household per month)		9,127	12,000	12,000	12,000	6,675	9,140										
Cost of Free Basic Services provided to ALLHouseholds 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	387,477										
Electricity/other energy (50kwh per household per month)		10,803,568	10,979,648	10,979,648	10,979,648	–	1,138,974										
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**	**1,526,451**	–	–	–	–	–	–	–	–	–	–
Highest level of free service provided per household (ALL Households)																	
Property rates (R value threshold)		15,000	15,000	15,000	15,000	15,000	15,000										
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	638,180										
Sanitation **(in excess of free sanitation service to indigent households)**	16	21,689,655	10,000,000	10,000,000	10,000,000	–	597,733										
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	–	912,674										
Municipal Housing - rental rebates		4,009,509	5,000,000	5,000,000	5,000,000	–	131,134										
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**	**2,279,721**	–	–	–	–	–	–	–	–	–	–

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 July 2026 which was 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

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

unipay 7100 10 0010

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

COPY ONLY

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

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

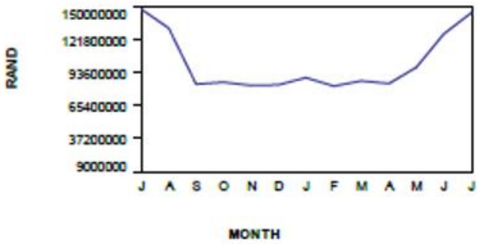
Total outstanding debt must be settled immediately, subject to disconnection without further notice

27215700154494078984

>>>>>>> 9207 2544 9407 8987

Pay@ easypay

TOTAL AMOUNT DUE
1,232,852,326.41



PAGE RUN NO	EE 30
BILL GROUP	
BILL PAGE	1 OF 2

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

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

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

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

NORTH WESTERN REGION
PRIVATE BAG X16 Westville 3630

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

YOUR ACCOUNT NO	5449407898
SECURITY HELD	32617894.65
BILLING DATE	2026-09-01
TAX INVOICE NO	544537665273
ACCOUNT MONTH	AUGUST 2026
CURRENT DUE DATE	2026-10-01
VAT REG NO	4370102313

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

NORTH WESTERN REGION
PRIVATE BAG X16 Westville 3630

DIRECT DEPOSIT DETAIL	
BANK:	First National Bank
BRANCH CODE:	223626
BANK ACC NO:	55070067318

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	1,023,880.55
URBAN LOW VOLTAGE SUBSIDY		R	269,730.00
ANCILLARY SERVICE (ALL)		R	160,522.18
GENERATOR CAPACITY CHARGE		R	1,090,020.00
LEGACY CHARGE (ALL)		R	9,157,790.59
ENERGY CHARGE (OFF)	17,046,156.00	R	19,522,962.47
ENERGY CHARGE (PEAK)	6,817,237.00	R	46,845,325.77
ENERGY CHARGE (STD)	16,267,154.00	R	27,946,970.57
SERVICE CHARGE		R	38,386.37
ELECTRIFICATION AND RURAL SUBS (ALL)		R	2,195,140.87
TOTAL CHARGES FOR BILLING PERIOD		**R**	**111,377,154.11**

ACCOUNT SUMMARY FOR AUGUST 2026

BALANCE BROUGHT FORWARD	(Due Date 2026-09-02)	R	1,232,852,326.41
PAYMENT(S) RECEIVED	Cash - 2026-07-31	R	-20,000,000.00
PAYMENT(S) RECEIVED	Cash - 2026-08-20	R	-7,316,482.56
PAYMENT(S) RECEIVED	Cash - 2026-08-26	R	-30,000,000.00
PAYMENT(S) RECEIVED	Cash - 2026-08-27	R	-40,000,000.00
TOTAL CHARGES FOR BILLING PERIOD		R	111,377,154.11
ADJUSTMENT	Interest on overdue account	R	5,679,316.02
ADJUSTMENT	Vat on Municipal Debt Write Off	R	-27,524,191.53
ADJUSTMENT	Municipal Debt Write Off - Interest	R	-36,051,624.32
ADJUSTMENT	Municipal Debt Write Off - Capital	R	-183,494,610.20
VAT RAISED ON ITEMS AT 15%		R	16,706,573.12

CURRENT	TOTAL DUE	R	1,022,228,461.05
133,763,043.25			

ARREARS

>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS
602,674,276.11	133,064,829.40	0.00	152,726,312.29

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

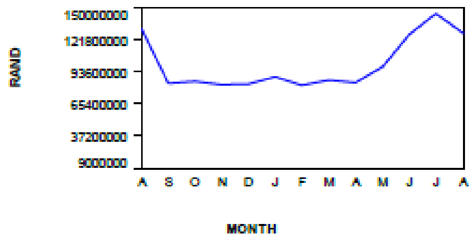
ACCOUNT NO / REFERENCE NO
5449407898
NAME
SOL PLAATJE LOCAL MUNICIPALITY
FAX NUMBER

unipay 7100 10 0010

27215700154494078984

>>>>>>> 9207 2544 9407 8987

TOTAL AMOUNT DUE
1,022,228,461.05



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BILL GROUP	
BILL PAGE	1 OF 2

PAYMENT ARRANGEMENT	
INSTALMENT	0.00
ARREARS (Due Immediately)	888,465,417.80
DUE DATE (For Current Amount)	2026-10-01
AMOUNT PAID	

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

i) Indicated below is the municipality's proof of payments of the Eskom Bulk account payments for the month of August 2026. A payment of R7,316 million was made on the December 2025 account that is now fully settled. The municipality made a partial payment of R70,000 million towards the July 2026 current account amounting to R152,276 million.

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

ESKOM HOLDINGS                                         20/08/2026
PRIVATE BAG X16
WESTVILLE
3630
                                            SUPPLIER No: SESK01

CONTACT PERSON:                             VOUCHER NO:  CATZ000032
TEL NO: 0829413707          FAX NO:
E-MAIL ADDRESS:
                                         CHEQUE/ELE NO:    77079744
```

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
02/01/2026	SUN	544578641500	6362158.75		954323.81	7316482.56
SUB TOTAL:					954323.81	7316482.56
					954323.81	7316482.56

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

26/08/2026

SUPPLIER No: SESK01

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

VOUCHER NO: CATZ000033

CHEQUE/ELE NO: 77079822

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
03/08/2026	SUN	544852407408	19515114.88		2927267.23	22442382.11
03/08/2026	SUN	544852407408	7557617.89		0.00	7557617.89
SUB TOTAL:					2927267.23	30000000.00
					2927267.23	30000000.00

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                                                   27/08/2026
PRIVATE BAG X16
WESTVILLE
3630
                                                  SUPPLIER No: SESK01

CONTACT PERSON:                                  VOUCHER NO:  CATZ000034
TEL NO: 0829413707          FAX NO:
E-MAIL ADDRESS:
                                              CHEQUE/ELE NO:    77079823
```

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
03/08/2026	SUN	544852407408	34782608.70		5217391.30	40000000.00
SUB TOTAL:					5217391.30	40000000.00
					5217391.30	40000000.00

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 M02 – August 2026 pertaining to electricity.

	2027	
	M02	
Account Name		
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Deposits	-160,773,228	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	133,791,265	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Electricity Bulk Purchase:Withdrawals	-48,427,867	85,363,398
Expenditure:Bulk Purchases:Electricity:ESKOM	133,791,265	

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

Datastrings & FMS Recon - August 2026 M02	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
BULK PURCHASES:ELECTRICITY:ESKOM	**195,646,606.66**	**61,855,341.47**	**133,791,265.19**	Bulk Purchases vote reconciles to datastrings
Combined vouchers	**61,855,341.47**	**-**	**61,855,341.47**	
Cheque No : 77079822 Bank No : 901	27,072,732.77	-	27,072,732.77	Partial Payment of the July 2026 invoice
Cheque No : 77079823 Bank No : 901	34,782,608.70	-	34,782,608.70	Partial Payment of the July 2026 invoice
Sundry Accruals	**133,791,265.19**	**-**	**133,791,265.19**	
Sundry CATA014899	133,791,265.19	-	133,791,265.19	Invoice for August 2026 authorised on system
Sundry Accruals Reversals	**-**	**61,855,341.47**	**- 61,855,341.47**	
Cheque No : 77079822 Bank No : 901	-	27,072,732.77	- 27,072,732.77	
Cheque No : 77079823 Bank No : 901	-	34,782,608.70	- 34,782,608.70	
Grand Total	**195,646,606.66**	**61,855,341.47**	**133,791,265.19**	

Datastrings & FMS Recon - August 2026 M02	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
ELECTRICITY BULK PURCH ACC 01:WITHDRAWAL	**85,363,398.65**	**-**	**85,363,398.65**	Withdrawal vote reconciles to datastrings
Create Cheque 77079744 Voucher No CATZ000032	7,316,482.56	-	7,316,482.56	Payment on outstanding balance for December 2025 invoice
Create Cheque 77079745 Voucher No CATA014873	51,028.50	-	51,028.50	
Create Cheque 77079746 Voucher No CATA014874	213,152.06	-	213,152.06	
Create Cheque 77079747 Voucher No DUNA008688	20,311.06	-	20,311.06	
Create Cheque 77079789 Voucher No DUNA008692	12,318.25	-	12,318.25	
Create Cheque 77079790 Voucher No DUNA008694	7,206.10	-	7,206.10	
Create Cheque 77079791 Voucher No DUNA008695	12,235.52	-	12,235.52	Payment of minor Eskom accounts
Create Cheque 77079792 Voucher No DUNA008696	4,207.78	-	4,207.78	
Create Cheque 77079805 Voucher No CATA014898	21,150.66	-	21,150.66	
Create Cheque 77079806 Voucher No CATA014900	12,656.75	-	12,656.75	
Create Cheque 77079807 Voucher No CATA014916	171,496.17	-	171,496.17	
Create Cheque 77079820 Voucher No CATA014918	19,809.07	-	19,809.07	
Create Cheque 77079822 Voucher No CATZ000033	30,000,000.00	-	30,000,000.00	Partial Payment of the July 2026 invoice
Create Cheque 77079823 Voucher No CATZ000034	40,000,000.00	-	40,000,000.00	Partial Payment of the July 2026 invoice
Create Cheque 77079855 Voucher No CATA014919	7,416,844.52	-	7,416,844.52	Payment for the Riverton account
Create Cheque 77079856 Voucher No CATA014933	23,617.19	-	23,617.19	Payment of minor Eskom accounts
Create Cheque 77079857 Voucher No CATA014934	60,882.46	-	60,882.46	Payment of minor Eskom accounts
ELECTRICITY BULK PURCHASE ACC 01:DEPOSIT	**78,046,916.09**	**238,820,144.47**	**- 160,773,228.38**	Deposits vote reconciles to datastrings
Create Cheque 77079745 Voucher No CATA014873	51,028.50	51,028.50	-	
Create Cheque 77079746 Voucher No CATA014874	213,152.06	213,152.06	-	
Create Cheque 77079747 Voucher No DUNA008688	20,311.06	20,311.06	-	
Create Cheque 77079789 Voucher No DUNA008692	12,318.25	12,318.25	-	
Create Cheque 77079790 Voucher No DUNA008694	7,206.10	7,206.10	-	
Create Cheque 77079791 Voucher No DUNA008695	12,235.52	12,235.52	-	
Create Cheque 77079792 Voucher No DUNA008696	4,207.78	4,207.78	-	
Create Cheque 77079805 Voucher No CATA014898	21,150.66	21,150.66	-	
Create Cheque 77079806 Voucher No CATA014900	12,656.75	12,656.75	-	
Create Cheque 77079807 Voucher No CATA014916	171,496.17	171,496.17	-	
Create Cheque 77079820 Voucher No CATA014918	19,809.07	19,809.07	-	
Create Cheque 77079822 Voucher No CATZ000033	30,000,000.00	30,000,000.00	-	
Create Cheque 77079823 Voucher No CATZ000034	40,000,000.00	40,000,000.00	-	
Create Cheque 77079855 Voucher No CATA014919	7,416,844.52	7,416,844.52	-	
Create Cheque 77079856 Voucher No CATA014933	23,617.19	23,617.19	-	
Create Cheque 77079857 Voucher No CATA014934	60,882.46	60,882.46	-	
Sundry CATA014873 Creditor Control	-	51,028.50	- 51,028.50	
Sundry CATA014874 Creditor Control	-	213,152.06	- 213,152.06	Invoices for minor Eskom accounts
Sundry CATA014898 Creditor Control	-	21,150.66	- 21,150.66	
Sundry CATA014899 Creditor Control	-	152,726,312.29	- 152,726,312.29	Invoice for July 2026
Sundry CATA014900 Creditor Control	-	12,656.75	- 12,656.75	
Sundry CATA014916 Creditor Control	-	171,496.17	- 171,496.17	Invoices for minor Eskom accounts
Sundry CATA014918 Creditor Control	-	19,809.07	- 19,809.07	
Sundry CATA014919 Creditor Control	-	7,416,844.52	- 7,416,844.52	Invoice for Riverton account
Sundry CATA014933 Creditor Control	-	23,617.19	- 23,617.19	
Sundry CATA014934 Creditor Control	-	60,882.46	- 60,882.46	
Sundry DUNA008688 Creditor Control	-	20,311.06	- 20,311.06	
Sundry DUNA008692 Creditor Control	-	12,318.25	- 12,318.25	Invoices for minor Eskom accounts
Sundry DUNA008694 Creditor Control	-	7,206.10	- 7,206.10	
Sundry DUNA008695 Creditor Control	-	12,235.52	- 12,235.52	
Sundry DUNA008696 Creditor Control	-	4,207.78	- 4,207.78	
Grand Total	**163,410,314.74**	**238,820,144.47**	**- 75,409,829.73**	

