



# **GARDEN ROUTE DISTRICT MUNICIPALITY**

**FINANCIAL YEAR 2019 - 2020**

## **MONTHLY FINANCIAL MONITORING REPORT**

**31 AUGUST 2019**

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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 31 August 2019.
- That Council takes note that the municipality could not generate a C-Schedule from the financial system. The municipality populated the C-Schedule manually based on data directly extracted from the financial system for the month ended 31 August 2019.

### **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 (adjusted)**

#### **Revenue by source**

The total revenue received for the month ended 31 August 2019 amounted to **R 9,546,118** which represents **2.3%** of the total annual budgeted figure of **R 417,320,000**.

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

Operating expenditure for the month, ended 31 August 2019 amounted to **R 32,386,468**, with a total annual budgeted figure of **R 418,656,000**; the operational expenditure is **8%** of the total annual budget. The majority of the expenditure related to Employee and Councillor related cost of **R 11,957,485 (36% of the monthly expenditure)**. Included under operating expenditure is **R15 918 043 (49% of total monthly expenditure)** relating to the roads agency services.

## **Capital Expenditure**

The annual capital budget for the financial year amounts to **R 6,923,000**. The capital expenditure for the month ended 31 August 2019 amounted to **R 0**. User departments are continuously reminded to improve planning and ensure compliance with supply chain regulations when procuring capital items. The capital budget spending is discussed at the management meetings where the relevant Head of Department must provide feedback on the progress of the capital spending.

Refer to pages 14 - 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. Departments will invite BTO office to the departmental meeting if assistance is needed with the budget implementation or budget related enquiries. The municipality will continue to engage with the vendor in order to find solutions to all system related challenges experienced.

## **Conclusion**

Detailed analysis of the municipal performance for the month ended 31 August 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 - M02 August

Description	2018/19	Budget Year 2019/20							
	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	15 715	16 893	16 893	–	–	2 816	(2 816)	-100%	16 893
Transfers and subsidies	172 435	165 426	172 027	3 206	68 777	27 571	41 206	149%	172 027
Other own revenue	214 495	235 001	235 001	6 340	8 341	39 167	(30 826)	-79%	235 001
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>402 645</b>	<b>417 320</b>	<b>423 921</b>	<b>9 546</b>	<b>77 118</b>	<b>69 553</b>	<b>7 564</b>	<b>11%</b>	<b>423 921</b>
Employee costs	140 534	144 964	144 964	11 124	22 384	24 161	(1 777)	-7%	144 964
Remuneration of Councillors	11 933	12 828	12 828	834	1 682	2 138	(456)	-21%	12 828
Depreciation & asset impairment	3 172	3 477	3 477	–	377	579	(203)	-35%	3 477
Finance charges	–	–	–	–	–	–	–	–	–
Materials and bulk purchases	36	4 084	4 084	171	203	681	(478)	-70%	4 084
Transfers and subsidies	–	1 965	1 965	95	130	328	(197)	-60%	1 965
Other expenditure	242 728	251 339	254 158	20 163	28 506	41 890	(13 384)	-32%	254 158
<b>Total Expenditure</b>	<b>398 403</b>	<b>418 656</b>	<b>421 475</b>	<b>32 386</b>	<b>53 281</b>	<b>69 776</b>	<b>(16 495)</b>	<b>-24%</b>	<b>421 475</b>
<b>Surplus/(Deficit)</b>	<b>4 242</b>	<b>(1 336)</b>	<b>2 446</b>	<b>(22 840)</b>	<b>23 837</b>	<b>(223)</b>	<b>24 059</b>	<b>-10804%</b>	<b>2 446</b>
Transfers and subsidies - capital (monetary alloc	–	–	–	–	–	–	–	–	–
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>4 242</b>	<b>(1 336)</b>	<b>2 446</b>	<b>(22 840)</b>	<b>23 837</b>	<b>(223)</b>	<b>24 059</b>	<b>-10804%</b>	<b>2 446</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>4 242</b>	<b>(1 336)</b>	<b>2 446</b>	<b>(22 840)</b>	<b>23 837</b>	<b>(223)</b>	<b>24 059</b>	<b>-10804%</b>	<b>2 446</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>10 623</b>	<b>6 923</b>	<b>3 782</b>	<b>–</b>	<b>–</b>	<b>1 154</b>	<b>(1 154)</b>	<b>-100%</b>	<b>10 705</b>
Capital transfers recognised	4 000	–	3 782	–	–	–	–	–	3 782
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	6 623	6 923	–	–	–	1 154	(1 154)	-100%	6 923
<b>Total sources of capital funds</b>	<b>10 623</b>	<b>6 923</b>	<b>3 782</b>	<b>–</b>	<b>–</b>	<b>1 154</b>	<b>(1 154)</b>	<b>-100%</b>	<b>10 705</b>
<b>Financial position</b>									
Total current assets	196 625	178 550	178 550		210 908				178 550
Total non current assets	307 314	292 602	296 384		307 903				296 384
Total current liabilities	102 393	82 034	82 034		75 303				82 034
Total non current liabilities	137 987	86 240	86 240		144 852				86 240
Community wealth/Equity	263 560	302 878	306 661		298 657				302 878
<b>Cash flows</b>									
Net cash from (used) operating	13 793	(755)	3 028	(22 840)	23 837	505	(23 332)	-4624%	3 028
Net cash from (used) investing	(9 258)	366	(3 417)	(32 717)	(34 398)	(569)	33 828	-5940%	(3 417)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
<b>Cash/cash equivalents at the month/year end</b>	<b>174 303</b>	<b>169 379</b>	<b>169 379</b>	<b>–</b>	<b>180 355</b>	<b>169 703</b>	<b>(10 652)</b>	<b>-6%</b>	<b>190 526</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	498	399	1 145	635	653	334	13 684	13 911	31 259
<b>Creditors Age Analysis</b>									
Total Creditors	92	20	9	19	24	220	104	159	647

