

ITEM [5.1]

ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEE

5.1 MONTHLY BUDGET STATEMENT – S71 REPORT: 31 JANUARY 2026,

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

PURPOSE

To submit to the committee for noting, the Section 71 report as at the end of January 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 - M07 January									
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	54 888	3 440	22 011	32 018	(10 007)	-31%	54 888
Service charges	18 224	17 891	17 891	1 934	13 207	10 436	2 771	27%	17 891
Investment revenue	6 525	6 733	6 733	842	3 623	3 928	(304)	-8%	6 733
Transfers and subsidies - Operational	60 484	61 753	60 753	272	45 443	35 401	10 041	0	60 753
Other own revenue	7 874	12 065	12 065	510	5 249	7 038	(1 789)	-25%	12 065
Total Revenue (excluding capital transfers and contributions)	128 287	153 330	152 330	6 998	89 533	88 821	712	1%	152 330
Employee costs	55 062	55 678	56 281	4 980	32 687	33 021	(334)	-1%	56 281
Remuneration of Councillors	5 923	5 738	5 788	478	3 371	3 369	2	0%	5 788
Depreciation and amortisation	18 966	20 848	17 360	-	6 678	8 458	(1 780)	-21%	17 360
Interest	1 329	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	14 789	16 555	17 131	1 542	12 010	10 585	1 425	13%	17 131
Transfers and subsidies	-	450	800	-	-	417	(417)	-100%	800
Other expenditure	29 411	33 699	35 079	1 474	15 871	19 409	(3 538)	-18%	35 079
Total Expenditure	125 481	132 968	132 439	8 473	70 616	75 258	(4 642)	-6%	132 439
Surplus/(Deficit)	2 806	20 362	19 891	(1 476)	18 917	13 563	5 353	39%	19 891
Transfers and subsidies - capital (monetary)	39 766	39 267	79 267	-	25 403	41 129	(15 725)	-38%	79 267
Transfers and subsidies - capital (in-kind)	3 500	-	-	-	2 800	-	2 800	#DIV/0!	-
Surplus/(Deficit) after capital transfers & contributions	46 072	59 629	99 158	(1 476)	47 120	54 692	(7 572)	-14%	99 158
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	46 072	59 629	99 158	(1 476)	47 120	54 692	(7 572)	-14%	99 158
Capital expenditure & funds sources									
Capital expenditure	50 945	45 277	81 571	114	26 028	42 109	(16 081)	-38%	81 571
Capital transfers recognised	40 591	33 585	68 468	-	20 030	35 310	(15 280)	-43%	68 468
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	10 353	11 691	13 103	114	5 998	6 799	(801)	-12%	13 103
Total sources of capital funds	50 945	45 277	81 571	114	26 028	42 109	(16 081)	-38%	81 571
Financial position									
Total current assets	107 723	88 817	88 817	-	116 220	-	-	-	88 817
Total non current assets	394 828	486 566	522 860	-	422 838	-	-	-	522 860
Total current liabilities	76 878	12 091	12 061	-	60 405	-	-	-	12 061
Total non current liabilities	32 519	20 789	20 789	-	32 519	-	-	-	20 789
Community wealth/Equity	399 288	59 629	99 158	-	446 133	-	-	-	99 158
Cash flows									
Net cash from (used) operating	(94 585)	68 910	68 910	(14 238)	(26 219)	50 593	76 812	152%	68 910
Net cash from (used) investing	-	(52 068)	(52 068)	(614)	(33 889)	(30 373)	3 516	-12%	(52 068)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	(23 937)	64 285	64 285	(14 852)	24 004	67 663	43 659	65%	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	8 898	2 943	2 522	2 842	3 516	4 503	1 998	61 340	88 561
Creditors Age Analysis									
Total Creditors	1 918	40	23	13	-	-	338	15 407	17 739

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OPERATING REVENUE

Total revenue, including operational grants to date, amounts to R89.5 million, compared to the anticipated R88.8 million. However, total receipts of transfers and conditional grant revenue to date amount to R70.8 million.

Total revenue, including government grants and subsidies, amounts to R160.3 million.

Cash receipts on operating revenue, excluding grants and VAT refunds, total R40 million.

i) Property Rates

Property rates year-to-date billing amounts to R22 million, compared to the anticipated YTD budget of R32 million. This indicates 31% underperformance. Property rates remain the municipality's largest own revenue source.

