



# **GARDEN ROUTE DISTRICT MUNICIPALITY**

**FINANCIAL YEAR 2019 - 2020**

## **MONTHLY FINANCIAL MONITORING REPORT**

**31 JANUARY 2020**

<b>Table of Contents</b>	<b>1</b>
Glossary	2
Legislative Framework	3
 <b>PART 1 – IN YEAR REPORT</b>	 <b>4</b>
Section 1 – Resolutions	4
Section 2 – Executive summary	4
Section 3 – In-year budget statement tables	6
 <b>PART 2 – SUPPORTING DOCUMENTATION</b>	 
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 January 2020.

### **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 January 2020 amounted to **R 14,600,638** which represents **3.4%** of the total annual budgeted figure of **R 426,862,000 (including Roads)**. The year to date revenue received is 54% of the total budget which is marginally less than anticipated. The revenue budget for the year will be reviewed during the adjustment budget period in February 2020 to ensure that the revenues included in the budget are realistically anticipated to be collected.

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

Operating expenditure for the month, ended 31 January 2020 amounted to **R 29,916,054**, with a total annual budgeted figure of **R 424,416,000 (including Roads)**, the operational expenditure for the month is **7%** of the total annual budget and in line with expectations. The majority of the expenditure related to Employee and Councillor related cost of **R 14,021,885 (46.8%** of the monthly expenditure). Included under operating expenditure is **R 11,434,353**

(38.2% 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 January 2020 amounted to **R 693,132**. As at January month-end, 68% of the total capital budget has been spent/committed.

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. These are reported on and monitored 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 January 2020 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 - M07 January

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	–	–	–	–	–	–	–		–
Service charges	–	–	–	–	–	–	–		–
Investment revenue	15 715	16 893	16 893	209	1 966	9 855	(7 889)	-80%	16 893
Transfers and subsidies	172 435	165 426	174 968	1 118	123 228	102 065	21 163	21%	174 968
Other own revenue	214 495	235 001	235 001	13 273	105 729	137 084	(31 355)	-23%	235 001
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>402 645</b>	<b>417 320</b>	<b>426 862</b>	<b>14 601</b>	<b>230 923</b>	<b>249 003</b>	<b>(18 080)</b>	<b>-7%</b>	<b>426 862</b>
Employee costs	140 534	144 964	145 044	13 211	88 705	84 609	4 096	5%	145 044
Remuneration of Councillors	11 933	12 828	12 828	811	5 754	7 483	(1 728)	-23%	12 828
Depreciation & asset impairment	3 172	3 477	3 477	397	2 657	2 028	629	31%	3 477
Finance charges	–	–	–	–	–	–	–		–
Materials and bulk purchases	36	4 084	4 084	606	1 951	2 382	(432)	-18%	4 084
Transfers and subsidies	–	1 965	1 965	6	953	1 146	(194)	-17%	1 965
Other expenditure	242 728	251 339	257 019	14 884	107 846	149 928	(42 081)	-28%	257 019
<b>Total Expenditure</b>	<b>398 403</b>	<b>418 656</b>	<b>424 416</b>	<b>29 916</b>	<b>207 866</b>	<b>247 576</b>	<b>(39 710)</b>	<b>-16%</b>	<b>424 416</b>
<b>Surplus/(Deficit)</b>	<b>4 242</b>	<b>(1 336)</b>	<b>2 446</b>	<b>(15 315)</b>	<b>23 056</b>	<b>1 427</b>	<b>21 629</b>	<b>1516%</b>	<b>2 446</b>
Transfers and subsidies - capital (monetary alloc	–	–	–	–	–	–	–		–
Contributions & Contributed assets	–	–	–	–	–	–	–		–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>4 242</b>	<b>(1 336)</b>	<b>2 446</b>	<b>(15 315)</b>	<b>23 056</b>	<b>1 427</b>	<b>21 629</b>	<b>1516%</b>	<b>2 446</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
<b>Surplus/ (Deficit) for the year</b>	<b>4 242</b>	<b>(1 336)</b>	<b>2 446</b>	<b>(15 315)</b>	<b>23 056</b>	<b>1 427</b>	<b>21 629</b>	<b>1516%</b>	<b>2 446</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>10 623</b>	<b>6 923</b>	<b>10 705</b>	<b>693</b>	<b>6 090</b>	<b>6 244</b>	<b>(154)</b>	<b>-2%</b>	<b>10 705</b>
Capital transfers recognised	4 000	–	3 782	687	3 435	2 206	1 229	56%	3 782
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	6 623	6 923	6 923	6	2 655	4 038	(1 383)	-34%	6 923
<b>Total sources of capital funds</b>	<b>10 623</b>	<b>6 923</b>	<b>10 705</b>	<b>693</b>	<b>6 090</b>	<b>6 244</b>	<b>(154)</b>	<b>-2%</b>	<b>10 705</b>
<b>Financial position</b>									
Total current assets	196 625	178 550	178 550		180 925				178 550
Total non current assets	307 314	292 602	296 384		311 357				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		304 342				306 661
<b>Cash flows</b>									
Net cash from (used) operating	13 793	(755)	3 028	(15 315)	23 056	1 766	(21 290)	-1205%	3 028
Net cash from (used) investing	(9 258)	366	(3 417)	(46 527)	(37 822)	(1 993)	35 829	-1798%	(3 417)
Net cash from (used) financing	–	–	–	–	–	–	–		–
<b>Cash/cash equivalents at the month/year end</b>	<b>174 303</b>	<b>169 379</b>	<b>169 379</b>	<b>–</b>	<b>165 345</b>	<b>169 541</b>	<b>4 195</b>	<b>2%</b>	<b>179 722</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	485	1 343	414	433	503	579	14 777	14 968	33 500
<b>Creditors Age Analysis</b>									
Total Creditors	2	56	345	1	–	3	74	96	576

