



GARDEN ROUTE DISTRICT MUNICIPALITY

FINANCIAL YEAR 2019 - 2020

MONTHLY FINANCIAL MONITORING REPORT

30 SEPTEMBER 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 30 September 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 30 September 2019. The service provider is in progress of addressing the system issues. Tickets have been logged with the service provider’s helpdesk for system issues.

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 30 September 2019 amounted to **R38,173,424** which represents **9.0%** of the total annual budgeted figure of **R 423,921,000**.

Operating Expenditure by type

Operating expenditure for the month, ended 30 September 2019 amounted to **R 33,715,619**, with a total annual budgeted figure of **R 421,475,000 (including Roads)**; the operational expenditure is **7.9%** of the total annual budget. The majority of the expenditure related to Employee and Councillor related cost of **R 12,402,402 (36.8% of the monthly expenditure)**.

Included under operating expenditure is R14 577 613 **(43% of total monthly expenditure)** relating to the roads agency services. The roads agency function expenditure is integrated monthly in the financial records by processing a journal for the roads related expenditure.

Capital Expenditure

The annual capital budget for the financial year amounts to **R 6,923,000**. The capital expenditure for the month ended 30 September 2019 amounted to **R 305,300**. 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. The reason for the low spending is that during the first quarter supply chain tender processes are followed and awards made and thereafter spending commences.

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 30 September 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 - M03 September

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
R thousands									
Financial Performance									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Investment revenue	15 715	16 893	16 893	–	–	4 223	(4 223)	-100%	16 893
Transfers and subsidies	172 435	165 426	172 027	–	68 777	43 007	25 770	60%	172 027
Other own revenue	214 495	235 001	235 001	38 173	46 514	58 750	(12 236)	-21%	235 001
Total Revenue (excluding capital transfers and contributions)	402 645	417 320	423 921	38 173	115 291	105 980	9 311	9%	423 921
Employee costs	140 534	144 964	144 964	11 576	33 959	36 241	(2 282)	-6%	144 964
Remuneration of Councillors	11 933	12 828	12 828	827	2 509	3 207	(698)	-22%	12 828
Depreciation & asset impairment	3 172	3 477	3 477	753	1 130	869	261	30%	3 477
Finance charges	–	–	–	–	–	–	–	–	–
Materials and bulk purchases	36	4 084	4 084	176	378	1 021	(643)	-63%	4 084
Transfers and subsidies	–	1 965	1 965	376	506	491	15	3%	1 965
Other expenditure	242 728	251 339	254 158	20 008	48 514	63 539	(15 025)	-24%	254 158
Total Expenditure	398 403	418 656	421 475	33 716	86 997	105 369	(18 372)	-17%	421 475
Surplus/(Deficit)	4 242	(1 336)	2 446	4 458	28 294	612	27 683	4527%	2 446
Transfers and subsidies - capital (monetary alloc	–	–	–	–	–	–	–	–	–
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	4 242	(1 336)	2 446	4 458	28 294	612	27 683	4527%	2 446
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	4 242	(1 336)	2 446	4 458	28 294	612	27 683	4527%	2 446
Capital expenditure & funds sources									
Capital expenditure	10 623	6 923	10 705	305	305	2 485	(2 179)	-88%	11 105
Capital transfers recognised	4 000	–	3 782	–	–	946	(946)	-100%	3 782
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	6 623	6 923	6 923	305	305	1 731	(1 425)	-82%	6 923
Total sources of capital funds	10 623	6 923	10 705	305	305	2 676	(2 371)	-89%	10 705
Financial position									
Total current assets	196 625	178 550	178 550		209 654				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		297 403				306 661
Cash flows									
Net cash from (used) operating	13 793	(755)	3 028	4 458	28 294	757	(27 538)	-3638%	3 028
Net cash from (used) investing	(9 258)	366	(3 417)	(51 022)	(29 548)	(854)	28 694	-3359%	(3 417)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month/year end	174 303	169 379	169 379	–	179 101	169 671	(9 430)	-6%	179 965
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	440	627	364	1 138	634	653	12 808	15 107	31 769
Creditors Age Analysis									
Total Creditors	311	1 342	367	(53)	14	8	295	154	2 437