Explanatory notes

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

i) Indicated below, is the DWS current account for July 2026 which was due and payable on or before the 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
Account Number:4054697285
Branch Code: 630145
Reference : Contract Acc.No.

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

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

ii) Indicated below, is the DWS Bulk current invoice for August 2026, which is due and payable, on or before 30 September 2026.

Page 1 of 1

NWRI Customer Ref no: 60005150
Customer No: 25014305
Contract Acc. No: 100478320
Document No: 493873534
Document Date: 31.08.2026
Payment Terms: 30 Days
Due Date: 30.09.2026
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
X
KIMBERLEY
SOL PLAATJE DRIVE
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:15919,116.00 Water Use Period: 01.08.2026 to 31.08.2026				
	Consumptive (O&M)	3,462,286.00	39.88	1,380,759.66
	Consumptive (ROA)	3,462,286.00	34.30	1,187,564.10
	Consumptive (Depr)	3,462,286.00	20.18	698,689.31
	TCTA (AMD)	3,462,286.00	9.90	342,766.31
	TCTA (LHWP)	3,462,286.00	510.80	17,685,356.89
	Plus 15.00% VAT			3,194,270.44
	Subtotal			24,489,406.71
	WRL(0%VAT)	3,462,286.000	8.37	289,793.34
	WRL(0%VAT)	0.000	0.00	0.00
	Total Charges			24,779,200.05

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

iii) A payment of R130 thousand was made on the June 2026 account that is now fully settled. A payment of R10,000 million was made towards the July 2026 current account.

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

DEPARTMENT OF WATER AND SANITATION                         14/08/2026
PRIVATE BAG X313
PRETORIA
0001
                                                  SUPPLIER No: SWAT01

