



GARDEN ROUTE DISTRICT MUNICIPALITY

FINANCIAL YEAR 2018 - 2019

MONTHLY FINANCIAL MONITORING REPORT

28 FEBRUARY 2019

Table of Contents	1
Glossary	2
Legislative Framework	3
 PART 1 – IN YEAR REPORT	 4
Section 1 – Resolutions	4
Section 2 – Executive summary	4
Section 3 – In-year budget statement tables	6
 PART 2 – SUPPORTING DOCUMENTATION	
Section 4 – Debtor’s analysis	21
Section 5 – Creditors analysis	22
Section 6 – Investment portfolio analysis	22
Section 7 – Allocation and grant receipts and expenditure	23
Section 8 – Expenditure on councillor and staff related expenditure	25
Section 9 – Municipal Manager’s quality certification	26

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 28 February 2019.
- That Council takes note of the continuation of challenges faced relating to the financial system and ongoing system developments by the service provider.

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.

2.2 Consolidated Performance

2.2.1 Against Annual Budget (original)

Revenue by source

The total revenue received for the month ended 28 February 2019 amounted to **R 19,516,953** (excluding Roads budget) – which represents 8% of the total annual adjusted budgeted figure of **R 240,645,000**. As at the end of February 2019, year-to-date revenue of **R 157,456,356** have been received, amounting to 65% of the total revenue budget for the current financial year.

Operating Expenditure by type

Operating expenditure for the month, ended 28 February 2019 amounted to **R 18,475,953**, with a total annual adjusted budgeted figure of **R 236,403,000** (excluding Roads budget); the operational expenditure is 8% of the total annual adjusted budget. The majority of the

expenditure related to Employee and Councillor related cost of **R 11,241,000 (61% of the monthly expenditure)**.

Capital Expenditure

The adjusted capital budget for the financial year amounts to **R 10,623,000**. The capital expenditure for the month ended 28 February 2019 amounted to **R 26,000**. User departments are continuously reminded to improve planning and ensure compliance with supply chain regulations when procuring capital items.

Refer to pages 14, 15, 16 & 17 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.

A Western Cape Vesta User Group meeting was held on the 21st & 22nd of January 2019 in Worcester. Representatives from Garden Route District Municipality has attended the User Group meeting.

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. For the 19/20 budget, information must be converted to the latest msCOA version 6.3.

2.5 Conclusion

Detailed analysis of the municipal performance for the month ended 28 February 2019 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 Garden Route - Table C1 Monthly Budget Statement Summary - M08 February

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
R thousands									
Financial Performance									
Property rates	–	–	–	–	–	–	–		–
Service charges	–	–	–	–	–	–	–		–
Investment revenue	12 084	15 715	15 715	–	232	9 167	(8 934)	-97%	15 715
Transfers and subsidies	160 545	158 885	172 435	11 033	125 269	92 683	32 586	35%	172 435
Other own revenue	211 471	215 515	214 495	8 484	31 956	125 717	(93 761)	-75%	214 495
Total Revenue (excluding capital transfers and contributions)	384 100	390 115	402 645	19 517	157 457	227 567	(70 110)	-31%	402 645
Employee costs	128 751	133 669	140 534	10 294	84 347	66 835	17 513	26%	140 534
Remuneration of Councillors	10 815	11 572	11 933	948	7 437	5 786	1 651	29%	11 933
Depreciation & asset impairment	3 060	3 272	3 172	–	–	1 636	(1 636)	-100%	3 172
Finance charges	–	–	–	–	–	–	–		–
Materials and bulk purchases	–	185	36	–	–	93	(93)	-100%	36
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	236 793	239 139	242 729	7 236	48 967	119 570	(70 602)	-59%	242 729
Total Expenditure	379 419	387 838	398 403	18 477	140 752	193 919	(53 167)	-27%	398 403
Surplus/(Deficit)	4 681	2 278	4 242	1 040	16 705	33 648	(16 943)	-50%	4 242
Transfers and subsidies - capital (monetary alloc	–	–	–	–	–	–	–		–
Contributions & Contributed assets	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	4 681	2 278	4 242	1 040	16 705	33 648	(16 943)	-50%	4 242
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	4 681	2 278	4 242	1 040	16 705	33 648	(16 943)	-50%	4 242
Capital expenditure & funds sources									
Capital expenditure	4 677	9 303	10 623	26	724	6 202	(5 478)	-88%	10 623
Capital transfers recognised	–	–	3 483	–	–	–	–		3 483
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	4 677	9 303	7 140	26	724	6 202	(5 478)	-88%	7 140
Total sources of capital funds	4 677	9 303	10 623	26	724	6 202	(5 478)	-88%	10 623
Financial position									
Total current assets	178 609	180 332	196 625		180 633				196 625
Total non current assets	293 385	301 107	307 314		290 586				307 314
Total current liabilities	72 878	75 705	102 393		57 665				102 393
Total non current liabilities	153 943	163 153	137 987		137 987				137 987
Community wealth/Equity	–	242 582	263 560		275 593				263 560
Cash flows									
Net cash from (used) operating	19 110	3 097	13 793	1 040	16 705	1 549	(15 157)	-979%	13 793
Net cash from (used) investing	(4 677)	(7 938)	(9 258)	(26)	129 528	(5 547)	(135 075)	2435%	(9 258)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	14 434	164 927	174 303	–	157 518	165 769	8 251	5%	15 820
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	11 881	82	53	21 287	–	–	–	–	33 303
Creditors Age Analysis									
Total Creditors	(6)	62	17	1	(15)	(3)	151	2	209