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

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

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									
Revenue - Functional										
<i>Governance and administration</i>		232 272	217 702	224 303	2 564	79 086	56 076	23 010	41%	224 303
Executive and council		231 601	216 981	223 582	2 472	78 932	55 895	23 037	41%	223 582
Finance and administration		671	721	721	92	154	180	(26)	-15%	721
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		8 041	8 856	8 856	546	1 091	2 214	(1 123)	-51%	8 856
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		7 820	8 406	8 406	501	955	2 102	(1 147)	-55%	8 406
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		221	450	450	45	136	113	24	21%	450
<i>Economic and environmental services</i>		162 333	160 105	160 105	35 064	35 114	40 026	(4 912)	-12%	160 105
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		162 000	160 000	160 000	35 048	35 048	40 000	(4 952)	-12%	160 000
Environmental protection		333	105	105	16	66	26	40	153%	105
<i>Trading services</i>		-	30 657	30 657	-	-	7 664	(7 664)	-100%	30 657
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	30 657	30 657	-	-	7 664	(7 664)	-100%	30 657
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	402 645	417 320	423 921	38 173	115 291	105 980	9 311	9%	423 921
Expenditure - Functional										
<i>Governance and administration</i>		123 554	126 483	128 493	10 367	24 326	32 123	(7 797)	-24%	128 493
Executive and council		44 144	45 692	46 892	3 665	8 616	11 723	(3 107)	-27%	46 892
Finance and administration		76 860	78 090	78 900	6 446	15 214	19 725	(4 510)	-23%	78 900
Internal audit		2 550	2 702	2 702	257	495	675	(180)	-27%	2 702
<i>Community and public safety</i>		90 298	79 377	79 377	5 926	16 736	19 844	(3 108)	-16%	79 377
Community and social services		20 403	9 814	9 814	770	2 263	2 454	(191)	-8%	9 814
Sport and recreation		12 767	13 225	13 225	857	2 681	3 306	(626)	-19%	13 225
Public safety		27 288	25 301	25 301	1 896	5 125	6 325	(1 200)	-19%	25 301
Housing		-	-	-	-	-	-	-	-	-
Health		29 841	31 037	31 037	2 402	6 668	7 759	(1 091)	-14%	31 037
<i>Economic and environmental services</i>		178 859	176 200	177 009	16 876	44 095	44 252	(157)	0%	177 009
Planning and development		8 640	9 147	9 147	1 985	4 880	2 287	2 593	113%	9 147
Road transport		166 635	163 468	164 277	14 578	38 348	41 069	(2 721)	-7%	164 277
Environmental protection		3 585	3 585	3 585	314	867	896	(29)	-3%	3 585
<i>Trading services</i>		5 018	33 470	33 470	440	750	8 367	(7 617)	-91%	33 470
Energy sources		-	-	-	-	-	-	-	-	-
Water management		10	10	10	195	506	3	503	19731%	10
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		5 008	33 460	33 460	245	245	8 365	(8 120)	-97%	33 460
<i>Other</i>		674	3 126	3 126	106	1 089	782	308	39%	3 126
Total Expenditure - Functional	3	398 403	418 656	421 475	33 716	86 997	105 369	(18 372)	-17%	421 475
Surplus/ (Deficit) for the year		4 242	(1 336)	2 446	4 458	28 294	612	27 683	4527%	2 446

