



2022/2023  
FINANCIAL YEAR

**MONTHLY  
FINANCIAL  
MONITORING  
REPORT**

M06: 31 December 2022



**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 December 2022.

### **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 Approved Budget**

#### **Revenue by source**

The total revenue received for the month ended 31 December 2022 amounted to **R110,545,432** which represents **22%** of the total adjusted budgeted figure of **R505,851,076 (including Roads)**. The municipality received the second instalment of Equitable Share to the amount of R56,997,000 during the month of December 2022.

#### **Operating Expenditure by type**

Operating expenditure for the month ended 31 December 2022 amounted to **R 31,112,553** with a total adjusted budgeted figure of **R511,643,134 (including Roads)**, the operational expenditure for the month is **6.0%** of the total adjusted budget. The majority of the expenditure related to Employee and Councillor related cost of **R25,695,791 (83% of the monthly expenditure)**. Annual and performance bonuses were paid staff in December 2022.

## **Capital Expenditure**

The adjusted capital budget for the financial year amounts to **R 127,797,414**. Capital expenditure of **R474,811** were recorded for the month ended 31 December 2022.

84% of the annual capital budget relates to the construction of the Regional Waste Management Facility. The procurement process to award the tender is in evaluation stage – it is envisaged that adjudication will be done in January 2023. Actual construction is only expected to start towards the end of quarter 30 at which point the total percentage spent of the capital budget will show significant increase. The low expenditure in the first half of the 2022/23 is therefore as was expected.

Refer to page 14 & 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 December 2022 will be presented under the different sections of the report.

## Section 3 – In-year budget statement tables

### 3.1 Monthly budget statements

#### 3.1.1 Table C1: S71 Monthly Budget Statement Summary

DC4 Garden Route - Table C1 Monthly Budget Statement Summary - M06 December

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	–	–	–	–	–	–	–		–
Service charges	–	11 168	11 168	–	–	5 584	(5 584)	-100%	11 168
Investment revenue	8 271	9 010	9 010	94	3 742	1 611	2 131	132%	9 010
Transfers and subsidies	183 567	228 660	234 121	56 997	130 498	161 108	(30 610)	-19%	234 121
Other own revenue	204 463	220 312	240 352	51 454	118 713	93 039	25 674	28%	240 352
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>396 301</b>	<b>469 150</b>	<b>494 651</b>	<b>108 545</b>	<b>252 954</b>	<b>261 342</b>	<b>(8 388)</b>	<b>-3%</b>	<b>494 651</b>
Employee costs	275 308	288 669	287 102	24 641	147 049	142 979	4 070	3%	287 102
Remuneration of Councillors	11 829	12 542	12 542	1 055	6 507	6 271	236	4%	12 542
Depreciation & asset impairment	4 605	4 986	4 986	348	2 086	2 493	(407)	-16%	4 986
Finance charges	28	73	73	–	–	37	(37)	-100%	73
Inventory consumed and bulk purchases	44 148	51 011	52 890	1 046	20 736	16 787	3 949	24%	52 890
Transfers and subsidies	5 296	1 835	2 375	472	1 429	1 206	223	19%	2 375
Other expenditure	74 405	128 180	151 674	3 551	36 560	65 859	(29 299)	-44%	151 674
<b>Total Expenditure</b>	<b>415 618</b>	<b>487 297</b>	<b>511 643</b>	<b>31 113</b>	<b>214 367</b>	<b>235 632</b>	<b>(21 265)</b>	<b>-9%</b>	<b>511 643</b>
<b>Surplus/(Deficit)</b>	<b>(19 317)</b>	<b>(18 147)</b>	<b>(16 992)</b>	<b>77 433</b>	<b>38 587</b>	<b>25 710</b>	<b>12 877</b>	<b>50%</b>	<b>(16 992)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	4 000	4 000	2 000	4 000	2 000	2 000	100%	4 000
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers	191	7 200	7 200	–	–	3 600	(3 600)	-100%	7 200
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(19 126)</b>	<b>(6 947)</b>	<b>(5 792)</b>	<b>79 433</b>	<b>42 587</b>	<b>31 310</b>	<b>11 277</b>	<b>36%</b>	<b>(5 792)</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
<b>Surplus/ (Deficit) for the year</b>	<b>(19 126)</b>	<b>(6 947)</b>	<b>(5 792)</b>	<b>79 433</b>	<b>42 587</b>	<b>31 310</b>	<b>11 277</b>	<b>36%</b>	<b>(5 792)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>30 208</b>	<b>126 642</b>	<b>127 797</b>	<b>475</b>	<b>2 842</b>	<b>63 904</b>	<b>(61 062)</b>	<b>-96%</b>	<b>127 797</b>
Capital transfers recognised	381	11 200	11 415	–	89	5 698	(5 609)	-98%	11 415
Borrowing	3 617	107 232	107 232	–	461	53 616	(53 155)	-99%	107 232
Internally generated funds	26 210	8 210	9 150	475	2 292	4 590	(2 298)	-50%	9 150
<b>Total sources of capital funds</b>	<b>30 208</b>	<b>126 642</b>	<b>127 797</b>	<b>475</b>	<b>2 842</b>	<b>63 904</b>	<b>(61 062)</b>	<b>-96%</b>	<b>127 797</b>
<b>Financial position</b>									
Total current assets	147 663	283 780	159 358		227 409				159 358
Total non current assets	286 975	431 969	421 585		296 186				421 585
Total current liabilities	53 413	33 460	55 098		37 642				55 098
Total non current liabilities	131 669	376 559	252 395		143 981				252 395
Community wealth/Equity	249 556	305 730	273 451		341 971				273 451
<b>Cash flows</b>									
Net cash from (used) operating	229 875	(12 537)	(11 382)	79 780	44 627	28 666	(14 156)	-49%	(11 382)
Net cash from (used) investing	(8 144)	(126 642)	(127 797)	(475)	(2 842)	(63 904)	(56 991)	89%	(127 797)
Net cash from (used) financing	–	107 232	107 232	(12 716)	(12 716)	30 601	30 601	100%	107 232
<b>Cash/cash equivalents at the month/year end</b>	<b>391 482</b>	<b>229 595</b>	<b>107 634</b>	<b>–</b>	<b>122 113</b>	<b>137 901</b>	<b>(40 547)</b>	<b>-29%</b>	<b>107 634</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	48 214	1 926	497	379	2 673	327	3 830	34 516	92 364
<b>Creditors Age Analysis</b>									
Total Creditors	34	31	171	184	4	2	220	453	1 098