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

DC4 Garden Route - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M08 February

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										
<i>Governance and administration</i>		229 916	211 013	232 271	18 816	151 132	154 848	(3 715)	-2%	232 271
Executive and council		228 590	209 608	231 601	18 816	151 034	154 400	(3 366)	-2%	231 601
Finance and administration		1 326	1 405	671	-	98	447	(349)	-78%	671
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		6 921	8 041	8 041	690	5 920	5 361	559	10%	8 041
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		6 713	7 821	7 820	647	5 696	5 213	483	9%	7 820
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		208	221	221	43	224	148	76	51%	221
<i>Economic and environmental services</i>		145 314	145 333	162 333	11	404	108 222	(107 817)	-100%	162 333
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		145 000	145 000	162 000	-	-	108 000	(108 000)	-100%	162 000
Environmental protection		314	333	333	11	404	222	183	82%	333
<i>Trading services</i>		1 950	25 728	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1 950	25 728	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	384 100	390 115	402 645	19 517	157 456	268 430	(110 974)	-41%	402 645
Expenditure - Functional										
<i>Governance and administration</i>		114 375	121 256	123 554	7 524	70 265	82 369	(12 104)	-15%	123 554
Executive and council		44 720	49 677	44 144	4 241	30 488	29 429	1 059	4%	44 144
Finance and administration		67 115	69 211	76 860	3 100	38 064	51 240	(13 176)	-26%	76 860
Internal audit		2 540	2 368	2 550	183	1 713	1 700	13	1%	2 550
<i>Community and public safety</i>		81 927	78 374	90 298	9 512	55 932	60 199	(4 266)	-7%	90 298
Community and social services		11 727	8 596	12 403	1 086	7 226	8 269	(1 043)	-13%	12 403
Sport and recreation		12 640	13 677	12 767	1 221	8 647	8 511	136	2%	12 767
Public safety		27 498	29 149	35 288	4 600	20 180	23 525	(3 345)	-14%	35 288
Housing		-	-	-	-	-	-	-	-	-
Health		30 062	26 953	29 841	2 606	19 879	19 894	(15)	0%	29 841
<i>Economic and environmental services</i>		176 412	161 155	178 859	1 121	11 485	119 240	(107 754)	-90%	178 859
Planning and development		5 630	9 236	8 640	913	8 918	5 760	3 158	55%	8 640
Road transport		168 320	148 325	166 635	-	732	111 090	(110 358)	-99%	166 635
Environmental protection		2 462	3 595	3 585	209	1 835	2 390	(555)	-23%	3 585
<i>Trading services</i>		3 839	25 738	5 018	175	2 100	3 345	(1 245)	-37%	5 018
Energy sources		18	18	10	-	-	7	(7)	-100%	10
Water management		3 821	25 720	5 007	175	1 520	3 338	(1 818)	-54%	5 007
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	580	-	580	#DIV/0!	-
<i>Other</i>		2 866	1 314	674	143	970	449	521	116%	674
Total Expenditure - Functional	3	379 419	387 837	398 403	18 476	140 753	265 602	(124 849)	-47%	398 403
Surplus/ (Deficit) for the year		4 682	2 278	4 242	1 041	16 704	2 828	13 876	491%	4 242

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.

