# ITEM [5.1]
# ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEE

**5.1 MONTHLY BUDGET STATEMENT – S71 REPORT: 31 JULY 2026,**

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

## PURPOSE

To submit to the committee for noting, the Section 71 report as at the end of July 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

# ITEM [5.1]
# ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEE

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.

**Table C1- Monthly Budget Statement Summary**

# ITEM [5.1]
# ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEE

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 - M01 July

| Description | 2025/26 | Budget Year 2026/27 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| R thousands | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| **Financial Performance** | | | | | | | | | |
| Property rates | 40 000 | 54 647 | – | 6 291 | 6 291 | 4 554 | 1 737 | 38% | 54 647 |
| Service charges | 22 261 | 24 283 | – | 2 034 | 2 034 | 2 024 | 10 | 1% | 24 283 |
| Investment revenue | 6 671 | 8 000 | – | 259 | 259 | 667 | (407) | -61% | 8 000 |
| Transfers and subsidies - Operational | 61 240 | 59 027 | – | 24 507 | 24 507 | 4 919 | 19 588 | 0 | 59 027 |
| Other own revenue | 15 593 | 12 332 | – | 959 | 959 | 1 028 | (69) | -7% | 12 332 |
| **Total Revenue (excluding capital transfers and contributions)** | **145 765** | **158 288** | **–** | **34 050** | **34 050** | **13 191** | **20 859** | **158%** | **158 288** |
| Employee costs | 72 777 | 65 820 | – | 4 858 | 4 858 | 5 485 | (627) | -11% | 65 820 |
| Remuneration of Councillors | 5 955 | 6 305 | – | 492 | 492 | 525 | (33) | -6% | 6 305 |
| Depreciation, amortisation and impairment | 7 006 | 13 568 | – | 1 200 | 1 200 | 1 131 | 69 | 6% | 13 568 |
| Interest, Dividends and Rent on Land | 1 475 | – | – | – | – | – | – | | – |
| Inventory consumed and bulk purchases | 18 591 | 19 312 | – | 2 051 | 2 051 | 1 609 | 442 | 27% | 19 312 |
| Transfers and subsidies | 197 | 1 541 | – | – | – | 128 | (128) | -100% | 1 541 |
| Other expenditure | 33 040 | 35 597 | – | 1 865 | 1 865 | 2 967 | (1 101) | -37% | 35 597 |
| **Total Expenditure** | **139 041** | **142 143** | **–** | **10 467** | **10 467** | **11 846** | **(1 379)** | **-12%** | **142 143** |
| **Surplus/(Deficit)** | **6 724** | **16 145** | **–** | **23 582** | **23 582** | **1 345** | **22 238** | **1654%** | **16 145** |
| Transfers and subsidies - capital (monetary | 59 049 | 31 815 | – | 4 642 | 4 642 | 2 651 | 1 991 | 75% | 31 815 |
| Transfers and subsidies - capital (in-kind) | 2 800 | – | – | – | – | – | – | | – |
| **Surplus/(Deficit) after capital transfers & contributions** | **68 572** | **47 960** | **–** | **28 225** | **28 225** | **3 996** | **24 229** | **606%** | **47 960** |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | | – |
| **Surplus/ (Deficit) for the year** | **68 572** | **47 960** | **–** | **28 225** | **28 225** | **3 996** | **24 229** | **606%** | **47 960** |
| **Capital expenditure & funds sources** | | | | | | | | | |
| **Capital expenditure** | **93 462** | **45 319** | **–** | **4 251** | **4 251** | **3 777** | **475** | **13%** | **45 319** |
| Capital transfers recognised | 84 313 | 27 101 | – | 4 251 | 4 251 | 2 258 | 1 993 | 88% | 27 101 |
| Borrowing | – | – | – | – | – | – | – | | – |
| Internally generated funds | **9 149** | **18 218** | **–** | **–** | **–** | **1 518** | **(1 518)** | **-100%** | **18 218** |
| **Total sources of capital funds** | **93 462** | **45 319** | **–** | **4 251** | **4 251** | **3 777** | **475** | **13%** | **45 319** |
| **Financial position** | | | | | | | | | |
| Total current assets | 126 416 | 186 781 | – | | 21 566 | | | | 186 781 |
| Total non current assets | 484 834 | 881 359 | – | | 3 051 | | | | 881 359 |
| Total current liabilities | 65 608 | 13 519 | – | | (3 608) | | | | 13 519 |
| Total non current liabilities | 16 529 | 21 760 | – | | – | | | | 21 760 |
| Community wealth/Equity | **461 705** | **47 960** | **–** | | **28 225** | | | | **47 960** |
| **Cash flows** | | | | | | | | | |
| Net cash from (used) operating | (44 841) | 64 439 | – | 22 242 | 22 242 | 7 095 | (15 147) | -214% | 64 439 |
| Net cash from (used) investing | 52 515 | (27 752) | – | (5 130) | (5 130) | (2 313) | 2 817 | -122% | (27 752) |
| Net cash from (used) financing | – | – | – | – | – | – | – | | – |
| **Cash/cash equivalents at the month/year end** | **91 787** | **89 535** | **–** | **17 113** | **17 113** | **9 186** | **(7 927)** | **-86%** | **89 535** |
| **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 | 11 180 | 2 688 | 2 467 | 2 576 | 2 486 | 2 280 | 2 138 | 69 388 | 95 203 |
| **Creditors Age Analysis** | | | | | | | | | |
| Total Creditors | 4 109 | 115 | – | – | – | – | – | 13 260 | 17 484 |

## OPERATING REVENUE

Total revenue, including operational grants to date, amounts to R 33.1 million, compared to the anticipated R13.2 million. However, total receipts of transfers and conditional grant revenue to date amount to R 26.4 million.

Total revenue, including government grants and subsidies, amounts to R59.5 million.

Cash receipts on operating revenue, excluding grants and VAT refunds, total R5.5 million.

### i) Property Rates

Property rates year-to-date billing amounts to R 6.2 million, compared to the anticipated YTD budget of R4.5 million. This indicates 38% overperformance is due to a fact that the farmers are billed annually in July month. Property rates remain the municipality's largest own revenue source.

The cash received to date for rates billing is R 3.7 million, including old debt.

### ii) Refuse Services

The year-to-date refuse revenue amounts to R497 thousand, while the YTD budget is 512 thousand. This indicates 3% variance. 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 R331 thousand.

### iii) Electricity Services

Year-to-date electricity billed amounts to R1.53 million. The anticipated budgeted revenue amounted to R1.51 million, which indicates a 2 % 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 R1.2 million. (Conventional R271 thousand and Prepaid R936 thousand)

| SURPLUS/ DEFICIT ON SALE OF ELECTRICITY 2026/27 FY | | | |
|---|---|---|---|
| **Sales** | **Conventional** | **Prepaid** | **Total** |
| July | 271 835.54 | 936 339.31 | 1 208 174.85 |
| **Total Sales** | **271 835.54** | **936 339.31** | **1 208 174.85** |
| | | | |
| **Costs Eskom Bulk** | | | **Total** |
| July | | | 2 357 877.81 |
| **Total Costs** | | | **2 357 877.81** |
| | | | |
| **Deficit** | | | **- 1 149 702.96** |

### iv) Interest on investments

Interest earned on external investments to date amounts to R259 thousand. With an anticipated budget of R667 thousand, which indicates a -61% underestimation of the interest on investment YTD budget. The variance is due to a change in the official prime lending rate.