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) - M03 September

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	2 472	78 932	55 895	23 037	41,2%	223 582
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		198	721	721	92	154	180	(26)	-14,6%	721
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		221	450	450	45	136	113	24	21,2%	450
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		7 820	8 406	8 406	501	955	2 102	(1 147)	-54,6%	8 406
Vote 9 - Waste Management		-	30 657	30 657	-	-	7 664	(7 664)	-100,0%	30 657
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		333	105	105	16	66	26	40	152,9%	105
Vote 14 - Roads Agency Function		162 000	160 000	160 000	35 048	35 048	40 000	(4 952)	-12,4%	160 000
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	402 645	417 320	423 921	38 173	115 291	105 980	9 311	8,8%	423 921
Expenditure by Vote	1									
Vote 1 - Executive and Council		46 981	51 456	52 656	3 863	9 349	13 164	(3 815)	-29,0%	52 656
Vote 2 - Budget and Treasury Office		24 519	21 608	22 068	3 037	4 990	5 517	(527)	-9,5%	22 068
Vote 3 - Corporate Services		41 210	42 339	42 689	3 253	9 364	10 672	(1 308)	-12,3%	42 689
Vote 4 - Planning and Development		22 739	24 234	24 234	2 381	6 665	6 058	607	10,0%	24 234
Vote 5 - Public Safety		41 369	32 060	32 060	2 377	6 692	8 015	(1 323)	-16,5%	32 060
Vote 6 - Health		33 581	33 212	33 212	2 616	7 291	8 303	(1 012)	-12,2%	33 212
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		12 767	13 225	13 225	857	2 681	3 306	(626)	-18,9%	13 225
Vote 9 - Waste Management		5 008	33 460	33 460	440	750	8 365	(7 615)	-91,0%	33 460
Vote 10 - Roads Transport		4 225	3 468	4 277	-	-	1 069	(1 069)	-100,0%	4 277
Vote 11 - Waste Water Management		(7)	10	10	-	-	3	(3)	-100,0%	10
Vote 12 - Water		18	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		3 585	3 585	3 585	314	867	896	(29)	-3,2%	3 585
Vote 14 - Roads Agency Function		162 410	160 000	160 000	14 578	38 348	40 000	(1 652)	-4,1%	160 000
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	398 403	418 656	421 475	33 716	86 997	105 369	(18 372)	-17,4%	421 475
Surplus/ (Deficit) for the year	2	4 242	(1 336)	2 446	4 458	28 294	612	27 683	4526,8%	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 30 September 2019 to the amount of R14.6m which equals 43% 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) - M03 September

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	167	399	398	1	0%	1 593
Interest earned - external investments		15 715	16 893	16 893			4 223	(4 223)	-100%	16 893
Interest earned - outstanding debtors		897	964	964	576	1 441	241	1 200	498%	964
Dividends received		-	-	-			-	-		-
Fines, penalties and forfeits		-	-	-			-	-		-
Licences and permits		333	105	105	16	66	26	40	153%	105
Agency services		21 062	23 015	23 015	1 397	5 587	5 754	(166)	-3%	23 015
Transfers and subsidies		172 435	165 426	172 027		68 777	43 007	25 770	60%	172 027
Other revenue		184 358	205 672	205 672	36 018	39 020	51 418	(12 398)	-24%	205 672
Gains on disposal of PPE		4 000	3 652	3 652			913	(913)	-100%	3 652
Total Revenue (excluding capital transfers and contributions)		402 645	417 320	423 921	38 173	115 291	105 980	9 311	9%	423 921
Expenditure By Type										
Employee related costs		140 534	144 964	144 964	11 576	33 959	36 241	(2 282)	-6%	144 964
Remuneration of councillors		11 933	12 828	12 828	827	2 509	3 207	(698)	-22%	12 828
Debt impairment		1 601	1 721	1 721			430	(430)	-100%	1 721
Depreciation & asset impairment		3 172	3 477	3 477	753	1 130	869	261	30%	3 477
Finance charges		-	-	-			-	-		-
Bulk purchases		-	-	-			-	-		-
Other materials		36	4 084	4 084	176	378	1 021	(643)	-63%	4 084
Contracted services		50 354	46 505	49 324	2 327	4 479	12 331	(7 852)	-64%	49 324
Transfers and subsidies		-	1 965	1 965	376	506	491	15	3%	1 965
Other expenditure		190 773	203 113	203 113	17 681	44 035	50 778	(6 743)	-13%	203 113
Loss on disposal of PPE							-	-		-
Total Expenditure		398 403	418 656	421 475	33 716	86 997	105 369	(18 372)	-17%	421 475
Surplus/(Deficit)		4 242	(1 336)	2 446	4 458	28 294	612	27 683	0	2 446
Transfers and subsidies - capital (primarily infrastructure) (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		4 242	(1 336)	2 446	4 458	28 294	612			2 446
Taxation								-		
Surplus/(Deficit) after taxation		4 242	(1 336)	2 446	4 458	28 294	612			2 446
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		4 242	(1 336)	2 446	4 458	28 294	612			2 446
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		4 242	(1 336)	2 446	4 458	28 294	612			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 30 September 2019 amounts to R166 776.

