

COUNCIL

22 JANUARY 2021

**1. REPORT: SECTION 52 – RESPONSIBILITIES OF MAYOR / VERSLAG: ARTIKEL 52
VERANTWOORDELIKHEDE VAN DIE BURGEMEESTER / INGXELO: U MHLATHI 52 -
UXANDUVA LUKA SODOLOPHU (1121692)**

(6/18/7)

18 January 2021

REPORT FROM THE EXECUTIVE MAYOR (M BOOYSEN)

2. PURPOSE OF THE REPORT

The report is tabled to Council in terms of Section 52(d) as required in terms of the Municipal Finance Management Act 56 of 2003.

3. DELEGATED AUTHORITY

Council

5. RECOMMENDATION

- 5.1.1 That Council notes the quarterly report on the implementation of the budget and the financial affairs of the municipality for the year to date and the quarter ending 31 December 2020.

AANBEVELING

- 5.2.1 *Dat die Raad kennis neem van die kwartaalverslag rakende die implementering van die begroting en die finansiële posisie van die munisipaliteit vir die jaar tot datum en die kwartaal geëindig 31 Desember 2020.*

ISINDULULO

- 5.3.1 Sesokuba iBhunga lithathele ingqalelo ingxelo ngokumiselwa kolwabiwo-mali kunye nemicimbi yezemali zomasipala zonyaka uzakuthi ga ngoku kunye nexesha eliphela ngomhla 30 keyoMsintsi 2020.

6. DISCUSSION / CONTENTS

6.1 BACKGROUND

Section 52 of the Municipal Finance Management Act 2003 (No.56) (MFMA) requires the Mayor to report to Council on the financial affairs of the municipality.

Section 52 (d)

The mayor of a municipality –

Must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality

6. DISCUSSION / CONTENTS

6.1 BACKGROUND

Section 52 of the Municipal Finance Management Act 2003 (No.56) (MFMA) requires the Mayor to report to Council on the financial affairs of the municipality.

Section 52 (d)

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Must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality

6.3 FINANCIAL IMPLICATIONS

As contained in the attached report.

6.4 LEGAL IMPLICATIONS

None. The following legislation applies:

- Municipal Finance Management Act, No 56 of 2003, section 52
- Municipal Budget and Reporting Regulations, 17 April 2009

6.5 STAFF IMPLICATION

None

6.6 PREVIOUS / RELEVANT COUNCIL RESOLUTIONS:

There are no previous or relevant Council resolutions related to this matter.

6.7 RISK IMPLICATIONS

There are no foreseen risks

6.8 COMMENTS FROM EXECUTIVE MANAGEMENT:

6.8.1 EXECUTIVE MANAGER: ROADS AND TRANSPORT PLANNING SERVICES

None

6.8.2 EXECUTIVE MANAGER: PLANNING AND ECONOMIC DEVELOPMENT

None

6.8.3 EXECUTIVE MANAGER: COMMUNITY SERVICES

None

6.8.4 EXECUTIVE MANAGER: CORPORATE SERVICES

None

6.8.5 EXECUTIVE MANAGER: FINANCIAL SERVICES

None

6.8.6 MANAGER: LEGAL SERVICES

None

ANNEXURE

Section 52 Report



**2020/2021
FINANCIAL YEAR**

SECTION 52

**QUARTERLY FINANCIAL MANAGEMENT
REPORT – Q2 ended 31 DECEMBER 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 revised 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.

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.

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 52: Quarterly budget statements

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

PART 1 – IN-YEAR REPORT

SECTION 1 – MAYORAL FOREWORD

Honourable Speaker, leaders of the opposition, honourable members of the Garden Route

District Council on both sides of the house, the Municipal Manager and his Executive Management Team, staff members, members of the media, interest groups and the citizens of the Garden Route District, I would like to express a hearty warm welcome to you all.

As this is our first council meeting for 2021 let me take the opportunity to wish all a prosperous and healthy 2021 and let us not lose hope, but have the strength and courage to endeavour the pandemic that we are battling.

But before we go to the figures, herewith an overview of the 2nd Quarter's events which has been mostly overshadowed by the current COVID-19 pandemic:

Our thoughts and deepest condolences go out to all the families in the District and country that has been affected by COVID-19.

We can all attest that the National Lockdown has kept us all more indoors than ever before. With the gradual opening of the Tourism sector, we finally had the chance to slowly dip our toes in the sparkling ocean experiencing the fresh, crisp and clean air inhaling the perfume of fynbos. Then, just as we were approaching the holiday season and visitors were gearing themselves to travel to the Garden Route our beaches were closed and the tourism sector faced yet another blow.

Our beaches might have been closed since 15 December 2020 to 15 January 2021, the Garden Route continued to offer a countless number of experiences. Holiday makers still flocked from all corners of South Africa to our beautiful and diverse region to experience its offerings. From scenic drives, delectable locally produced cuisine and washing it down with award winning wine, craft beer and indigenous fynbos gin before the country's move to alert level three where we saw the closing of the alcohol industry, to blood pumping adrenaline rushing adventures, world class golfing.

The Garden Route and Klein Karoo continues to offer a multitude of outdoor adventures and is truly so much more than just its beaches.

GRDM and its Regional Tourism Office, Garden Route and Klein Karoo Tourism, would like to thank all the tourism stakeholders in the region for their vigorous and continuous work in ensuring

that the region remains the tourism destination of choice. This year has shown that we truly are a region who perseveres through the toughest times. To the visitors, we wish to thank you for your support by visiting our region while we've been classified as a COVID-19 hotspot.

Thank you to everyone who continues to comply to the "new norms" we are required to adhere to.

While it's still summer, and schools are still closed, be sure to expect plenty of sunshine – here is what you can still experience in the Garden Route under the risk adjusted level 3 restrictions:

- Golfing at one of South Africa's top golf courses
- Kayaking/kloofing/canoeing
- Bungee jumping/ziplining
- Paragliding
- Hiking/biking
- Historical caves
- Horse riding
- Big 5 and nature drives
- Get lost in our Indigenous forests
- Coffee culture
- Enjoy some much needed "R&R" and pamper time at a spa.

Although we are in the middle of the second wave of the COVID 19 pandemic and numbers are increasing in both the positive cases as well as fatalities, let us not forget the basic rules of mask wearing, hand sanitizing/washing and social distancing to protect ourselves and our loved ones. Further let us remember the three C's that must be avoided: close contact, confined spaces, crowded places. If we stand united and work together we will get through the pandemic together.

These figures are presented in terms of Section 52 of the MFMA. The information is presented for the 2nd Quarter ending 31 December 2020.

Herewith an executive summary of the performance of the Council for the 2nd Quarter ending 31 December 2020. The actual and budgeted figures reported, includes the Roads Operational Budget.

Revenue by source

The total revenue received by source for the 2nd quarter amounts to **R104,217,881**, against an adjusted budget of **R400,944,011 (including Roads Agency)**. This represents **26%** recording of revenue for the second quarter, this is in line with the expected performance of 25% per quarter because the municipality received the second instalment amount of Equitable Share and the Roads Agency Services revenue were also accounted for on a monthly basis, which accounts for over 50% of the revenue budget. However the revenue expected to be derived from the resorts have not materialized due to the COVID pandemic and will need to be adjusted downwards in the adjustment budget.

Operating Expenditure by source

For the second quarter of the financial year the municipality recorded expenditure performance of **R99,511,588** against an adjusted budget of **R410,004,313 (including Roads Agency)**, representing **24%** of expenditure for the second quarter, this is just below the expected performance of 25% for the quarter, the variance of -1% can be attributed to the national lockdown as a result of the COVID-19 pandemic e.g. travel are limited to a minimum and other means of communication for example zoom meetings are used to conduct meetings, etc., and due to non-cash items (e.g. debt impairment and post-retirement benefits) that is only accounted for at year-end. However expenditure on PPE, sanitizing materials, etc. related to COVID has increased and will need to be increased in the adjustment budget.

The salary related expenditure for the second quarter was **R70,103,586** to an adjusted budget of **R241,479,888** (which includes contributions to post retirement benefits), representing **29%** spending of the budget for the second quarter. It should be noted that staff yearly bonuses were paid out in the second quarter and resulted in the higher spending.

The councillor remuneration expenditure for the second quarter amounted to **R2,226,868** to an adjusted budget of **R13,360,009**, representing **17%** of the budget. There was a variance of -8% in the quarter's actual performance versus the 25% expected quarterly performance mainly due to the fact that an increase has been budgeted for, but we are still awaiting the formal increase to be issued by National Treasury.

Spending on contracted services was **R7,380,663** in the second quarter representing **19%** spending of an adjusted budget of **R38,021,778** for the quarter. The variance of -6% of quarter's actual performance versus the 25% expected quarterly performance is as a result of the national lockdown due to the COVID-19 pandemic and conducting business via various other electronic means, thus saving on the cost of travelling, accommodations, etc.

Spending on other expenditure was **R11,584,297** in the second quarter representing **20%** spending of an adjusted budget of **R58,944,000** (including Roads Budget) for the quarter. It should be noted the roads department was on annual leave for a month in December/January, and as per amended level 3 restrictions, only 50% of the roads workforce is at work.

The expenditure in respect of the roads agency function is integrated in the financial system and is reported as a department of the GRDM financial system from the 1st of July 2020.

Capital Expenditure

The adjusted capital budget for the financial year amounts to **R8,135,000**. For the second quarter, capital expenditure was **R386,990**, representing **5%** of the budget. There is a variance of -20% versus the expected performance of 25% per quarter, however the actual year to date expenditure amounts to 56% spending for the first 2 quarters of the budget. The total year to date expenditure amounts to R4,579,798.70.

Refer to detailed capital expenditure performance on page **31**.

SECTION 2 – RESOLUTIONS

Municipal Financial Management Act, 56 of 2003 - SECTION 52: General responsibilities of the Mayor

This is the resolution being presented to Council in the quarterly report on the implementation of the budget and the financial state of affairs of the municipality as required in terms of section 52 of the Municipal Finance Management Act 56 of 2003.

RECOMMENDATION:

That Council takes note of the quarterly report on the implementation of the budget and the financial affairs of the municipality for the year to date and the quarter ending 31 December 2020.

SECTION 3 – EXECUTIVE SUMMARY

3.1 Introduction

These figures are presented in terms of section 52(d) of the MFMA. The information is presented for the 2nd quarter ending 31 December 2020.

3.2 Consolidated performance

3.2.1 Against annual budget (adjusted)

The actual and budgeted figures reported, includes the Roads Budget.

Revenue by source

For the second quarter the municipality records revenue performance of **R104,217,881** against an adjusted budget of **R400,944,011** representing **26%** recording of revenue for the second quarter, this is in line with the expected performance of 25% per quarter because the municipality received the second instalment amount of Equitable Share and the Roads Agency Services revenue were also accounted for on a monthly basis, which accounts for over 50% of the revenue budget.

Operating Expenditure by type

For the second quarter of the financial year the municipality recorded expenditure performance of

R99,511,588 against an adjusted budget of **R410,004,313 (including Roads Agency)**, representing **24%** of expenditure for the second quarter, this is just below the expected performance of 25% for the quarter, the deviation of -1% is as a result of the national lockdown due to the COVID-19 pandemic e.g. travel are limited to a minimum and other means of communication for example zoom meetings are used to conduct meetings, etc., and due to non-cash items (e.g. debt impairment and post-retirement benefits) that is only accounted for at year-end.

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3.3 Material variances from SDBIP

Attached to this report as Annexure is the SDBIP report for the 2nd quarter ending 31 December 2020.

Management of the SDBIP and achievement of actuals against KPI target are done via the Performance Management Section situated in the Office of the Municipal Manager.

3.4 Conclusion

Detailed analysis of the municipal performance for the 2nd quarter ending 31 December 2020 will be presented under the different sections of the report. More information regarding the municipal performance and explanations will be provided below.