### v) Interest on outstanding debtors

Interest billed on debtor amounts to R577 thousand (*Exchange transactions: R 156 984.53; non-exchange transactions: R 420 821.74). The interest billed is less than the prior year.*

### vi) Licences and permits

Movement on this line item to date amounts to R110 thousand. YTD budget amounts to R297 thousand. This indicates a year-to-date variance of 63%; 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

# ITEM [5.1]
# ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEE

The amount received on VAT refunds to date is R880 927.08 thousand. An amount of R797 819.72 has been submitted to SARS and is receivable as of 31 July 2026**.**

**OPERATING EXPENDITURE**

At the end of July 2026, the total expenditure amounts to R10.4 million, while the YTD budget amounts to R11.8 million. This indicates a year-to-date variance of -12%.

**i) Employee Costs**

The year-to-date movement of employee-related costs amounts to R4.8 million, while the YTD budget amounts to R5.4 million. This is a YTD variance of -11% of underspending which is mainly caused by key vacant positions e.g. Two (2) Senior Manager positions that are currently on recruitment process.

**ii) Remuneration of councillors**

The actual spending to date on remuneration of councillors is R492 thousand and the YTD budget. This indicates a year-to-date variance of -6% of underspending is due to the anticipated upper limits on councillor which is not yet issued/ gazetted.

**iii) Bulk Electricity**

Expenditure for bulk electricity purchases is budgeted at R1.5 million, and the spending to date is R2 million excluding VAT. This indicates a year-to-date variance of 37%. The July 2026 invoice for Eskom Bulk amounts to R 2 357 877.81. The electricity service is being rendered at a deficit, as the billed cost of bulk purchases exceeded the billed revenue of R1.2 million.

**iv) Contracted Services**

The expenditure incurred on this line amounts to R187 thousand compared to the YTD budget of R733 thousand. This is a YTD variance of -74%. This is due to the implementation of the MFMA circular 82 – cost containment measures.

**v) Operational Costs**

As of the end of July 2026, operational costs amount to R1.6 million, while the YTD budget amounts to R1.8 million. This is a YTD variance of -7%. 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 R1.1 million, and the expense recognized or accounted for to date is R1.2 million. This indicates a year-to-date variance of 6% which is due to physical asset verifications.

**CAPITAL EXPENDITURE [SEE C5 TABLE BELOW]**

The YTD budget on Capital expenditure is R3.7 million, and the movement to date is at R4.2 million. The variance between the budget and actual translates to overperformance of 13%.

# ITEM [5.1]
# ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEE

## STATEMENT OF FINANCIAL POSITION [SEE C6 TABLE BELOW]

Accumulated surplus as of 31 July 2026 is 28.5 million. The surplus as at the end of July 2026 is R28.1 million.

## CASH FLOWS [SEE C7 TABLE BELOW]

The municipality ended the month with a positive cash and cash equivalents balance of R123 488 358.77 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.

### 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) - M01 July**

| Vote Description | Ref | 2025/26 | Budget Year 2026/27 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| R thousands | | | | | | | | | % | |
| **Revenue by Vote** | 1 | | | | | | | | | |
| Vote 1 - Office of the Municipal Manager | | (635) | 1 | – | 0 | 0 | 0 | (0) | -95.9% | 1 |
| Vote 2 - Directorate: Budget and Treasury | | 136 310 | 138 771 | – | 35 100 | 35 100 | 11 564 | 23 535 | 203.5% | 138 771 |
| Vote 3 - Directorate: Corporate Services | | 110 | – | – | 11 | 11 | – | 11 | #DIV/0! | – |
| Vote 4 - Directorate: Strategic Services | | 705 | 755 | – | 74 | 74 | 63 | 11 | 17.8% | 755 |
| Vote 5 - Directorate: Technical Service & Community Services | | 74 500 | 50 576 | – | 3 507 | 3 507 | 4 215 | (708) | -16.8% | 50 576 |
| **Total Revenue by Vote** | 2 | **210 990** | **190 103** | **–** | **38 692** | **38 692** | **15 842** | **22 850** | **144.2%** | **190 103** |
| **Expenditure by Vote** | 1 | | | | | | | | | |
| Vote 1 - Office of the Municipal Manager | | – | 1 607 | – | 8 | 8 | 134 | (126) | -94.2% | 1 607 |
| Vote 2 - Directorate: Budget and Treasury | | 38 683 | 40 637 | – | 3 408 | 3 408 | 3 387 | 21 | 0.6% | 40 637 |
| Vote 3 - Directorate: Corporate Services | | 10 248 | 11 889 | – | 565 | 565 | 991 | (426) | -43.0% | 11 889 |
| Vote 4 - Directorate: Strategic Services | | 19 668 | 25 543 | – | 1 660 | 1 660 | 2 129 | (469) | -22.0% | 25 543 |
| Vote 5 - Directorate: Technical Service & Community Services | | 70 442 | 62 466 | – | 4 827 | 4 827 | 5 206 | (379) | -7.3% | 62 466 |
| Vote 6 - Municipal Manager- Acting | | – | – | – | – | – | – | – | | – |
| **Total Expenditure by Vote** | 2 | **139 041** | **142 143** | **–** | **10 467** | **10 467** | **11 846** | **(1 379)** | **-11.6%** | **142 143** |
| **Surplus/ (Deficit) for the year** | 2 | **71 949** | **47 960** | **–** | **28 225** | **28 225** | **3 996** | **24 229** | **606.4%** | **47 960** |

## 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) - M01 July**

| Description | Ref | 2025/26 | Budget Year 2026/27 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| **Revenue** | | | | | | | | | | |
| **Exchange Revenue** | | | | | | | | | | |
| Service charges - Electricity | | 16 813 | 18 136 | – | 1 537 | 1 537 | 1 511 | 25 | 2% | 18 136 |
| Service charges - Water | | – | – | – | – | – | – | – | | – |
| Service charges - Waste Water Management | | – | – | – | – | – | – | – | | – |
| Service charges - Waste management | | 5 448 | 6 147 | – | 497 | 497 | 512 | (15) | -3% | 6 147 |
| Sale of Goods and Rendering of Services | | 967 | 930 | – | 153 | 153 | 77 | 75 | 97% | 930 |
| Agency services | | 393 | 870 | – | 38 | 38 | 72 | (35) | -48% | 870 |
| Interest | | – | – | – | – | – | – | – | | – |
| Interest earned from Receivables | | 1 547 | 1 477 | – | 157 | 157 | 123 | 34 | 27% | 1 477 |
| Interest from Current and Non Current Assets | | 6 671 | 8 000 | – | 259 | 259 | 667 | (407) | -61% | 8 000 |
| Dividends | | – | – | – | – | – | – | – | | – |
| Rent on Land | | – | – | – | – | – | – | – | | – |
| Rental from Fixed Assets | | 271 | 201 | – | – | – | 17 | (17) | -100% | 201 |
| Licence and permits | | 1 086 | 3 565 | – | 110 | 110 | 297 | (187) | -63% | 3 565 |
| Special rating levies | | – | – | – | – | – | – | – | | – |
| Construction Contract Revenue | | – | – | – | – | – | – | | | – |
| Development Charges | | – | – | – | – | – | – | | | – |
| Operational Revenue | | 1 099 | 58 | – | 16 | 16 | 5 | 11 | 231% | 58 |
| **Non-Exchange Revenue** | | | | | | | | – | | |
| Property rates | | 40 000 | 54 647 | – | 6 291 | 6 291 | 4 554 | 1 737 | 38% | 54 647 |
| Surcharges and Taxes | | – | – | – | – | – | – | – | | – |
| Fines, penalties and forfeits | | 331 | 150 | – | 64 | 64 | 13 | 52 | 413% | 150 |
| Licence and permits | | – | – | – | – | – | – | – | | – |
| Transfers and subsidies - Operational | | 61 240 | 59 027 | – | 23 547 | 23 547 | 4 919 | 18 628 | 379% | 59 027 |
| Interest | | 3 680 | 5 081 | – | 421 | 421 | 423 | (3) | -1% | 5 081 |
| Fuel Levy | | – | – | – | – | – | – | – | | – |
| Operational Revenue | | – | – | – | – | – | – | – | | – |
| Gains on disposal of Fixed and Intangible Assets | | – | – | – | – | – | – | – | | – |
| Other Gains | | 6 217 | – | – | – | – | – | – | | – |
| Discontinued Operations | | – | – | – | – | – | – | – | | – |
| **Total Revenue (excluding capital transfers and contributions)** | | **145 765** | **158 288** | **–** | **33 089** | **33 089** | **13 191** | **19 898** | **151%** | **158 288** |