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 30 September 2019, the investment balance of the municipality amounted to R159m for the month ended 30 September 2019, but was invested for a period longer than 30 days to optimize interest received on investments.

Interest raised – Outstanding debtors

The interest on outstanding debtors for the month of 30 September 2019 amounts to R575,744.

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 30 September 2019 amounts to R1,396,811.

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. The Municipality received no grant funding in the month of September 2019.

Other revenue / Sundry income

Other revenue reflects an amount of R36,018,086 for the month ended 30 September 2019. Other revenue consists of the following: Interest on current account, resorts income and rental of facilities and equipment. Roads income (Subsidy from Province) and expenditure is incorporated into GRDM and a journal for the amount of R35,047,609 journal was processed.

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 30 September 2019 amounted to R 12,402,402 of an annual budgeted amount of R 157,792,000 that represents 7.8% of the budgeted amount and 36.8% of the monthly expenditure.

Debt Impairment / Depreciation and asset impairment

Depreciation recorded for the month ended 30 September 2019 amounts to R753,167.

These items account for non-cash budgeted items. The fixed asset register module must still be implemented at Garden Route DM. We are awaiting the service provider to implement the new fixed asset management system as the previous asset management system (Market Demand) withdrew from the financial system service provider, Phoenix had to develop a new asset register (at no additional cost to municipalities, as this was a mSCOA requirement when National Treasury awarded the transversal tender for financial systems.) Garden Route DM must first test the new proposed asset register extensively to ensure it meets the requirements of mSCOA and GRAP and fully integrates seamlessly and correctly with the financial system before it can be implemented.

It is envisioned that the service provider will be able to present a complete asset management system during the second quarter. Extensive meetings have taken place between management and the management of the service provider regarding the fixed asset register. Currently the Excel asset register is used and manual journals are prepared monthly based on previous year figures to process the depreciation charges.

Other materials

Other materials consists of all inventory consumed purchases for materials and supplies and amounts to R175,622 for the month end 30 September 2019 against an annual budgeted amount of R4 084 000.

Contracted services

The contracted services for the month 30 September 2019 amounts to R2,327,404 against an annual budgeted amount of R 46,505,000.

Transfers and subsidies

The total for transfer and subsidies amounts to R376,475 for the month ended 30 September 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 17,680,548 for month ended 30 September 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) - M03
September

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	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive and Council		30	500	500	-	-	125	(125)	-100%	500
Vote 2 - Budget and Treasury Office		42	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		2 428	1 503	1 503	305	305	376	(70)	-19%	1 503
Vote 4 - Planning and Development		37	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		4 713	2 000	2 000	-	-	500	(500)	-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		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	10 623	4 003	4 003	305	305	1 001	(695)	-69%	4 003
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	70	70	-	-	18	(18)	-100%	70
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	400	4 182	-	-	1 046	(1 046)	-100%	4 582
Vote 6 - Health		-	2 300	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	150	-	-	38	(38)	-100%	150
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	2 920	6 702	-	-	1 484	(1 484)	-100%	7 102
Total Capital Expenditure		10 623	6 923	10 705	305	305	2 485	(2 179)	-88%	11 105

