



# **GARDEN ROUTE DISTRICT MUNICIPALITY**

**FINANCIAL YEAR 2018 - 2019**

## **MONTHLY FINANCIAL MONITORING REPORT**

**30 SEPTEMBER 2018**

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## **Glossary:**

**Annual Budget** – Prescribed in section 16 of the MFMA - the formal means by which a Municipality approve official budget for the next three years.

**Adjustment Budget** – Prescribed in section 28 of the MFMA – the formal means by which a Municipality may revise its annual budget during the year.

**Allocations (Transfers – see DORA)** – Money received from Provincial or National Government.

**Budget Related Policy (ies)** – Policies of a Municipality affecting or affected by the budget, examples include Tariff Policy, Rates Policy, Credit Control and Debt Collection Policies.

**Capital Expenditure** - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet and must be included in the asset register.

**Cash Flow Statement** – A statement showing when actual cash will be received and spent by the Municipality. Payments do not always coincide with budgeted expenditure timings - for example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

**DORA** – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government (see Allocations / Transfers).

**Equitable Share** – A general grant paid to municipalities. It is predominantly targeted to help with free basic services and to compensate loss of RSC levies.

**Fruitless and Wasteful Expenditure** – Expenditure that was made in vain and would/should have been avoided had reasonable care been exercised.

**GFS** – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

**GRAP** – Generally Recognised Accounting Practice. The new standard for municipal accounting.

**IDP** – Integrated Development Plan. The main strategic planning document of the Municipality

**MBRR** – Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations dated April 2009.

**MFMA** – The Municipal Finance Management Act – Act No. 56 of 2003. The principle piece of legislation relating to municipal financial management.

**mSCOA** – Municipal Standard Chart of Accounts

**MTREF** – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

**Operating Expenditure** – The day-to-day expenses of the Municipality such as salaries and wages.

**Rates** – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the Rand.

**SDBIP** – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budgeted estimates.

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

**Unauthorised Expenditure** – Generally, spending without, or in excess of, an Approved Budget.

**Virement** – A transfer of funds within a vote.

**Virement Policy** - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

**Vote** – One of the main segments into which a budget is divided. In Garden Route District, this means the different GFS classification the budget is divided.

**Legislative Framework:**

This report has been prepared in terms of the following enabling legislation:

**The Municipal Finance Management Act – Act No. 56 of 2003**

Section 71: Monthly budget statements

**Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations**

## **PART 1 – IN-YEAR REPORT**

### **Section 1 – Resolutions**

These are the resolutions being presented to Council in the monthly report on the implementation of the budget and the financial state of affairs of the municipality as required in terms of Section 71 of the Municipal Finance Management Act, Act 56 of 2003 and the Municipal Budget and Reporting Regulations.

Regulation 28 of the Municipal Budget and Reporting Regulations states:

*“The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.”*

#### **Recommendations:**

- That Council takes note of the monthly budget statement and supporting documentation for the month ended 30 September 2018.
- That Council takes note of the continuation of challenges faced relating to the financial system challenges and credibility of data.

### **Section 2 – Executive summary**

#### **2.1 Introduction**

The aim of the Financial Monitoring Report (FMR) is to provide a monthly update and report on the municipality's consolidated performance in terms of the budget, indicate any material variances from the Service Delivery and Budget Implementation Plan (SDBIP) and provide any remedial actions or corrective steps to be taken. Since the first Garden Route Investment Conference was held on 7 and 8 March 2018, Garden Route District Municipality (GRDM), has been in various promising engagements with domestic and foreign investors. First of many negotiations has already secured an R1-billion investment in the Garden Route, accompanied by 3000 jobs over the next five years. This follows after the GRDM Council entered into a Memorandum of Understanding with Ikusasa Processing Engineering Consultants (Pty) Ltd on 28 August 2018. A report to the GRDM Council unpacked the conditions relating to a long-term lease of one of GRDM's properties next to PetroSA to Ikusasa who will erect a Chemical Plant that will support the timber, water and textile sectors. Currently, in its design phase, the project will be implemented after a few weeks. It is envisaged that the factory will be fully operational by the end of 2019.

Unfortunately, the municipality still experiences challenges with the financial system, currently integration from the municipality's sub-systems into the main system are the

reasons for the challenges. Given the challenges faced, the municipality based the Section 71 Reporting on reliable data sources, and perform manual calculations to present more credible reporting. Furthermore, the municipality aligned the September 2018 figures to the actual year-to-date figures as reflected on the ledger after the September 2018 month end was performed on 9 October 2018.

The municipality also experienced challenges during the budget verification process to perfectly align the budget data strings and the approved budget. The deadline for the perfect alignment was set for 12 October 2018, the municipality will not be able to perfectly align the budget data strings to the approved budget and submitted a communication to the service provider to state the consequences should the municipality not align.

## **2.2 Consolidated Performance**

### **2.2.1 Against Annual Budget (original)**

#### **Revenue by source**

The total revenue received for the month ended 30 September 2018 amounted to **R 1,059,000** (excluding Roads budget), with a total annual budgeted figure of **R 251,002,000** representing a 0.42% of annual revenue.

#### **Operating Expenditure by type**

Operating expenditure for the month, ended 30 September 2018 amounted to **R 17,805,000**, with a total annual budgeted figure of **R 248,725,000** (excluding Roads budget). Being the beginning of the financial year the operational budget is 7.1% of the total annual expenditure, as most projects are in the planning phase or at supply chain process. The majority of the expenditure related to Employee and Councillor related cost of **R 10,469,000**.

#### **Capital Expenditure**

The capital budget for the financial year amounts to **R 9,303,378**. The capital expenditure for the month ended 30 September 2018 amounted to **R 6,000.00**. User departments were requested to improve planning relating to capital expenditure for the current budget year.

Refer to pages 13, 14, 15 & 16 for detail on capital budget progress.

## **2.3 Material variances from SDBIP**

Variances and deficiencies will be identified in terms of the SDBIP and will be reported on by the Performance Management Unit, situated in the Office of the Municipal Manager.