The cash received to date for rates billing is R 28.8 million, including old debt.

ii) Refuse Services

The year-to-date refuse revenue amounts to R3.5 million, while the YTD budget is R2.4 million. This is an overperformance of 46%. 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 R2.7 million.

iii) Electricity Services

Year-to-date electricity billed amounts to R9.7 million. The anticipated budgeted revenue amounted to R8.1 million, which indicates a 21% 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 R7.6 million. (Conventional R2.3 million and Prepaid R5.3 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
Total Sales	2 340 971.23	5 285 729.68	7 626 700.91
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
Total Costs			12 432 878.54
Deficit			- 4 806 177.63

iv) Interest on investments

Interest earned on external investments to date amounts to R3.6 million. With an anticipated budget of R3.9 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 R2.8 million (*Exchange transactions: R831 840; non-exchange transactions: R1 974 108.00*). The interest billed is less than the prior year.

vi) Licences and permits

Movement on this line item to date amounts to R 568 thousand. YTD budget amounts to R 1.7 million. This indicates a year-to-date variance of 65%, 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 R7.2 million. The amount of R185 773.70 which has been submitted to SARS is receivable as of 31 January 2026.

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OPERATING EXPENDITURE

At the end of January 2026, the total expenditure amounts to R70.3 million, while the YTD budget amounts to R75.3 million. This indicates a year-to-date variance of 7%.

i) Employee Costs

The year-to-date movement of employee-related costs amounts to R32.4 million, while the YTD budget amounts to R33 million. This is a YTD variance of 2%.

ii) Remuneration of councillors

The YTD budget for councillors' allowances is R3.4 million, and the actual spending to date is R3.4 million. This indicates a year-to-date variance of 0%.

iii) Bulk Electricity

Expenditure for bulk electricity purchases is budgeted at R9.6 million, and the spending to date is R10.8 million excluding VAT. This indicates a year-to-date variance of 13%. The January 2026 invoice for Eskom Bulk amounts to R1 452 062.08. The electricity service is being rendered at a deficit, as the billed cost of bulk purchases exceeded the billed revenue of R4.8 million.

iv) Contracted Services

The expenditure incurred on this line item amounts to R4.1 million compared to the YTD budget of R4.6 million. This is a YTD variance of 11%. This is due to the implementation of the MFMA circular 82 – cost containment measures.

v) Operational Costs

As of the end of January 2026, operational costs amount to R11.8 million, while the YTD budget amounts to R11.9 million. This is a YTD variance of 1%. 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 R8.5 million, and the expense recognized or accounted for to date is R 6.7 million. This indicates a year-to-date variance of 21%.

CAPITAL EXPENDITURE [SEE C5 TABLE BELOW]

The YTD budget on Capital expenditure is R42.1 million, and the movement to date is at R26 million. The variance between the budget and actual translates to overperformance of 38%.

STATEMENT OF FINANCIAL POSITION [SEE C6 TABLE BELOW]

Accumulated surplus as of 31 January 2026 is R339 million. The surplus as at the end of January 2026 is R47 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 R90 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) - M07 January										
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	163 036	4 542	80 722	92 286	(11 564)	-13%	163 036
Finance and administration		119 277	134 036	163 036	4 542	80 722	92 286	(11 564)	-13%	163 036
Community and public safety		3 167	4 038	5 038	161	2 463	2 901	(438)	-15%	5 038
Community and social services		1 360	977	1 977	58	1 460	1 115	345	31%	1 977
Public safety		1 598	3 061	3 061	86	893	1 786	(893)	-50%	3 061
Housing		209	-	-	17	110	-	110	#DIV/0!	-
Economic and environmental services		25 312	25 673	36 673	134	11 384	19 101	(7 716)	-40%	36 673
Planning and development		670	1 471	1 471	50	292	858	(566)	-66%	1 471
Road transport		24 642	24 202	35 202	84	11 092	18 243	(7 151)	-39%	35 202
Trading services		23 797	28 850	26 850	2 160	23 167	15 663	7 504	48%	26 850
Energy sources		14 439	21 982	21 982	1 513	16 177	12 823	3 355	26%	21 982
Waste management		9 359	6 869	4 869	647	6 989	2 840	4 149	146%	4 869
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	171 553	192 597	231 597	6 997	117 735	129 950	(12 214)	-9%	231 597
Expenditure - Functional										
Governance and administration		56 062	59 806	58 666	2 620	29 757	32 367	(2 610)	-8%	58 666
Executive and council		5 978	5 738	5 788	482	3 424	3 369	55	2%	5 788
Finance and administration		50 083	54 068	52 878	2 137	26 332	28 997	(2 665)	-9%	52 878
Community and public safety		10 987	9 805	9 645	923	5 202	5 443	(242)	-4%	9 645
Community and social services		3 953	776	756	44	436	397	39	10%	756
Public safety		7 033	9 029	8 889	879	4 765	5 046	(281)	-6%	8 889
Economic and environmental services		31 917	28 978	27 579	2 013	15 820	16 462	(642)	-4%	27 579
Planning and development		14 312	15 410	16 060	1 056	7 233	8 993	(1 760)	-20%	16 060
Road transport		17 604	13 568	11 519	958	8 587	7 468	1 119	15%	11 519
Trading services		26 791	34 379	36 550	2 917	19 838	20 986	(1 148)	-5%	36 550
Energy sources		18 073	20 793	22 864	2 015	14 585	13 276	1 310	10%	22 864
Waste management		8 717	13 586	13 686	902	5 253	7 711	(2 458)	-32%	13 686
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	125 755	132 968	132 439	8 473	70 616	75 258	(4 642)	-6%	132 439
Surplus/ (Deficit) for the year		45 798	59 629	99 158	(1 476)	47 119	54 692	(7 573)	-0.1384591	99 158