## Operating expenditure by type

**EC123 Great Kei - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July**

| Description<br>R thousands | Ref | 2025/26 | Budget Year 2026/27 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| **Expenditure By Type** | | | | | | | | | | |
| Employee related costs | | 72 777 | 65 820 | – | 4 858 | 4 858 | 5 485 | (627) | -11% | 65 820 |
| Remuneration of councillors | | 5 955 | 6 305 | – | 492 | 492 | 525 | (33) | -6% | 6 305 |
| Bulk purchases - electricity | | 17 753 | 18 000 | – | 2 050 | 2 050 | 1 500 | 550 | 37% | 18 000 |
| Inventory consumed | | 838 | 1 312 | – | 1 | 1 | 109 | (108) | -99% | 1 312 |
| Debt impairment | | – | 5 108 | – | – | – | 426 | (426) | -100% | 5 108 |
| Depreciation, amortisation and impairment | | 7 006 | 13 568 | – | 1 200 | 1 200 | 1 131 | 69 | 6% | 13 568 |
| Interest, Dividends and Rent on Land | | 1 475 | – | – | – | – | – | – | | – |
| Contracted services | | 12 465 | 8 793 | – | 187 | 187 | 733 | (546) | -74% | 8 793 |
| Transfers and subsidies | | 197 | 1 541 | – | – | – | 128 | (128) | -100% | 1 541 |
| Irrecoverable debts written off | | (1 408) | – | – | – | – | – | – | | – |
| Operational costs | | 21 983 | 21 696 | – | 2 050 | 2 050 | 1 808 | 241 | 13% | 21 696 |
| Disposal of Fixed and Intangible Assets | | 0 | – | – | – | – | – | – | | – |
| Other Losses | | – | – | – | – | – | – | – | | – |
| **Total Expenditure** | | **139 041** | **142 143** | **–** | **10 838** | **10 838** | **11 846** | **(1 008)** | **-9%** | **142 143** |

# ITEM [5.1]
# ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEE

## 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) - M01 July**

| Vote Description | Ref | 2025/26 | Budget Year 2026/27 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| **Multi-Year expenditure appropriation** | 2 | | | | | | | | | |
| Vote 1 - Office of the Municipal Manager | | 2 720 | – | – | – | – | – | – | | – |
| Vote 2 - Directorate: Budget and Treasury | | 123 | – | – | – | – | – | – | | – |
| Vote 3 - Directorate: Corporate Services | | 147 | – | – | – | – | – | – | | – |
| Vote 4 - Directorate: Strategic Services | | – | – | – | – | – | – | – | | – |
| Vote 5 - Directorate: Technical Service & Community Services | | 11 636 | 11 123 | – | 709 | 709 | 927 | (218) | -24% | 11 123 |
| 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 Capital Multi-year expenditure** | 4,7 | **14 626** | **11 123** | – | **709** | **709** | **927** | **(218)** | **-24%** | **11 123** |
| **Single Year expenditure appropriation** | 2 | | | | | | | | | |
| Vote 1 - Office of the Municipal Manager | | – | 217 | – | – | – | 18 | (18) | -100% | 217 |
| Vote 2 - Directorate: Budget and Treasury | | 684 | 1 637 | – | – | – | 136 | (136) | -100% | 1 637 |
| Vote 3 - Directorate: Corporate Services | | 282 | 350 | – | – | – | 29 | (29) | -100% | 350 |
| Vote 4 - Directorate: Strategic Services | | 1 199 | 430 | – | – | – | 36 | (36) | -100% | 430 |
| Vote 5 - Directorate: Technical Service & Community Services | | 76 671 | 31 562 | – | 3 543 | 3 543 | 2 630 | 912 | 35% | 31 562 |
| 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 Capital single-year expenditure** | 4 | 78 835 | 34 197 | – | 3 543 | 3 543 | 2 850 | **693** | **24%** | 34 197 |
| **Total Capital Expenditure** | | **93 462** | **45 319** | – | **4 251** | **4 251** | **3 777** | **475** | **13%** | **45 319** |
| **Capital Expenditure - Functional Classification** | | | | | | | | | | |
| ***Governance and administration*** | | **1 235** | **2 204** | – | – | – | **184** | (184) | -100% | **2 204** |
| Executive and council | | – | 217 | – | – | – | 18 | (18) | -100% | 217 |
| Finance and administration | | 1 235 | 1 987 | – | – | – | 166 | (166) | -100% | 1 987 |
| Internal audit | | – | – | – | – | – | – | – | | – |
| ***Community and public safety*** | | **21** | **1 160** | – | – | – | **97** | (97) | -100% | **1 160** |
| Community and social services | | – | – | – | – | – | – | – | | – |
| Sport and recreation | | – | – | – | – | – | – | – | | – |
| Public safety | | 21 | 1 160 | – | – | – | 97 | (97) | -100% | 1 160 |
| Housing | | – | – | – | – | – | – | – | | – |
| Health | | – | – | – | – | – | – | – | | – |
| ***Economic and environmental services*** | | **82 568** | **33 087** | – | **4 251** | **4 251** | **2 757** | 1 494 | 54% | **33 087** |
| Planning and development | | 1 199 | 430 | – | – | – | 36 | (36) | -100% | 430 |
| Road transport | | 81 369 | 32 657 | – | 4 251 | 4 251 | 2 721 | 1 530 | 56% | 32 657 |
| Environmental protection | | – | – | – | – | – | – | – | | – |
| ***Trading services*** | | **9 638** | **8 867** | – | – | – | **739** | (739) | -100% | **8 867** |
| Energy sources | | 7 512 | 8 117 | – | – | – | 676 | (676) | -100% | 8 117 |
| Water management | | – | – | – | – | – | – | – | | – |
| Waste water management | | – | – | – | – | – | – | – | | – |
| Waste management | | 2 126 | 750 | – | – | – | 63 | (63) | -100% | 750 |
| *Other* | | – | – | – | – | – | – | – | | – |
| **Total Capital Expenditure - Functional Classification** | 3 | **93 462** | **45 319** | – | **4 251** | **4 251** | **3 777** | **475** | **13%** | **45 319** |
| **Funded by:** | | | | | | | | | | |
| National Government | | 84 313 | 27 101 | – | 4 251 | 4 251 | 2 258 | 1 993 | 88% | 27 101 |
| Provincial Government | | – | – | – | – | – | – | – | | – |
| District Municipality | | – | – | – | – | – | – | – | | – |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions) | | – | – | – | – | – | – | – | | – |
| **Transfers recognised - capital** | | **84 313** | **27 101** | – | **4 251** | **4 251** | **2 258** | **1 993** | **88%** | **27 101** |
| **Borrowing** | 6 | – | – | – | – | – | – | – | | – |
| **Internally generated funds** | | 9 149 | 18 218 | – | – | – | 1 518 | (1 518) | -100% | 18 218 |
| **Total Capital Funding** | | **93 462** | **45 319** | – | **4 251** | **4 251** | **3 777** | **475** | **13%** | **45 319** |