## **2.4 Remedial or corrective steps**

HOD's must monitor monthly income and expenditure reports, ensure spending is within budget and aligned to the IDP's Strategic Goals. The municipality will continue to engage with the vendor in order to find solutions to all system related challenges experienced. Organisational change management remains a challenge to really adopt and accept the mSCOA environment and there are plans to provide more training and awareness to achieve the objective of the mSCOA reform. The financial department has included a project of R50 000 for a Financial changes awareness campaign for the 2018/19 budget and have applied for funding from Provincial Treasury for mSCOA and upskilling of staff.

## **2.5 Conclusion**

Detailed analysis of the municipal performance for the month ended 30 September 2018 will be presented under the different sections of the report.

## Section 3 – In-year budget statement tables

### 3.1 Monthly budget statements

#### 3.1.1 Table C1: S71 Monthly Budget Statement Summary

DC4 Eden - Table C1 Monthly Budget Statement Summary - M03 September

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	–	–	–	–	–	–	–		–
Service charges	–	–	–	–	–	–	–		–
Investment revenue	12 084	15 715	–	–	–	3 929	(3 929)	-100%	15 715
Transfers and subsidies	160 545	158 885	5 708	–	67 452	41 148	26 304	64%	164 593
Other own revenue	211 471	215 515	179	1 059	6 941	53 924	(46 983)	-87%	215 694
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>384 100</b>	<b>390 115</b>	<b>5 887</b>	<b>1 059</b>	<b>74 393</b>	<b>99 001</b>	<b>(24 608)</b>	<b>-25%</b>	<b>396 002</b>
Employee costs	128 751	133 669	(871)	9 644	27 983	33 200	(5 216)	-16%	132 798
Remuneration of Councillors	10 815	11 572	–	825	2 559	2 893	(334)	-12%	11 572
Depreciation & asset impairment	3 060	3 272	–	–	–	818	(818)	-100%	3 272
Finance charges	–	–	–	–	–	–	–		–
Materials and bulk purchases	–	185	–	–	–	46	(46)	-100%	185
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	236 793	239 139	5 887	7 336	15 490	61 257	(45 767)	-75%	245 026
<b>Total Expenditure</b>	<b>379 419</b>	<b>387 838</b>	<b>5 016</b>	<b>17 805</b>	<b>46 032</b>	<b>98 213</b>	<b>(52 181)</b>	<b>-53%</b>	<b>392 854</b>
<b>Surplus/(Deficit)</b>	<b>4 681</b>	<b>2 278</b>	<b>871</b>	<b>(16 746)</b>	<b>28 361</b>	<b>787</b>	<b>27 574</b>	<b>3503%</b>	<b>3 149</b>
Transfers and subsidies - capital (monetary alloc	–	–	–	–	–	–	–		–
Contributions & Contributed assets	–	–	–	–	–	–	–		–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>4 681</b>	<b>2 278</b>	<b>871</b>	<b>(16 746)</b>	<b>28 361</b>	<b>787</b>	<b>27 574</b>	<b>3503%</b>	<b>3 149</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
<b>Surplus/ (Deficit) for the year</b>	<b>4 681</b>	<b>2 278</b>	<b>871</b>	<b>(16 746)</b>	<b>28 361</b>	<b>787</b>	<b>27 574</b>	<b>3503%</b>	<b>3 149</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>4 677</b>	<b>9 303</b>	<b>–</b>	<b>6</b>	<b>35</b>	<b>2 326</b>	<b>(2 291)</b>	<b>-99%</b>	<b>9 303</b>
Capital transfers recognised	–	–	–	–	–	–	–		–
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	4 677	9 303	–	6	35	2 326	(2 291)	-99%	9 303
<b>Total sources of capital funds</b>	<b>4 677</b>	<b>9 303</b>	<b>–</b>	<b>6</b>	<b>35</b>	<b>2 326</b>	<b>(2 291)</b>	<b>-99%</b>	<b>9 303</b>
<b>Financial position</b>									
Total current assets	178 609	180 332	–		189 370				180 332
Total non current assets	293 385	301 107	–		289 923				301 107
Total current liabilities	72 878	75 705	(82)		58 568				75 623
Total non current liabilities	153 943	163 153	–		137 987				163 153
Community wealth/Equity	245 172	242 582	82		282 738				242 664
<b>Cash flows</b>									
Net cash from (used) operating	19 110	3 097	–	(16 746)	28 361	16 631	(11 730)	-71%	3 097
Net cash from (used) investing	(4 677)	(7 938)	–	(6)	(190 804)	(2 326)	188 478	-8104%	(7 938)
Net cash from (used) financing	–	–	–	–	–	–	–		–
<b>Cash/cash equivalents at the month/year end</b>	<b>169 768</b>	<b>164 927</b>	<b>–</b>	<b>–</b>	<b>9 184</b>	<b>184 073</b>	<b>174 889</b>	<b>95%</b>	<b>166 786</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	609	1 235	809	17 842	–	–	–	–	20 494
<b>Creditors Age Analysis</b>									
Total Creditors	73	51	13	88	42	22	2	2	293



### 3.1.2 Table C2: Monthly Budget Statement - Financial Performance (standard classification)

DC4 Eden - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September

Description	Ref	2017/18	Budget Year 2018/19							
		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		229 916	211 013	5 887	-	-	-	-		-
Executive and council		228 590	209 608	5 887	-	-	-	-		-
Finance and administration		1 326	1 405	-	-	-	-	-		-
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		6 921	8 041	-	-	-	-	-		-
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		6 713	7 821	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		208	221	-	-	-	-	-		-
Economic and environmental services		145 314	145 333	-	-	-	-	-		-
Planning and development		-	-	-	-	-	-	-		-
Road transport		145 000	145 000	-	-	-	-	-		-
Environmental protection		314	333	-	-	-	-	-		-
Trading services		1 950	25 728	-	-	-	-	-		-
Energy sources		-	-	-	-	-	-	-		-
Water management		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		1 950	25 728	-	-	-	-	-		-
Other	4	-	-	-	-	-	-	-		-
Total Revenue - Functional	2	384 100	390 115	5 887	-	-	-	-		-
Expenditure - Functional										
Governance and administration		114 375	121 256	-	-	-	-	-		-
Executive and council		44 720	49 677	-	-	-	-	-		-
Finance and administration		67 115	69 211	-	-	-	-	-		-
Internal audit		2 540	2 368	-	-	-	-	-		-
Community and public safety		81 927	78 374	4 987	-	-	-	-		-
Community and social services		11 727	8 596	-	-	-	-	-		-
Sport and recreation		12 640	13 677	-	-	-	-	-		-
Public safety		27 498	29 149	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		30 062	26 953	4 987	-	-	-	-		-
Economic and environmental services		176 412	161 155	900	-	-	-	-		-
Planning and development		5 630	9 236	-	-	-	-	-		-
Road transport		168 320	148 325	900	-	-	-	-		-
Environmental protection		2 462	3 595	-	-	-	-	-		-
Trading services		3 839	25 738	-	-	-	-	-		-
Energy sources		18	18	-	-	-	-	-		-
Water management		3 821	25 720	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	-	-	-	-	-	-		-
Other		2 866	1 314	-	-	-	-	-		-
Total Expenditure - Functional	3	379 419	387 838	5 887	-	-	-	-		-
Surplus/ (Deficit) for the year		4 681	2 278	-	-	-	-	-		-

