



2022/2023  
FINANCIAL YEAR

**MONTHLY  
FINANCIAL  
MONITORING  
REPORT**

M08: 28 February 2023



**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 the executive mayor 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 the executive mayor takes note of the monthly budget statement and supporting documentation for the month ended 28 February 2023.

### **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 28 February 2023 amounted to **R23,635,851** which represents **4.8%** of the total adjusted budgeted figure of **R487,921,147 (including Roads)**.

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

Operating expenditure for the month ended 28 February 2023 amounted to **R 36,684,182** with a total adjusted budgeted figure of **R496,081,438 (including Roads)**, the operational expenditure for the month is **7%** of the total adjusted budget. The majority of the expenditure related to Employee and Councillor related cost of **R23,811,629 (65% of the monthly expenditure)**.

## **Capital Expenditure**

The adjusted capital budget for the financial year amounts to **R 38,504,814**. Capital expenditure of **R22,828** were recorded for the month ended 28 February 2023.

85% of the annual capital budget relates to the construction of the Regional Waste Management Facility and the construction of the fire station. The tender has been awarded for the construction of the regional landfill site, appeal period in process currently. Actual construction is only expected to start towards the end of quarter 3 at which point the total percentage spent of the capital budget will show significant increase. The regional landfill site's budgeted amount has been reduced with the adjustment budget that will served before council on the 27<sup>th</sup> of February 2023. The fire station will commence with construction within the next month. The low expenditure in the first half of the 2022/23 is therefore as expected, the firestation will be completed in 2023/2024.

Refer to page 15 & 16 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.

## **Conclusion**

Detailed analysis of the municipal performance for the month ended 28 February 2023 will be presented under the different sections of the report, spending is within the anticipated 8% per month

## 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 - M08 February

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	–	–	–	0	(0)	-100%	–
Investment revenue	8 271	9 010	9 560	931	5 673	4 137	1 536	37%	9 560
Transfers and subsidies	183 567	228 660	232 030	400	130 898	168 750	(37 852)	-22%	232 030
Other own revenue	204 463	220 312	240 731	21 305	161 673	121 542	40 131	33%	240 731
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>396 301</b>	<b>469 150</b>	<b>482 321</b>	<b>22 636</b>	<b>298 245</b>	<b>294 430</b>	<b>3 815</b>	<b>1%</b>	<b>482 321</b>
Employee costs	275 308	288 669	284 510	22 786	191 717	190 026	1 691	1%	284 510
Remuneration of Councillors	11 829	12 542	13 286	1 026	8 570	8 857	(288)	-3%	13 286
Depreciation & asset impairment	4 605	4 986	4 982	427	2 861	3 321	(461)	-14%	4 982
Finance charges	28	73	73	–	–	49	(49)	-100%	73
Inventory consumed and bulk purchases	44 148	51 011	53 073	5 793	30 784	24 860	5 924	24%	53 073
Transfers and subsidies	5 296	1 835	3 703	20	1 670	1 678	(8)	-1%	3 703
Other ex penditure	74 405	128 180	136 453	6 632	50 950	75 958	(25 008)	-33%	136 453
<b>Total Expenditure</b>	<b>415 618</b>	<b>487 297</b>	<b>496 081</b>	<b>36 684</b>	<b>286 551</b>	<b>304 749</b>	<b>(18 199)</b>	<b>-6%</b>	<b>496 081</b>
<b>Surplus/(Deficit)</b>	<b>(19 317)</b>	<b>(18 147)</b>	<b>(13 760)</b>	<b>(14 048)</b>	<b>11 694</b>	<b>(10 320)</b>	<b>22 013</b>	<b>-213%</b>	<b>(13 760)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	4 000	5 600	1 000	5 000	3 733	1 267	34%	5 600
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	–	–	–	–	–		–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(19 126)</b>	<b>(6 947)</b>	<b>(8 160)</b>	<b>(13 048)</b>	<b>16 694</b>	<b>(6 586)</b>	<b>23 280</b>	<b>-353%</b>	<b>(8 160)</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
<b>Surplus/ (Deficit) for the year</b>	<b>(19 126)</b>	<b>(6 947)</b>	<b>(8 160)</b>	<b>(13 048)</b>	<b>16 694</b>	<b>(6 586)</b>	<b>23 280</b>	<b>-353%</b>	<b>(8 160)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>30 208</b>	<b>126 642</b>	<b>38 441</b>	<b>23</b>	<b>2 936</b>	<b>25 474</b>	<b>(22 538)</b>	<b>-88%</b>	<b>38 441</b>
Capital transfers recognised	381	11 200	5 815	6	95	3 870	(3 776)	-98%	5 815
Borrowing	3 617	107 232	26 577	–	533	17 718	(17 185)	-97%	26 577
Internally generated funds	26 210	8 210	6 049	17	2 309	3 886	(1 577)	-41%	6 049
<b>Total sources of capital funds</b>	<b>30 208</b>	<b>126 642</b>	<b>38 441</b>	<b>23</b>	<b>2 936</b>	<b>25 474</b>	<b>(22 538)</b>	<b>-88%</b>	<b>38 441</b>
<b>Financial position</b>									
Total current assets	147 663	283 780	163 930		295 928				163 930
Total non current assets	286 975	431 969	328 953		295 928				328 953
Total current liabilities	53 413	33 460	62 133		37 832				62 133
Total non current liabilities	131 669	376 559	171 740		143 981				171 740
Community wealth/Equity	249 556	305 730	259 009		329 415				259 009
<b>Cash flows</b>									
Net cash from (used) operating	229 875	(14 037)	(5 154)	(12 621)	19 554	(2 225)	21 779	-979%	(5 154)
Net cash from (used) investing	(8 144)	(126 642)	(38 441)	(47 640)	(50 554)	(25 474)	(22 538)	-88%	(38 441)
Net cash from (used) financing	–	107 232	26 577	–	–	–	–	–	26 577
<b>Cash/cash equivalents at the month/year end</b>	<b>391 482</b>	<b>229 595</b>	<b>125 069</b>	<b>88 563</b>	<b>88 563</b>	<b>114 359</b>	<b>–</b>	<b>–</b>	<b>125 041</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	18 323	16 905	36 591	446	448	367	6 296	34 952	114 327
<b>Creditors Age Analysis</b>									
Total Creditors	173	75	177	15	20	29	35	687	1 211

