

ITEM [5.1]

ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEE

5.1 MONTHLY BUDGET STATEMENT – S71 REPORT: FEBRUARY 2026,

File No. xxx]
[Municipal Manager/LN/AL]
[Financial Viability & Sustainability Standing Committee]
[February 2026]

PURPOSE

To submit to the committee for noting, the Section 71 report as at the end of February 2026.

LEGAL / STATUTORY REQUIREMENTS

Municipal Finance Management Act S71
Municipal Finance Management Regulations
National Treasury Circulars

BACKGROUND /PURPOSE

Section 71(1) (a) – (g) of the Municipal Finance Management Act (MFMA) inter alia, states: “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 provincial treasury a statement in the prescribed format on the state of the municipality’s budget reflecting the following particulars for the month and for the financial year up to the end of that month.

FINANCIAL PERFORMANCE

The monthly section 71 report is compiled and serves as a tool to monitor financial performance within the Municipality. The Summary Statement of Financial Performance shown in Annexure 1, Table C4, is prepared similarly to the prescribed budget format, detailing revenue by source type and expenditure per vote.

SECTION 1 – EXECUTIVE SUMMARY

1.1 Introduction

Municipal budget regulations require that this report be in Section 71 of the MFMA format, which requires that this report be prepared in the following manner:

- Actual Revenue per revenue source.
- Actual expenditure per vote.
- Actual Capital Expenditure per vote.
- The number of allocations received,
- Actual Expenditure on allocations received,
- Actual Expenditure on those allocations,
- Where necessary, explanations on:
 - Any material variances from the municipality’s projected revenue per source and the municipality’s expenditure projections per vote.
 - Any material variances from the SDBIP, and
 - Remedial or corrective steps taken or to be taken by the municipality

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2. The statement must include: -

- Projections of the municipality's revenue and expenditure for the rest of the financial year and any revisions from initial projections.

3. The amounts reflected in the statement must be compared with the corresponding amounts budgeted for in the municipality's approved budget.

This report has been prepared using the accrual method of accounting. The general idea is that economic events are recognized by matching revenues to expenses (the matching principle) when the transaction occurs rather than when payment is received or made.

This method allows the current cash inflows/outflows to be combined with future expected cash inflows/outflows to give a more accurate picture of the municipality's current financial position.

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Table C1- Monthly Budget Statement Summary

The table below reflects the summary of the municipality's budget against year-to-date collections or expenditures.

EC123 Great Kei - Table C1 Monthly Budget Statement Summary - M08 February									
Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	35 180	54 888	53 388	3 383	25 375	35 592	(10 217)	-29%	53 388
Service charges	18 224	17 891	20 301	1 827	15 050	13 787	1 263	9%	20 301
Investment revenue	6 525	6 733	6 733	273	3 896	4 489	(593)	-13%	6 733
Transfers and subsidies - Operational	60 484	61 753	60 753	278	45 721	40 472	5 249	0	60 753
Other own revenue	7 874	12 065	11 818	488	5 731	6 949	(1 218)	-18%	11 818
Total Revenue (excluding capital transfers and contributions)	128 287	153 330	152 994	6 248	95 773	101 288	(5 516)	-5%	152 994
Employee costs	55 062	55 678	57 181	4 863	37 306	37 763	(456)	-1%	57 181
Remuneration of Councillors	5 923	5 738	6 057	475	3 846	3 912	(66)	-2%	6 057
Depreciation and amortisation	18 966	20 848	15 810	-	6 678	8 850	(2 172)	-25%	15 810
Interest	1 329	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	14 789	16 555	19 528	1 326	13 335	13 344	(8)	-0%	19 528
Transfers and subsidies	-	450	800	-	-	493	(493)	-100%	800
Other expenditure	29 411	33 699	34 459	2 197	18 029	20 366	(2 337)	-11%	34 459
Total Expenditure	125 481	132 968	133 835	8 861	79 195	84 728	(5 533)	-7%	133 835
Surplus/(Deficit)	2 806	20 362	19 159	(2 613)	16 578	16 561	18	0%	19 159
Transfers and subsidies - capital (monetary)	39 766	39 267	58 267	812	26 322	36 590	(10 268)	-28%	58 267
Transfers and subsidies - capital (in-kind)	3 500	-	-	-	2 800	-	2 800	#DIV/0!	-
Surplus/(Deficit) after capital transfers & contributions	46 072	59 629	77 426	(1 801)	45 700	53 150	(7 450)	-14%	77 426
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	46 072	59 629	77 426	(1 801)	45 700	53 150	(7 450)	-14%	77 426
Capital expenditure & funds sources									
Capital expenditure	50 945	45 277	64 470	1 392	27 420	40 951	(13 531)	-33%	64 470
Capital transfers recognised	40 591	33 585	50 207	641	20 671	31 362	(10 691)	-34%	50 207
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	10 353	11 691	14 263	751	6 749	9 589	(2 840)	-30%	14 263
Total sources of capital funds	50 945	45 277	64 470	1 392	27 420	40 951	(13 531)	-33%	64 470
Financial position									
Total current assets	107 723	88 817	88 817		145 965				88 817
Total non current assets	394 828	486 566	505 759		424 230				505 759
Total current liabilities	76 878	12 091	12 061		92 958				12 061
Total non current liabilities	32 519	20 789	20 789		32 519				20 789
Community wealth/Equity	399 288	59 629	77 426		444 713				77 426
Cash flows									
Net cash from (used) operating	(94 585)	68 910	68 910	20 525	(5 697)	57 820	63 517	110%	68 910
Net cash from (used) investing	-	(52 068)	(52 068)	(1 601)	(35 490)	(34 712)	777	-2%	(52 068)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	(23 937)	64 285	64 285	18 924	42 925	70 552	27 627	39%	100 953
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	9 127	2 865	2 640	2 322	2 706	3 258	4 384	61 698	89 000
Creditors Age Analysis									
Total Creditors	3 689	7	-	-	-	-	338	15 311	19 344

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OPERATING REVENUE

Total revenue, including operational grants to date, amounts to R95.77 million, compared to the anticipated R101.3 million. However, total receipts of transfers and conditional grant revenue to date amount to R72 million.