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

DC4 Garden Route - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 August

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>232 272</b>	<b>217 702</b>	<b>224 303</b>	<b>9 246</b>	<b>76 522</b>	<b>37 384</b>	39 139	105%	<b>224 303</b>
Executive and council		231 601	216 981	223 582	9 184	76 460	37 264	39 196	105%	223 582
Finance and administration		671	721	721	62	62	120	(58)	-48%	721
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		<b>8 041</b>	<b>8 856</b>	<b>8 856</b>	<b>288</b>	<b>545</b>	<b>1 476</b>	(931)	-63%	<b>8 856</b>
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		7 820	8 406	8 406	243	454	1 401	(947)	-68%	8 406
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		221	450	450	44	91	75	16	22%	450
<i><b>Economic and environmental services</b></i>		<b>162 333</b>	<b>160 105</b>	<b>160 105</b>	<b>12</b>	<b>50</b>	<b>26 684</b>	(26 634)	-100%	<b>160 105</b>
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		162 000	160 000	160 000	-	-	26 667	(26 667)	-100%	160 000
Environmental protection		333	105	105	12	50	18	33	188%	105
<i><b>Trading services</b></i>		<b>-</b>	<b>30 657</b>	<b>30 657</b>	<b>-</b>	<b>-</b>	<b>5 110</b>	(5 110)	-100%	<b>30 657</b>
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	30 657	30 657	-	-	5 110	(5 110)	-100%	30 657
<i><b>Other</b></i>	4	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue - Functional</b>	2	<b>402 645</b>	<b>417 320</b>	<b>423 921</b>	<b>9 546</b>	<b>77 118</b>	<b>70 654</b>	<b>6 464</b>	<b>9%</b>	<b>423 921</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>123 554</b>	<b>126 483</b>	<b>128 493</b>	<b>8 514</b>	<b>13 959</b>	<b>21 416</b>	(7 457)	-35%	<b>128 493</b>
Executive and council		44 144	45 692	46 892	2 668	4 952	7 815	(2 864)	-37%	46 892
Finance and administration		76 860	78 090	78 900	5 734	8 769	13 150	(4 381)	-33%	78 900
Internal audit		2 550	2 702	2 702	111	239	450	(212)	-47%	2 702
<i><b>Community and public safety</b></i>		<b>90 298</b>	<b>79 377</b>	<b>79 377</b>	<b>5 066</b>	<b>10 810</b>	<b>13 229</b>	(2 419)	-18%	<b>79 377</b>
Community and social services		20 403	9 814	9 814	537	1 493	1 636	(143)	-9%	9 814
Sport and recreation		12 767	13 225	13 225	849	1 823	2 204	(381)	-17%	13 225
Public safety		27 288	25 301	25 301	1 618	3 229	4 217	(988)	-23%	25 301
Housing		-	-	-	-	-	-	-	-	-
Health		29 841	31 037	31 037	2 062	4 265	5 173	(907)	-18%	31 037
<i><b>Economic and environmental services</b></i>		<b>178 859</b>	<b>176 200</b>	<b>177 009</b>	<b>17 861</b>	<b>27 219</b>	<b>29 501</b>	(2 283)	-8%	<b>177 009</b>
Planning and development		8 640	9 147	9 147	1 638	2 895	1 525	1 370	90%	9 147
Road transport		166 635	163 468	164 277	15 918	23 770	27 379	(3 609)	-13%	164 277
Environmental protection		3 585	3 585	3 585	305	553	597	(44)	-7%	3 585
<i><b>Trading services</b></i>		<b>5 018</b>	<b>33 470</b>	<b>33 470</b>	<b>157</b>	<b>310</b>	<b>5 578</b>	(5 268)	-94%	<b>33 470</b>
Energy sources		-	-	-	-	-	-	-	-	-
Water management		10	10	10	157	310	2	308	18145%	10
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		5 008	33 460	33 460	-	-	5 577	(5 577)	-100%	33 460
<i><b>Other</b></i>		<b>674</b>	<b>3 126</b>	<b>3 126</b>	<b>789</b>	<b>983</b>	<b>521</b>	<b>462</b>	<b>89%</b>	<b>3 126</b>
<b>Total Expenditure - Functional</b>	3	<b>398 403</b>	<b>418 656</b>	<b>421 475</b>	<b>32 386</b>	<b>53 281</b>	<b>70 246</b>	<b>(16 965)</b>	<b>-24%</b>	<b>421 475</b>
<b>Surplus/ (Deficit) for the year</b>		<b>4 242</b>	<b>(1 336)</b>	<b>2 446</b>	<b>(22 840)</b>	<b>23 837</b>	<b>408</b>	<b>23 429</b>	<b>5747%</b>	<b>2 446</b>

