



GARDEN ROUTE DISTRICT MUNICIPALITY

FINANCIAL YEAR 2019 - 2020

MONTHLY FINANCIAL MONITORING REPORT

29 FEBRUARY 2020

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Glossary:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

mSCOA – Municipal Standard Chart of Accounts

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

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

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

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

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

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

Virement – A transfer of funds within a vote.

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

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

Legislative Framework:

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

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

Section 71: Monthly budget statements

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

PART 1 – IN-YEAR REPORT

Section 1 – Resolutions

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

Regulation 28 of the Municipal Budget and Reporting Regulations states:

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

Recommendations:

- That Council takes note of the monthly budget statement and supporting documentation for the month ended 29 February 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 29 February 2020 amounted to **R 18,745,695** which represents **4.6%** of the total annual adjusted budgeted figure of **R 407,223,235 (including Roads)**. The year to date revenue received is 61% of the total budget which is marginally less than anticipated.

Operating Expenditure by type

Operating expenditure for the month, ended 29 February 2020 amounted to **R 31,246,741**, with a total annual adjusted budgeted figure of **R 405,125,635 (including Roads)**, the operational expenditure for the month is **7.7%** of the total annual adjusted budget and in line with expectations. The majority of the expenditure related to Employee and Councillor related cost of **R 12,872,654 (41% of the monthly expenditure)**. Included under operating expenditure is **R 14,578,600 (46.6% 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 adjusted annual capital budget for the financial year amounts to **R 8,564,432**. The capital expenditure for the month ended 29 February 2020 amounted to **R 104,165**. As at February month-end, 86% of the total capital budget has been spent/committed.

Refer to pages 14 - 19 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 29 February 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 - M08 February

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	–	–	5 800	–	–	–	–		5 800
Investment revenue	15 715	16 893	13 293	427	3 336	8 862	(5 526)	-62%	13 293
Transfers and subsidies	172 435	165 426	174 749	1 858	125 086	116 499	8 587	7%	174 749
Other own revenue	214 495	235 001	213 381	16 460	121 246	142 254	(21 008)	-15%	213 381
Total Revenue (excluding capital transfers and contributions)	402 645	417 320	407 223	18 746	249 668	267 615	(17 947)	-7%	407 223
Employee costs	140 534	144 964	146 256	12 062	100 767	97 504	3 262	3%	146 256
Remuneration of Councillors	11 933	12 828	12 828	811	6 566	8 552	(1 986)	-23%	12 828
Depreciation & asset impairment	3 172	3 477	3 424	377	3 034	2 283	751	33%	3 424
Finance charges	–	–	–	–	–	–	–		–
Materials and bulk purchases	36	4 084	2 424	241	2 191	1 616	575	36%	2 424
Transfers and subsidies	–	1 965	1 636	45	998	1 091	(93)	-9%	1 636
Other expenditure	242 728	251 339	238 557	17 712	125 558	159 038	(33 480)	-21%	238 557
Total Expenditure	398 403	418 656	405 126	31 247	239 113	270 084	(30 971)	-11%	405 126
Surplus/(Deficit)	4 242	(1 336)	2 098	(12 501)	10 555	(2 468)	13 023	-528%	2 098
Transfers and subsidies - capital (monetary alloc	–	–	–	–	–	–	–		–
Contributions & Contributed assets	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	4 242	(1 336)	2 098	(12 501)	10 555	(2 468)	13 023	-528%	2 098
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	4 242	(1 336)	2 098	(12 501)	10 555	(2 468)	13 023	-528%	2 098
Capital expenditure & funds sources									
Capital expenditure	10 623	6 923	8 564	104	6 194	5 709	485	8%	8 564
Capital transfers recognised	4 000	–	3 435	–	3 435	2 290	1 145	50%	3 435
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	6 623	6 923	5 129	104	2 759	3 419	(660)	-19%	5 129
Total sources of capital funds	10 623	6 923	8 564	104	6 194	5 710	484	8%	8 564
Financial position									
Total current assets	196 625	178 550	172 081		170 515				172 081
Total non current assets	307 314	292 602	315 014		311 094				315 014
Total current liabilities	102 393	82 034	82 420		53 814				82 034
Total non current liabilities	137 987	86 240	86 240		144 852				86 240
Community wealth/Equity	263 560	302 878	318 435		282 942				320 140
Cash flows									
Net cash from (used) operating	13 793	(755)	(13 937)	(12 501)	10 555	(9 291)	(19 847)	214%	(13 937)
Net cash from (used) investing	(9 258)	366	(1 276)	14 465	(23 357)	(851)	22 507	-2645%	(1 276)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	174 303	169 379	154 555	–	152 543	159 626	7 083	4%	150 132
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	2 246	706	1 283	404	385	498	15 129	13 813	34 465
Creditors Age Analysis									
Total Creditors	12	6	466	941	1	–	17	3	1 447