CONTACT PERSON:                                   VOUCHER NO:  CATA014764
TEL NO:                     FAX NO:
E-MAIL ADDRESS: info@dws.gov.za
                                                  CHEQUE/ELE NO:    77079720
```

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
30/06/2026	SUN	493873183	112086.07		16812.91	128898.98
30/06/2026	SUN	493873183	1472.47		0.00	1472.47
SUB TOTAL:					16812.91	130371.45
					16812.91	130371.45

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 ------------------

DEPARTMENT OF WATER AND SANITATION 31/08/2026
PRIVATE BAG X313
PRETORIA
0001

SUPPLIER No: SWAT01

CONTACT PERSON: VOUCHER NO: CATZ000035
TEL NO: FAX NO:
E-MAIL ADDRESS: info@dws.gov.za

CHEQUE/ELE NO: 77079859

DATE	TYPE	REFERENCE	EXCL VAT	DISCOUNT	VAT	NETT
31/07/2026	SUN	493873376	8454479.29		1268171.89	9722651.18
31/07/2026	SUN	493873376	277348.82		0.00	277348.82
SUB TOTAL:					1268171.89	10000000.00
					1268171.89	10000000.00

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

COMPILED BY..: ....

CHECKED BY...: ....

AUTHORISED BY: ....

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 M02 – August 2026).

	2027	
	M02	
Account Name		
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Deposits	-23,715,114	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Withdrawals	870,399	
Liabilities:Current Liabilities:Trade and Other Payable Exchange Transactions:Water Inventory Bulk Purchases:Withdrawals	9,391,431	10,261,830
Assets:Current Assets:Inventory:Water:System Input Volume:Bulk Purchases	20,457,866	

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

Datastrings & FMS Recon - August 2026 M02	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
WATER:INPUT VOL: BULK PURCHASES	**28,989,546.23**	**8,531,680.23**	**20,457,866.00**	Water:Input Vol: Bulk Purchases vote reconciles to datastrings
Combined vouchers	**8,454,479.29**	**-**	**8,454,479.29**	
DEPARTMENT OF WATER AND SANITATION	8,454,479.29	-	8,454,479.29	Partial payment of R10m on the July 2025 water account
Sundry Accruals	**20,457,866.00**	**-**	**20,457,866.00**	
SORA01:ORANJE RIET WATER USERS ASSOCIATION	77,200.94	-	77,200.94	
SWAT01:DEPARTMENT OF WATER AND SANITATION	20,380,665.06	-	20,380,665.06	Account for July 2026 authorised on the system
Sundry Accruals Reversals	**-**	**8,531,680.23**	**- 8,531,680.23**	
DEPARTMENT OF WATER AND SANITATION	-	8,454,479.29	- 8,454,479.29	
SORA01 : ORANJE RIET WATER USERS ASSOCIATION	-	77,200.94	- 77,200.94	
Sundry Payments	**77,200.94**	**-**	**77,200.94**	
SORA01 : ORANJE RIET WATER USERS ASSOCIATION	77,200.94	-	77,200.94	Payment for Oranje Riet Water Association
Grand Total	**28,989,546.23**	**8,531,680.23**	**20,457,866.00**	

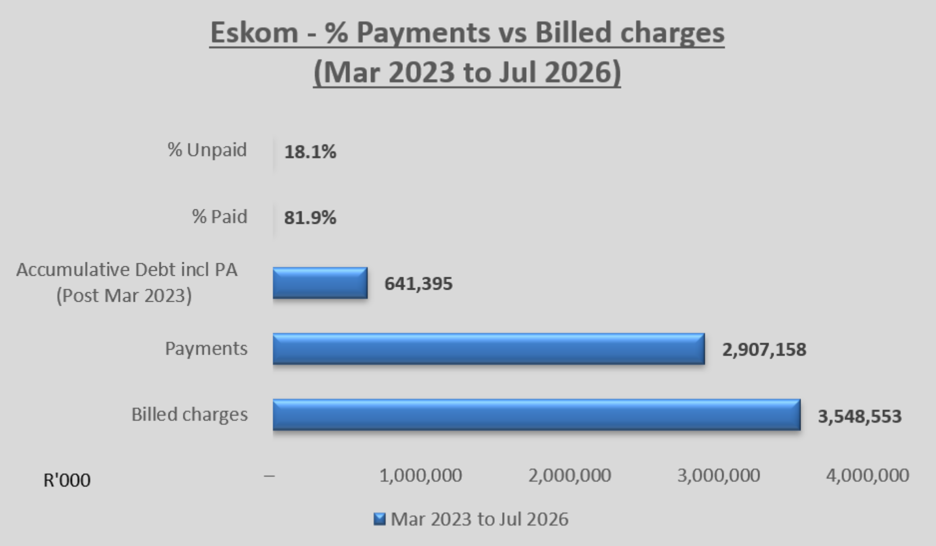
Datastrings & FMS Recon - August 2026 M02	Sum of Debit Amt	Sum of Credit Amt	Sum of Actual	Comment
WATER BULK PURCHASE:DEPOSITS	**10,000,000.00**	**33,715,113.64**	**- 23,715,113.64**	Deposits vote reconciles to datastrings
Create Cheque 77079859 Voucher No CATZ000035	10,000,000.00	10,000,000.00	-	
Sundry CATA014901 Creditor Control	-	23,715,113.64	- 23,715,113.64	Account for July 2026 authorised on the system
WATER BULK PURCHASE:WITHDRAWALS	**10,261,829.27**	**-**	**10,261,829.27**	Withdrawal vote reconciles to datastrings
Create Cheque 77079720 Voucher No CATA014764	130,371.45	-	130,371.45	Payment for June 2026 invoice
Create Cheque 77079721 Voucher No CATA014765	131,457.82	-	131,457.82	Payment on minor DWS account
Create Cheque 77079859 Voucher No CATZ000035	10,000,000.00	-	10,000,000.00	Partial Payment of the July 2026 invoice
Grand Total	**20,261,829.27**	**33,715,113.64**	**- 13,453,284.37**	

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

Age analysis on debt owed to ESKOM and DWS as at 31 August 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	133,763	82,726	130,803	–	–	–	4,365	668,456	1,020,113	886,350	672,821	66%
Bulk Water	24,779	13,715	–	–	–	16,202	106,376	126,689	287,761	262,982	249,267	87%
TOTAL	158,542	96,441	130,803	–	–	16,202	110,741	795,145	1,307,874	1,149,332	922,088	71%
% of O/S Debt	12.1%	7.4%	10.0%	0.0%	0.0%	1.2%	8.5%	60.8%	100.0%	87.9%	70.5%	

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



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

The total billed charges for the period amounted to R3,548,553 billion, and payments made amounted to R2,907,158 billion. For the period the municipality managed to settle 81.9% of the billed charges.

The debt outstanding post March 2023 amounts to R641,395 million, which includes the outstanding balance on the Payment Arrangement.

DWS - % Payments vs Billing (Jul 2023 - Jul 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	
Jul 2026 - JuL 2026	23,715	21,434	90%	2,281	
YTD Jul 2023 - Jul 2026	516,049	369,368	72%	146,681	
Closing balance as at 31 Jul 2026	-	-	-	-	273,112

Indicated in the adjacent chart is a summary of the percentage payments versus billing for DWS, for the period, July 2023 to July 2026. The August 2026 account is excluded as it not yet due and payable.

The total billing for the period amounted to R516,049 million, and payments made amounted to R369,368 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. For 2026/27 financial year, outstanding debt escalated by R2,281 million The net increase in outstanding debt amounts to R146,681 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 - August 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 made a partial payment of R70,000 million towards the August 2026 amounting to R152,276 million. A payment of R7,316 million was made on the December 2025 account that is now fully settled. **Non-Compliant - DWS** The municipality made a partial payment of R10,000 million towards the July 2026 account amounting to R23,715 million. A payment of R130 thousand was made on the June 2026 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 August 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 September 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 and DWS.
	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 7 September 2026
	6.3.4 - The amount as per the proof of payment must reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom and DWS	Monthly, within 10 working days after month end	Monthly financial data strings	**Compliant** Transactions as per the ledger reconciles with the monthly datastrings. However minor account payments for Eskom and DWS are posted to the same bulk control votes. Erroneous transactions will be journalised, where applicable. Disclosure issue - the capturing of the current invoice on the system is problematic because it is only received in the new month and captured after month-end closure, resulting in a misalignment between the YTD actual and outstanding creditor amount.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Progress Reporting period - August 2026
6.6 Electricity and Water Collection (*Demonstration through by-laws and budget related policies)*	**6.6.1** Issue monthly billing and allocate payment received from customers in the following priority order: (1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity	Monthly	Monthly billing reconciliation / Financial system generated hierachy allocation report	**Compliant** Priority of order of allocations was corrected on the system. This is a once-off correction that the system will apply when payments are made.
	6.6.2 The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner	Monthly	Number of disconnected / blocked meters	Prepaid disconnections = 1,526 Conventional disconnections = 289
	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 = 52%. Quarterly S71 Revenue Collection rate per Ward outcome Q1 = not yet end of the quarter Municipality's average collection rate = 59% (Prepaid electricity sales and allocated credits are included) **Not Achieved** Average daily cash collection for Aug 2026, was R6,388m.
	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 - August 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 August 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 July 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 - August 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 made a partial payment of R10,000 million towards the current water account for July 2026 amounting to R23,715 million. The municipality made a partial payment of R70,000 million towards the current Eskom account for July 2026 amounting to R152,726 million. A payment of R7,316 million was made on the December 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 made a partial payment of R10,000 million towards the current water account for July 2026 amounting to R23,715 million. The municipality made a partial payment of R70,000 million towards the current Eskom account for July 2026 amounting to R152,726 million. A payment of R7,316 million was made on the December 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.
	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 August 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 July 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 for the previous month 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 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 R93,387 million for bulk electricity for the period Jul 2024 to July 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 **R638,050,912.58**, as indicated in the table below. Arrears on the outstanding invoices including interest amounts to R524,150,912.58 and the arrears on the payment arrangement amount to R113,900,000.00.

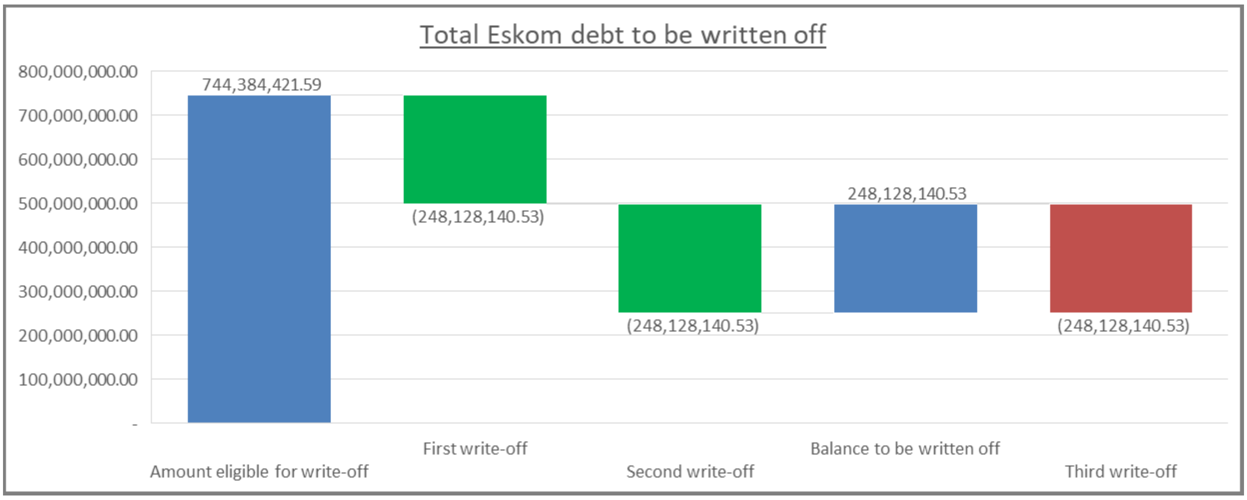
Month	Invoice Amount incl Interest	Paid Amount	Balance due incl Interest	Arrear instalments Payment Arrangement	Total Due to be in Good standing	Interest
Jul-24	R 148,333,011.78	R 148,333,011.78	R -	R -	R -	R 273,911.75
Aug-24	R 127,600,942.44	R 127,600,942.44	R -	R 6,700,000.00	R 6,700,000.00	R 154,610.92
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 83,316,482.56	R -	R 6,700,000.00	R 6,700,000.00	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
Jul-26	R 152,726,312.29	R 70,000,000.00	R 82,726,312.29	R -	R 82,726,312.29	R 7,557,617.89
TOTAL ESKOM	**R 2,382,505,339.97**	**R 1,858,354,427.39**	**R 524,150,912.58**	**R 113,900,000.00**	**R 638,050,912.58**	**R 93,386,569.12**

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, March and July 2026 amounting to a combined total of **R248,278,313.91** 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 **R262,981,994.37**, 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 130,371.45	R -	R -	R -	R -
Jul-26	R 23,715,113.64	R 10,000,000.00	R 13,715,113.64	R -	R 13,715,113.64	R -
TOTAL WATER	**R 366,784,782.23**	**R 103,802,787.86**	**R 262,981,994.37**	**-R 14,703,680.46**	**R 248,278,313.91**	**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 **August 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: 10 /09/2026

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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Mr Sadesh Ramjathan
Director: Revenue Management
National Treasury
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0001

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Dear Mr Matlala and Mr Ramjathan

MFMA CIRCULAR NO. 124 – MUNICIPAL DEBT RELIEF: NATIONAL TREASURY ASSESSMENT OF MUNICIPAL COMPLIANCE OF NC091 SOL PLAATJE LOCAL MUNICIPALITY FOR JULY 2026

EXECUTIVE SUMMARY

This report presents National Treasury's detailed assessment of Sol Plaatje Local Municipality's compliance with the Municipal Debt Relief Programme for the month ended 31 July 2026. It follows the reporting sequence and analytical framework used in the June 2026 report to preserve month-to-month comparability. The assessment is based on the July 2026 Section 71 Monthly Budget Statement and C-Schedule, the municipality's Municipal Debt Relief self-assessment, the National Treasury compliance register, the trial balance, primary bank statement and bank reconciliation, revenue-collection and indigent schedules, the electricity disconnection report, the tariff assessment, and the supporting documents submitted for budget funding, smart-meter implementation and water restriction activities.

The municipality's July self-assessment records an overall Municipal Debt Relief compliance outcome of 66 per cent and classifies the municipality as non-compliant. This represents a ten-percentage-point deterioration from the 76 per cent moderate-compliance outcome reflected for June 2026. The deterioration is concentrated in the substantive conditions relating to bulk-service current-account discipline, funded-budget implementation, water restriction, collection performance, ring-fencing and the application of collected revenue. Quarterly indicators that were not yet due also affected the calculated score; however, this does not alter the material breaches evident in the monthly conditions.

The National Treasury compliance register provides a more severe external risk signal. It records the municipality as overdue, with more than three months outstanding, five current accounts outstanding and a Standard Breach status. It further records only three current accounts settled in the third participation cycle, post-approval debt growth of R397.497 million, a current-account amount of R299.999 million, and a twelve-month short-payment position of R149.574 million. These indicators confirm that the municipality has not yet established the consistent current-account payment behaviour required to protect the remaining debt-relief benefit.

The July accounting result appears favourable at first sight but does not represent normalised operating performance. Operating revenue excluding capital transfers amounted to R443.889 million against a straight-lined year-to-date budget of R278.946 million, mainly because annual property-rates billing and the first

equitable-share tranche were recognised in July. In contrast, service charges of R103.141 million were R45.794 million below the year-to-date budget. Operating expenditure of R114.623 million was materially below the year-to-date budget because the July bulk-electricity account, depreciation, debt impairment and certain employee-benefit costs had not yet been recorded. The reported accounting surplus of R329.266 million must therefore be interpreted with caution. More importantly, the cash-flow statement reflects a net operating cash outflow of R11.363 million.

Liquidity and debtor management remain critical. Cost coverage declined from approximately 36 days in June to 33 days in July, materially below the National Treasury norm of three months. Consumer debt increased by R121.214 million during July to R4.687 billion, of which approximately R4.136 billion, or 88.2 per cent, is older than 90 days. The revised municipal collection rate declined from approximately 81 per cent in June to 62 per cent in July, while the prescribed ward-based schedule records only 39 per cent. Average daily cash collection of R6.543 million achieved only 58.9 per cent of the municipality's R11.112 million daily target.

Bulk-service account performance remains the principal threat to continued participation. The municipality did not settle the June 2026 Eskom current account of R130.803 million and did not pay the July payment-arrangement instalment of R6.700 million. Although July payments were directed to older Eskom invoices, the municipality still required R562.641 million to restore good standing, comprising R448.741 million in outstanding invoices and interest and R113.900 million in payment-arrangement arrears. The June 2026 DWS current account was also not settled timeously, and the R6.000 million debt-agreement instalment was not paid. The July report places the DWS good-standing requirement at R234.694 million after the potential interest incentive is considered.