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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) - M07 January										
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										
Vote 1 - Office of the Municipal Manager	1	209	1	1	17	111	1	110	16027.3%	1
Vote 2 - Directorate: Budget and Treasury		122 341	134 036	163 036	4 556	84 608	92 286	(7 677)	-8.3%	163 036
Vote 3 - Directorate: Corporate Services		89	-	-	62	62	-	62	#DIV/0!	-
Vote 4 - Directorate: Strategic Services		670	1 471	1 471	50	292	858	(566)	-65.9%	1 471
Vote 5 - Directorate: Technical Service & Community Services		48 243	57 089	67 089	2 312	32 662	36 806	(4 143)	-11.3%	67 089
Vote 6 - Municipal Manager- Acting		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	171 553	192 597	231 597	6 997	117 735	129 950	(12 214)	-9.4%	231 597
Expenditure by Vote										
Vote 1 - Office of the Municipal Manager	1	-	-	10	-	-	5	(5)	-100.0%	10
Vote 2 - Directorate: Budget and Treasury		44 870	42 956	41 766	1 404	21 536	22 739	(1 203)	-5.3%	41 766
Vote 3 - Directorate: Corporate Services		5 150	11 112	11 112	733	4 797	6 258	(1 462)	-23.4%	11 112
Vote 4 - Directorate: Strategic Services		20 382	21 197	21 897	1 557	10 702	12 393	(1 691)	-13.6%	21 897
Vote 5 - Directorate: Technical Service & Community Services		55 354	57 703	57 655	4 779	33 582	33 863	(281)	-0.8%	57 655
Vote 6 - Municipal Manager- Acting		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	125 755	132 968	132 439	8 473	70 616	75 258	(4 642)	-6.2%	132 439
Surplus/ (Deficit) for the year	2	45 798	59 629	99 158	(1 476)	47 119	54 692	(7 573)	-13.8%	99 158

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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) - M07 January

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	13 830	1 437	9 744	8 067	1 677	21%	13 830
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		4 143	4 061	4 061	491	3 458	2 369	1 089	46%	4 061
Sale of Goods and Rendering of Services		1 035	1 185	1 185	55	408	691	(283)	-41%	1 185
Agency services		422	705	705	-	293	411	(118)	-29%	705
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		1 125	1 126	1 126	129	832	657	175	27%	1 126
Interest from Current and Non Current Assets		6 525	6 733	6 733	842	3 623	3 928	(304)	-8%	6 733
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		375	214	214	17	113	125	(12)	-10%	214
Licence and permits		984	2 906	2 906	79	587	1 695	(1 108)	-65%	2 906
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		147	53	53	67	891	31	860	2780%	53
Non-Exchange Revenue										
Property rates		35 180	54 888	54 888	3 424	21 996	32 018	(10 022)	-31%	54 888
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		710	200	200	(47)	150	117	33	29%	200
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		60 484	61 753	60 753	272	45 443	35 401	10 041	28%	60 753
Interest		4 947	5 676	5 676	210	1 974	3 311	(1 337)	-40%	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	152 330	6 977	89 512	88 821	690	1%	152 330

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Operating expenditure by type