This table reflects the operating budget (Financial Performance) in the standard classifications that is the Government Finance Statistics Functions and Sub-function. The main functions are Governance and Administration, Community and Public Safety, Economic and Environmental Services and Trading services. Table C3, Financial Performance is reported by municipal vote, Table C3. Due to financial system challenges and limitations, the municipality are not able to populate Table C2 and C3.

### 3.1.3 Table C3: Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

DC4 Eden - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		229 035	210 080	5 887	-	-	-	-		-
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-		-
Vote 3 - Corporate Services		880	933	-	-	-	-	-		-
Vote 4 - Planning and Development		-	-	-	-	-	-	-		-
Vote 5 - Public Safety		-	-	-	-	-	-	-		-
Vote 6 - Health		208	221	-	-	-	-	-		-
Vote 7 - Community and Social Services		-	-	-	-	-	-	-		-
Vote 8 - Sport and Recreation		6 713	7 821	-	-	-	-	-		-
Vote 9 - Waste Management		1 950	25 728	-	-	-	-	-		-
Vote 10 - Roads Transport		-	-	-	-	-	-	-		-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-		-
Vote 12 - Water		-	-	-	-	-	-	-		-
Vote 13 - Environment Protection		314	333	-	-	-	-	-		-
Vote 14 - Roads Agency Function		145 000	145 000	-	-	-	-	-		-
Vote 15 - Electricity		-	-	-	-	-	-	-		-
<b>Total Revenue by Vote</b>	2	<b>384 100</b>	<b>390 115</b>	<b>5 887</b>	-	-	-	-		-
<b>Expenditure by Vote</b>	1									
Vote 1 - Executive and Council		47 274	48 199	-	-	-	-	-		-
Vote 2 - Budget and Treasury Office		20 362	19 830	-	-	-	-	-		-
Vote 3 - Corporate Services		39 345	42 835	-	-	-	-	-		-
Vote 4 - Planning and Development		16 688	19 357	-	-	-	-	-		-
Vote 5 - Public Safety		35 010	34 829	-	-	-	-	-		-
Vote 6 - Health		33 479	31 454	4 987	-	-	-	-		-
Vote 7 - Community and Social Services		-	-	-	-	-	-	-		-
Vote 8 - Sport and Recreation		12 640	13 677	-	-	-	-	-		-
Vote 9 - Waste Management		3 821	25 720	-	-	-	-	-		-
Vote 10 - Roads Transport		3 320	3 325	900	-	-	-	-		-
Vote 11 - Waste Water Management		-	18	-	-	-	-	-		-
Vote 12 - Water		18	-	-	-	-	-	-		-
Vote 13 - Environment Protection		2 461	3 595	-	-	-	-	-		-
Vote 14 - Roads Agency Function		165 000	145 000	-	-	-	-	-		-
Vote 15 - Electricity		-	-	-	-	-	-	-		-
<b>Total Expenditure by Vote</b>	2	<b>379 419</b>	<b>387 838</b>	<b>5 887</b>	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	2	<b>4 681</b>	<b>2 278</b>	<b>-</b>	-	-	-	-		-

Reporting per municipal vote provide details on the spread of spending over the various functions of council.

Revenue is mainly budgeted under the Executive and Council function and therefore the majority of the revenue will be reflected under this function.

The consolidation of the Roads Agency function into the budget of Garden Route DM reflects under the Roads Transport municipal function above.

No reporting on the operations in terms of the Roads Agency function is included in the report, the Roads income and expenditure is consolidated into Garden Route's Annual Financial Statements after year end (30 June 2019). Currently no reporting due to system challenges experienced. Once the system challenges are resolved with the vendor, the municipality will aim to incorporate the Roads Agency Function's reporting on a monthly basis instead of after year-end.

### 3.1.4 Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure)

DC4 Eden - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2017/18	Budget Year 2018/19							
		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								-		
Service charges - electricity revenue								-		
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - refuse revenue								-		
Service charges - other								-		
Rental of facilities and equipment	3 507	2 718				-	680	(680)	-100%	2 718
Interest earned - external investments	12 084	15 715				-	3 929	(3 929)	-100%	15 715
Interest earned - outstanding debtors	846	897				-	224	(224)	-100%	897
Dividends received						-	-	-		-
Fines, penalties and forfeits						-	-	-		-
Licences and permits	314	333				-	83	(83)	-100%	333
Agency services	15 300	19 022					4 755	(4 755)	-100%	19 022
Transfers and subsidies	160 545	158 885	5 708	-	67 452	41 148	26 304	64%	164 593	
Other revenue	191 504	189 390	179	1 059	6 941	47 392	(40 451)	-85%	189 569	
Gains on disposal of PPE		3 156			-	789	(789)	-100%	3 156	
Total Revenue (excluding capital transfers and contributions)		384 100	390 115	5 887	1 059	74 393	99 001	(24 608)	-25%	396 002
Expenditure By Type										
Employee related costs	128 751	133 669	(871)	9 644	27 983	33 200	(5 216)	-16%	132 798	
Remuneration of councillors	10 815	11 572		825	2 559	2 893	(334)	-12%	11 572	
Debt impairment	1 522	1 601			-	400	(400)	-100%	1 601	
Depreciation & asset impairment	3 060	3 272			-	818	(818)	-100%	3 272	
Finance charges					-	-	-	-		-
Bulk purchases	-	-			-	-	-	-		-
Other materials		185			-	46	(46)	-100%	185	
Contracted services	23 330	60 636	5 887	4 633	4 633	16 631	(11 998)	-72%	66 523	
Transfers and subsidies	-	-				-	-	-		-
Other expenditure	211 942	176 903		2 703	10 857	44 226	(33 369)	-75%	176 903	
Loss on disposal of PPE		-			-	-	-	-		-
Total Expenditure		379 419	387 838	5 016	17 805	46 032	98 213	(52 181)	-53%	392 854
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocation), (National / Provincial and District)		4 681	2 278	871	(16 746)	28 361	787	27 574	0	3 149
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)								-		
Transfers and subsidies - capital (in-kind - all)								-		
Surplus/(Deficit) after capital transfers & contributions		4 681	2 278	871	(16 746)	28 361	787			3 149
Taxation								-		
Surplus/(Deficit) after taxation		4 681	2 278	871	(16 746)	28 361	787			3 149
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		4 681	2 278	871	(16 746)	28 361	787			3 149
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		4 681	2 278	871	(16 746)	28 361	787			3 149

