



SECTION 71 REPORT AS AT MARCH 2021

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Glossary

Accrual Accounting – An accounting method that measures the performance and position of the municipality by recognizing events regardless of when cash transactions occur.

Adjustment Budget – Prescribed in section 28 of the MFMA

YTD – Year to Date

Allocations – Money received from other Municipalities, Provincial or National Government.

Budget – Financial Plan of the Municipality.

Budget Related Policy – Policy of a municipality affecting or affected by the budget, examples include credit control policy, rates policy, tariff policy and funding and reserves policy.

Capital Expenditure – Expenditure on items such as machinery, buildings, land, infrastructure (roads).

Cash Flow Statement – Provides aggregate data regarding all cash inflows the municipality receives from both its ongoing operations and external investment sources, as well as all cash outflows that pay for municipality's activities and investments during a month.

DORA – Division of Revenue Act. Annual legislation reflecting total allocations per municipality made by provincial and national governments.

Equitable Share – A general grant paid to municipalities predominantly targeted to help with free basic services.

Fruitless and Wasteful Expenditure – Expenditure made in vain, that would have been avoided had reasonable care been exercised.

MBRR – Local Government Municipal Budget and Reporting Regulations.

MIG – Municipal Infrastructure Grant

MTREF – Medium Term Revenue and Expenditure Framework.

Operating Expenditure – Day to day expenses of the Municipality such as salaries, repairs and maintenance and general expenses.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards achieving those objectives.

Unauthorized Expenditure – Spending without budget or in excess of the approved budget

Vote – A department

SECTION 1 – EXECUTIVE SUMMARY

1.1 Introduction

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

- Actual Revenue per revenue source;
- Actual expenditure per vote;
- Actual Capital Expenditure per vote;
- The amount of any 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 from 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 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 in each case be compared with 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) at the time in which 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

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

EC123 Great Kei - Table C1 Monthly Budget Statement Summary - M09 March									
Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	26,397	27,806	27,806	1,613	19,127	20,855	(1,728)	-8%	27,806
Service charges	17,825	17,767	19,967	1,710	15,194	14,976	219	1%	19,967
Investment revenue	440	500	500	26	379	375	4	1%	500
Transfers and subsidies	46,737	49,497	56,226	11,568	54,856	42,170	12,686	30%	56,226
Other own revenue	8,049	7,581	9,731	1,229	9,209	7,298	1,911	26%	9,731
Total Revenue (excluding capital transfers and contributions)	99,448	103,152	114,231	16,145	98,766	85,673	13,092	15%	114,231
Employee costs	49,986	46,843	46,263	4,148	35,831	34,697	1,134	3%	46,263
Remuneration of Councillors	4,554	4,509	5,051	379	3,415	3,788	(373)	-10%	5,051
Depreciation & asset impairment	-	14,000	14,000	-	9,306	10,500	(1,194)	-11%	14,000
Finance charges	438	500	500	19	262	375	(113)	-30%	500
Materials and bulk purchases	8,421	9,416	9,318	915	5,874	6,988	(1,114)	-16%	9,318
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	7,674	27,954	36,251	1,072	8,225	26,978	(18,753)	-70%	36,251
Total Expenditure	71,073	103,222	111,382	6,532	62,913	83,327	(20,413)	-24%	111,382
Surplus/(Deficit)	28,375	(70)	2,849	9,613	35,852	2,347	33,506	1428%	2,849
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	11,026	10,648	16,792	757	5,132	12,594	(7,462)	-59%	16,792
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	39,401	10,578	19,641	10,370	40,985	14,941	26,044	174%	19,641
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	39,401	10,578	19,641	10,370	40,985	14,941	26,044	174%	19,641
Capital expenditure & funds sources									
Capital expenditure	-	9,537	16,364	695	5,821	12,273	(6,452)	-53%	16,364
Capital transfers recognised	7,540	9,259	14,602	543	5,483	10,952	(5,469)	-50%	14,602
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	278	1,762	152	338	1,322	(983)	-74%	1,762
Total sources of capital funds	7,540	9,537	16,364	695	5,821	12,273	(6,452)	-53%	16,364
Financial position									
Total current assets	(808)	63,453	(35,175)		33,628				(35,175)
Total non current assets	-	334,354	345,573		(3,485)				345,573
Total current liabilities	(2,788)	12,068	(87,120)		(10,842)				(87,120)
Total non current liabilities	-	29,796	29,796		-				29,796
Community wealth/Equity	3,312	355,942	367,721		40,985				375,584
Cash flows									
Net cash from (used) operating	-	(24,015)	31,983	11,702	26,887	23,987	(2,900)	-12%	31,983
Net cash from (used) investing	-	(9,537)	(16,364)	(689)	(5,857)	(12,410)	(6,553)	53%	(16,364)
Net cash from (used) financing	-	(411)	(407)	-	10	(271)	(281)	104%	(407)
Cash/cash equivalents at the month/year end	-	(19,823)	5,606	-	21,040	1,699	(19,341)	-1138%	15,212
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	19	4,346	4,306	3,965	3,942	3,709	3,425	141,665	165,377
Creditors Age Analysis									
Total Creditors	3,230	1,433	912	29,885	-	-	-	-	35,461

