



Notice is hereby given in terms of Section 29 of the Local Government: Municipal Structures Act, Act 117 of 1998, that a **SPECIAL COUNCIL MEETING** of the 2016/2021 term of the Garden Route District Municipality will be held in the **CA Robertson Council Chambers, 54 York Street, George**, on **THURSDAY, 22 AUGUST 2019** at **10:00** to consider the items as set out in the agenda.

*Kennis geskied hiermee dat ingevolge Artikel 29 van die Wet op Plaaslike Regering: Munisipale Strukturewet, Wet 117 van 1998, 'n **SPESIALE RAADSVERGADERING** van die 2016/2021 termyn van die Garden Route Distriksmunisipaliteit gehou sal word in die **CA Robertson Raadsaal, Yorkstraat 54, George** op **DONDERDAG, 22 AUGUSTUS 2019** om **10:00** ten einde sake soos uiteengesit in die aangehegte agenda te oorweeg.*

Kukhutshwe isaziso ngokoMhlathi 29 woRhulumente Basekhaya: Umgaqo Wesimo soMasipala, uMgaqo 117 wango 1998, sokuba **INTLANGANISO EKHETHEKILEYO YEBHUNGA** ka 2016/2021 yoMasipala Wesithili se Garden Route izakubanjwa **kwiGumbi leBhunga I CA Robertson, 54 York Street, e George NGOLWESINE, 22 KWEYETHUPA 2019** ngo **10:00** ukuqwalasela imiba ekwi agenda.

CLLR BHJ GROENEWALD

Speaker

Speaker

iBambela

MG STRATU

Municipal Manager

Munisipale Bestuurder

Mphathi Masipala

Date: 14 AUGUST 2019

1. OPENING AND WELCOMING / OPENING EN VERWELKOMING / UVULO NOLWAMKELO
2. SILENT PRAYER / STILLE GEBED / UMTHANDAZO OTHULEYO
3. ATTENDANCE OF MEMBERS / BYWONING VAN LEDE / AMALUNGU AKHOYO
 - 3.1 COUNCILLORS PRESENT / RAADSLEDE TEENWOORDIG / OCEBA ABAKHOYO
 - 3.2 COUNCILLOR WITH LEAVE / RAADSLEDE MET VERLOF / OCEBA ABAKWIKHEFU
 - 3.3 COUNCILLORS WITHOUT LEAVE / RAADSLEDE SONDER VERLOF / OCEBA ABANGEKHO KWIKHEFU
4. NOTING THE PROVISIONS OF SCHEDULE 1 (CODE OF CONDUCT FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL SYSTEMS ACT, 2000 / KENNISNAME VAN DIE VOORSKRIFTE VAN SKEDULE 1 (GEDRAGSDKODE VIR RAADSLEDE) / UQWALASELO LWEMITHETHO-NEMIMISELO YOLUHLU 1 (INDLELA YOKUZIPHATHA KOCEBA) LOMTHETHO WENKQUBO ZORHULUMENTE BASEKHAYA, 2000
5. DISCLOSURE OF INTERESTS BY COUNCILLORS AND OFFICIALS / VERKLARING VAN BELANGE DEUR RAADSLEDE EN AMPTENARE / UKUCHAZWA KWENJONGO NGOOCEBA KUNYE NAMAGOSA
6. INTRODUCTION OF NEWLY APPOINTED STAFF / BEKENDSTELLING VAN NUWE PERSONEEL / UKWAZISWA KWABASEBENZI ABASANDOKUQASHWA

None / Geen / Azikho

7	COMMUNICATIONS BY THE SPEAKER / MEDEDELINGS DEUR DIE SPEAKER / UNXIBELELWANO LUKASOMLOMO	
8	COMMUNICATIONS BY THE EXECUTIVE MAYOR / MEDEDELINGS DEUR DIE UITVOERENDE BURGEMEESTER / UNXIBELELWANO LUKA SODOLOPHU	
9	COMMUNICATIONS BY THE MUNICIPAL MANAGER / MEDEDELINGS DEUR DIE MUNISIPALE BESTUURDER / UNXIBELELWANO LOMPHATHI MASIPALA	
10	APPROVAL OF MINUTES OF COUNCIL MEETINGS / GOEDKEURING VAN NOTULES VAN RAADSVERGADERINGS / UKWAMKELWA KWEMIZUZU YENTLANGANO YEBHUNGA	
	None / Geen / Azikho	
SECTION A		
REPORTS FROM THE SPEAKER		
	None / Geen / Azikho	
SECTION B		
REPORTS FROM THE EXECUTIVE MAYOR / VERSLAE VANAF DIE UITVOERENDE BURGEMEESTER / IMIBA EVELA KUSODOLOPHU		
B.1	ROLL-OVER ADJUSTMENT BUDGET 2019/2020 MRTREF (MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK / VERSLAG: OORROL VAN FONDSE AANSUIWERINGSBEGROTING 2019/2020 MEDIUM TERMYN EN INKOMSTE EN UITGAWE RAAMWERK (MTIUR) / UQHITHISELWA KOLWABIWO-MALI OLULUNGELELWANISOWEYO LUKA 2019/2019 MRTREF(INGENISO YEXESHA ELIFUTSHANE KUNYE NENDLELA YENCITHO) <i>Refer: Report (6/18/7) dated 12 August 2019 from the Executive Mayor (Cllr M Booysen)</i>	6 - 43
SECTION C		
ITEMS FROM THE OFFICE OF THE MUNICIPAL MANAGER / ITEMS VANAF DIE KANTOOR VAN DIE MUNISIPALE BESTUURDER / IMIBA EVELA KWI OFISI YOMPHATHI MASIPALA		
C.1	None / Geen / Azikho	
SECTION D		
ITEMS FROM THE FINANCIAL SERVICES DEPARTMENT / ITEMS VANAF DIE FINANSIËLE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZEMALI		
D.1	None / Geen / Azikho	

SECTION E		
ITEMS FROM THE CORPORATE SERVICES DEPARTMENT / ITEMS VANAF DIE KORPORATIEWE DIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLAWULO		
	None / Geen / Ayikho	
SECTION F		
ITEMS FROM THE COMMUNITY SERVICES DEPARTMENT / ITEMS VANAF DIE GEMEENSKAPSDIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZOLUNTU		
	None / Geen / Ayikho	
SECTION G		
ITEMS FROM THE ROADS AND TRANSPORT PLANNING SERVICES DEPARTMENT / ITEMS VANAF DIE PAAIE EN VERVOER BEPLANNINGSDIENSTE DEPARTEMENT / IMIBA YESEBE LENKONZO ZENDLELA KUNYE NEZICWANGCISO KWEZOTHUTHO		
	None / Geen / Ayikho	
SECTION H		
ITEMS FROM THE PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT / ITEMS VANAF DIE BEPLANNING EN EKONOMIESE DIENSTE DEPARTEMENT / IMIBA YESEBE LEZOCWANGCISO KUNYE NOPHUHLISO LOQOQOSHO		
	None / Geen / Ayikho	
SECTION I		
MOTIONS OF EXIGENCY / DRINGENDE MOSIES / IMIBA ENGXAMISEKILEYO		
	None / Geen / Ayikho	
SECTION J		
NOTICES OF MOTIONS / KENNISGEWING VAN MOSIES / ISAZISO SEZIPHAKAMISO		
	None / Geen / Ayikho	
SECTION K		
IN COMMITTEE / IN-KOMITEE / KWIKOMITI		
	None / Geen / Ayikho	
	CLOSURE / SLUITING / UQUKUNJELO	