Total revenue, including government grants and subsidies, amounts to R167.8 million.

Cash receipts on operating revenue, excluding grants and VAT refunds, total R45.4 million.

i) Property Rates

Property rates year-to-date billing amounts to R25.4 million, compared to the anticipated YTD budget of R35.6 million. This indicates 29% underperformance. Property rates remain the municipality's largest own revenue source.

The cash received to date for rates billing is R32.8 million, including old debt.

ii) Refuse Services

The year-to-date refuse revenue amounts to R3.9 million, while the YTD budget is R3.8 million. This is an overperformance of 4%. An effort is being made to ensure this revenue source performs adequately, as the municipality has additional capital resources for this function.

Cash received for refuse collection to date amounts to R3.1 million.

iii) Electricity Services

Year-to-date electricity billed amounts to R11 million. The anticipated budgeted revenue amounted to R10 million, which indicates a 11% underestimation of the electrical YTD budget. The trading service has been operating at a deficit if you compare sales vs bulk electricity purchases.

Year-to-date receipts amount to R8.4 million. (Conventional R2.4 million and Prepaid R5.9 million)

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SURPLUS/ DEFICIT ON SALE OF ELECTRICITY 2025/26 FY			
Sales	Conventional	Prepaid	Total
July	260 701.99	769 160.33	1 029 862.32
August	369 776.69	749 439.31	1 119 216.00
September	218 705.17	807 820.74	1 026 525.91
October	318 643.24	783 483.00	1 102 126.24
November	150 707.78	638 871.27	789 579.05
December	681 518.96	811 176.47	1 492 695.43
January	340 917.41	725 778.56	1 066 695.97
February	124 314.48	640 490.70	764 805.18
Total Sales	2 465 285.72	5 926 220.38	8 391 506.10
Costs Eskom Bulk			Total
July			2 154 047.24
August			2 398 398.43
September			1 871 682.05
October			1 565 004.59
November			1 525 140.12
December			1 466 544.03
January			1 452 062.08
February			1 524 465.74
Total Costs			13 957 344.28
Deficit			- 5 565 838.19

iv) Interest on investments

Interest earned on external investments to date amounts to R3.9 million. With an anticipated budget of R4.5 million. The variance is due to a change in the official prime lending rate.

v) Interest on outstanding debtors

Interest billed on debtor amounts to R3.1 million (*Exchange transactions: R965 977; non-exchange transactions: R2 159 022*). The interest billed is less than the prior year.

vi) Licences and permits

Movement on this line item to date amounts to R684 thousand. YTD budget amounts to R903 thousand. This indicates a year-to-date variance of 24%, the major contributing factor is due to current construction of R63 provincial road by SANRAL making it difficult for the traffic department to implement the Traffic Management Act e.g. issuing of traffic fines.

vii) VAT refunds

The amount received on VAT refunds to date is R7.4 million. The amount of R 377 812.81 which has been submitted to SARS is receivable as of 28 February 2026.

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OPERATING EXPENDITURE

At the end of February 2026, the total expenditure amounts to R79.1 million, while the YTD budget amounts to R84.7 million. This indicates a year-to-date variance of 7%.

i) Employee Costs

The year-to-date movement of employee-related costs amounts to R37.3 million, while the YTD budget amounts to R37.7million. This is a YTD variance of 1%.

ii) Remuneration of councillors

The YTD budget for councillors' allowances is R3.8 million, and the actual spending to date is R3.9 million. This indicates a year-to-date variance of 2%.

iii) Bulk Electricity

Expenditure for bulk electricity purchases is budgeted at R12.1 million, and the spending to date is R12.1 million excluding VAT. This indicates a year-to-date variance of 0%. The February 2026 invoice for Eskom Bulk amounts to R1 524 465.74. The electricity service is being rendered at a deficit, as the billed cost of bulk purchases exceeded the billed revenue of R5.6 million.

iv) Contracted Services

The expenditure incurred on this line item amounts to R4.9 million compared to the YTD budget of R5 million. This is a YTD variance of 1%. This is due to the implementation of the MFMA circular 82 – cost containment measures.

v) Operational Costs

As of the end of February 2026, operational costs amount to R13 million, while the YTD budget amounts to R15 million. This is a YTD variance of 13%. This includes accommodation, external audit fees, machine rentals, bank charges, travel, subsistence, telephone costs, and software licensing. The variance is also due to the appropriate implementation of cost containment measures.

VI) Depreciation

Expenditure for depreciation and amortization is budgeted at R8.9 million, and the expense recognized or accounted for to date is R 6.7 million. This indicates a year-to-date variance of 25%.

CAPITAL EXPENDITURE [SEE C5 TABLE BELOW]

The YTD budget on Capital expenditure is R40.9 million, and the movement to date is at R27.4 million. The variance between the budget and actual translates to overperformance of 33%.

STATEMENT OF FINANCIAL POSITION [SEE C6 TABLE BELOW]

Accumulated surplus as of 28 February 2026 is R339 million. The surplus as at the end of February 2026 is R45 million.