SECTION 4 – IN-YEAR BUDGET STATEMENT TABLES

4.1 Monthly budget statements

4.1.1 Table C1: s71 Monthly Budget Statement Summary

DC4 Garden Route - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	–	–	–	–	–	–	–		–
Service charges	–	–	–	–	–	–	–		–
Investment revenue	12 945	14 091	14 091	47	1 582	7 046	(5 463)	-78%	14 091
Transfers and subsidies	73 348	174 269	34 252	932	5 062	17 126	(12 064)	-70%	34 252
Other own revenue	273 290	203 812	352 601	66 215	202 896	176 301	26 595	15%	352 601
Total Revenue (excluding capital transfers and contributions)	359 583	392 172	400 944	67 195	209 540	200 472	9 068	5%	400 944
Employee costs	149 735	239 508	241 480	21 496	128 404	120 740	7 664	6%	241 480
Remuneration of Councillors	10 097	13 360	13 360	707	4 647	6 680	(2 033)	-30%	13 360
Depreciation & asset impairment	4 543	3 930	3 930	389	2 334	1 965	369	19%	3 930
Finance charges	–	–	–	–	–	–	–		–
Materials and bulk purchases	3 387	51 197	51 197	2 301	10 912	25 599	(14 686)	-57%	51 197
Transfers and subsidies	1 161	1 230	1 230	140	567	615	(48)	-8%	1 230
Other expenditure	183 972	92 007	98 807	6 298	33 115	49 403	(16 288)	-33%	98 807
Total Expenditure	352 894	401 232	410 004	31 333	179 979	205 002	(25 023)	-12%	410 004
Surplus/(Deficit)	6 690	(9 060)	(9 060)	35 862	29 561	(4 530)	34 092	-753%	(9 060)
Transfers and subsidies - capital (monetary alloc	–	–	–	–	–	–	–		–
Contributions & Contributed assets	424	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	7 114	(9 060)	(9 060)	35 862	29 561	(4 530)	34 092	-753%	(9 060)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	7 114	(9 060)	(9 060)	35 862	29 561	(4 530)	34 092	-753%	(9 060)
Capital expenditure & funds sources									
Capital expenditure	7 763	8 135	8 135	238	4 580	4 068	512	13%	8 135
Capital transfers recognised	3 435	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	4 328	8 135	8 135	238	4 580	4 068	512	13%	8 135
Total sources of capital funds	7 763	8 135	8 135	238	4 580	4 068	512	13%	8 135
Financial position									
Total current assets	158 711	173 685	173 685		249 175				173 685
Total non current assets	248 198	314 316	314 316		219 303				314 316
Total current liabilities	20 253	74 604	74 604		46 537				74 604
Total non current liabilities	90 666	144 852	144 852		78 557				144 852
Community wealth/Equity	295 989	268 545	268 545		343 384				268 545
Cash flows									
Net cash from (used) operating	(51 371)	(3 288)	(3 288)	35 862	29 561	(1 644)	(31 206)	1898%	(3 288)
Net cash from (used) investing	(7 763)	(8 135)	(8 135)	8 090	3 748	(2 712)	(6 460)	238%	(8 135)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	110 634	143 131	143 131	–	203 131	150 199	(52 932)	-35%	158 398
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	1 400	824	746	406	980	1 576	6 276	25 132	37 340
Creditors Age Analysis									
Total Creditors	39	859	43	3	34	151	356	24	1 509

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

DC4 Garden Route - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		208 430	217 258	226 030	55 878	145 824	113 015	32 809	29%	226 030
Executive and council		207 582	217 030	225 802	55 878	145 794	112 901	32 893	29%	225 802
Finance and administration		848	228	228	-	30	114	(84)	-74%	228
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		6 415	9 330	9 330	433	1 234	4 665	(3 431)	-74%	9 330
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		6 021	8 656	8 656	411	1 084	4 328	(3 245)	-75%	8 656
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		393	674	674	22	151	337	(186)	-55%	674
<i>Economic and environmental services</i>		144 927	165 584	165 584	10 884	62 482	82 792	(20 310)	-25%	165 584
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		144 851	165 473	165 473	10 875	62 428	82 736	(20 308)	-25%	165 473
Environmental protection		76	111	111	9	54	56	(2)	-3%	111
<i>Trading services</i>		236	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		236	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	360 008	392 172	400 944	67 195	209 540	200 472	9 068	5%	400 944
Expenditure - Functional										
<i>Governance and administration</i>		113 858	129 355	132 185	9 284	60 780	66 093	(5 313)	-8%	132 185
Executive and council		37 979	49 165	51 495	2 140	18 169	25 748	(7 579)	-29%	51 495
Finance and administration		73 727	77 489	77 989	6 958	41 145	38 995	2 151	6%	77 989
Internal audit		2 152	2 702	2 701	186	1 465	1 351	115	8%	2 701
<i>Community and public safety</i>		77 975	85 264	86 536	7 162	38 690	43 268	(4 578)	-11%	86 536
Community and social services		11 334	12 914	12 994	1 239	5 892	6 497	(605)	-9%	12 994
Sport and recreation		11 470	13 494	13 494	909	4 707	6 747	(2 040)	-30%	13 494
Public safety		24 475	26 063	26 063	1 912	11 069	13 031	(1 962)	-15%	26 063
Housing		-	-	-	-	-	-	-	-	-
Health		30 696	32 793	33 985	3 102	17 022	16 992	29	0%	33 985
<i>Economic and environmental services</i>		156 692	179 235	181 404	14 272	76 628	90 702	(14 074)	-16%	181 404
Planning and development		7 393	7 087	7 087	733	4 042	3 543	499	14%	7 087
Road transport		146 151	168 818	170 987	13 318	71 182	85 493	(14 312)	-17%	170 987
Environmental protection		3 149	3 330	3 330	221	1 404	1 665	(261)	-16%	3 330
<i>Trading services</i>		3 565	4 606	7 106	496	3 033	3 553	(520)	-15%	7 106
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		3 565	4 606	7 106	496	3 033	3 553	(520)	-15%	7 106
<i>Other</i>		2 104	2 773	2 773	119	847	1 386	(539)	-39%	2 773
Total Expenditure - Functional	3	354 194	401 233	410 004	31 333	179 978	205 002	(25 024)	-12%	410 004
Surplus/ (Deficit) for the year		5 814	(9 060)	(9 060)	35 862	29 562	(4 530)	34 092	-753%	(9 060)

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.

Operating Revenue:

Table C2 reflects the financial performance per Standard Classification and shows that most of the municipal funds are received under the Executive and Council classification and the roads transport for the roads function performed on behalf of province. This is because the municipality budget most of its income under the Governance and administration function of the Government Financial Statistics (GFS) classification.

Operational performance for the revenue budget totals **R104,217,881** for the second quarter ending 31 December 2020. Based on the adjusted budget of **R400,944,011**, this represents **26%** recording of revenue for the second quarter, this is in line with the expected performance of 25% per quarter because the municipality received the second instalment amount of Equitable Share and the Roads Agency Services revenue were also accounted for on a monthly basis, which accounts for over 50% of the revenue budget. However revenue derived from resorts did not materialise as budgeted for due to COVID 19, this revenue must be adjusted with the adjustment budget.

Operating Expenditure

Operational performance for the expenditure budget totals **R99,511,588** for the second quarter ending 31 December 2020. Based on the adjusted budget of **R410,004,313**, this represents **24%** of budgeted expenditure. The year to date expenditure amounts includes the Roads Agency Function.

More details regarding the operational expenditures are included in the report below under expenditure by type.

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

4.1.3 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) - Q2 Second Quarter

Vote Description	Ref	2019/20	Budget Year 2020/21							
		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		207 582	217 030	225 802	55 878	145 794	112 901	32 893	29,1%	225 802
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		848	228	228	-	30	114	(84)	-73,7%	228
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		393	674	674	22	151	337	(186)	-55,3%	674
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		6 021	8 656	8 656	411	1 084	4 328	(3 245)	-75,0%	8 656
Vote 9 - Waste Management		236	-	-	-	-	-	-	-	-
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		76	111	111	9	54	56	(2)	-3,2%	111
Vote 14 - Roads Agency Function		144 851	165 473	165 473	10 875	62 428	82 736	(20 308)	-24,5%	165 473
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	360 008	392 172	400 944	67 195	209 540	200 472	9 068	4,5%	400 944
Expenditure by Vote	1									
Vote 1 - Executive and Council		40 928	52 598	54 928	2 742	21 372	27 464	(6 092)	-22,2%	54 928
Vote 2 - Budget and Treasury Office		21 844	24 275	24 675	2 306	12 923	12 337	585	4,7%	24 675
Vote 3 - Corporate Services		40 538	42 386	42 486	3 427	21 823	21 243	580	2,7%	42 486
Vote 4 - Planning and Development		22 663	23 512	23 512	1 976	11 107	11 756	(649)	-5,5%	23 512
Vote 5 - Public Safety		30 670	33 222	33 302	2 610	14 235	16 651	(2 416)	-14,5%	33 302
Vote 6 - Health		33 216	34 993	36 185	3 326	18 193	18 092	100	0,6%	36 185
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		11 470	13 494	13 494	909	4 707	6 747	(2 040)	-30,2%	13 494
Vote 9 - Waste Management		3 565	4 606	7 106	496	3 033	3 553	(520)	-14,6%	7 106
Vote 10 - Roads Transport		-	3 345	5 514	-	1 300	2 757	(1 457)	-52,8%	5 514
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		3 149	3 330	3 330	221	1 404	1 665	(261)	-15,7%	3 330
Vote 14 - Roads Agency Function		144 851	165 473	165 473	13 318	69 882	82 736	(12 855)	-15,5%	165 473
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	352 894	401 233	410 004	31 333	179 978	205 002	(25 024)	-12,2%	410 004
Surplus/ (Deficit) for the year	2	7 114	(9 060)	(9 060)	35 862	29 562	(4 530)	34 092	-752,6%	(9 060)

Revenue and expenditure reflects the operating performance per municipal vote. This is in accordance with the Government Financial Statistics (GFS) classification of the National Treasury.

Most of the municipal income is budgeted under the Executive and Council function and roads agency function. Sport and Recreation (Resorts) is the other main municipal function where income budgeting is recorded.

Expenditure per municipal vote is distributed to ensure that the municipal expenditure reflects the functions where expenditure is allocated. This is done to ensure implementation of the Integrated Development Plan (IDP) and for Annual Reporting.

