

ITEM [5.1]

ITEM FOR CONSIDERATION BY FINANCIAL VIABILITY & SUSTAINABILITY STANDING COMMITTEE BILITY

5.1 MONTHLY BUDGET STATEMENT – S 71 REPORT AS AT 31st MAY 2023

File No. 5/1/1]
[Municipal Manager]
[Financial viability & sustainability Cluster Standing Committee]
[09 June 2023]

PURPOSE

To submit Monthly Section 71 report to the Standing Committee for information.

LEGAL / STATUTORY REQUIREMENTS

Municipal Finance Management Act s 71
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 on a similar basis as the prescribed budget format, detailing revenue by source type and expenditure per vote.

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: -

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- 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.

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EC123 Great Kei - Table C1 Monthly Budget Statement Summary - M11 May

Description	2021/22	Budget Year 2022/23							
	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	33 682	41 325	41 325	3 334	33 533	37 881	(4 348)	-11%	41 325
Service charges	18 023	22 555	22 555	1 307	12 675	20 675	(8 001)	-39%	22 555
Investment revenue	694	550	550	423	1 662	504	1 157	230%	550
Transfers and subsidies	53 823	54 747	54 747	551	56 320	50 185	6 135	12%	54 747
Other own revenue	9 168	10 778	10 778	1 150	8 995	9 880	(885)	-9%	10 778
Total Revenue (excluding capital transfers and contributions)	115 390	129 954	129 954	6 766	113 184	119 125	(5 940)	-5%	129 954
Employee costs	45 054	45 424	45 424	3 432	37 116	41 639	(4 523)	-11%	45 424
Remuneration of Councillors	4 680	5 293	5 293	441	4 838	4 852	(14)	-0%	5 293
Depreciation & asset impairment	13 078	12 800	15 100	1 105	11 061	13 842	(2 781)	-20%	15 100
Finance charges	1 434	376	271	7	183	248	(65)	-26%	271
Inventory consumed and bulk purchases	12 470	14 005	14 305	748	10 071	13 113	(3 042)	-23%	14 305
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	45 297	39 572	41 619	1 428	18 255	37 747	(19 491)	-52%	41 619
Total Expenditure	122 012	117 470	122 012	7 161	81 524	111 440	(29 917)	-27%	122 012
Surplus/(Deficit)	(6 622)	12 484	7 943	(395)	31 661	7 685	23 976	312%	7 943
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	23 250	42 337	42 337	2 786	30 060	38 809	(8 749)	-23%	42 337
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	7 903	-	5 865	-	2 226	2 933	(707)	-24%	5 865
Surplus/(Deficit) after capital transfers & contributions	24 531	54 821	56 145	2 391	63 947	49 426	14 520	29%	56 145
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	24 531	54 821	56 145	2 391	63 947	49 426	14 520	29%	56 145
Capital expenditure & funds sources									
Capital expenditure	22 636	42 135	51 057	2 982	31 269	44 196	(12 927)	-29%	51 057
Capital transfers recognised	21 537	36 865	42 169	2 534	25 822	36 404	(10 582)	-29%	42 169
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	1 100	5 270	8 888	448	5 447	7 792	(2 346)	-30%	8 888
Total sources of capital funds	22 636	42 135	51 057	2 982	31 269	44 196	(12 927)	-29%	51 057
Financial position									
Total current assets	32 821	70 157	68 812		70 080				68 812
Total non current assets	329 166	300 526	307 248		349 374				307 248
Total current liabilities	54 920	25 300	70 214		48 772				70 214
Total non current liabilities	29 007	29 300	29 300		29 053				29 300
Community wealth/Equity	274 988	393 883	395 206		341 630				395 206
Cash flows									
Net cash from (used) operating	42 244	51 925	51 425	12 554	187 040	47 139	(139 900)	-297%	51 425
Net cash from (used) investing	(24 133)	(37 170)	(38 714)	(3 394)	(31 653)	(35 488)	(3 835)	11%	(38 714)
Net cash from (used) financing	-	(870)	(0)	-	-	(92)	(92)	100%	0
Cash/cash equivalents at the month/year end	23 555	19 329	18 154	-	171 997	17 004	(154 993)	-912%	29 320
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	7 601	4 446	3 021	2 470	2 359	2 329	2 226	67 266	91 718
Creditors Age Analysis									
Total Creditors	184	386	447	326	646	80	2 069	6 614	10 752

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OPERATING REVENUE

In the statement of financial performance, revenue accrued is R133 million out of the projected R 143 million.