Operating Revenue

In the statement of financial performance, revenue accrued is R103, 8 million out of the projected R98, 2 million.

YTD cash receipts on operating revenue excluding grants totals to R24, 1 million as at end March 2021.

Property Rates

The YTD budget for rates billing amounted to R20, 8 million and to date R19, 1 million has been billed.

Total cash received for rates to date is R9, 4 million.

Refuse Services

The YTD budget for refuse billing amounted to R7, 7million, however to date R8, 1million has been billed.

Total cash received for refuse collection to date is R2, 3 million.

Electricity Services

The YTD budget for electricity billing and receipts amounted to R7, 2 million, and to date R7 million has been billed.

Year-to-date receipts amounts to R7, 6 million.

Rental of municipal facilities

Year-to-date movement is at R44 950.

Interest on investments

This relates to interests received on the call account deposits. Interest received to date amounts to R378 901.

Interest on outstanding debtors

YTD expected billing amounted to R1m and to date the municipality has billed R8, 3 million.

Licences and permits

YTD expected receipts amounted to R1, 5m. The movement is at R152 821.

Other revenue

Budgeted receipts amounted to R2, 4m and to date the municipality has received R 670 838. Adjustment was made of R2m for VAT refunds that were omitted in original budget.

Operating Expenditure

On operating expenditure, R62, 9 million was spent against the expected budget of R83, 3 million giving rise to a negative variance of R20, 4million. This is because of non-cash items like debt impairment that has not yet moved.

Employee Costs

An amount of R35, 8 million has been spent against YTD budget of R34, 6million.

Remuneration of councillors

An amount of R3, 4 million has been spent against YTD budget of R3, 7million, this item is moving as anticipated.

Bulk Electricity

An amount of R5, 6 million has been spent against YTD budget of R5, 5 million

Contracted Services

Movement on this item is at R2, 9 million against year-to-date budget of R6, 8 million.

Other Expenditure

Other expenditure movement is at R5, 2 million against year-to-date budget of R10, 3million. These line items were adjusted by R5 million for service delivery related expenditure.

Capital Expenditure

On capital Expenditure the movement is at R5, 8 million. This will be explained more on table C5 where departmental expenditures are reflected.

Cash Flows

The municipality ended the month with cash and cash equivalents balance of R21 million