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

SCOA config	Nr	Project description	Cost centre	Original Budget R'000	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.
071201240008	1	Steel Shelves	1308	50 000,00	50 000,00		12 500,00	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	20 000,00		5 000,00	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.
072204300001	3	Upgrading of Council Buildings	2204	500 000,00	500 000,00		125 000,00	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	132 000,00	125 676,52	33 000,00	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	36 000,00		9 000,00	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	30 000,00		7 500,00	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	19 000,00	17 826,09	4 750,00	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.
071307104113	8	24 Inch Monitors	1307	6 000,00	6 000,00	3 476,52	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.
071307104116	9	Insurance Claims	1307	50 000,00	50 000,00		12 500,00	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	30 000,00		7 500,00	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	11 000,00		2 750,00	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.
071307104119	12	Printer HP 4 in One	1307	29 000,00	29 000,00	24 700,00	7 250,00	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.
071307104120	13	Printer HP Colour	1307	9 000,00	9 000,00	8 090,00	2 250,00	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	418 468,00		104 617,00	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	110 000,00		27 500,00	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	Ni	Project description	Cost centre	Original Budget R'000	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	50 000,00		12 500,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.Lo 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	2 300 000,00		575 000,00	In process	In process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.Lo 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	400 000,00		100 000,00	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.Lo 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	2 000 000,00		500 000,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.Lo 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) 100x R 800.00	4403	80 000,00	80 000,00		20 000,00	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.Lo 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	40 000,00		10 000,00	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.Lo 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	30 000,00		7 500,00	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.Lo 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	14 500,00	11 237,00	3 625,00	In process	Purchased & Delivered	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.Lo 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	105 000,00		26 250,00	In process	Formal Tender - Closing date (4 October 2019)	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.Lo 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	5 000,00		1 250,00	In process	Formal Tender - Closing date (4 October 2019)	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.Lo 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	6 000,00		1 500,00	In process	Formal Tender - Closing date (4 October 2019)	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.Lo 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	120 000,00	111 641,74	30 000,00	In process	Purchased & Delivered	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.Lo 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	MS Office	1307	200 000,00	200 000,00		50 000,00	In process	Formal Tender - Closing date (4 October 2019)	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.Lo 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	15 000,00		3 750,00	In process	Formal Tender - Closing date (4 October 2019)	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.Lo 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	19 300,00	19 200,00		4 800,00	In process	Formal Tender - Closing date (4 October 2019)	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.Lo 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	32 500,00		8 125,00	In process	Formal Tender - Closing date (4 October 2019)	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.Lo 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	4 000,00	2 652,17	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.Lo 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 (5pack)	1307	11 000,00	11 000,00		2 750,00	In process	Purchased & Delivered	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.Lo 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	40 000,00		10 000,00	In process	Formal Tender - Closing date (4 October 2019)	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.Lo 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		524 322,10	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.Lo 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		1 685 037,00		421 256,75	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.Lo 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				6 922 668,00	10 704 983,40	305 300,04	1 730 667,00				

Commitments against capital for the month September 2019				
		Total Commitments		
071307104110		Projector/s	R	9 842,85
071307104115		Replacing ICT Capital Equipment beyond economical repairs	R	11 300,00
071307104118		Printer HP black/white	R	11 799,00
071307104121		Office Automation	R	29 256,30
071308040008		Desk	R	4 524,65
071308040009		File Labelling Machines	R	5 600,00
071308040010		Chairs	R	5 930,00
071308040011		Water Dispenser	R	2 940,00
072204300001		Upgrading of Council Buildings	R	16 905,00
		Total tenders awarded and orders issued		98 098

3.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Garden Route - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		174 303	169 379	169 379	179 100	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
Total current assets		196 625	178 550	178 550	209 654	178 550
Non current assets						
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						
Total non current assets		307 314	292 602	296 384	307 903	296 384
TOTAL ASSETS		503 940	471 152	474 935	517 557	474 935
LIABILITIES						
Current liabilities						
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
Total current liabilities		102 393	82 034	82 034	75 303	82 034
Non current liabilities						
Borrowing		591	1 462	1 462	28	1 462
Provisions		137 396	84 778	84 778	144 823	84 778
Total non current liabilities		137 987	86 240	86 240	144 852	86 240
TOTAL LIABILITIES		240 380	168 274	168 274	220 154	168 274
NET ASSETS	2	263 560	302 878	306 661	297 403	306 661
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		235 253	271 173	274 956	266 077	274 956
Reserves		28 307	31 705	31 705	31 326	31 705
TOTAL COMMUNITY WEALTH/EQUITY	2	263 560	302 878	306 661	297 403	306 661