Cash receipts on operating revenue excluding grants, totals to R 48, 2 million inclusive of advance payments.

Below is the revenue types as per table C4:

a) Property Rates

The YTD budget for rates billing amounts to R37, 8 million and R33, 5 million has been billed for the YTD Actual

Total cash received for rates to date is R21, 6 million.

b) Refuse Services

The YTD budget for refuse billing amounts to R10, 8 million, and R 4, 1 million has been billed for YTD actual.

Total cash received for refuse collection to date is R2, 9million

c) Electricity Services

YTD budget for electricity billing and receipts amounts to R9, 7 million, and R8, 4 million has been billed for the YTD actual.

YTD actual receipts amounts to R10, 6 million (Conventional R4, 2 million and Prepaid R6, 4 million)

d) Interest on investments

This relates to interests received on the call account deposits. Interest received in the YTD Actual amounts to R1, 6 million.

e) Interest on outstanding debtors

Interest billed for the YTD actual amounts to R7, 1 million (Interest billed on outstanding debtors)

f) Licences and permits

Movement on this line item in the YTD actual is at R544 271

g) Vat Refunds

Amount received on VAT refunds is R6, 9 million.

h) Other Revenue

Amount received on other revenue is R4 million.

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OPERATING EXPENDITURE

The Municipality's year to date budget for operating expenditure is R111, 4 million and the actual spending to date is R81, 5 million which is 73% of the year to date budget. Below is the expenditure types as per table C4:

a) Employee Costs

The year to date budget for employee related costs is R41, 6 million and the actual spending to date is R37 million which is 89% of the year to date budget.

b) Remuneration of councillors

The year to date budget for Councillor's allowances is R4, 8 million and the actual spending to date is R4, 8 million.

c) Bulk Electricity

The year-to-date budget for bulk electricity purchases is at R11, 3 million and the spending to date is R9, 6 million. The outstanding balance for bulk electricity as at end April is R3, 1 million.

d) Depreciation and Impairment

The year to date budget for depreciation and impairment an amount of R13, 8 million and the year to date actual spending is R11 million.

e) Contracted Services

The year to budget for this line item is at R8, 3 million, there is R4, 6 million spending to date which is 55, 2% of the year to date budget.

f) Other Expenditure

The year to date budget for this line item is at R19, 7 million and there is R13, 6 million spending to date.

CAPITAL EXPENDITURE

The capital expenditure to date is R31, 2 million for both MIG; STR projects and internally funded projects.

Please see table C5 below.

CASH FLOWS

The municipality ended the month with cash and cash equivalents balance of R 41, 5 million.

Please see table C7 below.