Table C2: Statement of Financial Performance by vote

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

EC123 Great Kei - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Revenue - Functional										
Governance and administration		77,090	79,029	87,908	13,836	79,104	65,931	13,173	20%	87,908
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		77,090	79,029	87,908	13,836	79,104	65,931	13,173	20%	87,908
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		1,407	4,500	4,500	99	500	3,375	(2,875)	-85%	4,500
Community and social services		968	2,200	2,200	87	351	1,650	(1,299)	-79%	2,200
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		436	2,300	2,300	12	149	1,725	(1,576)	-91%	2,300
Housing		3	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		8,209	12,503	16,621	932	6,341	12,465	(6,124)	-49%	16,621
Planning and development		256	271	271	94	337	203	134	66%	271
Road transport		7,953	12,232	16,349	837	6,004	12,262	(6,258)	-51%	16,349
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		23,769	17,767	21,995	2,035	17,953	16,496	1,457	9%	21,995
Energy sources		14,321	7,434	11,662	839	7,280	8,746	(1,467)	-17%	11,662
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		9,448	10,333	10,333	1,196	10,674	7,750	2,924	38%	10,333
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	110,474	113,800	131,023	16,902	103,898	98,268	5,630	6%	131,023
Expenditure - Functional										
Governance and administration		37,531	52,015	54,274	2,685	32,185	40,706	(8,521)	-21%	54,274
Executive and council		14,314	4,549	5,093	466	4,472	3,820	652	17%	5,093
Finance and administration		23,217	47,467	49,181	2,219	27,712	36,886	(9,173)	-25%	49,181
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		1,319	4,192	4,292	189	1,529	3,219	(1,690)	-53%	4,292
Community and social services		355	1,402	1,472	26	417	1,104	(687)	-62%	1,472
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		964	2,790	2,820	163	1,112	2,115	(1,003)	-47%	2,820
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		12,713	18,872	21,806	1,623	13,224	16,144	(2,920)	-18%	21,806
Planning and development		1,948	13,071	14,125	973	8,129	10,594	(2,465)	-23%	14,125
Road transport		10,765	5,800	7,680	650	5,095	5,550	(455)	-8%	7,680
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		19,511	28,143	31,011	2,035	15,976	23,258	(7,282)	-31%	31,011
Energy sources		9,582	12,035	14,153	1,013	7,000	10,614	(3,614)	-34%	14,153
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		9,929	16,108	16,858	1,022	8,975	12,644	(3,668)	-29%	16,858
Other		–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	71,073	103,222	111,382	6,532	62,913	83,327	(20,413)	-24%	111,382
Surplus/ (Deficit) for the year		39,401	10,578	19,641	10,370	40,985	14,941	26,044	174%	19,641

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

Operating budget of the institution is approved by council on municipal vote level.

The table below reflects on expenditures per vote. Close monitoring of expenditures is vital.

EC123 Great Kei - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - A - M09 March

