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

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

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

PURPOSE

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

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 - M11 May

Description	2024/25	Budget Year 2025/26							
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	35 180	54 888	53 388	3 915	36 494	48 939	(12 445)	-25%	53 388
Service charges	18 224	17 891	20 301	1 907	20 389	18 673	1 717	9%	20 301
Investment revenue	6 525	6 733	6 733	–	4 857	6 172	(1 315)	-21%	6 733
Transfers and subsidies - Operational	60 484	61 753	60 753	222	60 511	55 683	4 828	0	60 753
Other own revenue	7 874	12 065	11 818	1 522	9 262	10 601	(1 339)	-13%	11 818
Total Revenue (excluding capital transfers and contributions)	**128 287**	**153 330**	**152 994**	**7 566**	**131 513**	**140 068**	**(8 555)**	**-6%**	**152 994**
Employee costs	64 366	55 678	57 181	4 686	52 156	52 326	(170)	-0%	57 181
Remuneration of Councillors	5 923	5 738	6 057	492	5 463	5 519	(57)	-1%	6 057
Depreciation and amortisation	18 966	20 848	14 614	–	6 678	12 020	(5 343)	-44%	14 614
Interest	1 329	–	–	–	–	–	–		–
Inventory consumed and bulk purchases	14 789	16 555	19 628	1 393	17 406	18 019	(613)	-3%	19 628
Transfers and subsidies	–	450	713	–	197	598	(401)	-67%	713
Other expenditure	30 039	33 699	35 608	1 317	24 547	31 982	(7 435)	-23%	35 608
Total Expenditure	**135 411**	**132 968**	**133 801**	**7 888**	**106 447**	**120 465**	**(14 018)**	**-12%**	**133 801**
Surplus/(Deficit)	**(7 125)**	**20 362**	**19 193**	**(322)**	**25 066**	**19 602**	**5 463**	**28%**	**19 193**
Transfers and subsidies - capital (monetary	39 766	39 267	58 267	4 800	34 234	50 755	(16 521)	-33%	58 267
Transfers and subsidies - capital (in-kind)	3 500	–	–	–	2 800	–	2 800	#DIV/0!	–
Surplus/(Deficit) after capital transfers & contributions	**36 142**	**59 629**	**77 460**	**4 477**	**62 100**	**70 358**	**(8 258)**	**-12%**	**77 460**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**36 142**	**59 629**	**77 460**	**4 477**	**62 100**	**70 358**	**(8 258)**	**-12%**	**77 460**
Capital expenditure & funds sources									
Capital expenditure	**50 945**	**45 277**	**64 480**	**3 992**	**38 143**	**55 249**	**(17 106)**	**-31%**	**64 480**
Capital transfers recognised	40 591	33 585	50 267	3 429	28 601	42 371	(13 770)	-32%	50 267
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**10 353**	**11 691**	**14 213**	**563**	**9 541**	**12 877**	**(3 336)**	**-26%**	**14 213**
Total sources of capital funds	**50 945**	**45 277**	**64 480**	**3 992**	**38 143**	**55 249**	**(17 106)**	**-31%**	**64 480**
Financial position									
Total current assets	107 778	88 817	88 817		141 368				88 817
Total non current assets	394 828	486 566	505 769		434 953				505 769
Total current liabilities	76 423	12 091	(6 089)		82 697				(6 089)
Total non current liabilities	32 519	20 789	20 789		32 519				20 789
Community wealth/Equity	**389 358**	**59 629**	**77 460**		**461 108**				**77 460**
Cash flows									
Net cash from (used) operating	(94 585)	68 910	68 910	(11 439)	(32 304)	79 503	111 807	141%	68 910
Net cash from (used) investing	–	(52 068)	(52 068)	(5 500)	(46 406)	(47 729)	(1 323)	3%	(52 068)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**(23 937)**	**64 285**	**64 285**	**(16 939)**	**5 402**	**79 217**	**73 815**	**93%**	**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	8 579	2 994	2 728	2 500	2 293	2 321	2 080	67 814	91 308
Creditors Age Analysis									
Total Creditors	1 575	–	–	–	–	–	309	13 743	15 626

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OPERATING REVENUE

Total revenue, including operational grants to date, amounts to R131.5 million, compared to the anticipated R140 million. However, total receipts of transfers and conditional grant revenue to date amount to R94.7 million.

Total revenue, including government grants and subsidies, amounts to R226.2 million.

Cash receipts on operating revenue, excluding grants and VAT refunds, total R62.4 million.

i) Property Rates

Property rates year-to-date billing amounts to R 36.5 million, compared to the anticipated YTD budget of R48.9 million. This indicates 25% underperformance. Property rates remain the municipality's largest own revenue source.