4.1.4 Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure)

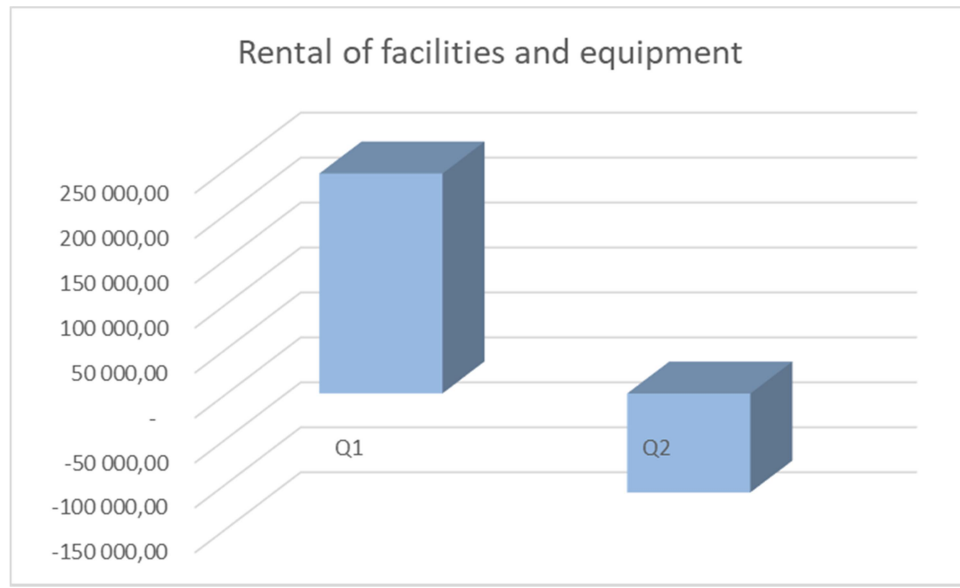
DC4 Garden Route - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

Description		Ref	2019/20	Budget Year 2020/21							
			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			1 142	1 614	1 614	82	134	807	(673)	-83%	1 614
Interest earned - external investments			12 945	14 091	14 091	47	1 582	7 046	(5 463)	-78%	14 091
Interest earned - outstanding debtors			3 234	3 710	3 710	231	1 356	1 855	(499)	-27%	3 710
Dividends received			-	-				-	-		-
Fines, penalties and forfeits			-	-				-	-		-
Licences and permits			76	111	111	9	54	56	(2)	-3%	111
Agency services			163 461	184 673	184 673	12 086	69 558	92 336	(22 778)	-25%	184 673
Transfers and subsidies			73 348	174 269	34 252	932	5 062	17 126	(12 064)	-70%	34 252
Other revenue			105 378	13 704	162 493	53 807	131 793	81 246	50 547	62%	162 493
Gains on disposal of PPE								-			-
Total Revenue (excluding capital transfers and contributions)			359 583	392 172	400 944	67 195	209 540	200 472	9 068	5%	400 944
Expenditure By Type											
Employee related costs			149 735	239 508	241 480	21 496	128 404	120 740	7 664	6%	241 480
Remuneration of councillors			10 097	13 360	13 360	707	4 647	6 680	(2 033)	-30%	13 360
Debt impairment			1 198	1 841	1 841	-	17	921	(904)	-98%	1 841
Depreciation & asset impairment			4 543	3 930	3 930	389	2 334	1 965	369	19%	3 930
Finance charges			-	-	-	-	-	-	-		-
Bulk purchases			-	-	-	-	-	-	-		-
Other materials			3 387	51 197	51 197	2 301	10 912	25 599	(14 686)	-57%	51 197
Contracted services			13 201	32 272	38 022	2 915	11 473	19 011	(7 538)	-40%	38 022
Transfers and subsidies			1 161	1 230	1 230	140	567	615	(48)	-8%	1 230
Other expenditure			169 573	57 894	58 944	3 383	21 625	29 472	(7 847)	-27%	58 944
Loss on disposal of PPE								-			
Total Expenditure			352 894	401 232	410 004	31 333	179 979	205 002	(25 023)	-12%	410 004
Surplus/(Deficit)			6 690	(9 060)	(9 060)	35 862	29 561	(4 530)	34 092	(0)	(9 060)
Transfers and subsidies - capital (financially motivated), (National / Provincial and District)									-		
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			424						-		
Transfers and subsidies - capital (in-kind - all)									-		
Surplus/(Deficit) after capital transfers & contributions			7 114	(9 060)	(9 060)	35 862	29 561	(4 530)			(9 060)
Taxation									-		
Surplus/(Deficit) after taxation			7 114	(9 060)	(9 060)	35 862	29 561	(4 530)			(9 060)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality			7 114	(9 060)	(9 060)	35 862	29 561	(4 530)			(9 060)
Share of surplus/ (deficit) of associate											
Surplus/ (Deficit) for the year			7 114	(9 060)	(9 060)	35 862	29 561	(4 530)			(9 060)

Revenue by Source

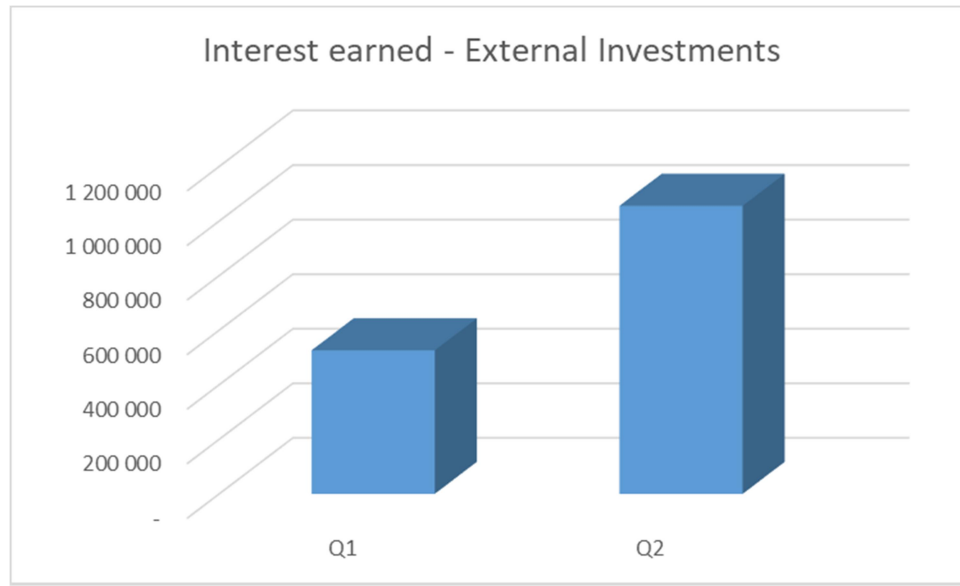
Revenue by source explains the types of income budgeted for and the performance of these items individually:

Rental of facilities and equipment:



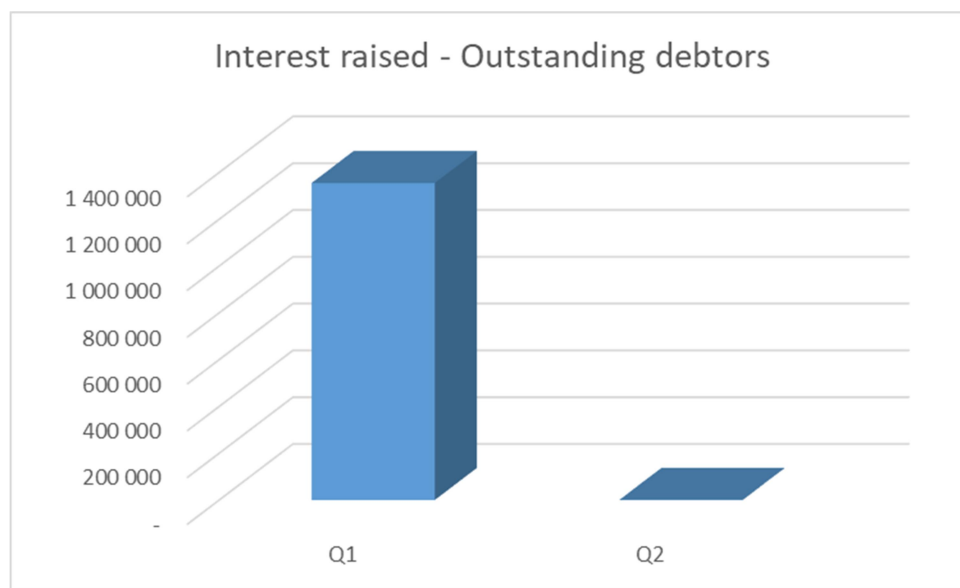
Rental of facilities and equipment for the second quarter ending 31 December 2020 amounted to (R110,239.64). The resorts were closed after the outbreak of the COVID 19 in South Africa and the declaration of a national disaster, and as a result the municipality presented COVID-relief to the lessees at the resorts. However, the correcting journals for this COVID-relief was only passed during the month of November 2020, which resulted in the net debit balance on the rental of facilities and equipment vote. The actual performance is -83% off the year-to-date budget, with the movement back to lockdown level three, it will be necessary to revise the rental of facilities and equipment revenue budget downwards.

Interest earned – External Investments:



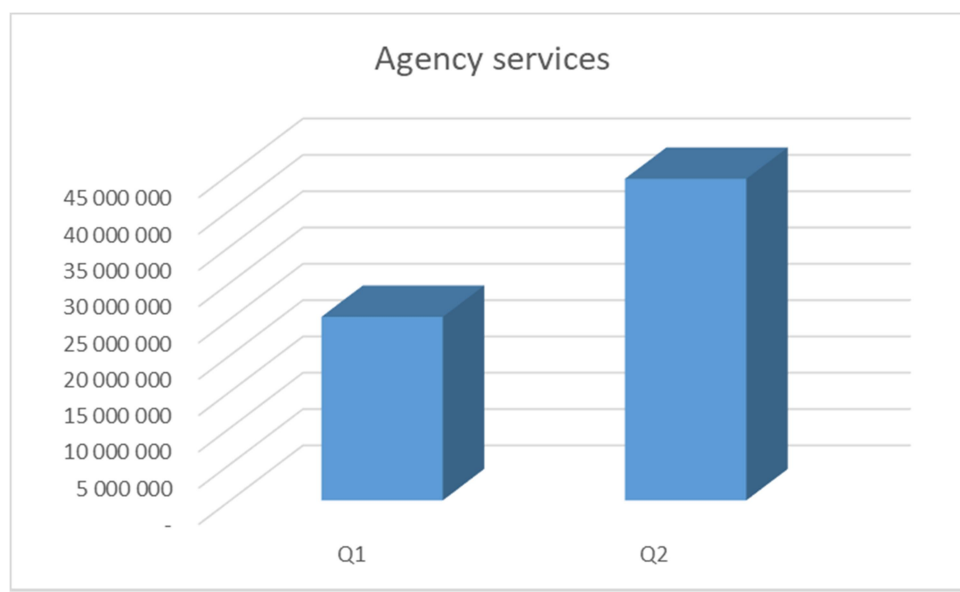
Reflects the interest earned in respect of surplus funds not immediately needed in the operations of the municipality over the short-term period. Interest on external investments received for the second quarter ending 31 December 2020 amounted to R1,056,038, the investment balance of the municipality amounted to R198m for the month ended 31 December 2020 and was invested for a period longer than 30 days to optimize interest received on investments. The actual performance is -78% off the year-to-date budget as a result of bulk of investments that have not matured yet, it is invested for more than 30 days, and the interest will only be realised on the date of maturity hence the reason for the under performance against budgeted amount versus actual year-to-date.

Interest raised – Outstanding debtors



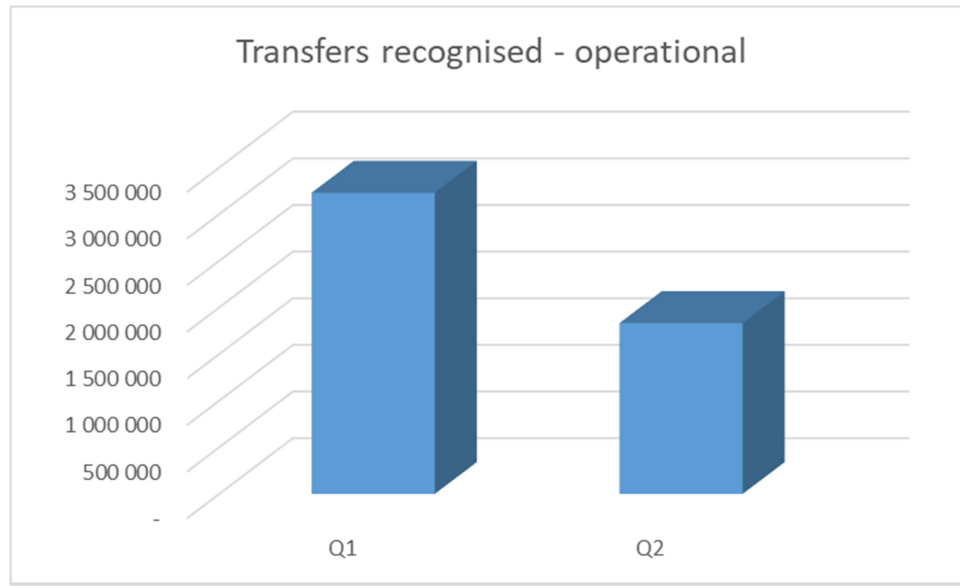
Interest on outstanding debtors for the second quarter ending 31 December 2020 amounted to R1 049.67. Majority of the debtors are firefighting debtors. The resorts were closed after the outbreak of the COVID 19 in South Africa and the declaration of a national disaster, and as a result the municipality presented COVID-relief to the lessees at the resorts. However, the correcting journals for this COVID-relief was only passed during the month of November 2020, which resulted in the decrease in interest raised – outstanding debtors in comparison to quarter 1.