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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) - M11 May										
Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		64 965	99 307	99 307	4 852	95 086	91 032	4 054	4%	99 307
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		64 965	99 307	99 307	4 852	95 086	91 032	4 054	4%	99 307
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		38 195	1 582	1 582	75	1 102	1 450	(349)	-24%	1 582
Community and social services		37 533	762	762	0	558	699	(140)	-20%	762
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		656	820	820	74	543	752	(208)	-28%	820
Housing		6	-	0	-	-	-	-	-	0
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		24 967	43 895	49 760	3 180	31 829	43 170	(11 340)	-26%	49 760
Planning and development		477	630	630	57	375	578	(202)	-35%	630
Road transport		24 490	43 265	49 130	3 123	31 454	42 592	(11 138)	-26%	49 130
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		21 111	27 507	27 507	1 445	17 453	25 215	(7 762)	-31%	27 507
Energy sources		9 787	11 970	11 970	757	9 162	10 972	(1 810)	-17%	11 970
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		11 324	15 537	15 537	689	8 291	14 243	(5 951)	-42%	15 537
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	149 238	172 291	178 157	9 552	145 470	160 866	(15 396)	-10%	178 157
Expenditure - Functional										
<i>Governance and administration</i>		98 772	49 039	51 147	3 444	38 790	46 714	(7 924)	-17%	51 147
Executive and council		5 632	5 293	5 293	482	5 275	4 852	423	9%	5 293
Finance and administration		93 140	43 745	45 854	2 962	33 515	41 862	(8 347)	-20%	45 854
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		5 262	2 326	2 379	545	5 672	2 143	3 529	165%	2 379
Community and social services		4 462	-	52	345	3 710	19	3 691	19758%	52
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		800	2 326	2 327	201	1 962	2 124	(162)	-8%	2 327
Housing		-	-	0	-	-	-	-	-	0
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		19 362	26 214	26 574	1 361	16 163	24 288	(8 125)	-33%	26 574
Planning and development		12 833	16 069	15 924	761	9 799	14 524	(4 725)	-33%	15 924
Road transport		6 529	10 146	10 651	600	6 364	9 763	(3 400)	-35%	10 651
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		(1 384)	39 892	41 912	1 811	20 899	38 296	(17 397)	-45%	41 912
Energy sources		(15 252)	23 121	25 246	863	10 867	23 142	(12 275)	-53%	25 246
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		13 868	16 771	16 666	948	10 032	15 154	(5 122)	-34%	16 666
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	122 012	117 470	122 012	7 161	81 524	111 440	(29 917)	-27%	122 012
Surplus/ (Deficit) for the year		27 226	54 821	56 145	2 391	63 946	49 426	14 520	29%	56 145

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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) - M11 May										
Vote Description	Ref	2021/22	Budget Year 2022/23							
		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		6	-	0	-	-	-	-		0
Vote 2 - Directorate: Budget and Treasury		101 799	99 307	99 307	5 069	98 180	91 032	7 149	7,9%	99 307
Vote 3 - Directorate: Corporate Services		41	-	-	-	-	-	-		-
Vote 4 - Directorate: Strategic Services		477	630	630	57	375	578	(202)	-35,1%	630
Vote 5 - Directorate: Technical Service & Community Services		46 915	72 354	78 219	4 426	46 915	69 257	(22 342)	-32,3%	78 219
Vote 6 - Municipal Manager- Acting		-	-	-	-	-	-	-		-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
Total Revenue by Vote	2	149 238	172 291	178 157	9 552	145 470	160 866	(15 396)	-9,6%	178 157
Expenditure by Vote	1									
Vote 1 - Office of the Municipal Manager		824	-	0	-	-	-	-		0
Vote 2 - Directorate: Budget and Treasury		58 532	33 237	32 626	1 515	27 320	29 808	(2 487)	-8,3%	32 626
Vote 3 - Directorate: Corporate Services		5 763	10 508	13 228	1 448	6 195	12 054	(5 860)	-48,6%	13 228
Vote 4 - Directorate: Strategic Services		18 019	21 362	21 217	1 242	15 074	19 376	(4 302)	-22,2%	21 217
Vote 5 - Directorate: Technical Service & Community Services		38 873	52 363	54 941	2 956	32 934	50 202	(17 267)	-34,4%	54 941
Vote 6 - Municipal Manager- Acting		-	-	-	-	-	-	-		-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-		-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
Total Expenditure by Vote	2	122 012	117 470	122 012	7 161	81 524	111 440	(29 917)	-26,8%	122 012
Surplus/ (Deficit) for the year	2	27 226	54 821	56 145	2 391	63 946	49 426	14 520	29,4%	56 145