Rdl / Cllr CN Lichaba
Rdl / Cllr D Xego
Rdl / Cllr S De Vries
Rdl / Cllr NF Kamte
Rdl / Cllr MP Mapitiza
Rdl / Cllr SF May
Rdl / Cllr D Saayman
Rdl / Cllr BN Van Wyk
Rdl / Cllr RE Spies
Rdl / Cllr JL Hartnick
Rdl / Cllr M Booysen
Rdl / Cllr AJ Rossouw
Rdl / Cllr KS Lose
Rdl / Cllr T Fortuin
Rdl / Cllr JP Johnson
Rdl / Cllr IT Mangaliso
Rdl / Cllr T Van Rensburg
Rdl / Cllr SS Mbandezi
Rdl / Cllr BHJ Groenewald
Rdl / Cllr E Meyer
Rdl / Cllr RH Ruiters
Rdl / Cllr I Stemela
Rdl / Cllr EH Stroebel
Rdl / Cllr RS Figland
Rdl / Cllr PJ Van der Hoven
Rdl / Cllr T Teyisi
Rdl / Cllr V Gericke
Rdl / Cllr K Windvogel
Rdl / Cllr JCLambaatjeen
Rdl / Cllr RR Wildschut
Rdl / Cllr NC Jacob
Rdl / Cllr ASM Windvogel
Rdl / Cllr NA Tsengwa
Rdl / Cllr DMC Pofadder (**as at 10/7/2019**)
Rdl / Cllr L Tyokolo

BUDGET STEERING COMMITTEE

22 AUGUST 2019

SPECIAL DISTRICT COUNCIL

22 AUGUST 2019

**ROLL-OVER ADJUSTMENT BUDGET 2019/2020 MRTREF (MEDIUM TERM REVENUE AND
EXPENDITURE FRAMEWORK / *VERSLAG: OORROL VAN FONDSE*
AANSUIWERINGSBEGROTING 2019/2020 MEDIUM TERMYN EN INKOMSTE EN UITGAWE
RAAMWERK (MTIUR) / UQHITHISELWA KOLWABIWO-MALI OLULUNGELELWANISOWEYO
LUKA 2019/2019 MRTREF(INGENISO YEXESHA ELIFUTSHANE KUNYE NENDLELA YENCITHO)
(780128)**

(6/18/7)

12 August 2019

REPORT FROM THE EXECUTIVE MAYOR (M BOOYSEN)**PURPOSE OF THE REPORT**

The report is tabled to council in terms of section 28(2) (Municipal Adjustments Budgets) as required in terms of the Municipal Finance Management Act 56 of 2003.

BACKGROUND

Section 28 of the Municipal Finance Management Act 2003 (No.56) (MFMA) determines that a Municipality may revise an approved annual budget through an adjustment budget.

Subsection (2) also determines that an adjustment budget:

- a) Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- b) May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
- c) May, within a prescribed framework, authorize unforeseeable and unavoidable expenditure recommended by the mayor;

- d) May authorize the utilization of projected savings in one vote towards spending under another vote;
- e) May authorize the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the Council;
- f) May correct any errors in the annual budget; and
- g) May provide for any other expenditure within a prescribed framework.

Subsection (4) determines that only the mayor may table an adjustment budget in the municipal Council, but an adjustment budget in terms of subsection (2) (b) to (g) may only be tabled within any prescribed limitations as to timing or frequency.

Subsection (5) states that when an adjustment budget is tabled, it must be accompanied by an explanation of how the adjustment budget affects the annual budget and a motivation of any material changes to the annual budget.

Subsection (6) states very clearly that property rates and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan.

Cognizance must also be taken of **Section 15** of the MFMA which refers to the appropriation of funds for expenditure.

Subsection **(a)** determines very clearly that expenditure may only be incurred in terms of an approved budget; and

(b) Within the limits of the amounts appropriated for the different votes in an approved budget.

Also take note of **Section 23 (5)** of the Budget and Reporting Regulations which refers to the Timeframes for tabling of adjustment budgets.

Subsection (5) states –

An adjustments budget referred to in section 28(2) (e) of the Act may only be tabled after the end of the financial year to which the roll-overs relate, and must be approved by the municipal council by 25 August of the financial year following the financial year to which the roll-overs relate.

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIES

Financial implications as per the Report attached

RELEVANT LEGISLATION / RELEVANTE WETGEWING

Municipal Finance Management Act, No 56 of 2003

Municipal Budget and Reporting Regulations, 17 April 2009

UITVOERENDE OPSOMMING

Die Burgemeester moet die Aangepaste Begroting aan die munisipale raad voorlê vir oorweging en goedkeuring. Die oorrol begroting vir staatstoekennings moet teen 25 Augustus voorgelê word aan die raad vir goedkeuring.

RECOMMENDATION

That council take the following resolutions:

- (1) That the adjustments budget (unspent grants) of Garden Route District Municipality for the financial year 2019/2020 as set out in the schedules contained in Section 4 be **approved:**
 - i. Table B1 Adjustments Budget Summary;
 - ii. Table B2 Adjustments Budget Financial Performance (by standard classification);
 - iii. Table B3 Adjustments Budget Financial Performance (by municipal vote);
 - iv. Table B4 Adjustment Budget Financial Performance (revenue by source); and

- v. Table B5 Adjustment Budget Capital Expenditure (by municipal vote and funding source)

(2) Council approves the Adjustment Operating Expenditure Budget of R421,474,943

(3) Council approves the Adjustment Operating Revenue Budget of R423,921,068

(4) Council approves the Adjustment Capital Budget of R10,704,983

(5) That a revised Service Delivery and Budget Implementation Plan (SDBIP) for the 2019/20 financial year be compiled and tabled to the Executive Mayor for approval.

(6) The approval of the above is subject to the approval from National and Provincial Treasury for the roll-over of funds.