Agency services



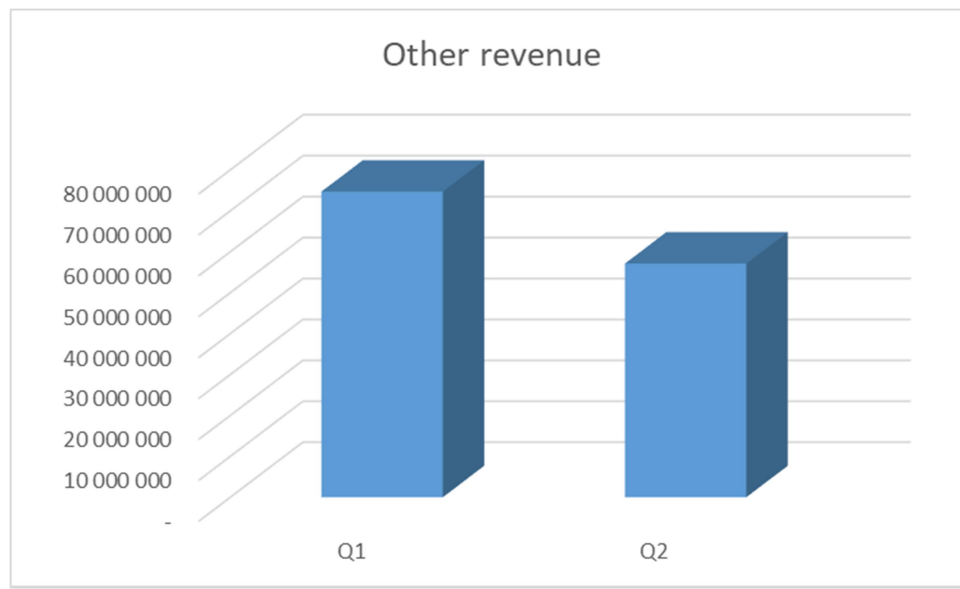
The municipality performs an agency function on behalf of the Department of Transport – Roads department. Monthly agency fees are collected from the department. 12% Admin fee is received on the original allocation and 6% on any additional allocations. An amount of R44,284,381 was recorded for the second quarter ending 31 December 2020, the amount includes the admin fee as well as the revenue recognised in relating to the actual expenditure.

Transfers 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 R73,116,000 for the Equitable Share was received during July 2020. The Local Government Finance Management grant of R1,000,000 and the first instalment of R518,000 for Expanded Public Works Programme was received during August 2020. The municipality received its first instalment of R1,712,000 for the Rural Roads Assets Management Grant during September 2020. The fuel levy share budgeted amount were moved to other revenue, the municipality received instalments as per agreement and the performance for the year to date is in line with the budgeted expected amounts. The municipality received R900,000 for Integrated Transport Planning from Provincial Treasury during October 2020. For the month ended 31 December 2020 the municipality have received the second instalment of the EPWP grant amounting to R932,000, as well as the Equitable share second instalment to the amount of R51,971,000. The Equitable share line item are mapped under 'Other revenue' when the data string are uploaded to the NT database and therefore the municipality has reported it as such, this issue was noted in a letter from the municipality to NT/PT during previous verification processes.

Other revenue / Sundry income

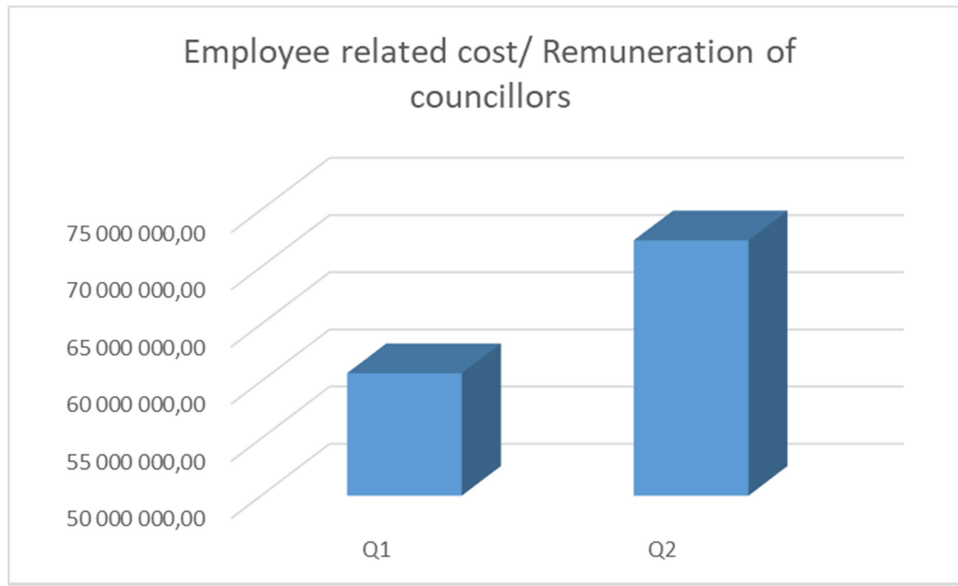


Other revenue reflects an amount of R57,105,153 for the second quarter ending 31 December 2020. Other revenue consists of the following: Other revenue mostly consists of the following: Fire Services and Health Services. The Equitable share line item are mapped under 'Other revenue' when the data string are uploaded to the NT database and therefore the municipality has reported it as such, this issue was noted in a letter from the municipality to NT/PT during previous verification processes.

Expenditure by Type

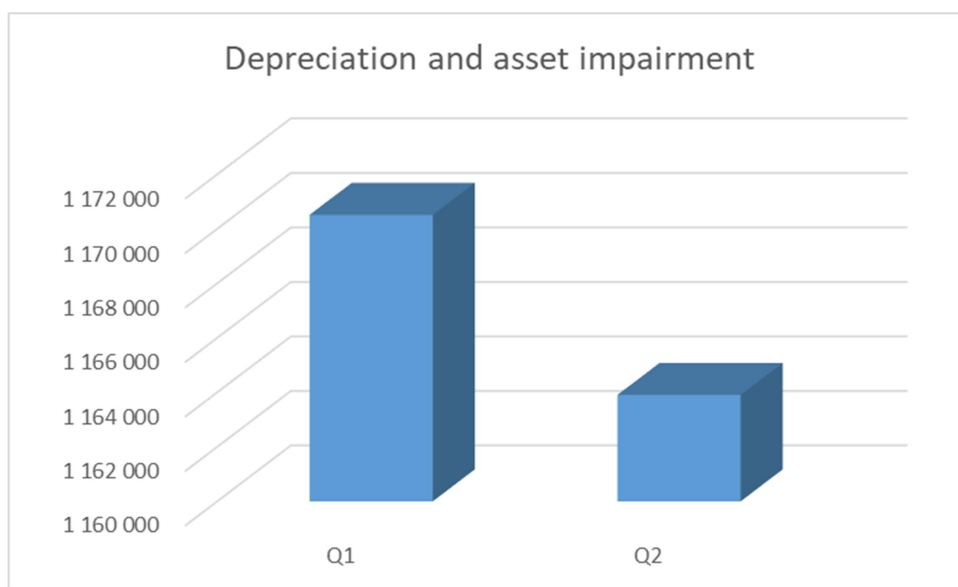
Expenditure by type reflects the operational budget per main type/category of expenditure:

Employee Related cost / Remuneration of councillors



Remuneration related expenditure for the second quarter ending 31 December 2020 amounted to R72,330,453 of an adjusted budgeted amount of R254,839,897 that represents 28% of the budgeted amount. The reason for the increase from quarter 1 to quarter 2, is mainly due to annual bonuses that were paid out during November and December 2020.

Debt Impairment / Depreciation and asset impairment



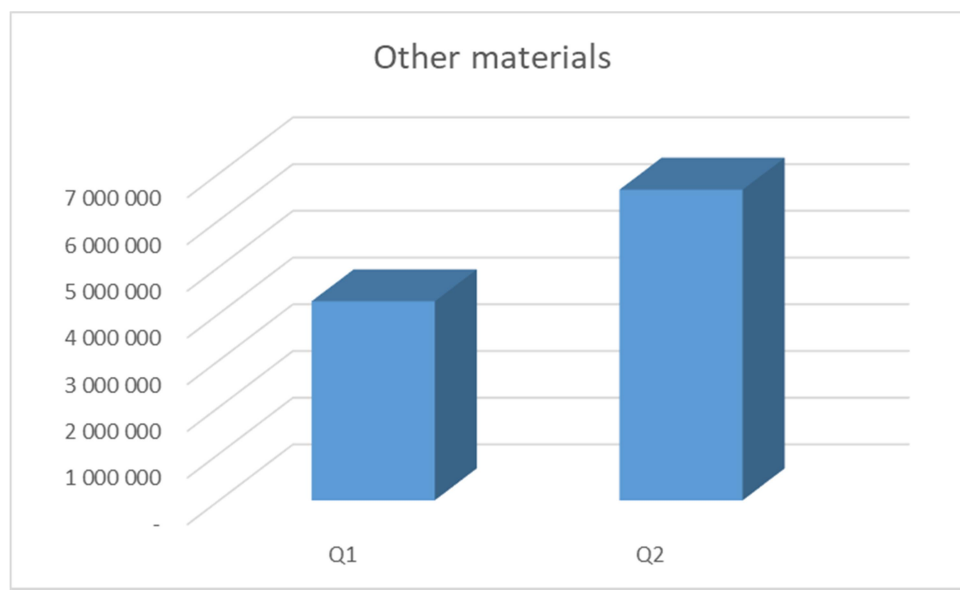
Depreciation recorded for the quarter ending 31 December 2020 amounted to R1,163,908.

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.

Finance charges

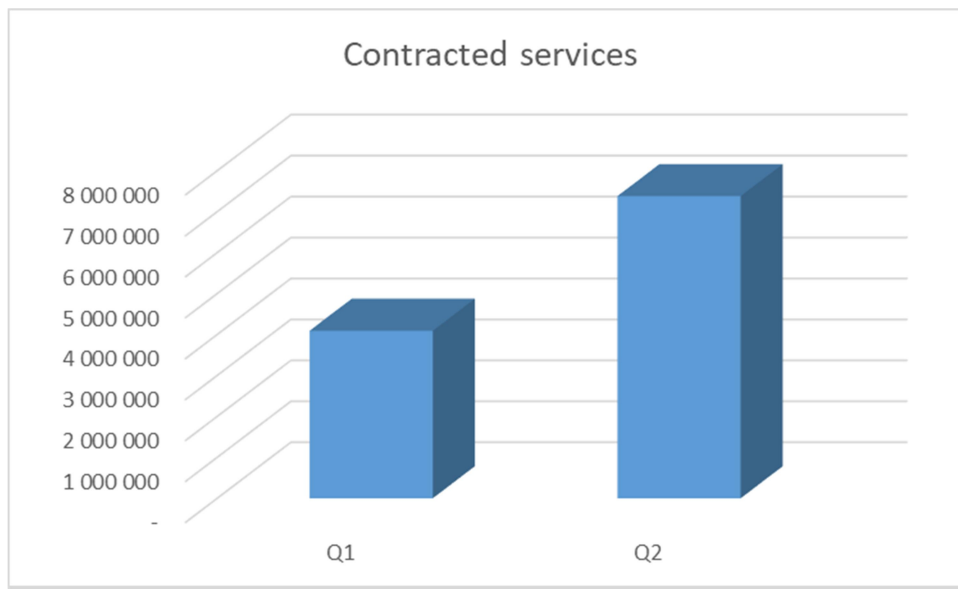
The municipality have no outstanding loans but it is envisioned that potentially a loan might be taken out for the financing of the regional landfill site to be constructed.

