



2020/2021
FINANCIAL YEAR

MONTHLY FINANCIAL MONITORING REPORT

M07: 31 JANUARY 2021



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 accounting standards 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 January 2021.

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 January 2021 amounted to **R5,939,735** which represents **1.4%** of the total adjusted budgeted figure of **R400,944,011 (including Roads)**.

Operating Expenditure by type

Operating expenditure for the month ended 31 January 2021 amounted to **R29,710,164**, with a total adjusted budgeted figure of **R410,003,873 (including Roads)**, the operational expenditure for the month is **7.2%** of the total adjusted budget. The majority of the expenditure related to Employee and Councillor related cost of **R21,091,765 (71% of the monthly expenditure)**.

Capital Expenditure

The adjusted capital budget for the financial year amounts to **R8,135,000**. No new capital expenditure were recorded for the month ended 31 January 2021, but commitments to the amounts of **R619,655** are reflected for orders issued for purchases.

Refer to page 15 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 January 2021 will be presented under the different sections of the report.

Section 3 – In-year budget statement tables

3.1 Monthly budget statements

3.1.1 Table C1: S71 Monthly Budget Statement Summary

DC4 Garden Route - Table C1 Monthly Budget Statement Summary - M07 January

Description	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	1 313	2 915	8 220	(5 304)	-65%	14 091
Transfers and subsidies	73 348	174 269	34 252	–	5 062	19 980	(14 918)	-75%	34 252
Other own revenue	273 290	203 812	352 601	4 626	207 502	205 684	1 818	1%	352 601
Total Revenue (excluding capital transfers and contributions)	359 583	392 172	400 944	5 940	215 480	233 884	(18 404)	-8%	400 944
Employee costs	149 735	239 508	241 480	20 386	148 770	140 863	7 906	6%	241 480
Remuneration of Councillors	10 097	13 360	13 360	706	5 352	7 793	(2 441)	-31%	13 360
Depreciation & asset impairment	4 543	3 930	3 930	389	2 723	2 293	431	19%	3 930
Finance charges	–	–	–	–	–	–	–		–
Materials and bulk purchases	3 387	51 197	51 197	1 668	12 677	29 865	(17 188)	-58%	51 197
Transfers and subsidies	1 161	1 230	1 230	–	567	718	(151)	-21%	1 230
Other expenditure	183 972	92 007	98 807	6 561	39 599	57 637	(18 039)	-31%	98 807
Total Expenditure	352 894	401 232	410 004	29 710	209 688	239 169	(29 481)	-12%	410 004
Surplus/(Deficit)	6 690	(9 060)	(9 060)	(23 770)	5 792	(5 285)	11 077	-210%	(9 060)
Transfers and subsidies - capital (monetary alloc	–	–	–	–	–	–	–		–
Contributions & Contributed assets	424	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	7 114	(9 060)	(9 060)	(23 770)	5 792	(5 285)	11 077	-210%	(9 060)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	7 114	(9 060)	(9 060)	(23 770)	5 792	(5 285)	11 077	-210%	(9 060)
Capital expenditure & funds sources									
Capital expenditure	7 763	8 135	8 135	–	4 580	4 745	(166)	-3%	8 135
Capital transfers recognised	3 435	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	4 328	8 135	8 135	–	4 580	4 745	(166)	-3%	8 135
Total sources of capital funds	7 763	8 135	8 135	–	4 580	4 745	(166)	-3%	8 135
Financial position									
Total current assets	158 711	173 685	173 685		224 509				173 685
Total non current assets	248 198	314 316	314 316		218 914				314 316
Total current liabilities	20 253	74 604	74 604		44 020				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		320 845				268 545
Cash flows									
Net cash from (used) operating	(51 371)	(3 288)	(3 288)	(23 770)	5 792	(1 918)	(7 710)	402%	(3 288)
Net cash from (used) investing	(7 763)	(8 135)	(8 135)	(26 157)	(30 737)	(4 745)	25 991	-548%	(8 135)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	110 634	143 131	143 131	–	178 186	147 891	(30 295)	-20%	191 708
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	903	1 569	810	729	401	978	6 788	26 024	38 202
Creditors Age Analysis									
Total Creditors	19	6	159	30	3	34	505	26	783