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CASH FLOWS [SEE C7 TABLE BELOW]

The municipality ended the month with a positive cash and cash equivalents balance of R118 million (Operating main bank balance and other short-term investments).

Table C2: Statement of Financial Performance by Vote

This table reflects the operating budget in the standard classification: Government Finance Statistics Functions and Sub-Functions. National Treasury uses these to assist the compilation of national and international accounts for comparison purposes, regardless of the organizational structures used by different institutions.

EC123 Great Kei - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M08 February										
Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		119 277	134 036	161 446	3 869	75 743	105 376	(29 634)	-28%	161 446
Finance and administration		119 277	134 036	161 446	3 869	75 743	105 376	(29 634)	-28%	161 446
Community and public safety		3 167	4 038	4 881	166	2 629	2 294	335	15%	4 881
Community and social services		1 360	977	1 977	53	1 513	1 288	226	18%	1 977
Public safety		1 598	3 061	2 905	95	988	1 006	(18)	-2%	2 905
Housing		209	-	-	18	127	-	127	#DIV/0!	-
Economic and environmental services		25 312	25 673	15 673	969	21 286	10 448	10 838	104%	15 673
Planning and development		670	1 471	1 471	21	313	980	(667)	-68%	1 471
Road transport		24 642	24 202	14 202	948	20 973	9 468	11 505	122%	14 202
Trading services		23 797	28 850	29 261	2 055	25 237	19 760	5 477	28%	29 261
Energy sources		14 439	21 982	23 392	1 436	17 628	15 443	2 186	14%	23 392
Waste management		9 359	6 869	5 869	619	7 608	4 317	3 291	76%	5 869
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	171 553	192 597	211 261	7 060	124 894	137 878	(12 984)	-9%	211 261
Expenditure - Functional										
Governance and administration		56 062	59 806	57 543	3 128	32 756	35 744	(2 989)	-8%	57 543
Executive and council		5 978	5 738	6 057	479	3 904	3 912	(8)	0%	6 057
Finance and administration		50 083	54 068	51 486	2 648	28 852	31 832	(2 980)	-9%	51 486
Community and public safety		10 987	9 805	9 780	618	5 807	6 282	(476)	-8%	9 780
Community and social services		3 953	776	786	8	444	445	(1)	0%	786
Public safety		7 033	9 029	8 994	610	5 363	5 838	(475)	-8%	8 994
Economic and environmental services		31 917	28 978	27 898	2 432	18 207	17 671	536	3%	27 898
Planning and development		14 312	15 410	16 599	982	8 170	10 060	(1 890)	-19%	16 599
Road transport		17 604	13 568	11 299	1 450	10 037	7 610	2 427	32%	11 299
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		26 791	34 379	38 615	2 684	22 425	25 030	(2 605)	-10%	38 615
Energy sources		18 073	20 793	24 514	1 769	16 377	15 981	397	2%	24 514
Waste management		8 717	13 586	14 101	915	6 048	9 050	(3 002)	-33%	14 101
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	125 755	132 968	133 835	8 861	79 195	84 728	(5 533)	-7%	133 835
Surplus/ (Deficit) for the year		45 798	59 629	77 426	(1 801)	45 700	53 150	(7 450)	-0.1401744	77 426

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Table C3: Monthly Financial Performance (Revenue and Expenditure by vote)

The operating budget of the institution is approved by the council at the municipal vote level. The table below reflects expenditures per vote. Close monitoring of spending is vital.

EC123 Great Kei - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February

Vote Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Office of the Municipal Manager		209	1	1	18	128	1	127	16237.6%	1
Vote 2 - Directorate: Budget and Treasury		122 341	134 036	161 446	3 951	79 710	105 376	(25 666)	-24.4%	161 446
Vote 3 - Directorate: Corporate Services		89	-	-	-	62	-	62	#DIV/0!	-
Vote 4 - Directorate: Strategic Services		670	1 471	1 471	21	313	980	(667)	-68.0%	1 471
Vote 5 - Directorate: Technical Service & Community Services		48 243	57 089	48 343	3 071	44 681	31 521	13 160	41.8%	48 343
Vote 6 - Municipal Manager- Acting		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	171 553	192 597	211 261	7 060	124 894	137 878	(12 984)	-9.4%	211 261
Expenditure by Vote	1									
Vote 1 - Office of the Municipal Manager		-	-	0	-	-	0	(0)	-100.0%	0
Vote 2 - Directorate: Budget and Treasury		44 870	42 956	40 498	1 932	23 389	25 028	(1 639)	-6.5%	40 498
Vote 3 - Directorate: Corporate Services		5 150	11 112	10 987	716	5 462	6 804	(1 342)	-19.7%	10 987
Vote 4 - Directorate: Strategic Services		20 382	21 197	22 745	1 462	12 118	14 026	(1 908)	-13.6%	22 745
Vote 5 - Directorate: Technical Service & Community Services		55 354	57 703	59 605	4 752	38 225	38 870	(645)	-1.7%	59 605
Vote 6 - Municipal Manager- Acting		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	125 755	132 968	133 835	8 861	79 195	84 728	(5 533)	-6.5%	133 835
Surplus/ (Deficit) for the year	2	45 798	59 629	77 426	(1 801)	45 700	53 150	(7 450)	-14.0%	77 426

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Operating income and expenditure against approved budget (Table C4- Statement of Financial Performance)