The cash received to date for rates billing is R44.5 million, including old debt.

ii) Refuse Services

The year-to-date refuse revenue amounts to R5.4 million, while the YTD budget is R4.7 million. This is an overperformance of 14%. 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 R4.3 million.

iii) Electricity Services

Year-to-date electricity billed amounts to R15 million. The anticipated budgeted revenue amounted to R13.9 million, which indicates an 8% 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 R11.8 million. (Conventional R3.8 million and Prepaid R8.2 million)

SURPLUS/ DEFICIT ON SALE OF ELECTRICITY 2025/26 FY			
Sales	**Conventional**	**Prepaid**	**Total**
July	260 701.99	769 160.33	1 029 862.32
August	369 776.69	749 439.31	1 119 216.00
September	218 705.17	807 820.74	1 026 525.91
October	318 643.24	783 483.00	1 102 126.24
November	150 707.78	638 871.27	789 579.05
December	681 518.96	811 176.47	1 492 695.43
January	340 917.41	725 778.56	1 066 695.97
February	124 314.48	640 490.70	764 805.18
March	451 847.22	805 440.98	1 257 288.20
April	324 183.78	700 724.37	1 024 908.15
May	333 874.35	748 792.00	1 082 666.35
Total Sales	**3 575 191.07**	**8 181 177.73**	**11 756 368.80**
Costs Eskom Bulk			**Total**
July			2 154 047.24
August			2 398 398.43
September			1 871 682.05
October			1 565 004.59
November			1 525 140.12
December			1 466 544.03
January			1 452 062.08
February			1 524 465.74
March			1 444 125.93
April			1 515 004.27
May			1 538 257.77
Total Costs			**18 454 732.25**
Deficit			- **6 698 363.45**

iv) Interest on investments

Interest earned on external investments to date amounts to R4.9 million. With an anticipated budget of R6.2 million, which indicates a 21% 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 R4.7 million (*Exchange transactions: R 1 396 927.94; non-exchange transactions: R 3 263 401.98). The interest billed is less than the prior year.*

vi) Licences and permits

Movement on this line item to date amounts to R983 thousand. YTD budget amounts to R2.3 million. This indicates a year-to-date variance of 57%, 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 R9 million. An amount of R 708 908.62 has been submitted to SARS and is receivable as of 31 May 2026**.**

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OPERATING EXPENDITURE

At the end of May 2026, the total expenditure amounts to R106.4 million, while the YTD budget amounts to R120.5 million. This indicates a year-to-date variance of 12%.

i) Employee Costs

The year-to-date movement of employee-related costs amounts to R52 million, while the YTD budget amounts to R52 million. This is a YTD variance of 0%.

ii) Remuneration of councillors

The YTD budget for councillors' allowances is R5.4 million, and the actual spending to date is R5.5 million. This indicates a year-to-date variance of 1%.

iii) Bulk Electricity

Expenditure for bulk electricity purchases is budgeted at R16.3 million, and the spending to date is R16 million excluding VAT. This indicates a year-to-date variance of -1%. The May 2026 invoice for Eskom Bulk amounts to R 1 538 257.77. The electricity service is being rendered at a deficit, as the billed cost of bulk purchases exceeded the billed revenue of R6.7 million.

iv) Contracted Services

The expenditure incurred on this line amounts to R7.7 million compared to the YTD budget of R8.7 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 May 2026, operational costs amount to R16.8 million, while the YTD budget amounts to R22.1 million. This is a YTD variance of -24%. 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 R12 million, and the expense recognized or accounted for to date is R6.7 million. This indicates a year-to-date variance of 44%.

CAPITAL EXPENDITURE [SEE C5 TABLE BELOW]

The YTD budget on Capital expenditure is R55.2 million, and the movement to date is at R38.1 million. The variance between the budget and actual translates to overperformance of 31%.

STATEMENT OF FINANCIAL POSITION [SEE C6 TABLE BELOW]

Accumulated surplus as of 31 May 2026 is R339 million. The surplus as at the end of May 2026 is R62.9 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 R110.9 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) - A - M11 May