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

Revenue by Source

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

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		33 682	41 325	41 325	3 334	33 533	37 881	(4 348)	-11%	41 325
Service charges - electricity revenue		9 685	10 685	10 685	719	8 495	9 794	(1 299)	-13%	10 685
Service charges - water revenue		-	-	0	-	-	-	-		0
Service charges - sanitation revenue		-	-	-	-	-	-	-		-
Service charges - refuse revenue		8 338	11 870	11 870	588	4 180	10 881	(6 701)	-62%	11 870
Rental of facilities and equipment		47	302	302	0	56	277	(221)	-80%	302
Interest earned - external investments		694	550	550	423	1 662	504	1 157	230%	550
Interest earned - outstanding debtors		7 731	6 201	6 201	682	7 136	5 684	1 451	26%	6 201
Dividends received		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		20	177	177	68	473	162	311	191%	177
Licences and permits		462	530	530	73	544	486	58	12%	530
Agency services		178	300	300	1	1	275	(274)	-100%	300
Transfers and subsidies		53 823	54 747	54 747	551	56 320	50 185	6 135	12%	54 747
Other revenue		754	3 267	3 267	325	785	2 995	(2 211)	-74%	3 267
Gains		(23)	-	-	-	-	-	-		-
		115 390	129 954	129 954	6 766	113 184	119 125	(5 940)	-5%	129 954
Total Revenue (excluding capital transfers and contributions)										

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Operating expenditure by type

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

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		45 054	45 424	45 424	3 432	37 116	41 639	(4 523)	-11%	45 424
Remuneration of councillors		4 680	5 293	5 293	441	4 838	4 852	(14)	0%	5 293
Debt impairment		19 553	14 500	10 500	-	-	9 625	(9 625)	-100%	10 500
Depreciation & asset impairment		13 078	12 800	15 100	1 105	11 061	13 842	(2 781)	-20%	15 100
Finance charges		1 434	376	271	7	183	248	(65)	-26%	271
Bulk purchases - electricity		12 219	12 000	12 400	756	9 664	11 367	(1 703)	-15%	12 400
Inventory consumed		251	2 005	1 905	(9)	408	1 746	(1 339)	-77%	1 905
Contracted services		7 869	8 784	9 257	247	4 637	8 386	(3 749)	-45%	9 257
Transfers and subsidies		-	-	-	-	-	-	-		-
Other expenditure		15 961	16 288	21 862	1 181	13 618	19 736	(6 118)	-31%	21 862
Losses		1 914	-	-	-	-	-	-		-
Total Expenditure		122 012	117 470	122 012	7 161	81 524	111 440	(29 917)	-27%	122 012

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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) - M11 May										
Vote Description	Ref	Budget Year 2022/23								
		2021/22 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		402	813	1 609	145	255	1 120	(865)	-77%	1 609
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		402	813	1 609	145	255	1 120	(865)	-77%	1 609
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		26	50	448	-	-	224	(224)	-100%	448
Community and social services		26	50	448	-	-	224	(224)	-100%	448
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		22 162	35 926	41 759	2 726	26 767	36 215	(9 448)	-26%	41 759
Planning and development		651	411	125	-	-	115	(115)	-100%	125
Road transport		21 511	35 515	41 634	2 726	26 767	36 100	(9 333)	-26%	41 634
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		46	5 345	7 241	111	4 247	6 637	(2 391)	-36%	7 241
Energy sources		-	3 229	3 229	101	499	2 960	(2 461)	-83%	3 229
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		46	2 117	4 012	10	3 748	3 678	70	2%	4 012
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	22 636	42 135	51 057	2 982	31 269	44 196	(12 927)	-29%	51 057
Funded by:										
National Government		9 610	19 424	19 230	1 584	15 382	17 688	(2 306)	-13%	19 230
Provincial Government		11 901	17 391	17 391	950	10 440	15 942	(5 502)	-35%	17 391
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		26	50	5 548	-	-	2 774	(2 774)	-100%	5 548
Transfers recognised - capital		21 537	36 865	42 169	2 534	25 822	36 404	(10 582)	-29%	42 169
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		1 100	5 270	8 888	448	5 447	7 792	(2 346)	-30%	8 888
Total Capital Funding		22 636	42 135	51 057	2 982	31 269	44 196	(12 927)	-29%	51 057

The table above shows budget for capital expenditure which is funded from municipal infrastructure grant (MIG), Provincial Government Grant and funded internally. These includes infrastructure projects, purchasing of computers, transport assets for the municipality and refurbishment of municipal building.