Revenue enforcement produced measurable activity but limited cash recovery. The account-level electricity schedule contains 2,256 prepaid blocks with total outstanding debt of R244.158 million. Payments recorded against these accounts amounted to R5.875 million, equivalent to 59.6 per cent of the listed cut-off amount but only 2.4 per cent of the total outstanding balance. Of the 2,256 accounts, 882 reflected no payment and 446 accounts with balances of R127.346 million had been handed to debt collectors. No conventional electricity disconnections were reported. The water-restriction submission was marked not applicable despite Sol Plaatje providing water services and the Municipal Debt Relief conditions expressly requiring restriction or interruption of supply to qualifying defaulters. This is a material compliance and evidence gap.

The revenue-base and tariff evidence is mixed. The General Valuation Roll reconciliation was completed and submitted on 14 July 2026 and no high-level differences were reported in property numbers or market values. However, unresolved multi-use-property treatment, annual-billing distortions, a Ward 999 unknown category, negative billing values and collection rates above 100 per cent show that account classification and transaction-allocation controls still require cleansing. The indigent schedule records 6,675 registered households against a target of 12,000, a shortfall of 5,325 households. It also reports zero electricity free-basic-service cost for July despite 6,675 indigent households being recorded as having prepaid electricity. The 2026/27 tariff assessment shows that water, wastewater and solid waste are cost reflective in year one, but electricity has a revenue shortfall of R123.192 million; the aggregate tariff position becomes non-cost-reflective in years two and three.

National Treasury therefore assesses Sol Plaatje Local Municipality as materially non-compliant for July 2026. The municipality remains eligible for continued monitoring and corrective support, but the remaining debt-relief benefit of approximately R248.128 million is at substantial risk. Immediate recovery actions are required to settle current bulk accounts, address payment-arrangement defaults, implement a credible Budget Funding Plan, restore ring-fencing and payment-priority controls, increase daily cash collection, operationalise water restrictions, reconcile debt-relief accounting and strengthen Council accountability for implementation.

Assessment area	July 2026 position	National Treasury assessment
Overall Municipal Debt Relief score	66% – Non Compliance	**Materially non-compliant**
External compliance register	Overdue; >3 months; 5 current accounts outstanding	**Standard Breach**
Eskom and DWS current accounts	Current accounts and arrangement instalments not fully settled	**Non-compliant**
2026/27 budget and funding plan	Budget assessed as unfunded; BFP performance file marked not applicable	**Non-compliant / evidence gap**
Revenue collection	62% revised average; 39% ward-based schedule	**Non-compliant**
Credit control	2,256 prepaid blocks; no conventional disconnections; no water restriction report	**Partially compliant**
Revenue base and indigent management	GVR submitted; material cleansing and indigent reconciliation matters remain	**Compliant in form, materially qualified**
Tariff sustainability	Electricity not cost reflective; future aggregate deficits	**Partially compliant**
Governance and reporting	Section 71 reporting submitted with a monitoring plan	**Procedurally compliant, financially qualified**

Assessment basis: July 2026 Section 71 report, National Treasury compliance register and supporting schedules. Status descriptions reflect the independent assessment in this report.

1. INTRODUCTION

The Municipal Debt Relief Programme was introduced through MFMA Circular No. 124 to support municipalities that carry unsustainable Eskom arrears, while ensuring that debt relief does not create an incentive for further arrear accumulation. Relief is conditional on sustained financial discipline, including payment of current Eskom and bulk-water accounts, implementation of funded budgets and Budget Funding Plans, cost-reflective tariffs, effective credit control, accurate revenue bases, proper ring-fencing of service revenue, transparent reporting and appropriate Council oversight.

Sol Plaatje Local Municipality's application was approved during October 2023. The July 2026 source documents contain two approval dates: the Section 71 report states that approval was effective from 1 October 2023, while the National Treasury compliance register records 30 October 2023. The municipality and National Treasury should confirm the controlling approval date and use one date consistently in the debt-relief register, compliance certificates, accounting records and future reports.

This report evaluates performance for July 2026, the first month of the 2026/27 financial year and the third Municipal Debt Relief participation cycle. The assessment distinguishes between administrative submission compliance and substantive financial compliance. The existence of a report, schedule or proof of payment is not sufficient where the underlying current account remains unpaid, cash is not ring-fenced, the budget is unfunded, the collection rate remains materially below target or the supporting records do not reconcile.

The report also distinguishes accounting performance from cash performance. July is affected by annual property-rates billing, the recognition of the first equitable-share tranche, delayed recording of bulk-electricity expenditure and other year-opening accounting entries. The municipality's apparent accounting surplus must therefore be considered together with cash receipts, the operating cash-flow result, bank-reconciliation evidence, creditor ageing and current-account settlements.

2. ASSESSMENT BASIS AND EVIDENCE REVIEWED

The July assessment was compiled from the following evidence. The June 2026 National Treasury report was used as the structural and trend-analysis baseline; the July findings were then updated using the current-period source documents.

Evidence	Assessment purpose	Key evidentiary observation
National Treasury Municipal Debt Relief compliance register as at 31 July 2026, including subsequent payments to 7 August 2026	External status, arrears, breach classification, debt growth and twelve-month payment performance	Provides the external programme-control position.
July 2026 Section 71 Monthly Budget Statement	Financial performance, liquidity, debtors, creditors, programme self-assessment and monitoring plan	Primary narrative and statutory reporting source.
July 2026 C-Schedule	Prescribed monthly financial tables and supporting schedules	Used to validate key revenue, expenditure, balance-sheet and cash-flow amounts.
July 2026 trial balance	Ledger confirmation of revenue, bulk-account withdrawals and debt-relief accounting balances	Identified material differences requiring reconciliation.
Primary bank reconciliation at 31 July 2026	Cashbook-to-bank reconciliation and reconciling items	Adjusted bank and cashbook balances reconcile to zero difference.
Primary bank statement for July 2026	Independent evidence of bank movements and closing balance	Used with the bank reconciliation and proof-of-payment evidence.
Monthly payment-rate schedule per service and ward	Collection performance by service, municipal area and ward	Contains annual-billing and allocation anomalies that require cleansing.
July indigent-household schedule	Registered indigents, service levels and free-basic-service costs	Contains outdated metadata and incomplete electricity cost reporting.
July electricity disconnection and prepaid-blocking schedule	Account-level enforcement actions and payments following blocking	Contains 2,256 accounts and agrees with the Section 71 monitoring count.
Water restriction submission	Evidence of water-restriction implementation	Marked not applicable even though the condition is applicable; no operational performance was provided.
Prepaid smart-meter installation submission	Progress with smart-meter installations	Marked not applicable; the Section 71 report separately confirms the project was completed with 15,328 installations by March 2025.
Budget Funding Plan performance submission	Implementation of the corrective funding strategy for the unfunded budget	Marked not applicable and therefore does not provide the required performance evidence.
2026/27 Tariff Tool assessment	Cost reflectivity of water, wastewater, electricity and solid waste tariffs	Shows a year-one electricity shortfall and aggregate deficits in years two and three.
June 2026 National Treasury Municipal Debt Relief report	Baseline structure, June compliance outcome and trend comparison	Used for continuity; July conclusions are based on July evidence.

3. OVERALL JULY 2026 MUNICIPAL DEBT RELIEF POSITION

The municipality's July self-assessment records 66 per cent compliance and a rating of Non Compliance. In June 2026, the municipality recorded 76 per cent and Moderate compliance. The ten-percentage-point deterioration reflects persistent failure in the core financial-discipline conditions and is not merely an artefact of quarterly indicators that were not yet due. The monthly conditions relating to Eskom, DWS, the funded budget, water restriction, ring-fencing and payment priority contain clear negative outcomes.

The July external compliance register records Sol Plaatje as overdue and in Standard Breach. It records more than three months outstanding, five current accounts outstanding, post-approval debt growth of R397.497 million and a current-account amount of R299.999 million. Over the twelve-month register period, bills of R1.238 billion were measured against payments of R1.089 billion, producing short payments of R149.574 million and an Eskom payment level of 87.92 per cent. These results show that the municipality is paying material amounts, but not at the level or timing required to prevent new arrears.

The register records the original ring-fenced debt at R744.384 million, debt written off to date at R248.128 million and net ring-fenced debt after recorded write-offs at R496.256 million. By contrast, the Section 71 report states that two-thirds of the eligible debt, amounting to R496.256 million, has been approved for write-off, while the trial balance reflects an Eskom debt-waived concessionary-loan opening balance of R462.248 million. These amounts describe different stages or accounting treatments and cannot be treated as interchangeable. A formal reconciliation is required before the debt-relief benefit and remaining exposure can be certified.

The municipality's financial position remains characterised by a structural disconnect between billing and cash. July property-rates revenue is elevated by annual billing, yet the prescribed ward collection schedule shows that only 25 per cent of property-rates billing was collected. Service-charge billing underperformed the straight-lined budget, while the municipality did not have sufficient cash to settle current bulk-service accounts or payment-arrangement instalments. This confirms that the Municipal Debt Relief risk is fundamentally a cash-conversion and expenditure-prioritisation problem rather than an absence of accounting revenue.

Key indicator	June 2026	July 2026	Movement / interpretation
MDR compliance score	76% – Moderate compliance	66% – Non Compliance	Deterioration of 10 percentage points
Cost coverage	Approximately 36 days	33 days	Further deterioration; materially below 3-month norm
Revised municipal collection rate	Approximately 81%	62%	Deterioration of approximately 19 percentage points
Ward-based monthly collection rate	74%	39%	Deterioration of 35 percentage points; July affected by annual rates billing
Consumer debt	Approximately R4.566 billion	R4.687 billion	Increase of R121.214 million during July
Eskom good-standing requirement	Approximately R598.5 million	R562.641 million	Improved, but remains unaffordable without corrective cash action

Key indicator	June 2026	July 2026	Movement / interpretation
DWS good-standing requirement	Approximately R256.0 million	R234.694 million	Improved following payment to an older account; current discipline not restored

Trend comparisons are subject to consistent measurement bases. The July Section 71 report and external compliance register use different cut-off dates and classifications for some bulk-account balances.

4. FINANCIAL PERFORMANCE, CASH FLOW AND LIQUIDITY

The July C-Schedule reports operating revenue excluding capital transfers of R443.889 million against a year-to-date budget of R278.946 million, a favourable accounting variance of R164.943 million or 59.1 per cent. The favourable variance is driven mainly by property rates billed annually in July and the first equitable-share tranche. Property-rates revenue of R171.742 million was 164.6 per cent above the straight-lined year-to-date budget, whereas service charges of R103.141 million were R45.794 million, or 30.7 per cent, below budget. The composition of revenue therefore matters more than the aggregate favourable variance.

Operating expenditure of R114.623 million was R215.952 million below the year-to-date budget. This is not an efficiency gain. The Section 71 report states that the July bulk-electricity account, depreciation, debt impairment and post-retirement health-benefit costs had not yet been recognised. The resulting accounting surplus of R329.266 million is provisional and will reduce when the omitted expenditure and non-cash charges are recorded. Management should not use the provisional surplus as evidence that the unfunded-budget or liquidity risks have been resolved.

Capital expenditure amounted to only R594,000 against a year-to-date budget of R52.720 million. The municipality attributes the slow start to procurement finalisation and work in progress. Although first-quarter capital spending is often slow, expenditure of approximately 0.1 per cent of the annual capital budget indicates implementation risk. Grant-funded projects, including water-meter replacement, require procurement and delivery plans that are aligned to monthly cash-flow forecasts and grant conditions.

The most material financial result is the net operating cash outflow of R11.363 million. An accounting surplus combined with negative operating cash flow confirms that billed income, grant recognition and delayed expenditure have not translated into available cash. This is consistent with the 62 per cent revised collection rate, the growth in consumer debt, unpaid bulk accounts and the inability to meet payment-arrangement instalments.

The balance sheet records current assets of R3.628 billion and current liabilities of R1.672 billion, producing a nominal current ratio of approximately 2.17:1. The ratio is not a reliable indicator of immediate liquidity because current assets are dominated by receivables with weak collectability. Approximately 88.2 per cent of consumer debt is older than 90 days. When the quality of receivables is considered, the apparent current-asset cover does not provide sufficient assurance that the municipality can settle short-term obligations as they fall due.

Financial indicator	July actual	July YTD budget / comparator	Assessment
Operating revenue excluding capital transfers	R443.889 million	R278.946 million	Favourable accounting variance; distorted by annual rates billing and equitable share
Property rates	R171.742 million	R64.912 million	Annual billing produces a 164.6% favourable variance

Financial indicator	July actual	July YTD budget / comparator	Assessment
Service charges	R103.141 million	R148.935 million	R45.794 million below budget
Operating expenditure	R114.623 million	R330.575 million	Incomplete because major July costs were not yet recorded
Accounting surplus before capital transfers	R329.266 million	Not applicable	Provisional; not supported by positive operating cash flow
Capital expenditure	R0.594 million	R52.720 million	Approximately 99% below the straight-lined YTD budget
Net cash from operating activities	(R11.363 million)	R59.958 million positive YTD budget	Adverse cash conversion
Cost coverage	33 days	National Treasury norm: 3 months	Critically low