AANBEVELING

Dat die raad die volgende resolusies aanvaar:

(1) *Dat die Aangepaste Begroting (ongespandeerde toelae) van Garden Route Distriksmunisipaliteit vir die finansiële jaar 2019/2020 soos vervat in die skedules van Seksie 4 goedgekeur word:*

- i. Tabel B1 Aangepaste Begrotings Opsomming;*
- ii. Tabel B2 Aangepaste Begroting Finansiële Prestasie (volgens standaard klassifikasie);*
- iii. Tabel B3 Aangepaste Begroting Finansiële Prestasie (volgens pos);*
- iv. Tabel B4 Aangepaste Begroting Finansiële Prestasie (volgens finansieringsbron);
en*
- v. Tabel B5 Aangepaste Kapitale Begroting (volgens pos en finansieringsbron)*

(2) *Die Raad die Aangepaste Uitgawe Begroting van R421,474,943 goedkeur.*

(3) *Die Raad die Aangepaste Inkomste Begroting van R423,921,068 goedkeur.*

- (4) Die Raad die Aangepaste Kapitaal Begroting van R10,704,983 goedkeur.
- (5) Dat die hersiende Dienslewering- en Begrotings Implementerings Plan vir 2019/2020 opgestel en aan die Uitvoerende Burgermeester voorgelê word vir goedkeuring.
- (6) Die goedkeuring van bostaande is onderhewig aan die goedkeuring van Nasionale en Provinsiale Tesourie vir die oorrol van fondse.

ISINDULULO

Sesokuba iBhunga lithathe ezi zigqibo zilandelayo:

(1) Sesokuba ulungelelwaniso lolwabiwo-mali(izibonelelo ezingasetyenziswayo) loMasipala Wesithili se Garden Route lonyakamali ka 2019/2020 njengoko ziqukathwe kumHlathi 4 **ziphunyezwe:**

- i. Table B1 Ushwankathelo Lolwabiwo-Mali Olu lunganelelanisiweyo;
 - ii. Table B2 Umsebenzi Wemali Wolungelelwaniso Lolwabiwo-Mali (ngokomthetho ofanelekileyo)
 - iii. Table B3 Umsebenzi Wemali Wolungelelwaniso Lolwabiwo-Mali (ngokwe voti yomasipala);
 - iv. Table B4 Umsebenzi Wemali Wolungelelwaniso Lolwabiwo-Mali (ingeniso ngokovimba); kunye
 - v. Table B5 Adjustment Budget Ulungelelwaniso Lolwabiwo-Mali Incitho Eyinkunzi (ngokwe voti yomasipala kunye nenxaso ngovimba)
2. iBhunga liphumeze Ulungelelwaniso Lwenkqubo Yencitho Yolwabiwo-Mali neyi R421,474,943
3. iBhunga liphumeze uLungelelwaniso Lwenkqubo Yengeniso Yolwabiwo-Mali neyi R423,921,068

4. iBhunga liphumeze Ulungelelwaniso Oluyinkunzi Lolwabiwo-Mali lwe R10,704,983
5. Sesokuba uNikezelo Lwenkonzo kunye Nesicwangciso Sokumiselwa koLwabiwo-Mali(SDBIP) lonyakamali ka 2019/20 luqulunqwe kwaye luthiwe thaca kuSodolophu Obekekileyo ukuze luphunyezwe.
6. Sesokuba ukuphunyezwa kokungasentla kuxhomekeke ekuphunyezweni nguNonydebo Kazwelonke kunye Nowephondo ngokudlulisela kwezibonelelo.

ANNEXURES



GARDEN ROUTE DISTRICT MUNICIPALITY

FINANCIAL YEAR 2019 - 2020

ADJUSTMENT BUDGET REPORT

2019/2020 MTREF

Table of Contents	6
Glossary	7
Legislative Framework	8
PART 1 – ADJUSTMENT BUDGET	
Section 1 – Mayoral speech	9
Section 2 – Resolutions	10
Section 3 – Executive Summary	
3.1 Introduction	11
3.2 Adjustment budget	11
3.3 Provision of basic services	13
3.4 SDBIP and MTREF financial sustainability	13
3.5 High level summary of adjustments	14
Section 4 – Annual Budget Tables	15
PART 2 SUPPORTING DOCUMENTATION	
Section 5 – Adjustment to budget assumptions	26
Section 6 – Adjustments to budget funding	26
Section 7 – Adjustments to expenditure on allocations and grant programmes	27
Section 8 – Adjustments to grants made by the municipality	28
Section 9 – Adjustments to councillor allowances and employee benefits	28
Section 10 – Adjustment to service delivery and budget implementation plan	28
Section 11 – Adjustments to Capital expenditure	28
Section 12 – Municipal Manager's quality certification	29

Glossary

Adjustments budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

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.

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

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would 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 April 2009

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

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 – Spending on 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 budget 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 budget.

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

Vote – One of the main segments into which a budget. 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 – No. 56 of 2003

Section 28 Municipal Adjustment Budgets

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

Schedule B format of adjustment budgets

PART 1 – IN-YEAR REPORT

SECTION 1 – MAYORAL SPEECH

The reason for the adjustment budget tabled at council today is to include the following expenditure into the approved budget for the 2019/2020 financial year:

Unspent Grants allocations as per **Section 28(2)(e)** of the Municipal Finance Management Act, 56 of 2003 that states:

- May authorize the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the Council;

Regulation 23(5) of the Budget and Reporting Regulation states:

- An adjustments budget referred to in section 28(2)(e) of the Act may only be tabled after the end of the financial year to which the roll-overs relate, and must be approved by the municipal council by 25 August of the financial year following the financial year to which the roll-overs relate.

The details of the above inclusions into the budget are as follows:

National grant allocations:

National Government Roll - Overs		
Section	Project Description	Roll-Over Amount
Roads	Rural Roads Asset Management Systems	218 370,26
Public Safety	Disaster Management Grant	2 097 288,40
		2 315 658,66

Provincial Grant allocation

Provincial Government Roll - Overs		
Section	Project Description	Roll-Over Amount
Roads	Integrated Transport Planning	590 487,50
	WCFMSG: Long Term Financial Plan	284 950,00
BTO	WCFMSG: Data Cleansing - IT	90 000,00
Corp	WC FMSG: Municipal Finance Management Internship Program - HR	350 000,00
BTO	WC FMSG: BTO Capacitation	85 000,00
Public Safety	Fire Services Capacity Building Grant	1 685 027,00
Exec & Council	Safety Plan Implementation - (WOSA)	1 200 000,00
		4 285 464,50

The impact on the Approved budget is R0, as the expenditure and income is increased with equal amounts.

The detailed report provides a reconciliation between the grants included in the Adjustment Budget as well as the Unspent grant totals as per the Grant register. Explanations as to the differences in the amounts is also included in the report.

The capital budget additionally changed with the Disaster Management Grant and Fire Services Capacity Building Grant as these grants will be utilized to purchase two fire trucks.

Capital Roll - Overs			
Section	Department	Project Description	Roll-Over Amount
Public Safety	National	Disaster Management Grant	2 097 288,40
Public Safety	Provincial	Fire Services Capacity Building Grant	1 685 027,00
		Total	3 782 315,40

I would therefore like to recommend that council approve the following resolutions:

(1) That the adjustment budget of Garden Route District Municipality for the financial year **2019/2020** as set out in the schedules contained in Section 4 be approved:

(i) Table B1 Adjustments Budget Summary;

- (ii) Table B2 Adjustments Budget Financial Performance (by standard classification);
- (iii) Table B3 Adjustments Budget Financial Performance (by municipal vote);
- (iv) Table B4 Adjustments Budget Financial Performance (revenue by source); and
- (v) Table B5 Adjustments Budget Capital Expenditure (by municipal vote and funding source)

(2) That the adjusted operating expenditure budget of Garden Route District Municipality for the financial year **2019/2020 of R421,474,943** be approved.

