



**GARDEN ROUTE DISTRICT
MUNICIPALITY**

FINANCIAL YEAR 2019 - 2020

**MONTHLY FINANCIAL MONITORING
REPORT**

31 DECEMBER 2019

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

Glossary:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

mSCOA – Municipal Standard Chart of Accounts

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

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

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

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

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

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

Virement – A transfer of funds within a vote.

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

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

Legislative Framework:

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

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

Section 71: Monthly budget statements

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

PART 1 – IN-YEAR REPORT

Section 1 – Resolutions

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

Regulation 28 of the Municipal Budget and Reporting Regulations states:

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

Recommendations:

- That Council takes note of the monthly budget statement and supporting documentation for the month ended 31 December 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 December 2019 amounted to **R 71,996,867** which represents **17%** of the total annual budgeted figure of **R 423,921,000 (including Roads)**. The second instalment of Equitable Share were received in December 2019 to the amount of R 52,239,000. R 218 000 was deducted from the second instalment of the Equitable Share in respect of the Rural Roads Asset Management (RRAMS) Grant rollover that was not approved; a correcting journal will be processed in January 2020 against the unspent portion of the RRAMS Grant and the Equitable Share revenue to correctly account for the revenue and unspent portion repaid.

Operating Expenditure by type

Operating expenditure for the month, ended 31 December 2019 amounted to **R 30,419,030**, with a total annual budgeted figure of **R 421,475,000 (including Roads)**, the operational expenditure for the month is **7.2%** of the total annual budget. The majority of the expenditure

related to Employee and Councillor related cost of **R 13,267,752 (43.6%** of the monthly expenditure). Included under operating expenditure is **R 12,188,386 (40.1%** of total monthly expenditure) relating to the roads agency services. The roads agency function expenditure are integrated on a monthly basis 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 10,705,000**. The capital expenditure for the month ended 31 December 2019 amounted to **R 5,006,099**. 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 - 17 for detail on capital budget progress.

2.3 Material variances from SDBIP

Variances and deficiencies are identified in terms of the SDBIP and reported on and addressed by the Performance Management Unit, situated in the Office of the Municipal Manager, as applicable.

2.4 Remedial or corrective steps

HODs monitor monthly income and expenditure reports, ensure spending is within budget and is aligned to the IDP's Strategic Goals. Departments invite officials from the BTO office to the respective departmental meetings if assistance is needed with the budget implementation or budget related enquiries. The service provider is in progress of addressing the system related issues. Tickets have been logged with the service provider's helpdesk for system issues.

Conclusion

Detailed analysis of the municipal performance for the month ended 31 December 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 - M06 December

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	277	1 757	8 447	(6 690)	-79%	16 893
Transfers and subsidies	172 435	165 426	172 027	52 319	122 110	86 014	36 096	42%	172 027
Other own revenue	214 495	235 001	235 001	19 401	92 455	117 500	(25 045)	-21%	235 001
Total Revenue (excluding capital transfers and contributions)	402 645	417 320	423 921	71 997	216 322	211 961	4 361	2%	423 921
Employee costs	140 534	144 964	144 964	12 434	75 495	72 482	3 013	4%	144 964
Remuneration of Councillors	11 933	12 828	12 828	833	4 943	6 414	(1 471)	-23%	12 828
Depreciation & asset impairment	3 172	3 477	3 477	377	2 260	1 738	522	30%	3 477
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	36	4 084	4 084	522	1 344	2 042	(698)	-34%	4 084
Transfers and subsidies	-	1 965	1 965	-	946	983	(36)	-4%	1 965
Other expenditure	242 728	251 339	254 158	16 253	92 962	127 079	(34 117)	-27%	254 158
Total Expenditure	398 403	418 656	421 475	30 419	177 950	210 737	(32 787)	-16%	421 475
Surplus/(Deficit)	4 242	(1 336)	2 446	41 578	38 372	1 223	37 149	3037%	2 446
Transfers and subsidies - capital (monetary allocation)	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	4 242	(1 336)	2 446	41 578	38 372	1 223	37 149	3037%	2 446
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	4 242	(1 336)	2 446	41 578	38 372	1 223	37 149	3037%	2 446
Capital expenditure & funds sources									
Capital expenditure	10 623	6 923	10 705	5 006	5 397	5 352	44	1%	10 705
Capital transfers recognised	4 000	-	3 782	2 748	2 748	1 891	857	45%	3 782
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	6 623	6 923	6 923	2 258	2 649	3 461	(813)	-23%	6 923
Total sources of capital funds	10 623	6 923	10 705	5 006	5 397	5 352	44	1%	10 705
Financial position									
Total current assets	196 625	178 550	178 550		196 658				178 550
Total non current assets	307 314	292 602	296 384		311 068				296 384
Total current liabilities	102 393	82 034	82 034		43 087				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		319 786				306 661
Cash flows									
Net cash from (used) operating	13 793	(755)	3 028	41 578	38 372	1 514	(36 858)	-2435%	3 028
Net cash from (used) investing	(9 258)	366	(3 417)	(43 206)	8 705	(1 708)	(10 413)	610%	(3 417)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	174 303	169 379	169 379	-	180 111	169 573	(10 538)	-6%	132 646
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	1 170	428	442	510	585	339	14 559	15 171	33 204
Creditors Age Analysis									
Total Creditors	295	426	53	29	3	1	85	87	979

