



2023/2024
FINANCIAL YEAR

MONTHLY FINANCIAL MONITORING REPORT

M07: 31 January 2024



Garden Route District Municipality
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Glossary:

Annual 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.

YTDB – Year to Date Budget

YTDA – Year to Date Actual

Legislative Framework:

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

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

Section 71: Monthly budget statements

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

PART 1 – IN-YEAR REPORT

Section 1 – Resolutions

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

Regulation 28 of the Municipal Budget and Reporting Regulations states:

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

Recommendations:

- That Council takes note of the monthly budget statement and supporting documentation for the month ended 31 January 2024.

Section 2 – Executive summary

2.1 Introduction

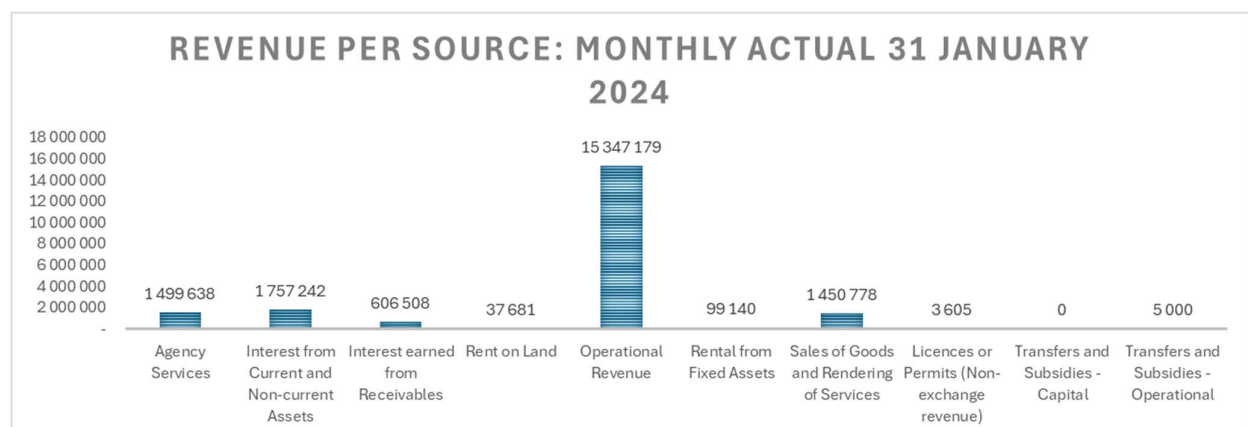
The aim of the Financial Monitoring Report (FMR) is to provide a monthly update and report on the municipality’s consolidated performance in terms of the budget, indicate any material variances from the Service Delivery and Budget Implementation Plan (SDBIP) and provide any remedial actions or corrective steps to be taken.

2.2 Consolidated Performance

2.2.1 Against Approved Budget

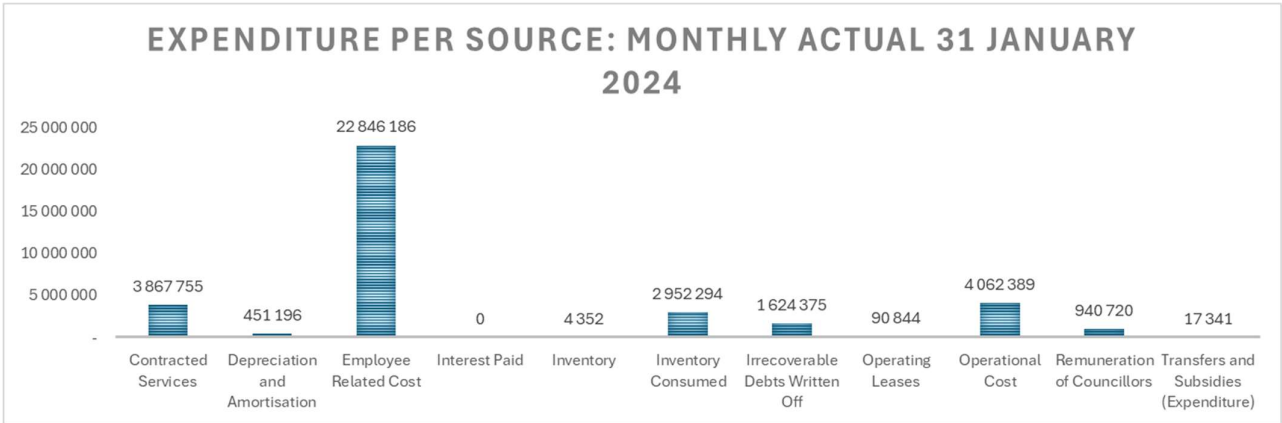
Revenue by source

The total revenue received for the month ended 31 January 2024 amounted to **R20,806,771 (YTDA: R291,375,905 and YTD: R309,216,998)** which represents **4%** of the total adjusted budgeted figure of **R530,804,000 (including Roads)**.



Operating Expenditure by type

Operating expenditure for the month ended 31 January 2024 amounted to **R36,857,451 (YTDA: R266,585,635 and YTDB: R310,608,094)** with a total adjusted budgeted figure of **R532,490,000 (including Roads)**. The operational expenditure for the month is **7%** of the total budget. Most of the expenditure relates to Employee and Councillor remuneration costs of R23,786,906 (**65%** of the monthly expenditure).



Capital Expenditure

The adjusted capital budget for the financial year amounts to **R162,400,075**. Capital expenditure of **R23,650,383 (including orders)** was recorded for the period ended 31 January 2024. The largest item on the capital budget (R143,981,000) is the construction of the regional landfill site (actual expenditure on the landfill site R12,055,476. Construction commenced to the end of the 2022/2023 financial year.

CAPITAL BUDGET SPENDING AS AT 31 JANUARY 2024						
Number	Capital item	Budget	Expenditure	Orders	Available	% Spent
1	Upgrading of buildings - Retrofitting EEDS	4 000 000	484 921	2 020 251	1 494 827	63%
2	Wireless Access Points	35 052	17 052	17 561	439	99%
3	QNAP Backup Storage	72 741	-	71 287	1 454	98%
4	Monitor	2 477	2 477	-	-	100%
5	Network Equipment	12 000	10 312	-	1 688	86%
6	Inverters	114 730	113 432	-	1 298	99%
7	USB Type-C Port Replicators	8 000	5 480	-	2 520	69%
8	Medical Chair	5 000	4 331	-	669	87%
9	Flood Response Vehicle	2 500 000	-	-	2 500 000	0%
10	Mobile Generator Trailer	73 451	-	-	73 451	0%
11	Mobile Generators	1 526 549	1 526 549	-	0	100%
12	Firestation: George	4 638 075	4 462 938	-	175 137	96%
13	Firestation: George	3 000 000	2 511 449	216 672	271 879	91%
14	Firefighting Vehicle (bakkie)	981 000	-	-	981 000	0%
15	Vehicle (bakkie)	800 000	-	-	800 000	0%
16	Hazmat Rescue & Fire Equipment	150 000	-	130 195	19 805	87%
17	Hazardous Materials Equipment	500 000	-	-	500 000	0%
18	Landfill Site: PPE	143 981 000	12 055 476	-	131 925 524	8%
19		162 400 075	21 194 417	2 455 966	138 749 692	15%
Percentage spent	Colour					
0% - 50%						
51% - 75%						
76% - 100%						

Refer to page 21 for detail on capital budget progress.