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. In Table C3, Financial Performance is reported by municipal vote:



### 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) - M02 August

Vote Description	Ref	2018/19	Budget Year 2019/20							
		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		232 074	216 981	223 582	9 184	76 460	37 264	39 196	105,2%	223 582
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		198	721	721	62	62	120	(58)	-48,1%	721
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		221	450	450	44	91	75	16	21,6%	450
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		7 820	8 406	8 406	243	454	1 401	(947)	-67,6%	8 406
Vote 9 - Waste Management		-	30 657	30 657	-	-	5 110	(5 110)	-100,0%	30 657
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		333	105	105	12	50	18	33	187,8%	105
Vote 14 - Roads Agency Function		162 000	160 000	160 000	-	-	26 667	(26 667)	-100,0%	160 000
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	402 645	417 320	423 921	9 546	77 118	70 654	6 464	9,1%	423 921
Expenditure by Vote	1									
Vote 1 - Executive and Council		46 981	51 456	52 656	2 864	5 139	8 776	(3 636)	-41,4%	52 656
Vote 2 - Budget and Treasury Office		24 519	21 608	22 068	1 457	1 953	3 678	(1 725)	-46,9%	22 068
Vote 3 - Corporate Services		41 210	42 339	42 689	4 024	6 457	7 115	(658)	-9,2%	42 689
Vote 4 - Planning and Development		22 739	24 234	24 234	2 545	4 283	4 039	244	6,0%	24 234
Vote 5 - Public Safety		41 369	32 060	32 060	2 035	4 315	5 343	(1 028)	-19,2%	32 060
Vote 6 - Health		33 581	33 212	33 212	2 232	4 676	5 535	(859)	-15,5%	33 212
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		12 767	13 225	13 225	849	1 823	2 204	(381)	-17,3%	13 225
Vote 9 - Waste Management		5 008	33 460	33 460	157	310	5 577	(5 267)	-94,4%	33 460
Vote 10 - Roads Transport		4 225	3 468	4 277	-	-	713	(713)	-100,0%	4 277
Vote 11 - Waste Water Management		(7)	10	10	-	-	2	(2)	-100,0%	10
Vote 12 - Water		18	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		3 585	3 585	3 585	305	553	597	(44)	-7,4%	3 585
Vote 14 - Roads Agency Function		162 410	160 000	160 000	15 918	23 770	26 667	(2 897)	-10,9%	160 000
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	398 403	418 656	421 475	32 386	53 281	70 246	(16 965)	-24,2%	421 475
Surplus/ (Deficit) for the year	2	4 242	(1 336)	2 446	(22 840)	23 837	408	23 429	5746,8%	2 446

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

A journal was passed to include the Roads Agency function expenditure for the month ended 31 August 2019 to the amount of R15,9m which equals 49% of the monthly expenditure.

### 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) - M02 August

Description	Ref	2018/19	Budget Year 2019/20							
		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								-		
Rental of facilities and equipment		3 846	1 593	1 593	80	233	266	(33)	-12%	1 593
Interest earned - external investments		15 715	16 893	16 893			2 816	(2 816)	-100%	16 893
Interest earned - outstanding debtors		897	964	964	278	865	161	705	439%	964
Dividends received		-	-	-			-	-		-
Fines, penalties and forfeits		-	-	-			-	-		-
Licences and permits		333	105	105	12	50	18	33	188%	105
Agency services		21 062	23 015	23 015	4 190	4 190	3 836	355	9%	23 015
Transfers and subsidies		172 435	165 426	172 027	3 206	68 777	27 571	41 206	149%	172 027
Other revenue		184 358	205 672	205 672	1 780	3 002	34 279	(31 277)	-91%	205 672
Gains on disposal of PPE		4 000	3 652	3 652			609	(609)	-100%	3 652
Total Revenue (excluding capital transfers and contributions)		402 645	417 320	423 921	9 546	77 118	69 553	7 564	11%	423 921
Expenditure By Type										
Employee related costs		140 534	144 964	144 964	11 124	22 384	24 161	(1 777)	-7%	144 964
Remuneration of councillors		11 933	12 828	12 828	834	1 682	2 138	(456)	-21%	12 828
Debt impairment		1 601	1 721	1 721			287	(287)	-100%	1 721
Depreciation & asset impairment		3 172	3 477	3 477	-	377	579	(203)	-35%	3 477
Finance charges		-	-	-			-	-		-
Bulk purchases		-	-	-			-	-		-
Other materials		36	4 084	4 084	171	203	681	(478)	-70%	4 084
Contracted services		50 354	46 505	49 324	2 133	2 152	7 751	(5 599)	-72%	49 324
Transfers and subsidies		-	1 965	1 965	95	130	328	(197)	-60%	1 965
Other expenditure		190 773	203 113	203 113	18 030	26 355	33 852	(7 498)	-22%	203 113
Loss on disposal of PPE							-	-		-
Total Expenditure		398 403	418 656	421 475	32 386	53 281	69 776	(16 495)	-24%	421 475
Surplus/(Deficit)		4 242	(1 336)	2 446	(22 840)	23 837	(223)	24 059	(0)	2 446
Transfers and subsidies - capital (monetary contributions)										
(National / Provincial and District)								-		
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)								-		
Transfers and subsidies - capital (in-kind - all)								-		
Surplus/(Deficit) after capital transfers & contributions		4 242	(1 336)	2 446	(22 840)	23 837	(223)			2 446
Taxation								-		
Surplus/(Deficit) after taxation		4 242	(1 336)	2 446	(22 840)	23 837	(223)			2 446
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		4 242	(1 336)	2 446	(22 840)	23 837	(223)			2 446
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		4 242	(1 336)	2 446	(22 840)	23 837	(223)			2 446

### **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:**

The income for rental of facilities and equipment reported for the month ended 31 August 2019 amounts to R79 821.