### 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) - M08 February

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year ID actual	Year ID 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>281 821</b>	<b>5 741</b>	<b>162 681</b>	<b>198 963</b>	(36 282)	-18%	<b>281 821</b>
Executive and council		220 980	284 542	280 850	5 551	161 719	197 710	(35 991)	-18%	280 850
Finance and administration		875	574	971	190	962	1 253	(291)	-23%	971
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		<b>8 440</b>	<b>8 175</b>	<b>12 091</b>	<b>560</b>	<b>6 449</b>	<b>8 530</b>	(2 080)	-24%	<b>12 091</b>
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		8 134	7 761	11 677	528	6 196	8 258	(2 062)	-25%	11 677
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		306	414	414	32	253	271	(18)	-7%	414
<i><b>Economic and environmental services</b></i>		<b>166 063</b>	<b>174 784</b>	<b>194 010</b>	<b>17 334</b>	<b>134 114</b>	<b>90 670</b>	43 443	48%	<b>194 010</b>
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		165 982	174 659	193 885	17 332	134 070	90 566	43 504	48%	193 885
Environmental protection		80	125	125	2	43	104	(61)	-58%	125
<i><b>Trading services</b></i>		<b>-</b>	<b>12 275</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	0	-100%	<b>-</b>
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	12 275	-	-	-	(0)	0	-100%	-
<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>487 921</b>	<b>23 636</b>	<b>303 245</b>	<b>298 163</b>	<b>5 081</b>	<b>2%</b>	<b>487 921</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>138 320</b>	<b>183 489</b>	<b>181 477</b>	<b>10 168</b>	<b>88 481</b>	<b>117 888</b>	(29 407)	-25%	<b>181 477</b>
Executive and council		48 486	51 514	51 265	3 173	26 687	31 864	(5 177)	-16%	51 265
Finance and administration		87 078	129 055	127 226	6 777	59 767	84 038	(24 271)	-29%	127 226
Internal audit		2 756	2 919	2 987	219	2 028	1 986	41	2%	2 987
<i><b>Community and public safety</b></i>		<b>83 854</b>	<b>89 679</b>	<b>89 798</b>	<b>6 886</b>	<b>56 411</b>	<b>57 460</b>	(1 049)	-2%	<b>89 798</b>
Community and social services		9 004	7 917	7 307	536	4 654	4 784	(129)	-3%	7 307
Sport and recreation		11 768	13 387	12 912	1 134	7 932	8 409	(477)	-6%	12 912
Public safety		26 063	28 916	28 928	2 085	17 114	17 708	(593)	-3%	28 928
Housing		-	-	-	-	-	-	-	-	-
Health		37 019	39 460	40 652	3 132	26 711	26 560	151	1%	40 652
<i><b>Economic and environmental services</b></i>		<b>188 785</b>	<b>197 403</b>	<b>219 648</b>	<b>19 355</b>	<b>138 699</b>	<b>126 711</b>	11 989	9%	<b>219 648</b>
Planning and development		16 743	16 302	18 853	1 443	14 107	12 552	1 556	12%	18 853
Road transport		168 568	177 203	197 136	17 659	122 223	111 792	10 431	9%	197 136
Environmental protection		3 474	3 898	3 660	253	2 369	2 367	2	0%	3 660
<i><b>Trading services</b></i>		<b>2 178</b>	<b>14 051</b>	<b>2 704</b>	<b>133</b>	<b>1 247</b>	<b>1 414</b>	(167)	-12%	<b>2 704</b>
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 178	14 051	2 704	133	1 247	1 414	(167)	-12%	2 704
<i><b>Other</b></i>	<b>3</b>	<b>2 482</b>	<b>2 676</b>	<b>2 454</b>	<b>142</b>	<b>1 712</b>	<b>1 277</b>	<b>435</b>	<b>34%</b>	<b>2 454</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>415 618</b>	<b>487 297</b>	<b>496 081</b>	<b>36 684</b>	<b>286 551</b>	<b>304 749</b>	<b>(18 199)</b>	<b>-6%</b>	<b>496 081</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(19 261)</b>	<b>(6 947)</b>	<b>(8 160)</b>	<b>(13 048)</b>	<b>16 694</b>	<b>(6 586)</b>	<b>23 280</b>	<b>-353%</b>	<b>(8 160)</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) - M08 February