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

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

Description	Ref	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										
Governance and administration		232 272	217 702	226 156	4 577	146 324	150 770	(4 447)	-3%	226 156
Executive and council		231 601	216 981	225 435	4 577	146 042	150 290	(4 248)	-3%	225 435
Finance and administration		671	721	721	-	282	481	(199)	-41%	721
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		8 041	8 856	8 802	299	6 026	5 868	158	3%	8 802
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		7 820	8 406	8 166	270	5 729	5 444	285	5%	8 166
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		221	450	636	29	297	424	(127)	-30%	636
Economic and environmental services		162 333	160 105	164 051	13 766	97 076	109 367	(12 292)	-11%	164 051
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		162 000	160 000	163 946	13 759	97 009	109 297	(12 288)	-11%	163 946
Environmental protection		333	105	105	7	67	70	(3)	-4%	105
Trading services		-	30 657	8 215	104	243	5 477	(5 234)	-96%	8 215
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	30 657	8 215	104	243	5 477	(5 234)	-96%	8 215
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	402 645	417 320	407 223	18 746	249 668	271 482	(21 814)	-8%	407 223
Expenditure - Functional										
Governance and administration		123 554	126 483	130 754	8 406	75 643	87 170	(11 526)	-13%	130 754
Executive and council		44 144	45 692	52 669	2 399	23 258	35 113	(11 854)	-34%	52 669
Finance and administration		76 860	78 090	75 512	5 834	50 921	50 341	579	1%	75 512
Internal audit		2 550	2 702	2 573	172	1 464	1 715	(251)	-15%	2 573
Community and public safety		90 298	79 377	78 466	7 203	52 426	52 311	115	0%	78 466
Community and social services		20 403	9 814	10 768	1 041	7 545	7 178	367	5%	10 768
Sport and recreation		12 767	13 225	12 592	962	8 309	8 395	(85)	-1%	12 592
Public safety		27 288	25 301	24 226	2 812	16 034	16 151	(117)	-1%	24 226
Housing		-	-	-	-	-	-	-	-	-
Health		29 841	31 037	30 880	2 388	20 538	20 587	(49)	0%	30 880
Economic and environmental services		178 859	176 200	179 803	15 295	106 759	119 869	(13 110)	-11%	179 803
Planning and development		8 640	9 147	8 288	464	5 401	5 526	(125)	-2%	8 288
Road transport		166 635	163 468	168 004	14 579	98 938	112 003	(13 065)	-12%	168 004
Environmental protection		3 585	3 585	3 510	252	2 420	2 340	79	3%	3 510
Trading services		5 018	33 470	13 324	224	2 632	8 883	(6 251)	-70%	13 324
Energy sources		-	-	-	-	-	-	-	-	-
Water management		10	10	9	-	-	6	(6)	-100%	9
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		5 008	33 460	13 315	224	2 632	8 877	(6 245)	-70%	13 315
Other		674	3 126	2 777	119	1 652	1 851	(200)	-11%	2 777
Total Expenditure - Functional	3	398 403	418 656	405 126	31 247	239 113	270 084	(30 971)	-11%	405 126
Surplus/ (Deficit) for the year		4 242	(1 336)	2 098	(12 501)	10 555	1 398	9 157	655%	2 098

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) - M08 February

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	225 435	4 577	146 042	150 290	(4 248)	-2,8%	225 435
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		198	721	721	-	282	481	(199)	-41,4%	721
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		221	450	636	29	297	424	(127)	-30,0%	636
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		7 820	8 406	8 166	270	5 729	5 444	285	5,2%	8 166
Vote 9 - Waste Management		-	30 657	8 215	104	243	5 477	(5 234)	-95,6%	8 215
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		333	105	105	7	67	70	(3)	-4,5%	105
Vote 14 - Roads Agency Function		162 000	160 000	163 946	13 759	97 009	109 297	(12 288)	-11,2%	163 946
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	402 645	417 320	407 223	18 746	249 668	271 482	(21 814)	-8,0%	407 223
Expenditure by Vote	1									
Vote 1 - Executive and Council		46 981	51 456	56 366	2 706	25 687	37 578	(11 891)	-31,6%	56 366
Vote 2 - Budget and Treasury Office		24 519	21 608	23 183	1 575	15 175	15 455	(280)	-1,8%	23 183
Vote 3 - Corporate Services		41 210	42 339	41 407	3 224	27 005	27 605	(599)	-2,2%	41 407
Vote 4 - Planning and Development		22 739	24 234	22 806	1 780	16 422	15 204	1 217	8,0%	22 806
Vote 5 - Public Safety		41 369	32 060	30 946	3 353	20 219	20 631	(412)	-2,0%	30 946
Vote 6 - Health		33 581	33 212	32 985	2 591	22 306	21 990	316	1,4%	32 985
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		12 767	13 225	12 592	962	8 309	8 395	(85)	-1,0%	12 592
Vote 9 - Waste Management		5 008	33 460	13 315	224	2 632	8 877	(6 245)	-70,3%	13 315
Vote 10 - Roads Transport		4 225	3 468	4 058	-	-	2 706	(2 706)	-100,0%	4 058
Vote 11 - Waste Water Management		(7)	10	-	-	-	-	-	-	-
Vote 12 - Water		18	-	9	-	-	6	(6)	-100,0%	-
Vote 13 - Environment Protection		3 585	3 585	3 510	252	2 420	2 340	79	3,4%	3 510
Vote 14 - Roads Agency Function		162 410	160 000	163 946	14 579	98 938	109 297	(10 359)	-9,5%	163 946
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	398 403	418 656	405 126	31 247	239 113	270 084	(30 971)	-11,5%	405 116
Surplus/ (Deficit) for the year	2	4 242	(1 336)	2 098	(12 501)	10 555	1 398	9 157	654,8%	2 107