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

DC4 Garden Route - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February

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
R thousands										
Revenue by Vote	1									
Vote 1 - Executive and Council		229 035	210 080	232 074	18 816	151 034	154 716	(3 682)	-2,4%	232 074
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		880	933	198	-	98	132	(34)	-25,7%	198
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		208	221	221	43	224	148	76	51,4%	221
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		6 713	7 821	7 820	647	5 696	8 309	(2 612)	-31,4%	7 820
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	333	11	404	222	183	82,4%	333
Vote 14 - Roads Agency Function		145 000	145 000	162 000	-	-	108 000	(108 000)	-100,0%	162 000
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	384 100	390 115	402 645	19 517	157 456	271 526	(114 069)	-42,0%	402 645
Expenditure by Vote	1									
Vote 1 - Executive and Council		47 274	48 199	46 981	4 230	32 081	31 321	760	2,4%	46 981
Vote 2 - Budget and Treasury Office		20 362	19 830	24 519	(107)	12 198	16 346	(4 149)	-25,4%	24 519
Vote 3 - Corporate Services		39 345	42 835	41 210	3 233	24 656	27 473	(2 817)	-10,3%	41 210
Vote 4 - Planning and Development		16 688	19 357	22 739	1 642	13 076	15 159	(2 083)	-13,7%	22 739
Vote 5 - Public Safety		35 010	34 829	41 369	5 075	23 980	27 580	(3 599)	-13,1%	41 369
Vote 6 - Health		33 479	31 454	33 581	2 798	21 447	22 387	(941)	-4,2%	33 581
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		12 640	13 677	12 767	1 221	8 647	8 511	136	1,6%	12 767
Vote 9 - Waste Management		3 821	25 720	5 008	175	2 100	3 338	(1 239)	-37,1%	5 008
Vote 10 - Roads Transport		3 320	3 325	4 225	-	732	2 817	(2 084)	-74,0%	4 225
Vote 11 - Waste Water Management		-	18	10	-	-	7	(7)	-100,0%	10
Vote 12 - Water		18	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		2 461	3 595	3 585	209	1 835	2 390	(555)	-23,2%	3 585
Vote 14 - Roads Agency Function		165 000	145 000	162 410	-	-	108 273	(108 273)	-100,0%	162 410
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	379 419	387 838	398 403	18 476	140 752	265 602	(124 850)	-47,0%	398 403
Surplus/ (Deficit) for the year	2	4 681	2 278	4 242	1 041	16 704	5 924	10 780	182,0%	4 242

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 integrated 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 Garden Route - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

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	3 846	-	-	1 586	(1 586)	-100%	3 846	
Interest earned - external investments	12 084	15 715	15 715		232	9 167	(8 934)	-97%	15 715	
Interest earned - outstanding debtors	846	897	897	-	-	523	(523)	-100%	897	
Dividends received			-		-	-	-		-	
Fines, penalties and forfeits			-		-	-	-		-	
Licences and permits	314	333	333		-	194	(194)	-100%	333	
Agency services	15 300	19 022	21 062	4 784	9 827	11 096	(1 269)	-11%	21 062	
Transfers and subsidies	160 545	158 885	172 435	11 033	125 269	92 683	32 586	35%	172 435	
Other revenue	191 504	189 390	184 358	3 700	22 128	110 477	(88 349)	-80%	184 358	
Gains on disposal of PPE		3 156	4 000		-	1 841	(1 841)	-100%	4 000	
Total Revenue (excluding capital transfers and contributions)		384 100	390 115	402 645	19 517	157 457	227 567	(70 110)	-31%	402 645
Expenditure By Type										
Employee related costs	128 751	133 669	140 534	10 293	84 347	66 835	17 513	26%	140 534	
Remuneration of councillors	10 815	11 572	11 933	948	7 437	5 786	1 651	29%	11 933	
Debt impairment	1 522	1 601	1 601			800	(800)	-100%	1 601	
Depreciation & asset impairment	3 060	3 272	3 172			1 636	(1 636)	-100%	3 172	
Finance charges			-			-	-		-	
Bulk purchases	-	-	-			-	-		-	
Other materials		185	36			93	(93)	-100%	36	
Contracted services	23 330	60 636	50 354	2 428	16 980	30 318	(13 338)	-44%	50 354	
Transfers and subsidies	-	-	-		-	-	-		-	
Other expenditure	211 942	176 903	190 774	4 808	31 987	88 451	(56 464)	-64%	190 774	
Loss on disposal of PPE			-				-		-	
Total Expenditure		379 419	387 838	398 403	18 476	140 752	193 919	(53 167)	-27%	398 403
Surplus/(Deficit)		4 681	2 278	4 242	1 041	16 705	33 648	(16 943)	(0)	4 242
Transfers and subsidies - capital (monetary allocation) (National / Provincial and District)								-		
(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	4 242	1 041	16 705	33 648			4 242
Taxation								-		
Surplus/(Deficit) after taxation		4 681	2 278	4 242	1 041	16 705	33 648			4 242
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		4 681	2 278	4 242	1 041	16 705	33 648			4 242
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		4 681	2 278	4 242	1 041	16 705	33 648			4 242

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 28 February 2019. Due to system challenges experienced, income per line item could not be updated, rental income was therefore included under 'Other income'. The legal and planning and development section is in process of entering into new contracts for rental of certain properties.

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 on external investments was recorded for the month ended 28 February 2019, as investments were invested for a period longer than a month. Three of the short term deposits (R45 000 000) are expected to mature on 29 March 2019 and the remaining three short term deposits (R90 000 000) on 28 June 2019.

Interest raised – Outstanding debtors

There was no interest on outstanding debtors for the month of 28 February 2019; 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 and 3% on any additional allocations. The revenue received in respect of the Agency Services for the month of 28 February 2019 amounts to R4 784 000 (annual administration fee paid in three instalments).