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

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:

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

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>221 855</b>	<b>285 116</b>	<b>291 517</b>	<b>63 728</b>	<b>153 039</b>	<b>184 937</b>	(31 898)	-17%	<b>291 517</b>
Executive and council		220 980	284 542	290 943	63 319	152 342	184 907	(32 565)	-18%	290 943
Finance and administration		875	574	574	409	697	30	667	2226%	574
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		<b>8 440</b>	<b>8 175</b>	<b>8 175</b>	<b>752</b>	<b>2 729</b>	<b>1 790</b>	940	53%	<b>8 175</b>
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		8 134	7 761	7 761	731	2 529	1 614	915	57%	7 761
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		306	414	414	21	200	176	24	14%	414
<i><b>Economic and environmental services</b></i>		<b>166 063</b>	<b>174 784</b>	<b>193 884</b>	<b>46 066</b>	<b>101 186</b>	<b>74 078</b>	27 108	37%	<b>193 884</b>
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		165 982	174 659	193 759	46 055	101 144	74 002	27 142	37%	193 759
Environmental protection		80	125	125	11	42	76	(34)	-45%	125
<i><b>Trading services</b></i>		<b>-</b>	<b>12 275</b>	<b>12 275</b>	<b>-</b>	<b>-</b>	<b>6 137</b>	(6 137)	-100%	<b>12 275</b>
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	12 275	12 275	-	-	6 137	(6 137)	-100%	12 275
<i><b>Other</b></i>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>396 358</b>	<b>480 350</b>	<b>505 851</b>	<b>110 545</b>	<b>256 954</b>	<b>266 942</b>	<b>(9 988)</b>	<b>-4%</b>	<b>505 851</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>138 320</b>	<b>183 489</b>	<b>183 539</b>	<b>11 166</b>	<b>67 835</b>	<b>89 516</b>	(21 680)	-24%	<b>183 539</b>
Executive and council		48 486	51 514	50 684	3 195	19 584	21 744	(2 159)	-10%	50 684
Finance and administration		87 078	129 055	129 950	7 725	46 664	66 353	(19 688)	-30%	129 950
Internal audit		2 756	2 919	2 905	247	1 587	1 419	168	12%	2 905
<i><b>Community and public safety</b></i>		<b>83 854</b>	<b>89 679</b>	<b>90 006</b>	<b>6 456</b>	<b>42 301</b>	<b>43 174</b>	(873)	-2%	<b>90 006</b>
Community and social services		9 004	7 917	8 205	643	3 565	4 129	(565)	-14%	8 205
Sport and recreation		11 768	13 387	13 687	899	5 877	6 433	(556)	-9%	13 687
Public safety		26 063	28 916	28 654	1 787	12 663	13 263	(600)	-5%	28 654
Housing		-	-	-	-	-	-	-	-	-
Health		37 019	39 460	39 460	3 127	20 196	19 349	848	4%	39 460
<i><b>Economic and environmental services</b></i>		<b>188 785</b>	<b>197 403</b>	<b>221 372</b>	<b>13 026</b>	<b>101 814</b>	<b>95 084</b>	6 730	7%	<b>221 372</b>
Planning and development		16 743	16 302	19 419	1 395	11 209	9 740	1 469	15%	19 419
Road transport		168 568	177 203	198 082	11 302	88 739	83 509	5 230	6%	198 082
Environmental protection		3 474	3 898	3 871	328	1 865	1 835	30	2%	3 871
<i><b>Trading services</b></i>		<b>2 178</b>	<b>14 051</b>	<b>14 051</b>	<b>149</b>	<b>1 000</b>	<b>6 749</b>	(5 749)	-85%	<b>14 051</b>
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 178	14 051	14 051	149	1 000	6 749	(5 749)	-85%	14 051
<i><b>Other</b></i>		<b>2 482</b>	<b>2 676</b>	<b>2 676</b>	<b>315</b>	<b>1 417</b>	<b>1 109</b>	<b>308</b>	<b>28%</b>	<b>2 676</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>415 618</b>	<b>487 297</b>	<b>511 643</b>	<b>31 113</b>	<b>214 367</b>	<b>235 632</b>	<b>(21 265)</b>	<b>-9%</b>	<b>511 643</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(19 261)</b>	<b>(6 947)</b>	<b>(5 792)</b>	<b>79 433</b>	<b>42 587</b>	<b>31 310</b>	<b>11 277</b>	<b>36%</b>	<b>(5 792)</b>