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

DC4 Garden Route - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

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	56 788	138 375	112 152	26 223	23%	224 303
Executive and council		231 601	216 981	223 582	56 793	138 109	111 791	26 318	24%	223 582
Finance and administration		671	721	721	(6)	266	361	(94)	-26%	721
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		8 041	8 856	8 856	3 011	4 743	4 428	315	7%	8 856
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		7 820	8 406	8 406	2 985	4 503	4 203	300	7%	8 406
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		221	450	450	26	240	225	15	7%	450
<i>Economic and environmental services</i>		162 333	160 105	160 105	12 198	73 062	80 053	(6 991)	-9%	160 105
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		162 000	160 000	160 000	12 188	73 005	80 000	(6 995)	-9%	160 000
Environmental protection		333	105	105	10	57	53	4	8%	105
<i>Trading services</i>		-	30 657	30 657	-	142	15 329	(15 187)	-99%	30 657
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	142	-	142	#DIV/0!	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	30 657	30 657	-	-	15 329	(15 329)	-100%	30 657
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	402 645	417 320	423 921	71 997	216 322	211 961	4 361	2%	423 921
Expenditure - Functional										
<i>Governance and administration</i>		123 554	126 483	128 493	8 802	53 368	64 247	(10 879)	-17%	128 493
Executive and council		44 144	45 692	46 892	3 860	18 107	23 446	(5 339)	-23%	46 892
Finance and administration		76 860	78 090	78 900	4 803	34 161	39 450	(5 289)	-13%	78 900
Internal audit		2 550	2 702	2 702	139	1 100	1 351	(251)	-19%	2 702
<i>Community and public safety</i>		90 298	79 377	79 377	6 864	37 884	39 688	(1 804)	-5%	79 377
Community and social services		20 403	9 814	9 814	1 302	5 466	4 907	559	11%	9 814
Sport and recreation		12 767	13 225	13 225	1 257	6 018	6 612	(594)	-9%	13 225
Public safety		27 288	25 301	25 301	1 859	10 883	12 651	(1 767)	-14%	25 301
Housing		-	-	-	-	-	-	-	-	-
Health		29 841	31 037	31 037	2 445	15 516	15 518	(2)	0%	31 037
<i>Economic and environmental services</i>		178 859	176 200	177 009	14 280	83 878	88 504	(4 626)	-5%	177 009
Planning and development		8 640	9 147	9 147	1 765	9 008	4 574	4 435	97%	9 147
Road transport		166 635	163 468	164 277	12 188	72 925	82 138	(9 213)	-11%	164 277
Environmental protection		3 585	3 585	3 585	326	1 944	1 792	152	8%	3 585
<i>Trading services</i>		5 018	33 470	33 470	369	2 092	16 735	(14 643)	-88%	33 470
Energy sources		-	-	-	-	-	-	-	-	-
Water management		10	10	10	244	1 722	5	1 717	33677%	10
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		5 008	33 460	33 460	125	370	16 730	(16 360)	-98%	33 460
<i>Other</i>		674	3 126	3 126	105	729	1 563	(834)	-53%	3 126
Total Expenditure - Functional	3	398 403	418 656	421 475	30 419	177 950	210 737	(32 787)	-16%	421 475
Surplus/ (Deficit) for the year		4 242	(1 336)	2 446	41 578	38 372	1 223	37 148	3037%	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) - M06 December