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. R459 000 was received during November 2018 in respect of the EPWP Grant. The municipality received R900 000 during December 2018 for the Integrated Transport Planning Grant, but could only include it at end of January 2019 due to challenges with the system. The second instalment of R45 425 000 for the Equitable share were received during January 2019, however National Treasury subtracted the amount of R4 987 000 from the second instalment, with regards to the unspent Energy Efficiency and Demand Side Management Grant (EEDSG), which were to be paid back to the revenue fund as approval was not given for the rollover of this grant. Correcting journals will be processed against the respective income vote number at end of March 2019 and the budget was adjusted in February 2019. The municipality received the last payment for EPWP Grant of R 306 000 and R727 000 for Rural Roads Asset Management Grant during the month of February 2019. The municipal disaster grant of R10 000 000 for the October/November 2018 fires were also received during February 2019. The municipality also received R1 450 000 from Provincial Treasury for Financial Management Support in February 2019, but will only include it at the end of March 2019 report due to challenges with the system.

Other revenue / Sundry income

Other revenue reflects an amount of R 3,700,000 for the month ended 28 February 2019. 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 (councillors and staff) for the month ended 28 February 2019 amounted to R 11,241,000 of an adjusted budgeted amount of R 152,467,000 that represents 7.4% of the budgeted amount and 61% of the monthly expenditure.

Debt Impairment / Depreciation and asset impairment

These items account for non-cash budgeted items. The asset management system are not fully integrated with the financial system yet and depreciation journals will be processed at the end of the financial year or as soon as the integration issues are resolved.

Finance charges

The municipality has no outstanding loans and it is not envisioned that Council does not envision to take up any new loans.

Contracted services

The contracted services for the month 28 February 2019 amounts to R 2,428,000 against an adjusted budgeted amount of R 50,354,000 that represents 4.8% of the budgeted amount.

Other expenditure

Other expenditure reflects all other expenses not specifically mentioned and amounts to R 4,808,000 for month ended 28 February 2019.

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 Garden Route - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M08
February

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
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive and Council		421	30	30	-	32	20	12	60%	30
Vote 2 - Budget and Treasury Office		-	42	42	-	10	28	(18)	-64%	42
Vote 3 - Corporate Services		1 633	1 368	2 428	26	515	912	(397)	-44%	2 428
Vote 4 - Planning and Development		64	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		1 319	5 790	4 750	-	14	3 860	(3 847)	-100%	4 750
Vote 6 - Health		31	43	2 343	-	57	29	29	99%	2 343
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		1 100	2 000	1 000	-	96	1 333	(1 237)	-93%	1 000
Vote 9 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		109	30	30	-	-	20	(20)	-100%	30
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	4 677	9 303	10 623	26	724	6 202	(5 478)	-88%	10 623
Single Year expenditure appropriation	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		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	-	-	-	-	-	-	-	-
Total Capital Expenditure		4 677	9 303	10 623	26	724	6 202	(5 478)	-88%	10 623

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 Budge	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	R 3 243,48	2 333,33	Completed	Completed	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	R 25 000,00	16 666,67	Completed	Completed	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		333 333,33	In Process	Formal tender closed on 11 January 2019, currently at evaluation process, tender planned to be awarded in March 2019	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 152 571,00	R 152 570,55	101 714,00	Completed	Completed	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 1 523 000,00		1 015 333,33	In Process	Tender Awarded	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		4 666,67	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 24 000,00	R 22 897,71	16 000,00	Completed	Completed	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	R 10 050,00	10 000,00	Completed	Completed	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		3 333,33	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		4 000,00	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.
071203240004	12	Desk	1203	R 5 000,00		3 333,33	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		3 333,33	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		4 000,00	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.
071206240001	15	Office Chairs (Recruitment and Selection)	1305	R 10 000,00		6 666,67	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		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.
071207230002	17	Replacing ICT Capital Equipment beyond economical repairs	1207	R 50 000,00	R 17 633,98	33 333,33	In Process	Spending will occur continuously through the year as the need for replacing equipment realise	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		33 333,33	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		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.
072502240002	21	3 Drawer Desk	1805	R 4 300,00		2 866,67	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.
072502240003	22	Desk shell lockable top drawer	1805	R 3 871,00		2 580,67	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	R 1 940,00	2 000,00	In Process	Completed	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	R 12 813,91	11 333,33	In Process	Completed	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	R 946,91	1 866,67	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 Budge	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.
072109240001	26	Water Cooler/Dispensers	2109	R 5 000,00	R 4 086,96	3 333,33	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072109230001	27	Conference Speaker / recording system with 12 mics	2109	R 80 000,00		53 333,33	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.
072109240002	28	Chairs	2109	R 12 000,00	R 7 800,00	8 000,00	In Process	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072109240003	29	Small fridge	2109	R 3 000,00	R 1 735,00	2 000,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072109240004	30	Kettle	2109	R 200,00		133,33	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.
072204300001	31	Upgrading of Council Buildings	2204	R 939 000,00	R 96 083,67	626 000,00	In Process	Tender loaded on Collaborator	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072305300001	32	New Fire Station/ Training Academy (CRR Funding)	2305	R -		-	Not Started	The project will not realise this financial year, and project postponed till next financial year	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207240004	33	ICT Technicians	1207	R 6 997,00		4 664,67	In Process	Additional funds transferred - procurement in process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207390002	34	MS Office	1207	R 141 957,00		94 638,00	In Process	Part of formal tender process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207240005	35	Printer HP Black\White	1207	R 9 909,00	R 9 500,00	6 606,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207240006	36	Printer HP 4 in One	1207	R 23 197,00	R 23 031,63	15 464,67	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207240007	37	Printer HP Colour	1207	R 5 965,00	R 5 614,00	3 976,67	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071208240001	38	Chair	1208	R 5 000,00	R 3 350,00	3 333,33	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071209240001	39	CHAIRS	1311	R 7 000,00	R 6 536,77	4 666,67	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207230003	40	Insurance claims	1207	R 20 000,00		13 333,33	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.
071207240003	41	Personal Computers	1207	R 139 205,00	R 139 204,19	92 803,33	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072305220002	42	LDV - 1 x Skid Unit & 1 x Command Unit (CRR)	2305	R 550 000,00		366 666,67	In Process	Tender Awarde d	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
072305290001	43	Hazmat suits - Level A	2305	R 160 000,00		106 666,67	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		53 333,33	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 250 000,00		166 666,67	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		6 666,67	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		6 666,67	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 6 500,00	R 5 291,30	4 333,33	Completed	Completed	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	R 3 800,00	3 333,33	Completed	Completed	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	R 2 465,22	2 000,00	Completed	Completed	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	R 8 462,56	6 666,67	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.