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Table C6: Statement of Financial Position

EC123 Great Kei - Table C6 Monthly Budget Statement - Financial Position - M10 April						
Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		2 054	8 864	7 319	450	7 319
Call investment deposits		14 556	13 000	13 000	41 056	13 000
Consumer debtors		(8 700)	43 453	43 453	20 985	43 453
Other debtors		10 651	4 840	5 040	10 287	5 040
Current portion of long-term receivables		-	-	-	-	-
Inventory		13	-	0	13	0
Total current assets		18 574	70 157	68 812	72 792	68 812
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		77 801	77 801	77 801	77 801	77 801
Investments in Associate		-	-	-	-	-
Property, plant and equipment		251 330	222 189	225 562	269 555	225 562
Biological		-	-	-	-	-
Intangible		-	500	500	28	500
Other non-current assets		36	36	36	36	36
Total non current assets		329 166	300 526	303 899	347 420	303 899
TOTAL ASSETS		347 740	370 682	372 711	420 211	372 711
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		-	-	-	-	-
Consumer deposits		387	100	100	387	100
Trade and other payables		50 679	18 500	63 415	47 869	63 415
Provisions		3 854	6 700	6 700	3 854	6 700
Total current liabilities		54 920	25 300	70 214	52 109	70 214
Non current liabilities						
Borrowing		-	-	0	-	0
Provisions		29 007	29 300	29 300	29 053	29 300
Total non current liabilities		29 007	29 300	29 300	29 053	29 300
TOTAL LIABILITIES		83 927	54 600	99 515	81 163	99 515
NET ASSETS	2	263 814	316 082	273 196	339 049	273 196
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		253 298	393 883	388 944	339 049	388 944
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	253 298	393 883	388 944	339 049	388 944

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Table C7: Cash flow

The table below reflects the cash flow of the institution.

EC123 Great Kei - Table C7 Monthly Budget Statement - Cash Flow - M11 May										
Description	Ref	2021/22		Budget Year 2022/23						
		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		25 011	22 942	22 942	2 638	21 674	21 030	643	3%	22 942
Service charges		25 833	15 413	15 413	1 199	10 574	14 128	(3 554)	-25%	15 413
Other revenue		(596)	2 269	2 269	406	1 906	2 080	(174)	-8%	2 269
Transfers and Subsidies - Operational		(19 932)	54 186	54 186	-	54 186	49 671	4 516	9%	54 186
Transfers and Subsidies - Capital		5 021	42 948	42 948	1 017	34 357	39 369	(5 012)	-13%	42 948
Interest		8 477	3 961	3 961	513	2 480	3 631	(1 151)	-32%	3 961
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(136)	(89 794)	(90 294)	(4 860)	(57 083)	(82 770)	(25 687)	31%	(90 294)
Finance charges		(1 434)	-	-	(7)	(183)	-	183	#DIV/0!	-
Transfers and Grants		-	-	(0)	-	-	-	-		(0)
NET CASH FROM/(USED) OPERATING ACTIVITIES		42 244	51 925	51 425	906	67 911	47 139	(20 772)	-44%	51 425
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		4	4 965	4 965	200	600	4 551	(3 951)	-87%	4 965
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(24 137)	(42 135)	(43 679)	(3 394)	(31 653)	(40 039)	(8 386)	21%	(43 679)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(24 133)	(37 170)	(38 714)	(3 194)	(31 053)	(35 488)	(4 435)	12%	(38 714)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	(870)	(0)	-	-	(92)	92	-100%	0
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(870)	(0)	-	-	(92)	(92)	100%	0
NET INCREASE/ (DECREASE) IN CASH HELD		18 111	13 885	12 710	(2 287)	36 858	11 560			12 710
Cash/cash equivalents at beginning:		5 444	5 444	5 444		450	5 444			450
Cash/cash equivalents at month/year end:		23 555	19 329	18 154		37 308	17 004			13 160

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Table SC3: Aged Debtors

The total debtors' age amounts to R 91, 7 million of which the biggest portion is on households with R75, 4 million being owed by this group of debtors. The organs of state owing R9, 4 million. Commercial debtors are sitting at R4, 3 million.