EC123 Great Kei - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

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 By Type										
Employee related costs		55 062	55 678	56 281	4 736	32 443	33 021	(578)	-2%	56 281
Remuneration of councillors		5 923	5 738	5 788	478	3 371	3 369	2	0%	5 788
Bulk purchases - electricity		14 597	15 497	15 147	1 263	10 811	9 553	1 259	13%	15 147
Inventory consumed		192	1 059	1 985	280	1 199	1 032	167	16%	1 985
Debt impairment		-	5 000	5 000	-	-	2 917	(2 917)	-100%	5 000
Depreciation and amortisation		18 966	20 848	17 360	-	6 678	8 458	(1 780)	-21%	17 360
Interest		1 329	-	-	-	-	-	-	-	-
Contracted services		8 078	8 393	9 041	339	4 082	4 611	(529)	-11%	9 041
Transfers and subsidies		-	450	800	-	-	417	(417)	-100%	800
Irrecoverable debts written off		5 002	-	-	-	-	-	-	-	-
Operational costs		17 053	20 306	21 038	1 073	11 727	11 881	(154)	-1%	21 038
Losses on Disposal of Assets		337	-	-	-	-	-	-	-	-
Other Losses		(1 059)	-	-	-	-	-	-	-	-
Total Expenditure		125 481	132 968	132 439	8 169	70 311	75 258	(4 947)	-7%	132 439

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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) - M07 January										
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	1 691	773	46%	2 452
Vote 2 - Directorate: Budget and Treasury		(13)	-	170	114	123	76	48	63%	170
Vote 3 - Directorate: Corporate Services		-	-	170	-	170	64	106	167%	170
Vote 4 - Directorate: Strategic Services		-	-	-	-	-	-	-	-	-
Vote 5 - Directorate: Technical Service & Community Services		4 970	11 783	10 565	-	7 422	7 302	120	2%	10 565
Total Capital Multi-year expenditure	4,7	4 956	13 290	13 356	114	10 179	9 132	1 047	11%	13 356
Single Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 2 - Directorate: Budget and Treasury		3 253	359	359	-	113	210	(97)	-46%	359
Vote 3 - Directorate: Corporate Services		264	839	869	-	282	480	(198)	-41%	869
Vote 4 - Directorate: Strategic Services		6 122	1 102	653	-	582	245	337	138%	653
Vote 5 - Directorate: Technical Service & Community Services		36 350	29 687	66 334	-	14 874	32 043	(17 169)	-54%	66 334
Total Capital single-year expenditure	4	45 988	31 967	68 215	-	15 849	32 977	(17 128)	-52%	68 215
Total Capital Expenditure		50 945	45 277	81 571	114	26 028	42 109	(16 081)	-38%	81 571
Capital Expenditure - Functional Classification										
Governance and administration		3 503	1 198	1 568	114	687	829	(141)	-17%	1 568
Finance and administration		3 503	1 198	1 568	114	687	829	(141)	-17%	1 568
Community and public safety		834	543	570	-	-	285	(285)	-100%	570
Public safety		834	543	570	-	-	285	(285)	-100%	570
Economic and environmental services		45 190	32 377	58 135	-	18 148	30 603	(12 455)	-41%	58 135
Planning and development		6 122	1 102	653	-	582	245	337	138%	653
Road transport		39 068	31 275	57 482	-	17 567	30 358	(12 792)	-42%	57 482
Trading services		1 418	11 158	21 298	-	7 193	10 392	(3 199)	-31%	21 298
Energy sources		267	8 888	17 583	-	5 124	8 445	(3 321)	-39%	17 583
Waste management		1 150	2 270	3 715	-	2 069	1 947	122	6%	3 715
Total Capital Expenditure - Functional Classification	3	50 945	45 277	81 571	114	26 028	42 109	(16 081)	-38%	81 571
Funded by:										
National Government		32 519	24 890	50 107	-	20 030	26 613	(6 583)	-25%	50 107
Provincial Government		257	8 696	8 796	-	-	5 110	(5 110)	-100%	8 796
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		7 815	-	9 565	-	-	3 587	(3 587)	-100%	9 565
Transfers recognised - capital		40 591	33 586	68 468	-	20 030	35 310	(15 280)	-43%	68 468
Internally generated funds		10 353	11 691	13 103	114	5 998	6 799	(801)	-12%	13 103
Total Capital Funding		50 945	45 277	81 571	114	26 028	42 109	(16 081)	-38%	81 571

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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 - M07 January						
Description	Ref	2024/25	Budget Year 2025/26			Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		84 112	64 285	64 285	90 033	64 285
Trade and other receivables from exchange transactions		8 873	13 831	13 831	12 148	13 831
Receivables from non-exchange transactions		3 817	2 894	2 894	2 983	2 894
Current portion of non-current receivables		41	-	-	41	-
Inventory		-	-	-	-	-
VAT		10 897	7 664	7 664	11 032	7 664
Other current assets		(18)	143	143	(18)	143
Total current assets		107 723	88 817	88 817	116 220	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	449 297	347 289	449 297
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		36	36	36	36	36
Intangible assets		339	352	522	450	522
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	522 860	422 838	522 860
TOTAL ASSETS		502 551	575 382	611 677	539 058	611 677
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		375	(392)	(422)	413	(422)
Trade and other payables from exchange transactions		54 772	10 660	10 660	45 373	10 660
Trade and other payables from non-exchange transactions		9 192	-	(0)	(22)	(0)
Provision		2 930	3 510	3 510	2 930	3 510
VAT		9 609	(1 688)	(1 688)	11 711	(1 688)
Other current liabilities		-	-	-	-	-
Total current liabilities		76 878	12 091	12 061	60 405	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	92 923	32 850
NET ASSETS	2	393 154	542 502	578 826	446 135	578 826
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		399 288	59 629	99 158	446 133	99 158
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	399 288	59 629	99 158	446 133	99 158