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

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

Description	Ref	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	3 790	149 613	131 851	17 763	13%	226 030
Executive and council		207 582	217 030	225 802	3 790	149 583	131 718	17 866	14%	225 802
Finance and administration		848	228	228	—	30	133	(103)	-77%	228
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		6 415	9 330	9 330	2 024	3 258	5 443	(2 184)	-40%	9 330
Community and social services		—	—	—	—	—	—	—	—	—
Sport and recreation		6 021	8 656	8 656	1 979	3 063	5 050	(1 987)	-39%	8 656
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		393	674	674	45	196	393	(197)	-50%	674
<i>Economic and environmental services</i>		144 927	165 584	165 584	126	62 608	96 591	(33 983)	-35%	165 584
Planning and development		—	—	—	—	—	—	—	—	—
Road transport		144 851	165 473	165 473	126	62 554	96 526	(33 972)	-35%	165 473
Environmental protection		76	111	111	—	54	65	(11)	-17%	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	5 940	215 480	233 884	(18 404)	-8%	400 944
Expenditure - Functional										
<i>Governance and administration</i>		113 858	129 355	132 185	9 509	70 289	77 108	(6 819)	-9%	132 185
Executive and council		37 979	49 165	51 495	3 481	21 650	30 039	(8 389)	-28%	51 495
Finance and administration		73 727	77 489	77 989	5 788	46 933	45 494	1 440	3%	77 989
Internal audit		2 152	2 702	2 701	240	1 706	1 576	130	8%	2 701
<i>Community and public safety</i>		77 975	85 264	86 536	7 324	46 014	50 480	(4 466)	-9%	86 536
Community and social services		11 334	12 914	12 994	1 043	6 935	7 580	(645)	-9%	12 994
Sport and recreation		11 470	13 494	13 494	932	5 638	7 872	(2 233)	-28%	13 494
Public safety		24 475	26 063	26 063	2 116	13 185	15 203	(2 018)	-13%	26 063
Housing		—	—	—	—	—	—	—	—	—
Health		30 696	32 793	33 985	3 233	20 255	19 825	431	2%	33 985
<i>Economic and environmental services</i>		156 692	179 235	181 404	12 331	88 959	105 819	(16 860)	-16%	181 404
Planning and development		7 393	7 087	7 087	495	4 537	4 134	403	10%	7 087
Road transport		146 151	168 818	170 987	11 535	82 717	99 742	(17 025)	-17%	170 987
Environmental protection		3 149	3 330	3 330	301	1 705	1 943	(238)	-12%	3 330
<i>Trading services</i>		3 565	4 606	7 106	418	3 452	4 145	(693)	-17%	7 106
Energy sources		—	—	—	—	—	—	—	—	—
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		3 565	4 606	7 106	418	3 452	4 145	(693)	-17%	7 106
<i>Other</i>		2 104	2 773	2 773	127	975	1 617	(643)	-40%	2 773
Total Expenditure - Functional	3	354 194	401 233	410 004	29 710	209 688	239 169	(29 481)	-12%	410 004
Surplus/ (Deficit) for the year		5 814	(9 060)	(9 060)	(23 770)	5 791	(5 285)	11 076	-210%	(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) - M07 January