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) - M08 February

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				5 800				-		5 800
Rental of facilities and equipment	3 846	1 593	1 523	143	680	1 015	(335)	-33%		1 523
Interest earned - external investments	15 715	16 893	13 293	427	3 336	8 862	(5 526)	-62%		13 293
Interest earned - outstanding debtors	897	964	3 500	281	2 275	2 333	(58)	-2%		3 500
Dividends received	-	-	-					-		-
Fines, penalties and forfeits	-	-	-					-		-
Licences and permits	333	105	105	7	67	70	(3)	-4%		105
Agency services	21 062	23 015	185 561	13 759	106 787	123 707	(16 921)	-14%		185 561
Transfers and subsidies	172 435	165 426	174 749	1 858	125 086	116 499	8 587	7%		174 749
Other revenue	184 358	205 672	22 692	2 271	11 437	15 128	(3 690)	-24%		22 692
Gains on disposal of PPE	4 000	3 652	-				-	-		-
Total Revenue (excluding capital transfers and contributions)		402 645	417 320	407 223	18 746	249 668	267 615	(17 947)	-7%	407 223
Expenditure By Type										
Employee related costs	140 534	144 964	146 256	12 062	100 767	97 504	3 262	3%		146 256
Remuneration of councillors	11 933	12 828	12 828	811	6 566	8 552	(1 986)	-23%		12 828
Debt impairment	1 601	1 721	3 594	-	17	2 396	(2 379)	-99%		3 594
Depreciation & asset impairment	3 172	3 477	3 424	377	3 034	2 283	751	33%		3 424
Finance charges	-	-	-				-	-		-
Bulk purchases	-	-	-				-	-		-
Other materials	36	4 084	2 424	241	2 191	1 616	575	36%		2 424
Contracted services	50 354	46 505	31 436	1 647	10 423	20 957	(10 534)	-50%		31 436
Transfers and subsidies	-	1 965	1 636	45	998	1 091	(93)	-9%		1 636
Other expenditure	190 773	203 113	203 528	16 065	115 119	135 685	(20 567)	-15%		203 528
Loss on disposal of PPE							-	-		-
Total Expenditure		398 403	418 656	405 126	31 247	239 113	270 084	(30 971)	-11%	405 126
Surplus/(Deficit)		4 242	(1 336)	2 098	(12 501)	10 555	(2 468)	13 023	(0)	2 098
Transfers and subsidies - capital (monetary contributions) (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)	2 098	(12 501)	10 555	(2 468)			2 098
Taxation								-		
Surplus/(Deficit) after taxation		4 242	(1 336)	2 098	(12 501)	10 555	(2 468)			2 098
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		4 242	(1 336)	2 098	(12 501)	10 555	(2 468)			2 098
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		4 242	(1 336)	2 098	(12 501)	10 555	(2 468)			2 098

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 29 February 2020 amounts to R 143,088.

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 29 February 2020 amounts to R 427,323, the investment balance of the municipality amounted to R135m for the month ended 29 February 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 29 February 2020 amounts to R 280,718.

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. Roads income (Subsidy from Province) and expenditure is incorporated into GRDM's financial records and a journal for the amount of R 13,759,025 was processed.

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. During the month of February 2020 the municipality received the last payment of R 487,000 for the EPWP Grant, and also for the Rural Roads Asset Management grant to the amount of R 771,000. The Provincial Treasury also transferred the Financial Support Management Grant of R 600,000 to the municipality during February 2020.

Other revenue / Sundry income

Other revenue reflects an amount of R 2,270,774 for the month ended 29 February 2020. Other revenue consists mostly of the following: Resorts income, Fire Services and Health Services.

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 29 February 2020 amounted to R 12,872,654 of an annual adjusted budgeted amount of R 159,084,000 that represents 8% of the budgeted amount and 41% of the monthly expenditure.

Debt Impairment / Depreciation and asset impairment

Depreciation recorded for the month ended 29 February 2020 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. 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 an 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 240,538 for the month ended 29 February 2020 against an annual budgeted amount of R 2,424,000.