# ITEM [5.1]
# 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 - M01 July**

| Description | Ref | 2025/26 | Budget Year 2026/27 | | | |
|---|---|---|---|---|---|---|
| R thousands | 1 | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| **ASSETS** | | | | | | |
| **Current assets** | | | | | | |
| Cash and cash equivalents | | 103 369 | 74 422 | – | 18 697 | 74 422 |
| Short term Investments | | – | – | – | – | – |
| Trade and other receivables from exchange transactions | | 14 689 | 11 845 | – | (481) | 11 845 |
| Receivables from non-exchange transactions | | 5 203 | 93 937 | – | 3 168 | 93 937 |
| Current portion of non-current receivables | | 41 | 41 | – | – | 41 |
| Inventory | | 542 | – | – | – | – |
| VAT Receivable | | – | 6 518 | – | 1 476 | 6 518 |
| Other current assets | | 2 571 | 18 | – | (1 294) | 18 |
| **Total current assets** | | **126 416** | **186 781** | **–** | **21 566** | **186 781** |
| **Non current assets** | | | | | | |
| Investments | | – | – | – | – | – |
| Investment property | | 75 062 | 84 500 | – | (23) | 84 500 |
| Property, plant and equipment | | 409 328 | 796 309 | – | 3 079 | 796 309 |
| Biological assets | | – | – | – | – | – |
| Living resources | | – | – | – | – | – |
| Heritage assets | | 36 | 36 | – | – | 36 |
| Intangible assets | | 408 | 515 | – | (5) | 515 |
| Trade and other receivables from exchange transactions | | – | – | – | – | – |
| Non-current receivables from non-exchange transactions | | – | – | – | – | – |
| Other non-current assets | | – | – | – | – | – |
| **Total non current assets** | | **484 834** | **881 359** | **–** | **3 051** | **881 359** |
| **TOTAL ASSETS** | | **611 250** | **1 068 140** | **–** | **24 617** | **1 068 140** |
| **LIABILITIES** | | | | | | |
| **Current liabilities** | | | | | | |
| Bank overdraft | | – | – | – | – | – |
| Financial liabilities | | – | – | – | – | – |
| Consumer deposits | | 388 | – | – | 13 | – |
| Trade and other payables from exchange transactions | | 53 440 | 15 139 | – | (1 208) | 15 139 |
| Trade and other payables from non-exchange transactions | | 8 035 | (461) | – | (2 667) | (461) |
| Provision | | 3 745 | 1 577 | – | – | 1 577 |
| VAT Payable | | – | (2 736) | – | 254 | (2 736) |
| Other current liabilities | | – | – | – | – | – |
| **Total current liabilities** | | **65 608** | **13 519** | **–** | **(3 608)** | **13 519** |
| **Non current liabilities** | | | | | | |
| Financial liabilities | | – | – | – | – | – |
| Provision | | 16 529 | 21 760 | – | – | 21 760 |
| Long term portion of trade payables | | – | – | – | – | – |
| Other non-current liabilities | | – | – | – | – | – |
| **Total non current liabilities** | | **16 529** | **21 760** | **–** | **–** | **21 760** |
| **TOTAL LIABILITIES** | | **82 137** | **35 278** | **–** | **(3 608)** | **35 278** |
| **NET ASSETS** | 2 | **529 113** | **1 032 862** | **–** | **28 225** | **1 032 862** |
| **COMMUNITY WEALTH/EQUITY** | | | | | | |
| Accumulated surplus/(deficit) | | 461 705 | 47 960 | – | 28 225 | 47 960 |
| Reserves and funds | | – | – | – | – | – |
| Other | | – | – | – | – | – |
| **TOTAL COMMUNITY WEALTH/EQUITY** | 2 | **461 705** | **47 960** | **–** | **28 225** | **47 960** |

# ITEM [5.1]
# ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEE

## Table C7: Cash flow

The table below reflects the institution's cash flow.

EC123 Great Kei - Table C7 Monthly Budget Statement - Cash Flow - M01 July

| Description | Ref | 2025/26 | Budget Year 2026/27 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| R thousands | 1 | | | | | | | | % | |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Property rates | | 932 | 39 678 | – | 21 | 6 291 | 3 306 | 2 984 | 90% | 39 678 |
| Service charges | | 9 418 | 23 262 | – | 961 | 961 | 1 939 | (977) | -50% | 23 262 |
| Other revenue | | 19 127 | 16 700 | – | 3 761 | 3 761 | 1 392 | 2 369 | 170% | 16 700 |
| Transfers and Subsidies - Operational | | 83 387 | 58 165 | – | 26 614 | 17 287 | 4 847 | 12 440 | 257% | 58 165 |
| Transfers and Subsidies - Capital | | 36 312 | 31 815 | – | – | 4 642 | 2 651 | 1 991 | 75% | 31 815 |
| Interest | | | | | | | | – | | |
| Dividends | | – | – | – | – | – | – | – | | – |
| **Payments** | | | | | | | | | | |
| Suppliers and employees | | (194 017) | (105 181) | – | (9 115) | (9 115) | (7 040) | 2 074 | -29% | (105 181) |
| Finance charges | | – | – | – | – | – | – | – | | – |
| Transfers and Subsidies | | – | – | – | – | – | – | – | | – |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | | **(44 841)** | **64 439** | **–** | **22 242** | **23 827** | **7 095** | **(16 732)** | **-236%** | **64 439** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Proceeds on disposal of PPE | | – | – | – | – | – | – | – | | – |
| Decrease (increase) in non-current receivables | | – | – | – | – | – | – | – | | – |
| Decrease (increase) in non-current investments | | – | – | – | – | – | – | – | | – |
| Insurance Refund - Capital | | – | – | – | – | – | – | – | | – |
| Interest on Short Term Investment (Greater then 90 days) and Long Term Investments | | – | – | – | – | – | – | – | | – |
| **Payments** | | | | | | | | | | |
| Capital assets | | 52 515 | (27 752) | – | (5 130) | (5 130) | (2 313) | 2 817 | -122% | (27 752) |
| Retention (Capital) | | – | – | – | – | – | – | – | | – |
| **NET CASH FROM/(USED) INVESTING ACTIVITIES** | | **52 515** | **(27 752)** | **–** | **(5 130)** | **(5 130)** | **(2 313)** | **2 817** | **-122%** | **(27 752)** |
| **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** | | **7 675** | **36 687** | **–** | **17 113** | **18 697** | **4 782** | | | **36 687** |
| Cash/cash equivalents at beginning: | | 84 112 | 52 848 | – | – | 104 791 | 104 791 168.71 | | | 52 848 |
| Cash/cash equivalents at month/year end: | | 91 787 | 89 535 | – | 17 113 | 123 488 | 109 573 208.71 | | | 89 535 |