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	3 790	149 583	131 718	17 866	13,6%	225 802
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		848	228	228	-	30	133	(103)	-77,4%	228
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		393	674	674	45	196	393	(197)	-50,2%	674
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		6 021	8 656	8 656	1 979	3 063	5 050	(1 987)	-39,3%	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	-	54	65	(11)	-17,1%	111
Vote 14 - Roads Agency Function		144 851	165 473	165 473	126	62 554	96 526	(33 972)	-35,2%	165 473
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	360 008	392 172	400 944	5 940	215 480	233 884	(18 404)	-7,9%	400 944
Expenditure by Vote	1									
Vote 1 - Executive and Council		40 928	52 598	54 928	4 176	25 548	32 041	(6 493)	-20,3%	54 928
Vote 2 - Budget and Treasury Office		21 844	24 275	24 675	1 272	14 195	14 394	(199)	-1,4%	24 675
Vote 3 - Corporate Services		40 538	42 386	42 486	3 363	25 185	24 783	402	1,6%	42 486
Vote 4 - Planning and Development		22 663	23 512	23 512	1 552	12 659	13 715	(1 056)	-7,7%	23 512
Vote 5 - Public Safety		30 670	33 222	33 302	2 719	16 955	19 426	(2 471)	-12,7%	33 302
Vote 6 - Health		33 216	34 993	36 185	3 442	21 635	21 108	527	2,5%	36 185
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		11 470	13 494	13 494	932	5 638	7 872	(2 233)	-28,4%	13 494
Vote 9 - Waste Management		3 565	4 606	7 106	418	3 452	4 145	(693)	-16,7%	7 106
Vote 10 - Roads Transport		-	3 345	5 514	-	1 300	3 217	(1 917)	-59,6%	5 514
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		3 149	3 330	3 330	301	1 705	1 943	(238)	-12,2%	3 330
Vote 14 - Roads Agency Function		144 851	165 473	165 473	11 535	81 417	96 526	(15 109)	-15,7%	165 473
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	352 894	401 233	410 004	29 710	209 688	239 169	(29 481)	-12,3%	410 004
Surplus/ (Deficit) for the year	2	7 114	(9 060)	(9 060)	(23 770)	5 791	(5 285)	11 076	-209,6%	(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) - M07 January

B04 Garden Route - Table B4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January										
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	463	598	942	(344)	-37%	1 614
Interest earned - external investments		12 945	14 091	14 091	1 313	2 915	8 220	(5 304)	-65%	14 091
Interest earned - outstanding debtors		3 234	3 710	3 710	238	3 233	2 164	1 069	49%	3 710
Dividends received		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		-	-	-	-	-	-	-		-
Licences and permits		76	111	111	-	54	65	(11)	-17%	111
Agency services		163 461	184 673	184 673	1 298	70 856	107 726	(36 870)	-34%	184 673
Transfers and subsidies		73 348	174 269	34 252	-	5 062	19 980	(14 918)	-75%	34 252
Other revenue		105 378	13 704	162 493	2 627	132 761	94 788	37 974	40%	162 493
Gains on disposal of PPE								-		-
Total Revenue (excluding capital transfers and contributions)		359 583	392 172	400 944	5 940	215 480	233 884	(18 404)	-8%	400 944
Expenditure By Type										
Employee related costs		149 735	239 508	241 480	20 386	148 770	140 863	7 906	6%	241 480
Remuneration of councillors		10 097	13 360	13 360	706	5 352	7 793	(2 441)	-31%	13 360
Debt impairment		1 198	1 841	1 841	-	17	1 074	(1 057)	-98%	1 841
Depreciation & asset impairment		4 543	3 930	3 930	389	2 723	2 293	431	19%	3 930
Finance charges		-	-	-	-	-	-	-		-
Bulk purchases		-	-	-	-	-	-	-		-
Other materials		3 387	51 197	51 197	1 668	12 677	29 865	(17 188)	-58%	51 197
Contracted services		13 201	32 272	38 022	515	11 629	22 179	(10 550)	-48%	38 022
Transfers and subsidies		1 161	1 230	1 230	-	567	718	(151)	-21%	1 230
Other expenditure		169 573	57 894	58 944	6 046	27 953	34 384	(6 431)	-19%	58 944
Loss on disposal of PPE										
Total Expenditure		352 894	401 232	410 004	29 710	209 688	239 169	(29 481)	-12%	410 004
Surplus/(Deficit)		6 690	(9 060)	(9 060)	(23 770)	5 792	(5 285)	11 077	(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)	(23 770)	5 792	(5 285)			(9 060)
Taxation								-		
Surplus/(Deficit) after taxation		7 114	(9 060)	(9 060)	(23 770)	5 792	(5 285)			(9 060)
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		7 114	(9 060)	(9 060)	(23 770)	5 792	(5 285)			(9 060)
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		7 114	(9 060)	(9 060)	(23 770)	5 792	(5 285)			(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 January 2021 amounts to R463,217. The actual performance is -37% 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 January 2021 amounts to R1,313,429, the investment balance of the municipality amounted to R153m for the month ended 31 January 2021 and was invested for a period longer than 30 days to optimize interest received on investments. The actual performance is -65% 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 January 2021 amounts to R238,268. 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 R1,297,906 for the month ended 31 January 2021.