(3) That the adjusted operating revenue budget of Garden Route District Municipality for the financial year **2019/2020 of R423,921,068** be approved.

(4) That the adjusted capital of Garden Route District Municipality for the financial year **2019/2020 of R10,704,983**

(5) That a revised Service Delivery and Budget Implementation Plan (SDBIP) for the **2019/2020** financial year be compiled and tabled to the Executive Mayor for approval .

(5) The approval of the above is subject to the approval from National and Provincial Treasury for the roll-over of funds.

SECTION 2 – RESOLUTIONS

Municipal Financial Management Act, 56 of 2003 - SECTION 28 Municipal adjustment budgets.

These are the resolutions being presented to Council in terms of Municipal Finance Management Act, 56 of 2003 on the adjustment budget and related information.

RECOMMENDATION:

- (1) That the adjustment budget of Garden Route District Municipality for the financial year **2019/2020** as set out in the schedules contained in Section 4 be approved:
 - (i) Table B1 Adjustments Budget Summary;
 - (ii) Table B2 Adjustments Budget Financial Performance (by standard classification);
 - (iii) Table B3 Adjustments Budget Financial Performance (by municipal vote);
 - (iv) Table B4 Adjustments Budget Financial Performance (revenue by source);
and
 - (v) Table B5 Adjustments Budget Capital Expenditure (by municipal vote and funding source)
- (2) That the adjusted operating expenditure budget of Garden Route District Municipality for the financial year **2019/2020 of R421,474,943** be approved.
- (3) That the adjusted operating revenue budget of Garden Route District Municipality for the financial year **2019/2020 of R423,921,068** be approved.
- (4) That the adjusted capital budget of Garden Route District Municipality for the financial year **2019/2020 of R10,704,983** be approved.
- (5) That a revised Service Delivery and Budget Implementation Plan (SDBIP) for the **2019/2020** financial year be compiled and tabled to the Executive Mayor for approval to incorporated into the SDBIP for the **2019/2020** the approved projects as per council resolution.

(6) The approval of the above is subject to the approval from National and Provincial Treasury for the roll-over of funds.

SECTION 3 EXECUTIVE SUMMARY

3.1 Introduction

The Adjustment budget is tabled to Council for approval, this adjustment budget includes the rollover unspent grants received from National Treasury and Provincial Treasury.

3.2 Adjustment Budget

Municipal Budget and Reporting Regulations

According to Regulation 23(5) of the Municipal Budget and Reporting Regulations, Government Gazette 32141 dated 17 April 2009, an adjustment budget referred to in Section 28 (2) of the Municipal Finance Management Act (MFMA) (Act No 56 of 2003), may only be tabled after the end of the financial year to which the roll-overs relate; and must be approved by the municipal council by 25 August of the financial year following the financial year to which the roll-overs relate.

In terms of the funding of the projects that will be rolled-over to the next financial year, Provincial Treasury advises as follows:

1. Municipal Own Funds

The Municipality must ensure that the funding of the projects is available and not committed for other purposes.

2. Grant funding

According to Section 20 of the Division of Revenue Act, the receiving officer needs to pay back all unspent conditional grants to the National Revenue Fund at the end of the municipal financial year, unless the relevant receiving officer can prove to the

satisfaction of the National Treasury that the unspent allocation is committed to identifiable projects.

MFMA Circular 51 dated 19 February 2010

National Treasury issued MFMA Circular 51 dated 19 February 2010, which provides clear guidance, on the procedure for requesting retention of the unspent allocation (grants) by the affected receiving officers.

In essence, when applying to retain unspent conditional allocations committed to identifiable projects or requesting a rollover in terms of section 20(2) of the Division of Revenue Act (DoRA), the Municipality must supply National Treasury with the following information –

1. Details of each of the projects to which funds are committed;
2. A progress report on the state of implementation of each of the projects;
3. The amount of funds committed to each project, and the conditional allocation from which the funds come from; and
4. An indication of the time-period within which the funds are to be spent.

When preparing their annual financial statements a municipality must determine what portion of each national conditional allocation it received remained unspent as at 30 June yearly.

National Treasury will initiate the process outlined in section 20(4) and (5) of the Division of Revenue Act based on the June 2019 conditional grant expenditure reports. If the receiving officer wants to motivate in terms of section 20(5)(b) that the funds have been spent or are committed to identifiable projects or wants to propose an alternative payment method or schedule the required information must be submitted to National Treasury yearly by 16 August.

National Treasury will confirm in writing whether or not the municipality may retain as a rollover any of the unspent funds because they are committed to identifiable projects

or whether it has agreed to any alternative payment methods or schedules yearly by 30 September.

A municipality must return the remaining unspent conditional grant funds that are not subject of a specific repayment agreement with National Treasury to the National Revenue Fund yearly by 17 October. Failure to return these unspent funds by this date will constitute financial misconduct in terms of section 20(7) of the Division of Revenue Act.

Any unspent conditional grant funds that should have been repaid to the National Revenue Fund yearly by 17 October will be offset against the municipality's November equitable share allocation.

Operational Budget

Based on the above information the municipality is required to table an adjustment budget to council stipulating the unspent roll-over projects that council seeks approval from National and Provincial Treasury as well as other roll-over projects that required inclusion in the approved budget in order to ensure completion of these projects.

The different grants required for inclusion into the budget are as follows:

1. National and Provincial Treasury Grants in terms of the Division of Revenue Act's, these grants should be accompanied by application for roll-over as explained above.
2. Projects funded by means of other sources that is Memorandum of Understanding or Service Level Agreements.

These grants are funded by means of SLA or MOU whereby the municipality enter into agreement with the respective funders to implement projects as per the stipulated agreements.

3.3 Provision of basic services

The municipality as a category C municipality do not deliver basic services in respect of the following:

- Provision of Water services
- Provision of sanitation services
- Provision of refuse
- Provision of housing

3.4 SDBIP and MTREF financial sustainability

The municipality tabled a balanced/funded budget during the May council approval budget process. The SDBIP was compiled on the basis of this approved budget.

The roll-over projects tabled in this report for inclusion in the budget is either funded from a National or Provincial allocation or a result of a negotiation process end being

concluded by means of a Memorandum of Understanding (MOU) or Service Level Agreement (SLA).

The adjustment will have no negative effect on the sustainability of the original budget as approved by council.

3.5 High level summary of adjustments

The following table indicates the Original Budget approved by council for the **2019/2020** MTREF period during the May council budget approval process.