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	56 793	138 109	111 791	26 318	23,5%	223 582
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		198	721	721	(6)	266	361	(94)	-26,1%	721
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		221	450	450	26	240	225	15	6,8%	450
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		7 820	8 406	8 406	2 985	4 503	4 203	300	7,1%	8 406
Vote 9 - Waste Management		-	30 657	30 657	-	142	15 329	(15 187)	-99,1%	30 657
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		333	105	105	10	57	53	4	7,9%	105
Vote 14 - Roads Agency Function		162 000	160 000	160 000	12 188	73 005	80 000	(6 995)	-8,7%	160 000
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	402 645	417 320	423 921	71 997	216 322	211 961	4 361	2,1%	423 921
Expenditure by Vote	1									
Vote 1 - Executive and Council		46 981	51 456	52 656	3 855	18 674	26 328	(7 654)	-29,1%	52 656
Vote 2 - Budget and Treasury Office		24 519	21 608	22 068	1 652	11 963	11 034	930	8,4%	22 068
Vote 3 - Corporate Services		41 210	42 339	42 689	3 109	21 548	21 345	203	1,0%	42 689
Vote 4 - Planning and Development		22 739	24 234	24 234	2 513	12 093	12 117	(24)	-0,2%	24 234
Vote 5 - Public Safety		41 369	32 060	32 060	2 518	13 993	16 030	(2 037)	-12,7%	32 060
Vote 6 - Health		33 581	33 212	33 212	2 631	16 699	16 606	93	0,6%	33 212
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		12 767	13 225	13 225	1 257	6 018	6 612	(594)	-9,0%	13 225
Vote 9 - Waste Management		5 008	33 460	33 460	369	2 092	16 730	(14 638)	-87,5%	33 460
Vote 10 - Roads Transport		4 225	3 468	4 277	-	-	2 138	(2 138)	-100,0%	4 277
Vote 11 - Waste Water Management		(7)	10	10	-	-	5	(5)	-100,0%	10
Vote 12 - Water		18	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		3 585	3 585	3 585	326	1 944	1 792	152	8,5%	3 585
Vote 14 - Roads Agency Function		162 410	160 000	160 000	12 188	72 925	80 000	(7 075)	-8,8%	160 000
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	398 403	418 656	421 475	30 419	177 950	210 737	(32 787)	-15,6%	421 475
Surplus/ (Deficit) for the year	2	4 242	(1 336)	2 446	41 578	38 372	1 223	37 148	3037,3%	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.

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) - M06 December

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	70	447	797	(350)	-44%	1 593	
Interest earned - external investments	15 715	16 893	16 893	277	1 757	8 447	(6 690)	-79%	16 893	
Interest earned - outstanding debtors	897	964	964	290	1 722	482	1 240	257%	964	
Dividends received	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	
Licences and permits	333	105	105	10	57	53	4	8%	105	
Agency services	21 062	23 015	23 015	2 794	8 381	11 507	(3 126)	-27%	23 015	
Transfers and subsidies	172 435	165 426	172 027	52 319	122 110	86 014	36 096	42%	172 027	
Other revenue	184 358	205 672	205 672	16 238	81 849	102 836	(20 987)	-20%	205 672	
Gains on disposal of PPE	4 000	3 652	3 652	-	-	1 826	(1 826)	-100%	3 652	
Total Revenue (excluding capital transfers and contributions)		402 645	417 320	423 921	71 997	216 322	211 961	4 361	2%	423 921
Expenditure By Type										
Employee related costs	140 534	144 964	144 964	12 434	75 495	72 482	3 013	4%	144 964	
Remuneration of councillors	11 933	12 828	12 828	833	4 943	6 414	(1 471)	-23%	12 828	
Debt impairment	1 601	1 721	1 721	-	-	860	(860)	-100%	1 721	
Depreciation & asset impairment	3 172	3 477	3 477	377	2 260	1 738	522	30%	3 477	
Finance charges	-	-	-	-	-	-	-	-	-	
Bulk purchases	-	-	-	-	-	-	-	-	-	
Other materials	36	4 084	4 084	522	1 344	2 042	(698)	-34%	4 084	
Contracted services	50 354	46 505	49 324	1 550	8 024	24 662	(16 638)	-67%	49 324	
Transfers and subsidies	-	1 965	1 965	-	946	983	(36)	-4%	1 965	
Other expenditure	190 773	203 113	203 113	14 703	84 938	101 556	(16 619)	-16%	203 113	
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	
Total Expenditure		398 403	418 656	421 475	30 419	177 950	210 737	(32 787)	-16%	421 475
Surplus/(Deficit)		4 242	(1 336)	2 446	41 578	38 372	1 223	37 149	0	2 446
Transfers and subsidies - capital (in-kind - all)										
(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	41 578	38 372	1 223			2 446
Taxation										
Surplus/(Deficit) after taxation		4 242	(1 336)	2 446	41 578	38 372	1 223			2 446
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		4 242	(1 336)	2 446	41 578	38 372	1 223			2 446
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		4 242	(1 336)	2 446	41 578	38 372	1 223			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 December 2019 amounts to R 70,129.