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousand		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - Office of the Municipal Manager		**209**	**1**	**1**	**17**	**179**	**1**	178	16513%	**1**
1.1 - Directorate: Corporate Services		–	–	–	–	–	–	–		–
1.2 - Directorate: Budget and Treasury		–	–	–	–	–	–	–		–
1.3 - Directorate: Strategic Services		–	–	–	–	–	–	–		–
1.4 - Directorate: Technical and Community services		–	–	–	–	–	–	–		–
1.5 - Internal Audit		–	–	–	–	–	–	–		–
1.6 - Legal Services		209	1	1	17	179	1	178	16513%	1
1.7 - Risk		–	–	–	–	–	–	–		–
1.8 - All		–	–	–	–	–	–	–		–
Vote 2 - Directorate: Budget and Treasury		**122 341**	**134 036**	**152 366**	**9 992**	**115 109**	**138 072**	(22 964)	-17%	**152 366**
2.1 - Expenditure and Payroll		–	–	–	–	–	–	–		–
2.2 - Revenue and Debt Management		11 039	16 952	16 862	1 197	7 523	15 457	(7 933)	-51%	16 862
2.3 - Budget and Reporting		84 783	117 084	135 504	5 584	73 212	122 616	(49 404)	-40%	135 504
2.4 - Supply chain Management and Asset Management		(1 363)	–	–	–	–	–	–		–
2.5 - Information Technology		27 884	–	–	3 211	34 373	–	34 373	#DIV/0!	–
2.6 - Compliance and AFS		–	–	–	–	–	–	–		–
Vote 3 - Directorate: Corporate Services		**89**	**–**	**–**	**–**	**110**	**–**	110	#DIV/0!	**–**
3.1 - Human Resource		89	–	–	–	110	–	110	#DIV/0!	–
3.2 - Administration and council support		–	–	–	–	–	–	–		–
Vote 4 - Directorate: Strategic Services		**670**	**1 471**	**1 471**	**132**	**603**	**1 348**	(745)	-55%	**1 471**
4.9 - Town planning and Human Settlement		670	1 471	1 471	132	603	1 348	(745)	-55%	1 471
0								–		
Vote 5 - Directorate: Technical Service & Community Serv		**48 243**	**57 089**	**57 423**	**2 224**	**52 545**	**51 401**	1 144	2%	**57 423**
5.1 - Technical Services		41 087	46 990	47 481	1 685	44 567	42 427	2 140	5%	47 481
5.2 - Solid Waste Management		6 096	5 061	6 061	549	6 344	5 649	695	12%	6 061
5.3 - Law Enforcement		227	3 061	2 905	(20)	357	2 430	(2 073)	-85%	2 905
5.4 - Community Services		833	1 977	977	10	1 277	895	382	43%	977
Total Revenue by Vote	2	**171 553**	**192 597**	**211 261**	**12 366**	**168 547**	**190 823**	(22 276)	-12%	**211 261**
Expenditure by Vote	1							–		
Vote 1 - Office of the Municipal Manager		**–**	**–**	**0**	**–**	**–**	**0**	(0)	-100%	**0**
1.1 - Directorate: Corporate Services		–	–	–	–	–	–	–		–
1.2 - Directorate: Budget and Treasury		–	–	–	–	–	–	–		–
1.3 - Directorate: Strategic Services		–	–	0	–	–	0	(0)	-100%	0
Vote 2 - Directorate: Budget and Treasury		**44 870**	**42 956**	**40 478**	**1 524**	**29 269**	**35 659**	(6 390)	-18%	**40 478**
2.1 - Expenditure and Payroll		2 337	–	–	–	–	–	–		–
2.2 - Revenue and Debt Management		5 002	–	–	–	–	–	–		–
2.3 - Budget and Reporting		31 843	42 956	40 422	1 524	26 606	35 609	(9 004)	-25%	40 422
2.4 - Supply chain Management and Asset Management		5 704	–	50	–	2 663	45	2 618	5818%	50
2.5 - Information Technology		(16)	–	6	–	–	5	(5)	-100%	6
Vote 3 - Directorate: Corporate Services		**5 150**	**11 112**	**10 873**	**717**	**8 414**	**10 292**	(1 878)	-18%	**10 873**
3.1 - Human Resource		5 150	11 112	10 873	717	8 414	10 292	(1 878)	-18%	10 873
Vote 4 - Directorate: Strategic Services		**20 382**	**21 197**	**22 745**	**1 598**	**17 910**	**20 386**	(2 476)	-12%	**22 745**
4.1 - Office of the Mayor		5 978	5 738	6 057	497	5 670	5 519	151	3%	6 057
4.6 - IDP		9 301	9 767	10 123	714	8 392	9 200	(808)	-9%	10 123
4.8 - LED		3 084	2 670	3 288	251	2 226	2 754	(528)	-19%	3 288
4.9 - Town planning and Human Settlement		2 019	3 022	3 277	136	1 622	2 912	(1 290)	-44%	3 277
Vote 5 - Directorate: Technical Service & Community Serv		**65 285**	**57 703**	**59 705**	**4 050**	**50 855**	**54 128**	(3 274)	-6%	**59 705**
5.1 - Technical Services		38 878	34 411	35 862	2 528	34 169	32 515	1 653	5%	35 862
5.2 - Solid Waste Management		8 654	13 522	13 996	805	8 567	12 585	(4 018)	-32%	13 996
5.3 - Law Enforcement		13 824	9 014	9 090	705	7 667	8 382	(715)	-9%	9 090
5.4 - Community Services		3 929	757	757	12	452	646	(194)	-30%	757
Total Expenditure by Vote	2	**135 686**	**132 968**	**133 801**	**7 888**	**106 447**	**120 465**	**(14 018)**	**(0)**	**133 801**
Surplus/ (Deficit) for the year	2	**35 867**	**59 629**	**77 460**	**4 477**	**62 100**	**70 358**	**(8 258)**	**(0)**	**77 460**

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) - M11 May

Description	Ref	2024/25	Budget Year 2025/26						
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		14 081	13 830	15 240	1 418	15 001	13 932	1 069	8%	15 240
Service charges - Water		–	–	–	–	–	–	–		–
Service charges - Waste Water Management		–	–	–	–	–	–	–		–
Service charges - Waste management		4 143	4 061	5 061	489	5 389	4 740	648	14%	5 061
Sale of Goods and Rendering of Services		1 035	1 185	1 095	146	876	1 004	(128)	-13%	1 095
Agency services		422	705	705	(20)	341	646	(305)	-47%	705
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		1 125	1 126	1 126	149	1 397	1 032	365	35%	1 126
Interest from Current and Non Current Assets		6 525	6 733	6 733	–	4 857	6 172	(1 315)	-21%	6 733
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		375	214	214	27	208	196	12	6%	214
Licence and permits		984	2 906	2 750	87	983	2 288	(1 305)	-57%	2 750
Special rating levies		–	–	–	–	–	–	–		–
Operational Revenue		147	53	53	5	957	49	909	1870%	53
Non-Exchange Revenue								–		
Property rates		35 180	54 888	53 388	3 915	36 494	48 939	(12 445)	-25%	53 388
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		710	200	200	55	427	183	244	133%	200
Licence and permits		–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		60 484	61 753	60 753	222	60 511	55 683	4 828	9%	60 753
Interest		4 947	5 676	5 676	264	3 263	5 203	(1 939)	-37%	5 676
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		(193)	–	–	–	–	–	–		–
Other Gains		(1 678)	–	0	809	809	0	809	80936600%	0
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**128 287**	**153 330**	**152 994**	**7 566**	**131 513**	**140 068**	**(8 555)**	**-6%**	**152 994**