Vote Description	Ref	2019/20	Budget Year 2020/21							
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 - COUNCIL & ADMINISTRATION		-	-	-	-	-	-	-		-
1.1 - Municipal Council								-		
0								-		
Vote 2 - Municipal Manager		-	-	-	-	-	-	-		-
2.1 - Municipal Manager								-		
0								-		
0								-		
Vote 3 - FINANCIAL MANAGEMENT & INFORMATION TECHNOLOGY			78,829	87,708	13,804	79,072	65,781	13,291	20%	87,708
3.1 - [Financial Management]			78,829	87,708	13,804	79,072	65,781	13,291	20%	87,708
3.2 - [Information Technology]								-		
0								-		
Vote 4 - HUMAN RESOURCES & ADMINISTRATION		-	200	200	32	32	150	(118)	-79%	200
4.1 - [Human Resources]			200	200	32	32	150	(118)	-79%	200
0								-		
Vote 5 - COMMUNITY SERVICES			14,833	14,833	1,295	11,173	11,125	48	(0)	14,833
5.1 - [Solid waste]			10,333	10,333	1,196	10,674	7,750	2,924	38%	10,333
5.2 - [Amenities]			2,200	2,200	87	351	1,650	(1,299)	-79%	2,200
5.3 - [Traffic]			2,300	2,300	12	149	1,725	(1,576)	-91%	2,300
0								-		
Vote 6 - INFRASTRUCTURE SERVICES		-	19,937	28,282	1,771	13,621	21,212	(7,591)	(0)	28,282
6.1 - [Roads & street]			12,232	16,349	837	6,004	12,262	(6,258)	-51%	16,349
6.2 - [Town Planning]			271	271	94	337	203	134	66%	271
6.3 - [Electricity]			7,434	11,662	839	7,280	8,746	(1,467)	-17%	11,662
0								-		
Vote 7 - STRATEGIC SERVICES & LED		-	-	-	-	-	-	-		-
7.1 - [IDP / LED]								-		
0								-		
0								-		
Total Revenue by Vote	2	-	113,800	131,023	16,902	103,898	98,268	5,630	6%	131,023
Expenditure by Vote	1									
Vote 1 - COUNCIL & ADMINISTRATION			4,549	5,093	448	3,970	3,820	150	4%	5,093
1.1 - Municipal Council			4,549	5,093	448	3,970	3,820	150	4%	5,093
0								-		
Vote 2 - Municipal Manager			-	-	18	502	-	502		-
2.1 - Municipal Manager					18	502	-	502		
0								-		
Vote 3 - FINANCIAL MANAGEMENT & INFORMATION TECHNOLOGY		-	37,039	38,673	1,255	21,167	29,005	(7,838)	-27%	38,673
3.1 - [Financial Management]			37,039	38,673	1,255	21,167	29,005	(7,838)	-27%	38,673
3.2 - [Information Technology]								-		
0								-		
Vote 4 - HUMAN RESOURCES & ADMINISTRATION		-	10,427	10,507	963	6,545	7,881	(1,335)	-17%	10,507
4.1 - [Human Resources]			10,427	10,507	963	6,545	7,881	(1,335)	-17%	10,507
0								-		
Vote 5 - COMMUNITY SERVICES		-	20,300	21,150	1,211	10,504	15,862	(5,358)	-34%	21,150
5.1 - [Solid waste]			16,108	16,858	1,022	8,975	12,644	(3,668)	-29%	16,858
5.2 - [Amenities]			1,402	1,472	26	417	1,104	(687)	-62%	1,472
5.3 - [Traffic]			2,790	2,820	163	1,112	2,115	(1,003)	-47%	2,820
0								-		
Vote 6 - INFRASTRUCTURE SERVICES		-	19,880	24,377	1,856	13,457	18,073	(4,616)	-26%	24,377
6.1 - [Roads & street]			5,800	7,680	650	5,095	5,550	(455)	-8%	7,680
6.2 - [Town Planning]			2,044	2,544	193	1,361	1,908	(547)	-29%	2,544
6.3 - [Electricity]			12,035	14,153	1,013	7,000	10,614	(3,614)	-34%	14,153
0								-		
Vote 7 - STRATEGIC SERVICES & LED		-	11,027	11,581	780	6,768	8,686	(1,918)	-22%	11,581
7.1 - [IDP / LED]			11,027	11,581	780	6,768	8,686	(1,918)	-22%	11,581
0								-		
0								-		
Total Expenditure by Vote	2	-	103,222	111,382	6,532	62,913	83,327	(20,413)	(0)	111,382
Surplus/ (Deficit) for the year	2	-	10,578	19,641	10,370	40,985	14,941	26,044	0	19,641

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) - M09 March

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
<u>Revenue By Source</u>										
Property rates		26,397	27,806	27,806	1,613	19,127	20,855	(1,728)	-8%	27,806
Service charges - electricity revenue		9,870	7,434	9,634	812	7,051	7,226	(174)	-2%	9,634
Service charges - water revenue		–	–	–	–	–	–	–		–
Service charges - sanitation revenue		–	–	–	–	–	–	–		–
Service charges - refuse revenue		7,955	10,333	10,333	897	8,143	7,750	393	5%	10,333
Rental of facilities and equipment		472	2,200	2,200	2	45	1,650	(1,605)	-97%	2,200
Interest earned - external investments		440	500	500	26	379	375	4	1%	500
Interest earned - outstanding debtors		5,621	1,500	1,500	976	8,341	1,125	7,216	641%	1,500
Dividends received		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		–	–	–	–	–	–	–		–
Licences and permits		436	2,300	2,300	12	153	1,725	(1,572)	-91%	2,300
Agency services		90	700	700	96	201	525	(324)	-62%	700
Transfers and subsidies		46,737	49,497	56,226	11,568	54,856	42,170	12,686	30%	56,226
Other revenue		1,428	881	3,031	144	470	2,273	(1,803)	-79%	3,031
Gains		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		99,448	103,152	114,231	16,145	98,766	85,673	13,092	15%	114,231