Revenue by Source

EC123 Great Kei - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		14 081	13 830	15 240	1 359	11 124	10 008	1 116	11%	15 240
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		4 143	4 061	5 061	468	3 925	3 778	147	4%	5 061
Sale of Goods and Rendering of Services		1 035	1 185	1 095	38	446	730	(285)	-39%	1 095
Agency services		422	705	705	-	293	470	(177)	-38%	705
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		1 125	1 126	1 126	135	966	750	216	29%	1 126
Interest from Current and Non Current Assets		6 525	6 733	6 733	273	3 896	4 489	(593)	-13%	6 733
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		375	214	214	18	131	143	(12)	-9%	214
Licence and permits		984	2 906	2 750	97	684	903	(219)	-24%	2 750
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		147	53	53	5	895	35	860	2433%	53
Non-Exchange Revenue										
Property rates		35 180	54 888	53 388	3 383	25 375	35 592	(10 217)	-29%	53 388
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		710	200	200	8	158	133	25	18%	200
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		60 484	61 753	60 753	278	45 721	40 472	5 249	13%	60 753
Interest		4 947	5 676	5 676	189	2 159	3 784	(1 625)	-43%	5 676
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		(193)	-	-	-	-	-	-	-	-
Other Gains		(1 678)	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		128 287	153 330	152 994	6 248	95 773	101 288	(5 516)	-5%	152 994

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Operating expenditure by type

EC123 Great Kei - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<u>Expenditure By Type</u>										
Employee related costs		55 062	55 678	57 181	4 863	37 306	37 763	(456)	-1%	57 181
Remuneration of councillors		5 923	5 738	6 057	475	3 846	3 912	(66)	-2%	6 057
Bulk purchases - electricity		14 597	15 497	17 647	1 326	12 137	12 178	(41)	0%	17 647
Inventory consumed		192	1 059	1 882	0	1 199	1 166	33	3%	1 882
Debt impairment		-	5 000	1 500	-	-	300	(300)	-100%	1 500
Depreciation and amortisation		18 966	20 848	15 810	-	6 678	8 850	(2 172)	-25%	15 810
Interest		1 329	-	-	-	-	-	-		-
Contracted services		8 078	8 393	9 167	914	4 997	5 056	(59)	-1%	9 167
Transfers and subsidies		-	450	800	-	-	493	(493)	-100%	800
Irrecoverable debts written off		5 002	-	-	-	-	-	-		-
Operational costs		17 053	20 306	23 792	1 283	13 032	15 010	(1 978)	-13%	23 792
Losses on Disposal of Assets		337	-	-	-	-	-	-		-
Other Losses		(1 059)	-	-	-	-	-	-		-
Total Expenditure		125 481	132 968	133 835	8 861	79 195	84 728	(5 533)	-7%	133 835

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Table C5: Capital Expenditure (Municipal Vote, standard classification, and funding)

The table above shows the bud get for capital expenditure funded from municipal infrastructure grants (MIG) and provincial Government Grants and funded internally. These include infrastructure projects, the purchasing of computers, and transport assets for the municipality.

EC123 Great Kei - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M08 February										
Vote Description	Ref	2024/25			Budget Year 2025/26					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		-	1 507	2 452	-	2 464	1 843	620	34%	2 452
Vote 2 - Directorate: Budget and Treasury		(13)	-	140	-	123	126	(3)	-3%	140
Vote 3 - Directorate: Corporate Services		-	-	370	-	170	237	(67)	-28%	370
Vote 4 - Directorate: Strategic Services		-	-	-	-	-	-	-	-	-
Vote 5 - Directorate: Technical Service & Community Services		4 970	11 783	10 565	539	7 961	7 954	7	0%	10 565
Vote 6 - Municipal Manager- Acting		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	4 956	13 290	13 526	539	10 718	10 160	557	5%	13 526
Single Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 2 - Directorate: Budget and Treasury		3 253	359	359	-	113	240	(127)	-53%	359
Vote 3 - Directorate: Corporate Services		264	839	829	-	282	595	(313)	-53%	829
Vote 4 - Directorate: Strategic Services		6 122	1 102	1 403	-	582	746	(164)	-22%	1 403
Vote 5 - Directorate: Technical Service & Community Services		36 350	29 687	48 353	853	15 727	29 210	(13 484)	-46%	48 353
Vote 6 - Municipal Manager- Acting		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	45 988	31 987	50 944	853	16 702	30 791	(14 088)	-46%	50 944
Total Capital Expenditure		50 945	45 277	64 470	1 392	27 420	40 951	(13 531)	-33%	64 470
Capital Expenditure - Functional Classification										
Governance and administration		3 503	1 198	1 698	-	687	1 197	(510)	-43%	1 698
Finance and administration		3 503	1 198	1 698	-	687	1 197	(510)	-43%	1 698
Community and public safety		834	543	450	-	-	270	(270)	-100%	450
Public safety		834	543	450	-	-	270	(270)	-100%	450
Economic and environmental services		45 190	32 377	40 504	1 001	19 149	26 103	(6 954)	-27%	40 504
Planning and development		6 122	1 102	1 403	-	582	746	(164)	-22%	1 403
Road transport		39 068	31 275	39 101	1 001	18 568	25 358	(6 790)	-27%	39 101
Trading services		1 418	11 158	21 818	391	7 584	13 380	(5 796)	-43%	21 818
Energy sources		267	8 888	18 383	391	5 515	10 433	(4 918)	-47%	18 383
Waste management		1 150	2 271	3 435	-	2 069	2 947	(879)	-30%	3 435
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	50 945	45 277	64 470	1 392	27 420	40 951	(13 531)	-33%	64 470
Funded by:										
National Government		32 519	24 890	50 107	641	20 671	31 312	(10 641)	-34%	50 107
Provincial Government		257	8 696	100	-	-	50	(50)	-100%	100
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		7 815	-	0	-	-	0	(0)	-100%	0
Transfers recognised - capital		40 591	33 586	50 207	641	20 671	31 362	(10 691)	-34%	50 207
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		10 353	11 691	14 263	751	6 749	9 589	(2 840)	-30%	14 263
Total Capital Funding		50 945	45 277	64 470	1 392	27 420	40 951	(13 531)	-33%	64 470