4.1 Consumer debt and creditor exposure

Consumer debt reached R4.687 billion at 31 July 2026. Based on the prescribed age analysis, R4.136 billion, or 88.2 per cent, is older than 90 days, including R3.389 billion older than one year. Households account for R3.118 billion, government for R733.685 million and businesses for R685.357 million. The remaining balance of approximately R149.906 million relates to other or balancing customer categories. The age profile indicates that a significant portion of the debtor book may require legal recovery, account verification, impairment or write-off in accordance with approved policies rather than routine monthly follow-up alone.

Creditors total R1.582 billion, of which approximately R1.197 billion, or 75.6 per cent, is older than 90 days and R908.883 million is older than one year. The creditor age profile confirms that Sol Plaatje's payment pressure extends beyond Eskom and DWS. The municipality must nevertheless apply the Municipal Debt Relief payment hierarchy and cannot use the existence of other creditors as a basis for repeatedly diverting current electricity and water receipts from the prescribed bulk-service obligations.

Age band	Consumer debt	Creditors
0–30 days	R329.093 million	R225.111 million
31–60 days	R108.557 million	R156.840 million
61–90 days	R113.740 million	R3.274 million
91–180 days	R286.615 million	R47.429 million
181 days–1 year	R460.138 million	R240.514 million
Over 1 year	R3.389 billion	R908.883 million
Total	R4.687 billion	R1.582 billion

4.2 Bank reconciliation and cash-control observations

The primary bank reconciliation records a bank-statement closing balance of R52.643 million and an adjusted bank-statement balance of R38.639 million. The cashbook balance per the general ledger was R28.073 million and was adjusted to the same R38.639 million, resulting in a zero final difference. This is a positive control outcome and confirms that the primary account was reconciled at month-end.

The reconciliation nevertheless contains material reconciling items. These include R19.025 million in unreconciled deposits on the bank statement, R10.175 million in direct-deposit transfers recorded in the cashbook but not the general ledger, R4.502 million in partially undeposited receipts, R519,299 in undeposited receipts, R255,683 relating to Pay@ and R134,592 relating to Poff. These items should be cleared within defined ageing limits and reported to the CFO where they remain outstanding beyond the following month.

The Section 71 C6 schedule records cash and cash equivalents of R416.365 million, while C7 records R455.160 million. The Section 71 narrative acknowledges that the C7 amount is overstated. The primary-bank adjusted balance of R38.639 million is not directly comparable with total cash and cash equivalents because the latter may include other bank and investment accounts; however, the differences must be supported by a complete cash-and-investment reconciliation. The report should disclose restricted grants, ring-fenced cash, call deposits and unrestricted operating cash separately.

Bank-reconciliation item	Amount
Bank statement closing balance	R52.643 million
Adjusted bank statement closing balance	R38.639 million
Cashbook balance per general ledger	R28.073 million
Adjusted cashbook closing balance	R38.639 million
Final difference	R0.00

5. CONDITION 6.1 – OVERALL MUNICIPAL COMPLIANCE

Condition 6.1 is assessed as materially non-compliant for July 2026. The municipality submitted a comprehensive Section 71 report and several supporting schedules, but the independent assessment must be determined by substantive financial behaviour. The overall score of 66 per cent, the external Standard Breach classification, unpaid bulk-service accounts, payment-arrangement defaults, low collection performance and inadequate ring-fencing demonstrate that the municipality has not maintained the conditions on which debt relief depends.

Administrative progress is recognised. The July Section 71 report contains a self-assessment, a monthly monitoring plan, revenue-collection information, indigent reporting, GVR reconciliation updates, bulk-account information and recommendations to the Mayoral Committee. The primary bank account was reconciled, proof of payments was uploaded, the electricity disconnection schedule aligns with the reported 2,256 prepaid blocks and the municipality continues to monitor the Revenue Enhancement Strategy.

These positive controls do not compensate for the core failures. The municipality did not pay the June Eskom current account, did not settle the Eskom payment-arrangement instalment, did not pay the June DWS current account, did not settle the DWS debt-agreement instalment, did not provide a valid water-restriction report and did not provide Budget Funding Plan performance despite the budget being assessed as unfunded. The collection rate and cost coverage deteriorated, while consumer debt increased.

National Treasury should therefore maintain Sol Plaatje on formal breach monitoring. Continued support should be tied to a time-bound corrective action plan endorsed by the Municipal Manager, CFO, Executive Mayor and Provincial Treasury. Monthly reporting must demonstrate actual changes in cash receipts, current-account settlement, arrear reduction and credit-control outcomes rather than listing activities without quantified financial benefits.

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

Province		
NW		
Code	District	Code Description
NC091	Frances Baard	Sol Plaatje

Monthly Performance Report

Municipal Details			Part A: Eskom And Bulk water current account						Part B: Compliance with a funded MTREF					Part C: FRP/BFP & Tariff Assessment			Part D: Electricity and water as collection tools			
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18
25.July25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	No	Yes	No	No
26.August25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	No	Yes	No	No
27.September25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	No	Yes	No	No
28.October25	Sol Plaatje	NC091	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	No	Yes	No	No
29.November25	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	No	Yes	No	No
30.December25	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	No	Yes	No	No
31.January26	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	No	Yes	No	No
32.February26	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	Yes	Yes	No	No
33.March26	Sol Plaatje	NC091	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	Yes	Yes	No	No
34.April26	Sol Plaatje	NC091	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	No	Yes	No	No
35.May26	Sol Plaatje	NC091	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	Yes	Yes	No	No
36.June26	Sol Plaatje	NC091	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	No	Yes	Yes	No	No
37.July26	Sol Plaatje	NC091	No	No	Yes	No	Yes	Yes	No	No	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No
38.August26	Sol Plaatje	NC091																		
39.September26	Sol Plaatje	NC091																		

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

	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	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	78%	Moderate compliance
38.August26														0%	Not completed
39.September26														0%	Not completed

6. CONDITION 6.2 – COUNCIL SUPPORT AND GOVERNANCE

Condition 6.2 is assessed as substantially compliant in form but materially qualified in implementation. The municipality's participation remains based on the Council-supported application and acceptance of the Municipal Debt Relief conditions. The July Section 71 report was prepared for consideration by the Executive

Mayor and includes explicit recommendations on the municipality's non-compliance, the risk of losing the final debt-relief tranche and the possibility of Eskom enforcement interventions.

Effective governance requires more than noting the report. Council and the Mayoral Committee should receive a dedicated Municipal Debt Relief dashboard each month showing the current Eskom and DWS invoices, due dates, amounts paid, residual balances, arrangement instalments, cash ring-fenced, collection rate, daily cash target, debtor-recovery outcomes, BFP milestones and responsible officials. Each breach should have a formally approved corrective action, due date and escalation route.

Council should also resolve the inconsistency in the reported debt-relief approval date, the treatment of the approved write-offs and the amounts recognised in the ledger. These matters affect the audit trail, the remaining benefit at risk and the accuracy of public reporting. The Municipal Manager and CFO should certify the reconciliation before it is tabled to Council and submitted to Provincial and National Treasury.

The July evidence demonstrates that management is aware of the risks, including possible removal from the programme, loss of the final one-third benefit, Eskom's proposed Distribution Agency Agreement intervention, potential enforcement against bank accounts and possible implications for the electricity distribution licence. Governance will be assessed as effective only when Council decisions result in demonstrable compliance restoration.

7. CONDITION 6.3 – MAINTAINING THE ESKOM AND BULK-WATER CURRENT ACCOUNTS

7.1 Eskom current account and payment arrangement

Condition 6.3 is assessed as non-compliant. The June 2026 Eskom current account of R130.803 million was due on or before 1 August 2026. Although the due date fell immediately after the July month-end, the compliance register includes subsequent payments through 7 August and still records the municipality as overdue, with five current accounts outstanding and in Standard Breach. The evidence therefore does not establish full settlement within the prescribed period.

The municipality directed significant payments to older Eskom obligations during July. The Section 71 narrative reports R34.516 million toward the April 2026 account, R96.159 million toward the May 2026 account, R16.000 million toward the November 2025 account and R20.000 million toward the December 2025 account. These amounts total approximately R166.675 million. The July financial-system withdrawal vote reflects R138.694 million, with a net reconciliation of R138.506 million after deposits. The difference is largely associated with the R34.516 million payment initiated at the June bank cut-off and released on 1 July, together with minor-account postings. The municipality must maintain a payment-by-invoice bridge that reconciles the narrative, bank statement, remittances, creditor ledger, mSCOA data strings and Section 41 reporting.

The payment arrangement remains in default. The R6.700 million instalment due for July was not paid because of insufficient cash, and the arrangement should have been settled in full by January 2026. At 31 July, the Section 71 report records R113.900 million in payment-arrangement arrears. Continued non-payment of arrangement instalments means that older arrears are not being extinguished even when portions of historic invoices are settled.

The July Section 71 report states that R562.641 million was required to restore Eskom good standing, comprising R448.741 million in outstanding invoices and interest and R113.900 million in payment-arrangement arrears. It also records accumulated overdue interest of R85.829 million for July 2024 to June 2026. Such interest should be investigated and disclosed in accordance with the MFMA requirements applicable to fruitless and wasteful expenditure; the accounting officer must determine responsibility and recovery or consequence-management actions where applicable.

The external compliance register reports a twelve-month Eskom payment level of 87.92 per cent, with R1.238 billion in bills, R1.089 billion in payments and a short-payment position of R149.574 million. This shows that the risk is recurring rather than isolated. A monthly payment rate below 100 per cent will continue to create post-relief arrears and undermine the programme even where payments are large in absolute terms.

7.2 Department of Water and Sanitation current account and debt agreement

The DWS component of Condition 6.3 is also non-compliant. The June 2026 current account of R130,371 was due on 30 July 2026 and was not settled timeously. A payment of R21.434 million was made to the July 2025 account, which the municipality reports as fully settled. The payment improved an older invoice but did not restore current-account discipline.

The R6.000 million debt-agreement instalment was not paid because of insufficient operating cash. The debt agreement should have been settled by January 2025. The July Section 71 report identifies R249.397 million in unpaid invoices and a potential interest write-off of R14.704 million, resulting in a stated DWS good-standing requirement of R234.694 million. The report also refers to gross arrear instalments of R37.558 million and a net debt-agreement balance of R22.855 million after the interest incentive. These amounts must be reconciled in one supplier-approved schedule.

For the period July 2023 to June 2026, DWS billing amounted to R492.334 million and payments to R347.934 million, producing net growth in outstanding debt of R144.400 million. The 2025/26 year alone increased the outstanding position by R142.239 million. This confirms that the municipality's water account has moved away from the objectives of the DWS incentive arrangement and that the potential interest relief of approximately R14.704 million is at risk.

The July water withdrawal vote records the R21.434 million payment and reconciles to the data strings. This is a positive transaction-level control, but it does not resolve the substantive non-compliance arising from failure to settle the current account and agreed instalment. The municipality must provide a DWS-confirmed reconciliation distinguishing current invoices, arrears, interest, debt-agreement principal, potential incentive write-off, payments and disputed amounts.

Bulk supplier indicator	July 2026 evidence	Compliance implication
Eskom June current account	R130.803 million not fully settled	Current-account condition not met
Eskom payments applied during July	Approximately R166.675 million reported against older invoices; R138.694 million reflected in withdrawal vote	Payment bridge and timing reconciliation required
Eskom payment-arrangement instalment	R6.700 million not paid	Arrangement remains in default
Eskom amount to restore good standing	R562.641 million	Material breach exposure
DWS June current account	R130,371 not settled by due date	Current-account condition not met
DWS payment during July	R21.434 million applied to July 2025 invoice	Historic invoice settled; current discipline not restored
DWS debt-agreement instalment	R6.000 million not paid	Debt agreement remains in default

Bulk supplier indicator	July 2026 evidence	Compliance implication
DWS amount to restore good standing	R234.694 million after potential interest incentive	Material programme and incentive risk

8. CONDITION 6.4 – FUNDED MTREF AND BUDGET FUNDING PLAN

Condition 6.4 is assessed as non-compliant for July 2026. The Section 71 report states that the 2026/27 original budget was assessed as unfunded and that collection performance must improve. The annual budget reflects operating revenue of R3.347 billion and operating expenditure of R3.365 billion, producing an operating deficit of approximately R17.550 million before capital transfers. More importantly, the municipality's cash assumptions are not supported by recent collection and current-account payment performance.

The Budget Funding Plan performance submission does not contain a performance report. It is a form for not-applicable documents and states 'service not rendered'. This is inconsistent with the municipality's own statement that the budget is unfunded and with the requirement to demonstrate the implementation of a credible Budget Funding Plan or strengthened Financial Recovery Plan. The absence of a performance report is a material evidence gap.