EC123 Great Kei - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

Description	NT Code	Budget Year 2022/23									Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
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	375	143	56	67	76	85	90	1 246	2 139	1 565	
Receivables from Non-exchange Transactions - Property Rates	1400	6 245	3 979	2 662	2 106	1 996	1 958	1 872	55 429	76 248	63 362	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	829	323	301	297	285	285	264	10 589	13 173	11 720	
Receivables from Exchange Transactions - Property Rental Debtors	1700	151	1	-	-	-	-	-	-	151	-	
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	1	0	2	-	2	-	-	2	6	3	
Total By Income Source	2000	7 601	4 446	3 021	2 470	2 359	2 329	2 226	67 266	91 718	76 650	
2021/22 - totals only		9 465	4 447	6 307	2 845	2 633	2 576	2 547	91 842	122 663	102 445	
Debtors Age Analysis By Customer Group												
Organs of State	2200	597	380	240	236	243	250	252	8 498	10 697	9 480	
Commercial	2300	665	283	212	206	198	195	190	3 587	5 536	4 376	
Households	2400	6 339	3 782	2 569	2 029	1 918	1 883	1 784	55 181	75 485	62 795	
Other	2500	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2600	7 601	4 446	3 021	2 470	2 359	2 329	2 226	67 266	91 718	76 650	

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Report on Collection

Current month's collection rate is 66% and has increased when compared to 54% which was collected in the previous month by 12%.

Collection Rate % of billing:May 2023			
	Billing	Receipts	%
Electricity	913 022,26	875 020,21	96%
Refuse	780 370,00	324 158,83	42%
Rates	4 130 689,45	2 638 103,28	64%
Total	5 824 081,71	3 837 282,32	66%

Billing VS Collection Per Town			
Name of Town/ Farm	Billing	Collection Amount	Collection %
Cintsa	1 528 928,94	804 097,35	53%
East London RD (Farms)	483 882,95	181 118,60	37%
Kwelera	537 175,67	263 797,33	49%
Haga Haga	372 881,77	255 530,71	69%
Kei Mouth	562 973,32	347 718,72	62%
Komga	1 493 611,98	340 388,04	23%
Komga RD (Farm)	142 692,43	170 704,45	120%
Morgan's Bay	691 422,89	332 921,10	48%
Tainton	5 904,43	-	0%
TOTAL	5 819 474,38	2 696 276,30	46%

The above shows billing vs collection per town.

Collection On Current Billing			
Month	Billing Amount	Collected Amount	Collection %
July	6 505 151,14	1 844 030,96	28%
August	6 628 818,36	3 237 539,20	49%
September	5 788 803,52	1 362 860,23	24%
October	5 496 101,75	1 466 926,23	27%
November	5 453 566,65	1 524 236,15	28%
December	5 633 794,11	1 405 338,18	25%
January	5 522 667,70	1 666 968,51	30%
February	5 473 893,76	1 627 212,03	30%
March	5 801 869,55	1 927 026,72	33%
April	5 819 474,38	1 897 521,41	33%
		17 959 659,62	

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Collection On Old Debt - 30 June 2022			
Month	Billing Amount	Collected Amou	Collection%
July	75 273 367,20	783 209,14	1%
August	75 273 367,20	1 695 994,68	2%
September	75 273 367,20	765 371,55	1%
October	75 273 367,20	1 113 889,88	1%
November	75 273 367,20	1 715 844,58	2%
December	75 273 367,20	756 430,59	1%
January	75 273 367,20	1 098 674,94	1%
February	75 273 367,20	1 923 229,05	3%
March	75 273 367,20	1 364 581,30	2%
April	75 273 367,20	798 754,89	1%
		12 015 980,60	

SC4: Aged Creditors

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

Description	NT Code	Budget Year 2022/23								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	6	-	-	2	3	1	139	3 040	3 191
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	178	386	447	324	643	79	1 930	2 476	6 463
Auditor General	0800	-	-	-	-	-	-	-	938	938
Other	0900	-	-	-	-	-	-	-	159	159
Total By Customer Type	1000	184	386	447	326	646	80	2 069	6 614	10 752

The Municipality's top creditors as at May 2023 are as follows:

Supplier Name	Total
ADM	R4 024 909.00
Eskom	R3 191 164.00
SALGA	R282 596.00
AUDITOR GENERAL	R938 263.00
DEPARTMENT OF TRANSPORT	R510 610,51
SEBATA	R 396 735.00

TOTAL TOP CREDITORS

R9 344 277.51

Other trade creditor's amount to R1, 4 million that the Municipality will strive to pay in the following months. The total creditors' book as at end May 2023 is R10, 7 million.