2.3 Material variances from SDBIP

Variances and deficiencies are identified in terms of the SDBIP. These are reported on and monitored by the Performance Management Unit, situated in the Office of the Municipal Manager, as applicable. Variances above 10% are briefly explained under the revenue by source and expenditure by type sections below (refer to pages 14 to 19).

2.4 Remedial or corrective steps

Head of Departments 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. Issues have been logged with the service provider's helpdesk for system issues.

Conclusion

Detailed analysis of the municipal performance for the month ended 31 January 2024 is presented under the different sections of the report.

Section 3 – In-year budget statement tables

3.1 Monthly budget statements

3.1.1 Table C1: S71 Monthly Budget Statement Summary

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

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	37 688	37 688	–	–	21 985	(21 985)	-100%	37 688
Investment revenue	10 253	–	–	–	–	–	–	–	–
Transfers and subsidies - Operational	189 810	212 004	212 290	5	141 126	123 825	17 301	14%	212 290
Other own revenue	215 857	268 245	268 245	20 802	143 742	156 476	(12 734)	-8%	–
Total Revenue (excluding capital transfers and contributions)	415 921	517 937	518 223	20 807	284 868	302 286	(17 418)	-6%	518 223
Employee costs	279 902	300 666	301 604	22 846	175 625	176 281	(655)	-0%	301 604
Remuneration of Councillors	12 306	14 216	14 216	941	7 484	8 293	(809)	-10%	14 216
Depreciation and amortisation	5 766	5 106	5 106	451	3 158	2 979	180	6%	5 106
Interest	148	8 820	8 820	–	603	5 145	(4 542)	-88%	8 820
Inventory consumed and bulk purchases	51 426	51 861	49 263	2 952	24 459	27 654	(3 195)	-12%	49 263
Transfers and subsidies	4 642	2 501	2 397	17	1 066	1 270	(204)	-16%	2 397
Other expenditure	79 533	149 034	151 084	9 650	54 190	88 986	(34 796)	-39%	151 084
Total Expenditure	433 724	532 204	532 490	36 857	266 586	310 608	(44 022)	-14%	532 490
Surplus/(Deficit)	(17 803)	(14 267)	(14 267)	(16 051)	18 282	(8 322)	26 605	-320%	(14 267)
Transfers and subsidies - capital (monetary allocations)	3 765	8 481	12 581	–	6 481	7 278	(797)	-11%	12 581
Transfers and subsidies - capital (in-kind)	3 284	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(10 755)	(5 786)	(1 686)	(16 051)	24 763	(1 044)	25 807	-2472%	(1 686)
Share of surplus/ (deficit) of associate	108	–	–	–	27	–	27	#DIV/0!	–
Surplus/ (Deficit) for the year	(10 647)	(5 786)	(1 686)	(16 051)	24 790	(1 044)	25 834	-2475%	(1 686)
Capital expenditure & funds sources									
Capital expenditure	39 537	158 300	162 400	882	21 194	94 673	(73 478)	-78%	162 400
Capital transfers recognised	3 149	8 481	12 581	–	4 523	7 278	(2 755)	-38%	12 581
Borrowing	18 192	143 981	143 981	768	12 055	83 989	(71 933)	-86%	143 981
Internally generated funds	18 196	5 838	5 838	113	4 616	3 406	1 210	36%	5 838
Total sources of capital funds	39 537	158 300	162 400	882	21 194	94 673	(73 478)	-78%	162 400
Financial position									
Total current assets	173 080	149 940	167 995		154 663				167 995
Total non current assets	314 101	482 146	472 763		331 005				472 763
Total current liabilities	84 581	62 133	74 173		60 037				74 173
Total non current liabilities	135 824	316 731	313 202		155 440				313 202
Community wealth/Equity	266 777	253 223	253 383		270 192				253 383
Cash flows									
Net cash from (used) operating	16 093	(4 936)	(941)	(30 156)	(2 321)	(737)	1 584	-215%	(941)
Net cash from (used) investing	(26 809)	(158 272)	(162 372)	(1 014)	(26 703)	(94 673)	(67 969)	72%	(162 372)
Net cash from (used) financing	711	144 200	170 946	(562)	14 037	92 702	78 665	85%	170 946
Cash/cash equivalents at the month/year end	132 053	102 265	144 037	–	87 328	133 696	46 368	35%	109 949
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	14 410	16 998	18 915	553	521	504	5 349	40 176	97 427
Creditors Age Analysis									
Total Creditors	23	116	13	–	–	–	305	421	878

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) - M07 January

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		240 643	275 990	268 354	4 159	167 927	156 469	11 458	7%	268 354
Executive and council		238 879	274 960	259 482	3 700	164 261	151 293	12 968	9%	259 482
Finance and administration		1 763	1 029	8 873	459	3 666	5 176	(1 510)	-29%	8 873
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		9 762	15 036	23 686	1 428	6 619	13 817	(7 198)	-52%	23 686
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		9 382	14 597	14 154	1 347	6 012	8 257	(2 244)	-27%	14 154
Public safety		-	-	9 094	45	350	5 305	(4 955)	-93%	9 094
Housing		-	-	-	-	-	-	-	-	-
Health		380	439	439	36	256	256	0	0%	439
<i>Economic and environmental services</i>		172 672	195 060	198 431	15 220	116 830	115 751	1 079	1%	198 431
Planning and development		-	-	3 371	363	2 678	1 966	711	36%	3 371
Road transport		172 594	194 878	194 878	14 853	114 098	113 679	419	0%	194 878
Environmental protection		78	183	183	4	54	106	(52)	-49%	183
<i>Trading services</i>		-	40 332	40 332	-	-	23 527	(23 527)	-100%	40 332
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	40 332	40 332	-	-	23 527	(23 527)	-100%	40 332
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	423 077	526 418	530 804	20 807	291 376	309 564	(18 188)	-6%	530 804
Expenditure - Functional										
<i>Governance and administration</i>		145 063	182 063	182 249	13 219	90 844	106 305	(15 461)	-15%	182 249
Executive and council		50 821	55 515	55 515	4 493	26 001	32 384	(6 382)	-20%	55 515
Finance and administration		91 397	123 362	123 548	8 493	62 961	72 063	(9 102)	-13%	123 548
Internal audit		2 846	3 186	3 186	233	1 882	1 858	23	1%	3 186
<i>Community and public safety</i>		81 518	91 305	91 333	6 944	48 224	53 244	(5 020)	-9%	91 333
Community and social services		6 644	8 016	8 116	539	4 404	4 731	(327)	-7%	8 116
Sport and recreation		11 458	14 322	14 322	1 053	6 057	8 354	(2 297)	-27%	14 322
Public safety		27 355	28 546	28 546	2 450	15 623	16 652	(1 029)	-6%	28 546
Housing		-	-	-	-	-	-	-	-	-
Health		36 061	40 421	40 349	2 902	22 140	23 507	(1 367)	-6%	40 349
<i>Economic and environmental services</i>		202 446	218 159	218 231	16 394	124 260	127 331	(3 071)	-2%	218 231
Planning and development		20 239	18 300	18 300	1 181	9 772	10 675	(903)	-8%	18 300
Road transport		178 721	195 904	195 904	14 947	112 272	114 277	(2 005)	-2%	195 904
Environmental protection		3 486	3 955	4 027	267	2 215	2 379	(164)	-7%	4 027
<i>Trading services</i>		2 057	38 047	38 047	201	2 149	22 194	(20 045)	-90%	38 047
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 057	38 047	38 047	201	2 149	22 194	(20 045)	-90%	38 047
<i>Other</i>		2 639	2 630	2 630	99	1 109	1 534	(425)	-28%	2 630
Total Expenditure - Functional	3	433 724	532 204	532 490	36 857	266 586	310 608	(44 022)	-14%	532 490
Surplus/ (Deficit) for the year		(10 647)	(5 786)	(1 686)	(16 051)	24 790	(1 044)	25 834	-2475%	(1 686)