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ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEE

Table C6: Statement of Financial Position

EC123 Great Kei - Table C6 Monthly Budget Statement - Financial Position - M08 February

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		84 112	64 285	64 285	118 890	64 285
Trade and other receivables from exchange transactions		8 873	13 831	13 831	12 951	13 831
Receivables from non-exchange transactions		3 817	2 894	2 894	2 693	2 894
Current portion of non-current receivables		41	-	-	41	-
Inventory		-	-	-	-	-
VAT		10 897	7 664	7 664	11 408	7 664
Other current assets		(18)	143	143	(18)	143
Total current assets		107 723	88 817	88 817	145 965	88 817
Non current assets						
Investments		-	-	-	-	-
Investment property		76 094	73 005	73 005	75 062	73 005
Property, plant and equipment		318 359	413 173	432 227	348 681	432 227
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		36	36	36	36	36
Intangible assets		339	352	492	450	492
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		394 828	486 566	505 759	424 230	505 759
TOTAL ASSETS		502 551	575 382	594 576	570 195	594 576
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		375	(392)	(422)	412	(422)
Trade and other payables from exchange transactions		54 772	10 660	10 660	46 549	10 660
Trade and other payables from non-exchange transactions		9 192	-	(0)	32 162	(0)
Provision		2 930	3 510	3 510	2 930	3 510
VAT		9 609	(1 688)	(1 688)	11 994	(1 688)
Other current liabilities		-	-	-	-	-
Total current liabilities		76 878	12 091	12 061	94 047	12 061
Non current liabilities						
Financial liabilities		-	-	-	-	-
Provision		24 479	20 412	20 412	24 479	20 412
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		8 040	377	377	8 040	377
Total non current liabilities		32 519	20 789	20 789	32 519	20 789
TOTAL LIABILITIES		109 397	32 880	32 850	126 566	32 850
NET ASSETS	2	393 154	542 502	561 726	443 629	561 726
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		399 288	59 629	77 426	443 624	77 426
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	399 288	59 629	77 426	443 624	77 426

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Table C7: Cash flow

The table below reflects the institution's cash flow.

EC123 Great Kei - Table C7 Monthly Budget Statement - Cash Flow - M08 February										
Description	Ref	2024/25			Budget Year 2025/26					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	41 166	41 166	73	457	27 444	(26 987)	-98%	41 166
Service charges		-	18 938	18 938	674	6 140	12 625	(6 485)	-51%	18 938
Other revenue		-	18 724	18 724	1 018	12 613	12 483	131	1%	18 724
Transfers and Subsidies - Operational		-	59 996	59 996	186	64 978	39 997	24 981	62%	59 996
Transfers and Subsidies - Capital		-	39 267	39 267	32 290	36 312	26 178	10 134	39%	39 267
Interest		-	6 734	6 734	-	-	4 490	(4 490)	-100%	6 734
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(94 585)	(115 915)	(115 915)	(13 717)	(50 233)	(65 396)	(15 163)	23%	(115 915)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(94 585)	68 910	68 910	20 525	70 268	57 820	(12 448)	-22%	68 910
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		-	(52 068)	(52 068)	(1 601)	(35 490)	(34 712)	777	-2%	(52 068)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(52 068)	(52 068)	(1 601)	(35 490)	(34 712)	777	-2%	(52 068)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(94 585)	16 841	16 841	18 924	34 778	23 108			16 841
Cash/cash equivalents at beginning:		70 648	47 444	47 444	-	84 112	47 444			84 112
Cash/cash equivalents at month/year end:		(23 937)	64 285	64 285	18 924	118 890	70 552			100 953

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Table SC3: Aged Debtors

The municipality is owed a total amount of R88.9 million, the biggest portion of R63.3 million owed by households. The organs of the state owe R12.1 million. Commercial debtors are sitting at R4.4 million. Agriculture debtors are sitting at R9.2 million. The municipality has monthly debt collection strategies to help collect outstanding revenue, including blocking prepaid electricity users in arrears. Disconnection notices are sent monthly to all customers with outstanding accounts.

EC123 Great Kei - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February														
Description	NT Code	Budget Year 2025/26										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.to Council Policy	
		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	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 686	639	535	484	472	478	462	5 691	10 447	7 587	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	6 533	1 933	1 845	1 599	2 006	2 560	3 710	49 627	69 811	59 501	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	893	287	256	239	228	220	212	6 376	8 712	7 276	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	13	-	-	-	-	-	-	-	13	-	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	-	-	-	-	-	-	-	-	-	-	-	-	-
Total By Income Source	2000	9 125	2 858	2 635	2 321	2 706	3 258	4 384	61 684	88 983	74 363	-	-	-
2024/25 - totals only		7534034	2307009	2314921	2049413	2060212	2018448	2917763	64636375	85 838	73 682	0	0	0
Debtors Age Analysis By Customer Group														
Organs of State	2200	1 266	582	547	486	475	536	1 125	7 085	12 101	9 706	-	-	-
Commercial	2300	1 009	251	146	117	115	277	187	2 281	4 382	2 977	-	-	-
Households	2400	6 753	2 000	1 918	1 691	2 089	2 422	3 049	43 395	63 318	52 647	-	-	-
Other	2500	100	31	28	28	27	24	24	8 920	9 182	9 022	-	-	-
Total By Customer Group	2600	9 127	2 865	2 640	2 322	2 706	3 258	4 384	61 681	88 983	74 352	-	-	-