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

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

Vote Description	Ref	2021/22	Budget Year 2022/23							
		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 - Office of the Municipal Manager		221 115	284 542	290 943	63 319	152 342	184 907	(32 565)	-17,6%	290 943
Vote 2 - Office of the Municipal Manager (cont)		-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		8	-	-	-	-	-	-	-	-
Vote 4 - Financial Services (cont)		-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Services		867	574	574	409	697	30	667	2226,4%	574
Vote 6 - Corporate Services (cont)		-	-	-	-	-	-	-	-	-
Vote 7 - Community Services		306	414	414	21	200	176	24	13,9%	414
Vote 8 - Community Services (cont)		80	12 400	12 400	11	42	6 213	(6 172)	-99,3%	12 400
Vote 9 - Planning and Economic Development		-	-	-	-	-	-	-	-	-
Vote 10 - Planning and Economic Development (cont)		4 763	3 015	3 015	518	1 875	999	875	87,6%	3 015
Vote 11 - Planning and Economic Development(cont2)		3 371	4 746	4 746	213	655	615	40	6,5%	4 746
Vote 12 - Roads		165 982	174 659	193 759	46 055	101 144	74 002	27 142	36,7%	193 759
Vote 13 - Roads (cont)		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	396 492	480 350	505 851	110 545	256 954	266 942	(9 988)	-3,7%	505 851
Expenditure by Vote	1									
Vote 1 - Office of the Municipal Manager		55 068	56 625	56 635	3 615	23 128	25 127	(1 999)	-8,0%	56 635
Vote 2 - Office of the Municipal Manager (cont)		6 326	6 208	6 198	515	3 315	2 943	373	12,7%	6 198
Vote 3 - Financial Services		18 395	20 275	20 280	1 923	10 439	11 093	(654)	-5,9%	20 280
Vote 4 - Financial Services (cont)		5 525	5 902	5 897	522	3 201	2 892	309	10,7%	5 897
Vote 5 - Corporate Services		16 093	54 827	54 806	1 472	7 879	26 933	(19 054)	-70,7%	54 806
Vote 6 - Corporate Services (cont)		24 572	26 371	26 742	1 641	13 350	13 823	(473)	-3,4%	26 742
Vote 7 - Community Services		48 451	51 577	51 838	4 345	25 752	25 481	272	1,1%	51 838
Vote 8 - Community Services (cont)		30 589	45 657	45 395	2 126	14 928	21 305	(6 378)	-29,9%	45 395
Vote 9 - Planning and Economic Development		16 728	17 965	20 681	1 753	11 475	10 224	1 251	12,2%	20 681
Vote 10 - Planning and Economic Development (cont)		22 365	21 210	21 462	1 681	10 730	10 612	118	1,1%	21 462
Vote 11 - Planning and Economic Development(cont2)		2 939	3 478	3 628	217	1 430	1 690	(260)	-15,4%	3 628
Vote 12 - Roads		98 845	101 065	122 349	7 774	59 362	57 921	1 441	2,5%	122 349
Vote 13 - Roads (cont)		69 723	76 138	75 733	3 529	29 377	25 588	3 789	14,8%	75 733
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	415 618	487 297	511 643	31 113	214 367	235 632	(21 265)	-9,0%	511 643
Surplus/ (Deficit) for the year	2	(19 126)	(6 947)	(5 792)	79 433	42 587	31 310	11 277	36,0%	(5 792)

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

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

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

Description	Ref	2021/22	Budget Year 2022/23							
		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		-	11 168	11 168	-	-	5 584	(5 584)	-100%	11 168
Rental of facilities and equipment	1 039	2 469	2 469	2 469	96	463	400	63	16%	2 469
Interest earned - external investments	8 271	9 010	9 010	9 010	94	3 742	1 611	2 131	132%	9 010
Interest earned - outstanding debtors	2 751	3 180	3 180	3 180	344	1 818	1 549	269	17%	3 180
Dividends received	-	-	-	-	-	-	-	-		-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-		-
Licences and permits	80	125	125	125	11	42	76	(34)	-45%	125
Agency services	183 028	189 287	209 328	209 328	47 226	108 184	81 728	26 456	32%	209 328
Transfers and subsidies	183 567	228 660	234 121	234 121	56 997	130 498	161 108	(30 610)	-19%	234 121
Other revenue	17 556	22 711	22 711	22 711	3 778	8 207	8 017	190	2%	22 711
Gains	8	2 540	2 540	2 540	-	-	1 270	(1 270)	-100%	2 540
Total Revenue (excluding capital transfers and contributions)		396 301	469 150	494 651	108 545	252 954	261 342	(8 388)	-3%	494 651
Expenditure By Type										
Employee related costs		275 308	288 669	287 102	24 641	147 049	142 979	4 070	3%	287 102
Remuneration of councillors		11 829	12 542	12 542	1 055	6 507	6 271	236	4%	12 542
Debt impairment		5 976	1 560	1 560	-	-	780	(780)	-100%	1 560
Depreciation & asset impairment		4 605	4 986	4 986	348	2 086	2 493	(407)	-16%	4 986
Finance charges		28	73	73	-	-	37	(37)	-100%	73
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		44 148	51 011	52 890	1 046	20 736	16 787	3 949	24%	52 890
Contracted services		20 812	79 177	81 815	348	10 947	39 688	(28 741)	-72%	81 815
Transfers and subsidies		5 296	1 835	2 375	472	1 429	1 206	223	19%	2 375
Other expenditure		47 465	47 370	68 226	3 203	25 659	25 355	304	1%	68 226
Losses		152	73	73	-	(46)	36	(82)	-226%	73
Total Expenditure		415 618	487 297	511 643	31 113	214 367	235 632	(21 265)	-9%	511 643
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(19 317)	(18 147)	(16 992)	77 433	38 587	25 710	12 877	0	(16 992)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		134	-	-	-	-	-	-		-
Transfers and subsidies - capital (in-kind - all)		57	7 200	7 200	-	-	3 600	(3 600)	(0)	7 200
Surplus/(Deficit) after capital transfers & contributions		(19 126)	(6 947)	(5 792)	79 433	42 587	31 310			(5 792)
Taxation		-	-	-	-	-	-	-		-
Surplus/(Deficit) after taxation		(19 126)	(6 947)	(5 792)	79 433	42 587	31 310			(5 792)
Attributable to minorities		-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality		(19 126)	(6 947)	(5 792)	79 433	42 587	31 310			(5 792)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-			-
Surplus/ (Deficit) for the year		(19 126)	(6 947)	(5 792)	79 433	42 587	31 310			(5 792)

## **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 municipality recorded income for rental of facilities and equipment of R95,769 for the month ended 31 December 2022.

### **Interest earned – External Investments:**

Reflects the interest earned in respect of surplus funds not immediately needed in the operations of the municipality over the short-term period. Interest on external investments for the month ended 31 December 2022 amounts to R94,112.

### **Interest raised – Outstanding debtors**

The interest on outstanding debtors for the month of 31 December 2022 amounts to R343,957.

### **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 that is equal to the expenditure incurred under the MoA with the WC Department of Transport and Public Works. R45.9m was recorded in December 2022 in order to ensure the full expenditure for the first half of the year is included in the revenue also. In addition, a 12% Admin fee is received on the original allocation and 6% on any additional allocations for this function. An admin fee from agency services was recorded for the month ended 31 December 2022 to the amount of R1,308,478.

