



2020/2021
FINANCIAL YEAR

MONTHLY FINANCIAL MONITORING REPORT

M06: 31 DECEMBER 2020



Garden Route District Municipality
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Glossary:

Adjusted 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 Adjusted 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. Adjusted 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 approved by Council through an Adjustments Budget.

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

Legislative Framework:

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

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

Section 71: Monthly budget statements

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

PART 1 – IN-YEAR REPORT

Section 1 – Resolutions

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

Regulation 28 of the Municipal Budget and Reporting Regulations states:

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

Recommendations:

- That Council takes note of the monthly budget statement and supporting documentation for the month ended 31 December 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 Adjusted Budget

Revenue by source

The total revenue received for the month ended 31 December 2020 amounted to **R67,194,876** which represents **17%** of the total adjusted budgeted figure of **R400,944,011 (including Roads)**.

Operating Expenditure by type

Operating expenditure for the month ended 31 December 2020 amounted to **R31,332,565**, with a total adjusted budgeted figure of **R410,004,313 (including Roads)**, the operational expenditure for the month is **8%** of the total adjusted budget. The majority of the expenditure related to Employee and Councillor related cost of **R22,203,968 (71%** of the monthly expenditure).

Capital Expenditure

The adjusted capital budget for the financial year amounts to **R8,135,000**. The total capital expenditure for the month ended 31 December 2020 amounts to **R238,499** which represents **3%** of the total adjusted capital budget.

Refer to pages 15 - 21 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. Variances above 10% are briefly explained under the revenue by source and expenditure by type sections below.

2.4 Remedial or corrective steps

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

Conclusion

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

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

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

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

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

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

DC4 Garden Route - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	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)

Reporting per municipal vote provide details on the spread of spending over the various functions of council. Revenue is mainly budgeted under the Executive and Council function and therefore the majority of the revenue will be reflected under this function. The integration of the Roads Agency function into the budget of Garden Route DM reflects under the Roads Transport municipal function above.

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

DC4 Garden Route - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

B04 Garden Route - Table B4 Monthly Budget Statement - Financial Performance (Revenue and Expenditure) - 3006 December										
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 assisted)										
(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:

The income for rental of facilities and equipment reported for the month ended 31 December 2020 amounts to R82 158. The actual performance is -83% lower than the year-to-date budget, 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.

Interest earned – External Investments:

Reflects the interest earned in respect of surplus funds not immediately needed in the operations of the municipality over the short-term period. Interest on external investments for the month ended 31 December 2020 amounts to R47,453, 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% lower than 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

The interest on outstanding debtors for the month of 31 December 2020 amounts to R231,259. Majority of the debtors are firefighting debtors.

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. The revenue from agency services was R12,085,946 for the month ended 31 December 2020.

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 are the performance for

year to date in line with 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.

Other revenue / Sundry income

Other revenue reflects an amount of R53,807,364 for the month ended 31 December 2020. Other revenue mostly consists of the following: Fire Services and Health Services. The equitable share of R51.9m is mapped under 'Other revenue' by National Treasury and therefore it was reported as such, the municipality has noted this in letters 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 (councillors and staff) for the month ended 31 December 2020 amounted to R22,203,968 of an adjusted budgeted amount R254,839,897 that represents 9% of the budgeted amount and 71% of the monthly expenditure.

Debt Impairment / Depreciation and asset impairment

Depreciation recorded for the month ended 31 December 2020 amounts to R389,071.

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. The Asset Verification module has been implemented – the GRAP implementation testing will be done in January 2021.

Other materials

Other materials consists of all inventory consumed purchases for materials and supplies and amounts to R2,301,259 for the month 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 level 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 6 months.

Contracted services

The contracted services for the month ended 31 December 2020 amounts to R 2,915,218 against an adjusted budgeted amount of R38,021,778. The municipality were closed since lockdown and gradually returned to work as the lockdown level were eased. The actual performance is -40% lower than the year-to-date budget, the procurement of goods and services are expected to increase over the next 6 months.