### **Revenue by Source**

Revenue by source explains the types of income budgeted for and the performance of these items individually.

#### **Rental of facilities and equipment:**

There were no income for rental of facilities and equipment reported for the month ended 30 September 2018. Due to system challenges experienced, income per line item could not be updated, rental income was therefore included under 'Other income'.

#### **Interest earned – External Investments:**

Reflects the interest earned in respect of surplus funds not immediately needed in the operations of the municipality over the short-term period. No interest were received for the month ended 30 September 2018.

#### **Interest raised – Outstanding debtors**

There was no interest on outstanding debtors for the month of 30 September 2018; this is due to the challenges experienced with the new financial system on the Income module and backlog in income allocations.

#### **Agency services**

The municipality performs an agency function on behalf of the Department of Transport – Roads department. Monthly agency fees are collected from the department. 12% Admin fee is received on the original allocation as well as any additional allocations. There was no revenue received in respect of the Agency Services for the month of 30 September 2018.

#### **Transferred recognised – operational**

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenues Act's respectively. The first instalment of R 63,015,000 for the Equitable Share was received during July 2018. An amount of R256,000 for EPWP Grant were received as first instalment during August, R1,483,000 were also received from Provincial Treasury for the Fire Service Capacity Building Grant, R1,698,000 as first instalment of the Rural Roads Asset Management Grant and R1,000,000 were received from National Treasury for the Finance Management Grant.

The municipality followed the application for roll-over process with regards to the unspent grant balances. The request was submitted to National and Provincial Treasury on 31 August 2018 and the balances applied for agreed with the pre-audited Annual Financial Statements for the year ended 30 June 2018, see Supporting Table C7 on page 23.

#### Other revenue / Sundry income

Other revenue reflects an amount of R 1,059,000 for the month ended 30 September 2018. Other revenue consists of the following: Interest on current account, resorts income and rental of facilities and equipment.

#### **Expenditure by Type**

Expenditure by type reflects the operational budget per main type/category of expenditure.

#### Employee Related cost / Remuneration of councillors

Remuneration related expenditure for the month ended 30 September 2018 amounted to R 10,469,000 of a budgeted amount of R 144,370,000 that represents 7,25% of the budgeted amount.

#### Debt Impairment / Depreciation and asset impairment

These items account for non-cash budgeted items.

#### Finance charges

The municipality have no outstanding loans and it is not envisioned that Council will take up any new loans.

#### Contracted services

The contracted services for the month amounts to R 4,633,000 against a budgeted amount of R 66,523,000 that represents 7 % of the budgeted amount.

#### Other expenditure

Other expenditure reflects all other expenses not specifically mentioned and amounts to R 2 703,000 for month ended 30 September 2018.

The other expenditure consists of the following:

- Repairs and Maintenance
- Operating Projects (own funds)
- General expenses
- Contributions to provisions (Accounted for with compilation of AFS)
- Actuarial Loss (Accounted for with compilation of AFS)
- Roads consolidation at year-end

### 3.1.5 Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

DC4 Eden - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Executive and Council		421	30	-	-	-	7	(7)	-100%	30
Vote 2 - Budget and Treasury Office		-	42	-	-	-	11	(11)	-100%	42
Vote 3 - Corporate Services		1 633	1 368	-	-	29	342	(313)	-92%	1 368
Vote 4 - Planning and Development		64	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		1 319	5 790	-	6	6	1 448	(1 442)	-100%	5 790
Vote 6 - Health		31	43	-	-	-	11	(11)	-100%	43
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		1 100	2 000	-	-	-	500	(500)	-100%	2 000
Vote 9 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		109	30	-	-	-	8	(8)	-100%	30
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	<b>4 677</b>	<b>9 303</b>	<b>-</b>	<b>6</b>	<b>35</b>	<b>2 326</b>	<b>(2 291)</b>	<b>-99%</b>	<b>9 303</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		-	-	-	-	-	-	-	-	-
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 9 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		-	-	-	-	-	-	-	-	-
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure</b>		<b>4 677</b>	<b>9 303</b>	<b>-</b>	<b>6</b>	<b>35</b>	<b>2 326</b>	<b>(2 291)</b>	<b>-99%</b>	<b>9 303</b>

Variances explained in Supporting Table C5

Refer to next page for detail breakdown of the capital expenditure.