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. For the month end 31 January 2021 the municipality recorded no new grant funding from National Treasury or Provincial Treasury.

Other revenue / Sundry income

Other revenue reflects an amount of R2,626,916 for the month ended 31 January 2021. Other revenue mostly consists of the following: Fire Services and Health Services.

Expenditure by Type

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

Employee Related cost / Remuneration of councillors

Remuneration related expenditure (councillors and staff) for the month ended 31 January 2021 amounted to R21,091,765 of an adjusted budgeted amount R253,332,897 that represents 8.3% of the budgeted amount and 71% of the monthly expenditure.

Debt Impairment / Depreciation and asset impairment

Depreciation recorded for the month ended 31 January 2021 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 February 2021.

Other materials

Other materials consists of all inventory consumed purchases for materials and supplies and amounts to R1,668,064 for the month ended 31 January 2021 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 -58% off the year-to-date budget, the procurement of goods and services are expected to increase over the next 5 months.

Contracted services

The contracted services for the month ended 31 January 2021 amounts to R514,822 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 -48% lower than the year-to-date budget, the procurement of goods and services are expected to increase over the next 5 months.

Transfers and subsidies

The municipality recorded no transfers and subsidies expenditure for the month ended 31 January 2021. The municipality were closed since lockdown and gradually returned to work as the lockdown level were eased. The actual performance is -21% lower than the year-to-date budget, the procurement of goods and services are expected to increase over the next 5 months.

Other expenditure

Other expenditure reflects all other expenses not specifically mentioned and amounts to R6,046,420 for month ended 31 January 2021. The municipality were closed since lockdown and gradually returned to work as the lockdown level were eased. The actual performance is -19% lower than the year-to-date budget, the procurement of goods and services are expected to increase over the next 5 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) - M07 January

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	2 917	1 095	38%	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	-	-	875	(875)	-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	3 792	220	6%	6 500
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		70	30	30	-	-	18	(18)	-100%	30
Vote 2 - Budget and Treasury Office		1	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		97	1 575	1 575	-	544	919	(375)	-41%	1 575
Vote 4 - Planning and Development		14	30	30	-	24	18	7	38%	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	-	568	954	(386)	-40%	1 635
Total Capital Expenditure		7 763	8 135	8 135	-	4 580	4 745	(166)	-3%	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	2 800 000,00	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		17 500,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.To the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307102403	3	Upgrade outdated Disaster Recovery Hardware	1307	317 300,00		185 091,67	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	164 595,08	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	116 571,58	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	6 008,33	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		17 325,00	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	175 000,00	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		17 500,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.To the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71316102401	10	Ergonomic Chairs for employees with special needs	1316	50 000,00	14 429,00	29 166,67	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		145 833,33	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	11 666,67	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	17 500,00	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		875 000,00	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	6 982,50	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.
71307104120	16	QNAP 8-Bay NAS	1307	43 730,00	42 801,00	25 509,17	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	17 500,00	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	46 666,67	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	29 166,67	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	37 916,67	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.
71018104007	21	Key Safe Boxes	1018	5 000,00	0,00	2 916,67	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	4 745 416,67				
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 January 2021										
71307104121	17	Insurance / Uneconomical to repair	1307		12 624,00					
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					
71018104006	20	Laundry Machines	1018		29 000,00					
		Total Commitments			619 655,23					