# ITEM [5.1]
# ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEEES

## Table SC3: Aged Debtors

The municipality owns a total amount of R95.2 million, the biggest portion of R64 million owned by households. The organs of the state owe R15.4 million. Commercial debtors are sitting at R4.5 million. Agriculture debtors are sitting at R10.4 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 SC2 Monthly Budget Statement - aged debtors - M01 July

| Description | | Budget Year 2026/27 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | NT Code | 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 | Actual Bad Debts Written Off against Debtors | Impairment - Bad Debts i.t.o Council Policy |
| **Debtors Age Analysis By Income Source** | | | | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 1200 | – | – | – | – | – | – | – | – | – | – | | |
| Trade and Other Receivables from Exchange Transactions - Electricit | 1300 | 1 603 | 571 | 553 | 542 | 532 | 532 | 525 | 8 069 | 12 927 | 10 200 | | |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 8 674 | 1 854 | 1 682 | 1 814 | 1 745 | 1 551 | 1 422 | 54 852 | 73 594 | 61 384 | | |
| Receivables from Exchange Transactions - Waste Water Managemer | 1500 | – | – | – | – | – | – | – | – | – | – | | |
| Receivables from Exchange Transactions - Waste Management | 1600 | 882 | 263 | 232 | 220 | 209 | 197 | 191 | 6 464 | 8 657 | 7 280 | | |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | 0 | – | – | – | – | – | – | – | 0 | – | | |
| Interest on Arrear Debtor Accounts | 1810 | – | – | – | – | – | – | – | – | – | – | | |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditur | 1820 | – | – | – | – | – | – | – | – | – | – | | |
| Other | 1900 | 22 | – | – | – | – | – | – | 3 | 25 | 3 | | |
| **Total By Income Source** | **2000** | **11 180** | **2 688** | **2 467** | **2 576** | **2 486** | **2 280** | **2 138** | **69 388** | **95 203** | **78 868** | **–** | **–** |
| **2025/26 - totals only** | | | | | | | | | | – | – | | |
| **Debtors Age Analysis By Customer Group** | | | | | | | | | | | | | |
| Organs of State | 2200 | 2 689 | 609 | 594 | 627 | 568 | 586 | 557 | 12 633 | 15 454 | 14 971 | | |
| Commercial | 2300 | 838 | 139 | 134 | 133 | 128 | 122 | 119 | 3 664 | 4 535 | 4 166 | | |
| Households | 2400 | 7 511 | 1 913 | 1 712 | 1 791 | 1 753 | 1 550 | 1 440 | 52 826 | 64 784 | 59 360 | | |
| Other | 2500 | 143 | 28 | 26 | 25 | 36 | 23 | 21 | 265 | 10 430 | 370 | | |
| **Total By Customer Group** | **2600** | **11 180** | **2 688** | **2 467** | **2 576** | **2 486** | **2 280** | **2 138** | **69 388** | **95 203** | **78 868** | **–** | **–** |

| Debt by Type | Residents | Councillors | Municipal Officials | Industries | Nat. Departments | Prov. Depts | Agric. Farms | Total |
|---|---|---|---|---|---|---|---|---|
| **Water** | | | | | | | | |
| Electricity | 398 819.16 | | - | 327 729.18 | 91 215.81 | 11 981 146.50 | 127 651.20 | 12 926 561.85 |
| Rental | 469.54 | - | | | - | - | | 469.54 |
| Refuse | 8 014 205.82 | - | - | 394 303.16 | 408 978.23 | 212 397.71 | 33 422.52 | 9 063 307.44 |
| Rates | 56 370 108.69 | - | - | 3 812 862.59 | 27 317.75 | 2 732 727.54 | 10 269 382.20 | 73 212 398.77 |
| Other | - | - | - | - | - | - | - | - |
| **Grand Total** | **64 783 603.21** | **-** | **-** | **4 534 894.93** | **527 511.79** | **14 926 271.75** | **10 430 455.92** | **95 202 737.60** |
| **% on Total Debt** | **68.05** | **-** | **-** | **4.76** | **0.55** | **15.68** | **11** | **100.00** |
| | | | | | | | | - |

## Report on Collection

The current month's collection rate is 67%.

| Collection Rate % of billing:July 2026 | | | |
|---|---|---|---|
| | **Billing** | **Receipts** | **%** |
| Electricity | 2 106 893.79 | 1 172 718.04 | 56% |
| Refuse | 608 476.53 | 331 715.01 | 55% |
| Rates | 5 140 369.96 | 3 771 124.42 | 73% |
| Property Rental | 16 766.70 | 8 913.27 | 53% |
| **Total** | **7 872 506.98** | **5 284 470.74** | **67%** |

**Billing VS Collection Per Town**

| Name of Town/ Farm | Billing | Collection | ollection Current Accoun | Collection On Older Debt | Collection % |
|---|---|---|---|---|---|
| Cintsa | 1 780 333.00 | 1 023 328.20 | 696 286.86 | 327 041.34 | 39% |
| East London RD (Farms) | 577 995.47 | 526 295.62 | 166 665.12 | 359 630.50 | 29% |
| Kwelera | 843 537.73 | 435 923.68 | 287 892.77 | 148 030.91 | 34% |
| Haga Haga | 396 917.15 | 272 451.45 | 216 461.25 | 55 990.20 | 55% |
| Kei Mouth | 785 784.97 | 614 219.19 | 302 646.36 | 311 572.83 | 39% |
| Komga | 2 247 625.36 | 540 874.64 | 420 287.58 | 120 587.06 | 19% |
| Komga RD (Farm) | 199 028.63 | 97 648.31 | 48 756.02 | 48 892.29 | 24% |
| Morgan's Bay | 1 031 751.55 | 837 390.34 | 664 533.80 | 172 856.54 | 64% |
| Tainton | 9 533.12 | - | - | | 0% |
| **TOTAL** | **7 872 506.98** | **4 348 131.43** | **2 803 529.76** | **1 544 601.67** | **36%** |

# ITEM [5.1]
# ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEEES

**Allignment of Collection**

| Amount Collected | Collection On Curr | Collection On Older Debt |
|---|---|---|
| 4 348 131.43 | 2 803 529.76 | 1 544 601.67 |

**Collection On Current Billing**

| Month | Billing Amount | Collected Amount | Collection % |
|---|---|---|---|
| July | 7 872 506.98 | 2 803 529.76 | 36% |

**Collection On Old Debt - 30 June 2025**

| Month | Billing Amount | Collected Amount | Collection% |
|---|---|---|---|
| July | 74 110 768.64 | 1 544 601.67 | 2% |

| Number of Clearances Issued | Total Amount |
|---|---|
| 40 | 459 952.58 |
| Number of Transferred Accounts to New Ownership | |
| 22 | |

## SC4: Aged Creditors

EC123 Great Kei - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

| Description<br>R thousands | NT Code | Budget Year 2026/27 | | | | | | | | | 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 | |
| **Creditors Age Analysis By Customer Type** | | | | | | | | | | | |
| Bulk Electricity | 0100 | 2 358 | 115 | – | – | – | – | – | – | **2 473** | 2 319 |
| Bulk Water | 0200 | – | – | – | – | – | – | – | – | – | – |
| PAYE deductions | 0300 | – | – | – | – | – | – | – | – | – | – |
| VAT (output less input) | 0400 | 36 | – | – | – | – | – | – | – | **36** | – |
| Pensions / Retirement deductions | 0500 | – | – | – | – | – | – | – | – | – | – |
| Loan repayments | 0600 | – | – | – | – | – | – | – | – | – | – |
| Trade Creditors | 0700 | 2 061 | – | – | – | – | – | – | 7 498 | **9 559** | 11 556 |
| Auditor General | 0800 | – | – | – | – | – | – | – | – | – | 37 |
| Other | 0900 | 49 | – | – | – | – | – | – | 5 762 | **5 811** | 6 540 |
| Medical Aid deductions | 0950 | – | – | – | – | – | – | – | – | – | – |
| **Total By Customer Type** | **1000** | **4 504** | **115** | – | – | – | – | – | **13 260** | **17 879** | 20 452 |

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

| Supplier Name | Total |
|---|---|
| Amathole - EC District Municipality | R 7 497 965.88 |
| Compensation Fund | R 5 761 876.38 |
| ESKOM | R 2 357 877.81 |
| Qumbiso Construction | R 763 674.98 |
| **TOTAL TOP CREDITORS** | **R 16 381 395.05** |

Other trade creditors amount to R 1 497 531.95 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.