Operating expenditure by type

EC123 Great Kei - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
<u>Expenditure By Type</u>										
Employee related costs		49,986	46,843	46,263	4,148	35,831	34,697	1,134	3%	46,263
Remuneration of councillors		4,554	4,509	5,051	379	3,415	3,788	(373)	-10%	5,051
Debt impairment		–	13,000	13,000	–	–	9,750	(9,750)	-100%	13,000
Depreciation & asset impairment		–	14,000	14,000	–	9,306	10,500	(1,194)	-11%	14,000
Finance charges		438	500	500	19	262	375	(113)	-30%	500
Bulk purchases		8,095	7,391	7,391	755	5,625	5,543	81	1%	7,391
Other materials		326	2,025	1,926	160	249	1,445	(1,195)	-83%	1,926
Contracted services		2,229	5,218	9,438	381	2,960	6,868	(3,908)	-57%	9,438
Transfers and subsidies		–	–	–	–	–	–	–		–
Other expenditure		5,446	9,736	13,814	691	5,265	10,360	(5,095)	-49%	13,814
Losses		–	–	–	–	–	–	–		–
Total Expenditure		71,073	103,222	111,382	6,532	62,913	83,327	(20,413)	-24%	111,382

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

EC123 Great Kei - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March										
Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Capital Expenditure - Functional Classification										
Governance and administration		13	278	578	37	224	434	(210)	-48%	578
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		13	278	578	37	224	434	(210)	-48%	578
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		-	-	485	-	-	364	(364)	-100%	485
Community and social services		-	-	485	-	-	364	(364)	-100%	485
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		5,696	9,259	13,538	658	5,597	10,154	(4,556)	-45%	13,538
Planning and development		-	-	-	-	-	-	-		-
Road transport		5,696	9,259	13,538	658	5,597	10,154	(4,556)	-45%	13,538
Environmental protection		-	-	-	-	-	-	-		-
Trading services		1,830	-	1,763	-	-	1,322	(1,322)	-100%	1,763
Energy sources		1,830	-	1,763	-	-	1,322	(1,322)	-100%	1,763
Water management		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	7,540	9,537	16,364	695	5,821	12,273	(6,452)	-53%	16,364
Funded by:										
National Government		7,540	9,259	14,602	543	5,483	10,952	(5,469)	-50%	14,602
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private		-	-	-	-	-	-	-		-
Transfers recognised - capital		7,540	9,259	14,602	543	5,483	10,952	(5,469)	-50%	14,602
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		-	278	1,762	152	338	1,322	(983)	-74%	1,762
Total Capital Funding		7,540	9,537	16,364	695	5,821	12,273	(6,452)	-53%	16,364

The table above shows budget for capital expenditure which is mainly funded from municipal infrastructure grant (MIG), and adjusted capital expenditure funded internally. These includes partitioning of prefabs, maintenance of municipal hall & electricity vending system upgrade

Table C6: Statement of Financial Position

EC123 Great Kei - Table C6 Monthly Budget Statement - Financial Position - M09 March

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash		(32)	20,874	10,270	(2,251)	10,270
Call investment deposits		–	10,408	23,155	15,070	23,155
Consumer debtors		–	32,171	(69,051)	21,199	(69,051)
Other debtors		(776)	0	451	(390)	451
Current portion of long-term receivables		–	–	–	–	–
Inventory		–	–	–	–	–
Total current assets		(808)	63,453	(35,175)	33,628	(35,175)
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		–	82,044	82,044	–	82,044
Investments in Associate		–	–	–	–	–
Property, plant and equipment		–	251,161	262,380	(3,485)	262,380
Biological		–	–	–	–	–
Intangible		–	1,113	1,113	–	1,113
Other non-current assets		–	36	36	–	36
Total non current assets		–	334,354	345,573	(3,485)	345,573
TOTAL ASSETS		(808)	397,806	310,398	30,143	310,398
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		(5)	411	407	(10)	407
Trade and other payables		(2,782)	11,244	(87,939)	(10,832)	(87,939)
Provisions		–	413	413	–	413
Total current liabilities		(2,788)	12,068	(87,120)	(10,842)	(87,120)
Non current liabilities						
Borrowing		–	–	–	–	–
Provisions		–	29,796	29,796	–	29,796
Total non current liabilities		–	29,796	29,796	–	29,796
TOTAL LIABILITIES		(2,788)	41,864	(57,323)	(10,842)	(57,323)
NET ASSETS	2	1,979	355,942	367,721	40,985	367,721
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)		3,312	355,942	367,721	40,985	375,584
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	3,312	355,942	367,721	40,985	375,584

Table C7: Cash flow

The table below reflects the cash flow of the institution.