#### **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 were recorded for the month ended 31 August 2019, the investment balance of the municipality amounted to R156m for the month ended 31 August 2019, but was invested for a period longer than 30 days.

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

The interest on outstanding debtors for the month of 31 August 2019 amounts to R277 875.

#### **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 recorded in respect of the Agency Services for the month ended 31 August 2019 amounts to R4 190 434.

#### **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 65,571,000 for the Equitable Share was received during July 2019. The municipality received R1,000,000 for the

FMG grant and the first instalment to the amount of R408,000 for EPWP grant in August 2019. An amount of R1,798,000 for the Rural Roads Asset Management grant during the month of August 2019.

#### Other revenue / Sundry income

Other revenue reflects an amount of R1,791,989 for the month ended 31 August 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 31 August 2019 amounted to R 11,957,485 of an annual budgeted amount of R 157,792,000 that represents 8% of the budgeted amount and 36% of the monthly expenditure.

#### Debt Impairment / Depreciation and asset impairment

No depreciation were recorded for the month ended 31 August 2019.

#### Other materials

Other materials consists of all inventory consumed purchases for materials and supplies and amounts to R171,140 for the month end 31 August 2019 against an annual budgeted amount of R4 084 000.

#### Contracted services

The contracted services for the month 31 August 2019 amounts to R2,132,769 against an annual budgeted amount of R 46,505,000.

#### Transfers and subsidies

The total for transfer and subsidies amounts to R95,108 for the month ended 31 August 2019 against an annual budget of R 1,965,000.

#### Other expenditure

Other expenditure reflects all other expenses not specifically mentioned and amounts to R 18,029,967 for month ended 31 August 2019.

The other expenditure consists of the following:

- Operating costs
- Operating Projects (own funds)
- Roads expenditure

### 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) - M02 August

Vote Description	Ref	2018/19	Budget Year 2019/20							
		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		30	500	-	-	-	83	(83)	-100%	500
Vote 2 - Budget and Treasury Office		42	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		2 428	1 503	-	-	-	250	(250)	-100%	1 503
Vote 4 - Planning and Development		37	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		4 713	2 000	-	-	-	333	(333)	-100%	2 000
Vote 6 - Health		2 343	-	-	-	-	-	-	-	-
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		1 000	-	-	-	-	-	-	-	-
Vote 9 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		30	-	-	-	-	-	-	-	-
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	<b>10 623</b>	<b>4 003</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>667</b>	<b>(667)</b>	<b>-100%</b>	<b>4 003</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	70	-	-	-	12	(12)	-100%	70
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	400	3 782	-	-	67	(67)	-100%	4 182
Vote 6 - Health		-	2 300	-	-	-	383	(383)	-100%	2 300
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		-	150	-	-	-	25	(25)	-100%	150
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	<b>-</b>	<b>2 920</b>	<b>3 782</b>	<b>-</b>	<b>-</b>	<b>487</b>	<b>(487)</b>	<b>-100%</b>	<b>6 702</b>
<b>Total Capital Expenditure</b>		<b>10 623</b>	<b>6 923</b>	<b>3 782</b>	<b>-</b>	<b>-</b>	<b>1 154</b>	<b>(1 154)</b>	<b>-100%</b>	<b>10 705</b>

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.
071201240008	1	Steel Shelves	1308	50 000,00		8 333,33	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071206240002	2	Evacuation Chair	1305	20 000,00		3 333,33	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
07204300001	3	Upgrading of Council Buildings	2204	500 000,00		83 333,33	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104104	4	Laptops	1307	132 000,00		22 000,00	Inprocess	Purchased & Delivered	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104109	5	Qnap File Server	1307	36 000,00		6 000,00	Inprocess	Formal Tender - Closing date (4 October 2019)	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104110	6	Projector/s	1307	30 000,00		5 000,00	Inprocess	Order issued	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104111	7	Scanners	1307	19 000,00		3 166,67	Inprocess	Purchased & Delivered	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104113	8	24 Inch Monitors	1307	6 000,00		1 000,00	Inprocess	Purchased & Delivered	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104116	9	Insurance Claims	1307	50 000,00		8 333,33	Not started yet	No ICT insurance claims up to date	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104117	10	High Spec PC Communication	1307	30 000,00		5 000,00	Inprocess	Formal Tender - Closing date (4 October 2019)	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104118	11	Printer HP black/white	1307	11 000,00		1 833,33	Inprocess	Purchased & Delivered	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104119	12	Printer HP 4 in One	1307	29 000,00		4 833,33	Inprocess	Purchased & Delivered	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104120	13	Printer HP Colour	1307	9 000,00		1 500,00	Inprocess	Purchased & Delivered	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104121	14	Office Automation	1307	418 468,00		69 744,67	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307103001	15	Upgrade Server Room for hosting purposes	1307	110 000,00		18 333,33	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.