Operating expenditure by type

EC123 Great Kei - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		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		64 366	55 678	57 181	4 686	52 156	52 326	(170)	0%	57 181
Remuneration of councillors		5 923	5 738	6 057	492	5 463	5 519	(57)	-1%	6 057
Bulk purchases - electricity		14 597	15 497	17 647	1 338	16 048	16 279	(232)	-1%	17 647
Inventory consumed		192	1 059	1 982	55	1 359	1 740	(381)	-22%	1 982
Debt impairment		–	5 000	1 500	–	–	1 200	(1 200)	-100%	1 500
Depreciation and amortisation		18 966	20 848	14 614	–	6 678	12 020	(5 343)	-44%	14 614
Interest		1 329	–	–	–	–	–	–		–
Contracted services		8 078	8 393	9 983	430	7 725	8 673	(948)	-11%	9 983
Transfers and subsidies		–	450	713	–	197	598	(401)	-67%	713
Irrecoverable debts written off		5 002	–	–	–	–	–	–		–
Operational costs		17 680	20 306	24 125	886	16 822	22 109	(5 287)	-24%	24 125
Losses on Disposal of Assets		337	–	–	–	–	–	–		–
Other Losses		(1 059)	–	–	–	–	–	–		–
Total Expenditure		**135 411**	**132 968**	**133 801**	**7 888**	**106 447**	**120 465**	**(14 018)**	**-12%**	**133 801**

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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) - M11 May

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	2 472	(250)	2 720	2 470	251	10%	2 472
Vote 2 - Directorate: Budget and Treasury		(13)	–	140	–	123	137	(14)	-10%	140
Vote 3 - Directorate: Corporate Services		–	–	370	–	147	337	(190)	-56%	370
Vote 4 - Directorate: Strategic Services		–	–	–	–	–	–	–		–
Vote 5 - Directorate: Technical Service & Community Services		4 970	11 783	10 545	(140)	9 086	9 737	(651)	-7%	10 545
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	**4 956**	**13 290**	**13 526**	**(389)**	**12 076**	**12 680**	**(604)**	**-5%**	**13 526**
Single Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		–	–	–	–	–	–	–		–
Vote 2 - Directorate: Budget and Treasury		3 253	359	239	–	113	398	(285)	-72%	239
Vote 3 - Directorate: Corporate Services		264	839	779	–	282	648	(366)	-57%	779
Vote 4 - Directorate: Strategic Services		6 122	1 102	1 403	591	1 172	1 239	(66)	-5%	1 403
Vote 5 - Directorate: Technical Service & Community Services		36 350	29 687	48 533	3 790	24 501	40 284	(15 784)	-39%	48 533
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	45 988	31 987	50 954	4 381	26 067	42 569	**(16 502)**	**-39%**	50 954
Total Capital Expenditure		**50 945**	**45 277**	**64 480**	**3 992**	**38 143**	**55 249**	**(17 106)**	**-31%**	**64 480**
Capital Expenditure - Functional Classification										
Governance and administration		**3 503**	**1 198**	**1 528**	**–**	**664**	**1 519**	(855)	-56%	**1 528**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		3 503	1 198	1 528	–	664	1 519	(855)	-56%	1 528
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**834**	**543**	**570**	**–**	**494**	**428**	66	15%	**570**
Community and social services		–	–	–	–	–	–	–		–
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		834	543	570	–	494	428	66	15%	570
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**45 190**	**32 377**	**49 200**	**4 019**	**27 993**	**41 355**	(13 363)	-32%	**49 200**
Planning and development		6 122	1 102	1 403	591	1 172	1 239	(66)	-5%	1 403
Road transport		39 068	31 275	47 797	3 429	26 820	40 117	(13 297)	-33%	47 797
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**1 418**	**11 158**	**13 182**	**(28)**	**8 992**	**11 947**	(2 954)	-25%	**13 182**
Energy sources		267	8 888	9 898	29	6 867	8 904	(2 038)	-23%	9 898
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		1 150	2 271	3 285	(57)	2 126	3 042	(916)	-30%	3 285
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**50 945**	**45 277**	**64 480**	**3 992**	**38 143**	**55 249**	**(17 106)**	**-31%**	**64 480**
Funded by:										
National Government		32 519	24 890	50 107	3 429	28 601	42 251	(13 650)	-32%	50 107
Provincial Government		257	8 696	160	–	–	120	(120)	-100%	160
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		7 815	–	0	–	–	0	(0)	-100%	0
Transfers recognised - capital		**40 591**	**33 585**	**50 267**	**3 429**	**28 601**	**42 371**	**(13 770)**	**-32%**	**50 267**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		10 353	11 691	14 213	563	9 541	12 877	(3 336)	-26%	14 213
Total Capital Funding		**50 945**	**45 277**	**64 480**	**3 992**	**38 143**	**55 249**	**(17 106)**	**-31%**	**64 480**