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. Interest on external investments for the month ended 31 December 2019 amounts to R 276,822, the investment balance of the municipality amounted to R178m for the month ended 31 December 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 31 December 2019 amounts to R 289,834.

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. Revenue of R 2,793,623 were recorded in respect of the Agency Services for the month ended 31 December 2019. The municipality received the agency fee for the month of November 2019 in December as well.

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 R 1,000,000 for the FMG grant and the first instalment to the amount of R 408,000 for EPWP grant in August 2019. An amount of R 1,798,000 for the Rural Roads Asset Management grant during the month of August 2019. The municipality received R 734,000 for the EPWP grant and R 280,000 in respect of the Western Cape Finance Support grant during November 2019. The municipality received its second instalment of Equitable Share to the amount of R 52,239,000 during December 2019 and also an R 80,000 for Disaster Management Internship Grant. National Treasury deducted the unspent funds of Rural Roads Asset Management Grant which were not approved for rollover to the amount of R218 000 from the Equitable Share amount transferred to the municipality during December 2019, correcting journals will be processed during January 2020.

Other revenue / Sundry income

Other revenue reflects an amount of R 16,237,505 for the month ended 31 December 2019. Other revenue consists mostly of the following: Roads income (Subsidy from Province) and expenditure is incorporated into GRDM's financial records and a journal for the amount of R 12,188,386 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 31 December 2019 amounted to R 13,267,752 of an annual budgeted amount of R 157,791,000 that represents 8.4% of the budgeted amount and 43.6% of the monthly expenditure.

Debt Impairment / Depreciation and asset impairment

Depreciation recorded for the month ended 31 December 2019 amounts to R 376,584.

These items account for non-cash budgeted items. The fixed asset register module must still be implemented at Garden Route DM by the service provider of the financial system. 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 third 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 R 521,599 for the month ended 31 December 2019 against an annual budgeted amount of R 4,084,000.

Contracted services

The contracted services for the month ended 31 December 2019 amounts to R 1,549,942 against an annual budgeted amount of R 49,324,000.

Transfers and subsidies

The municipality did not record any transfer and subsidies for the month ended 31 December 2019.

Other expenditure

Other expenditure reflects all other expenses not specifically mentioned and amounts to R 14,703,154 for month ended 31 December 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) - M06
December

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	-	-	250	(250)	-100%	500
Vote 2 - Budget and Treasury Office		42	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		2 428	1 503	1 503	-	359	751	(392)	-52%	1 503
Vote 4 - Planning and Development		37	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		4 713	2 000	2 000	-	-	1 000	(1 000)	-100%	2 000
Vote 6 - Health		2 343	-	-	-	-	-	-	-	-
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		1 000	-	-	(15)	-	-	-	-	-
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	(15)	359	2 001	(1 642)	-82%	4 003
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	70	70	17	27	35	(8)	-22%	70
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	400	4 182	2 748	2 755	2 091	664	32%	4 182
Vote 6 - Health		-	2 300	2 300	2 255	2 255	1 150	1 105	96%	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	-	-	75	(75)	-100%	150
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	2 920	6 702	5 021	5 037	3 351	1 686	50%	6 702
Total Capital Expenditure		10 623	6 923	10 705	5 006	5 397	5 352	44	1%	10 705