### **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 R67,361,000 for the Equitable Share was received during July 2022. The municipality received its first instalment of R1,815,000 for the Rural Roads Assets Management Grant during July 2022. The municipality received R1,000,000 for the Financial Management Grant (FMG), R610,000 the first instalment of the EPWP grant and a R2,000,000 for the EEDS grant from the National Treasury for the month end 31 August 2022, VAT were deducted from the income amount and only R1.7 reflects on the income statement, the correction journal will be processed in September 2022 month end. The municipality recorded no income for grants received for the month 30 September 2022. The amount of R1,500,000 was received for Safety Initiative Implementation Plan during the month of October 2022. The municipality received the second instalment to the amount of R1,098,000 for the EPWP grant during the month of 30 November 2022. The municipality received the second instalment of the Equitable Share to the amount of R56,997,000 during the month of 31 December 2022.

#### Other revenue / Sundry income

Other revenue reflects an amount of R3,777,603 for the month ended 31 December 2022. 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 December 2022 amounted to R25,695,791 of an adjusted budgeted amount R299,644,752 that represents 8,5% of the budgeted amount and 83% of the monthly expenditure. During the month of 30 November 2022 the majority of the staff received their bonus payment for the year and the remainder received payment with the December salary run.

#### Debt Impairment / Depreciation and asset impairment

Depreciation of R347,618 was recognised in December 2022.

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 2023.

#### Other materials

Other materials consists of all inventory consumed purchases for materials and supplies and amounts to R1,046,281 for the month ended 31 December 2022 against an adjusted budgeted amount of R52,889,908.

#### Contracted services

The contracted services for the month ended 31 December 2022 amounts to R347,979 against an adjusted budgeted amount of R81,814,822.

#### Transfers and subsidies

The transfers and subsidies expenditure for the month ended 31 December 2022 amounts to R472,264 against an adjusted budgeted amount of R2,375,200.

#### Other expenditure

Other expenditure reflects all other expenses not specifically mentioned and amounts to R3,202,618 for month ended 31 December 2022.

The other expenditure consists of the following:

- Operating costs
- Operating Projects (own funds)

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

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

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Office of the Municipal Manager		10	30	30	-	13	30	(17)	-57%	30
Vote 2 - Office of the Municipal Manager (cont)		-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		19	30	30	-	9	15	(6)	-42%	30
Vote 4 - Financial Services (cont)		-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Services		30	30	30	-	5	15	(10)	-63%	30
Vote 6 - Corporate Services (cont)		16	250	250	-	194	125	69	55%	250
Vote 7 - Community Services		26	6 890	6 890	475	550	3 445	(2 895)	-84%	6 890
Vote 8 - Community Services (cont)		3 617	107 382	107 382	-	557	53 691	(53 134)	-99%	107 382
Vote 9 - Planning and Economic Development		33	7 230	7 445	-	89	3 713	(3 624)	-98%	7 445
Vote 10 - Planning and Economic Development (cont)		7 344	4 800	5 740	-	1 425	2 870	(1 445)	-50%	5 740
Vote 11 - Planning and Economic Development(cont2)		-	-	-	-	-	-	-	-	-
Vote 12 - Roads		-	-	-	-	-	-	-	-	-
Vote 13 - Roads (cont)		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	11 096	126 642	127 797	475	2 842	63 904	(61 062)	-96%	127 797
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Office of the Municipal Manager		(862)	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager (cont)		-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 4 - Financial Services (cont)		-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Services		376	-	-	-	-	-	-	-	-
Vote 6 - Corporate Services (cont)		3 533	-	-	-	-	-	-	-	-
Vote 7 - Community Services		732	-	-	-	-	-	-	-	-
Vote 8 - Community Services (cont)		368	-	-	-	-	-	-	-	-
Vote 9 - Planning and Economic Development		1	-	-	-	-	-	-	-	-
Vote 10 - Planning and Economic Development (cont)		15	-	-	-	-	-	-	-	-
Vote 11 - Planning and Economic Development(cont2)		-	-	-	-	-	-	-	-	-
Vote 12 - Roads		5 463	-	-	-	-	-	-	-	-
Vote 13 - Roads (cont)		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		9 486	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	19 112	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>		30 208	126 642	127 797	475	2 842	63 904	(61 062)	-96%	127 797

Refer to next page for detail breakdown of the capital expenditure:

SCOA config	Nr.	Project description	Adjusted budget R'	YTD Expenditure R'	Status of project	Any challenges identified that is resulting in delays?
71120006635	1	Office furniture: Office MM	30,000	12,905	Order Issued to Supplier	No challenges anticipated
71010110001	2	Upgrading of buildings - Retrofitting EEDS	4,000,000		In Process	No challenges anticipated
71010190001	3	Fresh Produce Market	315,000		In Process	No challenges anticipated
71204240001	4	Office equipment: CFO	30,000	8,632	In Process	No challenges anticipated
71207230002	5	Replacing ICT Capital Equipment beyond economical repairs	34,000		In Process	No challenges anticipated
71301240001	6	Office furniture: Exec Manager Corporate Services	26,500	5,477	Order Issued to Supplier	No challenges anticipated
71120006639	7	Office Furniture & Equipment: Man Planning&Dev	30,000		Order Issued to Supplier	No challenges anticipated
71403103104	8	Donated Properties - 2 x Wilderness	1,200,000		In Process	Dependent upon legal processes. No cash implications if transactions is finalised in 2023/24 only
71403103105	9	Donated Properties - King George Park	1,000,000		In Process	
71403103106	10	Donated Properties - Heatherlands	2,500,000		In Process	
71403103107	11	Donated Properties - Fresh Produce	2,500,000		In Process	
71602230001	12	Mosselbay JOC equipment	1,000,000	473,099	In Process	No challenges anticipated
71801240001	13	Office of the executive manager Community: office equipment	30,000	3,355	Order Issued to Supplier	No challenges anticipated
71801310001	14	Firestation: George	5,860,000	73,896	Order Issued to Supplier	Project does show delays - no risk of loss to GRDM as project is not grant funded. New estimate to be updated with Feb 2023 adjustment budget.
72305230001	15	Hazmat Rescue & Fire Equipment	150,000	95,608	Order Issued to Supplier	No challenges anticipated