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 - M03 September

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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								-		
Service charges								-		
Other revenue		214 495	230 385	230 385	38 173	46 514	57 596	(11 082)	-19%	230 385
Government - operating		172 435	165 426	168 245	-	68 777	42 061	26 716	64%	168 245
Government - capital		-	-	3 782		-	946	(946)	-100%	3 782
Interest		15 715	16 893	16 893			4 223	(4 223)	-100%	16 893
Dividends								-		
Payments										
Suppliers and employees		(388 852)	(411 494)	(411 494)	(33 339)	(86 490)	(102 873)	(16 383)	16%	(411 494)
Finance charges				-		-	-	-		-
Transfers and Grants			(1 965)	(4 784)	(376)	(506)	(1 196)	(689)	58%	(4 784)
NET CASH FROM/(USED) OPERATING ACTIVITIES		13 793	(755)	3 028	4 458	28 294	757	(27 538)	-3638%	3 028
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		3 156	3 652	3 652			913	(913)	-100%	3 652
Decrease (Increase) in non-current debtors		-	3 636	3 636			909	(909)	-100%	3 636
Decrease (increase) other non-current receivables		(1 791)	-				-	-		
Decrease (increase) in non-current investments		-	-		(50 717)	(29 243)	-	(29 243)	#DIV/0!	
Payments										
Capital assets		(10 623)	(6 923)	(10 705)	(305)	(305)	(2 676)	(2 371)	89%	(10 705)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(9 258)	366	(3 417)	(51 022)	(29 548)	(854)	28 694	-3359%	(3 417)
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		4 535	(389)	(389)	(46 564)	(1 254)	(97)			(389)
Cash/cash equivalents at beginning:		169 768	169 768	169 768		180 355	169 768			180 355
Cash/cash equivalents at month/year end:		174 303	169 379	169 379		179 101	169 671			179 965

The municipal bank balance at 30 September 2019 totals R 20 100 522.59 and the short term deposits made amounts to R159 000 000.00, therefore the total cash and cash equivalents amounts to R179 100 522.59.

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

REPORTING MONTH: 30 SEPTEMBER 2019		
Commitments against Cash & Cash Equivalents		
ITEM	Previous Month R'000	Current Month R'000
Bank balance as at 30 September 2019	24 354 522,59	20 100 352,60
Other Cash & Cash Equivalents: Short term deposits	156 000 000,00	159 000 000,00
Total Cash & Cash Equivalents:	180 354 522,59	179 100 352,60
LESS:	125 704 029,77	113 637 684,94
Unspent Conditional Grants	6 893 627,64	6 893 627,64
Provision for staff leave	13 566 381,65	13 566 381,65
Provision for bonus	3 601 878,19	4 534 658,25
Post Retirement Benefits	37 463 916,00	37 463 916,00
Performance Bonus	932 780,06	932 780,06
Grant received in advance	32 785 500,00	16 392 750,00
Trade Payables	12 811 312,11	13 302 421,00
Unspent Capital budget	1 153 778,00	2 179 200,00
Unspent Operational budget	16 494 856,12	18 371 950,34
Sub total	54 650 492,82	65 462 667,66
PLUS:	10 464 845,64	5 365 720,66
VAT Receivable	3 278 029,44	3 070 705,90
Receivable Exchange	7 186 816,20	2 295 014,76
	65 115 338,46	70 828 388,32
LESS OTHER MATTERS:		
Capital Replacement Reserve	34 802 548,35	34 802 548,35
Sub Total	30 312 790,11	36 025 839,97
LESS: CONTINGENT LIABILITIES	11 675 924,15	11 675 924,15
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
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	431 400,00
Erf 99, Glentana	4 021 781,00	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	868 490,00
Recalculated available cash balance	18 636 865,96	24 349 915,82