Other materials



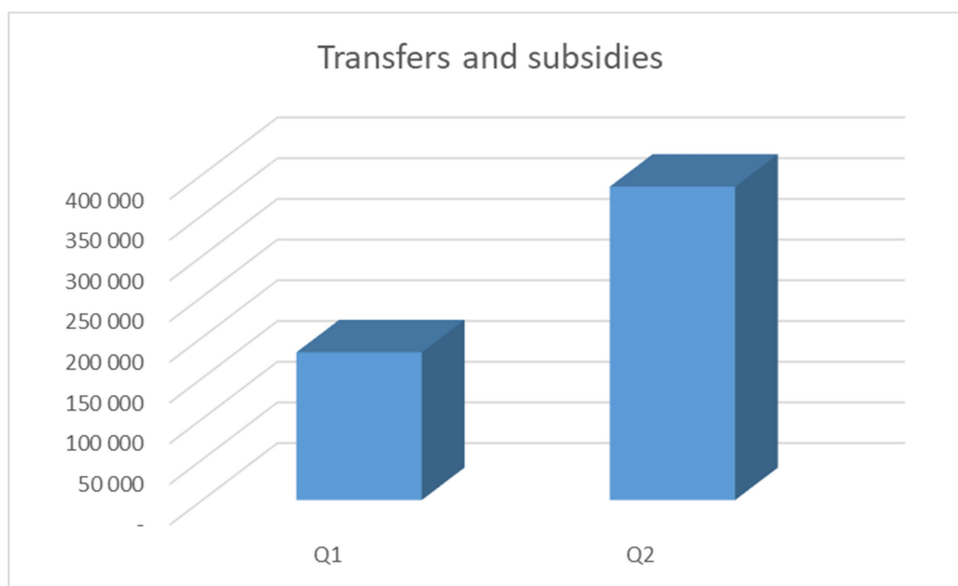
Other materials consists of all inventory consumed purchases for materials and supplies and amounts to R6,650,600 for the second quarter ended 31 December 2020 against an adjusted budgeted amount of R51,197,233. The municipality were closed since lockdown and gradually returned to work as the lockdown levels were eased. The actual performance is -57% off the year-to-date budget, the procurement of goods and services are expected to increase over the next 2 quarters.

Contracted services



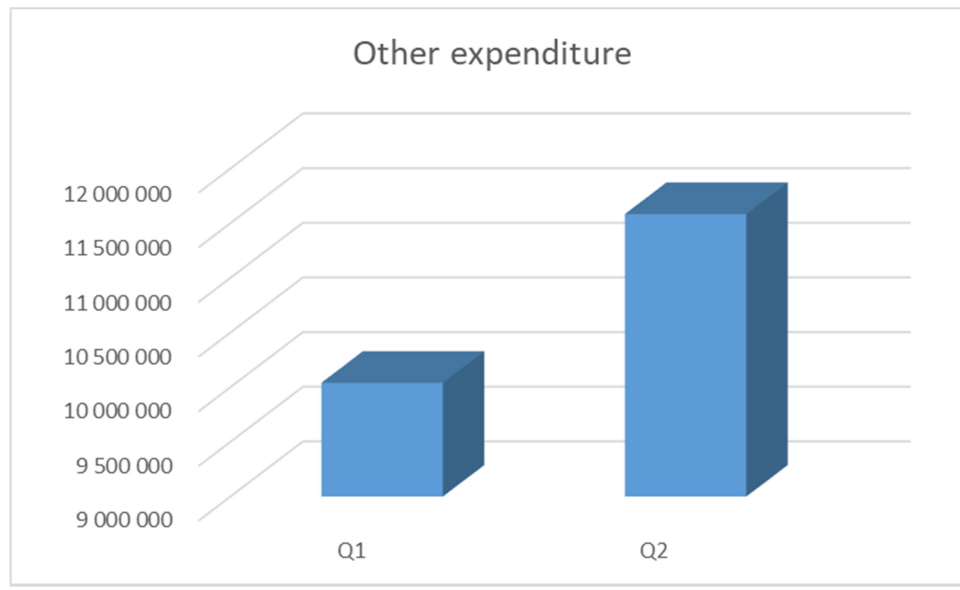
Contracted services amounted to R7,380,663 for the second quarter ending 31 December 2020. The municipality were closed since lockdown and gradually returned to work as the lockdown levels were eased. The actual performance is -40% off the year-to-date budget, the procurement of goods and services are expected to increase over the next 2 quarters.

Transfers and subsidies



The transfers and subsidies expenditure for the second quarter ended 31 December 2020 amounts to R385,000 against an adjusted budgeted amount of R1,230 000. The municipality were closed since lockdown and gradually returned to work as the lockdown level were eased. The actual performance is -8% off the year-to-date budget, the procurement of goods and services are expected to increase over the next 2 quarters.

Other expenditure



Other expenditure reflects all other expenses not specifically mentioned and amounts to R11,584,297 for the second quarter ended 31 December 2020. The municipality were closed since lockdown and gradually returned to work as the lockdown levels were eased. The actual performance is -27% off the year-to-date budget, the procurement of goods and services are expected to increase over the next 2 quarters.

The other expenditure consists of the following:

- Operating costs
- Operating Projects (own funds)

4.1.5 Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

Variances explained in Supporting Table C5

DC4 Garden Route - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter

Vote Description	Ref	2019/20	Budget Year 2020/21							
		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		–	5 000	5 000	–	4 012	2 500	1 512	60%	5 000
Vote 2 - Budget and Treasury Office		19	–	–	–	–	–	–		–
Vote 3 - Corporate Services		1 231	–	–	–	–	–	–		–
Vote 4 - Planning and Development		–	–	–	–	–	–	–		–
Vote 5 - Public Safety		–	–	–	–	–	–	–		–
Vote 6 - Health		–	–	–	–	–	–	–		–
Vote 7 - Community and Social Services		–	–	–	–	–	–	–		–
Vote 8 - Sport and Recreation		–	1 500	1 500	–	–	750	(750)	-100%	1 500
Vote 9 - Waste Management		–	–	–	–	–	–	–		–
Vote 10 - Roads Transport		–	–	–	–	–	–	–		–
Vote 11 - Waste Water Management		–	–	–	–	–	–	–		–
Vote 12 - Water		–	–	–	–	–	–	–		–
Vote 13 - Environment Protection		–	–	–	–	–	–	–		–
Vote 14 - Roads Agency Function		–	–	–	–	–	–	–		–
Vote 15 - Electricity		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	1 251	6 500	6 500	–	4 012	3 250	762	23%	6 500
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		70	30	30	–	–	15	(15)	-100%	30
Vote 2 - Budget and Treasury Office		1	–	–	–	–	–	–		–
Vote 3 - Corporate Services		97	1 575	1 575	238	544	788	(244)	-31%	1 575
Vote 4 - Planning and Development		14	30	30	–	24	15	9	61%	30
Vote 5 - Public Safety		3 775	–	–	–	–	–	–		–
Vote 6 - Health		2 255	–	–	–	–	–	–		–
Vote 7 - Community and Social Services		–	–	–	–	–	–	–		–
Vote 8 - Sport and Recreation		245	–	–	–	–	–	–		–
Vote 9 - Waste Management		27	–	–	–	–	–	–		–
Vote 10 - Roads Transport		–	–	–	–	–	–	–		–
Vote 11 - Waste Water Management		–	–	–	–	–	–	–		–
Vote 12 - Water		–	–	–	–	–	–	–		–
Vote 13 - Environment Protection		28	–	–	–	–	–	–		–
Vote 14 - Roads Agency Function		–	–	–	–	–	–	–		–
Vote 15 - Electricity		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	6 512	1 635	1 635	238	568	818	(250)	-31%	1 635
Total Capital Expenditure		7 763	8 135	8 135	238	4 580	4 068	512	13%	8 135

The adjusted capital budget for the financial year amounts to **R8,135,000**. For the second quarter, capital expenditure was **R386,990** representing **5%** of the budget. Provincial treasury required the municipality to provide more information in terms of the commitments of capital items on the budget. Refer to Section 11 for more details regarding the progress of the spending of capital budget projects.

4.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Garden Route - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		144 849	143 131	143 131	21 131	143 131
Call investment deposits		–	–	–	182 000	–
Consumer debtors		10 863	–	–	44 190	–
Other debtors		269	23 956	23 956	(1 429)	23 956
Current portion of long-term receivables			3 867	3 867		3 867
Inventory		2 731	2 731	2 731	3 282	2 731
Total current assets		158 711	173 685	173 685	249 175	173 685
Non current assets						
Long-term receivables			59 705	59 705		59 705
Investments		27	27	27	26	27
Investment property		86 108	86 108	86 108	54 126	86 108
Investments in Associate						
Property, plant and equipment		159 923	166 336	166 336	164 352	166 336
Biological						
Intangible		2 139	2 139	2 139	798	2 139
Other non-current assets						
Total non current assets		248 198	314 316	314 316	219 303	314 316
TOTAL ASSETS		406 909	488 001	488 001	468 478	488 001
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing		698			223	–
Consumer deposits		1 052			2 266	–
Trade and other payables		1 199	37 449	37 449	31 561	37 449
Provisions		17 304	37 155	37 155	12 488	37 155
Total current liabilities		20 253	74 604	74 604	46 537	74 604
Non current liabilities						
Borrowing		28	28	28	169	28
Provisions		90 638	144 823	144 823	78 388	144 823
Total non current liabilities		90 666	144 852	144 852	78 557	144 852
TOTAL LIABILITIES		110 920	219 456	219 456	125 094	219 456
NET ASSETS	2	295 989	268 545	268 545	343 384	268 545
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		264 663	249 572	249 572	245 048	249 572
Reserves		31 326	18 973	18 973	98 336	18 973
TOTAL COMMUNITY WEALTH/EQUITY	2	295 989	268 545	268 545	343 384	268 545

The financial position of Council is recorded at the end of the second quarter ending 31 December 2020.

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC4 Garden Route - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter

Description	Ref	2019/20	Budget Year 2020/21							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								-		
Service charges								-		
Other revenue		172 185	200 102	203 329	65 984	201 540	101 665	99 875	98%	203 329
Government - operating		170 090	174 269	179 813	932	5 062	89 907	(84 845)	-94%	179 813
Government - capital							-	-		-
Interest		16 264	17 801	17 801	279	2 938	8 901	(5 962)	-67%	17 801
Dividends							-	-		
Payments										
Suppliers and employees		(405 126)	(394 231)	(403 002)	(31 193)	(179 412)	(201 501)	(22 089)	11%	(403 002)
Finance charges		-	-			-	-	-		-
Transfers and Grants		(4 784)	(1 230)	(1 230)	(140)	(567)	(615)	(48)	8%	(1 230)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(51 371)	(3 288)	(3 288)	35 862	29 561	(1 644)	(31 206)	1898%	(3 288)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		-
Decrease (Increase) in non-current debtors		-						-		-
Decrease (increase) other non-current receivables			-				-	-		
Decrease (increase) in non-current investments		-	-		8 328	8 328		8 328	#DIV/0!	
Payments										
Capital assets		(7 763)	(8 135)	(8 135)	(238)	(4 580)	(2 712)	1 868	-69%	(8 135)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(7 763)	(8 135)	(8 135)	8 090	3 748	(2 712)	(6 460)	238%	(8 135)
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		(59 134)	(11 423)	(11 423)	43 952	33 310	(4 356)			(11 423)
Cash/cash equivalents at beginning:		169 768	154 555	154 555		169 821	154 555			169 821
Cash/cash equivalents at month/year end:		110 634	143 131	143 131		203 131	150 199			158 398

The municipal bank balance at 31 December 2020 totals R5 131 020.17 and the short term deposits balance was R198 000 000.00, therefore the total cash and cash equivalents amounts to R203 131 020.20.