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Table SC5: Investment Portfolio

All the call deposits are highly liquid short term investments and are held for the purpose of meeting short-term commitments rather than the purpose of earning a return (interest). The Municipality had a favorable operating bank balance of R783 050.53 and call deposits amounting to R36, 5 million as at end of May 2023.

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 *	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	09 January 2030	9 605	118	(2 769)	1 017	7 972
2 Standard Bank		144 M	Deposit-Bank	Yes	Variable	1	09 January 2030	890	8	-	-	898
3 Standard Bank		144 M	Deposit-Bank	Yes	Variable	1	09 January 2030	398	-	-	-	398
4 Standard Bank		144 M	Deposit-Bank	Yes	Variable	1	09 January 2030	21 006	266	(2 000)	200	19 472
5 Standard Bank		144 M	Deposit-Bank	Yes	Variable	1	09 January 2030	46	26	-	97	169
6 Standard Bank		144 M	Deposit-Bank	Yes	Variable	1	09 January 2030	2 349	42	(1 500)	-	892
13 FNB		127 M	Call Account	Yes	Variable	6,15	09 January 2030	1 709	11	-	-	1 720
14 FNB		4 Y	Call Account	Yes	Variable	0,09	30/06/2025	9	(0)	(4)	-	4
15 Standard Bank		1 Y	Call Account	Yes	Variable	8,43	31/03/2024	5 000	-	-	-	5 000
Municipality sub-total								41 012		(6 274)	1 314	36 525

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Table SC6: Grants Received

The table below reflects on individual grants received and for the current month, there were no grants received.

EC123 Great Kei - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M11 May										
Description	Ref	2021/22	Budget Year 2022/23							
		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:		3 487	4 111	4 111	-	4 111	3 768	88	2,3%	4 111
Expanded Public Works Programme Integrated Grant		1 079	1 050	1 050	-	1 050	963	88	9,1%	1 050
Local Government Financial Management Grant		2 408	2 450	2 450	-	2 450	2 246			2 450
Municipal Infrastructure Grant		-	611	611	-	611	560			611
Provincial Government:		-	500	500	-	500	458	42	9,1%	500
National Library South Africa			500	500		500	458	42	9,1%	500
								-		
Total Operating Transfers and Grants	5	3 487	4 611	4 611	-	4 611	4 227	129	3,1%	4 611
Capital Transfers and Grants										
National Government:		-	22 337	22 337	-	22 337	20 476	61	0,3%	22 337
Integrated National Electrification Programme Grant		-	733	733	-	733	672	61	9,1%	733
Municipal Infrastructure Grant		-	21 604	21 604	-	21 604	19 804			21 604
Other capital transfers <i>[insert description]</i>								-		
Provincial Government:		-	20 000	20 000	1 017	11 907	18 333	(6 426)	-35,1%	20 000
Office of the Premier			20 000	20 000	1 017	11 907	18 333	(6 426)	-35,1%	20 000
								-		
Total Capital Transfers and Grants	5	-	42 337	42 337	1 017	34 244	38 809	(6 365)	-16,4%	42 337
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	3 487	46 948	46 948	1 017	38 855	43 036	(6 236)	-14,5%	46 948

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Table SC7: Grants expenditure

The table below reflects on grants' expenditures as at May 2023. These amounts are inclusive of VAT.

Finance management grant's (FMG) year-to-date expenditure amounts to R2, 4 million which relates to interns' salaries and mSCOA implementation.

Expanded Public works programme (EPWP) grant which relates to casual work and poverty alleviation projects, the spending to date is R908 647

Municipal Infrastructural Grant (MIG) expenditure amounts to R18, 2 million for operational costs and capital expenditure.