SCOA config	Nr	Project description	Cost centre	Original Budget R'000	YTD Expenditure R'	Year to date Budge	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.
071201240005	52	Visitor Chairs Leather	1302	R 5 000,00	R 3 652,17	3 333,33	Completed	Completed	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		629,33	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		788,67	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	1x Conference Table & 10 x Saver arm chair	1805	R 24 176,00		16 117,33	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	R 3 717,15	2 736,00	Completed	Completed	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 29 000,00	R 29 000,00	19 333,33	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207240011	59	Portable Printer	1207	R 3 319,00	R 3 319,00	2 212,67	Completed	Completed	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 23 484,00	R 23 484,00	15 656,00	Completed	Completed	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 4 000,00		2 666,67	In Process	Additional funds transferred - procurement 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	R 9 600,00	10 000,00	Completed	Completed	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 14 910,00		9 940,00	In Process	Additional funds transferred - procurement 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 13 102,00	R 13 101,05	8 734,67	Completed	Completed	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 38 684,00	R 38 683,48	25 789,33	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071805102801	66	Security Fence Mosselbay Office	1805	R 30 000,00	R 26 043,48	20 000,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071206006600	67	Vacuum Cleaner	1308	R 17 000,00	R 6 408,00	11 333,33	In Process	Procurement in process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071210006631	68	Tea Trolleys: Auxilliary Services	1308	R 3 000,00	R -	2 000,00	In Process	Procurement in process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071207240014	69	Laptop - Manager P&D and LED	1207	R 49 000,00	R -	32 666,67	In Process	Procurement in process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071308102409	70	Fridge	1308	R 3 000,00	R 2 520,87	2 000,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071807102401	71	Printer and Laptop (EPWP Coordinator)	1807	R 37 000,00	R -	24 666,67	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071401102401	72	Software Licences for laptops	1401	R 12 000,00	R -	8 000,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071307102403	73	ICT Hardware	1307	R 1 060 000,00	R -	706 666,67	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071806103101	74	Plett Office Building	1806	R 2 300 000,00	R -	1 533 333,33	In process	Procurement process to follow - funds were made available with adjustment budget	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
071601103302	75	6000l Water Tanker	1601	R 2 000 000,00	R -	1 333 333,33	In process	Procurement process to follow - funds were made available with adjustment budget	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects.
Totals				10 623 378,00	723 587,04	7 082 252,00			No expected challenges anticipated	

Commitments against capital for the month February 2019				
071207240014	69	Laptop - Manager P&D and LED	1207	46642
071206240001	15	Office Chairs (Recruitment and Selection)	1305	6846
071207230002	17	Replacing ICT Capital Equipment beyond economical repairs	1207	6569
072109240002	28	Chairs	2109	3606
072109240004	30	Kettle	2109	164
072204300001	31	Upgrading of Council Buildings	2204	58831
072305220002	42	LDV - 1 x Skid Unit & 1 x Command Unit (CRR)	2305	73217
071110240001	46	Office Chair	1018	8741
071110240002	47	Two Visitors chairs - PA of the Deputy Mayor	1003	8787
071207240008	63	Projector	1207	12348
		Total Commitments		225 752

3.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Garden Route - Table C6 Monthly Budget Statement - Financial Position - M08 February