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

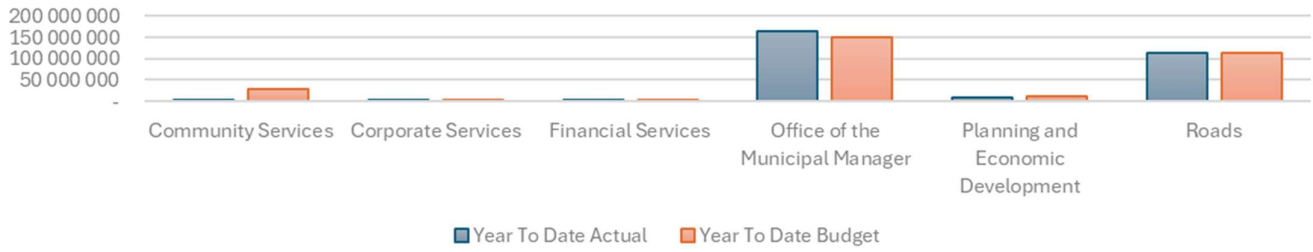
DC4 Garden Route - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January

Vote Description		Ref	2022/23	Budget Year 2023/24							
			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			238 879	274 960	259 482	3 700	164 261	151 293	12 968	8,6%	259 482
Vote 2 - Office of the Municipal Manager (cont)			-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services			(4)	-	6 358	374	2 372	3 709	(1 337)	-36,0%	6 358
Vote 4 - Financial Services (cont)			-	-	-	-	(0)	-	(0)	#DIV/0!	-
Vote 5 - Corporate Services			1 764	1 029	1 473	85	887	859	28	3,2%	1 473
Vote 6 - Corporate Services (cont)			-	-	1 042	-	402	608	(206)	-33,9%	1 042
Vote 7 - Community Services			380	439	439	36	256	256	0	0,1%	439
Vote 8 - Community Services (cont)			78	40 515	49 609	48	389	28 938	(28 549)	-98,7%	49 609
Vote 9 - Planning and Economic Development			4	-	-	-	20	-	20	#DIV/0!	-
Vote 10 - Planning and Economic Development (cont)			5 701	7 612	10 540	1 000	6 300	6 148	152	2,5%	10 540
Vote 11 - Planning and Economic Development(cont2)			3 681	6 985	6 985	710	2 390	4 075	(1 684)	-41,3%	6 985
Vote 12 - Roads			172 594	194 878	194 878	14 853	114 098	113 679	419	0,4%	194 878
Vote 13 - Roads (cont)			-	-	-	-	-	-	-	-	-
Vote 14 -			-	-	-	-	-	-	-	-	-
Vote 15 -			-	-	-	-	-	-	-	-	-
Total Revenue by Vote		2	423 077	526 418	530 804	20 807	291 376	309 564	(18 188)	-5,9%	530 804
Expenditure by Vote		1									
Vote 1 - Office of the Municipal Manager			58 788	63 758	63 758	4 917	32 392	37 192	(4 800)	-12,9%	63 758
Vote 2 - Office of the Municipal Manager (cont)			6 265	6 734	6 734	520	4 070	3 928	142	3,6%	6 734
Vote 3 - Financial Services			17 787	22 124	22 124	1 640	11 571	12 905	(1 334)	-10,3%	22 124
Vote 4 - Financial Services (cont)			5 803	6 511	6 511	417	3 909	3 798	111	2,9%	6 511
Vote 5 - Corporate Services			19 658	37 456	37 703	2 713	14 757	22 012	(7 255)	-33,0%	37 703
Vote 6 - Corporate Services (cont)			23 395	29 874	29 813	2 111	16 255	17 365	(1 111)	-6,4%	29 813
Vote 7 - Community Services			46 997	52 804	52 832	3 789	28 899	30 785	(1 886)	-6,1%	52 832
Vote 8 - Community Services (cont)			31 715	69 242	69 314	2 832	19 278	40 463	(21 185)	-52,4%	69 314
Vote 9 - Planning and Economic Development			18 107	20 176	20 176	1 150	9 962	11 769	(1 808)	-15,4%	20 176
Vote 10 - Planning and Economic Development (cont)			23 424	23 326	23 326	1 459	11 834	13 607	(1 773)	-13,0%	23 326
Vote 11 - Planning and Economic Development(cont2)			3 221	4 296	4 296	364	1 385	2 506	(1 121)	-44,7%	4 296
Vote 12 - Roads			114 056	124 074	124 074	10 082	76 321	72 377	3 944	5,4%	124 074
Vote 13 - Roads (cont)			64 508	71 830	71 830	4 865	35 952	41 901	(5 949)	-14,2%	71 830
Vote 14 -			-	-	-	-	-	-	-	-	-
Vote 15 -			-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		2	433 724	532 204	532 490	36 857	266 586	310 608	(44 022)	-14,2%	532 490
Surplus/ (Deficit) for the year		2	(10 647)	(5 786)	(1 686)	(16 051)	24 790	(1 044)	25 834	-2474,8%	(1 686)