SCOA config	Nr.	Project description	Cost centre	Original Budget R'000	YTD Expenditure R'	Year to date Budget	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?	What measures are in place to remedy the existing challenges.
071201240006	1	Filing Cabinet (4 Drawers)	1302	R 3 500,00		875,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071207230001	2	Upgrading of Roads Link	1207	R 25 000,00		6 250,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071207390001	3	Risk Management System	1207	R 500 000,00		125 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071207240001	4	Laptop	1207	R 163 200,00		40 800,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
072305220001	5	Water Tankers (CRR)	2305	R 1 550 000,00		387 500,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071201240007	6	Portable Voice recorders	1302	R 7 000,00		1 750,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071201240008	7	Steel Shelves	1308	R 33 000,00		8 250,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071201240009	8	Franking Machine	1308	R 17 000,00		4 250,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071203240001	9	Chairs	1203	R 15 000,00		3 750,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071203240002	10	Chair	1203	R 5 000,00		1 250,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071203240003	11	Visitors Chairs	1203	R 6 000,00		1 500,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071203240004	12	Desk	1203	R 5 000,00		1 250,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071203240005	13	Chair	1203	R 5 000,00		1 250,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071203240006	14	Visitors Chairs	1203	R 6 000,00		1 500,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071206240001	15	Office Chairs (Recruitment and Selection)	1305	R 10 000,00		2 500,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071206240002	16	Evacuation Chair (OHS)	1305	R 30 000,00		7 500,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071207230002	17	Replacing ICT Capital Equipment beyond economical repairs	1207	R 50 000,00		12 500,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071207240002	18	Loan Laptop	1207	R -		-	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
072305230002	19	Two Way Radio Repeater	2305	R 50 000,00		12 500,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
072502240001	20	3x Notice Boards	1803	R 4 500,00		1 125,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
072502240002	21	3 Drawer Desk	1805	R 4 300,00		1 075,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.

SCOA config	Nr.	Project description	Cost centre	Original Budget R'000	YTD Expenditure R'	Year to date Budget	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?	What measures are in place to remedy the existing challenges.
072502240003	22	Desk shell lockable top drawer	1805	R 3 871,00		967,75	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071209240002	23	CANON BATTERIES	1311	R 3 000,00		750,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071209240003	24	CANON CAMERA Canon 6D	1311	R 17 000,00		4 250,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071209240004	25	LAMINATING MACHINE	1311	R 2 800,00		700,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
072109240001	26	Water Cooler/Dispensers	2109	R 5 000,00	R 4 086,96	1 250,00	Completed	Completed	None	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
072109230001	27	Conference Speaker / recording system with 12 mics	2109	R 80 000,00		20 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
072109240002	28	Chairs	2109	R 12 000,00		3 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
072109240003	29	Small fridge	2109	R 3 000,00	R 1 735,00	750,00	Completed	Completed	None	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
072109240004	30	Kettle	2109	R 200,00		50,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
072204300001	31	Upgrading of Council Buildings	2204	R 2 000 000,00		500 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
072305300001	32	New Fire Station/ Training Academy (CRR Funding)	2305	R 3 000 000,00		750 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071207240004	33	ICT Technicians	1207	R 3 000,00		750,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071207390002	34	MS Office	1207	R 124 000,00		31 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071207240005	35	Printer HP Black\White	1207	R 3 500,00		875,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071207240006	36	Printer HP 4 in One	1207	R 18 000,00		4 500,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071207240007	37	Printer HP Colour	1207	R 5 300,00		1 325,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071208240001	38	Chair	1208	R 5 000,00		1 250,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071209240001	39	CHAIRS	1311	R 7 000,00		1 750,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071207230003	40	Insurance claims	1207	R 20 000,00		5 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
071207240003	41	Personal Computers	1207	R 142 500,00		35 625,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.
072305220002	42	LDV - 1 x Skid Unit & 1 x Command Unit (CRR)	2305	R 550 000,00		137 500,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects.



SCOA config	Nr.	Project description	Cost centre	Original Budget R'000	YTD Expenditure R'	Year to date Budget	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?	What measures are in place to remedy the existing challenges.
072305290001	43	Hazmat suits - Level A	2305	R 160 000,00		40 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072305290002	44	Thermal Imaging Camera	2305	R 80 000,00		20 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072305230001	45	Hazmat Rescue & Fire Equipment Equipment	2305	R 300 000,00		75 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
07110240001	46	Office Chair	1018	R 10 000,00		2 500,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
07110240002	47	Two Visitors chairs - PA of the Deputy Mayor	1003	R 10 000,00		2 500,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071201240001	48	Filing Cabinet	1301	R 3 500,00		875,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071201240002	49	Highback Chair Bonded Leather - Personal Assistant	1301	R 5 000,00		1 250,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071201240003	50	Desk	1302	R 3 000,00		750,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071201240004	51	Highback Chair Bonded Leather	1302	R 10 000,00		2 500,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071201240005	52	Visitor Chairs Leather	1302	R 5 000,00		1 250,00	In Process	In Process	No expected challenges anticipated	Finance Department was informed that the goods will be delivered by 30 June 2018 but due to mentioned challenges the furniture is not yet in our possession. The furniture that was
072502240004	53	Highback swivel chair	1805	R 944,00		236,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072502240005	54	2 x Saver Arm chair	1805	R 1 183,00		295,75	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072502240006	55	1 x Conference Table & 10 x Saver arm chair	1805	R 24 176,00		6 044,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072502240007	56	3 High back office desk chairs	1804	R 4 104,00		1 026,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
073305230001	57	Spare cells for mobile analyzer	3602	R 30 000,00		7 500,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071307102401	58	Sound System (IDP)	1307	R 30 000,00	R 29 000,00	7 500,00	Completed	Completed	None	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207240011	59	Portable Printer	1207	R 4 000,00		1 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207240012	60	Wireless Access Points	1207	R 40 000,00		10 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207240013	61	Voice Recorder	1207	R 2 800,00		700,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
073305230002	62	Aluminium Tables	1018	R 15 000,00		3 750,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207240008	63	Projector	1207	R 10 000,00		2 500,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207240009	64	Heavy Duty Printer	1207	R 20 000,00		5 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207240010	65	Scanners	1207	R 40 000,00		10 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
<b>Totals</b>				<b>9 303 378,00</b>	<b>34 821,96</b>	<b>775 281,50</b>				