3.1.6 Table C6: Monthly Budget Statement - Financial Position

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

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	25 186	143 131
Call investment deposits		–	–	–	153 000	–
Consumer debtors		10 863	–	–	44 668	–
Other debtors		269	23 956	23 956	(1 506)	23 956
Current portion of long-term receivables			3 867	3 867		3 867
Inventory		2 731	2 731	2 731	3 161	2 731
Total current assets		158 711	173 685	173 685	224 509	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	54 117	86 108
Investments in Associate						
Property, plant and equipment		159 923	166 336	166 336	164 006	166 336
Biological						
Intangible		2 139	2 139	2 139	765	2 139
Other non-current assets						
Total non current assets		248 198	314 316	314 316	218 914	314 316
TOTAL ASSETS		406 909	488 001	488 001	443 422	488 001
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing		698			223	–
Consumer deposits		1 052			521	–
Trade and other payables		1 199	37 449	37 449	30 987	37 449
Provisions		17 304	37 155	37 155	12 290	37 155
Total current liabilities		20 253	74 604	74 604	44 020	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	122 577	219 456
NET ASSETS	2	295 989	268 545	268 545	320 845	268 545
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		264 663	249 572	249 572	222 510	249 572
Reserves		31 326	18 973	18 973	98 336	18 973
TOTAL COMMUNITY WEALTH/EQUITY	2	295 989	268 545	268 545	320 845	268 545

3.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC4 Garden Route - Table C7 Monthly Budget Statement - Cash Flow - M07 January

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	4 388	204 269	118 609	85 660	72%	203 329
Government - operating		170 090	174 269	179 813	-	5 062	104 891	(99 829)	-95%	179 813
Government - capital							-	-		-
Interest		16 264	17 801	17 801	1 552	6 149	10 384	(4 235)	-41%	17 801
Dividends							-	-		
Payments										
Suppliers and employees		(405 126)	(394 231)	(403 002)	(29 710)	(209 121)	(235 085)	(25 963)	11%	(403 002)
Finance charges		-	-	-	-	-	-	-		-
Transfers and Grants		(4 784)	(1 230)	(1 230)	-	(567)	(718)	(151)	21%	(1 230)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(51 371)	(3 288)	(3 288)	(23 770)	5 792	(1 918)	(7 710)	402%	(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		-	-		(26 157)	(26 157)		(26 157)	#DIV/0!	
Payments										
Capital assets		(7 763)	(8 135)	(8 135)	-	(4 580)	(4 745)	(166)	3%	(8 135)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(7 763)	(8 135)	(8 135)	(26 157)	(30 737)	(4 745)	25 991	-548%	(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)	(49 927)	(24 945)	(6 664)			(11 423)
Cash/cash equivalents at beginning:		169 768	154 555	154 555		203 131	154 555			203 131
Cash/cash equivalents at month/year end:		110 634	143 131	143 131		178 186	147 891			191 708

The municipal bank balance at 31 January 2021 totals R25 186 071.39 and the short term deposits balance was R153 000 000.00, therefore the total cash and cash equivalents amounts to R178,186,071.39.

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

REPORTING MONTH: 31 JANUARY 2021		
Commitments against Cash & Cash Equivalents		
ITEM	Previous Month R'000	Current Month R'000
Bank balance as at 31 January 2021	5 131 020,17	25 186 071,39
Other Cash & Cash Equivalents: Short term deposits	198 000 000,00	153 000 000,00
Total Cash & Cash Equivalents:	203 131 020,17	178 186 071,39
LESS:	128 518 556,59	114 965 491,26
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	25 985 500,00
Trade Payables	2 886 444,00	2 160 510,70
YTD Unspent Capital budget	-	165 617,97
YTD Unspent Operational budget	25 023 432,17	25 023 432,17
Sub total	74 612 463,58	63 220 580,13
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
	84 771 002,58	73 379 119,13
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	19 485 646,58	8 093 763,13
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	11 982 205,58	590 322,13