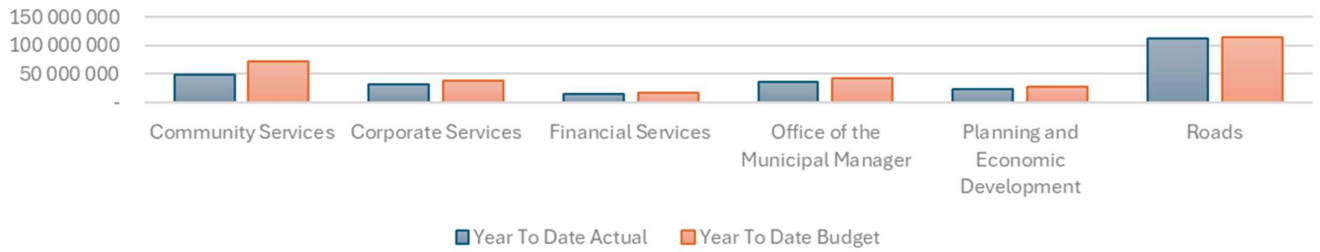
Reporting per municipal vote provide details on the spread of spending over the various functions of council. Revenue is mainly budgeted under the Executive and Council function and therefore most of the revenue will be reflected under this function. The integration of the Roads Agency function into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

Refer to the charts below indicating the revenue and expenditure per vote (Year to Date Actual vs Year to Date Budget amount):

Revenue per Vote: Year To Date Actual vs Year To Date Budget



Expenditure per Vote: Year To Date Actual vs Year To Date Budget



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

DC4 Garden Route - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description		Ref	2022/23	Budget Year 2023/24							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
Revenue											
Exchange Revenue											
Service charges - Electricity								-	0%		
Service charges - Water								-	0%		
Service charges - Waste Water Management								-	0%		
Service charges - Waste management		-	37 688	37 688	-	-	21 985	(21 985)	-100%	37 688	
Sale of Goods and Rendering of Services		15 181	26 779	26 779	1 451	6 449	15 621	(9 172)	-59%	26 779	
Agency services		188 140	214 389	21 239	1 500	10 497	12 389	(1 892)	-15%	21 239	
Interest								-	0%		
Interest earned from Receivables		4 189	3 371	3 708	607	3 084	2 163	921	43%	3 708	
Interest from Current and Non Current Assets		10 253	10 134	10 134	1 757	5 955	5 911	44	1%	10 134	
Dividends								-	0%		
Rent on Land		573	627	627	38	264	366	(102)	-28%	627	
Rental from Fixed Assets		1 315	3 377	3 377	99	911	1 970	(1 059)	-54%	3 377	
Licence and permits								-	0%		
Operational Revenue		6 385	9 386	202 199	15 347	116 543	117 950	(1 407)	-1%	202 199	
Non-Exchange Revenue											
Property rates								-	0%		
Surcharges and Taxes		-	-	-	-	-	-	-	0%	-	
Fines, penalties and forfeits								-	0%		
Licence and permits		78	183	183	4	39	106	(67)	-63%	183	
Transfers and subsidies - Operational		189 810	212 004	212 290	5	141 126	123 825	17 301	14%	212 290	
Interest								-	0%		
Fuel Levy								-	0%		
Operational Revenue								-	0%		
Gains on disposal of Assets								-	0%		
Other Gains		(4)	-	-	-	-	-	-	0%	-	
Discontinued Operations											
Total Revenue (excluding capital transfers and contributions)			415 921	517 937	518 223	20 807	284 868	302 286	(17 418)	-6%	518 223
Expenditure By Type											
Employee related costs		279 902	300 666	301 604	22 846	175 625	176 281	(655)	0%	301 604	
Remuneration of councillors		12 306	14 216	14 216	941	7 484	8 293	(809)	-10%	14 216	
Bulk purchases - electricity								-	0%		
Inventory consumed		51 426	51 861	49 263	2 952	24 459	27 654	(3 195)	-12%	49 263	
Debt impairment		6 577	-	-	-	-	-	-	0%	-	
Depreciation and amortisation		5 766	5 106	5 106	451	3 158	2 979	180	6%	5 106	
Interest		148	8 820	8 820	-	603	5 145	(4 542)	-88%	8 820	
Contracted services		32 200	81 910	80 280	3 868	18 544	46 151	(27 607)	-60%	80 280	
Transfers and subsidies		4 642	2 501	2 397	17	1 066	1 270	(204)	-16%	2 397	
Irrecoverable debts written off		2 160	2 100	2 100	1 624	1 624	1 225	399	33%	2 100	
Operational costs		38 407	64 950	68 630	4 153	34 050	41 567	(7 517)	-18%	68 630	
Losses on Disposal of Assets		136	-	-	-	-	-	-	0%	-	
Other Losses		53	75	75	4	(28)	43	(72)	-165%	75	
Total Expenditure			433 724	532 204	532 490	36 857	266 586	310 608	(44 022)	-14%	532 490
Surplus/(Deficit)			(17 803)	(14 267)	(14 267)	(16 051)	18 282	(8 322)	26 605	-320%	(14 267)
Transfers and subsidies - capital (monetary allocations)			3 765	8 481	12 581	-	6 481	7 278	(797)	-11%	12 581
Transfers and subsidies - capital (in-kind)			3 284	-	-	-	-	-	-	0%	-
Surplus/(Deficit) after capital transfers & contributions			(10 755)	(5 786)	(1 686)	(16 051)	24 763	(1 044)			(1 686)
Income Tax									-	-	
Surplus/(Deficit) after income tax			(10 755)	(5 786)	(1 686)	(16 051)	24 763	(1 044)			(1 686)
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
Surplus/(Deficit) attributable to municipality			(10 755)	(5 786)	(1 686)	(16 051)	24 763	(1 044)			(1 686)
Share of Surplus/Deficit attributable to Associate											
Intercompany/Parent subsidiary transactions			108	-	-	-	27	-			-
Surplus/ (Deficit) for the year			(10 647)	(5 786)	(1 686)	(16 051)	24 790	(1 044)			(1 686)

Revenue by Source

Revenue by source explains the types of income budgeted for and the performance of these items individually.