Contracted services

The contracted services for the month ended 29 February 2020 amounts to R 1,646,881 against an annual adjusted budgeted amount of R 31,436,000. The annual contracted services budgeted was 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 December 2020 onwards.

Transfers and subsidies

The municipality recorded transfer and subsidies to the amount of R 45,000 for the month ended 29 February 2020.

Other expenditure

Other expenditure reflects all other expenses not specifically mentioned and amounts to R 16,065,085 for month ended 29 February 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) - M08 February

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	-	-	-	-	-		-
Vote 2 - Budget and Treasury Office		42	-	-	-	-	-	-		-
Vote 3 - Corporate Services		2 428	1 503	1 243	62	421	828	(407)	-49%	1 243
Vote 4 - Planning and Development		37	-	-	-	-	-	-		-
Vote 5 - Public Safety		4 713	2 000	-	-	-	-	-		-
Vote 6 - Health		2 343	-	-	-	-	-	-		-
Vote 7 - Community and Social Services		-	-	-	-	-	-	-		-
Vote 8 - Sport and Recreation		1 000	-	-	-	-	-	-		-
Vote 9 - Waste Management		-	-	-	-	-	-	-		-
Vote 10 - Roads Transport		-	-	-	-	-	-	-		-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-		-
Vote 12 - Water		-	-	-	-	-	-	-		-
Vote 13 - Environment Protection		30	-	-	-	-	-	-		-
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-		-
Vote 15 - Electricity		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	10 623	4 003	1 243	62	421	828	(407)	-49%	1 243
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	-	124	-	-	83	(83)	-100%	124
Vote 2 - Budget and Treasury Office		-	-	5	-	-	3	(3)	-100%	5
Vote 3 - Corporate Services		-	70	478	26	55	318	(263)	-83%	478
Vote 4 - Planning and Development		-	-	22	-	-	15	(15)	-100%	22
Vote 5 - Public Safety		-	400	3 835	-	3 445	2 557	889	35%	3 835
Vote 6 - Health		-	2 300	2 300	-	2 255	1 533	722	47%	2 300
Vote 7 - Community and Social Services		-	-	-	-	-	-	-		-
Vote 8 - Sport and Recreation		-	-	500	17	17	333	(317)	-95%	500
Vote 9 - Waste Management		-	-	30	-	-	20	(20)	-100%	30
Vote 10 - Roads Transport		-	-	-	-	-	-	-		-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-		-
Vote 12 - Water		-	-	-	-	-	-	-		-
Vote 13 - Environment Protection		-	150	28	-	-	19	(19)	-100%	28
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-		-
Vote 15 - Electricity		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	-	2 920	7 322	42	5 773	4 881	892	18%	7 322
Total Capital Expenditure		10 623	6 923	8 564	104	6 194	5 709	485	8%	8 564

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	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	4 533,33	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	26 565,00	4 950,00	17 710,00	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	0,00	300 000,00	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	125 677,00	125 676,52	83 784,67	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	38 968,00	0,00	25 978,67	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.
071307104110	6	Projector/s	1307	8 559,00	8 559,00	5 706,00	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.
071307104111	7	Scanners	1307	17 827,00	17 826,09	11 884,67	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	3 477,00	3 476,52	2 318,00	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.
071307104116	9	Insurance Claims	1307	50 000,00	0,00	33 333,33	Not started yet	No ICT insurance claims up to date	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104117	10	High Spec PC Communication	1307	19 957,00	19 956,52	13 304,67	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.
071307104118	11	Printer HP black/white	1307	10 260,00	10 260,00	6 840,00	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	24 700,00	24 700,00	16 466,67	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	8 090,00	8 090,00	5 393,33	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	225 441,00	25 440,26	150 294,00	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.
071307103001	15	Upgrade Server Room for hosting purposes	1307	110 000,00	0,00	73 333,33	In process	Specs finalised - SCM to advertise tender.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	Nº	Project description	Cost centre	Adjusted budget 'R'	YTD Expenditure 'R'	Year to date Budget	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?	What measures are in place to remedy the existing challenges.
071307104002	16	ICT Furniture	1307	58 250,00	0,00	38 833,33	In process	SLA in process to be finalised	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.i.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071806103101	17	Plett Office Building	1806	2 300 000,00	2 255 480,02	1 533 333,33	Completed	Purchased & Delivered	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.i.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
072305230001	18	Hazmat Rescue & Fire Equipment Equipment	2305	382 500,00	6 600,00	255 000,00	In process	Order issued	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.i.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
074403230003	19	Recycling Mascot	4403	30 000,00	0,00	20 000,00	In process	Order issued	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.i.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104001	20	Fireproof Safe (800x525x500)	1307	11 237,00	11 237,00	7 491,33	Completed	Purchased & Delivered	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.i.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104101	21	Morpho Sigma Lite Biometric Devices	1307	91 936,00	0,00	61 290,67	In process	Order issued	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.i.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104102	22	UniFi Cloud Key Gen2 Plus	1307	1 357,00	0,00	904,67	In process	Order issued	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.i.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104103	23	UniFi Security Gateway	1307	4 109,00	4 108,70	2 739,33	Completed	Purchased & Delivered	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.i.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104105	24	Desktops	1307	111 642,00	111 641,74	74 428,00	Completed	Purchased & Delivered	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.i.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307103901	25	MS Office	1307	223 745,00	0,00	149 163,33	In process	Order issued	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.i.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104106	26	8 Port Switches	1307	15 100,00	15 043,48	10 066,67	In process	Order issued	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.i.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104107	27	Ubiquiti UNIFI AC Pro Access Points	1307	12 626,00	12 626,09	8 417,33	In process	Order issued	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.i.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104108	28	16 Port Switches	1307	14 358,00	0,00	9 572,00	In process	Order issued	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.i.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104112	29	Voice Recorder	1307	2 653,00	2 652,17	1 768,67	Completed	Purchased & Delivered	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.i.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071307104114	30	HD Infrared IP Dome Camera (Spack)	1307	11 000,00	10 282,61	7 333,33	In process	Order issued	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.i.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.