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	280 850	5 551	161 719	197 710	(35 991)	-18,2%	280 850
Vote 2 - Office of the Municipal Manager (cont)		-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		8	-	-	-	-	-	-	-	-
Vote 4 - Financial Services (cont)		-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Services		867	574	971	189	959	1 253	(294)	-23,4%	971
Vote 6 - Corporate Services (cont)		-	-	-	-	-	-	-	-	-
Vote 7 - Community Services		306	414	414	32	253	271	(18)	-6,8%	414
Vote 8 - Community Services (cont)		80	12 400	125	2	43	104	(61)	-58,5%	125
Vote 9 - Planning and Economic Development		-	-	-	1	3	-	3	#DIV/0!	-
Vote 10 - Planning and Economic Development (cont)		4 763	3 015	6 030	339	3 255	3 796	(541)	-14,3%	6 030
Vote 11 - Planning and Economic Development(cont2)		3 371	4 746	5 646	189	2 942	4 463	(1 521)	-34,1%	5 646
Vote 12 - Roads		165 982	174 659	193 885	17 332	134 070	90 566	43 504	48,0%	193 885
Vote 13 - Roads (cont)		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	396 492	480 350	487 921	23 636	303 245	298 163	5 081	1,7%	487 921
Expenditure by Vote	1									
Vote 1 - Office of the Municipal Manager		55 068	56 625	58 888	3 701	31 232	37 255	(6 023)	-16,2%	58 888
Vote 2 - Office of the Municipal Manager (cont)		6 326	6 208	6 473	512	4 283	4 328	(44)	-1,0%	6 473
Vote 3 - Financial Services		18 395	20 275	21 235	1 185	13 252	14 288	(1 036)	-7,3%	21 235
Vote 4 - Financial Services (cont)		5 525	5 902	6 087	449	4 099	4 046	53	1,3%	6 087
Vote 5 - Corporate Services		16 093	54 827	49 127	1 427	10 299	31 616	(21 317)	-67,4%	49 127
Vote 6 - Corporate Services (cont)		24 572	26 371	26 200	1 772	16 741	17 754	(1 013)	-5,7%	26 200
Vote 7 - Community Services		48 451	51 577	52 097	3 991	33 981	34 072	(91)	-0,3%	52 097
Vote 8 - Community Services (cont)		30 589	45 657	34 060	2 390	19 965	20 683	(718)	-3,5%	34 060
Vote 9 - Planning and Economic Development		16 728	17 965	17 800	1 478	14 285	11 381	2 904	25,5%	17 800
Vote 10 - Planning and Economic Development (cont)		22 365	21 210	23 470	1 745	13 998	15 201	(1 203)	-7,9%	23 470
Vote 11 - Planning and Economic Development(cont2)		2 939	3 478	3 509	375	2 192	2 333	(141)	-6,0%	3 509
Vote 12 - Roads		98 845	101 065	125 593	10 330	80 218	76 619	3 599	4,7%	125 593
Vote 13 - Roads (cont)		69 723	76 138	71 542	7 329	42 005	35 172	6 832	19,4%	71 542
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	415 618	487 297	496 081	36 684	286 551	304 749	(18 199)	-6,0%	496 081
Surplus/ (Deficit) for the year	2	(19 126)	(6 947)	(8 160)	(13 048)	16 694	(6 586)	23 280	-353,5%	(8 160)

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) - M08 February

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	–	–	0	(0)	-100%	–	
Rental of facilities and equipment		1 039	2 469	2 469	86	695	1 685	(991)	-59%	2 469	
Interest earned - external investments		8 271	9 010	9 560	931	5 673	4 137	1 536	37%	9 560	
Interest earned - outstanding debtors		2 751	3 180	3 180	387	2 575	2 097	478	23%	3 180	
Dividends received		–	–	–	–	–	–	–		–	
Fines, penalties and forfeits		–	–	–	–	–	–	–		–	
Licences and permits		80	125	125	2	43	104	(61)	-58%	125	
Agency services		183 028	189 287	209 328	18 502	143 448	100 582	42 867	43%	209 328	
Transfers and subsidies		183 567	228 660	232 030	400	130 898	168 750	(37 852)	-22%	232 030	
Other revenue		17 556	22 711	25 630	2 329	14 912	17 074	(2 162)	-13%	25 630	
Gains		8	2 540	–	–	–	(0)	0	-100%	–	
Total Revenue (excluding capital transfers and contributions)			396 301	469 150	482 321	22 636	298 245	294 430	3 815	1%	482 321
Expenditure By Type											
Employee related costs		275 308	288 669	284 510	22 786	191 717	190 026	1 691	1%	284 510	
Remuneration of councillors		11 829	12 542	13 286	1 026	8 570	8 857	(288)	-3%	13 286	
Debt impairment		5 976	1 560	1 560	–	–	1 040	(1 040)	-100%	1 560	
Depreciation & asset impairment		4 605	4 986	4 982	427	2 861	3 321	(461)	-14%	4 982	
Finance charges		28	73	73	–	–	49	(49)	-100%	73	
Bulk purchases - electricity		–	–	–	–	–	–	–		–	
Inventory consumed		44 148	51 011	53 073	5 793	30 784	24 860	5 924	24%	53 073	
Contracted services		20 812	79 177	68 025	2 688	16 046	41 575	(25 529)	-61%	68 025	
Transfers and subsidies		5 296	1 835	3 703	20	1 670	1 678	(8)	-1%	3 703	
Other expenditure		47 465	47 370	66 795	3 916	34 867	33 295	1 572	5%	66 795	
Losses		152	73	73	28	38	48	(11)	-23%	73	
Total Expenditure			415 618	487 297	496 081	36 684	286 551	304 749	(18 199)	-6%	496 081
Surplus/(Deficit)			(19 317)	(18 147)	(13 760)	(14 048)	11 694	(10 320)	22 013	(0)	(13 760)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			–	4 000	5 600	1 000	5 000	3 733	1 267	0	5 600
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	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions			(19 126)	(6 947)	(8 160)	(13 048)	16 694	(6 586)			(8 160)
Taxation			–	–	–	–	–	–	–		–
Surplus/(Deficit) after taxation			(19 126)	(6 947)	(8 160)	(13 048)	16 694	(6 586)			(8 160)
Attributable to minorities			–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality			(19 126)	(6 947)	(8 160)	(13 048)	16 694	(6 586)			(8 160)
Share of surplus/ (deficit) of associate			–	–	–	–	–	–			–
Surplus/ (Deficit) for the year			(19 126)	(6 947)	(8 160)	(13 048)	16 694	(6 586)			(8 160)