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

DC4 Garden Route - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M07 January

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>232 272</b>	<b>217 702</b>	<b>227 244</b>	<b>3 372</b>	<b>141 747</b>	<b>132 559</b>	9 188	7%	<b>227 244</b>
Executive and council		231 601	216 981	226 523	3 357	141 465	132 138	9 327	7%	226 523
Finance and administration		671	721	721	15	282	421	(139)	-33%	721
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		<b>8 041</b>	<b>8 856</b>	<b>8 856</b>	<b>984</b>	<b>5 727</b>	<b>5 166</b>	561	11%	<b>8 856</b>
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		7 820	8 406	8 406	957	5 459	4 904	556	11%	8 406
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		221	450	450	28	268	263	5	2%	450
<i><b>Economic and environmental services</b></i>		<b>162 333</b>	<b>160 105</b>	<b>160 105</b>	<b>10 248</b>	<b>83 310</b>	<b>93 395</b>	(10 085)	-11%	<b>160 105</b>
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		162 000	160 000	160 000	10 245	83 250	93 333	(10 084)	-11%	160 000
Environmental protection		333	105	105	3	60	61	(1)	-2%	105
<i><b>Trading services</b></i>		<b>-</b>	<b>30 657</b>	<b>30 657</b>	<b>(3)</b>	<b>139</b>	<b>17 883</b>	(17 745)	-99%	<b>30 657</b>
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	30 657	30 657	(3)	139	17 883	(17 745)	-99%	30 657
<i><b>Other</b></i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	<b>402 645</b>	<b>417 320</b>	<b>426 862</b>	<b>14 601</b>	<b>230 922</b>	<b>249 003</b>	<b>(18 080)</b>	<b>-7%</b>	<b>426 862</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>123 554</b>	<b>126 483</b>	<b>131 354</b>	<b>9 854</b>	<b>67 238</b>	<b>76 623</b>	(9 386)	-12%	<b>131 354</b>
Executive and council		44 144	45 692	49 231	3 075	20 860	28 718	(7 859)	-27%	49 231
Finance and administration		76 860	78 090	79 422	6 586	45 086	46 329	(1 243)	-3%	79 422
Internal audit		2 550	2 702	2 702	192	1 292	1 576	(284)	-18%	2 702
<i><b>Community and public safety</b></i>		<b>90 298</b>	<b>79 377</b>	<b>79 337</b>	<b>7 339</b>	<b>45 223</b>	<b>46 280</b>	(1 057)	-2%	<b>79 337</b>
Community and social services		20 403	9 814	9 894	1 044	6 504	5 772	733	13%	9 894
Sport and recreation		12 767	13 225	13 225	1 329	7 347	7 714	(367)	-5%	13 225
Public safety		27 288	25 301	25 301	2 338	13 221	14 759	(1 537)	-10%	25 301
Housing		-	-	-	-	-	-	-	-	-
Health		29 841	31 037	30 917	2 628	18 150	18 035	115	1%	30 917
<i><b>Economic and environmental services</b></i>		<b>178 859</b>	<b>176 200</b>	<b>177 011</b>	<b>12 239</b>	<b>91 464</b>	<b>103 256</b>	(11 792)	-11%	<b>177 011</b>
Planning and development		8 640	9 147	9 147	582	4 937	5 336	(399)	-7%	9 147
Road transport		166 635	163 468	164 277	11 434	84 360	95 829	(11 469)	-12%	164 277
Environmental protection		3 585	3 585	3 586	223	2 167	2 092	75	4%	3 586
<i><b>Trading services</b></i>		<b>5 018</b>	<b>33 470</b>	<b>33 590</b>	<b>317</b>	<b>2 408</b>	<b>19 594</b>	(17 186)	-88%	<b>33 590</b>
Energy sources		-	-	-	-	-	-	-	-	-
Water management		10	10	10	-	-	6	(6)	-100%	10
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		5 008	33 460	33 580	317	2 408	19 588	(17 180)	-88%	33 580
<i><b>Other</b></i>		<b>674</b>	<b>3 126</b>	<b>3 126</b>	<b>168</b>	<b>1 533</b>	<b>1 824</b>	<b>(290)</b>	<b>-16%</b>	<b>3 126</b>
<b>Total Expenditure - Functional</b>	3	<b>398 403</b>	<b>418 656</b>	<b>424 418</b>	<b>29 916</b>	<b>207 866</b>	<b>247 577</b>	<b>(39 711)</b>	<b>-16%</b>	<b>424 418</b>
<b>Surplus/ (Deficit) for the year</b>		<b>4 242</b>	<b>(1 336)</b>	<b>2 444</b>	<b>(15 315)</b>	<b>23 056</b>	<b>1 426</b>	<b>21 631</b>	<b>1517%</b>	<b>2 444</b>

This table reflects the operating budget (Financial Performance) in the standard classifications that is the Government Finance Statistics Functions and Sub-function. The main functions are Governance and Administration, Community and Public Safety, Economic and Environmental Services and Trading services. In Table C3, Financial Performance is reported by municipal vote:

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

DC4 Garden Route - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January

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	226 523	3 357	141 465	132 138	9 327	7,1%	226 523
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		198	721	721	15	282	421	(139)	-33,0%	721
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		221	450	450	28	268	263	5	2,0%	450
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		7 820	8 406	8 406	957	5 459	4 904	556	11,3%	8 406
Vote 9 - Waste Management		-	30 657	30 657	(3)	139	17 883	(17 745)	-99,2%	30 657
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		333	105	105	3	60	61	(1)	-1,9%	105
Vote 14 - Roads Agency Function		162 000	160 000	160 000	10 245	83 250	93 333	(10 084)	-10,8%	160 000
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	402 645	417 320	426 862	14 601	230 922	249 003	(18 080)	-7,3%	426 862
Expenditure by Vote	1									
Vote 1 - Executive and Council		46 981	51 456	54 926	3 183	22 892	32 040	(9 148)	-28,6%	54 926
Vote 2 - Budget and Treasury Office		24 519	21 608	23 099	1 655	13 682	13 474	207	1,5%	23 099
Vote 3 - Corporate Services		41 210	42 339	42 057	3 662	23 788	24 533	(745)	-3,0%	42 057
Vote 4 - Planning and Development		22 739	24 234	24 235	2 232	14 647	14 137	509	3,6%	24 235
Vote 5 - Public Safety		41 369	32 060	32 140	2 872	16 866	18 749	(1 883)	-10,0%	32 140
Vote 6 - Health		33 581	33 212	33 303	3 009	19 709	19 427	282	1,5%	33 303
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		12 767	13 225	13 225	1 329	7 347	7 714	(367)	-4,8%	13 225
Vote 9 - Waste Management		5 008	33 460	33 580	317	2 408	19 588	(17 180)	-87,7%	33 580
Vote 10 - Roads Transport		4 225	3 468	4 277	-	-	2 495	(2 495)	-100,0%	4 277
Vote 11 - Waste Water Management		(7)	10	10	-	-	6	(6)	-100,0%	10
Vote 12 - Water		18	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		3 585	3 585	3 566	223	2 167	2 080	87	4,2%	3 566
Vote 14 - Roads Agency Function		162 410	160 000	160 000	11 434	84 360	93 333	(8 974)	-9,6%	160 000
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	398 403	418 656	424 418	29 916	207 866	247 577	(39 711)	-16,0%	424 418
Surplus/ (Deficit) for the year	2	4 242	(1 336)	2 444	(15 315)	23 056	1 426	21 631	1517,3%	2 444

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) - M07 January

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	90	537	929	(392)	-42%	1 593
Interest earned - external investments		15 715	16 893	16 893	209	1 966	9 855	(7 889)	-80%	16 893
Interest earned - outstanding debtors		897	964	964	273	1 994	562	1 432	255%	964
Dividends received		-	-	-			-	-		-
Fines, penalties and forfeits		-	-	-			-	-		-
Licences and permits		333	105	105	3	60	61	(1)	-2%	105
Agency services		21 062	23 015	23 015	1 397	9 778	13 425	(3 647)	-27%	23 015
Transfers and subsidies		172 435	165 426	174 968	1 118	123 228	102 065	21 163	21%	174 968
Other revenue		184 358	205 672	205 672	11 510	93 359	119 975	(26 616)	-22%	205 672
Gains on disposal of PPE		4 000	3 652	3 652			2 130	(2 130)	-100%	3 652
Total Revenue (excluding capital transfers and contributions)		402 645	417 320	426 862	14 601	230 923	249 003	(18 080)	-7%	426 862
Expenditure By Type										
Employee related costs		140 534	144 964	145 044	13 211	88 705	84 609	4 096	5%	145 044
Remuneration of councillors		11 933	12 828	12 828	811	5 754	7 483	(1 728)	-23%	12 828
Debt impairment		1 601	1 721	1 721	17	17	1 004	(987)	-98%	1 721
Depreciation & asset impairment		3 172	3 477	3 477	397	2 657	2 028	629	31%	3 477
Finance charges		-	-	-			-	-		-
Bulk purchases		-	-	-			-	-		-
Other materials		36	4 084	4 084	606	1 951	2 382	(432)	-18%	4 084
Contracted services		50 354	46 505	52 185	752	8 776	30 441	(21 665)	-71%	52 185
Transfers and subsidies		-	1 965	1 965	6	953	1 146	(194)	-17%	1 965
Other expenditure		190 773	203 113	203 113	14 116	99 054	118 483	(19 429)	-16%	203 113
Loss on disposal of PPE							-	-		-
Total Expenditure		398 403	418 656	424 416	29 916	207 866	247 576	(39 710)	-16%	424 416
Surplus/(Deficit)		4 242	(1 336)	2 446	(15 315)	23 056	1 427	21 629	0	2 446
Transfers and subsidies - capital (monetary contributions)										
(National / Provincial and District)								-		
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)								-		
Transfers and subsidies - capital (in-kind - all)								-		
Surplus/(Deficit) after capital transfers & contributions		4 242	(1 336)	2 446	(15 315)	23 056	1 427			2 446
Taxation								-		
Surplus/(Deficit) after taxation		4 242	(1 336)	2 446	(15 315)	23 056	1 427			2 446
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		4 242	(1 336)	2 446	(15 315)	23 056	1 427			2 446
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		4 242	(1 336)	2 446	(15 315)	23 056	1 427			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 January 2020 amounts to R 90,395.

#### **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 January 2020 amounts to R 209,161, the investment balance of the municipality amounted to R160.5m for the month ended 31 January 2020, 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 January 2020 amounts to R 272,501.

#### **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 1,396,812 were recorded in respect of the Agency Services for the month ended 31 January 2020.

#### **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 R 218,000 from the Equitable Share amount transferred to the municipality during December 2019, correcting journals will be processed during January 2020. The municipality received R 900,000 from Provincial Treasury for the Integrated Transport Planning Grant during the month of January 2020.

#### Other revenue / Sundry income

Other revenue reflects an amount of R 11,510,310 for the month ended 31 January 2020. 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 10,244,568 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 January 2020 amounted to R 14,021,885 of an annual adjusted budgeted amount of R 157,872,000 that represents 8.8% of the budgeted amount and 46.8% of the monthly expenditure.

#### Debt Impairment / Depreciation and asset impairment

Depreciation recorded for the month ended 31 January 2020 amounts to R 397,084.