July results cannot be used to conclude that the budget has become funded. Revenue is affected by annual property-rates billing and grant timing, while major expenditure has not yet been recognised. The accounting surplus coexists with negative operating cash flow, 33 days' cost coverage, a 62 per cent collection rate and unpaid current accounts. These are precisely the indicators that a Budget Funding Plan must address.

The municipality should submit a revised 2026/27 Budget Funding Plan with monthly targets for collection, cash coverage, debtor reduction, service losses, expenditure containment, creditor ageing, Eskom and DWS settlement, grant implementation and capital spending. Cash-flow projections must explicitly provide for Eskom's high winter tariffs and the monthly timing of the DWS account, salaries, statutory deductions and conditional-grant commitments.

The plan must identify corrective measures where actual performance falls below target. At a minimum, it should reconcile the R11.112 million daily cash-collection requirement with realistic collection actions, quantify expected recoveries from the four external debt collectors, reflect the impact of prepaid blocking, specify the funding and timing of water-meter replacement and set an expenditure ceiling that protects current bulk-account payments.

9. CONDITION 6.5 – COST-REFLECTIVE TARIFFS

Condition 6.5 is assessed as partially compliant. The municipality completed a 2026/27 Tariff Tool assessment, which satisfies the formal submission requirement. The underlying result is, however, not fully sustainable. For year one, water, wastewater and solid waste are assessed as cost reflective, while electricity is not cost reflective. The electricity revenue requirement is R1.303 billion compared with budgeted revenue of R1.180 billion, producing a shortfall of R123.192 million.

The aggregate year-one position reflects a modest excess of R8.388 million because surpluses in water, wastewater and solid waste offset the electricity shortfall. Cross-service aggregation cannot be used to conclude that the electricity service is sustainable. Each trading service must be assessed on its own cost base, loss assumptions, repairs and maintenance requirements, bulk-purchase costs, collection rates and free-basic-service funding.

The outer years deteriorate. In year two, required revenue of R2.160 billion exceeds budgeted revenue of R1.968 billion by R191.733 million; only water remains cost reflective. In year three, required revenue of R2.253 billion exceeds budgeted revenue of R2.123 billion by R129.532 million; wastewater, electricity and solid waste remain non-cost-reflective. Without a credible phasing strategy, these deficits will weaken the funded-budget position and increase pressure on current-account payments.

Tariff correction must be integrated with loss reduction and collection improvement. Increasing tariffs without resolving electricity losses, inaccurate meter data, illegal connections, inactive prepaid accounts and weak collection may increase billed revenue without improving cash. The municipality should therefore prepare a service-by-service tariff sustainability plan supported by the Tariff Tool, technical loss assessments, billing data, collection assumptions and affordability analysis.

2026/27 service	Revenue required	Revenue budgeted	Shortfall / (excess)	Assessment
Water	R299.141 million	R409.032 million	R109.891 million excess	**Cost reflective**
Wastewater	R104.648 million	R109.297 million	R4.650 million excess	**Cost reflective**
Electricity	R1.303 billion	R1.180 billion	R123.192 million shortfall	**Not cost reflective**
Solid waste	R71.637 million	R88.676 million	R17.039 million excess	**Cost reflective**
Total – year one	R1.779 billion	R1.787 billion	R8.388 million excess	**Aggregate cost reflective**
Total – year two	R2.160 billion	R1.968 billion	R191.733 million shortfall	**Not cost reflective**
Total – year three	R2.253 billion	R2.123 billion	R129.532 million shortfall	**Not cost reflective**

10. CONDITION 6.6 – ELECTRICITY AND WATER AS COLLECTION TOOLS

10.1 Electricity disconnections and prepaid blocking

Condition 6.6 is assessed as partially compliant. The municipality has corrected the system priority for allocating partial payments to property rates, water, wastewater, refuse and electricity. It also continues to block prepaid electricity purchases and use external debt collectors. The July account-level schedule contains exactly 2,256 prepaid blocks, which agrees with the Section 71 monitoring plan. This consistency provides reasonable assurance over the reported volume of prepaid enforcement actions.

The financial result remains limited relative to the debt exposure. The blocked accounts carry total outstanding debt of R244.158 million and a listed cut-off amount of R9.861 million. Payments recorded after the blocking action amount to R5.875 million, representing 59.6 per cent of the cut-off amount but only 2.4 per cent of total outstanding debt. Of the 2,256 accounts, 1,374 recorded some payment and 882 recorded no payment. The municipality should distinguish payments that result in an unblocking, payments received under arrangements and payments insufficient to regularise the account.

The schedule identifies 446 accounts as handed to debt collectors, representing R127.346 million or 52.2 per cent of the total listed outstanding balance. Payments recorded against these handed-over accounts amounted to approximately R981,329. The municipality must obtain monthly agency-level performance reports showing opening balances, new handovers, collections, fees, settlements, legal status, closed files and expected recoverability. The appointment of four debt collectors must result in measurable net cash benefits.

Residential-coded accounts represent 1,625 of the 2,256 listed accounts and R154.750 million of the outstanding balance. This concentration confirms the need for segmentation between verified indigent households, vulnerable but non-indigent consumers, deceased estates, disputed accounts, inactive properties and enforceable debt. Uniform blocking without account cleansing may generate queries and arrangements but will not resolve invalid or irrecoverable debt.

No conventional electricity disconnections were reported for July. Management should explain whether this reflects an operational capacity constraint, a strategic decision to focus on prepaid meters or an incomplete report. The credit-control report should integrate prepaid blocks, conventional disconnections, reconnections, tampering cases, illegal connections, payment arrangements and cash recovered.

Electricity enforcement metric	July 2026 result
Prepaid accounts blocked	2,256
Conventional disconnections	0
Total outstanding balance on blocked accounts	R244.158 million
Aggregate cut-off amount	R9.861 million
Payments recorded	R5.875 million
Payment recovery as a percentage of cut-off amount	59.6%
Payment recovery as a percentage of total balance	2.4%
Accounts with a payment	1,374
Accounts with no payment	882
Accounts handed to debt collectors	446; balance of R127.346 million

10.2 Water restriction and indigent limitation

The water component is non-compliant. The submitted document states that restriction of water supply for defaulters is not applicable because the 'debt relief service [is] not required'. This is factually inconsistent with Sol Plaatje's water-services function, the DWS debt position and the Municipal Debt Relief condition requiring water restriction or interruption for qualifying defaulting consumers. The not-applicable form cannot be accepted as evidence of compliance.

The Section 71 report provides the substantive explanation: the municipality's conventional water meters are old and do not have the functionality to restrict supply, while the existing connection design may prevent restriction to an individual property. The municipality can block electricity on consolidated accounts where water remains unpaid, but this is an indirect and incomplete control. It does not provide an effective water-specific enforcement mechanism and may not be available in all areas.

The municipality plans to replace approximately 15,000 water meters through the Regional Bulk Infrastructure Grant programme. The project should be converted into a formally monitored revenue-protection programme with approved designs, procurement milestones, meter specifications, installation targets, customer communication, tamper controls, billing-system integration and post-installation revenue outcomes. Until implementation is complete, the municipality requires an interim water credit-control plan using lawful flow restrictors, physical inspection, payment arrangements, legal recovery and targeted action against high-value users.

For indigent consumers, the municipality reports that all approved indigents have prepaid electricity meters, preventing new electricity debt. However, the current water meters cannot physically limit supply to 6 kilolitres.

Condition 6.6.4 therefore remains only partially implemented. Technical and revenue teams must jointly identify a lawful and technically feasible method for limiting or monitoring consumption above the free-basic threshold.

11. CONDITION 6.7 – MINIMUM AVERAGE COLLECTION RATE

Condition 6.7 is assessed as non-compliant for monthly performance. The formal quarterly result was not yet due at the end of July; nevertheless, the first month of the quarter establishes a materially inadequate starting position. The prescribed ward schedule records collections of R123.775 million against billing of R320.362 million, a rate of 38.6 per cent rounded to 39 per cent. Excluding Eskom-supplied areas, the rate is 40.2 per cent, demonstrating that the Ritchie area is not the principal reason for underperformance.

The municipality's revised average collection rate is 62 per cent because prepaid electricity sales and allocated credits are included. The two measures serve different purposes and must not be conflated. The ward-based template measures collection against the prior month's billing and provides consistent Municipal Debt Relief control. The revised municipal calculation may be useful for cash monitoring, but management must reconcile all inclusions and exclusions and report both measures transparently.

July property-rates collection was 25.0 per cent because annual billing materially increased the denominator. This timing effect is valid, but it does not explain the full cash weakness. Water collections were only 23.4 per cent, wastewater 40.7 per cent, refuse 47.9 per cent and interest 14.1 per cent. Electricity in municipal-supplied areas recorded 135.4 per cent because collections included prepaid sales, arrears recoveries, credits or timing items that exceeded current billing. Rates above 100 per cent and negative billing values must be separately reconciled before they are used for operational decision-making.

Average daily cash collection was R6.543 million against the R11.112 million daily requirement, leaving a gap of R4.569 million per day and target attainment of only 58.9 per cent. At this collection level, the municipality cannot meet its bulk-service accounts, salary commitments, statutory deductions, creditors and capital co-funding requirements. The daily target should be allocated by customer segment, collection channel and responsible manager and monitored through a daily dashboard.

Ward-level results reveal significant concentration and data-quality risks. Ward 30 recorded an aggregate rate of approximately 0.7 per cent, driven by water billing of approximately R39.900 million and water collections of only R82,361. Wards 8, 27 and 16 recorded aggregate rates below 5 per cent. Ward 999 Unknown recorded 7.7 per cent and confirms incomplete ward allocation in the customer master. At the other extreme, Ward 23 recorded an apparent rate above 100 per cent because electricity billing was negative while collections were positive. These exceptions require account-level investigation rather than performance ranking.

The municipality should establish a collection-recovery programme that focuses on high-value government and commercial accounts, long-outstanding household debt, accounts with repeated payment defaults, inactive prepaid consumers, property transfers, deceased estates and disputed accounts. Monthly reports must quantify cash collected as a direct result of each intervention and compare this with the cost of debt collectors, legal action, meter operations and customer-verification campaigns.

Collection component	Billing	Collections	Rate
Whole municipal demarcation	R320.362 million	R123.775 million	38.6%
Excluding Eskom-supplied areas	R276.929 million	R111.407 million	40.2%
Property rates	R172.339 million	R43.074 million	25.0%
Electricity – municipal areas	R38.915 million	R52.689 million	135.4%
Water	R63.870 million	R14.918 million	23.4%

Collection component	Billing	Collections	Rate
Wastewater	R12.673 million	R5.162 million	40.7%
Refuse	R9.908 million	R4.744 million	47.9%
Interest	R22.658 million	R3.187 million	14.1%

The electricity rate above 100 per cent reflects collections, arrears recoveries and/or credits exceeding current-period billing. It should not be interpreted as a normal current-billing collection rate without reconciliation.

Selected ward exception	Aggregate collection rate	Principal observation
Ward 30 – Platfontein Industrial, Jacksonville and Lerato Park	0.7%	Water billing of approximately R39.900 million requires validation.
Ward 8 – John Mampe, Mampe Extension, Lathli Mabilo Park and Donkerhoek	3.8%	Extremely low rates across property rates and all services.
Ward 27 – Rietvale and Sol Plaatje RE	4.6%	Partial Eskom/municipal area; very low water and service collections.
Ward 16 – Phutanang Cemetery, Promise Land, Lindelani, Snake Park and Tswelelang	5.0%	Low collection across all service lines.
Ward 999 – Unknown	7.7%	Customer accounts are not assigned to a valid ward.
Ward 23 – Civic Centre, New Park and surrounding areas	124.1%	Not a valid performance result because electricity billing is negative.

12. CONDITION 6.8 – COMPLETENESS OF THE REVENUE BASE

Condition 6.8 is assessed as compliant in formal submission terms but materially qualified on revenue-base integrity. The municipality completed and submitted the fourth-quarter General Valuation Roll reconciliation on 14 July 2026. The Section 71 narrative states that no high-level anomalies were identified in the number of properties per category or total market values. This is a positive control and should be retained as part of the quarterly assurance process.

The reconciliation is not yet complete at the account and billing-determinant level. The municipality requires guidance on multi-use properties with a common SG code but different uses and property categories. It also reports that annual property-rates billing negatively affects the monthly and quarterly billing reconciliation, that the tool does not provide for certain rural, agricultural bona fide and pensioner rebates, and that vacant properties are allocated to other categories because no separate vacant-property tariff exists. These matters can create category, tariff and timing differences even when high-level totals agree.

The ward collection schedule identifies additional master-data exceptions. Ward 999 Unknown indicates that accounts are not mapped to a valid ward. Negative billing amounts and rates above 100 per cent in several ward-service combinations indicate reversals, adjustments, arrear allocations or account-mapping problems that require separate coding. Ward 30's water billing of approximately R39.900 million is disproportionate to the surrounding ward profile and should be validated to source accounts and meter readings.