# ITEM [5.1]
# ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEEES

## 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 July 2026, the municipality had a favorable operating bank balance of R400 307.52 and call deposits amounting to R123 086 476.31.

EC123 Great Kei - Supporting Table SC16 Monthly Budget Statement - Investment Portfolio - M01 July

| Investments by maturity<br>Name of institution & investment ID | Ref | Period of Investment | Type of Investment | Capital Guarantee (Yes/ No) | Variable or Fixed interest rate | Interest Rate ³ | Commission Paid (Rands) | Commission Recipient | Expiry date of investment | Opening balance | Interest to be realised | Partial / Premature Withdrawal (4) | Investment Top Up | Closing Balance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Yrs/Months | | | | | | | | | | | | |
| **Municipality** | | | | | | | | | | | | | | |
| 1 Standard Bank | | 144 M | Deposit-Bank | Yes | Variable | 1 | 0 | | 09 January 2030 | 8 285 | 40 | – | – | 8 325 |
| 2 Standard Bank | | 144 M | Deposit-Bank | Yes | Variable | 1 | 0 | | 09 January 2030 | 1 069 | 5 | – | – | 1 073 |
| 3 Standard Bank | | 144 M | Deposit-Bank | Yes | Variable | 1 | 0 | | 09 January 2030 | 135 | – | – | 20 000 | 20 135 |
| 4 Standard Bank | | 144 M | Deposit-Bank | Yes | Variable | 1 | 0 | | 09 January 2030 | 33 496 | 193 | – | – | 33 689 |
| 5 Standard Bank | | 144 M | Deposit-Bank | Yes | Variable | 1 | 0 | | 09 January 2030 | 654 | | – | 1 | 655 |
| 6 Standard Bank | | 144 M | Deposit-Bank | Yes | Variable | 1 | 0 | | 09 January 2030 | 3 717 | 21 | – | – | 3 739 |
| Standard Bank | | | Deposit-Bank | Yes | Variable | | | | 09 January 2030 | 50 000 | | | | 50 000 |
| FNB | | | Call Account | Yes | Variable | | | | 09 January 2030 | 5 | 0 | | | 5 |
| 13 FNB | | 127 M | Call Account | Yes | Variable | 6.15 | 0 | | 09 January 2030 | 5 465 | – | – | – | 5 465 |
| **Municipality sub-total** | | | | | | | | | | **102 827** | **259** | **–** | **20 001** | **123 086** |
| **Entities sub-total** | | | | | | | | | | **–** | **–** | **–** | **–** | **–** |
| **TOTAL INVESTMENTS AND INTEREST** | 2 | | | | | | | | | **102 827** | **259** | **–** | **20 001** | **123 086** |

# ITEM [5.1]
# ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEEES

## Table SC18: Grants Received

The table below reflects conditional grants received to date, totaling R28.2 million.

**EC123 Great Kei - Supporting Schedule SC18 Monthly Budget Statement - Transfers and Grant Receipts - M01 July**

| Description | Ref | 2025/26 | Budget Year 2026/27 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| R thousands | | | | | | | | | % | |
| RECEIPTS | 1.2 | | | | | | | | | |
| Operating | | | | | | | | | | |
| National Government | | | | | | | | | | |
| Monetary Allocations | | | | | | | | 17 885 | #DIV/0! | |
| *Equitable Share* | | 55 269 | 54 214 | – | 22 589 | 22 589 | 4 518 | 18 071 | 400.0% | 54 214 |
| *Expanded Public Works Programme Integrated Grant* | | 1 327 | 1 351 | – | 96 | 96 | 113 | (17) | -14.7% | 1 351 |
| *Local Government Financial Management Grant* | | 2 400 | 2 600 | – | 47 | 47 | 217 | (170) | -78.5% | 2 600 |
| *Municipal Infrastructure Grant* | | 644 | – | – | – | – | – | – | | – |
| Total Monetary Allocations | | 59 640 | 58 165 | - | 22 732 | 22 732 | 4 847 | 17 885 | 369.0% | 58 165 |
| Total Operating/National Government | | 59 640 | 58 165 | - | 22 732 | 22 732 | 4 847 | 17 885 | 369.0% | 58 165 |
| Provincial Government | | | | | | | | – | | |
| Monetary Allocations | | | | | | | | – | | |
| *Specify (Add grant description)* | | 844 | 0 | – | – | – | 0 | (0) | -100.0% | 0 |
| | | | | | | | | – | | |
| Total Monetary Allocations | | 844 | 0 | - | - | - | 0 | (0) | -100.0% | 0 |
| Total Operating/Provincial Government | | 844 | 0 | - | - | - | 0 | 53 654 | 5365373600.0% | 0 |
| District Municipalities | | | | | | | | | | |
| Monetary Allocations | | | | | | | | | | |
| *Other transfers/grants [insert description]* | | | | | | | | – | | |
| | | | | | | | | – | | |
| Total Monetary Allocations | | - | - | - | - | - | - | – | | - |
| Allocations In-kind | | | | | | | | – | | |
| *Other transfers/grants [insert description]* | | | | | | | | – | | |
| | | | | | | | | – | | |
| Total Allocations In-kind | | - | - | - | - | - | - | – | | - |
| Total Operating/District Municipalities | | - | - | - | - | - | - | – | | - |
| Other Grant Providers | | | | | | | | – | | |
| Monetary Allocations | | | | | | | | – | | |
| *Council for Medical Schemes* | | – | – | – | – | – | – | – | | – |
| *National Library South Africa* | | 757 | 862 | – | – | – | 72 | (72) | -100.0% | 862 |
| *South Africa Housing Fund* | | – | – | – | – | – | – | – | | – |
| | | | | | | | | – | | |
| | | | | | | | | – | | |
| Total Monetary Allocations | | 757 | 862 | - | - | - | 72 | (72) | -100.0% | 862 |
| Allocations In-kind | | | | | | | | – | | |
| *[insert description]* | | | | | | | | | | |
| Total Allocations In-kind | | - | - | - | - | - | - | 53 654 | #DIV/0! | - |
| Total Operating/Other Grant Providers | | 757 | 862 | - | - | - | 72 | | | 862 |
| Total Operating | 5 | 61 240 | 59 027 | - | 22 732 | 22 732 | 4 919 | | | 59 027 |
| Capital | | | | | | | | | | |
| National Government | | | | | | | | | | |
| Monetary Allocations | | | | | | | | | | |
| *Integrated National Electrification Programme Grant* | | 7 312 | 4 335 | – | – | – | 361 | | | 4 335 |
| *Municipal Disaster Recovery Grant* | | 11 929 | 14 500 | – | 4 642 | 4 642 | 1 208 | | | 14 500 |
| *Municipal Disaster Response Grant* | | 27 576 | – | – | – | – | – | | | – |
| *Municipal Infrastructure Grant* | | 12 231 | 12 980 | – | 815 | 815 | 1 082 | | | 12 980 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Total Monetary Allocations | | 59 049 | 31 815 | - | 5 457 | 5 457 | 2 651 | | | 31 815 |
| Total Capital/National Government | | 59 049 | 31 815 | - | 5 457 | 5 457 | 2 651 | | | 31 815 |
| Provincial Government | | | | | | | | | | |
| Total Allocations In-kind | | - | - | - | - | - | - | | | - |
| Total Capital/Other Grant Providers | | - | - | - | - | - | - | | | - |
| Total Capital | 5 | 59 049 | 31 815 | - | 5 457 | 5 457 | 2 651 | | | 31 815 |
| TOTAL RECEIPTS OF TRANSFERS AND GRANTS | | 120 289 | 90 842 | - | 28 189 | 28 189 | 7 570 | | | 90 842 |