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

SCOA config	Nr	Project description	Cost centre	Adjusted budget R'	YTD Expenditure R'	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	6 800,00	6 780,00	Completed	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.
071206240002	2	Evacuation Chair	1305	20 000,00	4 950,00	In process	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.
072204300001	3	Upgrading of Council Buildings	2204	450 000,00		In process	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.
071307104104	4	Laptops	1307	125 900,00	125 676,52	Completed	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	39 200,00		In process	SLA in process to be finalised	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	8 559,00	In process	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	17 826,09	Completed	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	3 476,52	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.
071307104116	9	Insurance Claims	1307	50 000,00		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		In process	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.
071307104118	11	Printer HP black/white	1307	11 000,00	10 260,00	Completed	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	24 700,00	Completed	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	8 090,00	Completed	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	25 440,26	In process	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.
071307103001	15	Upgrade Server Room for hosting purposes	1307	110 000,00		Not started yet	Completion date: 31 May 2020	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'	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	58 250,00		In process	SLA in process to be finalised	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	2 255 480,02	Completed	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.
072305230001	18	Hazmat Rescue & Fire Equipment Equipment	2305	382 500,00	6 600,00	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.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		Not started yet	Project gonna roll-over to next financial year for completion	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		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		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		In process	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.
071307104001	23	Fireproof Safe (800x525x500)	1307	11 300,00	11 237,00	Completed	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		In process	Waiting for order	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		In process	SLA in process to be finalised	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		In process	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.
071307104105	27	Desktops	1307	111 750,00	111 641,74	Completed	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	IWS Office	1307	200 000,00		In process	Waiting for order	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	15 100,00		In process	Waiting for order	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	Ubiquity UNIFI AC Pro Access Points	1307	19 200,00		In process	Waiting for order	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	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.
071307104108	31	16 Port Switches	1307	32 500,00		In process	SLA in process to be finalised	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	2 652,17	Completed	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.
071307104114	33	HD Infrared IP Dome Camera (5pack)	1307	11 000,00		In process	Waiting for order	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	9 826,09	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	1 375 888,14	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	Final payment(the outstanding 20%) was done in December 2019 and also the delivery of the vehicles. The payment of almost R687k were unfortunately booked against the prpayment vote. Correcting journals will be done in January 2020
072305220001	36	Water tankers	1601	1 685 027,00	1 372 159,29	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	Final payment(the outstanding 20%) was done in December 2019 and also the delivery of the vehicles. The payment of almost R687k were unfortunately booked against the prpayment vote. Correcting journals will be done in January 2020
071308040008	37	Desk	1308	5 542,00	5 541,74	Completed	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.
071308040009	38	File Labelling Machines	1308	4 900,00	4 869,57	Completed	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.
071308040010	39	Chairs	1308	5 200,00	5 156,52	Completed	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.
071308040011	40	Water Dispenser	1308	2 600,00		In process	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.
072204300044	41	Office Equipment	2204	50 000,00		In process	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.
072305230004	42	Canopy	2305	17 500,00		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.
071314000452	43	Desk	1314	21 000,00		In process	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.
071308102412	44	Back support for chairs	1308	7 500,00		In process	Waiting for order	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.
071308102413	45	Fridge	1308	2 458,00		In Process	Orders to be issued - veriments done to vote	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	5 396 810,67				

Commitments against capital for the month December 2019				Committed Amount
071308040011	40	Water Dispenser	1308	2 556,52
071314000452	43	Desk	1314	18 120,00
072204300044	41	Office Equipment	2204	36 317,53
074403230003	22	Recycling Mascot	4403	26 990,00
		Total Commitments		83 984,05
032600004412		20% final payment on fire trucks		687 011,85
		Total expenditure + Total Commitments		6 167 806,57
		Total percentage spent		58%

3.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Garden Route - Table C6 Monthly Budget Statement - Financial Position - M06 December