SCOA config	Nr.	Project description	Adjusted budget R'	YTD Expenditure R'	Status of project	Any challenges identified that is resulting in delays?
74402100901	16	Landfill Site: PPE	107,232,299	461,490	In Process	Project does show delays - no risk of loss to GRDM as project is not grant funded. New estimate to be updated with Feb 2023 adjustment budget.
71207230003	17	Routers	20,570	20,565	Completed	No challenges anticipated
71207230004	18	Network Infrastructure	166,987	152,267	Order Issued to Supplier	No challenges anticipated
71301104031	19	Loud Speakers	3,500		Order Issued to Supplier	No challenges anticipated
71408102304	20	Banners: Human Settlements	15,000		Order Issued to Supplier	No challenges anticipated
71408104002	21	Fridges: Human Settlements	20,000		Order Issued to Supplier	No challenges anticipated
71408104103	22	IT Equipment: Human Settlements	50,000		Order Issued to Supplier	No challenges anticipated
71408104122	23	Laptops: Human Settlements	50,000	35,930	Order Issued to Supplier	No challenges anticipated
71408400001	24	Office Furniture: Human Settlements	80,000	53,002	Order Issued to Supplier	No challenges anticipated
71207104112	25	Wireless Access Points	17,390	17,387	Completed	No challenges anticipated
71207102463	26	Replacing Urn	1,500	1,500	Completed	No challenges anticipated
71207104145	27	Monitor	2,195	2,195	Completed	No challenges anticipated
72205160001	28	Hot Springs Thatch Roofs	1,425,115	1,424,700	Completed	No challenges anticipated
71207104173	29	USB Port Replicator	7,358	0	In Process	No challenges anticipated
<b>Totals</b>			<b>127,797,414</b>	<b>2,842,010</b>		



Project status: If the project is in the SCM process of being procured. Please state in which stage (planning,				
<b>Commitments against capital for the month December 2022</b>				
71204240001	4	Office equipment: CFO	1204	675,00
71207230004	18	Network Infrastructure	1207	14 720,10
71120006639	7	Office Furniture & Equipment: Man Planning&Dev	1401	20 268,08
71408104002	21	Fridges: Human Settlements	1408	2 694,79
71408400001	24	Office Furniture: Human Settlements	1408	2 934,74
71602230001	12	Mosselbay JOC equipment	1602	520 664,20
72305230001	15	Hazmat Rescue & Fire Equipment	2305	11 745,00
74402100901	16	Landfill Site: PPE	4402	218 878,75
		<b>Total Commitments</b>		<b>792 580,66</b>

### 3.1.6 Table C6: Monthly Budget Statement - Financial Position

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

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearID actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		140 851	224 260	102 634	17 113	102 634
Call investment deposits		276	5 000	5 000	105 000	5 000
Consumer debtors		11 152	4 368	10 181	55 297	10 181
Other debtors		(12 083)	42 789	34 197	40 096	34 197
Current portion of long-term receivables		4 341	4 246	4 293	4 293	4 293
Inventory		3 126	3 117	3 053	5 610	3 053
<b>Total current assets</b>		<b>147 663</b>	<b>283 780</b>	<b>159 358</b>	<b>227 409</b>	<b>159 358</b>
<b>Non current assets</b>						
Long-term receivables		54 321	61 388	62 764	62 764	62 764
Investments		27	27	28	28	28
Investment property		64 207	57 400	67 525	64 132	67 525
Investments in Associate		–	–	–	–	–
Property, plant and equipment		166 881	313 383	291 291	167 699	291 291
Biological		–	–	–	–	–
Intangible		1 538	(228)	(23)	1 563	(23)
Other non-current assets		–	–	–	–	–
<b>Total non current assets</b>		<b>286 975</b>	<b>431 969</b>	<b>421 585</b>	<b>296 186</b>	<b>421 585</b>
<b>TOTAL ASSETS</b>		<b>434 638</b>	<b>715 749</b>	<b>580 944</b>	<b>523 595</b>	<b>580 944</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		(213)	536	100	100	100
Consumer deposits		406	374	468	3 230	468
Trade and other payables		32 954	948	27 537	7 583	27 537
Provisions		20 265	31 602	26 993	26 729	26 993
<b>Total current liabilities</b>		<b>53 413</b>	<b>33 460</b>	<b>55 098</b>	<b>37 642</b>	<b>55 098</b>
<b>Non current liabilities</b>						
Borrowing		725	236 166	107 238	–	107 238
Provisions		130 944	140 393	145 157	143 981	145 157
<b>Total non current liabilities</b>		<b>131 669</b>	<b>376 559</b>	<b>252 395</b>	<b>143 981</b>	<b>252 395</b>
<b>TOTAL LIABILITIES</b>		<b>185 082</b>	<b>410 019</b>	<b>307 493</b>	<b>181 624</b>	<b>307 493</b>
<b>NET ASSETS</b>	2	<b>249 556</b>	<b>305 730</b>	<b>273 451</b>	<b>341 971</b>	<b>273 451</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		191 854	245 217	212 943	289 041	212 943
Reserves		57 702	60 513	60 509	52 930	60 509
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>249 556</b>	<b>305 730</b>	<b>273 452</b>	<b>341 971</b>	<b>273 452</b>