# ITEM [5.1]
# ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEEES

## Table SC19: Grants expenditure

**EC123 Great Kei - Supporting Schedule SC19 Monthly Budget Statement - Expenditure on Transfers and Grants - M01 July**

| Description | Ref | 2025/26 | Budget Year 2026/27 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| R thousands | | | | | | | | | % | |
| **EXPENDITURE** | 1 | | | | | | | | | |
| **Operating** | | | | | | | | | | |
| **National Government** | | | | | | | | | | |
| **Monetary Allocations** | | | | | | | | | | |
| *Equitable Share* | | 43 506 | 37 205 | – | 1 263 | 1 263 | 3 101 | (1 838) | -59.3% | 37 205 |
| *Expanded Public Works Programme Integrated Grant* | | 3 133 | 1 351 | – | 96 | 96 | 113 | (17) | -14.7% | 1 351 |
| *Local Government Financial Management Grant* | | 11 695 | 2 326 | – | 47 | 47 | 194 | (147) | -76.0% | 2 326 |
| *Municipal Infrastructure Grant* | | 1 | 649 | – | – | – | 54 | (54) | -100.0% | 649 |
| **Total Monetary Allocations** | | **58 336** | **41 531** | **-** | **1 406** | **1 406** | **3 461** | **(2 055)** | -59.4% | **41 531** |
| **Total National Government** | | **58 336** | **41 531** | **-** | **1 406** | **1 406** | **3 461** | **(2 055)** | -59.4% | **41 531** |
| **Other Grant Providers** | | | | | | | | | | |
| **Monetary Allocations** | | | | | | | | | | |
| *Clerical Assist (Pole Parties)* | | – | – | – | – | – | – | – | | – |
| *National Library South Africa* | | (348) | 0 | – | 148 | 148 | 0 | 148 | 7396350.0% | 0 |
| *National Library South Africa* | | 77 | 730 | – | 24 | 24 | 61 | (37) | -60.2% | 730 |
| *Transfer from Operational Revenue* | | – | – | – | – | – | – | – | | – |
| | | | | | | | | – | | |
| **Total Monetary Allocations** | | **(271)** | **730** | **-** | **172** | **172** | **61** | **111** | **0** | **730** |
| **Allocations In-kind** | | | | | | | | | | |
| *Other transfers/grants [insert description]* | | | | | | | | – | | |
| **Total Allocations In-kind** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | | **-** |
| **Total Operating/Other Grant Providers** | | **(271)** | **730** | **-** | **172** | **172** | **61** | **111** | **0** | **730** |
| **Total operating expenditure of Transfers and Grants** | | **58 065** | **42 260** | **-** | **1 578** | **1 578** | **3 522** | **(1 944)** | **(0)** | **42 260** |
| **Capital** | | | | | | | | | | |
| **National Government** | | | | | | | | | | |
| **Monetary Allocations** | | | | | | | | | | |
| *Equitable Share* | | – | – | – | – | – | – | – | | – |
| *Integrated National Electrification Programme Grant* | | 6 564 | 3 770 | – | – | – | 314 | (314) | -100.0% | 3 770 |
| *Municipal Disaster Recovery Grant* | | 67 233 | 12 609 | – | 4 642 | 4 642 | 1 051 | 3 591 | 341.8% | 12 609 |
| *Municipal Disaster Response Grant* | | – | – | – | – | – | – | – | | – |
| *Municipal Infrastructure Grant* | | 10 516 | 10 723 | – | 815 | 815 | 894 | (79) | -8.8% | 10 723 |
| | | | | | | | | – | | |
| **Total Monetary Allocations** | | **84 313** | **27 101** | **-** | **5 457** | **5 457** | **2 258** | **3 199** | | **27 101** |
| **Total National Government** | | **84 313** | **27 101** | **-** | **5 457** | **5 457** | **2 258** | **3 199** | | **27 101** |
| **Provincial Government** | | | | | | | | | | |
| **Monetary Allocations** | | | | | | | | | | |
| *Government Motor Transport* | | – | – | – | – | – | – | – | | – |
| *Human Settlement Re-development Programme* | | – | – | – | – | – | – | – | | – |
| *National Library South Africa* | | – | – | – | – | – | – | – | | – |
| *Transfer from Operational Revenue* | | 9 149 | 18 218 | – | – | – | 1 518 | | | 18 218 |
| *Transfer from Operational Revenue* | | 9 149 | 18 218 | – | – | – | 1 518 | | | 18 218 |
| **Total Monetary Allocations** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | | **-** |
| **Allocations In-kind** | | | | | | | | | | |
| | | | | | | | | – | | |
| **Total Allocations In-kind** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | | **-** |
| **Total Capital/Other Grant Providers** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | | **-** |
| **Total capital expenditure of Transfers and Grants** | | **84 313** | **27 101** | **-** | **5 457** | **5 457** | **2 258** | **3 199** | | **27 101** |
| **TOTAL EXPENDITURE OF TRANSFERS AND GRANTS** | | **142 378** | **69 361** | **-** | **7 035** | **7 035** | **5 781** | **1 255** | | **69 361** |

# ITEM [5.1]
# ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEEES

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

- The Finance Management Grant's (FMG) year-to-date expenditure is R46 thousand 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 R96 thousand for casual work and poverty alleviation projects
- The municipality has applied for a rollover of R156 thousand for DEDEAT.
- MIG year-to-date expenditure amounts to R814 thousand for capital project implementation and operational costs.
- In the current year the Municipal Disaster Recovery Grant (MDRG) Rollover expenditure amounts to R4.4 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 | R 2 600 000.00 | R - | R - | R 46 615.09 | -R 46 615.09 | 2% |
| EPWP | R 1 351 000.00 | R - | R - | R 96 062.08 | -R 96 062.08 | 7% |
| DEDEAT ROLLOVER | R 156 500.01 | | R 156 500.01 | R - | R 156 500.01 | 0% |
| INEP | R 4 335 000.00 | R - | R - | R - | R - | 0% |
| MIG | R 12 980 000.00 | R - | R 3 894 000.00 | R 814 984.28 | R 3 079 015.72 | 6% |
| MDRG - Roll Over | R 17 070 915.74 | R - | R 17 070 915.74 | R 4 485 539.79 | R 12 585 375.95 | 26% |
| | | | | | | |
| | | | | | | |
| **Totals** | **38 493 416** | **-** | **21 121 416** | **5 443 201** | **15 678 215** | **14%** |

# ITEM [5.1]
# ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEEES

## Table SC8: Expenditure on councilors, employees, and managers

Table SC8 shows the performance of staff costs and councilors' remuneration as of July 2026.