Description	Ref	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		169 768	164 927	174 303	157 518	174 303
Call investment deposits		–	–	–	–	–
Consumer debtors		–	–	–	–	–
Other debtors		2 181	8 217	16 205	14 759	16 205
Current portion of long-term receivables		3 227	3 550	3 550	4 108	3 550
Inventory		3 433	3 639	2 568	4 248	2 568
Total current assets		178 609	180 332	196 625	180 633	196 625
Non current assets						
Long-term receivables		59 717	61 508	61 508	57 733	61 508
Investments		26	26	26	26	26
Investment property		85 712	84 677	84 677	85 421	84 677
Investments in Associate				–		–
Property, plant and equipment		146 146	152 178	159 740	146 043	159 740
Agricultural				–		–
Biological				–		–
Intangible		1 784	2 717	1 363	1 363	1 363
Other non-current assets				–		–
Total non current assets		293 385	301 107	307 314	290 586	307 314
TOTAL ASSETS		471 994	481 439	503 940	471 219	503 940
LIABILITIES						
Current liabilities						
Bank overdraft						–
Borrowing				857	857	857
Consumer deposits				–	–	–
Trade and other payables		44 578	46 012	71 843	48 466	71 843
Provisions		28 300	29 692	29 692	8 342	29 692
Total current liabilities		72 878	75 705	102 393	57 665	102 393
Non current liabilities						
Borrowing		–	–	591	591	591
Provisions		153 943	163 153	137 396	137 396	137 396
Total non current liabilities		153 943	163 153	137 987	137 987	137 987
TOTAL LIABILITIES		226 822	238 857	240 380	195 652	240 380
NET ASSETS	2	245 172	242 582	263 560	275 567	263 560
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)			218 064	235 253	243 888	235 253
Reserves			24 518	28 307	31 705	28 307
TOTAL COMMUNITY WEALTH/EQUITY	2	–	242 582	263 560	275 593	263 560

This table excludes the actual figures for Roads department.

3.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC4 Garden Route - Table C7 Monthly Budget Statement - Cash Flow - M08 February

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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								-		
Service charges								-		
Other revenue		208 325	211 462	214 495	8 484	31 956	105 731	(73 775)	-70%	214 495
Government - operating		153 325	158 885	172 435	11 033	125 269	79 443	45 826	58%	172 435
Government - capital		-	-	-				-		-
Interest		12 930	15 715	15 715	-	232	7 857	(7 625)	-97%	15 715
Dividends								-		-
Payments										
Suppliers and employees		(355 470)	(382 965)	(388 852)	(18 477)	(140 752)	(191 483)	(50 731)	26%	(388 852)
Finance charges								-		-
Transfers and Grants				-				-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		19 110	3 097	13 793	1 040	16 705	1 549	(15 157)	-979%	13 793
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE			3 156	3 156				-		3 156
Decrease (Increase) in non-current debtors			-					-		
Decrease (increase) other non-current receivables			(1 791)	(1 791)		(4 748)	(896)	(3 853)	430%	(1 791)
Decrease (increase) in non-current investments			-			135 000		135 000	#DIV/0!	
Payments										
Capital assets		(4 677)	(9 303)	(10 623)	(26)	(724)	(4 652)	(3 928)	84%	(10 623)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(4 677)	(7 938)	(9 258)	(26)	129 528	(5 547)	(135 075)	2435%	(9 258)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		14 434	(4 841)	4 535	1 014	146 233	(3 999)			4 535
Cash/cash equivalents at beginning:			169 768	169 768		11 285	169 768			11 285
Cash/cash equivalents at month/year end:		14 434	164 927	174 303		157 518	165 769			15 820

The municipal bank balance at 28 February 2019 totals R 22 517 899.61 and the short term deposits amounts to R135 000 000.

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

REPORTING MONTH: 28 FEBRUARY 2019		
Commitments against Cash & Cash Equivalents		
ITEM	Previous Month R'000	Current Month R'000
Bank balance as at 28 February 2019	49 014 674,12	22 517 899,61
Other Cash & Cash Equivalents: Short term deposits	90 000 000,00	135 000 000,00
LESS:	87 096 947,47	96 653 214,56
Unspent Conditional Grants	9 870 855,64	23 057 464,76
Provision for staff leave	10 425 847,00	10 425 847,00
Post Retirement Benefits	37 463 916,00	37 463 916,00
Performance Bonus	432 599,00	432 599,00
Grant received in advance	22 712 500,00	11 356 250,00
Trade Payables	3 723 289,03	7 558 472,84
Unspent Capital budget	2 467 940,80	6 358 664,96
Unspent Operational budget 8 months		
Sub total	51 917 726,65	60 864 685,05
PLUS:	12 113 360,13	4 989 638,00
VAT Receivable	547 682,82	561 938,00
Receivable Exchange	6 578 677,31	4 427 700,00
Equitable Share Debtor to be paid	4 987 000,00	
	64 031 086,77	65 854 323,05
LESS OTHER MATTERS:		
Capital Replacement Reserve	33 878 931,27	33 878 931,27
Sub Total	30 152 155,50	31 975 391,78
LESS: CONTINGENT LIABILITIES	5 788 685,61	5 788 685,61
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
Recalculated available cash balance	24 363 469,89	26 186 706,17