### 3.1.7 Table C7: Monthly Budget Statement - Cash Flow

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

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates								-		
Service charges		-	11 168	11 168	-	-	5 584	(5 584)	-100%	11 168
Other revenue		(7 890)	81 249	101 289	51 454	118 713	37 270	(223 437)	-600%	101 289
Transfers and Subsidies - Operational		357 672	360 815	366 276	56 997	130 498	213 936	69 838	33%	366 276
Transfers and Subsidies - Capital		-	4 000	4 000	2 000	4 000	2 000	2 000	100%	4 000
Interest		2 978	9 010	9 010	94	3 742	1 611	(624)	-39%	9 010
Dividends								-		
<b>Payments</b>										
Suppliers and employees		(122 886)	(477 594)	(501 400)	(30 293)	(210 899)	(230 492)	(171 201)	74%	(501 400)
Finance charges		-	(73)	(73)	-	-	(37)	(37)	100%	(73)
Transfers and Grants		-	(1 112)	(1 652)	(472)	(1 429)	(1 206)	(726)	100%	(1 652)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>229 875</b>	<b>(12 537)</b>	<b>(11 382)</b>	<b>79 780</b>	<b>44 627</b>	<b>28 666</b>	<b>(14 156)</b>	<b>-49%</b>	<b>(11 382)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables								-		
Decrease (increase) in non-current investments					(12 716)	(12 716)		-		
<b>Payments</b>										
Capital assets		(8 144)	(126 642)	(127 797)	(475)	(2 842)	63 904	(56 991)	89%	(127 797)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(8 144)</b>	<b>(126 642)</b>	<b>(127 797)</b>	<b>(475)</b>	<b>(2 842)</b>	<b>63 904</b>	<b>(56 991)</b>	<b>89%</b>	<b>(127 797)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								-		
Borrowing long term/refinancing		-	107 232	107 232			30 601	(30 601)	-100%	107 232
Increase (decrease) in consumer deposits								-		
<b>Payments</b>										
Repayment of borrowing								-		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>107 232</b>	<b>107 232</b>	<b>(12 716)</b>	<b>(12 716)</b>	<b>30 601</b>	<b>30 601</b>	<b>100%</b>	<b>107 232</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>221 730</b>	<b>(33 447)</b>	<b>(31 947)</b>	<b>66 589</b>	<b>29 068</b>	<b>123 171</b>			<b>(31 947)</b>
Cash/cash equivalents at beginning:		169 752	263 042	139 581	-	93 044	142 058			139 581
Cash/cash equivalents at month/year end:		391 482	229 595	107 634		122 113	137 901			107 634

The municipal bank balance at 31 December 2022 totals R17 112 915 and there was short term deposits made of R95 000 000 and call account deposits of R10 000 000. Total cash available at month-end is therefore R122,112,915.

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

<b>REPORTING MONTH: 31 DECEMBER 2022</b>		
<b>Commitments against Cash &amp; Cash Equivalents</b>		
<b>ITEM</b>	<b>Previous Month R'000</b>	<b>Current Month R'000</b>
<b>Bank balance as at 31 December 2022</b>	<b>28 044 425,32</b>	<b>17 112 915,12</b>
<b>Other Cash &amp; Cash Equivalents: Short term deposits</b>	<b>55 000 000,00</b>	<b>95 000 000,00</b>
<b>Other Cash &amp; Cash Equivalents: Call accounts</b>	<b>10 000 000,00</b>	<b>10 000 000,00</b>
<b>Total Cash &amp; Cash Equivalents:</b>	<b>93 044 425,32</b>	<b>122 112 915,12</b>
<b>LESS:</b>	<b>78 397 941,83</b>	<b>95 872 281,13</b>
Unspent Conditional Grants	7 460 842,00	7 460 842,00
Provision for staff leave	23 367 198,00	23 367 198,00
Provision for bonus	8 685 239,00	8 685 239,00
Post Retirement Benefits	24 535 000,00	24 535 000,00
Performance Bonus	1 409 384,00	1 409 384,00
Grant received in advance	-	-
Trade Payables	-	-
YTD Unspent Capital budget	7 333 339,00	9 150 000,00
YTD Unspent Operational budget	5 606 939,83	21 264 618,13
<b>Sub total</b>	<b>14 646 483,49</b>	<b>26 240 633,99</b>
<b>PLUS:</b>	<b>50 896 252,64</b>	<b>56 385 424,52</b>
VAT Receivable	1 751 533,00	1 751 533,00
Receivable Exchange	7 331 710,00	7 331 710,00
Department of Transport and Public Works	41 813 009,64	47 302 181,52
	<b>65 542 736,13</b>	<b>82 626 058,51</b>
<b>LESS OTHER MATTERS:</b>		
Capital Replacement Reserve	18 765 298,00	18 765 298,00
Employee Benefits Reserves	34 169 029,00	34 169 029,00
<b>Sub Total</b>	<b>12 608 409,13</b>	<b>29 691 731,51</b>
<b>LESS: CONTINGENT LIABILITIES</b>	<b>4 622 115,00</b>	<b>4 622 115,00</b>
Barry Louis Rae Trust	4 500 000,00	4 500 000,00
Portion of Portion 2 of Farm 238, Hooggekraal	32 115,00	32 115,00
Erf 99, Glentana	-	-
Labour disputes	90 000,00	90 000,00
<b>Recalculated available cash balance</b>	<b>7 986 294,13</b>	<b>25 069 616,51</b>
<b>Total monthly commitments</b>	<b>6 383 334,20</b>	<b>3 204 692,81</b>

## PART 2 – SUPPORTING DOCUMENTATION

### Section 4 – Debtors' analysis

#### Supporting Table SC3

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

UC4 Garden Route - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December														
Description		NT Code	Budget Year 2022/23										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
			0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water		1200	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity		1300	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates		1400	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management		1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management		1600	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors		1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts		1810	12	18	18	17	17	16	99	417	615	566	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure		1820	-	-	-	-	-	-	-	-	-	-	-	-
Other		1900	48 202	1 908	479	362	2 656	311	3 731	34 100	91 749	41 160	-	-
Total By Income Source		2000	48 214	1 926	497	379	2 673	327	3 830	34 516	92 364	41 726	-	-
2021/22 - totals only											-	-		
Debtors Age Analysis By Customer Group														
Organs of State		2200	(58)	18	18	23	36	16	152	2 180	2 387	2 408	-	-
Commercial		2300	-	-	-	-	-	-	-	-	-	-	-	-
Households		2400	2	-	-	-	-	-	-	-	2	-	-	-
Other		2500	48 270	1 908	479	356	2 637	311	3 678	32 336	89 975	39 318	-	-
Total By Customer Group		2600	48 214	1 926	497	379	2 673	327	3 830	34 516	92 364	41 726	-	-

Long outstanding debtors that mainly consist of old sundry debt and fire accounts, remains a concern for the municipality and management will continue to report in terms of progress made.