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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 - M07 January										
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	46	21 996	24 014	(2 018)	-8%	41 166
Service charges		-	18 938	18 938	750	13 202	11 047	2 155	20%	18 938
Other revenue		-	18 724	18 724	1 234	11 596	10 922	673	6%	18 724
Transfers and Subsidies - Operational		-	59 996	59 996	978	80 092	34 998	45 095	129%	59 996
Transfers and Subsidies - Capital		-	39 267	39 267	-	25 403	41 129	(15 725)	-38%	39 267
Interest		-	6 734	6 734	-	-	3 928	(3 928)	-100%	6 734
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(94 585)	(115 915)	(115 915)	(17 246)	(112 478)	(57 222)	55 257	-97%	(115 915)
Interest		-	-	-	-	-	-	-		-
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(94 585)	68 910	68 910	(14 238)	39 810	68 816	29 005	42%	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)	(614)	(33 889)	(30 373)	3 516	-12%	(52 068)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(52 068)	(52 068)	(614)	(33 889)	(30 373)	3 516	-12%	(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	(14 852)	5 921	38 442			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	(14 852)	90 033	85 886			100 953

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Table SC3: Aged Debtors

The municipality is owed a total amount of R88.5 million, the biggest portion of R63.6 million owed by households. The organs of the state owe R11.5 million. Commercial debtors are sitting at R4.3 million. Agriculture debtors are sitting at R9.1 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 - M07 January														
Description	NT Code	Budget Year 2025/26										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo 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	1 524	542	488	472	478	462	423	5 270	9 658	7 104	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	6 458	2 103	1 768	2 123	2 804	3 814	1 412	49 692	70 174	59 846	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	900	294	265	246	234	226	160	6 377	8 703	7 244	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	9	-	-	-	-	-	-	-	9	-	-	-	
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	6	4	1	-	0	-	3	2	16	5	-	-	
Total By Income Source	2000	8 898	2 943	2 522	2 842	3 516	4 503	1 998	61 340	88 561	74 198	-	-	
2024/25 - totals only		6816291	2505975	2133834	2119333	2093450	3017074	1675557	64602010	84 964	73 907	0	0	
Debtors Age Analysis By Customer Group														
Organs of State	2200	1 258	559	495	476	547	1 131	462	9 578	20 611	12 193	-	-	
Commercial	2300	950	158	122	116	280	188	102	2 983	4 336	3 669	-	-	
Households	2400	6 602	2 195	1 876	2 221	2 663	3 160	1 401	48 474	63 598	57 919	-	-	
Other	2500	89	31	29	28	26	24	34	306	-	418	-	-	
Total By Customer Group	2600	8 898	2 943	2 522	2 842	3 516	4 503	1 998	61 340	88 545	74 198	-	-	

Debt by Type	Residents	Councillors	Municipal Officials	Industries	Nat. Departments	Prov. Depts	Agric. Farms	Total
Water								
Electricity	347 477.88	-	-	363 073.57	59 915.87	8 803 324.03	84 512.26	9 658 303.61
Rental	9 483.01	-	-	-	-	-	-	9 483.01
Refuse	8 058 794.91	-	-	425 481.38	20 240.10	173 150.54	25 591.79	8 703 258.72
Rates	55 182 290.60	-	-	3 547 601.22	211 854.74	2 236 937.03	8 995 545.35	70 174 228.94
Other	-	-	-	-	-	-	-	-
Grand Total	63 598 046.40	-	-	4 336 156.17	292 010.71	11 213 411.60	9 105 649.40	88 545 274.28
% on Total Debt	71.83	-	-	4.90	0.33	12.66	10	100.00

Report on Collection

The current month's collection rate is 80%.