## **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 R85,515 for the month ended 28 February 2023.

### **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 28 February 2023 amounts to R930,916.

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

The interest on outstanding debtors for the month of 28 February 2023 amounts to R387,057.

### **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 28 February 2023 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. The municipality received no income

from the grants for the month end 31 January 2023. The municipality recorded R300,000 for the Western Cape Financial Recovery Services Grant and R100,000 for Disaster Management Internship Grant from Provincial Treasury. The last payment from National Treasury with regards to the EEDS grant to the amount of R1,000,000 were also received during the month of February 2023.

#### Other revenue / Sundry income

Other revenue reflects an amount of R2,328,787 for the month ended 28 February 2023. Other revenue mostly consists of 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 28 February 2023 amounted to R22,785,849 of an adjusted budgeted amount R297,796,375 that represents 8% of the budgeted amount and 65% of the monthly expenditure.

#### Debt Impairment / Depreciation and asset impairment

Depreciation of R427,261 was recognised in February 2023.

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 consist of all inventory consumed purchases for materials and supplies and amounts to R5,793,275 for the month ended 28 February 2023 against an adjusted budgeted amount of R53,073,043.

#### Contracted services

The contracted services for the month ended 28 February 2023 amounts to R2,687,704 against an adjusted budgeted amount of R68,025,248, relating mostly to the aerial support for firefighting section.

#### Transfers and subsidies

The transfers and subsidies expenditure for the month ended 28 February 2023 amounts to R19,800 against an adjusted budgeted amount of R3,703,388.

#### Other expenditure

Other expenditure reflects all other expenses not specifically mentioned and amounts to R3,916,068 for month ended 28 February 2023.

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) - M08 February

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>	<b>1</b>									
<b>Multi-Year expenditure appropriation</b>	<b>2</b>									
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	1	9	20	(11)	-53%	30
Vote 4 - Financial Services (cont)		-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Services		30	30	10	-	5	7	(1)	-18%	10
Vote 6 - Corporate Services (cont)		16	250	500	5	199	333	(135)	-40%	500
Vote 7 - Community Services		26	6 890	5 474	-	550	3 649	(3 099)	-85%	5 474
Vote 8 - Community Services (cont)		3 617	107 382	26 727	12	640	17 818	(17 178)	-96%	26 727
Vote 9 - Planning and Economic Development		33	6 030	245	6	95	157	(62)	-40%	245
Vote 10 - Planning and Economic Development (cont)		7 344	4 800	5 425	-	1 425	3 460	(2 035)	-59%	5 425
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>	<b>4,7</b>	<b>11 096</b>	<b>125 442</b>	<b>38 441</b>	<b>23</b>	<b>2 936</b>	<b>25 474</b>	<b>(22 538)</b>	<b>-88%</b>	<b>38 441</b>
<b>Single Year expenditure appropriation</b>	<b>2</b>									
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	1 200	-	-	-	-	-	-	-
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>	<b>4</b>	<b>19 112</b>	<b>1 200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure</b>		<b>30 208</b>	<b>126 642</b>	<b>38 441</b>	<b>23</b>	<b>2 936</b>	<b>25 474</b>	<b>(22 538)</b>	<b>-88%</b>	<b>38 441</b>