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	180 111	169 379
Call investment deposits		-	-	-	-	-
Consumer debtors		-	-	-	-	-
Other debtors		16 205	2 312	2 312	8 474	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	4 205	3 536
Total current assets		196 625	178 550	178 550	196 658	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	86 081	83 831
Investments in Associate						
Property, plant and equipment		159 740	143 644	147 426	163 308	147 426
Biological						
Intangible		1 363	1 748	1 748	1 946	1 748
Other non-current assets						
Total non current assets		307 314	292 602	296 384	311 068	296 384
TOTAL ASSETS		503 940	471 152	474 935	507 725	474 935
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing		857	-	-	698	
Consumer deposits						
Trade and other payables		71 843	51 753	51 753	15 076	51 753
Provisions		29 692	30 281	30 281	27 312	30 281
Total current liabilities		102 393	82 034	82 034	43 087	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	187 939	168 274
NET ASSETS	2	263 560	302 878	306 661	319 786	306 661
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		235 253	271 173	274 956	288 460	274 956
Reserves		28 307	31 705	31 705	31 326	31 705
TOTAL COMMUNITY WEALTH/EQUITY	2	263 560	302 878	306 661	319 786	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 - M06 December

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	19 401	92 455	115 192	(22 737)	-20%	230 385
Government - operating		172 435	165 426	168 245	52 319	122 110	84 122	37 988	45%	168 245
Government - capital		-	-	3 782			1 891	(1 891)	-100%	3 782
Interest		15 715	16 893	16 893	277	1 757	8 447	(6 690)	-79%	16 893
Dividends								-		
Payments										
Suppliers and employees		(388 852)	(411 494)	(411 494)	(30 419)	(177 004)	(205 747)	(28 743)	14%	(411 494)
Finance charges								-		
Transfers and Grants			(1 965)	(4 784)		(946)	(2 392)	(1 446)	60%	(4 784)
NET CASH FROM/(USED) OPERATING ACTIVITIES		13 793	(755)	3 028	41 578	38 372	1 514	(36 858)	-2435%	3 028
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		3 156	3 652	3 652			1 826	(1 826)	-100%	3 652
Decrease (Increase) in non-current debtors		-	3 636	3 636			1 818	(1 818)	-100%	3 636
Decrease (increase) other non-current receivables		(1 791)	-							
Decrease (increase) in non-current investments		-	-		(38 200)	14 102		14 102	#DIV/0!	
Payments										
Capital assets		(10 623)	(6 923)	(10 705)	(5 006)	(5 397)	(5 352)	44	-1%	(10 705)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(9 258)	366	(3 417)	(43 206)	8 705	(1 708)	(10 413)	610%	(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)	(1 628)	47 077	(195)			(389)
Cash/cash equivalents at beginning:		169 768	169 768	169 768		133 035	169 768			133 035
Cash/cash equivalents at month/year end:		174 303	169 379	169 379		180 111	169 573			132 646

The municipal bank balance at 31 December 2019 totals R 2 111 388.57 and the short term deposits made amounts to R178 000 000.00, therefore the total cash and cash equivalents amounts to R180 111 388.50.

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

REPORTING MONTH: 31 DECEMBER 2019		
Commitments against Cash & Cash Equivalents		
ITEM	Previous Month R'000	Current Month R'000
Bank balance as at 31 December 2019	33 034 859,71	2 111 388,57
Other Cash & Cash Equivalents: Short term deposits	100 000 000,00	178 000 000,00
Total Cash & Cash Equivalents:	133 034 859,71	180 111 388,57
LESS:	92 164 390,25	133 614 509,20
Unspent Conditional Grants	6 893 627,64	2 893 312,64
Provision for staff leave	13 566 381,65	13 566 381,65
Provision for bonus	-	-
Post Retirement Benefits	37 463 916,00	37 463 916,00
Performance Bonus	932 780,06	-
Grant received in advance	-	39 342 750,00
Trade Payables	6 154 817,05	7 516 489,62
Unspent Capital budget	4 069 566,85	44 476,67
Unspent Operational budget	23 083 300,99	32 787 182,62
Sub total	40 870 469,46	46 496 879,37
PLUS:	5 742 948,37	4 110 411,18
VAT Receivable	3 663 668,87	2 031 131,68
Receivable Exchange	2 079 279,50	2 079 279,50
	46 613 417,84	50 607 290,55
LESS OTHER MATTERS:		
Capital Replacement Reserve	34 802 548,35	34 802 548,35
Sub Total	11 810 869,49	15 804 742,20
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	134 945,34	4 128 818,05