Integrated National Electrification Program (INEP) Grant expenditure amount to R 478 091

The Small Town Revitalization (STR) Grant from Office of the Premier amount spent to date is R11, 9 million. Please find below all the municipal grants expenditure:

Grants Reconciliation as at May 2023					
Grants	Allocation	Amount Received	Amount Spent	Variance	% Spent
FMG	2 450 000	2 450 000	2 407 886	42 115	98%
EPWP	1 050 000	1 050 000	908 647	141 353	87%
INEP	733 000	733 000	478 091	254 909	65%
OPT Grant	20 000 000	11 906 584	11 906 584	-	100%
MIG	22 215 000	22 215 000	18 244 845	3 970 155	82%
MIG Rollover		364 779	254 869	109 910	70%
Totals	46 448 000	38 719 363	34 200 921	4 518 442	88%

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Table SC8: Expenditure on councillors, employees and managers

Table SC8 shows the performance of staff costs and councillors remuneration as at May 2023.

EC123 Great Kei - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May										
Summary of Employee and Councillor remuneration	Ref	2021/22		Budget Year 2022/23						
		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		3 498	4 002	3 752	295	3 232	3 439	(208)	-6%	3 752
Cellphone Allowance		200	400	435	48	529	398	131	33%	435
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		982	891	1 107	98	1 077	1 015	63	6%	1 107
Sub Total - Councillors		4 680	5 293	5 293	441	4 838	4 852	(14)	0%	5 293
% increase	4		13,1%	13,1%						13,1%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		2 875	2 328	2 328	173	2 211	2 134	77	4%	2 328
Pension and UIF Contributions		8	8	8	1	7	7	(0)	-6%	8
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		209	403	403	-	-	369	(369)	-100%	403
Motor Vehicle Allowance		826	920	917	62	733	842	(109)	-13%	917
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		486	396	396	26	343	363	(20)	-5%	396
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		4 404	4 054	4 051	261	3 293	3 714	(422)	-11%	4 051
% increase	4		-7,9%	-8,0%						-8,0%
Other Municipal Staff										
Basic Salaries and Wages		28 120	28 806	28 831	2 373	25 776	26 428	(652)	-2%	28 831
Pension and UIF Contributions		4 458	5 332	5 102	398	4 190	4 677	(487)	-10%	5 102
Medical Aid Contributions		2 184	2 606	2 597	275	2 550	2 380	170	7%	2 597
Overtime		616	534	997	80	768	913	(145)	-16%	997
Performance Bonus		2 339	2 217	2 122	-	-	1 945	(1 945)	-100%	2 122
Motor Vehicle Allowance		604	599	513	40	485	471	14	3%	513
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		68	75	65	4	44	60	(15)	-26%	65
Other benefits and allowances		75	14	14	1	10	12	(3)	-21%	14
Payments in lieu of leave		630	1 135	1 080	-	-	990	(990)	-100%	1 080
Long service awards		120	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	1 435	52	52	-	-	48	(48)	-100%	52
Sub Total - Other Municipal Staff		40 650	41 369	41 372	3 171	33 823	37 924	(4 101)	-11%	41 372
% increase	4		1,8%	1,8%						1,8%
Total Parent Municipality		49 733	50 717	50 717	3 873	41 954	46 491	(4 537)	-10%	50 717
TOTAL SALARY, ALLOWANCES & BENEFITS		49 733	50 717	50 717	3 873	41 954	46 491	(4 537)	-10%	50 717

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**REPORT ON IRREGULAR, FRUITLESS AND WASTEFUL AND UNAUTHORISED
EXPENDITURE AS AT MAY 22/23**

- The following fruitless and wasteful expenditure has been incurred as at May 2023 and this has to be reported in terms of s32 of the MFMA and MFMA circular 68 :

January	February	March	APRIL	MAY	TOTAL
R30 874.63	R23 295.19	R7 041.10	R2 124,02		R63 334,94

- The municipality has no irregular and unauthorized expenditure incurred as the month of May 2023 under review.

FINANCIAL IMPLICATIONS

None

STAFF IMPLICATIONS

3 X Budget and Reporting staff members

ANNEXURE

Annexure A: Schedule C Report – May 2023

RECOMMENDATION

That the report be noted by the standing committee

SUBMITTED FOR NOTING