SCOA config	Nr	Project description	Cost centre	Adjusted budget R	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.
071307104002	16	ICT Furniture	1307	50 000,00		8 333,33	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071806103101	17	Plett Office Building	1806	2 300 000,00		383 333,33	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. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
072305230001	18	Hazmat Rescue & Fire Equipment Equipment	2305	400 000,00		66 666,67	In process	Item has been amended resulting in new specifications being compiled	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
072305300001	19	New Fire Station/ Training Academy (CRR Funding)	2305	2 000 000,00		333 333,33	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
074403230001	20	Home Composting Containers (Pilot Project) 100 x R 800.00	4403	80 000,00		13 333,33	In process	An Informal Tender has been sent to potential suppliers after which a BEC meeting will commence once the tenders received have been reviewed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
074403230002	21	Vermi-Composting Holders and Red Wiggler Worms (Pilot Project)	4403	40 000,00		6 666,67	In process	An Informal Tender has been sent to potential suppliers after which a BEC meeting will commence once the tenders received have been reviewed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
074403230003	22	Recycling Mascot	4403	30 000,00		5 000,00	In process	The Specifications of the mascot is in process. In discussion with a potential supplier regarding specifications. The procurement process will commence once concluded.	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104001	23	Fireproof Safe (800x525x500)	1307	14 500,00		2 416,67	In process	Purchased & Delivered	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104101	24	Morpho Sigma Lite Biometric Devices	1307	105 000,00		17 500,00	In process	Formal Tender - Closing date (4 October 2019)	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104102	25	UniFi Cloud Key Gen2 Plus	1307	5 000,00		833,33	In process	Formal Tender - Closing date (4 October 2019)	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104103	26	UniFi Security Gateway	1307	6 000,00		1 000,00	In process	Formal Tender - Closing date (4 October 2019)	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104105	27	Desktops	1307	120 000,00		20 000,00	In process	Purchased & Delivered	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307103901	28	IMS Office	1307	200 000,00		33 333,33	In process	Formal Tender - Closing date (4 October 2019)	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104106	29	8 Port Switches	1307	15 000,00		2 500,00	In process	Formal Tender - Closing date (4 October 2019)	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104107	30	Ubiquiti UNIFI AC Pro Access Points	1307	19 200,00		3 200,00	In process	Formal Tender - Closing date (4 October 2019)	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104108	31	16 Port Switches	1307	32 500,00		5 416,67	In process	Formal Tender - Closing date (4 October 2019)	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104112	32	Voice Recorder	1307	4 000,00		666,67	In process	Formal Tender - Closing date (4 October 2019)	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104114	33	HD Infrared IP Dome Camera (Spack)	1307	11 000,00		1 833,33	In process	Purchased & Delivered	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104115	34	Replacing ICT Capital Equipment beyond economical repairs	1307	40 000,00		6 666,67	In process	Formal Tender - Closing date (4 October 2019)	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071601103302	35	6000Litre Water Tanker	1601	2 097 288,40		349 548,07	In process	80% of total value were paid in previous financial year, the total will be paid on delivery of trucks	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
072305220001	36	Water tankers	1601	1 685 027,00		280 837,83	In process	80% of total value were paid in previous financial year, the total will be paid on delivery of trucks	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
Totals				10 704 983,40	0,00	1 153 778,00				



Commitments against capital for the month August 2019				
		<b>Total Commitments</b>		
071307104104		Laptops	R	144 528,00
071307104110		Projector/s	R	9 842,85
071307104111		Scanners	R	20 500,00
071307104113		24 Inch Monitors	R	3 998,00
071307104118		Printer HP black/white	R	11 799,00
071307104119		Printer HP 4 in One	R	28 405,00
071307104120		Printer HP Colour	R	9 303,50
071307104001		Fireproof Safe (800x525x500)	R	12 922,55
071307104105		Desktops	R	128 388,00
071307104112		Voice Recorder	R	3 050,00
		<b>Total tenders awarded and orders issued</b>		<b>372 737</b>

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

DC4 Garden Route - Table C6 Monthly Budget Statement - Financial Position - M02 August