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 - M11 May

Description	Ref	2024/25	Budget Year 2025/26			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		84 112	64 285	64 285	110 910	64 285
Trade and other receivables from exchange transactions		8 873	13 831	13 831	14 559	13 831
Receivables from non-exchange transactions		3 817	2 894	2 894	3 393	2 894
Current portion of non-current receivables		41	–	–	41	–
Inventory		–	–	–	–	–
VAT		10 953	7 664	7 664	12 482	7 664
Other current assets		(18)	143	143	(18)	143
Total current assets		**107 778**	**88 817**	**88 817**	**141 368**	**88 817**
Non current assets						
Investments		–	–	–	–	–
Investment property		76 094	73 005	73 005	75 062	73 005
Property, plant and equipment		318 359	413 173	432 237	359 404	432 237
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		36	36	36	36	36
Intangible assets		339	352	492	450	492
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**394 828**	**486 566**	**505 769**	**434 953**	**505 769**
TOTAL ASSETS		**502 606**	**575 382**	**594 586**	**576 321**	**594 586**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		375	(392)	(422)	391	(422)
Trade and other payables from exchange transactions		54 318	10 660	10 670	42 145	10 670
Trade and other payables from non-exchange transactions		9 192	–	(18 160)	24 387	(18 160)
Provision		2 930	3 510	3 510	2 930	3 510
VAT		9 609	(1 688)	(1 688)	12 843	(1 688)
Other current liabilities		–	–	–	–	–
Total current liabilities		**76 423**	**12 091**	**(6 089)**	**82 697**	**(6 089)**
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		**108 942**	**32 880**	**14 700**	**115 215**	**14 700**
NET ASSETS	2	**393 664**	**542 502**	**579 886**	**461 106**	**579 886**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		389 358	59 629	77 460	461 108	77 460
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**389 358**	**59 629**	**77 460**	**461 108**	**77 460**

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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 - M11 May

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	81	36 494	37 736	(1 242)	-3%	41 166
Service charges		–	18 938	18 938	798	20 389	17 359	3 030	17%	18 938
Other revenue		–	18 724	18 724	1 181	74 440	17 164	57 276	334%	18 724
Transfers and Subsidies - Operational		–	59 996	59 996	652	82 678	54 996	27 682	50%	59 996
Transfers and Subsidies - Capital		–	39 267	39 267	–	36 312	35 995	317	1%	39 267
Interest		–	6 734	6 734	–	–	6 173	(6 173)	-100%	6 734
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(94 585)	(115 915)	(115 915)	(14 152)	(177 108)	(89 920)	87 188	-97%	(115 915)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**(94 585)**	**68 910**	**68 910**	**(11 439)**	**73 205**	**79 503**	**6 298**	**8%**	**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)	(5 500)	(46 406)	(47 729)	(1 323)	3%	(52 068)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**(52 068)**	**(52 068)**	**(5 500)**	**(46 406)**	**(47 729)**	**(1 323)**	**3%**	**(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**	**(16 939)**	**26 799**	**31 774**			**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	(16 939)	110 911	79 217			100 953

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ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEEES

Table SC3: Aged Debtors

The municipality owns a total amount of R91.2 million, the biggest portion of R64 million owned by households. The organs of the state owe R13.8 million. Commercial debtors are sitting at R4.4 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 - M11 May

Description	NT Code	Budget Year 2025/26											
R thousands		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 - Electricity	1300	1 499	555	537	536	525	530	483	7 076	11 741	9 149	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	6 178	2 160	1 940	1 731	1 547	1 577	1 390	53 988	70 511	60 233	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	881	278	251	233	220	214	206	6 747	9 032	7 621	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	10	0	–	–	–	–	–	–	10	–	–	–
Interest on Arrear Debtor Accounts	1810	–	–	–	–	–	–	–	–	–	–	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	10	0	–	–	–	0	1	4	–	4	–	–
Total By Income Source	**2000**	**8 579**	**2 994**	**2 728**	**2 500**	**2 293**	**2 321**	**2 080**	**67 814**	**91 293**	**77 007**	**–**	**–**
2024/25 - totals only		6932790	3653362	2805262	1998260	1902246	1976401	1775937	66303585	87 348	**73 956**	0	0
Debtors Age Analysis By Customer Group													
Organs of State	2200	1 269	649	580	594	561	535	482	11 783	13 800	13 956	–	–
Commercial	2300	822	151	139	133	131	134	104	3 526	13 519	4 028	–	–
Households	2400	6 404	2 162	1 969	1 746	1 577	1 630	1 472	52 242	63 974	58 667	–	–
Other	2500	84	32	41	27	24	22	21	262	–	356	–	–
Total By Customer Group	**2600**	**8 579**	**2 994**	**2 728**	**2 500**	**2 293**	**2 321**	**2 080**	**67 814**	**91 293**	**77 007**	**–**	**–**

Debt by Type	Residents	Councillors	Municipal Officials	Industries	Nat. Departments	Prov. Depts	Agric. Farms	Total
Water								
Electricity	381 319.06		-	311 221.18	61 028.90	10 874 417.27	112 527.91	11 740 514.32
Rental	10 106.12	-			-	-		10 106.12
Refuse	8 390 019.41	-	-	382 803.68	21 795.78	207 516.51	29 582.45	9 031 717.83
Rates	55 192 688.35	-	-	3 723 302.02	130 004.12	2 505 562.55	8 959 490.14	70 511 047.18
Other	-	-	-	-	-	-	-	-
Grand Total	**63 974 132.94**	**-**	**-**	**4 417 326.88**	**212 828.80**	**13 587 496.33**	**9 101 600.50**	**91 293 385.45**
% on Total Debt	**70.08**	**-**	**-**	**4.84**	**0.23**	**14.88**	**10**	**100.00**
								-

Report on Collection

The current month's collection rate is 79%.