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. The

municipality are awaiting the service provider to implement the new fixed asset management system as the previous asset management system provider (Market Demand) terminated its services under the mSCOA contract. 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 606,401 for the month ended 31 January 2020 against an annual budgeted amount of R 4,084,000.

#### Contracted services

The contracted services for the month ended 31 January 2020 amounts to R 751,896 against an annual adjusted budgeted amount of R 52,185,000. The annual contracted services budgeted will be adjusted downwards during the adjustment budget period in February 2020 due to the fact that the regional landfill site will no longer be operational in 2019/20 as was expected, but only from October 2020 onwards,

#### Transfers and subsidies

The municipality recorded transfer and subsidies to the amount of R 6,360 for the month ended 31 January 2020.

#### Other expenditure

Other expenditure reflects all other expenses not specifically mentioned and amounts to R 14,115,726 for month ended 31 January 2020.

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) - M07 January

Vote Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Executive and Council		30	500	500	-	-	292	(292)	-100%	500
Vote 2 - Budget and Treasury Office		42	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		2 428	1 503	1 503	-	359	877	(517)	-59%	1 503
Vote 4 - Planning and Development		37	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		4 713	2 000	2 000	-	-	1 167	(1 167)	-100%	2 000
Vote 6 - Health		2 343	-	-	-	-	-	-	-	-
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		1 000	-	-	-	-	-	-	-	-
Vote 9 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		30	-	-	-	-	-	-	-	-
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	<b>10 623</b>	<b>4 003</b>	<b>4 003</b>	<b>-</b>	<b>359</b>	<b>2 335</b>	<b>(1 976)</b>	<b>-85%</b>	<b>4 003</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	70	70	3	30	41	(11)	-27%	70
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	400	4 182	691	3 445	2 440	1 006	41%	4 182
Vote 6 - Health		-	2 300	2 300	-	2 255	1 342	914	68%	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	-	-	88	(88)	-100%	150
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	<b>-</b>	<b>2 920</b>	<b>6 702</b>	<b>693</b>	<b>5 731</b>	<b>3 910</b>	<b>1 821</b>	<b>47%</b>	<b>6 702</b>
<b>Total Capital Expenditure</b>		<b>10 623</b>	<b>6 923</b>	<b>10 705</b>	<b>693</b>	<b>6 090</b>	<b>6 244</b>	<b>(154)</b>	<b>-2%</b>	<b>10 705</b>

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

SCOA config	Nr	Project description	Cost centre	Adjusted budget R'	YTD Expenditure R'	Year to date Budget	Variance R'	% Variance	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?
071201240008	1	Steel Shelves	1308	6 800,00	6 780,00	3 966,67	2 813,33	100%	Completed	Purchased & Delivered	No expected challenges anticipated
071206240002	2	Evacuation Chair	1305	20 000,00	4 950,00	11 666,67	-6 716,67	25%	In process	Order issued	No expected challenges anticipated
072204300001	3	Upgrading of Council Buildings	2204	450 000,00	0,00	262 500,00	-262 500,00	0%	In process	Order issued	No expected challenges anticipated
071307104104	4	Laptops	1307	125 900,00	125 676,52	73 441,67	52 234,85	100%	Completed	Purchased & Delivered	No expected challenges anticipated
071307104109	5	Qnap File Server	1307	39 200,00	0,00	22 866,67	-22 866,67	0%	In process	Order issued	No expected challenges anticipated
071307104110	6	Projector/s	1307	30 000,00	8 559,00	17 500,00	-8 941,00	29%	In process	Order issued	No expected challenges anticipated
071307104111	7	Scanners	1307	19 000,00	17 826,09	11 083,33	6 742,76	94%	Completed	Purchased & Delivered	No expected challenges anticipated
071307104113	8	24 Inch Monitors	1307	6 000,00	3 476,52	3 500,00	-23,48	58%	In process	Purchased & Delivered	No expected challenges anticipated
071307104116	9	Insurance Claims	1307	50 000,00	0,00	29 166,67	-29 166,67	0%	Not started yet	No ICT insurance claims up to date	No expected challenges anticipated
071307104117	10	High Spec PC Communication	1307	30 000,00	0,00	17 500,00	-17 500,00	0%	In process	Order issued	No expected challenges anticipated
071307104118	11	Printer HP black/white	1307	11 000,00	10 260,00	6 416,67	3 843,33	93%	Completed	Purchased & Delivered	No expected challenges anticipated
071307104119	12	Printer HP 4 in One	1307	29 000,00	24 700,00	16 916,67	7 783,33	85%	Completed	Purchased & Delivered	No expected challenges anticipated
071307104120	13	Printer HP Colour	1307	9 000,00	8 090,00	5 250,00	2 840,00	90%	Completed	Purchased & Delivered	No expected challenges anticipated
071307104121	14	Office Automation	1307	418 468,00	25 440,26	244 106,33	-218 666,07	6%	In process	Order issued	No expected challenges anticipated
071307103001	15	Upgrade Server Room for hosting purposes	1307	110 000,00	0,00	64 166,67	-64 166,67	0%	In process	Specs finalised - SCM to advertise tender.Completion date: 31 May 2020	No expected challenges anticipated