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		174 303	169 379	169 379	180 355	169 379
Call investment deposits		–	–	–	–	–
Consumer debtors		–	–	–	–	–
Other debtors		16 205	2 312	2 312	23 956	2 312
Current portion of long-term receivables		3 550	3 324	3 324	3 867	3 324
Inventory		2 568	3 536	3 536	2 731	3 536
<b>Total current assets</b>		<b>196 625</b>	<b>178 550</b>	<b>178 550</b>	<b>210 908</b>	<b>178 550</b>
<b>Non current assets</b>						
Long-term receivables		61 508	63 353	63 353	59 705	63 353
Investments		26	26	26	27	26
Investment property		84 677	83 831	83 831	86 108	83 831
Investments in Associate						
Property, plant and equipment		159 740	143 644	147 426	159 923	147 426
Biological						
Intangible		1 363	1 748	1 748	2 139	1 748
Other non-current assets						
<b>Total non current assets</b>		<b>307 314</b>	<b>292 602</b>	<b>296 384</b>	<b>307 903</b>	<b>296 384</b>
<b>TOTAL ASSETS</b>		<b>503 940</b>	<b>471 152</b>	<b>474 935</b>	<b>518 811</b>	<b>474 935</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft						
Borrowing		857	–	–	698	
Consumer deposits						
Trade and other payables		71 843	51 753	51 753	37 449	51 753
Provisions		29 692	30 281	30 281	37 155	30 281
<b>Total current liabilities</b>		<b>102 393</b>	<b>82 034</b>	<b>82 034</b>	<b>75 303</b>	<b>82 034</b>
<b>Non current liabilities</b>						
Borrowing		591	1 462	1 462	28	1 462
Provisions		137 396	84 778	84 778	144 823	84 778
<b>Total non current liabilities</b>		<b>137 987</b>	<b>86 240</b>	<b>86 240</b>	<b>144 852</b>	<b>86 240</b>
<b>TOTAL LIABILITIES</b>		<b>240 380</b>	<b>168 274</b>	<b>168 274</b>	<b>220 154</b>	<b>168 274</b>
<b>NET ASSETS</b>	2	<b>263 560</b>	<b>302 878</b>	<b>306 661</b>	<b>298 657</b>	<b>306 661</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		235 253	271 173	274 956	267 331	271 173
Reserves		28 307	31 705	31 705	31 326	31 705
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>263 560</b>	<b>302 878</b>	<b>306 661</b>	<b>298 657</b>	<b>302 878</b>

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 - M02 August

Description	Ref	2018/19	Budget Year 2019/20							
		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		214 495	230 385	230 385	6 340	8 341	38 397	(30 057)	-78%	230 385
Government - operating		172 435	165 426	168 245	3 206	68 777	28 041	40 736	145%	168 245
Government - capital		-	-	3 782		-	630	(630)	-100%	3 782
Interest		15 715	16 893	16 893			2 816	(2 816)	-100%	16 893
Dividends								-		
<b>Payments</b>										
Suppliers and employees		(388 852)	(411 494)	(411 494)	(32 291)	(53 151)	(68 582)	(15 431)	23%	(411 494)
Finance charges				-		-	-	-		-
Transfers and Grants			(1 965)	(4 784)	(95)	(130)	(797)	(667)	84%	(4 784)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>13 793</b>	<b>(755)</b>	<b>3 028</b>	<b>(22 840)</b>	<b>23 837</b>	<b>505</b>	<b>(23 332)</b>	<b>-4624%</b>	<b>3 028</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		3 156	3 652	3 652			609	(609)	-100%	3 652
Decrease (Increase) in non-current debtors		-	3 636	3 636			606	(606)	-100%	3 636
Decrease (increase) other non-current receivables		(1 791)	-				-	-		
Decrease (increase) in non-current investments		-	-		(32 717)	(34 398)	-	(34 398)	#DIV/0!	
<b>Payments</b>										
Capital assets		(10 623)	(6 923)	(10 705)			(1 784)	(1 784)	100%	(10 705)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(9 258)</b>	<b>366</b>	<b>(3 417)</b>	<b>(32 717)</b>	<b>(34 398)</b>	<b>(569)</b>	<b>33 828</b>	<b>-5940%</b>	<b>(3 417)</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>4 535</b>	<b>(389)</b>	<b>(389)</b>	<b>(55 557)</b>	<b>(10 561)</b>	<b>(65)</b>			<b>(389)</b>
Cash/cash equivalents at beginning:		169 768	169 768	169 768		190 916	169 768			190 916
Cash/cash equivalents at month/year end:		174 303	169 379	169 379		180 355	169 703			190 526

The municipal bank balance at 31 August 2019 totals R 24 354 522.59 and the short term deposits made amounts to R156 000 000.00, therefore the total cash and cash equivalents amounts to R180 354 522.59.

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

<b>REPORTING MONTH: 31 AUGUST 2019</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 2019</b>	<b>4 915 523,25</b>	<b>24 354 522,59</b>
<b>Other Cash &amp; Cash Equivalents: Short term deposits</b>	<b>186 000 000,00</b>	<b>156 000 000,00</b>
<b>Total Cash &amp; Cash Equivalents:</b>	<b>190 915 523,25</b>	<b>180 354 522,59</b>
<b>LESS:</b>	<b>133 288 855,76</b>	<b>125 704 029,77</b>
Unspent Conditional Grants	5 706 996,76	6 893 627,64
Provision for staff leave	10 405 047,00	13 566 381,65
Provision for bonus	3 640 218,00	3 601 878,19
Post Retirement Benefits	37 463 916,00	37 463 916,00
Performance Bonus	432 599,00	932 780,06
Grant received in advance	49 178 250,00	32 785 500,00
Trade Payables	11 891 829,00	12 811 312,11
Unspent Capital budget	577 000,00	1 153 778,00
Unspent Operational budget	13 993 000,00	16 494 856,12
<b>Sub total</b>	<b>57 626 667,49</b>	<b>54 650 492,82</b>
<b>PLUS:</b>	<b>5 297 152,00</b>	<b>10 464 845,64</b>
VAT Receivable	340 852,00	3 278 029,44
Receivable Exchange	4 956 300,00	7 186 816,20
Equitable Share Debtor to be paid		
	<b>62 923 819,49</b>	<b>65 115 338,46</b>
<b>LESS OTHER MATTERS:</b>		
Capital Replacement Reserve	37 355 931,27	34 802 548,35
<b>Sub Total</b>	<b>25 567 888,22</b>	<b>30 312 790,11</b>
<b>LESS: CONTINGENT LIABILITIES</b>	<b>6 332 413,15</b>	<b>11 675 924,15</b>
Theunis Barnard	38 231,00	38 231,00
I Gerber	-	21 840,00
A de Wet	614 675,00	614 675,00
Barry Louis Rae Trust	4 500 000,00	4 500 000,00
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
Combined summons between Brenda Kraft and Garden Route DM	415 264,31	415 264,31
Isivuno Auctioneers: Summons	223 574,84	223 574,84
Portion of Portion 2 of Farm 238, Hooggekraal	-	431 400,00
Erf 99, Glentana	-	4 021 781,00
Labour disputes: V Blom & Roode	350 000,00	350 000,00
Labour disputes: B Ntozini	70 000,00	70 000,00
Labour disputes: N Ndabeni	50 000,00	50 000,00
Labour disputes: IMATU obo Du Plessis & others	-	868 490,00
<b>Recalculated available cash balance</b>	<b>19 235 475,07</b>	<b>18 636 865,96</b>