The revenue base must therefore be reconciled across the GVR, supplementary rolls, deeds information, customer master, service accounts, meter master, tariffs, indigent register and billing transactions. Each exception should be recorded by account number, property reference, category, market value, service status, meter status, billing impact, corrective action, responsible official and completion date. The financial value of corrections and the resulting additional cash collected should be reported monthly.

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**	**-**	**###########**	**############**	**-**
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**	**#########**	**11 772 976**	**64 661 968**	**53 459 966**	**11 202 002**

12.1 Indigent management and free basic services

The July indigent schedule records 6,675 registered indigent households against an adopted and adjusted target of 12,000. This is a shortfall of 5,325 households, or 44.4 per cent. The reported number is also 7,269 below the original debt-relief baseline of 13,944. The municipality attributes part of the shortfall to informal settlements that cannot be loaded onto the system because the areas have not been formalised. This creates a risk that qualifying households receive services without being included in the formal indigent, billing and equitable-share records.

All 6,675 registered households are reported as having conventional water meters and prepaid electricity meters. The schedule records a July free-basic-water cost of R213,665 and water subsidies above the 6-kilolitre threshold of R685,168. It records zero electricity free-basic-service cost despite the 6,675 prepaid electricity beneficiaries. The zero amount must be reconciled to vending transactions, the general ledger, the equitable-share allocation and the National Treasury compliance register, which records free-basic-energy information.

The workbook metadata still refers to the 2023/24 current year and 2023/2024 monthly reporting, notwithstanding that it was submitted for July 2026. This is a document-control deficiency. The municipality should update the reporting-year metadata, confirm the month-end approval status of every beneficiary and reconcile active, suspended, expired, deceased, duplicate and pending indigent records to the billing system.

The municipality should also report the number and value of free basic services actually delivered by service, the number of indigents with consumption above the free-basic limits, the amount billed for excess consumption, the number of consumers physically restricted to the national limits and the number of informal-settlement households receiving services outside the formal system. These controls are necessary to protect both revenue and equitable-share funding.

Indigent indicator	July 2026 result	Assessment
Registered indigent households	6,675	5,325 below the target of 12,000
Households with conventional metered water	6,675	Water restriction capability remains unresolved
Households with prepaid electricity	6,675	Consistent with the indigent policy requirement
Free-basic-water cost	R213,664.85	Requires reconciliation to GL and equitable share
Electricity free-basic-service cost	R0.00	Material data exception
Water subsidy above 6 kilolitres	R685,167.90	Must be linked to beneficiaries and excess consumption
Reporting metadata	Still reflects 2023/24	Document-control correction required

13. CONDITION 6.9 – MONITORING AND REPORTING ON IMPLEMENTATION

Condition 6.9 is assessed as procedurally compliant but materially qualified. The July Section 71 report includes a dedicated Municipal Debt Relief section, the municipality's self-assessment, a monitoring plan, collection information, revenue-base reporting, bulk-account evidence and recommendations. The report also identifies financial and operational risks, including service losses, poor collection, bulk arrears, payment defaults, weak ring-fencing, the risk of loss of the final debt-relief benefit and potential Eskom interventions.

The quality of monitoring is weakened by inconsistent source data and incomplete corrective-plan reporting. The Budget Funding Plan performance file is marked not applicable even though the budget is unfunded. The smart-meter progress file is marked not applicable even though the project is central to the municipality's revenue strategy. The water-restriction file is marked not applicable despite a clear compliance obligation. The indigent workbook contains outdated year metadata and the cash schedules contain acknowledged differences.

The monitoring plan records actions but does not consistently quantify the financial outcome of each intervention. For example, the municipality reports 2,256 prepaid blocks, but the report should also show the value recovered, the number unblocked, the number entering arrangements, repeat defaulters and the cost of implementation. Similarly, the four debt collectors should be assessed on net collections and ageing movement, and the smart-meter project should be assessed on revenue uplift, non-purchasing meters, technical losses and tamper reduction.

Condition 6.9 should be fully compliant only when the monthly report provides one reconciled set of figures, tracks each corrective action against milestones and assigns accountability. The monitoring plan should be signed by the Municipal Manager and CFO, reviewed by the Mayoral Committee and verified by Provincial Treasury before the monthly compliance certificate is finalised.

14. CONDITION 6.10 – PROVINCIAL AND NATIONAL TREASURY CERTIFICATION

Condition 6.10 is assessed as partially compliant. The municipality received the draft National Treasury non-compliance report and certificate for June 2026 and included it in the July Section 71 report. The July self-assessment and the external compliance register provide a basis for continued oversight. However, certification must be supported by verified evidence and timely remedial action, not merely acknowledgement of the prior month's findings.

Provincial Treasury should verify current-account due dates and payments, the payment-arrangement balances, the DWS incentive calculation, the register's post-approval debt growth, collection rates, ring-fenced cash, primary-bank reconciliation, indigent information and Budget Funding Plan progress before certification. Any difference between the municipality's self-assessment and the Treasury assessment should be documented and resolved.

The July 66 per cent self-assessment should not be used as a substitute for a condition-by-condition certification. The external Standard Breach status is the controlling programme-risk signal until National Treasury confirms that the overdue accounts and other substantive failures have been remedied. Provincial Treasury should issue a written escalation report where corrective actions are not implemented within the agreed period.

15. CONDITION 6.11 – LIMITATION ON MUNICIPAL BORROWING POWERS

Condition 6.11 is assessed as compliant on the evidence provided. The July self-assessment does not indicate that the municipality entered into prohibited new long-term borrowing after receiving the debt-relief benefit. The 2026/27 C-Schedule also reflects no new borrowing as a capital-funding source for July.

The condition must remain under monthly review because the municipality's low cost coverage, aged creditors and current-account pressure may create an incentive to use deferred-payment, vendor-financing, finance-lease or other quasi-borrowing arrangements. The CFO should maintain a register of all financing commitments entered into after the debt-relief approval date and confirm that none are used to fund operating shortfalls or bulk-service arrears.

Any proposed capital financing must be assessed for legality, affordability and consistency with the unfunded budget, Budget Funding Plan and Municipal Debt Relief restrictions. Short-term cash pressure should be addressed through collection improvement and expenditure reprioritisation rather than by shifting operating liabilities into future years.

16. CONDITION 6.12 – PROPER MANAGEMENT OF RESOURCES AND RING-FENCING

Condition 6.12 is assessed as materially non-compliant. The municipality reports that a daily process has been developed to identify electricity, water and sanitation receipts and that the equitable-share portion is considered monthly after subsidies are allocated. It also reports that the former separate investment-account statement is no longer required under the Supplementary Guide and that the primary-bank statement was uploaded. These are useful administrative controls.

The substantive requirement is that the identified revenue be protected and applied first to the current Eskom account and then to the current bulk-water account before it is used for other purposes. That result was not achieved. The June Eskom and DWS current accounts remained unpaid and both arrangement instalments were missed. The municipality states that low debtor receipts, salaries, third-party salary commitments and other creditors made the requirement difficult to maintain. These pressures explain the failure but do not establish compliance.

The external compliance register records free-basic-energy equitable-share payments of R71.855 million and a free-basic-energy payment level of 5.80 per cent. The municipality must provide a monthly bridge showing the equitable-share amount earmarked for free basic electricity, water and sanitation, the amount credited to the relevant services, cash actually ring-fenced, payments released to Eskom and DWS, and any variance. The indigent schedule's zero electricity free-basic-service cost makes this reconciliation particularly important.

A formal cash-waterfall protocol is required. It should define the order of payment, daily cash identification, weekly ring-fencing, approval thresholds, exception handling and reporting to the Municipal Manager, CFO and Council. Statutory deductions and essential services must be protected, but deviations from the prescribed Municipal Debt Relief payment hierarchy should be exceptional, quantified, approved and reported.

The primary bank reconciliation is balanced, but the existence of a balanced reconciliation does not prove that service revenue was ring-fenced or applied in the required order. National Treasury should require a transaction-level cash-waterfall schedule and proof that the current accounts were prioritised immediately after the receipt of property-rates cash, prepaid electricity proceeds, equitable-share transfers and other material operating receipts.

17. CONDITION 6.13 – ACCOUNTING TREATMENT OF DEBT RELIEF

Condition 6.13 is assessed as partially compliant and subject to urgent reconciliation. The municipal self-assessment states that the first third of the debt written off by National Treasury has been accounted for. The external compliance register similarly records R248.128 million as written off to date, which corresponds to one-third of the original R744.384 million ring-fenced debt.

The Section 71 report, however, states that National Treasury approved two-thirds of the municipal debt, amounting to R496.256 million, and that the total debt written off to date is R496 million. The July trial balance reflects an Eskom debt-waived concessionary-loan opening balance of R462.248 million. The difference between R248.128 million, R462.248 million and R496.256 million is material and affects the creditor balance, concessionary-loan presentation, accumulated surplus or deficit, debt-relief register and remaining benefit at risk.

The CFO must prepare a debt-relief accounting reconciliation that distinguishes the original eligible debt, each National Treasury approval, Eskom confirmation, journals processed, dates of recognition, mSCOA classifications, interest suppression, amounts remaining in the creditor account, concessionary-loan balances and the final one-third benefit. The reconciliation should explain the trial-balance amount and show whether the second-third approval has been recognised, partially recognised or remains pending.

The accounting file should contain the approval letters, debt calculations, Eskom statements, journal authorisations, ledger extracts, Council reporting and Auditor-General evidence. Until this file is complete and the balances reconcile, National Treasury should not treat Condition 6.13 as fully compliant.

Debt-relief accounting reference	Amount	Interpretation requiring confirmation
Original ring-fenced debt	R744.384 million	Controlling eligible-debt base
Compliance register: written off to date	R248.128 million	One-third recorded as written off
Section 71: two-thirds approved	R496.256 million	Approval amount; recognition status must be confirmed
Trial balance: Eskom debt-waived concessionary-loan opening balance	R462.248 million	Does not reconcile to either one-third or two-thirds amount
Remaining final-third benefit at risk	Approximately R248.128 million	Conditional on sustained compliance

18. CONDITION 6.14 – NERSA LICENCE CONSEQUENCE

Condition 6.14 is a high-risk consequence condition. The July self-assessment records non-compliance and the external register records a Standard Breach. Repeated failure to comply with current-account, ring-fencing, collection and other substantive conditions exposes the municipality to escalation under MFMA Circular No. 124 and to possible consequences for its electricity distribution function.

The immediate recommendation is not automatic licence revocation. The immediate requirement is a documented compliance-restoration process. Council should receive a legal, financial and operational briefing on the implications of continued breach, including the risk of removal from the programme, loss of the remaining final-third benefit, renewed Eskom enforcement, a Distribution Agency Agreement intervention, bank-account attachment risk and the statutory processes that would precede any NERSA licence action.

The municipality should be placed on a formal breach-remediation timetable. Failure to settle current accounts, honour arrangements, implement a Budget Funding Plan, protect service revenue and strengthen collection within the approved timetable should trigger escalation to the relevant National Treasury governance structures and formal consideration of the consequences prescribed in the debt-relief framework.

Any escalation must be based on verified evidence, procedural fairness and the applicable provisions of the Electricity Regulation Act and Municipal Systems Act. The municipality should use the current warning period to restore compliance before the risk progresses from a programme consequence to an operational threat to electricity distribution.

19. CROSS-CUTTING DATA-INTEGRITY AND RECONCILIATION EXCEPTIONS

The July evidence contains several inconsistencies that do not invalidate the entire submission but materially reduce assurance. These exceptions should be resolved through one CFO-certified reconciliation pack.

Exception	July evidence	Required resolution
Debt-relief approval date	Section 71: effective 1 October 2023; compliance register: 30 October 2023	Confirm controlling date and correct all records.
Debt written off / approved	R248.128 million recorded as written off; R496.256 million stated as approved; trial balance R462.248 million	Prepare approval-to-ledger reconciliation and post supported journals.
Eskom July payments	Narrative approximately R166.675 million; withdrawal vote R138.694 million	Bridge bank cut-off payment, minor accounts, vouchers and invoice allocations.
Cash and cash equivalents	C6 R416.365 million; C7 R455.160 million; primary-bank adjusted balance R38.639 million	Reconcile all bank, investment, restricted and unrestricted balances.
Budget Funding Plan	Budget assessed as unfunded, but BFP performance file marked not applicable	Submit actual monthly BFP performance and corrective measures.
Water restriction	Condition applies, but file marked not applicable	Replace with an operational restriction report and interim plan.
Smart-meter performance	File marked not applicable, while project is reported complete at 15,328 meters	Report benefits, non-purchasing meters, losses and revenue outcomes.