Debt by Type	Residents	Councillors	Municipal Officials	Industries	Nat. Departments	Prov. Depts	Agric. Farms	Total
Water								
Electricity	534 964.93	-	-	422 374.11	86 032.41	9 311 966.23	91 429.49	10 446 767.17
Rental	12 978.54	-	-	-	-	-	-	12 978.54
Refuse	8 063 331.92	-	-	418 565.95	20 944.43	181 472.11	27 387.45	8 711 701.86
Rates	54 706 621.45	-	-	3 541 184.28	189 919.60	2 310 805.36	9 062 776.21	69 811 306.90
Other	-	-	-	-	-	-	-	-
Grand Total	63 317 896.84	-	-	4 382 124.34	296 896.44	11 804 243.70	9 181 593.15	88 982 754.47
% on Total Debt	71.16	-	-	4.92	0.33	13.27	10	100.00

Report on Collection

The current month's collection rate is 77%.

Collection Rate % of billing: February 2026					
	Billing	Receipts	%		
Electricity	1 618 554.78	748 590.25	46%		
Refuse	623 026.46	444 816.10	71%		
Rates	4 471 329.85	3 957 888.72	89%		
Property Rental	17 654.43	5 936.43	34%		
Total	6 730 565.52	5 157 231.50	77%		
Billing VS Collection Per Town					
Name of Town/ Farm	Billing	Collection	Collection Current Account	Collection On Older Debt	Collection %
Cintsa	1 708 895.42	1 166 482.51	734 725.63	431 756.88	43%
East London RD (Farms)	459 387.15	285 887.41	185 028.07	100 859.34	40%
Kwelera	648 190.84	714 190.97	282 783.32	431 407.65	44%
Haga Haga	395 752.96	343 508.04	218 406.79	125 101.25	55%
Kei Mouth	667 515.48	476 413.51	298 895.95	177 517.56	45%
Komga	1 778 278.91	430 883.66	319 036.61	111 847.05	18%
Komga RD (Farm)	205 879.83	82 886.64	35 830.31	47 056.33	17%
Morgan's Bay	857 080.60	1 016 488.06	519 782.80	496 705.26	61%
Tainton	9 584.33	-	-	-	0%
TOTAL	6 730 565.52	4 516 740.80	2 594 489.48	1 922 251.32	39%

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Alignment of Collection			
Amount Collected	Collection On Curr	Collection On Older Debt	
4 516 740.80	2 594 489.48	1 922 251.32	
Collection On Current Billing			
Month	Billing Amount	Collected Amount	Collection %
July	6 042 206.68	1 820 431.34	30%
August	8 750 723.59	2 630 634.83	30%
September	7 121 894.77	2 995 740.88	42%
October	6 665 380.66	3 928 919.74	59%
November	6 574 209.95	2 555 684.28	39%
December	6 890 685.66	2 614 143.11	38%
January	6 771 959.46	2 746 772.40	41%
February	6 730 565.52	2 594 489.48	39%
Collection On Old Debt - 30 June 2025			
Month	Billing Amount	Collected Amount	Collection%
July	71 250 364.51	2 408 018.90	3%
August	71 250 364.51	2 231 234.97	3%
September	71 250 364.51	1 341 659.77	2%
October	71 250 364.51	2 150 265.17	3%
November	71 250 364.51	2 277 875.88	3%
December	71 250 364.51	1 885 594.57	3%
January	71 250 364.51	1 936 998.05	3%
February	71 250 364.51	1 922 251.32	3%
Number of Clearances Issued			
	Total Amount		
37	278 700.00		
Number of Transferred Accounts to New Ownership			
231			

SC4: Aged Creditors

EC123 Great Kei - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

Description	NT Code	Budget Year 2025/26									Total	Prior year totals for chart (same period)
		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			
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	1 524	-	-	-	-	-	-	-	143	1 667	1 539
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	1 891	7	-	-	-	-	-	338	8 676	10 912	9 428
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	273	-	-	-	-	-	-	-	6 491	6 765	7 883
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	3 689	7	-	-	-	-	-	338	15 311	19 344	18 851

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The Municipality's top creditors as of February 2026 are as follows:

Supplier Name	Total
Amathole - EC District Municipality	R7 497 965.88
Compensation Fund	R6 392 531.99
ESKOM	R1 524 465.74
T AND N CONTRACTORS	R452 334.79
Ayamah Tibaa Pty Ltd	R329 485.43
TOTAL TOP CREDITORS	R16 196 783.80

Other trade creditors amount to R3.1million, which the Municipality will strive to pay in the following months. The municipality has had a session with ADM to reconcile their credit owed and attend to billing issues by the District Municipality.

Table SC5: Investment Portfolio

All the call deposits are highly liquid, short-term investments held to meet short-term commitments rather than earn a return (interest).

At the end of February 2026, the municipality had a favorable operating bank balance of R38 548 936.05 and call deposits amounting to R 80.3 million.