PART 2 – SUPPORTING DOCUMENTATION

Section 4 – Debtors' analysis

Supporting Table SC3

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

Budget Year 2020/21													
Description	NT Code	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	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
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 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	238	231	227	228	228	221	1 749	2 507	5 629	4 933	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	664	1 339	584	500	173	756	4 979	23 565	32 561	29 974	-	
Total By Income Source	2000	903	1 569	810	729	401	978	6 788	26 024	38 202	34 920	-	-
2019/20 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	(95)	16	200	32	103	57	713	1 283	2 308	2 187	-	
Commercial	2300	-	-	-	-	-	-	-	-	-	-	-	
Households	2400	(1)	-	-	-	0	-	-	-	(1)	0	-	
Other	2500	999	1 553	611	697	298	921	6 075	24 741	35 895	32 732	-	
Total By Customer Group	2600	903	1 569	810	729	401	978	6 788	26 024	38 202	34 920	-	

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 - M07 January

Budget Year 2020/21												Prior year totals for char (same period)
Description	NT Code	0 -	31 -	61 -	91 -	121 -	151 -	181 Days -	Over 1	Total		
R thousands		30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	1 Year	Year			
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	19	6	159	28	3	34	505	26	780	-	
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	
Other	0900	-	-	-	3	1	-	-	-	-	3	
Total By Customer Type	1000	19	6	159	30	3	34	505	26	783	-	

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 January 2021	Movements for the month			Balance as at 31 January 2021	Interest earned	Interest earned
		Investments matured	Investments made	Interest capitalised			
						Month	Year to date
Garden Route District Municipality							
<i>Interest Received YTD</i>					-		
Standard Bank	66 000 000,00	-15 000 000,00			51 000 000,00	391 243,56	774 724,37
Investec Bank	-	-			-	-	48 497,25
ABSA	40 000 000,00	-15 000 000,00			25 000 000,00	439 972,60	749 731,84
Nedbank	66 000 000,00	-15 000 000,00			51 000 000,00	392 654,79	705 488,21
FNB	26 000 000,00	-			26 000 000,00		15 623,00
Standard Bank - Bank Guarantee investment	-				-	-	-
BANK DEPOSITS	198 000 000,00	-45 000 000,00	-	-	153 000 000,00	1 223 870,95	2 294 064,67

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

Section 7 – Allocation and grant receipts and expenditure

7.1 Supporting Table C6

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

Description	Ref	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	–	129 249	100 796	28 425	28,2%	172 793
Local Government Equitable Share		151 237	162 480	165 707	–	125 087	96 662	28 425	29,4%	165 707
Finance Management		1 000	1 000	1 000	–	1 000	583			1 000
Municipal Systems Improvement		–	300	300			175			300
EPWP Incentive		1 021	2 072	2 072	–	1 450	1 209			2 072
NT - Rural Roads Asset Management Systems		2 425	2 445	3 714	–	1 712	2 167			3 714
Fire Service Capacity Building Grant		1 483						–		–
								–		
								–		
								–		
Other transfers and grants [insert description]								–		
Provincial Government:		14 810	3 400	7 676	–	900	4 477	(3 344)	-74,7%	7 676
PT - Integrated Transport Plan		1 800	900	1 800	–	900	1 050	(150)	-14,3%	1 800
PT - WC Support Grant		1 450	400	400			233			400
PT - Disaster Management Grant		10 000		80			47	(47)	-100,0%	80
PT - WC Support Grant		360		2 473			1 443	(1 443)	-100,0%	2 473
PT - Safety Plan Implementation (WOSA)		1 200	2 100	2 923	–		1 705	(1 705)	-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	–	130 149	105 273	25 080	23,8%	180 469