SCOA config	Nr	Project description	Cost centre	Adjusted budget R'	YTD Expenditure R'	Year to date Budget	Variance R'	% Variance	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?
071307104002	16	ICT Furniture	1307	58 250,00	0,00	33 979,17	-33 979,17	0%	In process	SIA in process to be finalised	No expected challenges anticipated
071806103101	17	Plett Office Building	1806	2 300 000,00	2 255 480,02	1 341 666,67	913 813,35	98%	Completed	Purchased & Delivered	No expected challenges anticipated
072305230001	18	Hazmat Rescue & Fire Equipment Equipment	2305	382 500,00	6 600,00	223 125,00	-216 525,00	2%	In process	Tender been approved at BAC on 13/02/2020	No expected challenges anticipated
072305300001	19	New Fire Station/ Training Academy (CRR Funding)	2305	2 000 000,00	0,00	1 166 666,67	-1 166 666,67	0%	Not started yet	Project gonna roll-over to next financial year for completion	No expected challenges anticipated
074403230001	20	Home Composting Containers (Pilot Project) 100 x R 800.00	4403	80 000,00	0,00	46 666,67	-46 666,67	0%	In process	An Informal Tender has been sent to potential suppliers afterwhich a BEC meeting will commence once the tenders received have been reviewed	No expected challenges anticipated
074403230002	21	Vermi-Composting Holders and Red Wiggler Worms (Pilot Project)	4403	40 000,00	0,00	23 333,33	-23 333,33	0%	In process	An Informal Tender has been sent to potential suppliers afterwhich a BEC meeting will commence once the tenders received have been reviewed	No expected challenges anticipated
074403230003	22	Recycling Mascot	4403	30 000,00	0,00	17 500,00	-17 500,00	0%	In process	Order issued	No expected challenges anticipated
071307104001	23	Fireproof Safe (800x525x500)	1307	11 300,00	11 237,00	6 591,67	4 645,33	99%	Completed	Purchased & Delivered	No expected challenges anticipated
071307104101	24	Morpho Sigma Lite Biometric Devices	1307	105 000,00	0,00	61 250,00	-61 250,00	0%	In process	Order issued	No expected challenges anticipated
071307104102	25	UniFi Cloud Key Gen2 Plus	1307	5 000,00	0,00	2 916,67	-2 916,67	0%	In process	Order issued	No expected challenges anticipated
071307104103	26	UniFi Security Gateway	1307	6 000,00	0,00	3 500,00	-3 500,00	0%	In process	Order issued	No expected challenges anticipated
071307104105	27	Desktops	1307	111 750,00	111 641,74	65 187,50	46 454,24	100%	Completed	Purchased & Delivered	No expected challenges anticipated
071307103901	28	IMS Office	1307	200 000,00	0,00	116 666,67	-116 666,67	0%	In process	Order issued	No expected challenges anticipated
071307104106	29	8 Port Switches	1307	15 100,00	0,00	8 808,33	-8 808,33	0%	In process	Order issued	No expected challenges anticipated
071307104107	30	Ubiquiti UNIFI AC Pro Access Points	1307	14 200,00	0,00	8 283,33	-8 283,33	0%	In process	Order issued	No expected challenges anticipated

SCOA config	No	Project description	Cost centre	Adjusted budget R'	YTD Expenditure R'	Year to date Budget	Variance R'	% Variance	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?
071307104108	31	16 Port Switches	1307	30 852,00	0,00	17 997,00	-17 997,00	0%	In process	Order issued	No expected challenges anticipated
071307104112	32	Voice Recorder	1307	4 000,00	2 652,17	2 333,33	318,84	66%	Completed	Purchased & Delivered	No expected challenges anticipated
071307104114	33	HD Infrared IP Dome Camera (5pack)	1307	11 000,00	0,00	6 416,67	-6 416,67	0%	In process	Order issued	No expected challenges anticipated
071307104115	34	Replacing ICT Capital Equipment beyond economical repairs	1307	40 000,00	9 826,09	23 333,33	-13 507,24	25%	In process	Order issued	No expected challenges anticipated
071601103302	35	6000Litre Water Tanker	1601	2 097 288,00	1 750 032,28	1 223 418,00	526 614,28	83%	Completed	Completed	No expected challenges anticipated
072305220001	36	Water tankers	1601	1 685 027,00	1 685 027,00	982 932,42	702 094,58	100%	Completed	Completed	No expected challenges anticipated
071308040008	37	Desk	1308	5 542,00	5 541,74	3 232,83	2 308,91	100%	Completed	Purchased & Delivered	No expected challenges anticipated
071308040009	38	File Labelling Machines	1308	4 900,00	4 869,57	2 858,33	2 011,24	99%	Completed	Purchased & Delivered	No expected challenges anticipated
071308040010	39	Chairs	1308	5 200,00	5 156,52	3 033,33	2 123,19	99%	Completed	Purchased & Delivered	No expected challenges anticipated
071308040011	40	Water Dispenser	1308	2 600,00	2 556,52	1 516,67	1 039,85	98%	Completed	Completed	No expected challenges anticipated
072204300044	41	Office Equipment	2204	50 000,00	3 563,48	29 166,67	-25 603,19	7%	Inprocess	Order issued	No expected challenges anticipated
072305230004	42	Canopy	2305	17 500,00	0,00	10 208,33	-10 208,33	0%	Not started yet	Not started yet	No expected challenges anticipated
071314000452	43	Desk	1314	21 000,00	0,00	12 250,00	-12 250,00	0%	In process	Order issued	No expected challenges anticipated
071308102412	44	Back support for chairs	1308	7 500,00	0,00	4 375,00	-4 375,00	0%	In process	Order issued	No expected challenges anticipated
071308102413	45	Fridge	1308	2 458,00	0,00	1 433,83	-1 433,83	0%	In Process	Order issued	No expected challenges anticipated
071203102401	46	Heavy Duty Punch	1203	5 000,00		2 916,67	-2 916,67	0%	In Process	Order issued	No expected challenges anticipated
071307104122	47	8 Port Gigabit Ethernet POE Switch	1307	1 648,00	0,00	961,33	-961,33	0%	In Process	Order issued	No expected challenges anticipated
<b>Totals</b>				<b>10 704 983,00</b>	<b>6 089 942,52</b>	<b>3 966 270,00</b>					