More detailed information regarding the cash position is tabled below that is giving a breakdown of the commitments against the cash of council:

REPORTING MONTH: 31 DECEMBER 2020		
Commitments against Cash & Cash Equivalents		
ITEM	Previous Month R'000	Current Month R'000
Bank balance as at 31 December 2020	31 821 427,06	5 131 020,17
Other Cash & Cash Equivalents: Short term deposits	138 000 000,00	198 000 000,00
Total Cash & Cash Equivalents:	169 821 427,06	203 131 020,17
LESS:	84 004 353,35	128 518 556,59
Unspent Conditional Grants	5 207 021,15	5 207 021,15
Provision for staff leave	13 904 229,27	13 904 229,27
Provision for bonus	3 924 018,00	3 924 018,00
Post Retirement Benefits	37 463 916,00	37 463 916,00
Performance Bonus	1 131 246,00	1 131 246,00
Grant received in advance	-	38 978 250,00
Trade Payables	2 487 682,68	2 886 444,00
YTD Unspent Capital budget	-	-
YTD Unspent Operational budget	19 886 240,25	25 023 432,17
Sub total	85 817 073,71	74 612 463,58
PLUS:	10 158 539,00	10 158 539,00
VAT Receivable	2 148 048,00	2 148 048,00
Receivable Exchange	8 010 491,00	8 010 491,00
	95 975 612,71	84 771 002,58
LESS OTHER MATTERS:		
Capital Replacement Reserve	31 856 144,00	31 856 144,00
Employee Benefits Reserves	33 429 212,00	33 429 212,00
Sub Total	30 690 256,71	19 485 646,58
LESS: CONTINGENT LIABILITIES	7 503 441,00	7 503 441,00
Barry Louis Rae Trust	4 500 000,00	4 500 000,00
Portion of Portion 2 of Farm 238, Hooggekraal	353 441,00	353 441,00
Labour disputes	2 650 000,00	2 650 000,00
Recalculated available cash balance	23 186 815,71	11 982 205,58

PART 2 – SUPPORTING DOCUMENTATION

SECTION 5 – DEBTORS' ANALYSIS

Supporting Table SC3

DC4 Garden Route - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter

Description	NT Code	Budget Year 2020/21										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Ex change Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Ex change Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Non-ex change Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Ex change Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Ex change Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Ex change Transactions - Property Rental Debtors	1700	-	-	-	-	0	60	-	(48)	12	12	-	-
Interest on Arrear Debtor Accounts	1810	231	227	229	228	222	233	1 766	2 273	5 408	4 721	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	1 169	597	517	178	758	1 283	4 509	22 907	31 919	29 636	-	-
Total By Income Source	2000	1 400	824	746	406	980	1 576	6 276	25 132	37 340	34 369	-	-
2019/20 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	(108)	200	32	103	57	254	476	1 267	2 279	2 156	-	-
Commercial	2300	-	-	-	-	-	-	-	-	-	-	-	-
Households	2400	(1)	-	-	0	-	-	-	-	(1)	0	-	-
Other	2500	1 510	624	715	303	923	1 323	5 800	23 865	35 062	32 214	-	-
Total By Customer Group	2600	1 400	824	746	406	980	1 576	6 276	25 132	37 340	34 369	-	-

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 fire section have implemented an electronic system which will assist in the future with disputes.

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 6 – CREDITORS' ANALYSIS

Supporting Table C4

DC4 Garden Route - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter

Description		NT Code	Budget Year 2020/21								Prior year totals for chart (same period)
			0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	39	859	31	3	34	151	356	24	1 497	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	12	1	-	-	-	-	12	-
Total By Customer Type	1000	39	859	43	3	34	151	356	24	1 509	-

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 7 – INVESTMENT PORTFOLIO ANALYSIS

7.1 Investment monitoring information

The municipality invest access funds on a 30 days' short-term investment period in order to maximise the interest received and to have cash readably available when needed and is done in line with the Cash Management and Investment Policy of council.

Departments provide cash flow projections on spending to the finance department, which enables the finance department to accurately perform cash flow projections.

This should be done in line with the Cash Management and Investment policy of council.

	Balance as at 01 December 2020	Movements for the month			Balance as at 31 December 2020	Interest earned Month	Interest earned Year to date
		Investments matured	Investments made	Interest capitalised			
Garden Route District Municipality							
Interest Received YTD					-		
Standard Bank	46 000 000,00	-	20 000 000,00		66 000 000,00	-	383 480,81
Investec Bank	-	-	-		-	-	48 497,25
ABSA	40 000 000,00	-	-		40 000 000,00	-	309 759,24
Nedbank	46 000 000,00	-	20 000 000,00		66 000 000,00	-	312 833,42
FNB	6 000 000,00	-	20 000 000,00		26 000 000,00	-	15 623,00
Standard Bank - Bank Guarantee investment investment	-				-	-	-
BANK DEPOSITS	138 000 000,00	-	60 000 000,00	-	198 000 000,00	-	1 070 193,72

SECTION 8 – ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

8.1 Supporting Table C6

DC4 Garden Route - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q2 Second Quarter

Description		Ref	2019/20	Budget Year 2020/21							
			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	168 297	172 793	52 903	129 249	86 397	42 234	48,9%	172 793
Local Government Equitable Share			151 237	162 480	165 707	51 971	125 087	82 854	42 234	51,0%	165 707
Finance Management			1 000	1 000	1 000	–	1 000	500			1 000
Municipal Systems Improvement			–	300	300			150			300
EPWP Incentive			1 021	2 072	2 072	932	1 450	1 036			2 072
NT - Rural Roads Asset Management Systems			2 425	2 445	3 714	–	1 712	1 857			3 714
Fire Service Capacity Building Grant		3	1 483								–
									–		
									–		
									–		
									–		
Other transfers and grants [insert description]									–		
Provincial Government:			14 810	3 400	7 676	–	900	3 838	(2 738)	-71,3%	7 676
PT - Integrated Transport Plan			1 800	900	1 800	–	900	900	–		1 800
PT - WC Support Grant			1 450	400	400			200			400
PT - Disaster Management Grant			10 000		80			40	(40)	-100,0%	80
PT - WC Support Grant		4	360		2 473			1 237	(1 237)	-100,0%	2 473
PT - Safety Plan Implementation (WOSA)			1 200	2 100	2 923	–		1 461	(1 461)	-100,0%	2 923
PT - WC Support Grant - Risk Management									–		
District Municipality:			–	–	–	–	–	–	–		–
[insert description]									–		
									–		
Other grant providers:			–	–	–	–	–	–	–		–
[insert description]									–		
									–		
Total Operating Transfers and Grants		5	171 976	171 697	180 469	52 903	130 149	90 234	39 496	43,8%	180 469

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

8.2 Supporting Table C7

DC4 Garden Route - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q2 Second Quarter

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		161 684	168 297	172 793	364	2 735	86 397	(83 662)	-96,8%	172 793
Local Government Equitable Share		157 370	162 480	165 707			82 854	(82 854)	-100,0%	165 707
Finance Management		1 000	1 000	1 000	58	364	500	(136)	-27,1%	1 000
Municipal Systems Improvement		–	300	300	39	298	150	148	98,8%	300
EPWP Incentive		1 629	2 072	2 072	266	2 072	1 036	1 036	100,0%	2 072
NT - Rural Roads Asset Management Systems			2 445	3 714	–		1 857	(1 857)	-100,0%	3 714
Fire Service Capacity Building Grant		1 685						–		–
Other transfers and grants [insert description]								–		
Provincial Government:		14 810	3 400	7 676	324	324	3 838	(3 514)	-91,6%	7 676
PT - Integrated Transport Plan		1 800	900	1 800	–		900	(900)	-100,0%	1 800
PT - Disaster Management Grant		10 000		80	–		40	(40)	-100,0%	80
PT - WC Support Grant		1 450	400	400	73	73	200	(127)	-63,4%	400
PT - Safety Plan Implementation (WOSA)		1 200	2 100	2 923	–	–	1 461	(1 461)	-100,0%	2 923
PT - WC Support Grant - Risk Management		360		2 473	251	251	1 237	(986)	-79,7%	2 473
District Municipality:		–	–	–	–	–	–	–		–
<i>[insert description]</i>								–		
Other grant providers:		–	–	–	–	–	–	–		–
<i>[insert description]</i>								–		
Total operating expenditure of Transfers and Grants:		176 494	171 697	180 469	687	3 058	90 234	(87 176)	-96,6%	180 469

Performance reporting on grants will be enhanced to ensure compliance with the Division of Revenue Act that stipulates reporting on all grant performance should be done from the receiving officer. RSC Equitable Share is an unconditional grant hence the day-to-day running of the business are dependent on it.

SECTION 9 – 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 - Q2 Second Quarter

B04 Garden Route - Supporting Table 006 Monthly Budget Statement - Councillor and Staff Benefits - Q2 Second Quarter										
Summary of Employee and Councillor remuneration	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		9 340	11 298	11 298	641	4 229	5 649	(1 420)	-25%	11 298
Pension and UIF Contributions		54	242	242	8	42	121	(79)	-65%	242
Medical Aid Contributions		49	78	78	8	39	39	(0)	0%	78
Motor Vehicle Allowance		86	776	776	–	26	388	(362)	-93%	776
Cellphone Allowance		568	515	515	51	311	258	54	21%	515
Housing Allowances		–	451	451	–	–	226	(226)	-100%	451
Other benefits and allowances		–					–	–		
Sub Total - Councillors		10 097	13 360	13 360	707	4 647	6 680	(2 033)	-30%	13 360
% increase	4		32,3%	32,3%						32,3%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4 442	4 390	4 390	487	2 833	2 195	638	29%	4 390
Pension and UIF Contributions		161	161	161	0	15	80	(66)	-82%	161
Medical Aid Contributions		124	105	105	4	24	53	(28)	-54%	105
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		838	–	–	–	–	–	–		–
Motor Vehicle Allowance		805	804	804	41	285	402	(117)	-29%	804
Cellphone Allowance		111	142	142	9	54	71	(17)	-24%	142
Housing Allowances		194	–	–	–	–	–	–		–
Other benefits and allowances		(211)	770	770	0	1	385	(384)	-100%	770
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		6 464	6 371	6 371	542	3 212	3 185	27	1%	6 371
% increase	4		-1,4%	-1,4%						-1,4%
Other Municipal Staff										
Basic Salaries and Wages		86 899	147 256	147 721	13 026	78 833	73 861	4 972	7%	147 721
Pension and UIF Contributions		13 210	24 724	24 724	2 202	11 332	12 362	(1 030)	-8%	24 724
Medical Aid Contributions		10 314	19 854	19 854	1 384	7 544	9 927	(2 382)	-24%	19 854
Overtime		3 045	4 080	4 080	360	1 285	2 040	(755)	-37%	4 080
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		6 906	9 079	9 079	794	5 714	4 539	1 174	26%	9 079
Cellphone Allowance		198	122	122	9	48	61	(13)	-21%	122
Housing Allowances		1 311	2 351	2 351	200	1 062	1 175	(113)	-10%	2 351
Other benefits and allowances		2 641	17 379	17 379	1 805	11 178	8 689	2 489	29%	17 379
Payments in lieu of leave		6 064	–	–	641	4 977	–	4 977	#DIV/0!	–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	2 866	8 292	8 292	532	3 217	4 146	(929)	-22%	8 292
Sub Total - Other Municipal Staff		133 454	233 137	233 602	20 955	125 192	116 801	8 391	7%	233 602
% increase	4		74,7%	75,0%						75,0%
Total Parent Municipality		150 014	252 868	253 333	22 204	133 050	126 666	6 384	5%	253 333

Remuneration related expenditure for the 2nd quarter ended 31 December 2020 amounted to **R72,330,453** of an adjusted budgeted amount of **R254,839,897** that represents **28%** of the budgeted amount.