Collection Rate % of billing May 2026			
	Billing	**Receipts**	**%**
Electricity	1 665 165.31	1 039 117.52	62%
Refuse	622 164.48	427 909.76	69%
Rates	4 494 880.50	3 885 855.31	86%
Property Rental	16 778.98	9 117.95	54%
Total	**6 798 989.27**	**5 362 000.54**	**79%**

Billing VS Collection Per Town

Name of Town/ Farm	Billing	Collection	ollection Current Account	Collection On Older Debt	Collection %
Cintsa	1 712 134.53	1 601 830.32	777 187.03	824 643.29	45%
East London RD (Farms)	471 487.98	258 987.24	188 051.54	70 935.70	40%
Kwelera	658 779.43	361 135.04	232 444.49	128 690.55	35%
Haga Haga	395 198.58	372 173.07	242 763.22	129 409.85	61%
Kei Mouth	678 453.76	558 896.92	332 160.39	226 736.53	49%
Komga	1 849 516.05	633 075.11	496 318.16	136 756.95	27%
Komga RD (Farm)	169 321.70	154 163.57	59 164.69	94 998.88	35%
Morgan's Bay	854 264.16	672 947.27	462 838.04	210 109.23	54%
Tainton	9 833.08	-	-	-	0%
TOTAL	**6 798 989.27**	**4 613 208.54**	**2 790 927.56**	**1 822 280.98**	**41%**

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Allignment of Collection

Amount Collected	Collection On Curre	Collection On Older Debt
4 613 208.54	2 790 927.56	1 822 280.98

Collection On Current Billing

Month	Billing Amount	Collected Amount	Collection %
July	6 042 206.68	1 820 431.34	30%
August	8 750 723.59	2 630 634.83	30%
September	7 121 894.77	2 995 740.88	42%
October	6 665 380.66	3 928 919.74	59%
November	6 574 209.95	2 555 684.28	39%
December	6 890 685.66	2 614 143.11	38%
January	6 771 959.46	2 746 772.40	41%
February	6 730 565.52	2 594 489.48	39%
March	6 883 890.30	3 037 023.64	44%
April	6 806 488.86	4 011 114.86	59%
May	6 798 989.27	2 790 927.56	41%
	76 036 994.72	**31 725 882.12**	**42%**

Collection On Old Debt - 30 June 2025

Month	Billing Amount	Collected Amount	Collection%
July	71 250 364.51	2 408 018.90	3%
August	71 250 364.51	2 231 234.97	3%
September	71 250 364.51	1 341 659.77	2%
October	71 250 364.51	2 150 265.17	3%
November	71 250 364.51	2 277 875.88	3%
December	71 250 364.51	1 885 594.57	3%
January	71 250 364.51	1 936 998.05	3%
February	71 250 364.51	1 922 251.32	3%
March	71 250 364.51	1 771 638.94	2%
April	71 250 364.51	498 976.62	1%
May	71 250 364.51	1 822 280.98	3%
	783 754 009.61	**20 246 795.17**	**3%**

Number of Clearances Issued	Total Amount
46	337 465.26
Number of Transferred Accounts to New Ownership	
26	

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ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEEES

SC4: Aged Creditors

EC123 Great Kei - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

Description	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)
R thousands		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	1 538	–	–	–	–	–	–	–	**1 538**	1 466
Bulk Water	0200	–	–	–	–	–	–	–	–	**–**	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	**–**	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	**–**	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	**–**	–
Loan repayments	0600	–	–	–	–	–	–	–	–	**–**	–
Trade Creditors	0700	37	–	–	–	–	–	309	7 899	**8 245**	8 712
Auditor General	0800	–	–	–	–	–	–	–	–	**–**	–
Other	0900	–	–	–	–	–	–	–	5 844	**5 844**	8 116
Medical Aid deductions	0950	–	–	–	–	–	–	–	–	**–**	–
Total By Customer Type	**1000**	**1 575**	**–**	**–**	**–**	**–**	**–**	**309**	**13 743**	**15 626**	18 294

The Municipality's top creditors as of May 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 1 538 257.77
Ayamah Tibaa Pty Ltd	R 308 863.73
TOTAL TOP CREDITORS	**R 15 106 963.80**

Other trade creditors amount to R378 thousand, 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 May 2026, the municipality had a favorable operating bank balance of R 803 211.53 and call deposits amounting to R110 107 574.59 million.

EC123 Great Kei - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ³	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
1 Standard Bank		144 M	Deposit-Bank	Yes	Variable	1	0		09 January 2030	8 194	–	–	–	**8 209**
2 Standard Bank		144 M	Deposit-Bank	Yes	Variable	1	0		09 January 2030	1 059	–	–	–	**1 059**
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	8 052	–	(8 178)	–	**61 001**
5 Standard Bank		144 M	Deposit-Bank	Yes	Variable	1	0		09 January 2030	27	–	–	1	**648**
6 Standard Bank		144 M	Deposit-Bank	Yes	Variable	1	0		09 January 2030	3 669	–	–	–	**3 676**
13 FNB		127 M	Call Account	Yes	Variable	6.15	0		09 January 2030	5 374	–	–	–	**5 374**
Standard Bank			Deposit-Bank	Yes	Variable				09 January 2030	30 000				**30 000**
14 FNB		5 Y	Call Account	Yes	Variable	0.09	0		30/06/2026	5	–	–	–	5
Municipality sub-total										**56 515**	**–**	**(8 178)**	**1**	**110 108**
TOTAL INVESTMEN	2									**56 515**	**–**	**(8 178)**	**1**	**110 108**

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Table SC6: Grants Received

The table below reflects conditional grants received to date, totaling R95.6 million.