SCOA config	Nr	Project description	Cost centre	Adjusted budget R'	YTD Expenditure R'	Year to date Budget	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?	What measures are in place to remedy the existing challenges.
071307104115	31	Replacing ICT Capital Equipment beyond economical repair	1307	40 000,00	9 826,09	26 666,67	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.
071601103302	32	6000Litre Water Tanker	1601	1 750 288,00	1 750 032,28	1 166 858,67	Completed	Purchased & Delivered	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	33	Water tankers	1601	1 685 027,00	1 685 027,00	1 123 351,33	Completed	Purchased & Delivered	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	34	Desk	1308	5 542,00	5 541,74	3 694,67	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	35	File Labelling Machines	1308	4 900,00	4 869,57	3 266,67	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	36	Chairs	1308	5 200,00	5 156,52	3 466,67	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	37	Water Dispenser	1308	2 600,00	2 556,52	1 733,33	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.
072204300044	38	Office Equipment	2204	50 000,00	20 163,48	33 333,33	Inprocess	Order issued	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
072305230004	39	Canopy	2305	17 500,00	0,00	11 666,67	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.
071314000452	40	Desk	1314	21 000,00	18 120,00	14 000,00	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.
071308102412	41	Back support for chairs	1308	5 900,00	4 360,50	3 933,33	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.
071308102413	42	Fridge	1308	4 058,00	3 067,00	2 705,33	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.
071203102401	43	Heavy Duty Punch	1203	5 000,00		3 333,33	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.
071307104122	44	8Port Gigabit Ethernet POE Switch	1307	1 648,00	0,00	1 098,67	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.
071308102201	45	Pool Vehicle	1308	300 000,00	0,00	200 000,00	In Process	Funds made available with February Adjustment Budget	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	No	Project description	Cost centre	Adjusted budget R'	YTD Expenditure R'	Year to date Budget	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?	What measures are in place to remedy the existing challenges.
071315102401	46	Office Furniture: Basic Conditions of Service	1315	30 000,00	0,00	20 000,00	In process	Funds made available with February Adjustment Budget	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071312102401	47	Office Furniture: Training and Development	1312	10 000,00	0,00	6 666,67	In process	Funds made available with February Adjustment Budget	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071312102402	48	Projectors: Training and Development	1312	20 000,00	0,00	13 333,33	In process	Funds made available with February Adjustment Budget	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071316102401	49	Ergonomic Chair:OHS	1316	15 000,00	0,00	10 000,00	In process	Funds made available with February Adjustment Budget	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071316103101	50	Fire Alarm System(Mission Street): OHS	1316	20 000,00		13 333,33	In process	Funds made available with February Adjustment Budget	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
073602103901	51	Dispersion Model Software Program	3602	28 000,00		18 666,67	In process	Funds made available with February Adjustment Budget	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071310102401	52	Voice Recorder	1310	3 935,00		2 623,33	In process	Funds made available with February Adjustment Budget	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071808102402	53	GPS Coordinator	1808	10 000,00		6 666,67	In process	Funds made available with February Adjustment Budget	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071018102402	54	Microphone System: Council Chambers	1018	80 000,00		53 333,33	In process	Funds made available with February Adjustment Budget	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071310104001	55	Office Chairs: Legal Services	1310	10 000,00		6 666,67	In process	Funds made available with February Adjustment Budget	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071808102401	56	Identity Scanner	1808	12 000,00		8 000,00	In process	Funds made available with February Adjustment Budget	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
071310104002	57	Office Furniture: Legal Services	1310	30 000,00	0,00	20 000,00	In process	Funds made available with February Adjustment Budget	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.t.o the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
Totals				8 564 432,00	6 194 107,42	2 957 889,33				