Commitments against capital for the month January 2020				Committed Amount
071307103901	28	MS Office	1307	223 744,80
071307104101	24	Morpho Sigma Lite Biometric Devices	1307	91 935,60
071307104102	25	UniFi Cloud Key Gen2 Plus	1307	1 588,15
071307104103	26	UniFi Security Gateway	1307	4 725,00
071307104106	29	8 Port Switches	1307	17 300,00
071307104107	30	Ubiquiti UNIFI AC Pro Access Points	1307	14 520,00
071307104108	31	16 Port Switches	1307	16 512,15
071307104114	33	HD Infrared IP Dome Camera (5pack)	1307	11 825,00
071307104117	10	High Spec PC Communication	1307	22 950,00
071307104122	47	8 Port Gigabit Ethernet POE Switch	1307	1 894,64
071308102412	44	Back support for chairs	1308	5 014,58
071308102413	45	Fridge	1308	3 527,10
071314000452	43	Desk	1314	20 838,00
072204300044	41	Office Equipment	2204	43 344,05
074403230003	22	Recycling Mascot	4403	26 990,00
071203102401	###	Heavy Duty Punch	1203	1 356,75
		<b>Total Commitments</b>		<b>508 065,82</b>
032600004412		20% final payment on fire trucks		<b>687 011,85</b>
		<b>Total expenditure + Total Commitments</b>		<b>7 285 020,19</b>
		<b>Total percentage spent</b>		<b>68%</b>

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

DC4 Garden Route - Table C6 Monthly Budget Statement - Financial Position - M07 January

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		174 303	169 379	169 379	165 345	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	3 239	3 536
<b>Total current assets</b>		<b>196 625</b>	<b>178 550</b>	<b>178 550</b>	<b>180 925</b>	<b>178 550</b>
<b>Non current assets</b>						
Long-term receivables		61 508	63 353	63 353	59 705	63 353
Investments		26	26	26	27	26
Investment property		84 677	83 831	83 831	86 044	83 831
Investments in Associate						
Property, plant and equipment		159 740	143 644	147 426	163 668	147 426
Biological						
Intangible		1 363	1 748	1 748	1 912	1 748
Other non-current assets						
<b>Total non current assets</b>		<b>307 314</b>	<b>292 602</b>	<b>296 384</b>	<b>311 357</b>	<b>296 384</b>
<b>TOTAL ASSETS</b>		<b>503 940</b>	<b>471 152</b>	<b>474 935</b>	<b>492 281</b>	<b>474 935</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft						
Borrowing		857	–	–	698	
Consumer deposits						
Trade and other payables		71 843	51 753	51 753	15 076	51 753
Provisions		29 692	30 281	30 281	27 312	30 281
<b>Total current liabilities</b>		<b>102 393</b>	<b>82 034</b>	<b>82 034</b>	<b>43 087</b>	<b>82 034</b>
<b>Non current liabilities</b>						
Borrowing		591	1 462	1 462	28	1 462
Provisions		137 396	84 778	84 778	144 823	84 778
<b>Total non current liabilities</b>		<b>137 987</b>	<b>86 240</b>	<b>86 240</b>	<b>144 852</b>	<b>86 240</b>
<b>TOTAL LIABILITIES</b>		<b>240 380</b>	<b>168 274</b>	<b>168 274</b>	<b>187 939</b>	<b>168 274</b>
<b>NET ASSETS</b>	2	<b>263 560</b>	<b>302 878</b>	<b>306 661</b>	<b>304 342</b>	<b>306 661</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		235 253	271 173	274 956	273 017	274 956
Reserves		28 307	31 705	31 705	31 326	31 705
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>263 560</b>	<b>302 878</b>	<b>306 661</b>	<b>304 342</b>	<b>306 661</b>

References

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 - M07 January

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates								-		
Service charges								-		
Other revenue		214 495	230 385	230 385	13 273	105 729	134 391	(28 662)	-21%	230 385
Government - operating		172 435	165 426	171 186	1 118	123 228	99 858	23 370	23%	171 186
Government - capital		-	-	3 782		-	2 206	(2 206)	-100%	3 782
Interest		15 715	16 893	16 893	209	1 966	9 855	(7 889)	-80%	16 893
Dividends								-		
<b>Payments</b>										
Suppliers and employees		(388 852)	(411 494)	(414 435)	(29 910)	(206 914)	(241 754)	(34 840)	14%	(414 435)
Finance charges				-		-	-	-		-
Transfers and Grants			(1 965)	(4 784)	(6)	(953)	(2 791)	(1 838)	66%	(4 784)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>13 793</b>	<b>(755)</b>	<b>3 028</b>	<b>(15 315)</b>	<b>23 056</b>	<b>1 766</b>	<b>(21 290)</b>	<b>-1205%</b>	<b>3 028</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		3 156	3 652	3 652			2 130	(2 130)	-100%	3 652
Decrease (Increase) in non-current debtors		-	3 636	3 636			2 121	(2 121)	-100%	3 636
Decrease (increase) other non-current receivables		(1 791)	-				-	-		
Decrease (increase) in non-current investments		-	-		(45 834)	(31 732)	-	(31 732)	#DIV/0!	
<b>Payments</b>										
Capital assets		(10 623)	(6 923)	(10 705)	(693)	(6 090)	(6 245)	(155)	2%	(10 705)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(9 258)</b>	<b>366</b>	<b>(3 417)</b>	<b>(46 527)</b>	<b>(37 822)</b>	<b>(1 993)</b>	<b>35 829</b>	<b>-1798%</b>	<b>(3 417)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
<b>Payments</b>										
Repayment of borrowing								-		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>4 535</b>	<b>(389)</b>	<b>(389)</b>	<b>(61 843)</b>	<b>(14 766)</b>	<b>(227)</b>			<b>(389)</b>
Cash/cash equivalents at beginning:		169 768	169 768	169 768		180 111	169 768			180 111
Cash/cash equivalents at month/year end:		174 303	169 379	169 379		165 345	169 541			179 722