Refer to the below comparison of the revenue for the current month compared to the prior year comparative month:

Revenue	Monthly actual - January 2024	Monthly actual - January 2023	Percentage increase/ (decrease)	Comment
Agency Services	1 499 637,68	16 762 557,53	-91%	Roads reimbursive revenue allocation as recieved from the Department of Transport was not included under Operational revenue in January 2023 but under Agency fees. The latest mSCOA chart released reclassified the reimbursive revenue allocation to Operational revenue in the current financial year (previously classified as Agency services).
Interest from Current and Non-current Assets	1 757 241,86	999 518,22	76%	Money invested for longer period of time in 2023/24 to maximize interest
Interest earned from Receivables	606 507,77	369 992,44	64%	Increased outstanding debtor accounts resulted in higher interest in 2023/24
Rent on Land	37 681,11	34 872,94	8%	In line with inflation
Operational Revenue	15 347 178,85	436 111,26	3419%	Roads reimbursive revenue allocation as recieved from the Department of Transport was not included under Operational revenue in January 2023 but under Agency fees. The latest mSCOA chart released reclassified the reimbursive revenue allocation to Operational revenue in the current financial year (previously classified as Agency services).
Rental from Fixed Assets	99 140,24	145 981,91	-32%	Immaterial monetary decrease
Sales of Goods and Rendering of Services	1 450 778,48	3 905 588,29	-63%	Significant decrease in fire services due to no major fires during January 2024 compared to January 2023
Licences or Permits (Non-exchange revenue)	3 605,24	-	No revenue recognised in	Immaterial monetary increase
Transfers and Subsidies - Operational	5 000,00	-	No revenue recognised in	Grants received as per grant payment schedule
Grand Total	20 806 771,23	22 654 622,59	-8%	

Refer to the below comparison of the year-to-date revenue compared to the year-to-date budget:

Revenue	Year To Date Actual (YTDA) - January 2024	Year To Date Budget (YTDB) - January 2024	YTDA/YTDB	Comment
Agency Services	10 497 463,76	12 389 415,00	85%	
Intercompany/ Parent Subsidiary Transactions	26 875,00	-	YTDB was R0 but revenue was recognised	Immaterial
Interest from Current and Non-current Assets	5 954 898,18	5 911 265,00	101%	In line with expectations
Interest earned from Receivables	3 083 938,93	2 162 930,00	143%	Increased outstanding debtor accounts resulted in higher than expected interest in 2023-24
Rent on Land	263 767,77	365 548,00	72%	Rental agreements to be renewed, in process
Operational Revenue	116 542 751,53	117 949 521,00	99%	In line with expectations
Rental from Fixed Assets	910 741,97	1 969 840,00	46%	Rental agreements to be renewed, in process
Sales of Goods and Rendering of Services	6 449 216,99	15 621 170,00	41%	Included under this revenue is fire fighting fees as well as revenue received from resorts. Majority of the revenue relates to revenue from fire fighting, which are normally received during the high fire season December - March.
Service Charges - Waste Management	-	21 984 762,00	0%	Landfill site not yet operational
Licences or Permits (Non- exchange revenue)	39 440,93	106 495,00	37%	Licenses/permits issued by EHP
Transfers and Subsidies - Capital	6 481 000,00	6 931 092,00	94%	Grants received as per transfer payment agreement
Transfers and Subsidies - Operational	141 125 809,62	123 824 960,00	114%	Grants received as per transfer payment agreement
Grand Total	291 375 904,68	309 216 998,00	94%	

Sales of Goods and Rendering of Services:

The income for Sales of Goods and Rendering of Services reported for the month ended 31 January 2024 amounts to R1,450,778 (YTDA: R6,449,217 and YTDB: R15,621,170). Majority of the income for this item consists of camping fees from resorts. The shortfall in YTDA vs YTDB is due to a lower occupancy rate than anticipated on the revenue from camping fees and fire services. The possibility of increases in fire services during the high fire season (December – March) are also likely, as these are the typical high fire months.

Agency services:

The municipality performs an agency function on behalf of the Department of Transport – Roads department. Monthly agency fees are collected from the department. 12% Admin fee is received on the original allocation and 6% on any additional allocations. Revenue from agency services was recorded for the month ended 31 January 2024 to the amount of R1,499,638 (YTDA: R10,497,464 and YTDB: R12,389,415).

Interest earned from Receivables / Outstanding debtors:

The interest on outstanding debtors for the month ended 31 January 2024 amounts to R606,508 (YTDA: R3,083,939 and YTDB: R2,162,930). The YTDA interest amount is more than the YTDB amount which means that higher than expected debtors are not paying their overdue accounts on a timely basis. Debtor section is in process with debt collection procedures as per policy.

Interest earned from Current and Non-Current Assets / External Investments:

This reflects the interest earned in respect of surplus funds not immediately needed in the operations of the municipality over the short-term period. The interest for the month of 31 January 2024 amounts to R1,757,241 (YTDA: R5,954,898 and YTDB: R5,911,265). Funds are invested for longer periods to maximise revenue from investments. The YTDA amount is in line with the YTDB amount.

Rent on Land:

The income received from rental on land amounts to R37,681 for the month ended 31 January 2024 (YTDA: R263,768 and YTDB: R365,548). The Legal and Property sections are in process with rental contract renewals/ new renewal contracts, of which higher income is expected once the contracts have been concluded.

Rental from Fixed Assets of facilities and equipment:

The income for rental of facilities and equipment reported for the month ended 31 January 2024 amounts to R99,140 (YTDA: R910,742 and YTDB: R1,969,840). This amounts to a concerning under-collection of 54%. The Legal and Property sections are in process with rental contract renewals/ new renewal contracts, of which higher income is expected once the contracts have been concluded.

Operational Revenue:

Operational revenue reflects an amount of R15,347,179 for the month ended 31 January 2024 (YTDA: R116,542,752 and YTDB: R117,949,521). The major item included under Operational revenue consists of the Department of Public Transport (Roads department) monthly payments as per the signed MOA. The YTDA amount is in line with the YTDB amount.

Transfers recognised – operational:

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenue Act's respectively. The first instalment of R74,305,000 (Total allocation R178,333,000) for the Equitable Share and R1,560,000 for Safety Implementation Grant (WOSA) was received during July 2023, this is the total grant allocation received in full. The municipality also received R1,046,000 in respect of the SETA funding (Skills Mecca) during July 2023 as per the SLA. The municipality received R1,000,000 for the FMG, the first instalment of R545,000 for the EPWP Grant, R1,928,000 for the Rural Roads Assets Management Grant and R2,000,000 for the Energy Efficiency and Demand Side Management Grant, during the month of August 2023, from National Treasury. The municipality received R4,481,000 from Provincial Treasury for the Fire Service Capacity Grant during the month of September 2023.

For the month of October 2023, the municipality did not receive any operational grant funding.

During the month of November 2023, the municipality received R401,940 in respect of the SETA funding.

During December 2023 the municipality received R1,037,100 in respect of the SETA funding and an equitable share portion of R59,209,000.

The municipality did not receive any operational grant funding for the month of January 2024.