PART 2 – SUPPORTING DOCUMENTATION

Section 4 – Debtors' analysis

Supporting Table SC3

DC4 Garden Route - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

Description	NT Code	Budget Year 2018/19										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Ex change Transactions - Water	1200									-	-		
Trade and Other Receivables from Ex change Transactions - Electricity	1300									-	-		
Receivables from Non-exchange Transactions - Property Rates	1400									-	-		
Receivables from Ex change Transactions - Waste Water Management	1500									-	-		
Receivables from Ex change Transactions - Waste Management	1600									-	-		
Receivables from Ex change Transactions - Property Rental Debtors	1700	(107)	50	26	1 322					1 291	1 322		
Interest on Arrear Debtbr Accounts	1810									-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		
Other	1900	11 988	31	27	19 965					32 011	19 965		
Total By Income Source	2000	11 881	82	53	21 287	-	-	-	-	33 303	21 287	-	-
2017/18 - totals only													
										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200									-	-		
Commercial	2300									-	-		
Households	2400	(107)	50	26	1 322					1 291	1 322		
Other	2500	11 988	31	27	19 965					32 011	19 965		
Total By Customer Group	2600	11 881	82	53	21 287	-	-	-	-	33 303	21 287	-	-

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 Garden Route - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

Description	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)
R thousands											
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	(6)	62	17	1	(15)	(3)	151	2	209	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	(6)	62	17	1	(15)	(3)	151	2	209	-

Section 6 – Investment portfolio analysis

6.1 Investment monitoring information

		Movements for the month			Balance as at 28 February 2019	Interest earned	Interest earned
		Investments matured	Investments made	Interest capitalised			
	Balance as at 01 February 2019					Month	Year to date
Eden district municipality							
Interest Received YTD					-		
Standard Bank	30 000 000,00		-15 000 000,00		45 000 000,00		215 976,99
Investec Bank	30 000 000,00		-15 000 000,00		45 000 000,00		-
ABSA	-				-		211 627,40
Nedbank	30 000 000,00		-15 000 000,00		45 000 000,00		218 506,85
Standard Bank - Bank Guarantee investment	156 850,70				156 850,70	-	5 415,65
BANK DEPOSITS	90 156 850,70	-	-45 000 000,00	-	135 156 850,70	-	651 526,89

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 Garden Route - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M08 February

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										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		151 805	157 166	157 166	1 033	114 369	104 777	7 615	7,3%	157 166
Local Government Equitable Share		146 055	151 237	151 237	–	108 440	100 825	7 615	7,6%	151 237
Finance Management		1 250	1 000	1 000		1 000	667			1 000
EPWP Incentive		1 280	1 021	1 021	306	1 021	681			1 021
NT - Rural Roads Asset Management Systems		2 420	2 425	2 425	727	2 425	1 617			2 425
Fire Service Capacity Building Grant		800	1 483	1 483		1 483	989			1 483
Energy Efficiency and Demand Management	3									
				–				–		–
								–		
								–		
								–		
Other transfers and grants [insert description]								–		
Provincial Government:		3 520	1 540	14 810	10 000	10 900	9 873	1 993	20,2%	14 810
Integrated Transport Planning		900	900	1 800	–	900	1 200	(300)	-25,0%	1 800
WC Support Grant -Finance Support Grant		620	280	1 450			967			1 450
Disaster Manangement Grant		2 000		10 000	10 000	10 000	6 667	3 333	50,0%	10 000
WC Support Grant	4		–	–		–	–	–		–
WC Support Grant: HR Capacity Building:Bursary Programme			360	360			240	(240)	-100,0%	360
PT - Safety Plan Implementation (WOSA)				1 200			800	(800)	-100,0%	1 200
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Total Operating Transfers and Grants	5	155 325	158 706	171 976	11 033	125 269	114 651	9 609	8,4%	171 976

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

7.2 Supporting Table C7

DC4 Garden Route - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M08 February

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	157 166	241	2 484	104 777	(102 294)	-97,6%	157 166
Local Government Equitable Share		146 055	151 237	151 237	–	–	100 825	(100 825)	-100,0%	151 237
Finance Management		1 250	1 000	1 000	47	726	667	60	8,9%	1 000
EPWP Incentive		1 280	1 021	1 021	150	700	681	19	2,8%	1 021
NT - Rural Roads Asset Management Systems		2 420	2 425	2 425	–	732	1 617	(884)	-54,7%	2 425
Fire Service Capacity Building Grant		800	1 483	1 483	44	312	989	(676)	-68,4%	1 483
Energy Efficiency and Demand Management				–		13	–	13	#DIV/0!	–
Other transfers and grants [insert description]								–		–
Provincial Government:		3 520	1 540	14 810	71	72	9 873	(9 802)	-99,3%	14 810
Integrated Transport Planning		900	900	1 800	–	–	1 200	(1 200)	-100,0%	1 800
Disaster Management Grant		2 000	–	10 000	–	–	6 667	(6 667)	-100,0%	10 000
WC Support Grant		620	280	1 450	–	–	967	(967)	-100,0%	1 450
WC Support Grant: HR Capacity Building:Bursary Programme			360	360	71	72	240	(168)	-70,1%	360
PT - Safety Plan Implementation (WOSA)				1 200	–		800	(800)	-100,0%	1 200
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
Total operating expenditure of Transfers and Grants:		155 325	158 706	171 976	312	2 555	114 651	(112 095)	-97,8%	171 976