Approved Budget during the May council approval process:

Revised High-level summary of budget approval required:

The following table explains the effect of the approval of the projects will have on the Operational budget of Council.

More details regarding these changes are explained in Part 2 of the budget document as required in terms of the budget regulation.

There is also changes to the capital budget.

OPERATIONAL BUDGET - Original Approved Budget (28 May 2019)			
DESCRIPTION	Approved Budget 2019/2020	Approved Budget 2020/2021	Approved Budget 2021/2022
Operational Income	417 319 945,00	436 294 101,00	461 558 654,00
Operational Expenditure	418 656 133,00	434 786 055,00	460 058 182,00
Surplus / (Deficit)	- 1 336 188,00	1 508 046,00	1 500 472,00
Capital Budget	6 922 668,00	5 300 000,00	4 660 000,00
Total	6 922 668,00	5 300 000,00	4 660 000,00

OPERATIONAL BUDGET - August Roll-Over Adjustment Budget (23 August 2019)					
DESCRIPTION	Approved Budget 2019/2020	Roll - Over Budget Amounts	Roll - Over Budget 2019/2020	Approved Budget 2020/2021	Approved Budget 2021/2022
Operational Income	417 319 945,00		417 319 945,00	436 294 101,00	461 558 654,00
Unspent Grants		6 601 123,00	6 601 123,00		
Revised Operational Income	417 319 945,00	6 601 123,00	423 921 068,00	436 294 101,00	461 558 654,00
Operational Expenditure	418 656 133,00		418 656 133,00	434 786 055,00	460 058 182,00
National Grants		218 370,10	218 370,10		
Provincial Grants		2 600 437,50	2 600 437,50		
Revised Operational Expenditure	418 656 133,00	2 818 807,60	421 474 940,60	434 786 055,00	460 058 182,00
Surplus / (Deficit)	- 1 336 188,00	3 782 315,40	2 446 127,40	1 508 046,00	1 500 472,00
Capital Budget	6 922 668,00		6 922 668,00	6 800 000,00	6 160 000,00
Disaster Management Grant		2 097 288,40	2 097 288,40		
Fire Services Capacity Building Grant		1 685 027,00	1 685 027,00		
Revised Capital	6 922 668,00	3 782 315,40	10 704 983,40	6 800 000,00	6 160 000,00
Less funded from CRR	5 860 000,00		5 860 000,00	5 300 000,00	4 660 000,00
Surplus / (Deficit) after Capital	- 2 398 856,00	0,00	- 2 398 856,00	8 046,00	472,00

Section 4 – Annual Budget Tables

DC4 Garden Route - Table B2 Adjustments Budget Financial Performance (functional classification) - 23 August 2019

Standard Description	Ref	Budget Year 2019/20									Budget Year	Budget Year	
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted	
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget	
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	+1 2020/21	+2 2021/22	
Revenue - Functional													
Governance and administration		217 702	-	-	-	-	6 601	-	6 601	224 303	226 862	237 469	
Executive and council		216 981	-	-	-	-	6 601	-	6 601	223 582	226 091	236 643	
Finance and administration		721	-	-	-	-	-	-	-	721	771	825	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	
Community and public safety		8 856	-	-	-	-	-	-	-	8 856	9 471	10 129	
Community and social services		-	-	-	-	-	-	-	-	-	-	-	
Sport and recreation		8 406	-	-	-	-	-	-	-	8 406	8 994	9 624	
Public safety		-	-	-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	-	-	
Health		450	-	-	-	-	-	-	-	450	477	505	
Economic and environmental services		160 105	-	-	-	-	-	-	-	160 105	160 116	171 327	
Planning and development		-	-	-	-	-	-	-	-	-	-	-	
Road transport		160 000	-	-	-	-	-	-	-	160 000	160 000	171 200	
Environmental protection		105	-	-	-	-	-	-	-	105	116	127	
Trading services		30 657	-	-	-	-	-	-	-	30 657	39 845	42 634	
Energy sources		-	-	-	-	-	-	-	-	-	-	-	
Water management		-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	
Waste management		30 657	-	-	-	-	-	-	-	30 657	39 845	42 634	
Other		-	-	-	-	-	-	-	-	-	-	-	
Total Revenue - Functional	2	417 320	-	-	-	-	6 601	-	6 601	423 921	436 294	461 559	
Expenditure - Functional													
Governance and administration		126 483	-	-	-	-	2 010	-	2 010	128 493	134 367	140 295	
Executive and council		45 692	-	-	-	-	1 200	-	1 200	46 892	47 872	50 970	
Finance and administration		78 090	-	-	-	-	810	-	810	78 900	83 613	86 307	
Internal audit		2 702	-	-	-	-	-	-	-	2 702	2 883	3 018	
Community and public safety		79 377	-	-	-	-	-	-	-	79 377	86 048	91 610	
Community and social services		9 814	-	-	-	-	-	-	-	9 814	10 909	11 690	
Sport and recreation		13 225	-	-	-	-	-	-	-	13 225	14 223	14 737	
Public safety		25 301	-	-	-	-	-	-	-	25 301	27 269	28 951	
Housing		-	-	-	-	-	-	-	-	-	-	-	
Health		31 037	-	-	-	-	-	-	-	31 037	33 647	36 232	
Economic and environmental services		176 200	-	-	-	-	809	-	809	177 009	175 908	187 247	
Planning and development		9 147	-	-	-	-	-	-	-	9 147	8 641	8 376	
Road transport		163 468	-	-	-	-	809	-	809	164 277	163 617	174 966	
Environmental protection		3 585	-	-	-	-	-	-	-	3 585	3 649	3 905	
Trading services		33 470	-	-	-	-	-	-	-	33 470	35 718	38 223	
Energy sources		-	-	-	-	-	-	-	-	-	-	-	
Water management		10	-	-	-	-	-	-	-	10	11	11	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	
Waste management		33 460	-	-	-	-	-	-	-	33 460	35 708	38 212	
Other		3 126	-	-	-	-	-	-	-	3 126	2 744	2 683	
Total Expenditure - Functional	3	418 656	-	-	-	-	2 819	-	2 819	421 475	434 786	460 058	
Surplus/ (Deficit) for the year		(1 336)	-	-	-	-	3 782	-	3 782	2 446	1 508	1 500	

DC4 Garden Route - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 23 August 2019