EC123 Great Kei - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M11 May

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**	**359**	**59 104**	**54 080**	**5 024**	**9.3%**	**58 996**
Equitable Share		55 432	55 269	55 269	–	55 269	50 663	4 606	9.1%	55 269
Expanded Public Works Programme Integrated Grant		1 103	2 327	1 327	180	1 217	1 216	0	0.0%	1 327
Local Government Financial Management Grant		2 400	2 400	2 400	42	1 992	2 200	(208)	-9.4%	2 400
Municipal Infrastructure Grant		653	–	–	137	626	–	626	#DIV/0!	–
Provincial Government:		**–**	**1 000**	**1 000**	**–**	**787**	**909**	**(122)**	**-13.4%**	**1 000**
Specify (Add grant description)		–	1 000	1 000	–	787	909	(122)	-13.4%	1 000
Other grant providers:		**896**	**757**	**757**	**–**	**757**	**694**	63	9.1%	**757**
Council for Medical Schemes		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
National Library South Africa		**757**	**757**	**757**	**–**	**757**	**694**	63	9.1%	**757**
National Skills Fund		**89**	**–**	**–**	**–**	**–**	**–**	–		**–**
South Africa Housing Fund		**49**	**–**	**–**	**–**	**–**	**–**	–		**–**
								–		
								–		
								–		
Total Operating Transfers and Grants	5	**60 484**	**61 753**	**60 753**	**359**	**60 648**	**55 683**	**4 965**	**8.9%**	**60 753**
Capital Transfers and Grants										
National Government:		37 156	29 267	58 267	5 566	35 000	50 755	(15 755)	**-31.0%**	58 267
Integrated National Electrification Programme Grant		–	7 312	7 312	–	6 622	6 703	(81)	-1.2%	7 312
Municipal Disaster Recovery Grant		16 406	9 080	29 000	5 566	7 415	24 987	(17 572)	-70.3%	29 000
Municipal Disaster Response Grant		8 968	–	9 080	–	9 144	7 264	1 880	25.9%	9 080
Municipal Infrastructure Grant		11 783	12 875	12 875	–	11 820	11 802	18	0.1%	12 875
Provincial Government:		**610**	**10 000**	**–**	**–**	**–**	**–**	–		**–**
Specify (Add grant description)		**610**	**10 000**	**–**	**–**	**–**	**–**	–		**–**
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
[insert description]								–		
								–		
Other grant providers:		**2 000**	**–**	**–**	**–**	**–**	**–**	–		**–**
Government Motor Transport		**2 000**	**–**	**–**	**–**	**–**	**–**	–		**–**
Total Capital Transfers and Grants	5	**39 766**	**39 267**	**58 267**	**5 566**	**35 000**	**50 755**	**(15 755)**	**-31.0%**	**58 267**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	100 250	101 020	119 020	5 925	95 648	106 438	(10 790)	-10.1%	119 020

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Table SC7: Grants expenditure

EC123 Great Kei - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M11 May

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:		**54 959**	**54 545**	**53 693**	**3 608**	**35 130**	**49 497**	**(14 367)**	**-29.0%**	**53 693**
Equitable Share		43 176	49 431	48 578	2 556	31 432	44 714	(13 283)	-29.7%	48 578
Expanded Public Works Programme Integrated Grant		1 304	2 327	2 327	228	1 217	2 170	(953)	-43.9%	2 327
Local Government Financial Management Grant		10 472	2 152	2 152	824	1 992	2 031	(38)	-1.9%	2 152
Municipal Infrastructure Grant		8	635	635	–	489	582	(94)	-16.1%	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**	**15**	**8**	**43**	**8**	36	474.6%	**15**
Clerical Assist (Pole Parties)		**1 620**	**–**	**–**	**–**	**–**	**–**	–		**–**
National Library South Africa		–	0	15	8	43	8	36	474.6%	15
National Library South Africa		132	757	742	5	70	641			742
Total operating expenditure of Transfers and Grants:		**56 580**	**54 545**	**53 708**	**3 616**	**35 173**	**49 504**	**(14 332)**	**-29.0%**	**53 708**
Capital expenditure of Transfers and Grants										
National Government:		32 519	24 890	50 107	3 429	35 000	48 613	(13 613)	**-28.0%**	50 107
Equitable Share		–	–	–	–	–	–	–		–
Integrated National Electrification Programme Grant		–	6 358	6 358	–	6 622	5 828	794	13.6%	6 358
Municipal Disaster Recovery Grant		23 869	7 896	33 113	3 990	7 415	32 793	(25 378)	-77.4%	33 113
Municipal Disaster Response Grant		–	–	–	–	9 144	–	9 144	#DIV/0!	–
Municipal Infrastructure Grant		8 650	10 636	10 636	(561)	11 820	9 992	1 828	18.3%	10 636
Provincial Government:		**257**	**8 696**	–	–	–	–	–		–
Specify (Add grant description)		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Specify (Add grant description)		257	8 696	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		**7 815**	**–**	**0**	**–**	**–**	**–**	–		**0**
Government Motor Transport		**1 739**	**–**	**0**	**–**	**–**	**–**	–		**0**
Human Settlement Re-development Programme		6 076	–	–	–	–	–	–		–
Total capital expenditure of Transfers and Grants		**40 591**	**33 585**	**50 107**	**3 429**	**35 000**	**48 613**	**(13 613)**	**-28.0%**	**50 107**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**97 171**	**88 131**	**103 815**	**7 045**	**70 173**	**98 117**	**(27 945)**	**-28.5%**	**103 815**

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

- The Finance Management Grant's (FMG) year-to-date expenditure is R2.3 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 R 1.2 million for casual work and poverty alleviation projects
- The municipality has received a grant from DEDEAT of R1 million, year-to-date spending is R787 thousand.
- The current year's receipts for INEP grant amount to R7.3 million and the year-to-date expenditure is R6.6 million.