Commitments against capital for the month September 2018				
071201240006	1	Filing Cabinet (4 Drawers)	1302	3 243,48
071207230001	2	Upgrading of Roads Link	1207	25 000,00
071203240001	9	Chairs	1203	10 050,00
071209240002	23	CANON BATTERIES	1311	1 940
071209240003	24	CANON CAMERA Canon 6D	1311	12 814
072109240002	28	Chairs	2109	7 800,00
072204300001	31	Upgrading of Council Buildings	2204	58 073,67
071208240001	38	Chair	1208	3 350,00
071110240001	46	Office Chair	1018	4 891,30
071110240002	47	Two Visitors chairs - PA of the Deputy Mayor	1003	5 286,96
071201240001	48	Filing Cabinet	1301	2 591,30
071201240002	49	Highback Chair Bonded Leather - Personal Assistant	1301	3 800,00
071201240003	50	Desk	1302	2 465,22
071201240004	51	Highback Chair Bonded Leather	1302	1 833,91
071201240005	52	Visitor Chairs Leather	1302	3 652,17
073305230002	62	Aluminium Tables	1018	9 600,00
		<b>Total Commitments</b>		<b>156 391,92</b>

### 3.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Eden - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		169 768	164 927		159 184	164 927
Call investment deposits		–	–			–
Consumer debtors		–	–			–
Other debtors		2 181	8 217		22 060	8 217
Current portion of long-term receivables		3 227	3 550		4 108	3 550
Inventory		3 433	3 639		4 018	3 639
<b>Total current assets</b>		<b>178 609</b>	<b>180 332</b>	<b>–</b>	<b>189 370</b>	<b>180 332</b>
<b>Non current assets</b>						
Long-term receivables		59 717	61 508		–	61 508
Investments		26	26		26	26
Investment property		85 712	84 677		85 421	84 677
Investments in Associate						–
Property, plant and equipment		146 146	152 178		145 380	152 178
Agricultural						–
Biological						–
Intangible		1 784	2 717		1 363	2 717
Other non-current assets					57 733	–
<b>Total non current assets</b>		<b>293 385</b>	<b>301 107</b>	<b>–</b>	<b>289 923</b>	<b>301 107</b>
<b>TOTAL ASSETS</b>		<b>471 994</b>	<b>481 439</b>	<b>–</b>	<b>479 293</b>	<b>481 439</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft						
Borrowing					857	
Consumer deposits						
Trade and other payables		44 578	46 012	(82)	49 291	45 930
Provisions		28 300	29 692		8 420	29 692
<b>Total current liabilities</b>		<b>72 878</b>	<b>75 705</b>	<b>(82)</b>	<b>58 568</b>	<b>75 623</b>
<b>Non current liabilities</b>						
Borrowing		–	–		591	
Provisions		153 943	163 153		137 396	163 153
<b>Total non current liabilities</b>		<b>153 943</b>	<b>163 153</b>	<b>–</b>	<b>137 987</b>	<b>163 153</b>
<b>TOTAL LIABILITIES</b>		<b>226 822</b>	<b>238 857</b>	<b>(82)</b>	<b>196 555</b>	<b>238 775</b>
<b>NET ASSETS</b>	2	<b>245 172</b>	<b>242 582</b>	<b>82</b>	<b>282 738</b>	<b>242 664</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		216 826	218 064	82	251 033	218 146
Reserves		28 346	24 518		31 705	24 518
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>245 172</b>	<b>242 582</b>	<b>82</b>	<b>282 738</b>	<b>242 664</b>

This table excludes the actual figures for Roads department.

### 3.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC4 Eden - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates			-					-		
Service charges			-					-		
Other revenue		208 325	211 462		1 059	6 941	47 392	(40 451)	-85%	211 462
Government - operating		153 325	158 885	5 887	-	67 452	67 452	-		164 772
Government - capital		-	-					-		
Interest		12 930	15 715					-		15 715
Dividends			-					-		
<b>Payments</b>										
Suppliers and employees		(355 470)	(382 965)	(5 887)	(17 805)	(46 032)	(98 213)	(52 181)	53%	(388 852)
Finance charges								-		
Transfers and Grants								-		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>19 110</b>	<b>3 097</b>	<b>-</b>	<b>(16 746)</b>	<b>28 361</b>	<b>16 631</b>	<b>(11 730)</b>	<b>-71%</b>	<b>3 097</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE			3 156					-		3 156
Decrease (Increase) in non-current debtors			-					-		
Decrease (increase) other non-current receivables			(1 791)			(190 769)		(190 769)	#DIV/0!	(1 791)
Decrease (increase) in non-current investments			-					-		
<b>Payments</b>										
Capital assets		(4 677)	(9 303)		(6)	(35)	(2 326)	(2 291)	99%	(9 303)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(4 677)</b>	<b>(7 938)</b>	<b>-</b>	<b>(6)</b>	<b>(190 804)</b>	<b>(2 326)</b>	<b>188 478</b>	<b>-8104%</b>	<b>(7 938)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
<b>Payments</b>										
Repayment of borrowing								-		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>14 434</b>	<b>(4 841)</b>	<b>-</b>	<b>(16 751)</b>	<b>(162 443)</b>	<b>14 305</b>			<b>(4 841)</b>
Cash/cash equivalents at beginning:		155 334	169 768			171 627	169 768			171 627
Cash/cash equivalents at month/year end:		169 768	164 927	-		9 184	184 073			166 786

The municipal bank balance at 30 September 2018 totals R 9 183 523.68

Detailed information regarding commitments against the cash position is tabled below.