PART 2 – SUPPORTING DOCUMENTATION

Section 4 – Debtors' analysis

Supporting Table SC3

DC4 Garden Route - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2019/20									Total over 90 days	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				
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	(12)	-	-	-	-	-	-	(34)	(47)	(34)			
Interest on Arrear Debtor Accounts	1810	287	288	287	288	283	291	1 034	1 297	4 053	3 192			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-			
Other	1900	896	140	155	222	302	48	13 525	13 909	29 198	28 007			
Total By Income Source	2000	1 170	428	442	510	585	339	14 559	15 171	33 204	31 164	-	-	
2018/19 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	(160)	87	133	145	59	40	934	3 007	4 244	4 184			
Commercial	2300	-	-	-	-	-	-	-	-	-	-			
Households	2400	-	-	-	-	-	-	-	-	-	-			
Other	2500	1 331	341	309	365	526	299	13 625	12 164	28 960	26 980			
Total By Customer Group	2600	1 170	428	442	510	585	339	14 559	15 171	33 204	31 164	-	-	

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 - M06 December

Description	NT Code	Budget Year 2019/20								Total	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			
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100										-	
Bulk Water	0200										-	
PAYE deductions	0300										-	
VAT (output less input)	0400										-	
Pensions / Retirement deductions	0500										-	
Loan repayments	0600										-	
Trade Creditors	0700	295	426	53	29	3	1	85	87	979		
Auditor General	0800										-	
Other	0900	-	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	295	426	53	29	3	1	85	87	979	-	

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 December 2019	Movements for the month			Balance as at 31 December 2019	Interest earned Month	Interest earned Year to date
		Investments matured	Investments made	Interest capitalised			
<i>Eden district municipality</i>							
<i>Interest Received YTD</i>					-		
Standard Bank	32 000 000,00	-	-26 000 000,00		58 000 000,00	-	571 943,15
FNB	-	-			-	-	174 410,96
ABSA	26 000 000,00				26 000 000,00	-	131 654,18
Nedbank	32 000 000,00		-36 000 000,00		68 000 000,00	-	601 716,24
Investec Bank	10 000 000,00	-10 000 000,00	-26 000 000,00		26 000 000,00	276 822,26	276 822,26
BANK DEPOSITS	100 000 000,00	-10 000 000,00	-88 000 000,00	-	178 000 000,00	276 822,26	1 756 546,79

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 - M06 December

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:										
Operating Transfers and Grants										
National Government:										
Local Government Equitable Share	1,2	157 166	162 568	164 471	52 973	121 750	82 236	38 282	46,6%	164 471
Finance Management		1 000	1 000	1 000		1 000	500			1 000
Municipal Systems Improvement		-		-						-
EPWP Incentive		1 021	1 629	1 629	734	1 142	815			1 629
NT - Rural Roads Asset Management Systems		2 425	2 569	2 787		1 798	1 394			2 787
Fire Service Capacity Building Grant	3	1 483		1 685			843	(843)	-100,0%	1 685
Other transfers and grants [insert description]										
Provincial Government:										
PT - Integrated Transport Plan		1 800	900	1 490			745	(745)	-100,0%	1 490
PT - WC Support Grant		1 450	280	1 090		280	545			1 090
PT - Disaster Management Grant		10 000		2 097	80		1 049	(1 049)	-100,0%	2 097
PT - WC Support Grant		360	379	379			190	(190)	-100,0%	379
PT - Safety Plan Implementation (WOSA)	4	1 200	1 300	2 500			1 250	(1 250)	-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	53 053	122 030	86 014	35 049	40,7%	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 - M06 December