Collection Rate % of billing: January 2026			
	Billing	Receipts	%
Electricity	1 664 455.93	1 022 228.48	61%
Refuse	624 819.33	434 372.12	70%
Rates	4 464 890.26	3 942 094.70	88%
Property Rental	17 793.94	10 853.71	61%
Total	6 771 959.46	5 409 549.01	80%

Billing VS Collection Per Town					
Name of Town/ Farm	Billing	Collection	Collection Current Account	Collection On Older Debt	Collection %
Cintsa	1 708 895.42	1 318 358.45	879 034.25	439 324.20	51%
East London RD (Farms)	459 387.15	219 520.94	162 542.95	56 977.99	35%
Kwelera	648 190.84	655 991.50	278 259.97	377 731.53	43%
Haga Haga	395 752.96	452 726.49	213 379.85	239 346.64	54%
Kei Mouth	667 515.48	513 706.09	277 836.49	235 869.60	42%
Komga	1 819 672.85	630 144.67	440 112.74	190 031.93	24%
Komga RD (Farm)	205 879.83	90 441.30	52 506.01	37 935.29	26%
Morgan's Bay	857 080.60	802 881.01	443 100.14	359 780.87	52%
Tainton	9 584.33	-	-	-	0%
TOTAL	6 771 959.46	4 683 770.45	2 746 772.40	1 936 998.05	41%

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Billing VS Collection Per Town					
Name of Town/ Farm	Billing	Collection	Collection Current Account	Collection On Older Debt	Collection %
Cintsa	1 708 895.42	1 318 358.45	879 034.25	439 324.20	51%
East London RD (Farms)	459 387.15	219 520.94	162 542.95	56 977.99	35%
Kwelera	648 190.84	655 991.50	278 259.97	377 731.53	43%
Haga Haga	395 752.96	452 726.49	213 379.85	239 346.64	54%
Kei Mouth	667 515.48	513 706.09	277 836.49	235 869.60	42%
Komga	1 819 672.85	630 144.67	440 112.74	190 031.93	24%
Komga RD (Farm)	205 879.83	90 441.30	52 506.01	37 935.29	26%
Morgan's Bay	857 080.60	802 881.01	443 100.14	359 780.87	52%
Tainton	9 584.33	-	-	-	0%
TOTAL	6 771 959.46	4 683 770.45	2 746 772.40	1 936 998.05	41%

Allignment of Collection		
Amount Collected	Collection On Curr	Collection On Older Debt
4 683 770.45	2 746 772.40	1 936 998.05

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%

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%

Number of Clearances Issued	Total Amount
21	272 323.67

Number of Transferred Accounts to New Ownership
104

SC4: Aged Creditors

EC123 Great Kei - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January												
Description	NT Code	Budget Year 2025/26									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	Total		
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	1 452	-	-	-	-	-	-	-	155	1 607	1 559
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	466	40	23	-	-	-	338	8 761	9 627	10 332	
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	13	-	-	-	6 491	6 505	7 950	
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	1 918	40	23	13	-	-	338	15 407	17 739	19 842	

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

Supplier Name	Total
Amathole - EC District Municipality	R7 497 965.88
Compensation Fund	R6 392 531.99
ESKOM	R1 452 062.08
T AND N CONTRACTORS	R452 334.79
Ayamah Tibaa Pty Ltd	R329 485.43
TOTAL TOP CREDITORS	R16 124 380.20

Other trade creditors amount to R1.6 million, 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 January 2026, the municipality had a favorable operating bank balance of R8 492 156.32 and call deposits amounting to R 81.5 million.

EC123 Great Kei - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M07 January														
Investments by maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ¹	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID		Yrs/Months												
R thousands														
Municipality														
1 Standard Bank		144 M	Deposit-Bank	Yes	Variable	1	0		09 January 2030	8 530	233	-	-	8 569
2 Standard Bank		144 M	Deposit-Bank	Yes	Variable	1	0		09 January 2030	1 041	5	-	-	1 046
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	30 922	172	-	-	31 094
5 Standard Bank		144 M	Deposit-Bank	Yes	Variable	1	0		09 January 2030	583	0	-	-	584
6 Standard Bank		144 M	Deposit-Bank	Yes	Variable	1	0		09 January 2030	3 388	19	-	-	3 406
13 FNB		127 M	Call Account	Yes	Variable	6.15	0		09 January 2030	5 283	-	-	-	5 283
14 FNB		5 Y	Call Account	Yes	Variable	0.09	0		30/06/2026	5	0	-	-	5
Standard Bank			Deposit-Bank	Yes	Variable	1	0		09 January 2030	30 000	1 419	-	-	31 419
Municipality sub-total										79 887	1 848	-	-	81 541
Entities														
TOTAL INVESTMENT	2									79 887	1 848	-	-	81 541

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ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEES

Table SC6: Grants Received

The table below reflects conditional grants received to date, totaling R70.8 million.