The majority of the firefighting accounts are disputed with regards to the origin of the fire and who is responsible for the payment of the account. The fire section have implemented an electronic system which will assist in the future with disputes.

The municipality are required to submit debtors aged analysis data strings on a monthly basis.

Currently the debtor section initiated debt collection processes and will report quarterly to the financial services committee on the debt collection process.

## Section 5 – Creditors' analysis

### Supporting Table C4

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

B04 Garden Route - Supporting Table B04 Monthly Budget Statement - aged creditors - 11th December											
Description	NT Code	Budget Year 2022/23									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	34	31	171	184	4	2	220	453	1 098	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	34	31	171	184	4	2	220	453	1 098	-

The municipality are required to submit creditors aged analysis data strings on a monthly basis.

The reasons for long outstanding creditors include invoices not submitted by suppliers or unresolved disputes on certain invoices.

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

## Section 6 – Investment portfolio analysis

### 6.1 Investment monitoring information

	Balance as at 01 December 2022	Movements for the month		Balance as at 31 December 2022	Interest earned Month	Interest earned Year to date
		Investments matured	Investments made			
<b>Garden Route District Municipality</b>						
Standard Bank	27 500 000,00		20 000 000,00	47 500 000,00		1 345 085,75
ABSA	16 500 000,00		10 000 000,00	26 500 000,00		542 597,27
Nedbank	3 000 000,00		10 000 000,00	13 000 000,00		446 762,46
FNB	8 000 000,00			8 000 000,00		307 945,21
<b>BANK DEPOSITS</b>	<b>55 000 000,00</b>	<b>-</b>	<b>40 000 000,00</b>	<b>95 000 000,00</b>	<b>-</b>	<b>2 642 390,69</b>

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

## Section 7 – Allocation and grant receipts and expenditure

### 7.1 Supporting Table C6

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

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
National Government:		173 756	181 160	182 938	56 997	128 881	138 934	(10 053)	-7,2%	182 938
Local Government Equitable Share		167 653	172 721	172 721	56 997	124 358	131 697	(7 339)	-5,6%	172 721
Energy Efficiency and Demand Side Management Grant		-	1 000	1 000	-	-	500	(500)	-100,0%	1 000
Expanded Public Works Programme Integrated Grant		2 071	2 440	2 440	-	1 708	1 708	0	0,0%	2 440
Local Government Financial Management Grant		1 000	1 000	1 000	-	1 000	1 000	-	-	1 000
Municipal Systems Improvement Grant		-	1 405	1 405	-	-	1 405	(1 405)	-100,0%	1 405
Public Transport Network Grant		-	-	1 778	-	-	808	(808)	-100,0%	1 778
Rural Road Asset Management Systems Grant		3 032	2 594	2 594	-	1 815	1 816	(1)	-0,1%	2 594
Provincial Government:		9 639	6 500	10 183	-	1 500	1 674	(174)	-10,4%	10 183
Infrastructure								-	-	
Infrastructure								-	-	
Capacity Building		9 639	6 500	10 183	-	1 500	1 674	(174)	-10,4%	10 183
Other grant providers:		172	41 000	41 000	-	117	20 500	(20 383)	-99,4%	41 000
Other Grants Received		172	41 000	41 000	-	117	20 500	(20 383)	-99,4%	41 000
								-	-	
<b>Total Operating Transfers and Grants</b>	5	183 567	228 660	234 121	56 997	130 498	161 108	(30 610)	-19,0%	234 121
<b>Capital Transfers and Grants</b>										
National Government:		-	4 000	4 000	2 000	4 000	2 000	2 000	100,0%	4 000
Municipal Disaster Recovery Grant								-	-	
Energy Efficiency and Demand Side Management Grant		-	4 000	4 000	2 000	4 000	2 000	2 000	100,0%	4 000
District Municipality:		-	-	-	-	-	-	-	-	-
Infrastructure								-	-	
Capacity Building								-	-	
Other grant providers:		191	7 200	7 200	-	-	3 600	(3 600)	-100,0%	7 200
Other Grants Received		191	7 200	7 200	-	-	3 600	(3 600)	-100,0%	7 200
<b>Total Capital Transfers and Grants</b>	5	191	11 200	11 200	2 000	4 000	5 600	(1 600)	-28,6%	11 200
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	183 758	239 860	245 321	58 997	134 498	166 708	(32 210)	-19,3%	245 321

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

## 7.2 Supporting Table C7

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

Description	Ref	2021/22	Budget Year 2022/23							
		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:		8 926	8 439	8 812	(344)	3 334	4 514	(1 180)	-26,1%	8 812
Equitable Shere								-		
Energy Efficiency and Demand Side Management Grant		-	1 000	1 000	83	83	500	(417)	-83,4%	1 000
Expanded Public Works Programme Integrated Grant		5 387	2 440	2 440	236	1 083	1 220	(137)	-11,2%	2 440
Local Government Financial Management Grant		990	1 000	1 000	55	310	499	(189)	-37,9%	1 000
Municipal Systems Improvement Grant		-	1 405	-	-	-	(702)	702	-100,0%	-
Rural Road Asset Management Systems Grant		2 549	2 594	2 594	159	979	2 188	(1 209)	-55,3%	2 594
Public Transport Network Grant		-	-	1 778	(878)	878	808	70	8,7%	1 778
Provincial Government:		169 627	179 655	202 222	12 313	91 533	84 514	7 019	8,3%	202 222
Infrastructure		166 019	173 155	192 255	11 912	86 566	80 438	6 128	7,6%	192 255
Capacity Building		3 607	6 500	9 968	402	4 967	4 076	891	21,9%	9 968
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		161	-	74	-	64	74	(10)	-13,0%	74
Expenditure on Other Grants		161	-	74	-	64	74	(10)	-13,0%	74
Total operating expenditure of Transfers and Grants:		178 714	188 094	211 109	11 969	94 932	89 102	5 830	6,5%	211 109
Capital expenditure of Transfers and Grants										
National Government:		-	4 000	4 000	-	-	2 000	(2 000)	-100,0%	4 000
Energy Efficiency and Demand Side Management Grant		-	4 000	4 000	-	-	2 000	(2 000)	-100,0%	4 000
Provincial Government:		-	-	215	-	89	98	(9)	-9,0%	215
Capacity Building		-	-	215	-	89	98			215
Other grant providers:		381	7 200	7 200	-	-	3 600	(3 600)	-100,0%	7 200
Expenditure on Other Grants		381	7 200	7 200	-	-	3 600	(3 600)	-100,0%	7 200
Total capital expenditure of Transfers and Grants		381	11 200	11 415	-	89	5 698	(5 609)	-98,4%	11 415
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		179 095	199 294	222 524	11 969	95 021	94 800	221	0,2%	222 524