SECTION 10 – MATERIAL VARIANCES TO THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The measurement of performance of the Municipality in terms of the implementation of the Service Delivery and Budget Implementation plan are dealt with separately.

SECTION 11 – CAPITAL PROGRAMME PERFORMANCE

The table below provides information on capital budget spending:



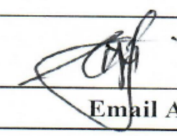
SCOA config	Nr	Project description	Cost centre	Adjusted budget R'	YTD Expenditure R'	Year to date Budget	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?	What measures are in place to remedy the existing challenges.
71018103001	1	Land	1018	4 800 000,00	3 964 879,32	2 400 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71110240001	2	Office Chair	1018	30 000,00		15 000,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307102403	3	Upgrade outdated Disaster Recovery Hardware	1307	317 300,00		158 650,00	In Process	Order issued to supplier	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.
71307102418	4	Replace Access Control and Time and Attendance devices to ha	1307	282 163,00	19 130,40	141 081,50	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307102422	5	Additional Laptops (15)	1307	199 837,00	199 836,00	99 918,50	Completed	Completed	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.
71307104107	6	Replace outdated Access Points	1307	10 300,00	10 260,87	5 150,00	Completed	Completed	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.
71307104118	7	Printers	1307	29 700,00		14 850,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71308102201	8	Pool Vehicle	1308	300 000,00	233 559,00	150 000,00	In Process	Order issued to supplier	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.
71314410001	9	Big Scanner Machine and Projector	1314	30 000,00		15 000,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71316102401	10	Ergonomic Chairs for employees with special needs	1316	50 000,00	14 429,00	25 000,00	In Process	Order issued to supplier	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.
71316103101	11	Fire Alarm System (Mission street): OHS	1316	250 000,00		125 000,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71316240001	12	Evacuation Chairs	1316	20 000,00	6 903,04	10 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71402240001	13	Furniture: LED/Tourism	1402	30 000,00	24 154,85	15 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
72205160001	14	Calitzdorp Spa Roof's	2205	1 500 000,00		750 000,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307104119	15	24 prt Gigabyte POE injectors	1307	11 970,00	11 965,22	5 985,00	Completed	Completed	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.
71307104120	16	QNAP 8-Bay NAS	1307	43 730,00	42 801,00	21 865,00	Completed	Completed	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.
71307104121	17	Insurance / Uneconomical to repair	1307	30 000,00	4 940,00	15 000,00	In Process	Order issued to supplier	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.
71018104102	18	Upgrading of Multimedia Council Chambers	1018	80 000,00	46 940,00	40 000,00	In Process	Order issued to supplier	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.
71018102405	19	Office Furniture: Bitou - Mayor Office	1018	50 000,00	0,00	25 000,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71018104006	20	Laundry Machines	1018	65 000,00	0,00	32 500,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71018104007	21	Key Safe Boxes	1018	5 000,00	0,00	2 500,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.to the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
Totals				8 135 000,00	4 579 796,70	4 067 500,00				
Project status: If the project is in the SCM process of being procured. Please state in which stage (planning, specification, advertising, etc)										
Commitments against capital for the month December 2020										
71307104121	17	Insurance / Uneconomical to repair	1307		10 738,00					
71307102418	4	Replace Access Control and Time and Attendance devices to ha	1307		262 337,47					
71307102403	3	Upgrade outdated Disaster Recovery Hardware	1307		315 693,76					
		Total Commitments			588 769,23					

SECTION 12 – OPERATIONAL PROJECTS PERFORMANCE

Refer to table below for the actual expenditure against the budgeted amounts for the largest operational projects budgeted for in the 2020/21 financial year:

Project code & name	Total Adjusted Budget 2020/21	Year to date actual at the end of the 2nd Quarter 2020/21	% Spent
COM01 Blue Flag Beach application and operational costs	26 000,00	-	0,00%
COM02 Incentives and awareness	71 052,00	-	0,00%
COM04 Social assistance	110 000,00	-	0,00%
COM06 Annual Garden Route Environmental forum	22 500,00	-	0,00%
COM07 GREF database maintenance and development	100 000,00	41 680,00	0,00%
COM32 Awareness Campaign: Home Composting Pilot Project	30 000,00	7 952,83	26,51%
COM33 Integrated Waste Management Plan Review	78 000,00	-	0,00%
COM34 Waste minimization strategy	1 816 550,00	16 075,00	0,88%
COR11 External Bursaries	205 000,00	196 550,00	95,88%
COR13 Training	1 050 000,00	687 120,41	65,44%
COR33 Medical Examination	110 000,00	77 459,48	70,42%
COR41 Unemployed Training (EPWP)	200 000,00	179 342,76	89,67%
MM005 Barnowl Risk System	49 200,00	-	0,00%
MM007 Organisational Performance Management	516 000,00	312 000,00	60,47%
MM020 Christmas Hampers	150 000,00	-	0,00%
MM023 Women in Business	80 000,00	6 575,00	8,22%
MM024 Grant in Aid	100 000,00	5 000,00	5,00%
MM025 Donations and Sponsor of Sport Equipment	200 000,00	40 000,00	20,00%
MM038 Youth Development	140 000,00	-	0,00%
PED01 SCEP	100 000,00	100 000,00	100,00%
PED02 Growth & Development Strategy	75 000,00	75 000,00	100,00%
PED03 Film Office	150 000,00	150 000,00	100,00%
PED05 SME Support Programme	900 000,00	400 000,00	44,44%
PED12 Namibia Tourism Expo	10 000,00	-	0,00%
PED17 Cater Care Project	400 000,00	-	0,00%
PED22 Fresh produce market	500 000,00	-	0,00%
PED29 IDP Rep Forum	112 500,00	52 883,39	47,01%
PED30 Public Participation	5 000,00	650,00	13,00%
PED62 EPWP Grant	2 072 000,00	2 224 327,24	107,35%
PED63 EPWP Manager section (running costs)	3 357 511,00	340 501,28	10,14%
Totals:	12 736 313,00	4 913 117,39	38,58%

SECTION 13 – SECTION 11 WITHDRAWALS

 PROVINCIAL TREASURY Withdrawals from Municipal Bank Accounts In accordance with Section 11, Sub-section 1 (b) to (j) 		
NAME OF MUNICIPALITY:	GARDEN ROUTE DISTRICT MUNICIPALITY	
MUNICIPAL DEMARCATION CODE:	DC4	
QUARTER ENDED:	31 DECEMBER 2020	
MFMA section 11. (1) Only the <i>accounting officer</i> or the <i>chief financial officer</i> of a <i>municipality</i> , or any other senior financial <i>official</i> of the <i>municipality</i> acting on the written authority of the <i>accounting officer</i> may withdraw money or authorise the withdrawal of money from any of the <i>municipality's</i> bank accounts, and may do so only - (b) to defray expenditure authorised in terms of section 26(4); (c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1); (d) in the case of a bank account opened in terms of section 12, to make payments from the account in accordance with subsection (4) of that section; (e) to pay over to a person or organ of state money received by the <i>municipality</i> on behalf of that person or organ of state, including - (i) money collected by the <i>municipality</i> on behalf of that person or organ of state by agreement; or (ii) any insurance or other payments received by the <i>municipality</i> for that person or organ of state; (f) to refund money incorrectly paid into a bank account; (g) to refund guarantees, sureties and <i>security</i> deposits; (h) for cash management and <i>investment</i> purposes in accordance with section 13; (i) to defray increased expenditure in terms of section 31; or (j) for such other purposes as may be <i>prescribed</i> . 4) The <i>accounting officer</i> must within 30 days after the end of each <i>quarter</i> - (a) table in the <i>municipal council</i> a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that <i>quarter</i> ; and (b) submit a copy of the report to the relevant <i>provincial treasury</i> and the <i>Auditor-General</i> .	Amount	Reason for withdrawal
	none	
	none	
	none	
	none	
	none	
	none	
	none	
	R 108 000 000,00	Investments made for the 2nd Quarter
	R 99 511 588,48	Quarter 2 expenditure
Name and Surname: M Stratu Rank/Position: Municipal Manager Signature: 		
	Fel number	Fax number
	044 803 1340	
		Email Address geraldine@gardenroute.gov.za

The completed form must reach Mr Edwin Nkuna at the Provincial Treasury, Private Bag x 9165, 7 Wale Street, Cape Town, 8000, Tel: 021 483 8662, Fax 021 483 8623, Email: enkuna@pgwc.gov.za on or before the 15th of the month following the end of each quarter.

SECTION 14 – MUNICIPAL MANAGER’S QUALITY CERTIFICATE



54 York Street,
George
Western Cape
6529

PO Box 12,
George,
Western Cape
6530

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

OFFICE OF THE MUNICIPAL MANAGER

Enquiries: Jan-Willem De Jager
Reference: 6/1/1 – 20/21
Date: 6 January 2021

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 quarter ended **31 December 2020**, has been prepared in accordance with the Municipal Finance Management Act (Act 56 of 2003) and regulations made under the Act.

Print Name LASANDA MEMLE

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

Signature 

Date 21/01/2021



PERFORMANCE MANAGEMENT

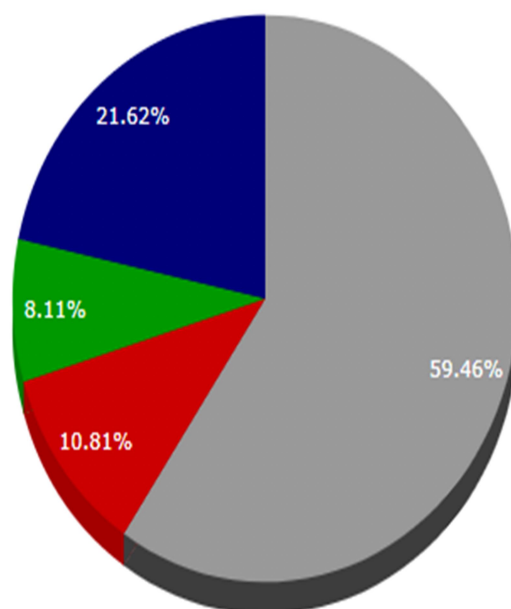
Quarter 2

October – December 2020

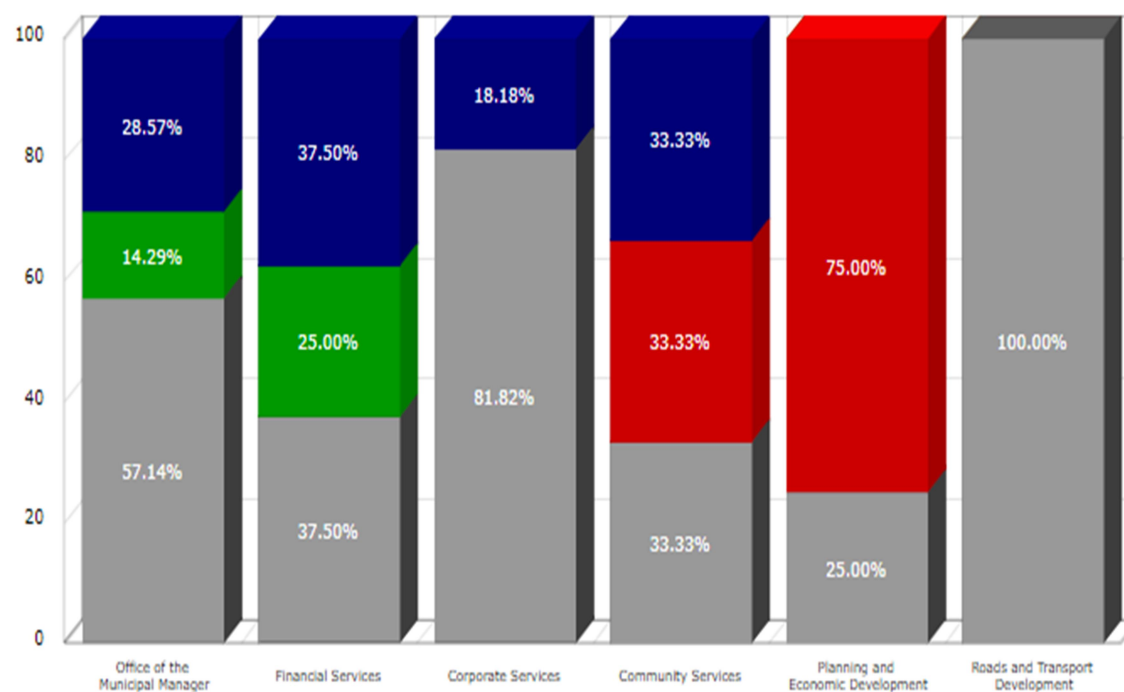
Top Layer KPI Report

Report drawn on 10 January 2021 at 20:54
for the months of Quarter ending December 2020 to Quarter ending December 2020.