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	1 945	3 257	82 236	(78 979)	-96,0%	164 471
Local Government Equitable Share		151 237	157 370	157 370			78 685	(78 685)	-100,0%	157 370
Finance Management		1 000	1 000	1 000	151	562	500	62	12,3%	1 000
Municipal Systems Improvement		-					-	-		-
EPWP Incentive		1 021	1 629	1 629	421	1 323	815	509	62,4%	1 629
NT - Rural Roads Asset Management Systems		2 425	2 569	2 787			1 394	(1 394)	-100,0%	2 787
Fire Service Capacity Building Grant		1 483		1 685	1 372	1 372	843	530	62,9%	1 685
Other transfers and grants [insert description]								-		
Provincial Government:		14 810	2 859	7 557	1 376	1 376	3 778	(2 402)	-63,6%	7 557
PT - Integrated Transport Plan		1 800	900	1 490	-		745	(745)	-100,0%	1 490
PT - Disaster Management Grant		10 000	-	2 097	1 376	1 376	1 049	327	31,2%	2 097
PT - WC Support Grant		1 450	280	1 090	-		545	(545)	-100,0%	1 090
PT - Safety Plan Implementation (WOSA)		1 200	1 300	2 500	-		1 250	(1 250)	-100,0%	2 500
Other transfers and grants [insert description]		360	379	379	-		190	(190)	-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	3 321	4 633	86 014	(81 381)	-94,6%	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 - M06 December

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
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		7 481	11 359	11 359	767	4 584	5 680	(1 096)	-19%	11 359
Pension and UIF Contributions		2 408	232	232	5	26	116	(90)	-77%	232
Medical Aid Contributions		122	75	75	6	24	37	(13)	-35%	75
Motor Vehicle Allowance		1 696	199	199	8	32	100	(68)	-68%	199
Cellphone Allowance		1 125	-	-	48	277	-	277	#DIV/0!	-
Housing Allowances		1 046	434	434	-	-	217	(217)	-100%	434
Other benefits and allowances		-	528	528	-	-	264	(264)	-100%	528
Sub Total - Councillors		13 877	12 828	12 828	833	4 943	6 414	(1 471)	-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	2 541	2 817	(276)	-10%	5 634
Pension and UIF Contributions		161	-	-	0	1	-	1	#DIV/0!	-
Medical Aid Contributions		124	256	256	4	27	128	(101)	-79%	256
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		838	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		805	-	-	70	364	-	364	#DIV/0!	-
Cellphone Allowance		111	-	-	9	54	-	54	#DIV/0!	-
Housing Allowances		194	-	-	-	-	-	-	-	-
Other benefits and allowances		(211)	-	-	0	0	-	0	#DIV/0!	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		6 464	5 890	5 890	507	2 987	2 945	42	1%	5 890
% increase	4		-8,9%	-8,9%						-8,9%
Other Municipal Staff										
Basic Salaries and Wages		86 899	85 591	85 591	7 631	43 364	42 795	568	1%	85 591
Pension and UIF Contributions		13 210	14 463	14 463	1 272	6 468	7 232	(764)	-11%	14 463
Medical Aid Contributions		10 314	10 904	10 904	578	2 846	5 452	(2 605)	-48%	10 904
Overtime		3 045	-	-	196	924	-	924	#DIV/0!	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		6 906	-	-	738	4 639	-	4 639	#DIV/0!	-
Cellphone Allowance		198	-	-	8	45	-	45	#DIV/0!	-
Housing Allowances		1 311	-	-	121	722	-	722	#DIV/0!	-
Other benefits and allowances		2 641	19 685	19 685	252	3 998	9 842	(5 844)	-59%	19 685
Payments in lieu of leave		6 064	-	-	465	6 225	-	6 225	#DIV/0!	-
Long service awards		-	-	-	145	145	-	145	#DIV/0!	-
Post-retirement benefit obligations		2 866	8 432	8 432	522	3 131	4 216	(1 085)	-26%	8 432
Sub Total - Other Municipal Staff		133 454	139 074	139 074	11 928	72 508	69 537	2 971	4%	139 074
% increase	4		4,2%	4,2%						4,2%
Total Parent Municipality		153 795	157 791	157 791	13 268	80 438	78 896	1 542	2%	157 791

Remuneration related expenditure for the month ended 31 December 2019 amounted to R13 267 752.

Section 9 – Municipal manager’s quality certification



54 York Street,
George
Western Cape
6529

PO Box 12,
George,
Western Cape
6530

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

OFFICE OF THE MUNICIPAL MANAGER

Enquiries: Louise Hoek
Reference: 6/1/1 – 19/20
Date: 10 January 2020

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 DECEMBER 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 December 2019.

Print Name MR. MONDE STRATU

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

Signature 

Date 2020/01/08