## PART 2 – SUPPORTING DOCUMENTATION

### Section 4 – Debtors' analysis

#### Supporting Table SC3

DC4 Garden Route - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

Description	NT Code	Budget Year 2019/20										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	(13)	-	-	-	-	-	-	(34)	(47)	(34)		
Interest on Arrear Debtor Accounts	1810	285	293	262	264	257	257	-	1 301	2 918	2 078		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	226	106	883	371	396	77	13 684	12 644	28 387	27 173		
Total By Income Source	2000	498	399	1 145	635	653	334	13 684	13 911	31 259	29 217	-	-
2018/19 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	(105)	44	541	96	230	63	907	2 514	4 291	3 810		
Commercial	2300	-	-	-	-	-	-	-	-	-	-		
Households	2400												
Other	2500	603	355	603	539	422	271	12 778	11 397	26 968	25 407		
Total By Customer Group	2600	498	399	1 145	635	653	334	13 684	13 911	31 259	29 217	-	-

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.

The majority of the firefighting accounts are disputed with regards to the origin of the fire and who is responsible for the payment of the account.

The municipality are required to submit debtors aged analysis data strings on a monthly basis. Challenges were experienced in July with the debtor data string resulting in non-compliance, the vendor has rectified the errors, the data string for debtor for August was successfully uploaded to National Treasury's portal.

## Section 5 – Creditors' analysis

### Supporting Table C4

DC4 Garden Route - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

Description R thousands	NT Code	Budget Year 2019/20									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	92	20	9	19	24	220	104	159	647	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	92	20	9	19	24	220	104	159	647	-

The municipality are required to submit creditors aged analysis data strings on a monthly basis.

The reason for long outstanding creditors are due to invoices not submitted by either suppliers or user departments, other reasons also include disputes on certain invoices.

The municipality are continuously working towards resolving outstanding disputes on invoices and obtaining outstanding invoices.

## Section 6 – Investment portfolio analysis

### 6.1 Investment monitoring information

	Balance as at 01 Aug 2019	Movements for the month		Balance as at 31 Aug 2019	Interest earned Month	Interest earned Year to date
		Investments matured	Investments made			
<b>Eden district municipality</b>						
<i>Interest Received YTD</i>				-		
<i>Standard Bank</i>	62 000 000,00	-10 000 000,00		52 000 000,00	65 534,25	65 534,25
<i>FNB</i>	16 000 000,00	-10 000 000,00		6 000 000,00	63 561,64	63 561,64
<i>ABSA</i>	36 000 000,00			36 000 000,00		-
<i>Nedbank</i>	62 000 000,00	-10 000 000,00		52 000 000,00	74 574,25	74 574,25
<i>Investec Bank</i>	10 000 000,00			10 000 000,00		-
<b>BANK DEPOSITS</b>	<b>186 000 000,00</b>	<b>-30 000 000,00</b>	<b>-</b>	<b>156 000 000,00</b>	<b>203 670,14</b>	<b>203 670,14</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 Garden Route - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M02 August

Description	Ref	2018/19	Budget Year 2019/20							
		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>		157 166	162 568	164 471	3 206	68 777	27 095	39 343	145,2%	164 471
Local Government Equitable Share		151 237	157 370	157 370	–	65 571	26 228	39 343	150,0%	157 370
Finance Management		1 000	1 000	1 000	1 000	1 000	167			1 000
Municipal Systems Improvement		–		–						–
EPWP Incentive		1 021	1 629	1 629	408	408	272			1 629
NT - Rural Roads Asset Management Systems		2 425	2 569	2 787	1 798	1 798	428			2 787
Fire Service Capacity Building Grant	3	1 483		1 685				–		1 685
								–		
								–		
								–		
Other transfers and grants [insert description]								–		
<b>Provincial Government:</b>		14 810	2 859	7 557	–	–	477	(430)	-90,2%	7 557
PT - Integrated Transport Plan		1 800	900	1 490			150	(150)	-100,0%	1 490
PT - WC Support Grant		1 450	280	1 090			47			1 090
PT - Disaster Management Grant		10 000		2 097				–		2 097
PT - WC Support Grant	4	360	379	379			63	(63)	-100,0%	379
PT - Safety Plan Implementation (WOSA)		1 200	1 300	2 500			217	(217)	-100,0%	2 500
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	171 976	165 427	172 028	3 206	68 777	27 571	38 913	141,1%	172 028