Garden Route District Municipality



Responsible Directorate



	Garden Route District Municipality	Responsible Directorate					
		Office of the Municipal Manager	Financial Services	Corporate Services	Community Services	Planning and Economic Development	Roads and Transport Development
■ Not Yet Applicable	22 (59.46%)	4 (57.14%)	3 (37.50%)	9 (81.82%)	1 (33.33%)	1 (25.00%)	4 (100.00%)
■ Not Met	4 (10.81%)	-	-	-	1 (33.33%)	3 (75.00%)	-
■ Almost Met	-	-	-	-	-	-	-
■ Met	3 (8.11%)	1 (14.29%)	2 (25.00%)	-	-	-	-
■ Well Met	-	-	-	-	-	-	-
■ Extremely Well Met	8 (21.62%)	2 (28.57%)	3 (37.50%)	2 (18.18%)	1 (33.33%)	-	-
Total:	37	7	8	11	3	4	4
	100%	18.92%	21.62%	29.73%	8.11%	10.81%	10.81%

The detailed breakdown of this performance is recorded under Annexure A below.

Annexure A

OFFICE OF THE MUNICIPAL MANAGER								
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2020			
					Target	Actual	R	Corrective Measures
TL1	Submit an OPCAR progress report to the MANCOM on a quarterly basis	Number of progress reports submitted to MANCOM quarterly	Good Governance	4	1	1	G	
TL2	Submit the Top layer SDBIP for 2020/21 for approval by the Mayor within 14 days after the budget has been approved	Top Layer SDBIP for 2020/21 submitted to the Mayor within 14 days after the budget has been approved	Good Governance	1	0	0	N/A	
TL3	Draft the annual performance report for 2019/20 and submit to the Auditor General by 31 August 2020	Annual performance report for 2019/20 drafted and submitted to the Auditor General by 31 August 2020	Good Governance	1	0	1	B	
TL4	Develop Individual Performance Management Score cards for the three levels of the Employment Equity Categories by June 2021	Number of Individual Performance Management Scorecards developed by June 2021	Good Governance	0	120	220	B	
TL5	Review the organizational strategic risk register(top 10) and submit to Council by 31 May 2021	Reviewed organizational strategic risk register submitted to Council by 31 May 2021	Good Governance	0	0	0	N/A	
TL6	Review the Risk based audit plan (RBAP) for 2021/22 and submit to the Audit Committee for consideration by 30 June 2021	RBAP for 2021/22 reviewed and submitted to the Audit Committee by 30 June 2021	Good Governance	1	0	0	N/A	

TL7	The percentage of the municipal capital budget spent on capital projects by 30 June 2021 (Actual amount spent on capital projects /Total amount budgeted for capital projects)	% of capital budget spent by 30 June 2021	Financial Viability	95.00%	0.00%	0.00%	N/A
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CORPORATE SERVICES

KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2020			
					Target	Actual	R	Corrective Measures
TL8	Report quarterly to Council on the revision of the Human Resource Policies of the Organization	Number of reports submitted to Council	Good Governance	4	1	3	B	
TL9	Number of people from employment equity target groups that will be appointed in the three highest levels of management during the 2020/21 financial year in compliance with the municipality's approved employment equity plan(senior officials & managers	Number of people that will be appointed in the three highest levels of management in compliance with a municipality's approved employment equity plan(senior officials & managers,professionals,technicians and associate professionals)	A Skilled workforce and Community	1	0	0	N/A	
TL10	Spent 0.5% of personnel budget on training by 30 June 2021 (Actual total training expenditure divided by total personnel budget)	% of the personnel budget spent on training by June 2021	A Skilled workforce and Community	0.5%	0%	0%	N/A	
TL11	Limit vacancy rate to 10% of budgeted post by 30 June 2021 (Number of funded posts vacant divided by number of budgeted funded posts)	% vacancy rate	A Skilled workforce and Community	10%	0%	0%	N/A	

TL12	Review the organizational structure and submit to Council by 30 June 2021	Organizational structure reviewed and submitted to Council by 30 June 2021	A Skilled workforce and Community	1	0	0	N/A	
TL13	Compile a Fleet Management Policy for the Organization and submit to Council for approval by March 2021	Fleet Management Policy developed and submitted to Council by March 2021	Good Governance	1	0	0	N/A	

CORPORATE SERVICES								
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2020			
					Target	Actual	R	Corrective Measures
TL14	Award 16 external bursaries to qualifying candidates by 31 March 2021	Number of external bursaries awarded by March 2021	A Skilled workforce and Community	16	0	0	N/A	
TL15	Create training opportunities for EPWP employees(hard labour) by June 2021	Number of training opportunities created for EPWP appointees by June 2021	A Skilled workforce and Community	50	0	0	N/A	
TL16	Develop a security policy for the municipality and submit to Council for adoption by 30 March 2021	Developed security policy submitted to Council by 30 March 2021	Good Governance	1	0	0	N/A	

TL17	Report to Council on the execution of Council resolutions quarterly	Number of reports submitted to Council on a quarterly basis	Good Governance	4	1	2	B	
TL18	Develop a implementation plan for the Skills Mecca concept and submit to Mancom by 30 June 2021	Implementation Plan Developed and submitted to Mancom by 30 June 2021	A Skilled workforce and Community	1	0	0	N/A	

PLANNING AND ECONOMIC DEVELOPMENT								
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2020			
					Target	Actual	R	Corrective Measures
TL19	Development of a Growth and Development Strategy and submit to Council by December 2020	Growth and Development Strategy developed and submitted to Council by December 2020	Local Economic Development	0	1	0	R	Target has been partially achieved Draft 3 of the Document has been completed. Consultation had to be postponed due to Covid 19.

PLANNING AND ECONOMIC DEVELOPMENT								
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2020			
					Target	Actual	R	Corrective Measures
								Document will serve at Council by March 2021
TL20	Create job opportunities through the Expanded Public Works Programme (EPWP) for the organization (GRDM) by 30 June 2021	Number of Job opportunities created through the Expanded Public Works Programme (EPWP) by 30 June 2021	Grow an Inclusive District Economy	325	0	0	N/A	
TL21	Development of an Investment Prospectus and submit to Council by December 2020	An Investment Prospectus developed and submitted to Council by December 2020	Grow an Inclusive District Economy	New KPI	1	0	R	Investment Prospectus has been completed but has not yet served at Council. Will serve at Council in February 2021
TL22	Compile and submit the final annual report and oversight report for 2019/2020 to Council by 31 December 2020	Final annual report and oversight report for 2019/2020 submitted to Council by 31 December 2020	Good Governance	1	1	0	R	The Draft unaudited 2019/2020 Annual Report was tabled to Council on 30 October 2020. Due to COVID-19 National Treasury issued a notice on 5 August 2020 to give exemption to comply with the MFMA which gave permission to municipalities to comply within two months after the deadline provided in

PLANNING AND ECONOMIC DEVELOPMENT								
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2020			
					Target	Actual	R	Corrective Measures
								<p>the MFMA. Final Annual Report and oversight report will be tabled in March 2021.</p> <p>The target for this KPI will be adjusted to align it with the submission requirements.</p>

COMMUNITY SERVICES								
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2020			
					Target	Actual	R	Corrective Measures
TL23	Job creation through the construction and operation of the Regional Landfill facility	Number of Jobs created by 30 June 2021	A Skilled workforce and Community	New KPI	50	0	R	The Landfill site is not yet operational and the reasons for the delays have been communicated to council and relevant stakeholders. This target might not be achieved.
TL24	Compile a strategy to address the inadequate emergency equipment and submit to MANCOM by 31 March 2021	Strategy submitted to MANCOM by March 2021	Promote sustainable environmental management and public safety	New KPI	0	0	N/A	
TL25	Raise Public Health Covid 19 awareness through 8 sessions with the communities by 30 June 2021	Number of sessions held by 30 June 2021	Healthy and Socially Stable Communities	New KPI	2	5	B	

ROADS AND TRANSPORT SERVICES								
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2020			
					Target	Actual	R	Corrective Measures
TL26	Job creation through the Roads Services by June 2021	Number of Jobs created by 30 June 2021	A Skilled workforce and Community	New KPI	0	0	N/A	
TL27	Spent 95% of the roads budget allocation by 30 June 2021(Actual expenditure divided by approved allocation received)	% of the roads spent by 30 June 2021	Financial Viability	94%	0	0	N/A	
TL28	Reseal 31.24 km of roads by 30 June 2021	Number of km's of roads resealed	Bulk Infrastructure and Co-ordination	26.31	0	0	N/A	
TL29	Regravel 32.73 km of roads by 30 June 2021	Number of km's of roads re-graveled by 30 June 2021	Bulk Infrastructure and Co-ordination	33.06	0	0	N/A	

FINANCIAL SERVICES								
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2020			
					Target	Actual	R	Corrective Measures
TL30	Financial viability measured in terms of the available cash to cover fixed operating expenditure by 30 June 2021 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding.....	Number of months that available cash is sufficient to cover the monthly operating expenditure(Audit AFS)	Financial Viability	5.20	3	6.60	B	
TL31	Submit the review of the Long Term Financial Plan to Council to address the financial sustainability of Garden Route District Municipality by December 2020	Long Term Financial Plan submitted to Council by December 2020	Financial Viability	0	1	1	G	
TL32	Achieve a current ratio of 1 (Current assets : Current liabilities)	Number of times the municipality can pay back its short term-liabilities with its short-term assets	Financial Viability	1	1	5	B	

FINANCIAL SERVICES								
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Quarter ending December 2020			
					Target	Actual	R	Corrective Measures
TL33	Develop a Strategic Plan to address the minimization of the use of Consultants within the Department and submit to MANCOM by December 2020	Strategic Plan submitted to MANCOM by December 2020	Good Governance	0	1	1	G	
TL34	Financial viability measured in terms of the municipality's ability to meet its service debt obligations by 30 June 2021((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Op	% of debt coverage	Financial Viability	30.00%	0.00%	0.00%	N/A	
TL35	Compilation of mid-term(first six months of the financial year)Financial Statements(AFS) for the 2020/2021 financial year and submit to Mancom by 28 February 2021	Compilation and submission of the AFS by 28 February 2021	Financial Viability/Good Governance	1	0	0	N/A	
TL36	Compilation of the Annual Financial Statements(AFS) for the 2019/2020 financial year and submit to the Auditor General(AG) by 31 August 2020	Compilation and submission of the AFS to the AG by 31 August 2020	Financial Viability/Good Governance	1	0	1	B	
TL37	Annual review of the SCM policy to consider appropriate amendments to support the EPWP mandate(report submitted to Council in May)	Annual review of the SCM policy and report submitted to Council by May 2021	A Skilled workforce and Community	0	0	0	N/A	