Commitments against capital for the month February 2020				Committed Amount
071307104109	5	Qnap File Server	1307	38 968,00
071307104121	14	Office Automation	1307	50 739,00
071203102401	46	Heavy Duty Punch	1203	1 179,78
074403230003	22	Recycling Mascot	4403	26 990,00
071307104101	24	Morpho Sigma Lite Biometric Devices	1307	91 936,00
071307104102	25	UniFi Cloud Key Gen2 Plus	1307	1 381,00
071307103901	28	MS Office	1307	223 744,80
071307104108	31	16 Port Switches	1307	14 358,39
071307104115	34	Replacing ICT Capital Equipment beyond economical repair	1307	18 588,52
072204300044	41	Office Equipment	2204	29 836,52
072305230004	42	Canopy	2305	15 217,39
071307104122	47	8 Port Gigabit Ethernet POE Switch	1307	1 647,51
		Total Commitments		514 586,91
032600004412		20% final payment on fire trucks		687 011,85
		Total expenditure + Total Commitments		7 395 706,18
		Total percentage spent		86%

3.1.6 Table C6: Monthly Budget Statement - Financial Position

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

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	154 555	152 543	154 555
Call investment deposits		–	–	–		–
Consumer debtors		–	–	8 098	–	8 098
Other debtors		16 205	2 312	2 312	9 378	2 312
Current portion of long-term receivables		3 550	3 324	3 878	3 867	3 878
Inventory		2 568	3 536	3 239	4 728	3 239
Total current assets		196 625	178 550	172 081	170 515	172 081
Non current assets						
Long-term receivables		61 508	63 353	63 353	59 705	63 353
Investments		26	26	27	27	27
Investment property		84 677	83 831	86 044	86 035	86 044
Investments in Associate						
Property, plant and equipment		159 740	143 644	163 677	163 448	163 677
Biological						
Intangible		1 363	1 748	1 912	1 879	1 912
Other non-current assets						
Total non current assets		307 314	292 602	315 014	311 094	315 014
TOTAL ASSETS		503 940	471 152	487 095	481 609	487 095
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing		857	–	–	698	
Consumer deposits				386	538	
Trade and other payables		71 843	51 753	51 753	36 517	51 753
Provisions		29 692	30 281	30 281	16 061	30 281
Total current liabilities		102 393	82 034	82 420	53 814	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	168 660	198 666	168 274
NET ASSETS	2	263 560	302 878	318 435	282 942	318 821
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		235 253	271 173	288 436	251 616	288 436
Reserves		28 307	31 705	30 000	31 326	31 705
TOTAL COMMUNITY WEALTH/EQUITY	2	263 560	302 878	318 435	282 942	320 140

This table excludes the actual figures for Roads department.

3.1.7 Table C7: Monthly Budget Statement - Cash Flow

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

Description	Ref	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	207 930	16 460	121 246	138 620	(17 374)	-13%	207 930
Government - operating		172 435	165 426	174 749	1 858	125 086	116 499	8 587	7%	174 749
Government - capital		-	-	(0)		-	(0)	0	-100%	(0)
Interest		15 715	16 893	13 293	427	3 336	8 862	(5 526)	-62%	13 293
Dividends								-		
Payments										
Suppliers and employees		(388 852)	(411 494)	(405 126)	(31 202)	(238 116)	(270 084)	(31 968)	12%	(405 126)
Finance charges				-		-	-	-		-
Transfers and Grants			(1 965)	(4 784)	(45)	(998)	(3 189)	(2 192)	69%	(4 784)
NET CASH FROM/(USED) OPERATING ACTIVITIES		13 793	(755)	(13 937)	(12 501)	10 555	(9 291)	(19 847)	214%	(13 937)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		3 156	3 652	3 652			2 435	(2 435)	-100%	3 652
Decrease (Increase) in non-current debtors		-	3 636	3 636			2 424	(2 424)	-100%	3 636
Decrease (increase) other non-current receivables		(1 791)	-				-	-		
Decrease (increase) in non-current investments		-	-		14 569	(17 163)	-	(17 163)	#DIV/0!	
Payments										
Capital assets		(10 623)	(6 923)	(8 564)	(104)	(6 194)	(5 710)	484	-8%	(8 564)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(9 258)	366	(1 276)	14 465	(23 357)	(851)	22 507	-2645%	(1 276)
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)	(15 213)	1 964	(12 802)	(10 142)			(15 213)
Cash/cash equivalents at beginning:		169 768	169 768	169 768		165 345	169 768			165 345
Cash/cash equivalents at month/year end:		174 303	169 379	154 555		152 543	159 626			150 132

The municipal bank balance at 29 February 2020 totals R 17 542 779.12 and the short term deposits made amounts to R135 000 000.00, therefore the total cash and cash equivalents amounts to R152 542 779.12