**EC123 Great Kei - Supporting Table SC22 Monthly Budget Statement - councillor and staff benefits - M01 July**

| Summary of Employee and Councillor remuneration<br>R thousands | Ref | 2025/26 | Budget Year 2026/27 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| | 1 | A | B | C | | | | | | D |
| **Councillors (Political Office Bearers plus Other)** | | | | | | | | | | |
| **Allowances and Service Related Benefits** | | | | | | | | | | |
| Basic Salary | | 4 073 | 4 261 | – | 336 | 336 | 355 | (19) | -5% | 4 261 |
| Cell phone Allowance | | 570 | 642 | – | 44 | 44 | 53 | (9) | -18% | 642 |
| Travelling Allowance | | 1 312 | 1 402 | – | 112 | 112 | 117 | (5) | -4% | 1 402 |
| Use of Personal Facilities | | – | – | – | – | – | – | – | | – |
| **Total Allowances and Service Related Benefits** | | **5 955** | **6 305** | **-** | **492** | **492** | **525** | **(33)** | -6% | **6 305** |
| **Social Contributions** | | | | | | | | | | |
| **Total Councillors** | | **5 955** | **6 305** | **-** | **492** | **492** | **525** | **(33)** | -6% | **6 305** |
| **% increase** | 4 | | | | | | | | | |
| **Senior Managers of the Municipality** | 2 | | | | | | | | | |
| **Salaries and Allowances** | | | | | | | | | | |
| Basic Salary | | 3 388 | 4 301 | – | 264 | 264 | 358 | (95) | -26% | 4 301 |
| Bonuses | | 1 029 | 1 181 | – | 25 | 25 | 98 | (74) | -75% | 1 181 |
| **Allowance** | | | | | | | | – | | |
| Housing Benefits | 3 | 606 | 690 | – | 51 | 51 | 57 | (7) | -12% | 690 |
| Non-pensionable | | – | – | – | – | – | – | – | | – |
| Travel or Motor Vehicle | 3 | 1 270 | 1 503 | – | 106 | 106 | 125 | (19) | -15% | 1 503 |
| Voluntary Work | | – | – | – | – | – | – | | | – |
| **Total Allowance** | | **1 876** | **2 193** | **-** | **156** | **156** | **183** | **(26)** | -14% | **2 193** |
| **Service Related Benefits** | | | | | | | | | | |
| **Total Salaries and Allowances** | | **6 293** | **7 675** | **-** | **445** | **445** | **640** | **(195)** | -30% | **7 675** |
| **Social Contributions** | | | | | | | | | | |
| Unemployment Insurance | | 9 | 9 | – | 1 | 1 | 1 | (0) | -7% | 9 |
| **Total Social Contributions** | | **9** | **9** | **-** | **1** | **1** | **1** | **(0)** | -7% | **9** |
| **Post-retirement Benefit** | 6 | | | | | | | | | |
| **Sub Total - Senior Managers of Municipality** | | **6 301** | **7 684** | **-** | **445** | **445** | **640** | **(195)** | -30% | **7 684** |
| **% increase** | 4 | | | | | | | | | |
| **Other Municipal Staff** | | | | | | | | | | |
| **Salaries and Allowances** | | | | | | | | | | |
| Basic Salary | | 44 242 | 40 453 | – | 3 301 | 3 301 | 3 371 | (70) | -2% | 40 453 |
| Bonuses | | 758 | 541 | – | – | – | 45 | (45) | -100% | 541 |
| **Allowance** | | | | | | | | | | |
| Accommodation, Travel and Incidental | | – | – | – | – | – | – | – | | – |
| Cellular and Telephone | 3 | – | – | – | – | – | – | – | | – |
| Housing Benefits | 3 | 125 | 118 | – | 10 | 10 | 10 | (0) | 0% | 118 |
| Non-pensionable | | – | – | – | – | – | – | – | | – |
| Travel or Motor Vehicle | 3 | 495 | 431 | – | 36 | 36 | 36 | (0) | 0% | 431 |
| Voluntary Work | | – | – | – | – | – | – | – | | – |
| **Total Allowance** | | **620** | **549** | **-** | **46** | **46** | **46** | **(0)** | 0% | **549** |
| **Service Related Benefits** | | | | | | | | | | |
| Acting | 3 | – | – | – | – | – | – | – | | – |
| Bonus | 3 | 3 303 | 2 712 | – | – | – | 226 | (226) | -100% | 2 712 |
| Danger Allowance | 3 | 351 | 185 | – | 15 | 15 | 15 | (1) | -5% | 185 |
| Leave Pay | 3 | 434 | – | – | – | – | – | – | | – |
| Lifeguard/Duty Squads | | – | – | – | – | – | – | – | | – |
| Long Service Award | | (411) | 0 | – | – | – | 0 | (0) | -100% | 0 |
| Overtime | | 2 963 | 2 274 | – | 119 | 119 | 190 | (71) | -37% | 2 274 |
| **Total Service Related Benefits** | | **6 641** | **5 170** | **-** | **134** | **134** | **431** | **(297)** | -69% | **5 170** |
| **Total Salaries and Allowances** | | **52 262** | **46 713** | **-** | **3 480** | **3 480** | **3 893** | **(413)** | -11% | **46 713** |
| **Social Contributions** | | | | | | | | | | |
| Bargaining Council | | 20 | 18 | – | 1 | 1 | 2 | (0) | -10% | 18 |
| Group Life Insurance | | – | – | – | – | – | – | – | | – |
| Medical | | 4 682 | 4 149 | – | 331 | 331 | 346 | (14) | -4% | 4 149 |
| Pension | | 7 427 | 6 724 | – | 556 | 556 | 560 | (4) | -1% | 6 724 |
| Unemployment Insurance | | 314 | 279 | – | 24 | 24 | 23 | 0 | 2% | 279 |
| **Total Social Contributions** | | **12 443** | **11 169** | **-** | **913** | **913** | **931** | **(18)** | -2% | **11 169** |
| **Post-retirement Benefit** | 6 | | | | | | | | | |
| Medical | | 1 770 | 253 | – | 20 | 20 | 21 | (1) | -5% | 253 |
| Other Benefits | | – | – | – | – | – | – | – | | – |
| Pension | | – | – | – | – | – | – | – | | – |
| **Total Post-retirement Benefit** | | **1 770** | **253** | **-** | **20** | **20** | **21** | **(1)** | | **253** |
| Costs Capitalised to PPE | | – | – | – | – | – | – | – | | – |
| **Sub Total - Other Municipal Staff** | | **66 475** | **58 135** | **-** | **4 413** | **4 413** | **4 845** | **(432)** | | **58 135** |
| **% increase** | 4 | | | | | | | | | |
| **Total Parent Municipality** | | **78 732** | **72 125** | **-** | **5 351** | **5 351** | **6 011** | **(660)** | -11% | **72 125** |
| **TOTAL SALARY, ALLOWANCES & BENEFITS** | | **78 732** | **72 125** | **-** | **5 351** | **5 351** | **6 011** | **(660)** | | **72 125** |
| **% increase** | 4 | | | | | | | | | |
| **TOTAL MANAGERS AND STAFF** | 5,7 | **72 777** | **65 820** | **-** | **4 858** | **4 858** | **5 485** | **(627)** | | **65 820** |

# ITEM [5.1]
# ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEEES

## REPORT ON IRREGULAR, FRUITLESS, WASTEFUL, AND UNAUTHORISED EXPENDITURE AS OF JULY 2026

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

## FINANCIAL IMPLICATIONS

None

## STAFF IMPLICATIONS

None

## ANNEXURE

- Annexure A: Schedule C Report – July 2026.

## RECOMMENDATION

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

## SUBMITTED FOR NOTING