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
		3	4	5	6	7	8	9	10	+1 2020/21	+2 2021/22	
		A	A1	B	C	D	E	F	G	H		
R thousands												
Revenue by Vote	1											
Vote 1 - Executive and Council		216 981	-	-	-	-	6 601	-	6 601	223 582	226 091	236 643
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		721	-	-	-	-	-	-	-	721	771	825
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Health		450	-	-	-	-	-	-	-	450	477	505
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		8 406	-	-	-	-	-	-	-	8 406	8 994	9 624
Vote 9 - Waste Management		30 657	-	-	-	-	-	-	-	30 657	39 845	42 634
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		105	-	-	-	-	-	-	-	105	116	127
Vote 14 - Roads Agency Function		160 000	-	-	-	-	-	-	-	160 000	160 000	171 200
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	417 320	-	-	-	-	6 601	-	6 601	423 921	436 294	461 559
Expenditure by Vote	1											
Vote 1 - Executive and Council		51 456	-	-	-	-	1 200	-	1 200	52 656	53 651	56 856
Vote 2 - Budget and Treasury Office		21 608	-	-	-	-	460	-	460	22 068	25 572	24 785
Vote 3 - Corporate Services		42 339	-	-	-	-	350	-	350	42 689	44 582	47 589
Vote 4 - Planning and Development		24 234	-	-	-	-	-	-	-	24 234	23 274	23 517
Vote 5 - Public Safety		32 060	-	-	-	-	-	-	-	32 060	34 540	36 774
Vote 6 - Health		33 212	-	-	-	-	-	-	-	33 212	35 959	38 706
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		13 225	-	-	-	-	-	-	-	13 225	14 223	14 737
Vote 9 - Waste Management		33 460	-	-	-	-	-	-	-	33 460	35 708	38 212
Vote 10 - Roads Transport		3 468	-	-	-	-	809	-	809	4 277	3 617	3 766
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Water		10	-	-	-	-	-	-	-	10	11	11
Vote 13 - Environment Protection		3 585	-	-	-	-	-	-	-	3 585	3 649	3 905
Vote 14 - Roads Agency Function		160 000	-	-	-	-	-	-	-	160 000	160 000	171 200
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	418 656	-	-	-	-	2 819	-	2 819	421 475	434 786	460 058
Surplus/ (Deficit) for the year	2	(1 336)	-	-	-	-	3 782	-	3 782	2 446	1 508	1 500

DC4 Garden Route - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 23 August 2019

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjus.	Budget	Budget	Budget
R thousands	1	3	4	5	6	7	8	9	10			
		A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 593							-	1 593	1 705	1 759
Interest earned - external investments		16 893							-	16 893	18 076	19 341
Interest earned - outstanding debtors		964							-	964	1 031	1 104
Dividends received		-							-	-	-	-
Fines, penalties and forfeits		-							-	-	-	-
Licences and permits		105							-	105	116	127
Agency services		23 015							-	23 015	19 200	20 544
Transfers and subsidies		165 426					6 601		6 601	172 027	169 159	176 008
Other revenue	2	205 672	-	-	-	-	-	-	-	205 672	221 008	236 676
Gains on disposal of PPE		3 652							-	3 652	6 000	6 000
Total Revenue (excluding capital transfers and contributions)		417 320					6 601		6 601	423 921	436 294	461 559
Expenditure By Type												
Employee related costs		144 964	-	-	-	-	-	-	-	144 964	157 655	168 273
Remuneration of councillors		12 828							-	12 828	13 726	14 686
Debt impairment		1 721							-	1 721	1 841	1 970
Depreciation & asset impairment		3 477	-	-	-	-	-	-	-	3 477	3 986	4 265
Finance charges		-							-	-	-	-
Bulk purchases		-							-	-	-	-
Other materials		4 084							-	4 084	4 149	4 281
Contracted services		46 505	-	-	-	-	2 819	-	2 819	49 324	60 030	60 194
Transfers and subsidies		1 965							-	1 965	1 545	1 458
Other expenditure		203 113	-	-	-	-	-	-	-	203 113	191 854	204 931
Loss on disposal of PPE		-							-	-	-	-
Total Expenditure		418 656					2 819		2 819	421 475	434 786	460 058
Surplus/(Deficit)		(1 336)					3 782		3 782	2 446	1 508	1 500
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									-	-		
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher									-	-		
Transfers and subsidies - capital (in-kind - all)									-	-		
Surplus/(Deficit) before taxation		(1 336)					3 782		3 782	2 446	1 508	1 500
Taxation									-	-		
Surplus/(Deficit) after taxation		(1 336)					3 782		3 782	2 446	1 508	1 500
Attributable to minorities									-	-		
Surplus/(Deficit) attributable to municipality		(1 336)					3 782		3 782	2 446	1 508	1 500
Share of surplus/ (deficit) of associate									-	-		
Surplus/ (Deficit) for the year		(1 336)					3 782		3 782	2 446	1 508	1 500

DC4 Garden Route - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 23 August 2019

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjus.	Adjus.	Budget	Budget	Budget
	A	5	6	7	8	9	10	11	12			
R thousands		A1	B	C	D	E	F	G	H			
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Executive and Council		500	-	-	-	-	-	-	500	825	1 000	
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-	
Vote 3 - Corporate Services		1 503	-	-	-	-	-	-	1 503	2 165	2 430	
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-	-	
Vote 5 - Public Safety		2 000	-	-	-	-	-	-	2 000	3 300	1 500	
Vote 6 - Health		-	-	-	-	-	-	-	-	-	-	
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	
Vote 8 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	
Vote 9 - Waste Management		-	-	-	-	-	-	-	-	-	-	
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-	-	
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	
Vote 12 - Water		-	-	-	-	-	-	-	-	-	-	
Vote 13 - Environment Protection		-	-	-	-	-	-	-	-	-	-	
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-	-	
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-	-	
Capital multi-year expenditure sub-total	3	4 003	-	-	-	-	-	-	4 003	6 290	4 930	
Single-year expenditure to be adjusted	2											
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-	
Vote 3 - Corporate Services		70	-	-	-	-	-	-	70	10	-	
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-	-	
Vote 5 - Public Safety		400	-	-	-	3 782	-	3 782	4 182	500	1 230	
Vote 6 - Health		2 300	-	-	-	-	-	-	2 300	-	-	
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	
Vote 8 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-	
Vote 9 - Waste Management		-	-	-	-	-	-	-	-	-	-	
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-	-	
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	
Vote 12 - Water		-	-	-	-	-	-	-	-	-	-	
Vote 13 - Environment Protection		150	-	-	-	-	-	-	150	-	-	
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-	-	
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-	-	
Capital single-year expenditure sub-total		2 920	-	-	-	3 782	-	3 782	6 702	510	1 230	
Total Capital Expenditure - Vote		6 923	-	-	-	3 782	-	3 782	10 705	6 800	6 160	
Capital Expenditure - Functional												
Governance and administration		2 073	-	-	-	-	-	-	2 073	3 000	3 430	
Executive and council		500	-	-	-	-	-	-	500	825	1 000	
Finance and administration		1 573	-	-	-	-	-	-	1 573	2 175	2 430	
Internal audit		-	-	-	-	-	-	-	-	-	-	
Community and public safety		4 700	-	-	-	3 782	-	3 782	8 482	3 800	2 730	
Community and social services		-	-	-	-	-	-	-	-	-	-	
Sport and recreation		-	-	-	-	-	-	-	-	-	-	
Public safety		2 400	-	-	-	3 782	-	3 782	6 182	3 800	2 730	
Housing		-	-	-	-	-	-	-	-	-	-	
Health		2 300	-	-	-	-	-	-	2 300	-	-	
Economic and environmental services		150	-	-	-	-	-	-	150	-	-	
Planning and development		-	-	-	-	-	-	-	-	-	-	
Road transport		-	-	-	-	-	-	-	-	-	-	
Environmental protection		150	-	-	-	-	-	-	150	-	-	
Trading services		-	-	-	-	-	-	-	-	-	-	
Energy sources		-	-	-	-	-	-	-	-	-	-	
Water management		-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	
Waste management		-	-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	-	
Total Capital Expenditure - Functional	3	6 923	-	-	-	3 782	-	3 782	10 705	6 800	6 160	
Funded by:												
National Government		-	-	-	-	2 097	-	2 097	2 097	-	-	
Provincial Government		-	-	-	-	1 685	-	1 685	1 685	-	-	
District Municipality		-	-	-	-	-	-	-	-	-	-	
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	
Transfers recognised - capital	4	-	-	-	-	3 782	-	3 782	3 782	-	-	
Borrowing		-	-	-	-	-	-	-	-	-	-	
Internally generated funds		6 923	-	-	-	-	-	-	6 923	6 800	6 160	
Total Capital Funding		6 923	-	-	-	3 782	-	3 782	10 705	6 800	6 160	