Indigent reporting	6,675 beneficiaries; workbook metadata reflects 2023/24; electricity FBS cost is zero	Correct metadata and reconcile beneficiaries, vending, GL and equitable share.
Ward and billing data	Ward 999, negative billing, rates above 100% and disproportionate Ward 30 water billing	Complete account-level exception cleansing.

Exception	July evidence	Required resolution
Capital and expenditure timing	Major July operating costs not recognised and capital spending only R0.594 million	Complete month-end accruals and monitor procurement/implementation.

20. HIGH-LEVEL RECOMMENDATIONS AND IMPLEMENTATION-ASSURANCE PLAN

The following actions should be adopted as the formal July 2026 corrective plan. The Municipal Manager and CFO should assign named responsible officials, and the Mayoral Committee and Provincial Treasury should monitor completion. Where an amount or deadline changes following supplier confirmation, the revised amount and basis should be recorded in the monthly report.

Action	Required intervention	Responsible function	Timeframe	Evidence of completion
1. Restore Eskom current-account compliance	Settle the June current account and each subsequent current invoice by the due date; provide invoice-level proof, bank extract, remittance, ledger and Section 41 reconciliation.	Municipal Manager / CFO / Electricity / Expenditure	Immediate and monthly	Zero unpaid current invoices; reconciled evidence pack
2. Remedy Eskom payment-arrangement default	Agree and implement a funded plan to clear R113.900 million in arrangement arrears and prevent further missed instalments.	CFO / Eskom liaison	Within 10 working days	Eskom-confirmed arrangement and proof of first compliant payment
3. Restore DWS compliance	Settle current invoices and the debt-agreement instalment; reconcile the R234.694 million good-standing amount and the R14.704 million potential interest benefit.	Municipal Manager / CFO / Water Services	Within 10 working days	DWS-confirmed reconciliation and payment plan
4. Implement a cash-waterfall protocol	Identify electricity, water, sanitation and FBS receipts daily and apply them in the prescribed priority before discretionary expenditure.	CFO / Treasury / Revenue	Immediate	Daily and weekly cash-waterfall report signed by CFO
5. Submit a credible Budget Funding Plan	Replace the not-applicable form with a funded monthly plan covering collections, cash coverage, losses, creditors, expenditure controls and bulk accounts.	CFO / Budget Office	Before the August Section 71 submission	Council-approved BFP and monthly performance schedule
6. Close the daily collection gap	Increase daily cash collection from R6.543 million toward at least R11.112 million through segmented recovery and channel targets.	Revenue Management	Monthly	Daily dashboard and cash collected per intervention
7. Strengthen electricity enforcement	Track the 2,256 blocked accounts through payment, arrangement, unblocking, handover and closure; evaluate the four debt collectors on net cash outcomes.	Revenue / Electricity / Legal	Monthly	Movement report and recovery ratio by agency
8. Operationalise water restriction	Replace the not-applicable submission with an interim restriction plan and a funded rollout plan for approximately 15,000 replacement meters.	Engineering: Water / Revenue / SCM	Plan within 20 working days	Approved plan, procurement milestones and monthly restrictions
9. Cleanse the revenue base	Resolve Ward 999, negative billings, over-100% rates, multi-use properties, annual-billing treatment and Ward 30 water anomalies.	Revenue / Valuations / ICT / Billing	Monthly, with high-risk exceptions first	Account-level exception register and value corrected
10. Reconcile indigent and FBS data	Correct the reporting year; reconcile 6,675 beneficiaries to billing, meters, vending, GL and equitable share; explain zero electricity FBS cost.	Indigent Management / Revenue / Finance	Before the August submission	Completed, signed Annexure C and reconciliation
11. Correct tariff sustainability	Address the R123.192 million electricity shortfall and adopt a phased service-by-service tariff and loss-reduction strategy for years two and three.	CFO / Electricity / Water / Council	During the 2026/27 adjustment process	Updated Tariff Tool and approved implementation plan
12. Reconcile debt-relief accounting	Reconcile R248.128 million, R462.248 million and R496.256 million to approvals, Eskom confirmations and ledger journals.	CFO / Financial Reporting	Within 10 working days	CFO-certified debt-relief accounting file
13. Clear bank reconciling items	Age and clear unreconciled deposits, direct-deposit transfers, undeposited receipts, Pay@ and Poff items.	Financial Accounting	Within the following month	Zero aged unexplained reconciling items
14. Strengthen Council oversight	Table a dedicated MDR dashboard and formally resolve on each breach, action owner, deadline and escalation.	Municipal Manager / Executive Mayor	Monthly	Council/Mayoral Committee resolution and action tracker

Action	Required intervention	Responsible function	Timeframe	Evidence of completion
15. Provincial Treasury verification	Verify source evidence and progress before final certification; escalate non-delivery to National Treasury.	Northern Cape Provincial Treasury	Monthly	Independent verification report and certification
16. NERSA consequence preparedness	Provide Council with a legal and operational briefing on licence-related risks and the steps required to avoid escalation.	Municipal Manager / Legal / Electricity	Within 20 working days	Council-noted briefing and compliance-restoration resolution

21. CONCLUSION

The July 2026 assessment confirms a deterioration in Sol Plaatje Local Municipality's Municipal Debt Relief compliance position. The municipality's score declined to 66 per cent and the external register classifies the municipality as overdue and in Standard Breach. The primary causes are not reporting failures alone; they are the continued inability to settle current Eskom and DWS accounts, default on payment arrangements, an unfunded budget, weak cash conversion, inadequate water restriction and failure to apply ring-fenced service revenue in the prescribed order.

There are positive controls on which recovery can be built. The municipality submitted a detailed Section 71 report, reconciled its primary bank account, completed and submitted the GVR reconciliation, maintained account-level electricity blocking records, reconciled certain bulk-account ledger movements and completed a Tariff Tool assessment. The smart-meter project has installed 15,328 meters and four debt collectors have been appointed. These measures provide an operating platform, but their financial benefits are not yet sufficient or consistently measured.

The municipality's July accounting surplus should not obscure the cash position. Net operating cash flow was negative, cost coverage was 33 days, the revised collection rate was 62 per cent, consumer debt increased to R4.687 billion and bulk arrangements remained unpaid. Unless the municipality converts its revenue-enhancement activities into sustained cash collections and applies those receipts to current obligations, new arrears will continue to replace the debt that has been relieved.

National Treasury should therefore maintain enhanced monthly monitoring and require the corrective plan in this report to be formally adopted and implemented. Continued participation remains appropriate only if Sol Plaatje demonstrates measurable improvement in August and subsequent months. The remaining final-third debt-relief benefit of approximately R248.128 million should remain conditional on verified restoration of current-account discipline, funded-budget implementation, revenue collection, ring-fencing and audit-ready accounting evidence.

For enquiries, please contact Ms Matjatji Mashoesoe at Matjatji.Mashoeshoe@treasury.gov.za.

Kind regards

MS MATJATJI MASHOESOE
DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS
DATE: 29 AUGUST 2026

CC: Northern Cape Provincial Treasury; Chief Financial Officer: Sol Plaatje Local Municipality; MFIP Revenue Advisor

ANNEXURE A: JULY 2026 MUNICIPAL DEBT RELIEF COMPLIANCE SUMMARY

Indicator range	Compliance area	Municipal response	Independent interpretation
C1–C6	Eskom and bulk-water current accounts	No, No, Yes, No, Yes, Yes	**Current accounts not paid; evidence and reconciliation controls partly present**
C7–C13	Funded MTREF / Budget Funding Plan	No, No, Yes, Yes, No, No, Yes	**Budget assessed as unfunded; BFP and cash-flow evidence insufficient**
C14	Tariff Tool	Yes	**Tool submitted, but electricity and outer years are not cost reflective**
C15–C18	Electricity and water as collection tools	Yes, Yes, No, No	**Electricity actions implemented; water and indigent restrictions not implemented**
C19–C22	Quarterly collection exemptions / explanations	Not yet end of quarter	**Monthly performance nevertheless materially below target**
C23–C25	Smart prepaid meters and new connections	Yes, Yes, Yes	**Project complete; 15,328 installations reported to March 2025**
C26–C28	Completeness of revenue base	Yes, Yes, Yes	**GVR reconciliation completed and submitted; data-quality qualifications remain**
C29–C32	Monitoring and FRP/BFP reporting	Yes, Yes, No, No	**Section 71 monitoring present; FRP/BFP reporting incomplete**
C33–C35	Treasury oversight/certification	Yes, Yes, Yes	**Prior report received; July verification and remedial action still required**
C36	Borrowing limitation	Yes	**No prohibited new long-term borrowing identified**
C37–C39	Proper management of resources	No, No, Yes	**Ring-fencing/application failed; bank evidence submitted**
C40	Accounting treatment	Yes	**Municipal self-assessment positive; independent reconciliation still required**
C41	NERSA consequence	No	**Failure of other conditions creates a high-risk consequence position**
Overall	July 2026 score and rating	66%	**Non Compliance**

The grouped matrix follows the order of the 41 indicators in the municipality's July self-assessment. Quarterly indicators were reported as not yet due; the overall municipal result was 66 per cent and Non Compliance.

ANNEXURE B: SELECTED JULY 2026 FINANCIAL AND PROGRAMME CONTROL TOTALS

Control total	July 2026 amount / outcome
Original ring-fenced debt	R744.384 million
External register: debt written off to date	R248.128 million
Residual new arrear debt	R26.800 million
Post-approval debt growth	R397.497 million
External register current-account amount	R299.999 million
External breach status	Standard Breach
Eskom amount to restore good standing	R562.641 million
DWS amount to restore good standing	R234.694 million
Consumer debt	R4.687 billion
Consumer debt older than 90 days	R4.136 billion / 88.2%
Total creditors	R1.582 billion
Creditors older than 90 days	R1.197 billion / 75.6%
Cost coverage	33 days
Revised municipal collection rate	62%
Ward-based collection rate	39%
Average daily cash collection	R6.543 million
Daily collection target	R11.112 million
Registered indigent households	6,675
Prepaid electricity accounts blocked	2,256
Outstanding debt on blocked accounts	R244.158 million
Payments on blocked accounts	R5.875 million
Primary bank adjusted balance	R38.639 million
Net cash from operating activities	(R11.363 million)

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	Aug'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	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 made a partial payment of R10,000 million towards the July 2026 account amounting to R23,715 million. A payment of R130 thousand was made on the June 2026 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?	Yes	
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 made a partial payment of R70,000 million towards the July 2026 amounting to R152,276 million. A payment of R7,316 million was made on the December 2025 account that is now fully settled.
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 property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".*		
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 necessary. However, the PT / NT must assess whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.*		
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	

No.	Ref	Condition	Response	Comments
	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 <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	not yet the end of a 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 <u>and</u> 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 <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes	Smart meter project is completed. YTD installations till end of 31 March 2025 = 15,328
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes	
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes	
	6.8	**Municipality's Completeness of the revenue base –**		
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes	
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? ***Note** – monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement*	Yes	
28	6.8.2	- **For the latest ending Quarter** -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za?	Yes	
	6.9	**Monitor and report on implementation –**		
29	6.9.1	**- MFMA section 71 reporting –** has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes	
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the **active intervention evident** from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? ***Note** – condition 6.9.2 has a typing error and must refer to 6.9.1.*	Yes	
31	6.9.3	- **Municipalities with financial recovery plans (FRP)** – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	No	
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 45. 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 made a partial payment of R10,000 million towards the current water account for July 2026 amounting to R23,715 million. The municipality made a partial payment of R70,000 million towards the current Eskom account for July 2026 amounting to R152,726 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	
		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	
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: BS Matlola

Signature of HOD/ NT/ MM: [signature]

Date: 10/09/2026

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

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

Monthly Performance Report

Municipal Details			Part A						Part B					Part C			Part D				Part C										Part E													Compl
			Eskom And Bulk water current account						Compliance with a funded MTREF					FRP/BFP & Tariff Assessment			Electricity and water as collection tools				Quarterly collection of property rates and services charges							Maximization of Revenue Base			Oversight													
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score
1.July 2026	Sol Plaatje	NC091	No	No	Yes	No	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	No	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%
2.August 2026	Sol Plaatje	NC091	No	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	No	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	68%
3.September 2026	Sol Plaatje	NC091																																										0%
4.October 2026	Sol Plaatje	NC091																																										0%
5.November 2026	Sol Plaatje	NC091																																										0%
6.December 2026	Sol Plaatje	NC091																																										0%
7.January 2027	Sol Plaatje	NC091																																										0%
8.February 2027	Sol Plaatje	NC091																																										0%
9.March 2027	Sol Plaatje	NC091																																										0%
10.April 2027	Sol Plaatje	NC091																																										0%
11.May 2027	Sol Plaatje	NC091																																										0%
12.June 2027	Sol Plaatje	NC091																																										0%

		Comments/Motivation
HOD Name:	BS MATLALA	
Signature of HOD:		
Date:	10/09/2026	

** *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.*