Investments by maturity Name of institution & investment ID	Ref	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands														
Municipality														
1 Standard Bank		144 M	Deposit-Bank	Yes	Variable	1	0		09 January 2030	8 554	35	-	-	8 604
2 Standard Bank		144 M	Deposit-Bank	Yes	Variable	1	0		09 January 2030	1 046	4	-	-	1 050
3 Standard Bank		144 M	Deposit-Bank	Yes	Variable	1	0		09 January 2030	135	-	-	-	135
4 Standard Bank		144 M	Deposit-Bank	Yes	Variable	1	0		09 January 2030	30 968	156	-	-	31 250
5 Standard Bank		144 M	Deposit-Bank	Yes	Variable	1	0		09 January 2030	558	0	-	5	589
6 Standard Bank		144 M	Deposit-Bank	Yes	Variable	1	0		09 January 2030	3 399	17	-	-	3 423
13 FNB		127 M	Call Account	Yes	Variable	6.15	0		09 January 2030	5 283	30 000	-	-	5 283
Standard Bank			Deposit-Bank	Yes	Variable				09 January 2030					30 000
14 FNB		5 Y	Call Account	Yes	Variable	0.09	0		30/06/2026	9	0	-	-	5
Municipality sub-total										49 952	30 213	-	5	80 340
TOTAL INVESTMENTS	2									49 952	30 213	-	5	80 340

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Table SC6: Grants Received

The table below reflects conditional grants received to date, totaling R70.9 million.

EC123 Great Kei - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M08 February										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		59 588	59 996	58 996	0	44 052	39 331	4 721	12.0%	58 996
Equitable Share		55 432	55 269	55 269	-	41 452	36 846	4 606	12.5%	55 269
Expanded Public Works Programme Integrated Grant		1 103	2 327	1 327	0	520	885	(364)	-41.2%	1 327
Local Government Financial Management Grant		2 400	2 400	2 400	-	1 737	1 600	137	8.6%	2 400
Municipal Infrastructure Grant		653	-	-	-	343	-	343	#DIV/0!	-
Other transfers and grants [insert description]										
Provincial Government:		-	1 000	1 000	-	634	636	(2)	-0.3%	1 000
Specify (Add grant description)		-	1 000	1 000	-	634	636	(2)	-0.3%	1 000
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-		-
Other grant providers:		896	757	757	-	757	505	252	50.0%	757
Council for Medical Schemes		-	-	-	-	-	-	-		-
National Library South Africa		757	757	757	-	757	505	252	50.0%	757
National Skills Fund		89	-	-	-	-	-	-		-
South Africa Housing Fund		49	-	-	-	-	-	-		-
Total Operating Transfers and Grants	5	60 484	61 753	60 753	0	45 443	40 472	4 972	12.3%	60 753
Capital Transfers and Grants										
National Government:		37 156	29 267	58 267	-	25 510	36 590	(11 080)	-30.3%	58 267
Integrated National Electrification Programme Grant		-	7 312	7 312	-	6 005	4 875	1 130	23.2%	7 312
Municipal Disaster Recovery Grant		16 406	9 080	38 080	-	8 933	23 132	(14 199)	-61.4%	38 080
Municipal Disaster Response Grant		8 968	-	-	-	-	-	-		-
Municipal Infrastructure Grant		11 783	12 875	12 875	-	10 572	8 583	1 989	23.2%	12 875
Provincial Government:		610	10 000	-	-	-	-	-		-
Specify (Add grant description)		610	10 000	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		2 000	-	-	-	-	-	-		-
Government Motor Transport		2 000	-	-	-	-	-	-		-
Total Capital Transfers and Grants	5	39 766	39 267	58 267	-	25 510	36 590	(11 080)	-30.3%	58 267
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	100 250	101 020	119 020	0	70 953	77 061	(6 108)	-7.9%	119 020

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Table SC7: Grants expenditure

EC123 Great Kei - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M08 February										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		53 175	54 545	55 247	3 660	25 269	32 581	(7 312)	-22.4%	55 247
Equitable Share		41 391	49 431	50 132	2 560	22 485	29 318	(6 833)	-23.3%	50 132
Expanded Public Works Programme Integrated Grant		1 304	2 327	2 327	281	655	1 404	(749)	-53.3%	2 327
Local Government Financial Management Grant		10 472	2 152	2 152	819	1 737	1 435	302	21.1%	2 152
Municipal Infrastructure Grant		8	635	635	0	391	424	(32)	-7.6%	635
Other transfers and grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Specify (Add grant description)										
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		1 620	0	15	1	35	3	32	1074.1%	15
Clerical Assist (Pole Parties)		1 620	-	-	-	-	-	-	-	-
National Library South Africa		-	0	15	1	35	3	32	1074.1%	15
National Library South Africa		132	757	742	1	59	432			742
Total operating expenditure of Transfers and Grants:		54 795	54 545	55 262	3 662	25 304	32 584	(7 280)	-22.3%	55 262
Capital expenditure of Transfers and Grants										
National Government:		32 519	24 890	50 107	641	26 322	31 312	(4 990)	-15.9%	50 107
Equitable Share		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		-	6 358	6 358	-	6 005	4 239	1 766	41.7%	6 358
Municipal Disaster Recovery Grant		23 869	7 896	33 113	102	-	19 223	(19 223)	-100.0%	33 113
Municipal Disaster Response Grant		-	-	-	-	9 059	-	9 059	#DIV/0!	-
Municipal Infrastructure Grant		8 650	10 636	10 636	539	11 258	7 851	3 408	43.4%	10 636
Other capital transfers [insert description]										
Provincial Government:		257	8 696	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		257	8 696	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		7 815	-	0	-	-	-	-	-	0
Government Motor Transport		1 739	-	0	-	-	-	-	-	0
Human Settlement Re-development Programme		6 076	-	-	-	-	-	-	-	-
National Library South Africa		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		40 591	33 585	50 107	641	26 322	31 312	(4 990)	-15.9%	50 107
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		95 386	88 131	105 369	4 303	51 626	63 896	(12 270)	-19.2%	105 369

The table below reflects the grants' expenditure as of 28 February 2026, and these amounts are inclusive of VAT:

- The Finance Management Grant's (FMG) year-to-date expenditure is R1.8 million related to interns' salaries, updating the fixed asset register, and MSCOA implementation.
- The year-to-date expenditure related to the Expanded Public Works Program (EPWP) amounts to R655 thousand for casual work and poverty alleviation projects
- The municipality has received a grant from DEDEAT of R1 million, year-to-date spending is R831 thousand.
- The current year's receipts for INEP grant amount to R4 million and the year-to-date expenditure is R6 million.
- MIG year-to-date expenditure amounts to R11.6 million for capital project implementation and operational costs.