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

Supporting Table C8

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

Summary of Employee and Councillor remuneration	Ref	2021/22	Budget Year 2022/23							
		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
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		7 778	12 459	12 459	625	4 085	6 229	(2 144)	-34%	12 459
Pension and UIF Contributions		370	10	10	33	204	5	199	4144%	10
Medical Aid Contributions		153	54	54	24	130	27	103	381%	54
Motor Vehicle Allowance		1 859	–	–	165	983	–	983	#DIV/0!	–
Cellphone Allowance		1 035	20	20	80	487	10	477	4817%	20
Housing Allowances		592	–	–	64	383	–	383	#DIV/0!	–
Other benefits and allowances		42	–	–	65	235	–	235	#DIV/0!	–
<b>Sub Total - Councillors</b>		<b>11 829</b>	<b>12 542</b>	<b>12 542</b>	<b>1 055</b>	<b>6 507</b>	<b>6 271</b>	<b>236</b>	<b>4%</b>	<b>12 542</b>
<b>% increase</b>	4		<b>6,0%</b>	<b>6,0%</b>						<b>6,0%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		5 431	6 119	5 269	471	2 776	2 210	566	26%	5 269
Pension and UIF Contributions		(6 755)	1 178	1 178	68	391	589	(198)	-34%	1 178
Medical Aid Contributions		155	63	63	18	103	32	71	226%	63
Overtime								–		
Performance Bonus		(28)	606	606	528	561	303	258	85%	606
Motor Vehicle Allowance		822	527	527	72	427	264	163	62%	527
Cellphone Allowance		81	114	114	11	102	57	45	79%	114
Housing Allowances		321	–	–	32	184	–	184	#DIV/0!	–
Other benefits and allowances		31	–	–	2	13	–	13	#DIV/0!	–
Payments in lieu of leave		260	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations								–		
<b>Sub Total - Senior Managers of Municipality</b>		<b>318</b>	<b>8 608</b>	<b>7 758</b>	<b>1 203</b>	<b>4 557</b>	<b>3 454</b>	<b>1 103</b>	<b>32%</b>	<b>7 758</b>
<b>% increase</b>	4		<b>2604,8%</b>	<b>2337,7%</b>						<b>2337,7%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		161 970	172 635	171 918	14 171	85 539	85 812	(219)	0%	171 918
Pension and UIF Contributions		27 817	29 522	29 522	2 408	14 415	14 761	(346)	-2%	29 522
Medical Aid Contributions		33 224	26 646	26 646	2 018	12 189	13 323	(1 134)	-9%	26 646
Overtime		5 550	6 693	6 693	273	1 917	3 347	(1 376)	-41%	6 693
Performance Bonus		10 608	12 374	12 374	1 628	13 003	6 187	6 816	110%	12 374
Motor Vehicle Allowance		10 474	10 498	10 498	1 002	5 902	5 249	653	12%	10 498
Cellphone Allowance		129	124	124	10	62	62	0	0%	124
Housing Allowances		2 370	3 137	3 137	211	1 249	1 569	(320)	-20%	3 137
Other benefits and allowances		16 947	10 444	10 444	1 227	4 352	5 222	(870)	-17%	10 444
Payments in lieu of leave		2 231	1 213	1 213	382	3 756	606	3 150	520%	1 213
Long service awards		–	80	80	–	–	40	(40)	-100%	80
Post-retirement benefit obligations		3 671	6 694	6 694	–	–	3 347	(3 347)	-100%	6 694
<b>Sub Total - Other Municipal Staff</b>		<b>274 990</b>	<b>280 061</b>	<b>279 344</b>	<b>23 438</b>	<b>142 492</b>	<b>139 525</b>	<b>2 967</b>	<b>2%</b>	<b>279 344</b>
<b>% increase</b>	4		<b>1,8%</b>	<b>1,6%</b>						<b>1,6%</b>
<b>Total Parent Municipality</b>		<b>287 137</b>	<b>301 212</b>	<b>299 645</b>	<b>25 696</b>	<b>153 556</b>	<b>149 250</b>	<b>4 306</b>	<b>3%</b>	<b>299 645</b>

Remuneration related expenditure for the month ended 31 December 2022 amounted to R25,695,791.

## Section 9 – Municipal manager's quality certification



54 York Street,  
George  
Western Cape  
6529

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### OFFICE OF THE MUNICIPAL MANAGER

Enquiries: Louise Hoek  
Reference: 6/1/1 – 22/23  
Date: 10 January 2023

Provincial Treasury  
Local Government Budget Analysis  
Private Bag X9165  
CAPE TOWN  
8000

National Treasury  
Local Government Budget Analysis  
Private Bag X115  
PRETORIA

Sir / Madam

### QUALITY CERTIFICATE

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

- ☐ **The monthly budget statement**
  - ☐ Quarterly report on the implementation of the budget and financial state of affairs of the municipality
  - ☐ Mid- year budget and performance assessment
- for the month ended **31 December 2022**, has been prepared in accordance with the Municipal Finance Management Act (Act 56 of 2003) and regulations made under the Act.

Print Name MONDE STRATU

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

Signature [Signature]  
Date 11/1/2023