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

7.2 Supporting Table C7

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										
Operating expenditure of Transfers and Grants										
National Government:		161 684	168 297	172 793	58	5 206	100 796	(95 589)	-94,8%	172 793
Local Government Equitable Share		157 370	162 480	165 707			96 662	(96 662)	-100,0%	165 707
Finance Management		1 000	1 000	1 000	58	422	583	(161)	-27,6%	1 000
Municipal Systems Improvement		–	300	300	–	298	175	123	70,4%	300
EPWP Incentive		1 629	2 072	2 072	–	2 072	1 209	863	71,4%	2 072
NT - Rural Roads Asset Management Systems			2 445	3 714	–	2 414	2 167	248	11,4%	3 714
Fire Service Capacity Building Grant		1 685						–		
Other transfers and grants [insert description]								–		
Provincial Government:		14 810	3 400	7 676	490	827	4 477	(3 651)	-81,5%	7 676
PT - Integrated Transport Plan		1 800	900	1 800	–		1 050	(1 050)	-100,0%	1 800
PT - Disaster Management Grant		10 000		80	7	20	47	(27)	-57,6%	80
PT - WC Support Grant		1 450	400	400	–	73	233	(160)	-68,6%	400
PT - Safety Plan Implementation (WOSA)		1 200	2 100	2 923	–	–	1 705	(1 705)	-100,0%	2 923
PT - WC Support Grant - Risk Management		360		2 473	483	734	1 443	(709)	-49,1%	2 473
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
Total operating expenditure of Transfers and Grants:		176 494	171 697	180 469	547	6 033	105 273	(99 240)	-94,3%	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 - M07 January

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	639	4 867	6 591	(1 723)	-26%	11 298
Pension and UIF Contributions			54	242	242	8	50	141	(91)	-64%	242
Medical Aid Contributions			49	78	78	8	47	45	1	3%	78
Motor Vehicle Allowance			86	776	776	–	26	452	(427)	-94%	776
Cellphone Allowance			568	515	515	51	362	301	62	21%	515
Housing Allowances			–	451	451	–	–	263	(263)	-100%	451
Other benefits and allowances			–					–	–		
Sub Total - Councillors			10 097	13 360	13 360	706	5 352	7 793	(2 441)	-31%	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	486	3 319	2 561	758	30%	4 390
Pension and UIF Contributions			161	161	161	0	15	94	(79)	-84%	161
Medical Aid Contributions			124	105	105	5	29	61	(32)	-53%	105
Overtime			–	–	–	–	–	–	–	–	–
Performance Bonus			838	–	–	–	–	–	–	–	–
Motor Vehicle Allowance			805	804	804	41	327	469	(142)	-30%	804
Cellphone Allowance			111	142	142	9	63	83	(20)	-24%	142
Housing Allowances			194	–	–	–	–	–	–	–	–
Other benefits and allowances			(211)	770	770	0	1	449	(448)	-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	3 754	3 716	37	1%	6 371
% increase		4		-1,4%	-1,4%						-1,4%
Other Municipal Staff											
Basic Salaries and Wages			86 899	147 256	147 721	12 895	91 728	86 171	5 557	6%	147 721
Pension and UIF Contributions			13 210	24 724	24 724	2 226	13 558	14 422	(864)	-6%	24 724
Medical Aid Contributions			10 314	19 854	19 854	1 475	9 019	11 581	(2 562)	-22%	19 854
Overtime			3 045	4 080	4 080	557	1 842	2 380	(538)	-23%	4 080
Performance Bonus			–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance			6 906	9 079	9 079	838	6 552	5 296	1 256	24%	9 079
Cellphone Allowance			198	122	122	9	57	71	(14)	-20%	122
Housing Allowances			1 311	2 351	2 351	201	1 263	1 371	(108)	-8%	2 351
Other benefits and allowances			2 641	17 379	17 379	824	11 982	10 138	1 844	18%	17 379
Payments in lieu of leave			6 064	–	–	279	5 256	–	5 256	#DIV/0!	–
Long service awards			–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations			2 866	8 292	8 292	541	3 758	4 837	(1 079)	-22%	8 292
Sub Total - Other Municipal Staff			133 454	233 137	233 602	19 844	145 016	136 268	8 748	6%	233 602
% increase		4		74,7%	75,0%						75,0%
Total Parent Municipality			150 014	252 868	253 333	21 092	154 122	147 778	6 344	4%	253 333

Remuneration related expenditure for the month ended 31 January 2021 amounted to R21,091,765.

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: 8 February 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 January 2021**, has been prepared in accordance with the Municipal Finance Management Act (Act 56 of 2003) and regulations made under the Act.

Print Name

LUSANDA MEMZE

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

Signature

Date

[Signature]
16/2/2021