PART 2 – SUPPORTING DOCUMENTATION

Section 4 – Debtors' analysis

Supporting Table SC3

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

Description	NT Code	Budget Year 2019/20										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.L.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 Exchange Transactions - Water	1200									-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	1300									-	-		
Receivables from Non-exchange Transactions - Property Rates	1400									-	-		
Receivables from Exchange Transactions - Waste Water Management	1500									-	-		
Receivables from Exchange Transactions - Waste Management	1600									-	-		
Receivables from Exchange Transactions - Property Rental Debtors	1700	(13)	-	-	-	-	-	-	(34)	(47)	(34)		
Interest on Arrear Debtor Accounts	1810	286	285	293	262	264	257	257	1 299	3 203	2 338		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	166	341	71	876	370	396	12 551	13 842	28 613	28 035		
Total By Income Source	2000	440	627	364	1 138	634	653	12 808	15 107	31 769	30 339	-	-
2018/19 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	(36)	63	41	541	96	230	478	3 006	4 420	4 351		
Commercial	2300	-	-	-	-	-	-	-	-	-	-		
Households	2400												
Other	2500	476	563	323	596	538	422	12 329	12 101	27 349	25 987		
Total By Customer Group	2600	440	627	364	1 138	634	653	12 808	15 107	31 769	30 339	-	-

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. Currently the debtor section initiated debt collection processes and will report quarterly to the financial services committee on the debt collection process.

Section 5 – Creditors' analysis

Supporting Table C4

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

Description	NT Code	Budget Year 2019/20									Prior year
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	totals for chart (same period)
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	311	1 342	367	(53)	14	8	295	154	2 437	
Auditor General	0800									-	
Other	0900									-	
Total By Customer Type	1000	311	1 342	367	(53)	14	8	295	154	2 437	-

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 Sept 2019	Movements for the month			Balance as at 30 Sept 2019	Interest earned Month	Interest earned Year to date
		Investments matured	Investments made	Interest capitalised			
Eden district municipality							
<i>Interest Received YTD</i>					-		
Standard Bank	52 000 000,00	6 000 000,00	5 000 000,00		53 000 000,00	86 589,04	152 123,29
FNB	6 000 000,00	6 000 000,00	5 000 000,00		7 000 000,00	84 000,00	147 561,64
ABSA	36 000 000,00	-			36 000 000,00	-	-
Nedbank	52 000 000,00	6 000 000,00	5 000 000,00		53 000 000,00	92 777,75	167 352,00
Investec Bank	10 000 000,00		-		10 000 000,00	-	-
BANK DEPOSITS	156 000 000,00	18 000 000,00	15 000 000,00	-	159 000 000,00	263 366,79	467 036,93

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 - M03 September

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										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		157 166	162 568	164 471	–	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	167			1 000
Municipal Systems Improvement		–		–						–
EPWP Incentive		1 021	1 629	1 629		408	272			1 629
NT - Rural Roads Asset Management Systems		2 425	2 569	2 787		1 798	428			2 787
Fire Service Capacity Building Grant	3	1 483		1 685				–		1 685
								–		
								–		
								–		
Other transfers and grants [insert description]								–		
Provincial Government:		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]								–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Total Operating Transfers and Grants	5	171 976	165 427	172 028	–	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 - M03 September

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	205	642	41 118	(40 476)	-98,4%	164 471
Local Government Equitable Share		151 237	157 370	157 370			39 343	(39 343)	-100,0%	157 370
Finance Management		1 000	1 000	1 000	68	194	250	(56)	-22,5%	1 000
Municipal Systems Improvement		—					—	—		—
EPWP Incentive		1 021	1 629	1 629	137	448	407	41	10,1%	1 629
NT - Rural Roads Asset Management Systems		2 425	2 569	2 787			697	(697)	-100,0%	2 787
Fire Service Capacity Building Grant		1 483		1 685			421	(421)	-100,0%	1 685
Other transfers and grants [insert description]								—		
Provincial Government:		14 810	2 859	7 557	—	—	1 889	(1 889)	-100,0%	7 557
PT - Integrated Transport Plan		1 800	900	1 490			373	(373)	-100,0%	1 490
PT - Disaster Management Grant		10 000	—	2 097			524	(524)	-100,0%	2 097
PT - WC Support Grant		1 450	280	1 090			272	(272)	-100,0%	1 090
PT - Safety Plan Implementation (WOSA)		1 200	1 300	2 500			625	(625)	-100,0%	2 500
Other transfers and grants [insert description]		360	379	379			95	(95)	-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	205	642	43 007	(42 365)	-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 and GRDM are dependent on it to sustain operations.