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

REPORTING MONTH: 29 FEBRUARY 2020		
Commitments against Cash & Cash Equivalents		
ITEM	Previous Month R'000	Current Month R'000
Bank balance as at 29 February 2020	4 844 780,79	17 542 779,12
Other Cash & Cash Equivalents: Short term deposits	160 500 000,00	135 000 000,00
Total Cash & Cash Equivalents:	165 344 780,79	152 542 779,12
LESS:	125 993 799,15	102 500 362,48
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	26 228 500,00	13 114 250,00
Trade Payables	5 977 617,61	4 491 829,44
Unspent Capital budget	154 447,15	-
Unspent Operational budget	39 709 624,10	30 970 672,75
Sub total	39 350 981,64	50 042 416,64
PLUS:	4 133 380,00	6 500 599,87
VAT Receivable	2 054 100,50	4 625 088,65
Receivable Exchange	2 079 279,50	1 875 511,22
	43 484 361,65	56 543 016,51
LESS OTHER MATTERS:		
Capital Replacement Reserve	31 327 891,00	31 327 891,00
Sub Total	12 156 470,65	25 215 125,51
LESS: CONTINGENT LIABILITIES	11 675 924,15	10 757 434,15
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	-
Labour disputes: IMATU obo Du Plessis & others	868 490,00	-
Recalculated available cash balance	480 546,50	14 457 691,36

PART 2 – SUPPORTING DOCUMENTATION

Section 4 – Debtors' analysis

Supporting Table SC3

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

Description	NT Code	Budget Year 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	277	293	289	285	284	284	1 570	1 281	4 564	3 705				
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-				
Other	1900	1 981	413	994	119	101	214	13 559	12 566	29 947	26 559				
Total By Income Source	2000	2 246	706	1 283	404	385	498	15 129	13 813	34 465	30 229	-	-	-	
2018/19 - totals only															
Debtors Age Analysis By Customer Group															
Organs of State	2200	165	51	38	77	86	142	811	1 847	3 217	2 964				
Commercial	2300	-	-	-	-	-	-	-	-	-	-				
Households	2400	-	-	-	-	-	-	-	-	-	-				
Other	2500	2 082	655	1 245	327	299	356	14 318	11 966	31 247	27 266				
Total By Customer Group	2600	2 246	706	1 283	404	385	498	15 129	13 813	34 465	30 229	-	-	-	

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 - M08 February

Description	NT Code	Budget Year 2019/20									Prior year
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	totals for chart (same period)
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	12	6	56	353	1	-	17	3	449	
Auditor General	0800									-	
Other	0900	-	-	410	588	-	-	-	-	998	
Total By Customer Type	1000	12	6	466	941	1	-	17	3	1 447	-

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 February 2020	Movements for the month			Balance as at 29 February 2020	Interest earned Month	Interest earned Year to date
		Investments matured	Investments made	Interest capitalised			
Eden district municipality							
Interest Received YTD					-		
Standard Bank	55 500 000,00	-8 500 000,00			47 000 000,00	126 230,82	754 135,53
FNB	-				-		174 410,96
ABSA	26 000 000,00				26 000 000,00		131 654,18
Nedbank	55 500 000,00	-8 500 000,00			47 000 000,00	128 041,44	821 534,44
Investec Bank	23 500 000,00	-8 500 000,00			15 000 000,00	125 800,00	464 045,07
BANK DEPOSITS	160 500 000,00	-25 500 000,00	-	-	135 000 000,00	380 072,26	2 345 780,18

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

Section 7 – Allocation and grant receipts and expenditure

7.1 Supporting Table C6

DC4 Garden Route - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M08 February

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		157 166	162 568	164 252	1 258	123 226	109 502	11 991	11,0%	164 252
Local Government Equitable Share		151 237	157 370	157 370	–	118 028	104 913	13 115	12,5%	157 370
Finance Management		1 000	1 000	1 000		1 000	667			1 000
Municipal Systems Improvement		–		–			–			–
EPWP Incentive		1 021	1 629	1 629	487	1 629	1 086			1 629
NT - Rural Roads Asset Management Systems		2 425	2 569	2 568	771	2 569	1 712			2 568
Fire Service Capacity Building Grant	3	1 483		1 685			1 123	(1 123)	-100,0%	1 685
								–		
								–		
								–		
Other transfers and grants [insert description]								–		
Provincial Government:		14 810	2 859	10 498	600	1 780	6 998	(3 465)	-49,5%	10 498
PT - Integrated Transport Plan		1 800	900	1 490	–	900	994	(94)	-9,4%	1 490
PT - WC Support Grant		1 450	280	3 951	600	880	2 634			3 951
PT - Disaster Management Grant		10 000		2 177	–		1 452	(1 452)	-100,0%	2 177
PT - WC Support Grant	4	360	379	379			253	(253)	-100,0%	379
PT - Safety Plan Implementation (WOSA)		1 200	1 300	2 500			1 667	(1 667)	-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	174 750	1 858	125 006	116 500	8 527	7,3%	174 750