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

SCOA config	Nr.	Project description	Original Budget R'000	Adjusted budget R'	YTD Expenditure R'	Status of project	Any challenges identified that is resulting in delays?
71120006635	1	Office furniture: Office MM	30 000,00	30 000	12 905	Order Issued to Supplier	No challenges anticipated
71010110001	2	Upgrading of buildings - Retrofitting EEDS	4 000 000,00	4 000 000		In Process	No challenges anticipated
71204240001	3	Office equipment: CFO	30 000,00	30 000	9 307	Order Issued to Supplier	No challenges anticipated
71207230002	4	Replacing ICT Capital Equipment beyond economical repairs	51 000,00	19 000		In Process	No challenges anticipated
71301240001	5	Office furniture: Exec Manager Corporate Services	26 500,00	6 500	5 477	In Process	No challenges anticipated
71120006639	6	Office Furniture & Equipment: Man Planning&Dev	30 000,00	30 000		Order Issued to Supplier	No challenges anticipated
71602230001	7	Mosselbay JOC equipment	1 000 000,00	1 000 000	473 099	Order Issued to Supplier	No challenges anticipated
71801240001	8	Office of the executive manager Community: office equipment	30 000,00	30 000	3 355	Order Issued to Supplier	No challenges anticipated
71801310001	9	Firestation: George	5 860 000,00	73 897	73 896	Order Issued to Supplier	Project does show delays - no risk of loss to GRDM as project is not grant funded.
72305230001	10	Hazmat Rescue & Fire Equipment	150 000,00	150 000	107 353	Order Issued to Supplier	No challenges anticipated
74402100901	11	Landfill Site: PPE	107 232 299,00	26 577 183	532 864	In Process	Project does show delays - no risk of loss to GRDM as project is not grant funded.
71207230003	12	Routers	8 000,00	35 570	20 565	Order Issued to Supplier	No challenges anticipated
71207230004	13	Network Infrastructure	173 000,00	416 987	152 267	Order Issued to Supplier	No challenges anticipated
71301104031	14	Loud Speakers	3 500,00	3 500		In Process	No challenges anticipated
71408102304	15	Banners: Human Settlements		15 000		Order Issued to Supplier	No challenges anticipated
71408104002	16	Fridges: Human Settlements		20 000	2 695	In Process	No challenges anticipated
71408104103	17	IT Equipment: Human Settlements		28 000		Order Issued to Supplier	No challenges anticipated
71408104122	18	Laptops: Human Settlements		40 000	35 930	Order Issued to Supplier	No challenges anticipated
71408400001	19	Office Furniture: Human Settlements		112 000	55 937	Order Issued to Supplier	No challenges anticipated
71207104112	20	Wireless Access Points	18 000,00	17 390	17 387	Completed	No challenges anticipated
71207102463	21	Replacing Urn	18 000,00	1 500	1 500	Completed	No challenges anticipated
71207104145	22	Monitor		2 195	2 195	Completed	No challenges anticipated
72205160001	23	Hot Springs Thatch Roofs		1 425 115	1 424 700	Completed	No challenges anticipated
71207104173	24	USB Port Replicator		7 358	4 778	In Process	No challenges anticipated
71602102321	25	Mobile Generators		1 600 000	0	In Process	No challenges anticipated
71801310002	25	Firestation: George		2 769 619	0	In Process	No challenges anticipated
72206102352	25	Electrical Equipment and tools		64 000	0	In Process	No challenges anticipated
<b>Totals</b>			<b>118 660 299,00</b>	<b>38 504 814</b>	<b>2 936 211</b>		

Project status: If the project is in the SCM process of being procured. Please state in which stage (planning, specification,				
<b>Commitments against capital for the month February 2023</b>				
71010110001	2	Upgrading of buildings - Retrofitting EEDS		1 083 250,00
71204240001	3	Office equipment: CFO		11 045,00
71207230003	12	Routers		12 460,00
71207230004	13	Network Infrastructure		14 720,10
71120006639	6	Office Furniture & Equipment: Man Planning&Dev		28 517,08
71408400001	19	Office Furniture: Human Settlements		10 914,50
71602230001	7	Mosselbay JOC equipment		520 664,20
71801240001	8	Office of the executive manager Community: office equipment		21 201,61
72305230001	10	Hazmat Rescue & Fire Equipment		18 833,59
74402100901	11	Landfill Site: PPE		275 977,55
		<b>Total Commitments</b>		<b>1 997 583,63</b>



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

DC4 Garden Route - Table C6 Monthly Budget Statement - Financial Position - M08 February

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	Year ID actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		140 851	224 260	115 997	13 563	115 997
Call investment deposits		276	5 000	5 276	75 000	5 276
Consumer debtors		11 152	4 368	10 590	58 118	10 590
Other debtors		(12 083)	42 789	24 719	59 157	24 719
Current portion of long-term receivables		4 341	4 246	4 293	4 293	4 293
Inventory		3 126	3 117	3 053	5 170	3 053
<b>Total current assets</b>		<b>147 663</b>	<b>283 780</b>	<b>163 930</b>	<b>215 300</b>	<b>163 930</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	64 187	64 122	64 187
Investments in Associate		–	–	–	–	–
Property, plant and equipment		166 881	313 383	201 060	167 495	201 060
Biological		–	–	–	–	–
Intangible		1 538	(228)	913	1 518	913
Other non-current assets		–	–	–	–	–
<b>Total non current assets</b>		<b>286 975</b>	<b>431 969</b>	<b>328 953</b>	<b>295 928</b>	<b>328 953</b>
<b>TOTAL ASSETS</b>		<b>434 638</b>	<b>715 749</b>	<b>492 882</b>	<b>511 228</b>	<b>492 882</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		(213)	536	100	100	100
Consumer deposits		406	374	468	834	468
Trade and other payables		32 954	948	34 722	10 169	34 722
Provisions		20 265	31 602	26 843	26 729	26 843
<b>Total current liabilities</b>		<b>53 413</b>	<b>33 460</b>	<b>62 133</b>	<b>37 832</b>	<b>62 133</b>
<b>Non current liabilities</b>						
Borrowing		725	236 166	26 583	–	26 583
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>171 740</b>	<b>143 981</b>	<b>171 740</b>
<b>TOTAL LIABILITIES</b>		<b>185 082</b>	<b>410 019</b>	<b>233 873</b>	<b>181 813</b>	<b>233 873</b>
<b>NET ASSETS</b>	2	<b>249 556</b>	<b>305 730</b>	<b>259 009</b>	<b>329 415</b>	<b>259 009</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		191 854	245 217	206 079	276 485	206 079
Reserves		57 702	60 513	52 930	52 930	52 930
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>249 556</b>	<b>305 730</b>	<b>259 009</b>	<b>329 415</b>	<b>259 009</b>