<b>REPORTING MONTH: 30 SEPTEMBER 2018</b>		
<b>Commitments against Cash &amp; Cash Equivalents</b>		
<b>ITEM</b>	<b>Previous Month R'000</b>	<b>Current Month R'000</b>
<b>Bank balance as at 31 AUGUST 2018</b>	<b>171 627 277,87</b>	<b>9 183 523,68</b>
<b>Other Cash &amp; Cash Equivalents: Short term deposits</b>	<b>-</b>	<b>150 000 000,00</b>
<b>LESS:</b>	<b>129 815 426,06</b>	<b>94 487 211,06</b>
Unspent Conditional Grants	8 419 797,00	8 341 582,00
Provision for staff leave	10 425 847,00	10 425 847,00
Provision for staff shift allowance	270 505,06	270 505,06
Post Retirement Benefits	37 463 916,00	37 463 916,00
Current Portion: Alien Vegetation	-	-
Performance Bonus	432 599,00	432 599,00
Grant received in advance	31 507 500,00	15 753 750,00
Trade Payables	3 359 262,00	3 359 262,00
Unspent Capital budget 3 months	1 522 000,00	2 290 750,00
Unspent Operational budget 3 months	36 414 000	16 149 000,00
<b>Sub total</b>	<b>41 811 851,81</b>	<b>64 696 312,62</b>
<b>PLUS:</b>	<b>317 038,00</b>	<b>317 038,00</b>
VAT Receivable	317 038,00	317 038,00
Receivable Exchange		
	<b>42 128 889,81</b>	<b>65 013 350,62</b>
<b>LESS OTHER MATTERS:</b>		
Capital Replacement Reserve	31 704 865,00	31 704 865,00
<b>Sub Total</b>	<b>10 424 024,81</b>	<b>33 308 485,62</b>
<b>LESS: CONTINGENT LIABILITIES</b>	<b>6 088 685,61</b>	<b>6 088 685,61</b>
Theunis Barnard	38 231,00	38 231,00
I Gerber	21 840,00	21 840,00
A de Wet	614 675,00	614 675,00
Barry Louis Rae Trust	4 500 000,00	4 500 000,00
Laurington Sithemile Stone	43 271,61	43 271,61
Banger Car Hire	18 800,00	18 800,00
Combined summons between George Municipality, Garden Route DM and D Stoffels	20 836,00	20 836,00
Combined summons between G Brown and Garden Route DM	31 032,00	31 032,00
Labour disputes: V Blom & Roode	500 000,00	500 000,00
Labour disputes: L Janse van Rensburg & A Grobler	300 000,00	300 000,00
<b>Recalculated available cash balance</b>	<b>4 335 339,20</b>	<b>27 219 800,01</b>

## PART 2 – SUPPORTING DOCUMENTATION

### Section 4 – Debtors' analysis

#### Supporting Table SC3

DC4 Eden - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

Description	NT Code	Budget Year 2018/19											
		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
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									-	-		
Receivables from Non-exchange Transactions - Property Rates	1400									-	-		
Receivables from Exchange Transactions - Waste Water Management	1500									-	-		
Receivables from Exchange Transactions - Waste Management	1600									-	-		
Receivables from Exchange Transactions - Property Rental Debtors	1700	69	163	13	714					960	714		
Interest on Arrear Debtor Accounts	1810									-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		
Other	1900	539	1 071	796	17 128					19 534	17 128		
Total By Income Source	2000	609	1 235	809	17 842	-	-	-	-	20 494	17 842	-	-
2017/18 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200									-	-		
Commercial	2300									-	-		
Households	2400	69	163	13	714					960	714		
Other	2500	539	1 071	796	17 128					19 534	17 128		
Total By Customer Group	2600	609	1 235	809	17 842	-	-	-	-	20 494	17 842	-	-

Long outstanding debtors that mainly consist of old sundry debt and fire accounts, remains a concern for the municipality and management will continue to report in terms of progress made.

## Section 5 – Creditors' analysis

### Supporting Table C4

DC4 Eden - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description R thousands	NT Code	Budget Year 2018/19									Prior year
		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	totals for chart (same period)
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	73	51	13	88	42	22	2	2	293	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	73	51	13	88	42	22	2	2	293	-

## Section 6 – Investment portfolio analysis

### 6.1 Investment monitoring information

	Balance as at 01 Sept 2018	Movements for the month			Balance as at 30 Sept 2018	Interest earned Month	Interest earned Year to date
		Investments matured	Investments made	Interest capitalised			
<b>Eden district municipality</b>							
<i>Interest Received YTD</i>					-		
Standard Bank	-	-	-50 000 000,00		50 000 000,00	-	-
Investec Bank	-	-	-30 000 000,00		30 000 000,00	-	-
ABSA	-	-	-20 000 000,00		20 000 000,00	-	-
Nedbank	-	-	-50 000 000,00		50 000 000,00	-	-
Standard Bank - Bank Guarantee investment investment	152 956,52		-		153 722,98	766,46	2 287,93
<b>BANK DEPOSITS</b>	<b>152 956,52</b>	<b>-</b>	<b>-150 000 000,00</b>	<b>-</b>	<b>150 153 722,98</b>	<b>766,46</b>	<b>2 287,93</b>

The municipality invest surplus funds in order to maximise the interest and to have cash readily available when needed and is done in line with the Cash Management and Investment Policy of council.

## Section 7 – Allocation and grant receipts and expenditure

### 7.1 Supporting Table C6

DC4 Eden - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		151 805	157 166	4 987	–	67 452	40 538	23 959	59,1%	162 153
Local Government Equitable Share		146 055	151 237			63 015	37 809	25 206	66,7%	151 237
Finance Management		1 250	1 000			1 000	250			1 000
EPWP Incentive		1 280	1 021			256	255			1 021
NT - Rural Roads Asset Management Systems		2 420	2 425			1 698	606			2 425
Fire Service Capacity Building Grant		800	1 483			1 483	371			1 483
Energy Efficiency and Demand Management	3			4 987		–	1 247	(1 247)	-100,0%	4 987
								–		
								–		
								–		
								–		
<b>Provincial Government:</b>		3 520	1 540	900	–	–	610	(540)	-88,5%	2 440
Integrated Transport Planning		900	900	900		–	450	(450)	-100,0%	1 800
WC Support Grant -Finance Support Grant		620	280			–	70			280
Disaster Manangement Grant		2 000				–	–	–		–
WC Support Grant			–			–	–	–		–
WC Support Grant: HR Capacity Building:Bursary Programme	4		360			–	90	(90)	-100,0%	360
Other transfers and grants [insert description]						–	–	–		–
<b>District Municipality:</b>		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
<b>Other grant providers:</b>		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
								–		
<b>Total Operating Transfers and Grants</b>	5	155 325	158 706	5 887	–	67 452	41 148	23 419	56,9%	164 593

Performance reporting on grants will be enhanced to ensure compliance with the Division of Revenue Act.