DC4 Garden Route - Table B6 Adjustments Budget Financial Position - 23 August 2019

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H			
ASSETS												
Current assets												
Cash		169 379							-	169 379	170 783	173 213
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	-	-	-	-	-	-	-	-	-	-	-
Other debtors		2 312							-	2 312	2 451	2 598
Current portion of long-term receivables		3 324							-	3 324	3 424	3 526
Inventory		3 536							-	3 536	3 642	3 751
Total current assets		178 550								178 550	180 299	183 088
Non current assets												
Long-term receivables		63 353							-	63 353	65 254	67 211
Investments		26							-	26	26	26
Investment property		83 831							-	83 831	82 992	82 162
Investment in Associate									-			
Property, plant and equipment	1	143 644	-	-	-	-	3 782	-	3 782	147 426	149 315	154 465
Biological									-			
Intangible		1 748							-	1 748	1 713	1 679
Other non-current assets									-			
Total non current assets		292 602					3 782		3 782	296 384	299 300	305 544
TOTAL ASSETS		471 152					3 782		3 782	474 935	479 599	488 632
LIABILITIES												
Current liabilities												
Bank overdraft									-			
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Consumer deposits									-			
Trade and other payables		51 753	-	-	-	-	-	-	-	51 753	51 753	51 753
Provisions		30 281							-	30 281	31 771	31 771
Total current liabilities		82 034								82 034	83 524	83 524
Non current liabilities												
Borrowing	1	1 462	-	-	-	-	-	-	-	1 462	1 462	1 462
Provisions	1	84 778	-	-	-	-	-	-	-	84 778	84 778	84 778
Total non current liabilities		86 240								86 240	86 240	86 240
TOTAL LIABILITIES		168 274								168 274	169 764	169 764
NET ASSETS	2	302 878					3 782		3 782	306 661	309 836	318 868
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		271 173	-	-	-	-	3 782	-	3 782	274 956	274 145	278 912
Reserves		31 705	-	-	-	-	-	-	-	31 705	35 691	39 956
TOTAL COMMUNITY WEALTH/EQUITY		302 878					3 782		3 782	306 661	309 836	318 868

DC4 Garden Route - Table B7 Adjustments Budget Cash Flows - 23 August 2019

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H	+1 2020/21	+2 2021/22	
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates								-	-			
Service charges												
Other revenue		230 385							230 385	242 028	259 106	
Government - operating	1	165 426				2 819		2 819	168 245	169 159	176 008	
Government - capital	1	-				3 782		3 782	3 782	-	-	
Interest		16 893							16 893	18 076	19 341	
Dividends		-							-	-	-	
Payments												
Suppliers and employees		(411 494)							(411 494)	(427 414)	(452 365)	
Finance charges		-							-	-	-	
Transfers and Grants	1	(1 965)				(2 819)		(2 819)	(4 784)	(1 545)	(1 458)	
NET CASH FROM/(USED) OPERATING ACTIVITIES		(755)	-	-	-	-	3 782	-	3 782	3 028	304	632
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		3 652							3 652	6 000	6 000	
Decrease (Increase) in non-current debtors		3 636							3 636	1 901	1 958	
Decrease (increase) other non-current receivables		-							-	-	-	
Decrease (increase) in non-current investments		-							-	-	-	
Payments												
Capital assets		(6 923)				(3 782)		(3 782)	(10 705)	(6 800)	(6 160)	
NET CASH FROM/(USED) INVESTING ACTIVITIES		366	-	-	-	-	(3 782)	-	(3 782)	(3 417)	1 101	1 798
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		(389)	-	-	-	-	(0)	-	(0)	(389)	1 404	2 430
Cash/cash equivalents at the year begin:	2	169 768							169 768	169 379	170 783	
Cash/cash equivalents at the year end:	2	169 379					(0)		169 379	170 783	173 213	

DC4 Garden Route - Table B8 Cash backed reserves/accumulated surplus reconciliation - 23 August 2019

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
		3	4	5	6	7	8	9	10			
		A	A1	B	C	D	E	F	G	H		
R thousands												
Cash and investments available												
Cash/cash equivalents at the year end	1	169 379	-	-	-	-	(0)	-	(0)	169 379	170 783	173 213
Other current investments > 90 days		-	-	-	-	-	0	-	0	0	-	-
Non current assets - Investments	1	26	-	-	-	-	-	-	-	26	26	26
Cash and investments available:		169 405	-	-	-	-	-	-	-	169 405	170 809	173 239
Applications of cash and investments												
Unspent conditional transfers		14 933	-	-	-	-	-	-	-	14 933	14 933	14 933
Unspent borrowing												
Statutory requirements												
Other working capital requirements	2	(28 571)	-	-	-	-	-	-	-	(28 571)	(30 597)	(32 693)
Other provisions		30 281								30 281	31 771	31 771
Long term investments committed		26	-	-	-	-	-	-	-	26	26	26
Reserves to be backed by cash/investments		61 986	-	-	-	-	-	-	-	61 986	67 462	71 727
Total Application of cash and investments:		78 654	-	-	-	-	-	-	-	78 654	83 594	85 763
Surplus(shortfall)		90 750	-	-	-	-	-	-	-	90 750	87 215	87 475