EC123 Great Kei - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M07 January										
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	174	44 051	34 414	9 637	28.0%	58 996
Equitable Share		55 432	55 269	55 269	-	41 452	32 240	9 212	28.6%	55 269
Expanded Public Works Programme Integrated Grant		1 103	2 327	1 327	84	520	774	(254)	-32.8%	1 327
Local Government Financial Management Grant		2 400	2 400	2 400	42	1 737	1 400	337	24.1%	2 400
Municipal Infrastructure Grant		653	-	-	49	343	-	343	#DIV/0!	-
Provincial Government:		-	1 000	1 000	98	634	545	89	16.3%	1 000
Specify (Add grant description)		-	1 000	1 000	98	634	545	89	16.3%	1 000
Other grant providers:		896	757	757	-	757	442	315	71.4%	757
<i>Council for Medical Schemes</i>		-	-	-	-	-	-	-		-
<i>National Library South Africa</i>		757	757	757	-	757	442	315	71.4%	757
<i>National Skills Fund</i>		89	-	-	-	-	-	-		-
<i>South Africa Housing Fund</i>		49	-	-	-	-	-	-		-
Total Operating Transfers and Grants	5	60 484	61 753	60 753	272	45 443	35 401	10 041	28.4%	60 753
Capital Transfers and Grants										
National Government:		37 156	29 267	58 267	-	25 403	31 170	(5 767)	-18.5%	58 267
Integrated National Electrification Programme Grant		-	7 312	7 312	-	6 005	4 265	1 739	40.8%	7 312
Municipal Disaster Recovery Grant		16 406	9 080	38 080	-	8 827	19 394	(10 568)	-54.5%	38 080
Municipal Disaster Response Grant		8 968	-	-	-	-	-	-		-
Municipal Infrastructure Grant		11 783	12 875	12 875	-	10 572	7 510	3 062	40.8%	12 875
Provincial Government:		610	10 000	10 000	-	-	5 833	(5 833)	-100.0%	10 000
Specify (Add grant description)		610	10 000	10 000	-	-	5 833	(5 833)	-100.0%	10 000
Other grant providers:		2 000	-	11 000	-	-	4 125	(4 125)	-100.0%	11 000
<i>Government Motor Transport</i>		2 000	-	11 000	-	-	4 125	(4 125)	-100.0%	11 000
Total Capital Transfers and Grants	5	39 766	39 267	79 267	-	25 403	41 129	(15 725)	-38.2%	79 267
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	100 250	101 020	140 020	272	70 846	76 530	(5 684)	-7.4%	140 020

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ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEES

Table SC7: Grants expenditure

EC123 Great Kei - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M07 January										
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	55 454	3 898	22 526	29 153	(6 627)	-22.7%	55 454
Equitable Share		41 391	49 431	50 339	2 635	19 927	26 353	(6 427)	-24.4%	50 339
Expanded Public Works Programme Integrated Grant		1 304	2 327	2 327	477	520	1 173	(653)	-55.7%	2 327
Local Government Financial Management Grant		10 472	2 152	2 152	786	1 737	1 255	481	38.4%	2 152
Municipal Infrastructure Grant		8	635	635	-	343	371	(28)	-7.6%	635
Other transfers and grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Specify (Add grant description)										
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		1 620	0	0	7	34	0	34	678340.0%	0
Clerical Assist (Pole Parties)		1 620	-	-	-	-	-	-	-	-
<i>National Library South Africa</i>		-	0	0	7	34	0	34	678340.0%	0
<i>National Library South Africa</i>		132	757	757	5	58	402			757
Total operating expenditure of Transfers and Grants:		54 795	54 545	55 454	3 905	22 560	29 153	(6 593)	-22.6%	55 454
Capital expenditure of Transfers and Grants										
National Government:		32 519	24 890	50 107	-	25 510	26 613	(1 104)	-4.1%	50 107
Equitable Share		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		-	6 358	6 358	-	6 005	3 709	2 296	61.9%	6 358
Municipal Disaster Recovery Grant		23 869	7 896	33 113	-	8 933	15 750	(6 817)	-43.3%	33 113
Municipal Disaster Response Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		8 650	10 636	10 636	-	10 572	7 154	3 418	47.8%	10 636
Other capital transfers [insert description]										
Provincial Government:		257	8 696	8 696	-	-	5 072	(5 072)	-100.0%	8 696
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		257	8 696	8 696	-	-	5 072	(5 072)	-100.0%	8 696
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		7 815	-	9 565	-	-	3 587	(3 587)	-100.0%	9 565
Government Motor Transport		1 739	-	9 565	-	-	3 587	(3 587)	-100.0%	9 565
<i>Human Settlement Re-development Programme</i>		6 076	-	-	-	-	-	-	-	-
<i>National Library South Africa</i>		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		40 591	33 585	68 368	-	25 510	35 273	(9 763)	-27.7%	68 368
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		95 386	88 131	123 822	3 905	48 070	64 425	(16 356)	-25.4%	123 822