EC123 Great Kei - Table C7 Monthly Budget Statement - Cash Flow - M09 March

Description	Ref	2019/20	Budget Year 2020/21							
		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			19,464	19,464	1,468	9,413	14,598	(5,185)	-36%	19,464
Service charges			13,397	13,397	1,512	10,017	10,048	(30)	0%	13,397
Other revenue			6,081	6,081	410	4,626	4,561	65	1%	6,081
Transfers and Subsidies - Operational			49,497	56,226	11,573	54,670	42,170	12,500	30%	56,226
Transfers and Subsidies - Capital			10,648	16,792	3,784	9,431	12,594	(3,163)	-25%	16,792
Interest			-	4,404	26	142	3,303	(3,161)	-96%	4,404
Dividends						-		-		
Payments										
Suppliers and employees			(122,365)	(83,882)	(7,052)	(61,200)	(62,912)	(1,712)	3%	(83,882)
Finance charges			(736)	(500)	(19)	(212)	(375)	(163)	43%	(500)
Transfers and Grants			-					-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	(24,015)	31,983	11,702	26,887	23,987	(2,900)	-12%	31,983
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables					6	10	(137)	147	-107%	
Decrease (increase) in non-current investments								-		
Payments										
Capital assets			(9,537)	(16,364)	(695)	(5,867)	(12,273)	(6,406)	52%	(16,364)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(9,537)	(16,364)	(689)	(5,857)	(12,410)	(6,553)	53%	(16,364)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits			(411)	(407)	-	10	(271)	281	-104%	(407)
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(411)	(407)	-	10	(271)	(281)	104%	(407)
NET INCREASE/ (DECREASE) IN CASH HELD		-	(33,963)	15,212	11,013	21,040	11,306			15,212
Cash/cash equivalents at beginning:			14,140	(9,606)		-	(9,606)			-
Cash/cash equivalents at month/year end:		-	(19,823)	5,606		21,040	1,699			15,212

Table SC3: Aged Debtors

Total outstanding debt as at end March 2021 is R165, 3 million, highest debtor is residential at R148 million.

EC123 Great Kei - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

Description	NT Code	Budget Year 2020/21									
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	222	414	235	220	251	97	2,798	4,238	3,602
Receivables from Non-exchange Transactions - Property Rates	1400	18	2,669	2,481	2,339	2,349	2,102	1,991	64,520	78,469	73,301
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	0	1,266	1,222	1,202	1,184	1,166	1,148	43,225	50,413	47,924
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	1	189	189	189	189	190	189	31,122	32,257	31,879
Total By Income Source	2000	19	4,346	4,306	3,965	3,942	3,709	3,425	141,665	165,377	156,706
2019/20 - totals only		-1206	0	0	0	0	0	0	137767188	137,766	137,767
Debtors Age Analysis By Customer Group											
Organs of State	2200	-	228	470	244	234	278	240	9,308	11,001	10,304
Commercial	2300	-	237	169	171	191	166	65	4,662	5,661	5,255
Households	2400	19	3,881	3,667	3,550	3,517	3,265	3,120	127,695	148,714	141,147
Other	2500	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	19	4,346	4,306	3,965	3,942	3,709	3,425	141,665	165,377	156,706

Table SC4: Aged Creditors

EC123 Great Kei - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March								
Description	NT Code	Budget Year 2020/21						
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	Total
R thousands								
Creditors Age Analysis By Customer Type								
Bulk Electricity	0100	891	–	–	2,282	–	–	3,173
Bulk Water	0200	–	–	–	–	–	–	–
PAYE deductions	0300	779	–	–	7,929	–	–	8,708
VAT (output less input)	0400	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–
Trade Creditors	0700	205	578	387	17,072	–	–	18,242
Auditor General	0800	1,244	893	461	1,074	–	–	3,673
Other	0900	111	(37)	63	1,528	–	–	1,665
Total By Customer Type	1000	3,230	1,433	912	29,885	–	–	35,461