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 Garden Route - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February

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										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		6 908	8 947	7 481	665	5 250	4 987	263	5%	7 481
Pension and UIF Contributions		261	247	463	39	275	309	(33)	-11%	463
Medical Aid Contributions		142	52	122	11	78	81	(3)	-4%	122
Motor Vehicle Allowance		2 312	1 020	1 696	89	736	1 131	(395)	-35%	1 696
Cellphone Allowance		325	664	1 125	91	678	750	(72)	-10%	1 125
Housing Allowances		367	642	1 046	53	420	697	(277)	-40%	1 046
Other benefits and allowances		500					-	-		
Sub Total - Councillors		10 815	11 572	11 933	948	7 437	7 955	(518)	-7%	11 933
% increase	4		7,0%	10,3%						10,3%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4 014	5 277	4 501	409	3 523	3 000	522	17%	4 501
Pension and UIF Contributions		551	359	165	62	520	110	410	373%	165
Medical Aid Contributions		139	161	125	12	120	84	36	43%	125
Overtime		-		-			-	-		-
Performance Bonus		554	777	838	-	703	559	144	26%	838
Motor Vehicle Allowance		628	772	724	64	514	483	31	6%	724
Cellphone Allowance		59	83	114	9	78	76	2	2%	114
Housing Allowances		90	285	-	31	193	-	193	#DIV/0!	-
Other benefits and allowances		-	100	(5)	1	43	(3)	46	-1494%	(5)
Payments in lieu of leave		70	77	-			-	-		
Long service awards							-	-		-
Post-retirement benefit obligations							-	-		-
Sub Total - Senior Managers of Municipality		6 104	7 890	6 462	588	5 695	4 308	1 386	32%	6 462
% increase	4		29,3%	5,9%						5,9%
Other Municipal Staff										
Basic Salaries and Wages		71 440	79 891	82 376	6 598	49 511	54 917	(5 406)	-10%	82 376
Pension and UIF Contributions		15 225	10 474	16 907	1 086	7 486	11 272	(3 786)	-34%	16 907
Medical Aid Contributions		10 067	9 132	10 351	557	4 261	6 900	(2 640)	-38%	10 351
Overtime		2 590	2 985	3 328	218	2 221	2 219	2	0%	3 328
Performance Bonus		-		-		-	-	-		-
Motor Vehicle Allowance		4 940	6 539	6 363	508	4 227	4 242	(15)	0%	6 363
Cellphone Allowance		115	174	160	8	51	107	(56)	-52%	160
Housing Allowances		879	1 397	1 484	75	644	989	(346)	-35%	1 484
Other benefits and allowances		3 557	3 424	4 121	626	3 380	2 747	633	23%	4 121
Payments in lieu of leave		5 265	6 064	6 116	-	5 563	4 077	1 486	36%	6 116
Long service awards		525		-	30	156	-	156	#DIV/0!	-
Post-retirement benefit obligations		8 043	5 698	2 866		1 153	1 911	(758)	-40%	2 866
Sub Total - Other Municipal Staff		122 646	125 779	134 072	9 706	78 653	89 381	(10 728)	-12%	134 072
% increase	4		2,6%	9,3%						9,3%
Total Parent Municipality		139 566	145 242	152 467	11 241	91 785	101 645	(9 860)	-10%	152 467

Remuneration related expenditure for the month ended 28 February 2019 amounted to

R11 241 000.

Section 9 – Municipal manager’s quality certification



54 York Street,
George
Western Cape
6529

PO Box 12,
George,
Western Cape
6530

Tel: 044 803 1300
Fax: 086 555 6303
E-mail: info@gardenroute.gov.za
www.gardenroute.gov.za

OFFICE OF THE MUNICIPAL MANAGER

Enquiries: Louise Hoek
Reference: 6/1/1 – 18/19
Date: 12 March 2019

Provincial Treasury
Local Government Budget Analysis
Private Bag X9165
CAPE TOWN
8000

National Treasury
Local Government Budget Analysis
Private Bag X115
PRETORIA

Sir / Madam

QUALITY CERTIFICATE

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

- ☐ **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 **28 FEBRUARY 2019**, 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 M08 February 2019 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 February 2019 figures to the actual year-to-date figures as reflected on the ledger in order to align with the data strings.

Print Name MONDE STRAU

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

Signature 

Date 12/03/2019