ITEM [5.1]
**ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY &
 SUSTAINABILITY STANDING COMMITTEES**

- In the current year the Municipal Disaster Recovery Grant (MDRG) Rollover expenditure amounts to R9 million for capital project implementation costs. This funding assists with the reconstruction of roads affected by inclement weather conditions.
- An amount of R29 million has been received for current year Municipal Disaster Recovery Grant.

Grants	Allocation	Withheld / Not Provisioned	Amount Received	Amount Spent	Variance	% Over Total Allocation
FMG	2 400 000	-	2 400 000.00	1 779 051.09	620 949	74%
EPWP	1 327 000	-	929 000.00	655 353.64	273 646	49%
DEDEAT	1 000 000	-	1 000 000.00	727 586.79	272 413	73%
INEP	7 312 000	-	7 312 000.00	6 004 699.53	1 307 300	82%
MIG	12 835 000	-	11 072 000.00	11 649 759.25	- 577 759	91%
MDRG - Roll Over	9 192 099.93	-	-	9 058 692.75	133 407	99%
MDRG - Current year	29 000 000.00		29 000 000.00		29 000 000	0%
Totals	63 066 100	-	51 713 000	29 875 143	31 029 957	47%

ITEM [5.1]

ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEES

Table SC8: Expenditure on councillors, employees, and managers

Table SC8 shows the performance of staff costs and councillors' remuneration as of January 2026.

EC123 Great Kei - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February

Summary of Employee and Councillor remuneration	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4 063	3 882	4 093	323	2 588	2 630	(42)	-2%	4 093
Cellphone Allowance		610	562	616	43	396	408	(13)	-3%	616
Other benefits and allowances		1 250	1 294	1 347	108	863	873	(11)	-1%	1 347
Sub Total - Councillors		5 923	5 738	6 057	475	3 846	3 912	(66)	-2%	6 057
% increase	4		-3.1%	2.2%						2.2%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	2 764	3 347	3 347	392	2 275	2 231	44	2%	3 347
Pension and UIF Contributions		7	7	7	1	6	4	1	27%	7
Performance Bonus		169	-	900	-	142	267	(125)	-47%	900
Motor Vehicle Allowance		1 005	1 322	1 322	106	847	881	(35)	-4%	1 322
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		506	632	632	51	404	421	(17)	-4%	632
Sub Total - Senior Managers of Municipality		4 451	5 308	6 208	550	3 673	3 806	(133)	-3%	6 208
% increase	4		19.3%	39.5%						39.5%
Other Municipal Staff										
Basic Salaries and Wages		34 137	35 326	35 917	3 156	25 155	24 138	1 017	4%	35 917
Pension and UIF Contributions		5 759	6 107	6 107	551	4 350	4 071	279	7%	6 107
Medical Aid Contributions		3 325	3 531	3 531	346	2 486	2 354	132	6%	3 531
Overtime		1 274	1 869	1 869	181	994	1 206	(213)	-18%	1 869
Performance Bonus		2 689	2 449	2 449	-	-	1 455	(1 455)	-100%	2 449
Motor Vehicle Allowance		470	481	481	34	284	321	(37)	-12%	481
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		81	84	84	9	78	56	22	39%	84
Other benefits and allowances		168	200	200	16	128	133	(6)	-4%	200
Payments in lieu of leave		1 157	-	-	-	-	-	-	-	-
Long service awards		-	-	12	-	5	7	(2)	-26%	12
Post-retirement benefit obligations		1 552	323	323	20	153	215	(62)	-29%	323
Sub Total - Other Municipal Staff		50 612	50 370	50 973	4 314	33 633	33 957	(324)	-1%	50 973
% increase	4		-0.5%	0.7%						0.7%
Total Parent Municipality		60 986	61 416	63 238	5 338	41 152	41 675	(522)	-1%	63 238
			0.7%	3.7%						3.7%
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		60 986	61 416	63 238	5 338	41 152	41 675	(522)	-1%	63 238
% increase	4		0.7%	3.7%						3.7%
TOTAL MANAGERS AND STAFF		55 062	55 678	57 181	4 863	37 306	37 763	(456)	-1%	57 181

ITEM [5.1]
**ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY &
SUSTAINABILITY STANDING COMMITTEES**

**REPORT ON IRREGULAR, FRUITLESS, WASTEFUL, AND UNAUTHORISED
EXPENDITURE AS OF FEBRUARY 2026**

- The municipality has no unauthorized, irregular, fruitless and wasteful, and expenditures incurred during the period ending 28 February 2026.

FINANCIAL IMPLICATIONS

None

STAFF IMPLICATIONS

None

ANNEXURE

- Annexure A: Schedule C Report – February 2026.

RECOMMENDATION

The council should note that the February 2026 s71 monthly report was submitted.

SUBMITTED FOR NOTING