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 - M03 September

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										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		7 481	11 359	11 359	764	2 325	2 840	(514)	-18%	11 359
Pension and UIF Contributions		2 408	232	232	4	28	58	(30)	-52%	232
Medical Aid Contributions		122	75	75	6	17	19	(2)	-8%	75
Motor Vehicle Allowance		1 696	199	199	8	8	50	(42)	-84%	199
Cellphone Allowance		1 125	–	–	44	86	–	86	#DIV/0!	–
Housing Allowances		1 046	434	434			108	(108)	-100%	434
Other benefits and allowances		–	528	528			132	(132)	-100%	528
Sub Total - Councillors		13 877	12 828	12 828	827	2 465	3 207	(742)	-23%	12 828
% increase	4		-7,6%	-7,6%						-7,6%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4 442	5 634	5 634	423	1 200	1 408	(209)	-15%	5 634
Pension and UIF Contributions		161	–	–	0	0	–	0	#DIV/0!	–
Medical Aid Contributions		124	256	256	4	13	64	(51)	-79%	256
Overtime		–	–	–			–	–		–
Performance Bonus		838	–	–			–	–		–
Motor Vehicle Allowance		805	–	–	59	183	–	183	#DIV/0!	–
Cellphone Allowance		111	–	–	9	27	–	27	#DIV/0!	–
Housing Allowances		194	–	–			–	–		–
Other benefits and allowances		(211)	–	–			–	–		–
Payments in lieu of leave		–	–	–			–	–		–
Long service awards		–	–	–			–	–		–
Post-retirement benefit obligations		–	–	–			–	–		–
Sub Total - Senior Managers of Municipality		6 464	5 890	5 890	496	1 423	1 473	(49)	-3%	5 890
% increase	4		-8,9%	-8,9%						-8,9%
Other Municipal Staff										
Basic Salaries and Wages		86 899	85 591	85 591	7 085	20 570	21 398	(828)	-4%	85 591
Pension and UIF Contributions		13 210	14 463	14 463	1 268	2 980	3 616	(636)	-18%	14 463
Medical Aid Contributions		10 314	10 904	10 904	593	1 311	2 726	(1 415)	-52%	10 904
Overtime		3 045	–	–	205	528	–	528	#DIV/0!	–
Performance Bonus		–	–	–			–	–		–
Motor Vehicle Allowance		6 906	–	–	830	1 668	–	1 668	#DIV/0!	–
Cellphone Allowance		198	–	–	7	20	–	20	#DIV/0!	–
Housing Allowances		1 311	–	–	121	434	–	434	#DIV/0!	–
Other benefits and allowances		2 641	19 685	19 685	452	3 465	4 921	(1 456)	-30%	19 685
Payments in lieu of leave		6 064	–	–			–	–		–
Long service awards		–	–	–			–	–		–
Post-retirement benefit obligations		2 866	8 432	8 432	518	1 560	2 108	(548)	-26%	8 432
Sub Total - Other Municipal Staff		133 454	139 074	139 074	11 080	32 536	34 768	(2 232)	-6%	139 074
% increase	4		4,2%	4,2%						4,2%
Total Parent Municipality		153 795	157 791	157 791	12 402	36 424	39 448	(3 024)	-8%	157 791

Remuneration related expenditure for the month ended 30 September 2019 amounted to R12 402 402.

Section 9 – Municipal manager’s quality certification



Garden Route
DISTRICT MUNICIPALITY • LINDENBURG WESTERN • DISTRICTSDISTRICTMUNICIPALITY

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OFFICE OF THE MUNICIPAL MANAGER

Enquiries: Louise Hoek
Reference: 6/1/1 – 19/20
Date: 8 October 2019

Provincial Treasury Local Government Budget Analysis Private Bag X9165 CAPE TOWN 8000	National Treasury Local Government Budget Analysis Private Bag X115 PRETORIA
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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 **30 SEPTEMBER 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 30 September 2019.

Print Name MONDE STRATU

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

Signature 

Date 8/10/19