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

DC4 Garden Route - Table C7 Monthly Budget Statement - Cash Flow - M08 February

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	-	-	-	0	(0)	-100%	-
Other revenue		(7 890)	81 249	79 608	21 305	161 673	121 542	40 131	33%	79 608
Transfers and Subsidies - Operational		357 672	359 315	387 185	400	130 898	168 750	(37 852)	-22%	387 185
Transfers and Subsidies - Capital		-	4 000	5 700	1 000	5 000	3 733	1 267	34%	5 700
Interest		2 978	9 010	9 560	931	5 673	4 137	1 536	37%	9 560
Dividends								-		
<b>Payments</b>										
Suppliers and employees		(122 886)	(477 594)	(484 514)	(36 237)	(282 020)	(298 661)	(16 641)	-6%	(484 514)
Finance charges		-	(73)	(73)	-	-	(49)	(49)	-100%	(73)
Transfers and Grants		-	(1 112)	(2 619)	(20)	(1 670)	(1 678)	(8)	-1%	(2 619)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>229 875</b>	<b>(14 037)</b>	<b>(5 154)</b>	<b>(12 621)</b>	<b>19 554</b>	<b>(2 225)</b>	<b>21 779</b>	<b>-979%</b>	<b>(5 154)</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			27	28	(47 617)	(47 617)		-		
<b>Payments</b>										
Capital assets		(8 144)	(126 642)	(38 441)	(23)	(2 936)	(25 474)	(22 538)	-88%	(38 441)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(8 144)</b>	<b>(126 615)</b>	<b>(38 412)</b>	<b>(47 640)</b>	<b>(50 554)</b>	<b>(25 474)</b>	<b>(22 538)</b>	<b>-88%</b>	<b>(38 441)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								-		
Borrowing long term/refinancing		-	107 232	26 577		-	-	-		26 577
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>26 577</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26 577</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>221 730</b>	<b>(33 420)</b>	<b>(16 989)</b>	<b>(60 261)</b>	<b>(30 999)</b>	<b>(27 699)</b>			<b>(16 989)</b>
Cash/cash equivalents at beginning:		169 752	263 042	142 058	88 563	119 563	142 058			142 058
Cash/cash equivalents at month/year end:		391 482	229 622	125 069		88 563	114 359			125 069

The municipal bank balance on 28 February 2023 totals R13 563 393 and there were short term deposits made of R55 000 000 and call account deposits of R20 000 000. Total cash available at month-end is therefore R88,563,393.

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

<b>REPORTING MONTH: 28 February 2023</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 28 February 2023</b>	<b>9 562 550,10</b>	<b>13 563 392,90</b>
<b>Other Cash &amp; Cash Equivalents: Short term deposits</b>	<b>90 000 000,00</b>	<b>55 000 000,00</b>
<b>Other Cash &amp; Cash Equivalents: Call accounts</b>	<b>20 000 000,00</b>	<b>20 000 000,00</b>
<b>Total Cash &amp; Cash Equivalents:</b>	<b>119 562 550,10</b>	<b>88 563 392,90</b>
<b>LESS:</b>	<b>91 759 582,53</b>	<b>85 576 351,27</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	6 858 527,86	3 739 845,60
YTD Unspent Operational budget	19 443 391,67	16 378 842,67
<b>Sub total</b>	<b>27 802 967,57</b>	<b>2 987 041,63</b>
<b>PLUS:</b>	<b>58 146 411,00</b>	<b>75 339 806,00</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	49 063 168,00	66 256 563,00
	<b>85 949 378,57</b>	<b>78 326 847,63</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>33 015 051,57</b>	<b>25 392 520,63</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>28 392 936,57</b>	<b>20 770 405,63</b>
<b>Total actual February 2023 expenditure excluding Roads (expenditure paid and taken into account in cash balance)</b>	<b>20 045 147,19</b>	<b>19 490 787,10</b>

## PART 2 – SUPPORTING DOCUMENTATION

### Section 4 – Debtors' analysis

#### Supporting Table SC3

DC4 Garden Route - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

Budget Year 2022/23													
Description	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t. Council Policy
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	13	19	19	18	18	17	105	444	654	602	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	18 310	16 885	36 572	428	429	349	6 191	34 508	113 673	41 906	-	-
Total By Income Source	2000	18 323	16 905	36 591	446	448	367	6 296	34 952	114 327	42 508	-	-
2021/22 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	(57)	19	43	18	18	23	177	2 207	2 449	2 445	-	-
Commercial	2300	-	-	-	-	-	-	-	-	-	-	-	-
Households	2400	2	-	-	-	-	-	-	-	2	-	-	-
Other	2500	18 379	16 885	36 548	428	429	343	6 119	32 745	111 876	40 064	-	-
Total By Customer Group	2600	18 323	16 905	36 591	446	448	367	6 296	34 952	114 327	42 508	-	-

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.