- MIG year-to-date expenditure amounts to R12.4 million for capital project implementation and operational costs.
- In the current year the Municipal Disaster Recovery Grant (MDRG) Rollover expenditure amounts to R9.1 million for capital project implementation costs. This funding assists with the reconstruction of roads affected by inclement weather conditions.
- In the current year the municipality received an allocation of R 29 million for Municipal Disaster Recovery Grant (MDRG). The expenditure amounts to R7.4 million.

Grants	Allocation	Withheld / Not Provisioned	Amount Received	Amount Sper	Variance	% Over Total Allocation
FMG	2 400 000	-	2 400 000.00	2 342 354.03	57 646	98%
EPWP	1 327 000	-	1 327 000.00	1 216 785.82	110 214	92%
DEDEAT	1 000 000		1 000 000.00	787 086.79	212 913	79%
INEP	7 312 000	-	7 312 000.00	6 622 160.22	689 840	91%
MIG	12 875 000	-	12 875 000.00	12 308 663.03	566 337	96%
MDRG - Roll Over	9 192 099.93	-	-	9 143 692.74	48 407	99%
MDRG - Current year	29 000 000.00		29 000 000.00	7 414 617.84	21 585 382	26%
Totals	**63 106 100**	**-**	**53 914 000**	**39 835 360**	**23 270 739**	**63%**

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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 May 2026.

EC123 Great Kei - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

Summary of Employee and Councillor remuneration	Ref	2024/25	Budget Year 2025/26							
R thousands		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)										
Basic Salaries and Wages		4 063	3 882	4 073	336	3 737	3 711	26	1%	4 073
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	20	–	–	15	(15)	-100%	20
Motor Vehicle Allowance		–	–	–	–	–	–	–		–
Cellphone Allowance		610	562	616	44	526	564	(39)	-7%	616
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		1 250	1 294	1 347	112	1 200	1 229	(29)	-2%	1 347
Sub Total - Councillors		**5 923**	**5 738**	**6 057**	**492**	**5 463**	**5 519**	**(57)**	**-1%**	**6 057**
% increase	4		**-3.1%**	**2.2%**						**2.2%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		2 764	3 347	3 347	278	3 109	3 068	42	1%	3 347
Pension and UIF Contributions		7	7	7	1	8	6	2	27%	7
Medical Aid Contributions		–	–	–	–	–	–	–		–
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		169	–	900	–	969	742	227	31%	900
Motor Vehicle Allowance		1 005	1 322	1 322	106	1 164	1 212	(48)	-4%	1 322
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		506	632	632	51	556	579	(24)	-4%	632
Sub Total - Senior Managers of Municipality		**4 451**	**5 308**	**6 208**	**435**	**5 806**	**5 607**	**199**	**4%**	**6 208**
% increase	4		**19.3%**	**39.5%**						**39.5%**
Other Municipal Staff										
Basic Salaries and Wages		40 204	35 326	35 917	3 115	34 615	32 972	1 643	5%	35 917
Pension and UIF Contributions		6 862	6 107	6 107	543	5 991	5 598	393	7%	6 107
Medical Aid Contributions		4 085	3 531	3 531	334	3 478	3 237	241	7%	3 531
Overtime		2 494	1 869	1 869	178	1 381	1 703	(322)	-19%	1 869
Performance Bonus		2 736	2 449	2 449	–	–	2 200	(2 200)	-100%	2 449
Motor Vehicle Allowance		534	481	481	34	387	441	(54)	-12%	481
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		81	84	84	9	104	77	27	35%	84
Other benefits and allowances		212	200	200	16	176	183	(8)	-4%	200
Payments in lieu of leave		1 157	–	–	–	–	–	–		–
Long service awards		–	–	12	–	5	11	(6)	-54%	12
Post-retirement benefit obligations	2	1 552	323	323	20	214	296	(82)	-28%	323
Sub Total - Other Municipal Staff		**59 915**	**50 370**	**50 973**	**4 251**	**46 350**	**46 719**	**(369)**	**-1%**	**50 973**
% increase	4		**-15.9%**	**-14.9%**						**-14.9%**
Total Parent Municipality		**70 289**	**61 416**	**63 238**	**5 179**	**57 619**	**57 846**	**(227)**	**0%**	**63 238**
			-12.6%	**-10.0%**						**-10.0%**
TOTAL SALARY, ALLOWANCES & BENEFITS		**70 289**	**61 416**	**63 238**	**5 179**	**57 619**	**57 846**	**(227)**	**0%**	**63 238**
% increase	4		**-12.6%**	**-10.0%**						**-10.0%**
TOTAL MANAGERS AND STAFF		**64 366**	**55 678**	**57 181**	**4 686**	**52 156**	**52 326**	**(170)**	**0%**	**57 181**

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

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

FINANCIAL IMPLICATIONS

None

STAFF IMPLICATIONS

ITEM [5.1]

ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEEES

None

ANNEXURE

- Annexure A: Schedule C Report – May 2026.

RECOMMENDATION

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

SUBMITTED FOR NOTING