The Municipality's top creditors as at March 2021 are as follows:

SUPPLIER	AMOUNT OWED
SARS	8 707 675.59
ADM	14 625 005.16
SEBATA	973 260.76
AUDITOR GENERAL	3 672 550.98
SALGA	2 643 870.00
ESKOM - BULK	3 173 119.82

TOTAL TOP CREDITORS **R33 795 482.31**

Other trade creditor's amount to R1 665 183.71 that the Municipality will strive to pay in the following months. The total creditors' book as at end March 2021 is R35 460 666.02

Table SC5: Investment Portfolio

The Municipality had an operating favorable operating bank balance of R2 107.73 and call deposits amounting to R21 038 038.61 as at end of March 2021.

EC123 Great Kei - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09										
Investments by maturity Name of institution & investment ID	Ref	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ^a	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands										
Municipality										
Municipal Infrastructure Grant		Call Deposits	No	Variable		3,025	8	-	3,159	6,192
Municipal Systems Improvement Grant		Call Deposits	No	Variable		564	1	-	-	565
Equitable Share		Call Deposits	No	Variable		5,102	-	-	3,059	8,162
Finance Management Grant		Call Deposits	No	Variable		1,661	5	-	-	1,666
Municipal Vehicle Registration		Call Deposits	No	Variable		86	0	-	-	86
Expanded Public Works Programmes		Call Deposits	No	Variable		1,621	5	-	227	1,853
Bus Fixed Maturity Notice						2,507	7	-	-	2,514
Municipality sub-total						14,567		-	6,445	21,038

Table SC6: Grants Received

The table below reflects on individual grants received. Adjustment was made for MIG & INEP for R4m and R2m respectively in consideration of rollover application that was approved by National Treasury.

EC123 Great Kei - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M09 March										
Description	Ref	2019/20	Budget Year 2020/21							
		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:		46,737	48,487	57,244	11,573	54,625	42,933	12,402	28.9%	57,244
Local Government Equitable Share		46,737	45,063	51,792	11,266	51,246	38,844	12,402	31.9%	51,792
Finance Management			2,400	2,400	–	2,400	1,800			2,400
Integrated National Electrification Programme			–	2,028	–	–	1,521			2,028
EPWP Incentive			1,024	1,024	307	979	768			1,024
Other transfers and grants [insert description]								–		
Provincial Government:		–	450	450	–	500	338	163	48.1%	450
Sport and Recreation		–	450	450	–	500	338	163	48.1%	450
								–		
Total Operating Transfers and Grants	5	46,737	48,937	57,694	11,573	55,125	43,270	12,565	29.0%	57,694
Capital Transfers and Grants										
National Government:		11,026	11,208	15,325	3,784	11,431	11,494	(63)	-0.5%	15,325
Municipal Infrastructure Grant (MIG)		11,026	11,208	15,325	3,784	11,431	11,494	(63)	-0.5%	15,325
								–		
Total Capital Transfers and Grants	5	11,026	11,208	15,325	3,784	11,431	11,494	(63)	-0.5%	15,325
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	57,763	60,145	73,019	15,357	66,556	54,764	12,501	22.8%	73,019

Table SC7: Grants expenditure

The table below reflects on grants' expenditures as at March 2021. These amounts are inclusive of VAT.

Finance management grant's year-to-date expenditure amounts to R1 871 418.40 which relates to interns' salaries, mscoa implementation and assistance in fixed asset register compilation.