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 - M02 August

Description	Ref	2018/19	Budget Year 2019/20							
		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:		157 166	162 568	164 471	152	437	27 412	(26 975)	-98,4%	164 471
Local Government Equitable Share		151 237	157 370	157 370			26 228	(26 228)	-100,0%	157 370
Finance Management		1 000	1 000	1 000	126	126	167	(40)	-24,3%	1 000
Municipal Systems Improvement		—					—	—		—
EPWP Incentive		1 021	1 629	1 629	26	311	272	39	14,5%	1 629
NT - Rural Roads Asset Management Systems		2 425	2 569	2 787			465	(465)	-100,0%	2 787
Fire Service Capacity Building Grant		1 483		1 685			281	(281)	-100,0%	1 685
Other transfers and grants [insert description]							—	—		
Provincial Government:		14 810	2 859	7 557	—	—	1 259	(1 259)	-100,0%	7 557
PT - Integrated Transport Plan		1 800	900	1 490			248	(248)	-100,0%	1 490
PT - Disaster Management Grant		10 000	—	2 097			350	(350)	-100,0%	2 097
PT - WC Support Grant		1 450	280	1 090			182	(182)	-100,0%	1 090
PT - Safety Plan Implementation (WOSA)		1 200	1 300	2 500			417	(417)	-100,0%	2 500
Other transfers and grants [insert description]		360	379	379			63	(63)	-100,0%	379
District Municipality:		—	—	—	—	—	—	—		—
[insert description]								—		
Other grant providers:		—	—	—	—	—	—	—		—
[insert description]								—		
Total operating expenditure of Transfers and Grants:		171 976	165 427	172 028	152	437	28 671	(28 234)	-98,5%	172 028

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 - M02 August

Summary of Employee and Councillor remuneration	Ref	2018/19	Budget Year 2019/20							
		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		7 481	11 359	11 359	770	1 561	1 893	(332)	-18%	11 359
Pension and UIF Contributions		2 408	232	232	9	23	39	(15)	-40%	232
Medical Aid Contributions		122	75	75	11	11	12	(1)	-11%	75
Motor Vehicle Allowance		1 696	199	199			33	(33)	-100%	199
Cellphone Allowance		1 125	–	–	44	86	–	86	#DIV/0!	–
Housing Allowances		1 046	434	434			72	(72)	-100%	434
Other benefits and allowances		–	528	528			88	(88)	-100%	528
<b>Sub Total - Councillors</b>		13 877	12 828	12 828	834	1 682	2 138	(456)	-21%	12 828
<b>% increase</b>	4		-7,6%	-7,6%						-7,6%
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		4 442	5 634	5 634	432	777	939	(162)	-17%	5 634
Pension and UIF Contributions		161	–	–	0	0	–	0	#DIV/0!	–
Medical Aid Contributions		124	256	256	4	9	43	(34)	-79%	256
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		838	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		805	–	–	62	124	–	124	#DIV/0!	–
Cellphone Allowance		111	–	–	9	18	–	18	#DIV/0!	–
Housing Allowances		194	–	–	–	–	–	–	–	–
Other benefits and allowances		(211)	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>		6 464	5 890	5 890	508	928	982	(54)	-6%	5 890
<b>% increase</b>	4		-8,9%	-8,9%						-8,9%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		86 899	85 591	85 591	6 877	13 485	14 265	(780)	-5%	85 591
Pension and UIF Contributions		13 210	14 463	14 463	1 238	1 712	2 411	(698)	-29%	14 463
Medical Aid Contributions		10 314	10 904	10 904	588	718	1 817	(1 099)	-60%	10 904
Overtime		3 045	–	–	105	323	–	323	#DIV/0!	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		6 906	–	–	753	838	–	838	#DIV/0!	–
Cellphone Allowance		198	–	–	7	13	–	13	#DIV/0!	–
Housing Allowances		1 311	–	–	118	313	–	313	#DIV/0!	–
Other benefits and allowances		2 641	19 685	19 685	407	3 013	3 281	(268)	-8%	19 685
Payments in lieu of leave		6 064	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	2	2 866	8 432	8 432	521	1 042	1 405	(364)	-26%	8 432
<b>Sub Total - Other Municipal Staff</b>		133 454	139 074	139 074	10 616	21 456	23 179	(1 723)	-7%	139 074
<b>% increase</b>	4		4,2%	4,2%						4,2%
<b>Total Parent Municipality</b>		153 795	157 791	157 791	11 957	24 066	26 299	(2 233)	-8%	157 791

Remuneration related expenditure for the month ended 31 August 2019 amounted to R11 957 485.

## Section 9 – Municipal manager’s quality certification



54 York Street,  
George  
Western Cape  
6529

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6530

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### OFFICE OF THE MUNICIPAL MANAGER

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Enquiries: Louise Hoek  
Reference: 6/1/1 – 19/20  
Date: 10 September 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 **31 AUGUST 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 municipality could not generate a C-Schedule from the financial system. The municipality populated the C-Schedule manually based on data directly extracted from the financial system for the month ended 31 August 2019.

Print Name MONDE STRATH

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

Signature 

Date 10/9/19