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

7.2 Supporting Table C7

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

Description	Ref	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	164 252	79	3 991	109 502	(105 511)	-96,4%	164 252
Local Government Equitable Share		151 237	157 370	157 370			104 913	(104 913)	-100,0%	157 370
Finance Management		1 000	1 000	1 000	57	676	667	10	1,4%	1 000
Municipal Systems Improvement		–					–			–
EPWP Incentive		1 021	1 629	1 629	22	1 629	1 086	543	50,0%	1 629
NT - Rural Roads Asset Management Systems		2 425	2 569	2 568			1 712	(1 712)	-100,0%	2 568
Fire Service Capacity Building Grant		1 483		1 685	–	1 685	1 123	562	50,0%	1 685
Other transfers and grants [insert description]								–		
Provincial Government:		14 810	2 859	10 498	242	1 992	6 998	(5 007)	-71,5%	10 498
PT - Integrated Transport Plan		1 800	900	1 490	–		994	(994)	-100,0%	1 490
PT - Disaster Management Grant		10 000	–	2 177	–	1 750	1 452	299	20,6%	2 177
PT - WC Support Grant		1 450	280	3 951	242	242	2 634	(2 392)	-90,8%	3 951
PT - Safety Plan Implementation (WOSA)		1 200	1 300	2 500	–		1 667	(1 667)	-100,0%	2 500
Other transfers and grants [insert description]		360	379	379	–		253	(253)	-100,0%	379
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
Total operating expenditure of Transfers and Grants:		171 976	165 427	174 750	321	5 983	116 500	(110 518)	-94,9%	174 750

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 - M08 February

Summary of Employee and Councillor remuneration	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		7 481	11 359	11 359	747	6 078	7 573	(1 495)	-20%	11 359
Pension and UIF Contributions		2 408	232	232	4	36	155	(119)	-77%	232
Medical Aid Contributions		122	75	75	4	33	50	(17)	-35%	75
Motor Vehicle Allowance		1 696	199	727	8	48	485	(437)	-90%	727
Cellphone Allowance		1 125	–	–	48	372	–	372	#DIV/0!	–
Housing Allowances		1 046	434	434			289	(289)	-100%	434
Other benefits and allowances		–	528	–			–	–		–
Sub Total - Councillors		13 877	12 828	12 828	811	6 566	8 552	(1 986)	-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	4 103	423	3 388	2 735	653	24%	4 103
Pension and UIF Contributions		161	–	150	0	1	100	(99)	-99%	150
Medical Aid Contributions		124	256	98	4	35	65	(30)	-46%	98
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		838	–	901			600	(600)	-100%	901
Motor Vehicle Allowance		805	–	687	56	477	458	19	4%	687
Cellphone Allowance		111	–	133	9	72	88	(16)	-19%	133
Housing Allowances		194	–	–			–	–		–
Other benefits and allowances		(211)	–	11	0	0	7	(7)	-95%	11
Payments in lieu of leave		–	–	–			–	–		–
Long service awards		–	–	–			–	–		–
Post-retirement benefit obligations		–	–	–			–	–		–
Sub Total - Senior Managers of Municipality		6 464	5 890	6 082	493	3 973	4 055	(82)	-2%	6 082
% increase	4		-8,9%	-5,9%						-5,9%
Other Municipal Staff										
Basic Salaries and Wages		86 899	85 591	85 914	7 548	59 413	50 116	9 296	19%	85 914
Pension and UIF Contributions		13 210	14 463	14 463	1 281	9 027	8 437	590	7%	14 463
Medical Aid Contributions		10 314	10 904	10 904	628	4 096	6 360	(2 264)	-36%	10 904
Overtime		3 045	–	3 275	217	1 583	1 910	(327)	-17%	3 275
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		6 906	–	465	805	6 147	271	5 876	2165%	465
Cellphone Allowance		198	–	58	7	61	34	27	78%	58
Housing Allowances		1 311	–	6 965	118	973	4 063	(3 090)	-76%	6 965
Other benefits and allowances		2 641	19 685	11 298	411	4 864	6 591	(1 727)	-26%	11 298
Payments in lieu of leave		6 064	–	(1 600)	–	6 232	(933)	7 165	-768%	(1 600)
Long service awards		–	–	–	–	145	–	145	#DIV/0!	–
Post-retirement benefit obligations		2 866	8 432	8 432	555	4 254	4 918	(664)	-14%	8 432
Sub Total - Other Municipal Staff		133 454	139 074	140 174	11 569	96 793	81 768	15 025	18%	140 174
% increase	4		4,2%	5,0%						5,0%
Total Parent Municipality		153 795	157 791	159 084	12 873	107 332	94 375	12 957	14%	159 084

Remuneration related expenditure for the month ended 29 February 2020 amounted to

R12 872 653.63

Section 9 – Municipal manager’s quality certification



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OFFICE OF THE MUNICIPAL MANAGER

Enquiries: Louise Hoek
Reference: 6/1/1 – 19/20
Date: 05 March 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 **29 FEBRUARY 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 29 February 2020.

Print Name NORDE STRATU

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

Signature 

Date 10/3/2020