Expenditure by Type

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

Refer to the below comparison of the expenditure for the current month compared to the prior year comparative month:

Expenditure	Monthly actual - January 2024	Monthly actual - January 2023	Percentage increase/ (decrease)	Comment
Contracted Services	3 867 755,04	2 410 817,88	60%	Majority of the increase relates to the portion of the audit fees contributed by the Roads department and contracted services incurred by the Training and Development section e.g. MMC training, various SETA projects.
Depreciation and Amortisation	451 195,86	347 618,23	30%	Increase in depreciation due to capital asset purchases
Employee Related Cost	22 846 185,78	21 882 026,60	4%	Immaterial percentage increase
Inventory	4 352,28	54 709,56	-92%	Immaterial amount
Inventory Consumed	2 952 294,45	4 254 032,94	-31%	Decrease in both consumables and materials & supplies consumed in January 2024 compared to January 2023
Irrecoverable Debts Written Off	1 624 374,53	-	No irrecoverable debts written off in January 2023	Irrecoverable debts written off was only recognised at year-end in the prior year and not throughout. Debts are written off after council approval.
Operating Leases	90 844,12	151 780,00	-40%	Immaterial monetary decrease
Operational Cost	4 062 388,50	5 139 915,66	-21%	Biggest decrease is attributable to external audit fees paid for January 2024 compared to January 2023
Remuneration of Councillors	940 719,77	1 036 788,69	-9%	Immaterial monetary decrease
Transfers and Subsidies (Expenditure)	17 340,50	221 536,90	-92%	Grants paid as per business plan
Grand Total	36 857 450,83	35 499 226,46	4%	

Refer to the below comparison of the year-to-date expenditure compared to the year-to-date budget:

Expenditure	Year To Date Actual (YTDA) - January 2024	Year To Date Budget (YTDB) - January 2024	YTDA/YTDB	Comment
				No expenditure in relation to contracted services for the landfill site, operational tender for regional landfill site is in SCM process stage.
				Under spending in the Training and development section with regards to service providers appointed to provide training services.
				Under spending in Firefighting section with regards to the aerial resources expenditure vote. It is expected that this will increase during high fire season (December – March)
Contracted Services	18 544 211,69	45 750 496,00	41%	
Depreciation and Amortisation	3 158 371,02	2 978 761,00	106%	In line with expectations
Employee Related Cost	175 625 289,23	174 700 953,00	101%	In line with expectations
Interest Paid	603 053,95	5 145 222,00	12%	Relates to interest paid on loan for landfill site which is not yet operational
Inventory	- 28 161,21	43 494,00	-65%	Relates to movements in net realisable value for inventory (fuel)
Inventory Consumed	24 458 516,42	28 741 222,00	85%	In line with expectations
Irrecoverable Debts Written Off	1 624 374,53	819 700,00	198%	Based on reports submitted to council for approval of write-offs
Operating Leases	468 568,66	409 780,00	114%	In line with expectations
Operational Cost	33 581 088,09	42 285 380,00	79%	Highest items of under-expenditure relates to the following: -Hire charges -Communication -Management fees -Professional Bodies, Membership and Subscription fees
Remuneration of Councillors	7 484 065,00	8 292 663,00	90%	Due to a vacancy in council
Transfers and Subsidies (Expenditure)	1 066 257,61	1 440 423,00	74%	Grants paid as per business plan
Grand Total	266 585 634,99	310 608 094,00	86%	

Employee Related cost / Remuneration of councillors:

Remuneration related expenditure (councillors and staff) for the month ended 31 January 2024 amounted to R23,786,906 (YTDA: R183,109,354 and YTDB: R182,993,616) of an adjusted budget amount of R315,820,000 which represents 59% of the total operating expenditure budget. The Remuneration related expenditure represents 65% of the total monthly expenditure. The YTDA amount is in line with the YTDB amount.

Inventory Consumed:

Other materials consist of all inventories consumed, purchases for materials and supplies; and amounts to R2,952,294 (YTDA: R24,458,516 and YTDB: R28,741,222) for the month ended 31 January 2024 against a total adjusted budgeted amount of R49,263,000. The YTDA amount is in line with the YTDB amount.

Depreciation and amortisation:

Depreciation and amortisation of R451,196 was recognised in January 2024. (YTDA: R3,158,371 and YTDB: R2,978,761). The YTDA amount is in line with the YTDB amount.

These items account for non-cash budgeted items. The fixed asset register module must be implemented at Garden Route DM by the service provider (Phoenix) of the financial system. The Asset Verification module has been implemented – the GRAP implementation testing will be performed during the 2023/2024 financial year. Template is being populated for the import of the audited Excel FAR into the Collaborator FAR. Thereafter, reconciliations must be performed on the data and various set-ups done to movement accounts, etc.

Contracted services:

The contracted services for the month ended 31 January 2024 amounts to R3,867,755 (YTDA: R18,544,212 and YTDB: R45,750,496) against a total adjusted budget amount of R80,280,000.

Majority of the difference in the YTDA amount compared to the YTDB amount is due to:

- No expenditure in relation to contracted services for the landfill site, operational tender for regional landfill site is in SCM process stage.
- Under spending in the Training and development section with regards to service providers appointed to provide training services e.g. MMC training and SETA projects.
- Under spending in Firefighting section with regards to the aerial resources expenditure vote. It is expected that this will increase during high fire season (December – March).

Transfers and subsidies:

The transfers and subsidies expenditure for the month ended 31 January 2024 amounts to R17,341 (YTDA: R1,066,258 and YTDB: R1,440,423) against a total adjusted budget amount of R2,397,000.

Operational costs:

Operational costs for the month ended 31 January 2024 amounts to R4,062,381 (YTDA: R33,581,088 and YTDB: R42,285,380) against a total adjusted budget amount of R68,630,000.

The operational costs consist of the following (among other):

- External Audit fees
- Travel and Subsistence
- Operating leases
- Operating Projects (own funds)
- Bank Charges
- Advertisements

- Telephone costs
- Municipal Accounts
- Software licenses
- Internet fees

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

DC4 Garden Route - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07 January