The municipal bank balance at 31 January 2020 totals R 4 844 780.79 and the short term deposits made amounts to R160 500 000.00, therefore the total cash and cash equivalents amounts to R165 344 780.79

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

<b>REPORTING MONTH: 31 JANUARY 2020</b>		
<b>Commitments against Cash &amp; Cash Equivalents</b>		
<b>ITEM</b>	<b>Previous Month R'000</b>	<b>Current Month R'000</b>
<b>Bank balance as at 31 January 2020</b>	<b>2 111 388,57</b>	<b>4 844 780,79</b>
<b>Other Cash &amp; Cash Equivalents: Short term deposits</b>	<b>178 000 000,00</b>	<b>160 500 000,00</b>
<b>Total Cash &amp; Cash Equivalents:</b>	<b>180 111 388,57</b>	<b>165 344 780,79</b>
<b>LESS:</b>	<b>133 614 509,20</b>	<b>125 993 799,15</b>
Unspent Conditional Grants	2 893 312,64	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	-	-
Grant received in advance	39 342 750,00	26 228 500,00
Trade Payables	7 516 489,62	5 977 617,61
Unspent Capital budget	44 476,67	154 447,15
Unspent Operational budget	32 787 182,62	39 709 624,10
<b>Sub total</b>	<b>46 496 879,37</b>	<b>39 350 981,64</b>
<b>PLUS:</b>	<b>4 110 411,18</b>	<b>4 133 380,00</b>
VAT Receivable	2 031 131,68	2 054 100,50
Receivable Exchange	2 079 279,50	2 079 279,50
	<b>50 607 290,55</b>	<b>43 484 361,65</b>
<b>LESS OTHER MATTERS:</b>		
Capital Replacement Reserve	34 802 548,35	31 327 891,00
<b>Sub Total</b>	<b>15 804 742,20</b>	<b>12 156 470,65</b>
<b>LESS: CONTINGENT LIABILITIES</b>	<b>11 675 924,15</b>	<b>11 675 924,15</b>
Theunis Barnard	38 231,00	38 231,00
I Gerber	21 840,00	21 840,00
A de Wet	614 675,00	614 675,00
Barry Louis Rae Trust	4 500 000,00	4 500 000,00
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
<b>Recalculated available cash balance</b>	<b>4 128 818,05</b>	<b>480 546,50</b>

## PART 2 – SUPPORTING DOCUMENTATION

### Section 4 – Debtors' analysis

#### Supporting Table SC3

DC4 Garden Route - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

Description	NT Code	Budget Year 2019/20											Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from 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	289	290	286	285	286	281	1 293	1 297	4 306	3 442			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-			
Other	1900	209	1 052	128	148	217	298	13 484	13 706	29 240	27 852			
Total By Income Source	2000	485	1 343	414	433	503	579	14 777	14 968	33 500	31 259	-	-	
2018/19 - totals only										-	-			
Debtors Age Analysis By Customer Group														
Organs of State	2200	(158)	42	82	131	144	57	922	3 007	4 228	4 261			
Commercial	2300	-	-	-	-	-	-	-	-	-	-			
Households	2400	-	-	-	-	-	-	-	-	-	-			
Other	2500	643	1 300	331	301	359	521	13 856	11 961	29 272	26 998			
Total By Customer Group	2600	485	1 343	414	433	503	579	14 777	14 968	33 500	31 259	-	-	

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 - M07 January

Description	NT Code	Budget Year 2019/20									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
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	2	55	345	1	-	3	74	96	575	
Auditor General	0800									-	
Other	0900	-	0	-	-	-	-	-	-	0	
Total By Customer Type	1000	2	56	345	1	-	3	74	96	576	-

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 January 2020	Movements for the month			Balance as at 31 January 2020	Interest earned Month	Interest earned Year to date
		Investments matured	Investments made	Interest capitalised			
<b>Eden district municipality</b>							
<i>Interest Received YTD</i>					-		
Standard Bank	58 000 000,00	-6 000 000,00	-3 500 000,00		55 500 000,00	55 961,56	627 904,71
FNB	-				-		174 410,96
ABSA	26 000 000,00				26 000 000,00		131 654,18
Nedbank	68 000 000,00	-16 000 000,00	-3 500 000,00		55 500 000,00	91 776,76	693 493,00
Investec Bank	26 000 000,00	-6 000 000,00	-3 500 000,00		23 500 000,00	61 422,81	338 245,07
<b>BANK DEPOSITS</b>	<b>178 000 000,00</b>	<b>-28 000 000,00</b>	<b>-10 500 000,00</b>	<b>-</b>	<b>160 500 000,00</b>	<b>209 161,13</b>	<b>1 965 707,92</b>

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

## Section 7 – Allocation and grant receipts and expenditure

### 7.1 Supporting Table C6

DC4 Garden Route - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M07 January