Transfers and subsidies

The transfers and subsidies expenditure for the month ended 31 December 2020 amounts to R140,000 against an adjusted budgeted amount of R 1,230 000. The municipality were closed since lockdown and gradually returned to work as the lockdown level were eased. The actual performance is -8% lower than the year-to-date budget, the procurement of goods and services are expected to increase over the next 6 months.

Other expenditure

Other expenditure reflects all other expenses not specifically mentioned and amounts to R3,383,235 for month ended 31 December 2020. The municipality were closed since lockdown and gradually returned to work as the lockdown level were eased. The actual performance is -27% lower than the year-to-date budget, the procurement of goods and services are expected to increase over the next 6 months.

The other expenditure consists of the following:

- Operating costs
- Operating Projects (own funds)

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

DC4 Garden Route - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06
December

Vote Description	Ref	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

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.
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	4 579 798,70	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						

3.1.6 Table C6: Monthly Budget Statement - Financial Position

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

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

3.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC4 Garden Route - Table C7 Monthly Budget Statement - Cash Flow - M06 December

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									
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 R203,131,020.17.

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

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 4 – Debtors' analysis

Supporting Table SC3

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

Description		NT Code	Budget Year 2020/21										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
			0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total				
R thousands															
Debtors Age Analysis By Income Source															
Trade and Other Receivables from Exchange Transactions - Water		1200	-	-	-	-	-	-	-	-	-	-	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity		1300	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Non-exchange Transactions - Property Rates		1400	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Water Management		1500	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management		1600	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Property Rental Debtors		1700	-	-	-	-	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 5 – Creditors' analysis

Supporting Table C4

DC4 Garden Route - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

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	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	–	–	–	–	–	–	–	–	–	
Bulk Water	0200	–	–	–	–	–	–	–	–	–	
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	
Loan repayments	0600	–	–	–	–	–	–	–	–	–	
Trade Creditors	0700	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 reasons for long outstanding creditors include invoices not submitted by suppliers or unresolved disputes on certain invoices.

The municipality are continuously working towards resolving outstanding disputes on invoices and obtaining outstanding invoices.

Section 6 – Investment portfolio analysis

6.1 Investment monitoring information

	Balance as at 01 December 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							
<i>Interest Received YTD</i>					-		
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	-				-	-	-
BANK DEPOSITS	138 000 000,00	-	60 000 000,00	-	198 000 000,00	-	1 070 193,72

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

Section 7 – Allocation and grant receipts and expenditure

7.1 Supporting Table C6

DC4 Garden Route - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	Ref	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:										
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		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		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.

7.2 Supporting Table C7

DC4 Garden Route - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

DC4: Garden Route - Supporting table 3C7(1) Monthly Budget Statement - Transfers and grant expenditure - 3006 December										
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										
<u>EXPENDITURE</u>										
<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:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
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 are been done by the Chief Financial Officer in order to comply with the Division of Revenue Act.

The Equitable Share are used for the day to day running of the Municipality for example salaries, own funded projects and contracted services and is therefore unconditional and GRDM are dependent on it to sustain operations.

Section 8 – Expenditure on councillor and board members allowances and employee benefits

Supporting Table C8

DC4 Garden Route - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration		Ref	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%
% 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			—	—	—	—	—	—	—		—
Sub Total - Senior Managers of Municipality				6 464	6 371	6 371	542	3 212	3 185	27	1%
% increase		4		-1,4%	-1,4%						-1,4%
Other Municipal Staff		2									
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			2 866	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%
% 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 month ended 31 December 2020 amounted to R22,203,968.

Section 9 – Municipal manager’s quality certification



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OFFICE OF THE MUNICIPAL MANAGER

Enquiries: Louise Hoek
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

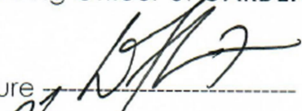
I, MG STRATU, the accounting officer of **GARDEN ROUTE DISTRICT MUNICIPALITY (DC4)**, hereby certify that the–

- ☐ **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 month 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 LUSANDA MEMZIE

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

Signature 

Date 7/01/2021