Total Upgrading of Existing Assets to be adjusted	2a	500	-	-	-	-	-	-	-	500	825	1 000
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		500	-	-	-	-	-	-	-	500	825	1 000
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	500	-	-	-	-	-	-	-	500	825	1 000
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	4	6 923	-	-	-	3 782	-	3 782	10 705	6 800	6 160	
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Community Facilities		2 000	-	-	-	-	-	-	-	2 000	1 500	1 500
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		2 000	-	-	-	-	-	-	-	2 000	1 500	1 500
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		2 950	-	-	-	-	-	-	-	2 950	825	1 000
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		2 950	-	-	-	-	-	-	-	2 950	825	1 000
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	150	-
Intangible Assets		-	-	-	-	-	-	-	-	-	150	-
Computer Equipment		1 503	-	-	-	-	-	-	-	1 503	2 015	2 430
Furniture and Office Equipment		70	-	-	-	-	-	-	-	70	10	-
Machinery and Equipment		400	-	-	-	-	-	-	-	400	500	530
Transport Assets		-	-	-	-	3 782	-	3 782	3 782	1 800	700	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	4	6 923	-	-	-	3 782	-	3 782	10 705	6 800	6 160	

ASSET REGISTER SUMMARY - PPE (WDV)	5	229 223	-	-	-	-	-	-	-	229 223	234 020	238 306
<i>Roads Infrastructure</i>												
<i>Storm water Infrastructure</i>												
<i>Electrical Infrastructure</i>												
<i>Water Supply Infrastructure</i>												
<i>Sanitation Infrastructure</i>												
<i>Solid Waste Infrastructure</i>												
<i>Rail Infrastructure</i>												
<i>Coastal Infrastructure</i>												
<i>Information and Communication Infrastructure</i>												
Infrastructure												
Community Assets												
Heritage Assets												
Investment properties		83 831								83 831	82 992	82 162
Other Assets		143 644								143 644	149 315	154 465
Biological or Cultivated Assets												
Intangible Assets		1 748								1 748	1 713	1 679
Computer Equipment												
Furniture and Office Equipment												
Machinery and Equipment												
Transport Assets												
Land												
Zoo's, Marine and Non-biological Animals												
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	229 223	-	-	-	-	-	-	-	229 223	234 020	238 306
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		3 477	-	-	-	-	-	-	-	3 477	3 986	4 265
Repairs and Maintenance by asset class	3	4 199	-	-	-	-	-	-	-	4 199	4 453	4 549
<i>Roads Infrastructure</i>												
<i>Storm water Infrastructure</i>												
<i>Electrical Infrastructure</i>												
<i>Water Supply Infrastructure</i>												
<i>Sanitation Infrastructure</i>												
<i>Solid Waste Infrastructure</i>												
<i>Rail Infrastructure</i>												
<i>Coastal Infrastructure</i>												
<i>Information and Communication Infrastructure</i>												
Infrastructure												
Community Facilities		630								630	668	682
Sport and Recreation Facilities		1 260								1 260	1 336	1 365
Community Assets		1 890								1 890	2 004	2 047
Heritage Assets												
Revenue Generating												
Non-revenue Generating												
Investment properties												
Operational Buildings		1 680								1 680	1 781	1 820
Housing												
Other Assets		1 680								1 680	1 781	1 820
Biological or Cultivated Assets												
Servitudes												
Licences and Rights												
Intangible Assets												
Computer Equipment												
Furniture and Office Equipment												
Machinery and Equipment												
Transport Assets		630								630	668	682
Land												
Zoo's, Marine and Non-biological Animals	6											
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		7 676	-	-	-	-	-	-	-	7 676	8 439	8 814

PART 2 SUPPORTING DOCUMENTATION

Section 5 - Adjustments to budget assumptions

The budget assumption as tabled with the Original budget 2019/2020 is still applicable.

The following additional assumption is applicable for the tabling of this Adjustment budget as follows:

- The balance of the unspent funds is cash backed and the funds are available in the municipal bank account for successful implementation of the projects.
- **Unspent MOU / SLA** – Agreement to continue with the projects is in order and the respective departments will ensure compliance to the original signed MOU /SLA is adhered to and deviations from the above will be reported to the responsible authorities.
- **Unspent Provincial Grants** – The projects will be approved by Provincial Treasury and continuous reporting will be implemented to ensure achievement of the project objectives as per the approved business plans.
- **Unspent National Grants** – The projects will be approved by National Treasury and continuous reporting will be implemented to ensure achievement of the project objectives as per the approved business plans.

Section 6 – Adjustments to budget funding

The adjustment to budget funding will be on the expenditure side where additional budgeting will be added to the existing budget to ensure the implementation of these roll-over projects. The funding source for these roll-overs is the cash back surplus as at 30 June 2019.

The balance in the municipal bank account at 30 June 2019 is the following:

- Current account R145,919,275
- **Total balance** **R145,919,275**

Section 7 – Adjustments to expenditure on allocations and grant programmes

Adjustments to the grants for the different proposed roll-over grant funded projects are as follows:

National grant allocations:

National Government Roll - Overs		
Section	Project Description	Roll-Over Amount
Roads	Rural Roads Asset Management Systems	218 370,26
Public Safety	Disaster Management Grant	2 097 288,40
		2 315 658,66

Provincial Grant allocation

Provincial Government Roll - Overs		
Section	Project Description	Roll-Over Amount
Roads	Integrated Transport Planning	590 487,50
	WCFMSG: Long Term Financial Plan	284 950,00
BTO	WCFMSG: Data Cleansing - IT	90 000,00
	WC FMSG: Municipal Finance	
Corp	Management Internship Program - HR	350 000,00
BTO	WC FMSG: BTO Capacitation	85 000,00
Public Safety	Fire Services Capacity Building Grant	1 685 027,00
Exec & Council	Safety Plan Implementation - (WOSA)	1 200 000,00
		4 285 464,50

Total Grant Roll-over

R 6 601 123

Section 8 – Adjustments to Grants made by the Municipality

The municipality do not intent making any allocation to external parties from its own revenues resources.

Section 9 – Adjustments to Councillor and Allowances and Employee Benefits

No adjustments to councillor allowance and employee benefits are permissible during this budget process. All adjustments required will be done during the January mid- year budget process.

Section 10 – Adjustments to Service Delivery and Budget Implementation Plan

As part of council's resolution Service Delivery and Budget Implementation Plan will be revised and presented to the Mayor to incorporate these projects.

This will be concluded as per the legislative requirements.

Section 11 – Adjustment to Capital expenditure

The capital budget additionally changed with the Disaster Management Grant and Fire Services Capacity Building Grant. These allocations will be utilized to purchase two fire trucks.

Capital Roll - Overs			
Section	Department	Project Description	Roll-Over Amount
Public Safety	National	Disaster Management Grant	2 097 288,40
Public Safety	Provincial	Fire Services Capacity Building Grant	1 685 027,00
		Total	3 782 315,40

Section 12 Municipal manager's quality certificate

NAVRAE:
ENQUIRIES: L Hoek

KONTAKNR
CONTACT NO 044 803 1449

VERW:
REF: 6/18/7/2019-2020

KANTOOR:
OFFICES: George

DATUM
DATE 12 August 2019

**QUALITY CERTIFICATE**

I **Monde Stratu**, municipal manager of **Garden Route District Municipality**, hereby certify that the **Roll-Over Adjustment Budget 2019/2020 MTREF** and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name MONDE STRATU

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

Signature 

Date 12/8/19