Expanded Public works programme year-to-date expenditure amounts to R611 541.83

MIG expenditure amounts to R5 636 014.10

EC123 Great Kei - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M09 March										
Description	Ref	2019/20	Budget Year 2020/21							
		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:		-	48,487	57,244	208	24,514	42,933	(18,419)	-42.9%	57,244
Local Government Equitable Share		-	45,063	51,792	-	22,031	38,844	(16,813)	-43.3%	51,792
Finance Management			2,400	2,400	128	1,871	1,800	71	4.0%	2,400
Integrated National Electrification Programme			-	2,028	-	-	1,521	(1,521)	-100.0%	2,028
EPWP Incentive			1,024	1,024	80	612	768	(156)	-20.4%	1,024
0								-		
0								-		
Other transfers and grants [insert description]								-		
Provincial Government:		-	450	450	-	-	338	(338)	-100.0%	450
Sport and Recreation		-	450	450	-	-	338	(338)	-100.0%	450
0								-		
[insert description]								-		
Total operating expenditure of Transfers and Grants:		-	48,937	57,694	208	24,514	43,270	(18,757)	-43.3%	57,694
Capital expenditure of Transfers and Grants										
National Government:		-	11,208	15,325	842	5,636	11,494	(5,858)	-51.0%	15,325
Municipal Infrastructure Grant (MIG)		-	11,208	15,325	842	5,636	11,494	(5,858)	-51.0%	15,325
0								-		
0								-		
Total capital expenditure of Transfers and Grants		-	11,208	15,325	842	5,636	11,494	(5,858)	-51.0%	15,325
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	60,145	73,019	1,050	30,150	54,764	(24,615)	-44.9%	73,019

Table SC8: Expenditure on councilors, employees and managers

Table SC8 shows the performance of staff costs and councilors remuneration as at March 2021.

EC123 Great Kei - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March

Summary of Employee and Councillor remuneration	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		2,982	3,368	3,818	249	2,050	2,864	(813)	-28%	3,818
Pension and UIF Contributions		-	-	-	-	-	-	-		-
Medical Aid Contributions		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		-	-	-	-	-	-	-		-
Cellphone Allowance		577	353	382	48	433	286	147	51%	382
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		994	788	851	83	932	638	294	46%	851
Sub Total - Councillors		4,554	4,509	5,051	379	3,415	3,788	(373)	-10%	5,051
% increase	4		-1.0%	10.9%						10.9%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		1,477	-	1,515	164	1,290	1,136	154	14%	1,515
Pension and UIF Contributions		4	-	4	0	4	3	1	35%	4
Medical Aid Contributions		391	-	-	-	101	-	101	#DIV/0!	-
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	-	120	-	120	90	30	33%	120
Motor Vehicle Allowance		-	-	499	52	361	375	(13)	-4%	499
Cellphone Allowance		-	-	-	-	-	-	-		-
Housing Allowances		217	22	396	39	292	297	(5)	-2%	396
Other benefits and allowances		0	-	-	-	-	-	-		-
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		2,089	22	2,535	257	2,169	1,901	268	14%	2,535
% increase	4		-99.0%	21.3%						21.3%
Other Municipal Staff										
Basic Salaries and Wages		39,133	33,849	30,536	2,697	24,220	22,902	1,318	6%	30,536
Pension and UIF Contributions		3,505	5,266	5,266	386	3,692	3,949	(257)	-7%	5,266
Medical Aid Contributions		2,466	2,483	2,483	234	2,034	1,862	172	9%	2,483
Overtime		455	270	310	24	459	233	227	98%	310
Performance Bonus		-	2,834	2,834	300	1,952	2,126	(174)	-8%	2,834
Motor Vehicle Allowance		1,376	1,346	1,346	120	796	1,010	(214)	-21%	1,346
Cellphone Allowance		-	-	-	-	-	-	-		-
Housing Allowances		450	609	609	5	146	457	(310)	-68%	609
Other benefits and allowances		48	14	14	1	10	10	(1)	-5%	14
Payments in lieu of leave		466	-	180	124	352	135	217	161%	180
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations	2	-	150	150	-	-	113	(113)	-100%	150
Sub Total - Other Municipal Staff		47,897	46,821	43,728	3,891	33,662	32,796	866	3%	43,728
% increase	4		-2.2%	-8.7%						-8.7%
Total Parent Municipality		54,540	51,352	51,313	4,527	39,246	38,485	761	2%	51,313
TOTAL SALARY, ALLOWANCES & BENEFITS		54,540	51,352	51,313	4,527	39,246	38,485	761	2%	51,313
% increase	4		-5.8%	-5.9%						-5.9%
TOTAL MANAGERS AND STAFF		49,986	46,843	46,263	4,148	35,831	34,697	1,134	3%	46,263

RECOMMENDATION

That the report on Section 71 as at end March 2021 be noted.