Most 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 has 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 - M08 February

Budget Year 2022/23												Prior year totals for chart (same period)
Description R thousands	NT Code	0 -	31 -	61 -	91 -	121 -	151 -	181 Days -	Over 1	Total		
		30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	1 Year	Year			
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	173	75	177	15	20	29	35	687	1 211	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	173	75	177	15	20	29	35	687	1 211	-	-

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 February 2023	Movements for the month		Balance as at 28 February 2023	Interest earned Month	Interest earned Year to date
		Investments matured	Investments made			
<b>Garden Route District Municipality</b>						
Standard Bank	45 000 000,00	-17 500 000,00	-	27 500 000,00	356 924,66	2 113 531,51
ABSA	25 000 000,00	-8 500 000,00	-	16 500 000,00	177 809,31	960 511,79
Nedbank	20 000 000,00	-9 000 000,00	-	11 000 000,00	172 489,64	619 252,10
FNB	-	-	-	-	-	464 661,92
<b>BANK DEPOSITS</b>	<b>90 000 000,00</b>	<b>-35 000 000,00</b>	<b>-</b>	<b>55 000 000,00</b>	<b>707 223,61</b>	<b>4 157 957,32</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 - M08 February

DC4: Garden Route - Supporting table DC6: Monthly Budget statement - transfers and grant receipts - MoF February										
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										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		173 756	181 160	182 938	–	128 881	140 934	(12 053)	-8,6%	182 938
Local Government Equitable Share		167 653	172 721	172 721	–	124 358	131 697	(7 339)	-5,6%	172 721
Energy Efficiency and Demand Side Management Grant		–	1 000	1 000	–	–	667	(667)	-100,0%	1 000
Expanded Public Works Programme Integrated Grant		2 071	2 440	2 440	–	1 708	2 440	(732)	-30,0%	2 440
Infrastructure Skills Development Grant								–		
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	–	–	1 132	(1 132)	-100,0%	1 778
Rural Road Asset Management Systems Grant		3 032	2 594	2 594	–	1 815	2 594	(779)	-30,0%	2 594
Provincial Government:		9 639	6 500	9 251	300	1 800	1 289	511	39,6%	9 251
Capacity Building		9 639	6 500	9 251	300	1 800	1 289	511	39,6%	9 251
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		172	41 000	39 840	–	117	26 560	(26 443)	-99,6%	39 840
Other Grants Received		172	41 000	39 840	–	117	26 560	(26 443)	-99,6%	39 840
Total Operating Transfers and Grants	5	183 567	228 660	232 030	300	130 798	168 784	(37 985)	-22,5%	232 030
Capital Transfers and Grants										
National Government:		–	4 000	4 000	1 000	5 000	2 667	2 333	87,5%	4 000
Energy Efficiency and Demand Side Management Grant		–	4 000	4 000	1 000	5 000	2 667	2 333	87,5%	4 000
Provincial Government:		–	–	1 600	–	–	1 067	(1 067)	-100,0%	1 600
Capacity Building		–	–	1 600	–	–	1 067	(1 067)	-100,0%	1 600
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		191	7 200	–	–	–	–	–		–
Other Grants Received		191	7 200	–	–	–	–	–		–
Total Capital Transfers and Grants	5	191	11 200	5 600	1 000	5 000	3 733	1 267	33,9%	5 600
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	183 758	239 860	237 630	1 300	135 798	172 517	(36 719)	-21,3%	237 630

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 - M08 February

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearID actual	YearID budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<u>EXPENDITURE</u>										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		8 926	8 439	10 217	716	4 665	6 860	(2 195)	-32,0%	10 217
Energy Efficiency and Demand Side Management Grant		–	1 000	1 000	–	83	667	(583)	-87,5%	1 000
Expanded Public Works Programme Integrated Grant		5 387	2 440	2 440	345	1 769	1 627	142	8,7%	2 440
Local Government Financial Management Grant		990	1 000	1 000	45	400	666	(266)	-40,0%	1 000
Municipal Systems Improvement Grant		–	1 405	1 405	–	–	468	(468)	-100,0%	1 405
Rural Road Asset Management Systems Grant		2 549	2 594	2 594	214	1 423	2 301	(878)	-38,2%	2 594
Public Transport Network Grant		–	–	1 778	112	991	1 132	(141)	-12,4%	1 778
Provincial Government:		169 627	179 655	200 491	17 785	125 593	113 845	11 748	10,3%	200 491
Infrastructure		166 019	173 155	192 255	17 283	119 445	108 693	10 751	9,9%	192 255
Capacity Building		3 607	6 500	8 236	502	6 148	5 151	997	19,4%	8 236
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		161	–	339	–	64	251	(186)	-74,3%	339
Expenditure on Other Grants		161	–	339	–	64	251	(186)	-74,3%	339
Total operating expenditure of Transfers and Grants:		178 714	188 094	211 048	18 501	130 323	120 956	9 367	7,7%	211 048
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		–	4 000	4 000	–	–	2 667	(2 667)	-100,0%	4 000
Energy Efficiency and Demand Side Management Grant		–	4 000	4 000	–	–	2 667	(2 667)	-100,0%	4 000
Provincial Government:		–	–	1 815	6	95	1 203	(1 109)	-92,1%	1 815
Capacity Building		–	–	1 815	6	95	1 203	–	–	1 815
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		381	7 200	–	–	–	0	(0)	-100,0%	–
Expenditure on Other Grants		381	7 200	–	–	–	0	(0)	-100,0%	–
Total capital expenditure of Transfers and Grants		381	11 200	5 815	6	95	3 870	(3 776)	-97,6%	5 815
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		179 095	199 294	216 863	18 507	130 417	124 826	5 591	4,5%	216 863