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		157 166	162 568	164 471	218	121 968	95 942	25 246	26,3%	164 471
Local Government Equitable Share		151 237	157 370	157 370	218	118 028	91 799	26 229	28,6%	157 370
Finance Management		1 000	1 000	1 000		1 000	583			1 000
Municipal Systems Improvement		-		-			-			-
EPWP Incentive		1 021	1 629	1 629	-	1 142	950			1 629
NT - Rural Roads Asset Management Systems		2 425	2 569	2 787		1 798	1 626			2 787
Fire Service Capacity Building Grant	3	1 483		1 685			983	(983)	-100,0%	1 685
								-		
								-		
								-		
Other transfers and grants [insert description]								-		
<b>Provincial Government:</b>		14 810	2 859	10 498	900	1 180	6 124	(2 919)	-47,7%	10 498
PT - Integrated Transport Plan		1 800	900	1 490	900	900	869	31	3,5%	1 490
PT - WC Support Grant		1 450	280	3 951	-	280	2 305			3 951
PT - Disaster Management Grant		10 000		2 177	-		1 270	(1 270)	-100,0%	2 177
PT - WC Support Grant		360	379	379			221	(221)	-100,0%	379
PT - Safety Plan Implementation (WOSA)	4	1 200	1 300	2 500			1 458	(1 458)	-100,0%	2 500
Other transfers and grants [insert description]								-		
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
<b>Other grant providers:</b>		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
<b>Total Operating Transfers and Grants</b>	5	171 976	165 427	174 969	1 118	123 148	102 065	22 327	21,9%	174 969

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 - M07 January

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	655	3 912	95 942	(92 030)	-95,9%	164 471
Local Government Equitable Share		151 237	157 370	157 370			91 799	(91 799)	-100,0%	157 370
Finance Management		1 000	1 000	1 000	57	619	583	36	6,1%	1 000
Municipal Systems Improvement		–					–			–
EPWP Incentive		1 021	1 629	1 629	285	1 608	950	658	69,2%	1 629
NT - Rural Roads Asset Management Systems		2 425	2 569	2 787			1 626	(1 626)	-100,0%	2 787
Fire Service Capacity Building Grant		1 483		1 685	313	1 685	983	702	71,4%	1 685
Other transfers and grants [insert description]								–		
Provincial Government:		14 810	2 859	10 498	374	1 750	6 124	(4 374)	-71,4%	10 498
PT - Integrated Transport Plan		1 800	900	1 490	–		869	(869)	-100,0%	1 490
PT - Disaster Management Grant		10 000	–	2 177	374	1 750	1 270	480	37,8%	2 177
PT - WC Support Grant		1 450	280	3 951	–		2 305	(2 305)	-100,0%	3 951
PT - Safety Plan Implementation (WOSA)		1 200	1 300	2 500	–		1 458	(1 458)	-100,0%	2 500
Other transfers and grants [insert description]		360	379	379	–		221	(221)	-100,0%	379
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]								–		
Total operating expenditure of Transfers and Grants:		171 976	165 427	174 969	1 029	5 662	102 065	(96 403)	-94,5%	174 969

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 - M07 January

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
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		7 481	11 359	11 359	747	5 331	6 626	(1 295)	-20%	11 359
Pension and UIF Contributions		2 408	232	232	5	31	135	(104)	-77%	232
Medical Aid Contributions		122	75	75	4	28	44	(16)	-36%	75
Motor Vehicle Allowance		1 696	199	199	8	40	116	(76)	-66%	199
Cellphone Allowance		1 125	–	–	48	324	–	324	#DIV/0!	–
Housing Allowances		1 046	434	434			253	(253)	-100%	434
Other benefits and allowances		–	528	528			308	(308)	-100%	528
<b>Sub Total - Councillors</b>		13 877	12 828	12 828	811	5 754	7 483	(1 728)	-23%	12 828
<b>% increase</b>	4		-7,6%	-7,6%						-7,6%
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		4 442	5 634	5 634	424	2 965	3 286	(321)	-10%	5 634
Pension and UIF Contributions		161	–	–	0	1	–	1	#DIV/0!	–
Medical Aid Contributions		124	256	256	4	31	150	(119)	-79%	256
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		838	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		805	–	–	56	420	–	420	#DIV/0!	–
Cellphone Allowance		111	–	–	9	63	–	63	#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	2	–	–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>		6 464	5 890	5 890	494	3 481	3 436	45	1%	5 890
<b>% increase</b>	4		-8,9%	-8,9%						-8,9%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		86 899	85 591	85 671	8 501	51 865	49 975	1 890	4%	85 671
Pension and UIF Contributions		13 210	14 463	14 463	1 277	7 745	8 437	(691)	-8%	14 463
Medical Aid Contributions		10 314	10 904	10 904	622	3 469	6 360	(2 892)	-45%	10 904
Overtime		3 045	–	–	442	1 366	–	1 366	#DIV/0!	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		6 906	–	–	703	5 343	–	5 343	#DIV/0!	–
Cellphone Allowance		198	–	–	8	53	–	53	#DIV/0!	–
Housing Allowances		1 311	–	–	132	855	–	855	#DIV/0!	–
Other benefits and allowances		2 641	19 685	19 685	455	4 453	11 483	(7 030)	-61%	19 685
Payments in lieu of leave		6 064	–	–	6	6 232	–	6 232	#DIV/0!	–
Long service awards		–	–	–	–	145	–	145	#DIV/0!	–
Post-retirement benefit obligations	2	2 866	8 432	8 432	569	3 699	4 918	(1 219)	-25%	8 432
<b>Sub Total - Other Municipal Staff</b>		133 454	139 074	139 154	12 717	85 225	81 173	4 052	5%	139 154
<b>% increase</b>	4		4,2%	4,3%						4,3%
<b>Total Parent Municipality</b>		153 795	157 791	157 871	14 022	94 460	92 092	2 368	3%	157 871

Remuneration related expenditure for the month ended 31 January 2020 amounted to R14 021 884.94.

## Section 9 – Municipal manager’s quality certification



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George  
Western Cape  
6529

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### OFFICE OF THE MUNICIPAL MANAGER

Enquiries: Louise Hoek  
Reference: 6/1/1 – 19/20  
Date: 10 February 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 JANUARY 2020**, 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 January 2020.

Print Name MONDE STRATY

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

Signature 

Date 13 February 2020