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager (cont)		-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 4 - Financial Services (cont)		-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Services		-	-	5	-	4	5	(1)	-13%	5
Vote 6 - Corporate Services (cont)		499	250	245	113	149	141	8	6%	245
Vote 7 - Community Services		2 844	8 619	10 219	-	8 501	5 901	2 600	44%	10 219
Vote 8 - Community Services (cont)		18 328	144 631	147 131	768	12 055	85 826	(73 771)	-86%	147 131
Vote 9 - Planning and Economic Development		-	-	-	-	-	-	-	-	-
Vote 10 - Planning and Economic Development (cont)		2 970	4 800	4 800	-	485	2 800	(2 315)	-83%	4 800
Vote 11 - Planning and Economic Development(cont2)		-	-	-	-	-	-	-	-	-
Vote 12 - Roads		-	-	-	-	-	-	-	-	-
Vote 13 - Roads (cont)		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	24 641	158 300	162 400	882	21 194	94 673	(73 478)	-78%	162 400
Single Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		3 870	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager (cont)		-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		20	-	-	-	-	-	-	-	-
Vote 4 - Financial Services (cont)		-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Services		5	-	-	-	-	-	-	-	-
Vote 6 - Corporate Services (cont)		2 500	-	-	-	-	-	-	-	-
Vote 7 - Community Services		1 587	-	-	-	-	-	-	-	-
Vote 8 - Community Services (cont)		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Economic Development		62	-	-	-	-	-	-	-	-
Vote 10 - Planning and Economic Development (cont)		3 425	-	-	-	-	-	-	-	-
Vote 11 - Planning and Economic Development(cont2)		-	-	-	-	-	-	-	-	-
Vote 12 - Roads		-	-	-	-	-	-	-	-	-
Vote 13 - Roads (cont)		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		3 427	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	14 897	-	-	-	-	-	-	-	-
Total Capital Expenditure		39 537	158 300	162 400	882	21 194	94 673	(73 478)	-78%	162 400
Capital Expenditure - Functional Classification										
Governance and administration		12 844	8 869	8 869	113	7 127	5 174	1 954	38%	8 869
Executive and council		6 370	-	-	-	-	-	-	-	-
Finance and administration		6 474	8 869	8 869	113	7 127	5 174	1 954	38%	8 869
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		5 337	1 450	5 550	-	1 527	3 177	(1 650)	-52%	5 550
Community and social services		1 329	-	1 600	-	1 527	873	654	75%	1 600
Sport and recreation		3 498	800	800	-	-	467	(467)	-100%	800
Public safety		504	650	3 150	-	-	1 837	(1 837)	-100%	3 150
Housing		-	-	-	-	-	-	-	-	-
Health		7	-	-	-	-	-	-	-	-
Economic and environmental services		3 164	4 000	4 000	-	485	2 333	(1 848)	-79%	4 000
Planning and development		3 164	4 000	4 000	-	485	2 333	(1 848)	-79%	4 000
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		18 192	143 981	143 981	768	12 055	83 989	(71 933)	-86%	143 981
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		18 192	143 981	143 981	768	12 055	83 989	(71 933)	-86%	143 981
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	39 537	158 300	162 400	882	21 194	94 673	(73 478)	-78%	162 400
Funded by:										
National Government		2 970	4 000	4 000	-	485	2 333	(1 848)	-79%	4 000
Provincial Government		179	4 481	8 581	-	4 038	4 945	(907)	-18%	8 581
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm		-	-	-	-	-	-	-	-	-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		3 149	8 481	12 581	-	4 523	7 278	(2 755)	-38%	12 581
Borrowing	6	18 192	143 981	143 981	768	12 055	83 989	(71 933)	-86%	143 981
Internally generated funds		18 196	5 838	5 838	113	4 616	3 406	1 210	36%	5 838
Total Capital Funding		39 537	158 300	162 400	882	21 194	94 673	(73 478)	-78%	162 400

Refer to next page for a detailed 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?
71010110001	1	Upgrading of buildings - Retrofitting EEDS	4 000 000	4 000 000	484 921	Order Issued to Supplier	No challenges anticipated
71207230002	2	Replacing ICT Capital Equipment beyond economical	250 000	0	0	N/A - R0 per the Adjusted budget	No challenges anticipated
71801310001	3	Firestation: George	4 638 075	4 638 075	4 462 938	In Process	Delay in the Fire station project as the Contractor's revised construction program indicated a revised completion date of 30 January 2024.
71801310002	4	Firestation: George	3 000 000	3 000 000	2 511 449	In Process	Delay in the Fire station project as the Contractor's revised construction program indicated a revised completion date of 30 January 2024.
71801330001	5	Firefighting Vehicle (bakkie)	981 000	981 000	0	Order Issued to Supplier	No challenges anticipated
73602102302	6	Vehicle (bakkie)	800 000	800 000	0	In Process	No challenges anticipated
72305230001	7	Hazmat Rescue & Fire Equipment	150 000	150 000	0	Order Issued to Supplier	No challenges anticipated
72305230005	8	Hazardous Materials Equipment	500 000	500 000	0	In Process	No challenges anticipated
74402100901	9	Landfill Site: PPE	143 981 000	143 981 000	12 055 476	In Process	Weekly progress provided to Management Committee and standing agenda item in Council meetings
71207104112	10	Wireless Access Points	0	35 052	17 052	Order Issued to Supplier	No challenges anticipated
71207104144	11	QNAP Backup Storage	0	72 741	0	Order Issued to Supplier	No challenges anticipated
71207104145	12	Monitor	0	2 477	2 477	Completed	Completed
71207104165	13	Network Equipment	0	12 000	10 312	In Process	No challenges anticipated
71207104168	14	USB Type-C Port Replicators	0	8 000	5 480	In Process	No challenges anticipated
71207104167	15	Inverters	0	114 730	113 432	In Process	No challenges anticipated
71207104080	16	Medical Chair	0	5 000	4 331	Completed	Completed
71602102321	17	Mobile Generators	0	1 526 549	1 526 549	Completed	Completed
71801330002	18	Flood Response Vehicle	0	2 500 000	0	In Process	No challenges anticipated
71602102250	19	Mobile Generator Trailer	0,00	73 451	0	In Process	No challenges anticipated
Totals			158 300 075	162 400 075	21 194 417		

Commitments against capital for the month January 2024				
71010110001	1	Upgrading of buildings - Retrofitting EEDS		2 020 251
71207104112	10	Wireless Access Points		17 561
71207104144	11	QNAP Backup Storage		71 287
71801330001	5	Firefighting Vehicle (bakkie)		216 672
72305230001	7	Hazmat Rescue & Fire Equipment		130 195
		Total Commitments		2 455 966

The largest item on the capital budget is the construction of the regional landfill site (R143 981 000). This item's budget will be amended with the February adjustment budget.

There was a slight delay of one month in the Fire station project as the Contractor's revised construction program indicated a revised completion date of 30 January 2024. The fire station was completed and was operational end of January 2024.