## 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 - M08 February

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>	1									
Basic Salaries and Wages		7 778	12 459	10 424	618	5 329	6 949	(1 620)	-23%	10 424
Pension and UIF Contributions		370	10	246	32	269	164	105	64%	246
Medical Aid Contributions		153	54	151	23	174	101	74	73%	151
Motor Vehicle Allowance		1 859	–	1 169	164	1 334	780	554	71%	1 169
Cellphone Allowance		1 035	20	586	77	643	391	253	65%	586
Housing Allowances		592	–	447	64	511	298	213	71%	447
Other benefits and allowances		42	–	263	47	310	175	135	77%	263
<b>Sub Total - Councillors</b>		<b>11 829</b>	<b>12 542</b>	<b>13 286</b>	<b>1 026</b>	<b>8 570</b>	<b>8 857</b>	<b>(288)</b>	<b>-3%</b>	<b>13 286</b>
<b>% increase</b>	4		<b>6,0%</b>	<b>12,3%</b>						<b>12,3%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		5 431	6 119	5 871	415	3 839	3 630	209	6%	5 871
Pension and UIF Contributions		(6 755)	1 178	1 963	52	511	1 309	(798)	-61%	1 963
Medical Aid Contributions		155	63	208	14	136	139	(3)	-2%	208
Overtime								–		
Performance Bonus		(28)	606	733	–	561	489	73	15%	733
Motor Vehicle Allowance		822	527	856	57	557	571	(14)	-2%	856
Cellphone Allowance		81	114	195	11	125	130	(5)	-4%	195
Housing Allowances		321	–	370	22	237	246	(9)	-4%	370
Other benefits and allowances		31	–	25	–	8	16	(8)	-51%	25
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>10 221</b>	<b>572</b>	<b>5 975</b>	<b>6 530</b>	<b>(555)</b>	<b>-9%</b>	<b>10 221</b>
<b>% increase</b>	4		<b>2604,8%</b>	<b>3111,5%</b>						<b>3111,5%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		161 970	172 635	166 654	14 152	113 681	111 730	1 951	2%	166 654
Pension and UIF Contributions		27 817	29 522	28 821	2 398	19 212	19 216	(4)	0%	28 821
Medical Aid Contributions		33 224	26 646	24 552	2 136	16 459	16 373	86	1%	24 552
Overtime		5 550	6 693	4 204	480	2 728	2 802	(75)	-3%	4 204
Performance Bonus		10 608	12 374	12 928	47	13 078	8 619	4 459	52%	12 928
Motor Vehicle Allowance		10 474	10 498	11 821	1 048	7 943	7 880	62	1%	11 821
Cellphone Allowance		129	124	132	10	83	90	(8)	-8%	132
Housing Allowances		2 370	3 137	2 481	200	1 647	1 654	(7)	0%	2 481
Other benefits and allowances		16 947	10 444	8 452	1 111	5 932	5 634	299	5%	8 452
Payments in lieu of leave		2 231	1 213	7 551	571	4 980	5 034	(54)	-1%	7 551
Long service awards		–	80	–	–	–	–	–	–	–
Post-retirement benefit obligations		3 671	6 694	6 694	–	–	4 463	(4 463)	-100%	6 694
<b>Sub Total - Other Municipal Staff</b>		<b>274 990</b>	<b>280 061</b>	<b>274 290</b>	<b>22 214</b>	<b>185 742</b>	<b>183 495</b>	<b>2 247</b>	<b>1%</b>	<b>274 290</b>
<b>% increase</b>	4		<b>1,8%</b>	<b>-0,3%</b>						<b>-0,3%</b>
<b>Total Parent Municipality</b>		<b>287 137</b>	<b>301 212</b>	<b>297 796</b>	<b>23 812</b>	<b>200 287</b>	<b>198 883</b>	<b>1 403</b>	<b>1%</b>	<b>297 796</b>

Remuneration related expenditure for the month ended 28 February 2023 amounted to R23,811,629.



## Section 9 – Municipal manager's quality certification



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George  
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6529

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### OFFICE OF THE MUNICIPAL MANAGER

Enquiries: Louise Hoek  
Reference: 6/1/1 – 22/23  
Date: 13 March 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, M 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 **28 February 2023**, has been prepared in accordance with the Municipal Finance Management Act (Act 56 of 2003) and regulations made under the Act.

Print Name MONDA STRATU

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

Signature [Handwritten Signature]

Date 14/02/2023