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ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEES

The table below reflects the grants' expenditure as of 31 January 2026, and these amounts are inclusive of VAT:

- The Finance Management Grant's (FMG) year-to-date expenditure is R1.7 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 R520 thousand for casual work and poverty alleviation projects
- The municipality has received a grant from DEDEAT of R1 million, year-to-date spending is R634 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 R10.9 million for capital project implementation and operational costs.
- In the current year the Municipal Disaster Recovery Grant (MDRG) Rollover expenditure amounts to R8.9 million for capital project implementation costs. This funding assists with the reconstruction of roads affected by inclement weather conditions.

Grants	Allocation	Withheld / Not Provisioned	Amount Received	Amount Spent	Variance	% Over Total Allocation
FMG	2 400 000	-	2 400 000.00	1 736 898.58	663 101	72%
EPWP	1 327 000	-	929 000.00	519 893.84	409 106	39%
DEDEAT	1 000 000	-	1 000 000.00	634 324.03	365 676	63%
INEP	7 312 000	-	4 022 000.00	6 004 699.53	- 1 982 700	82%
OTP Grant	10 000 000	10 000 000	-	-	-	0%
MIG	12 835 000	-	11 072 000.00	10 914 697.06	157 303	85%
MDRG - Roll Over	9 192 099.93	-	-	8 933 000.77	259 099	97%
Totals	44 066 100	10 000 000	19 423 000	28 743 514	- 128 414	84%

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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 - M07 January

Summary of Employee and Councillor remuneration	Ref	2024/25			Budget Year 2025/26			YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget			
R thousands		A	B	C					D	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4 063	3 882	3 932	323	2 264	2 287	(22)	-1%	3 932
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		610	562	562	47	352	328	24	7%	562
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		1 250	1 294	1 294	108	755	755	(0)	0%	1 294
Sub Total - Councillors		5 923	5 738	5 788	478	3 371	3 369	2	0%	5 788
% increase	4		-3.1%	-2.3%						-2.3%
Senior Managers of the Municipality										
Basic Salaries and Wages		2 764	3 347	3 347	270	1 882	1 952	(70)	-4%	3 347
Pension and UIF Contributions		7	7	7	1	5	4	1	27%	7
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		169	-	-	25	142	-	142	#DIV/0!	-
Motor Vehicle Allowance		1 005	1 322	1 322	106	741	771	(30)	-4%	1 322
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		506	632	632	51	354	369	(15)	-4%	632
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		4 451	5 308	5 308	452	3 124	3 096	27	1%	5 308
% increase	4		19.3%	19.3%						19.3%
Other Municipal Staff										
Basic Salaries and Wages		34 137	35 326	35 917	3 169	21 999	21 193	806	4%	35 917
Pension and UIF Contributions		5 759	6 107	6 107	548	3 804	3 562	241	7%	6 107
Medical Aid Contributions		3 325	3 531	3 531	324	2 141	2 060	81	4%	3 531
Overtime		1 274	1 869	1 869	168	813	1 041	(228)	-22%	1 869
Performance Bonus		2 689	2 449	2 449	177	177	1 428	(1 252)	-88%	2 449
Motor Vehicle Allowance		470	481	481	34	249	281	(31)	-11%	481
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		81	84	84	9	69	49	20	40%	84
Other benefits and allowances		168	200	200	16	112	117	(5)	-4%	200
Payments in lieu of leave		1 157	-	-	55	55	-	55	#DIV/0!	-
Long service awards		-	-	12	8	13	5	7	138%	12
Post-retirement benefit obligations		1 552	323	323	20	133	189	(55)	-29%	323
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		50 612	50 370	50 973	4 528	29 563	29 925	(362)	-1%	50 973
% increase	4		-0.5%	0.7%						0.7%
Total Parent Municipality		60 986	61 416	62 069	5 458	36 058	36 390	(332)	-1%	62 069
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		60 986	61 416	62 069	5 458	36 058	36 390	(332)	-1%	62 069
% increase	4		0.7%	1.8%						1.8%
TOTAL MANAGERS AND STAFF		55 062	55 678	56 281	4 980	32 687	33 021	(334)	-1%	56 281

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

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

- The municipality has no unauthorized, irregular, fruitless and wasteful, and expenditures incurred during the period ending 31 January 2026.

FINANCIAL IMPLICATIONS

None

STAFF IMPLICATIONS

None

ANNEXURE

Annexure A: Schedule C Report – January 2026

RECOMMENDATION

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

SUBMITTED FOR NOTING