## 7.2 Supporting Table C7

DC4 Eden - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

Description	Ref	2017/18	Budget Year 2018/19							
		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:		151 805	157 166	4 987	59	718	40 538	(39 820)	-98,2%	162 153
Local Government Equitable Share		146 055	151 237		–	–	37 809	(37 809)	-100,0%	151 237
Finance Management		1 250	1 000		(75)	490	250	240	95,8%	1 000
EPWP Incentive		1 280	1 021		76	169	255	(86)	-33,6%	1 021
NT - Rural Roads Asset Management Systems		2 420	2 425		–	–	606	(606)	-100,0%	2 425
Fire Service Capacity Building Grant		800	1 483		59	59	371	(311)	-84,0%	1 483
Energy Efficiency and Demand Management				4 987			1 247	(1 247)	-100,0%	4 987
								–		
Provincial Government:		3 520	1 540	900	–	–	610	(610)	-100,0%	2 440
Integrated Transport Planning		900	900	900	–	–	450	(450)	-100,0%	1 800
Disaster Management Grant		2 000	–			–	–	–		–
WC Support Grant		620	280			–	70	(70)	-100,0%	280
WC Support Grant: HR Capacity Building:Bursary Programme			360			–	90	(90)	-100,0%	360
Other transfers and grants [insert description]								–		
District Municipality:		–	–	–	–	–	–	–		–
								–		
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
								–		
[insert description]								–		
Total operating expenditure of Transfers and Grants:		155 325	158 706	5 887	59	718	41 148	(40 430)	-98,3%	164 593

Performance reporting on grants are been done by the Chief Financial Officer in order to comply with the Division of Revenue Act.

The Equitable Share are used for the day to day running of the Municipality for example salaries, own funded projects and contracted services and is therefore unconditional.

## Section 8 – Expenditure on councillor and board members allowances and employee benefits

### Supporting Table C8

DC4 Eden - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

Summary of Employee and Councillor remuneration	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		6 908	8 947		581	1 821	2 237	(416)	-19%	8 947
Pension and UIF Contributions		261	247		30	91	62	30	48%	247
Medical Aid Contributions		142	52		8	24	13	11	81%	52
Motor Vehicle Allowance		2 312	1 020		85	254	255	(1)	0%	1 020
Cellphone Allowance		325	664		70	218	166	52	31%	664
Housing Allowances		367	642		51	152	160	(9)	-6%	642
Other benefits and allowances		500					-	-		
<b>Sub Total - Councillors</b>		10 815	11 572	-	825	2 559	2 893	(334)	-12%	11 572
<b>% increase</b>	4		7,0%							7,0%
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		4 014	5 277		489	1 294	1 319	(25)	-2%	5 277
Pension and UIF Contributions		551	359		71	197	90	107	120%	359
Medical Aid Contributions		139	161		16	48	40	8	19%	161
Overtime		-					-	-		-
Performance Bonus		554	777				194	(194)	-100%	777
Motor Vehicle Allowance		628	772		64	193	193	0	0%	772
Cellphone Allowance		59	83		10	30	21	10	47%	83
Housing Allowances		90	285		22	66	71	(5)	-7%	285
Other benefits and allowances		-	100	(1)	3	9	25	(16)	-63%	99
Payments in lieu of leave		70	77	(77)			(0)	0	-100%	(0)
Long service awards							-	-		-
Post-retirement benefit obligations							-	-		-
<b>Sub Total - Senior Managers of Municipality</b>		6 104	7 890	(78)	676	1 838	1 953	(115)	-6%	7 812
<b>% increase</b>	4		29,3%	-101,3%						28,0%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		71 440	79 891	(1 685)	5 972	17 566	19 552	(1 985)	-10%	78 206
Pension and UIF Contributions		15 225	10 474	(3 279)	1 063	3 182	1 799	1 383	77%	7 195
Medical Aid Contributions		10 067	9 132	(228)	514	1 536	2 226	(690)	-31%	8 904
Overtime		2 590	2 985	(35)	240	440	738	(297)	-40%	2 950
Performance Bonus		-					-	-		-
Motor Vehicle Allowance		4 940	6 539	(902)	515	1 676	1 409	267	19%	5 637
Cellphone Allowance		115	174	(99)	8	22	19	4	19%	75
Housing Allowances		879	1 397	(268)	72	254	282	(29)	-10%	1 129
Other benefits and allowances		3 557	3 424	6 789	585	1 079	2 553	(1 474)	-58%	10 213
Payments in lieu of leave		5 265	6 064	(6 064)		33	0	32	64023%	0
Long service awards		525		-		17	-	17	#DIV/0!	-
Post-retirement benefit obligations		8 043	5 698	4 978		340	2 669	(2 329)	-87%	10 676
<b>Sub Total - Other Municipal Staff</b>		122 646	125 779	(793)	8 968	26 145	31 247	(5 101)	-16%	124 986
<b>% increase</b>	4		2,6%	-100,6%						1,9%
<b>Total Parent Municipality</b>		139 566	145 242	(871)	10 469	30 542	36 093	(5 550)	-15%	144 371

Remuneration related expenditure for the month ended 30 September 2018 amounted to R10 469 000.

## **Section 9 – Municipal manager’s quality certification**



OFFICE OF THE MUNICIPAL MANAGER

## **MEMORANDUM**

To:	National Treasury and Provincial Treasury	Reference:	6/18/7/2018-2019
Copies:	Records	Date:	11 October 2018
From:	Municipal Manager	Office:	George
Subject:	Quality Certificate		

### **QUALITY CERTIFICATE**

I, MG STRATU, the accounting officer of **GARDEN ROUTE DISTRICT MUNICIPALITY (DC4)**, hereby certify that the—

(mark as appropriate)

- ☐ **The monthly budget statement**
- ☐ Quarterly report on the implementation of the budget and financial state of affairs of the municipality
- ☐ Mid- year budget and performance assessment
- ☐

for the month ended **30 SEPTEMBER 2018**, has been prepared in accordance with the Municipal Finance Management Act (Act 56 of 2003) and regulations made under the Act.

**Disclaimer: Please note that the Section 71 Reporting is subject to changes due to the fact that the Municipality are experiencing challenges with the reporting of M03 September 2018 due to the lack of completeness and credibility of information on the financial system (Phoenix). The municipality populated the C-Schedule manually, and aligned the September 2018 figures to the actual year-to-date figures as reflected on the ledger in order to align with the data strings.**

Print Name Clive Africa

Accounting Officer of **GARDEN ROUTE DISTRICT MUNICIPALITY (DC4)**.

Signature [Signature]

Date 2018:10:12

**GARDEN ROUTE DISTRICT MUNICIPALITY**  
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[www.gardenroute.gov.za](http://www.gardenroute.gov.za)