3.1.6 Table C6: Monthly Budget Statement - Financial Position

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

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		135 244	100 110	141 818	87 328	141 818
Trade and other receivables from exchange transactions		(61 746)	16 279	11 325	51 813	(195 363)
Receivables from non-exchange transactions		46	–	46	46	46
Current portion of non-current receivables		4 246	4 293	4 293	4 293	4 293
Inventory		3 483	2 979	3 409	3 708	3 409
VAT		5 300	6 060	7 105	7 478	7 105
Other current assets		86 507	20 220	–	(3)	206 687
Total current assets		173 080	149 940	167 995	154 663	167 995
Non current assets						
Investments		27	28	28	28	28
Investment property		55 720	64 187	65 948	65 902	65 948
Property, plant and equipment		198 967	355 193	346 225	203 815	346 225
Biological assets						
Living and non-living resources						
Heritage assets						
Intangible assets		675	(26)	474	1 172	474
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions		58 711	62 764	60 088	60 088	60 088
Other non-current assets						
Total non current assets		314 101	482 146	472 763	331 005	472 763
TOTAL ASSETS		487 181	632 086	640 758	485 669	640 758
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities		1 099	100	663	663	663
Consumer deposits		711	468	637	762	637
Trade and other payables from exchange transactions		59 663	27 928	46 470	15 639	46 470
Trade and other payables from non-exchange transactions		(1 689)	4 588	2 649	5 630	2 649
Provision		25 598	26 843	22 791	30 601	22 791
VAT		(801)	2 207	963	6 742	963
Other current liabilities						
Total current liabilities		84 581	62 133	74 173	60 037	74 173
Non current liabilities						
Financial liabilities		650	170 315	170 892	14 362	170 892
Provision		12 088	12 024	12 085	12 112	12 085
Long term portion of trade payables						
Other non-current liabilities		123 086	134 391	130 224	128 966	130 224
Total non current liabilities		135 824	316 731	313 202	155 440	313 202
TOTAL LIABILITIES		220 405	378 864	387 375	215 477	387 375
NET ASSETS	2	266 777	253 223	253 383	270 192	253 383
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		216 302	200 293	210 492	227 300	210 492
Reserves and funds		50 475	52 930	42 891	42 891	42 891
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	266 777	253 223	253 383	270 192	253 383

Financial ratios:

Current Ratio:		(Current Assets / Current Liabilities)			
		Norm: 1.5 - 2.1			
			31 January 2024	30 June 2023	
Current Assets			154 663 000	165 471 656	
Current Liabilities			60 037 000	82 598 391	
Current ratio			2,58	2,00	times
Comment					
The purpose of the current ratio is to determine whether GRDM has the ability to pay its short term liabilities					
The norm is 1.5 - 2.1 times. As at 31 January 2024, GRDM's current ratio is 2,58 times, which is higher than the norm.					

[illegible]

Net debtor days:		((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365		
		Norm: 30 days		
			31 January 2024	30 June 2023
Gross debtors closing balance after bad debt prov			51 859 344	17 160 346
Billed revenue			20 592 661	19 489 635
			919	321 days
Comment				
This ratio indicates how quick (in days) the municipality is able to receive payment from bills sent out to the public on a monthly basis.				
The main reason for this relates to the complexities and legal challenges associated with billing and payment of fire fighting services in the district.				
GRDM sends out letters of demand and, as applicable, hands over non-paying debtors to the legal department. Proving however where a fire originated from remains a challenge and a protracted legal process.				
GRDM installed a new incident management system in the Disaster Management section, which will greatly strengthen GRDM's ability to prove fire origination, which is expected to result in an improvement regarding receiving payment from fire fighting services debtors.				

Debt to Revenue Ratio:		(Total debt / Total revenue) x 100			
			31 January 2024		
Total debt			13 912 000		
Total revenue			284 868 030		
			4,88%		
Comment					
The purpose of this ratio is to measure GRDM's ability to repay debt. For purposes of the loan agreement with Standard Bank, the Debt to Revenue Ratio must be maintained at a level that is less than or equal to 50% (fifty percent) of revenue.					
The municipality has sufficient revenue to cover its debt obligations, as total debt only constitutes 4,88% of total revenue, which is well within the norm of 50% or less as per the loan agreement.					

Interest Paid to Total Cost Ratio:		(Interest paid / Total expenditure) x 100			
			31 January 2024		
Interest paid			603 054		
Total expenditure			266 585 635		
			0,23%		
Comment					
The purpose of this ratio is to measure GRDM's interest expense compared to all expenses incurred. For purposes of the loan agreement with Standard Bank, the Interest paid to total costs must be maintained at a level that is less than or equal to 7.5% (seven-point five percent) of total expenditure.					
The interest expense only makes up 0,23% of all expenditure incurred, therefore it is not a significant expenditure item for GRDM and is well within the norm of 7,5% or less as per the loan agreement.					

3.1.7 Table C7: Monthly Budget Statement - Cash Flow

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

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								-		
Service charges		-	37 688	37 688	-	-	21 985	(21 985)	-100%	37 688
Other revenue		(204 127)	54 770	247 920	3 477	99 125	144 620	(45 495)	-31%	247 920
Transfers and Subsidies - Operational		339 196	405 154	212 290	882	146 098	123 825	22 273	18%	212 290
Transfers and Subsidies - Capital		6 600	8 481	12 581	-	6 481	7 278	(797)	-11%	12 581
Interest		3 289	10 134	10 134	321	2 578	5 911	(3 333)	-56%	10 134
Dividends								-		
Payments										
Suppliers and employees		(128 864)	(512 343)	(512 733)	(34 836)	(256 603)	(299 211)	(42 608)	14%	(512 733)
Interest		-	(8 820)	(8 820)	-	-	(5 145)	(5 145)	100%	(8 820)
Transfers and Subsidies								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		16 093	(4 936)	(941)	(30 156)	(2 321)	(737)	1 584	-215%	(941)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables								-		
Decrease (increase) in non-current investments		27	28	28	-	-	-	-		28
Payments										
Capital assets		(26 836)	(158 300)	(162 400)	(1 014)	(26 703)	(94 673)	(67 969)	72%	(162 400)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(26 809)	(158 272)	(162 372)	(1 014)	(26 703)	(94 673)	(67 969)	72%	(162 372)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing		-	143 732	170 309	-	13 912	92 702	(78 790)	-85%	170 309
Increase (decrease) in consumer deposits		711	468	637	(562)	125	-	125	#DIV/0!	637
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		711	144 200	170 946	(562)	14 037	92 702	78 665	85%	170 946
NET INCREASE/(DECREASE) IN CASH HELD										
		(10 005)	(19 008)	7 634	(31 732)	(14 987)	(2 707)			7 634
Cash/cash equivalents at beginning:		142 058	121 273	136 403	102 315	102 315	136 403			102 315
Cash/cash equivalents at month/year end:		132 053	102 265	144 037		87 328	133 696			109 949

The municipal bank balance at 31 January 2024 totals R43,328,071 and there were short term deposits made of R40,000,000 and call account deposits of R4,000,000. Total cash available at month-end is therefore R87,328,071.

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

REPORTING MONTH: 31 JANUARY 2024		
Commitments against Cash & Cash Equivalents		
ITEM	Previous Month R'000	Current Month R'000
Bank balance as at 31 January 2024	23 314 824,70	43 328 071,00
Other Cash & Cash Equivalents: Short term deposits	75 000 000,00	40 000 000,00
Other Cash & Cash Equivalents: Call accounts	4 000 000,00	4 000 000,00
Total Cash & Cash Equivalents:	102 314 824,70	87 328 071,00
LESS:	73 512 607,27	100 869 393,18
Unspent Conditional Grants	2 912 133,70	3 467 470,87
Provision for staff leave	21 672 994,00	21 672 994,00
Provision for bonus	7 490 011,00	7 490 011,00
Post Retirement Benefits	10 731 300,00	10 731 300,00
Performance Bonus	956 188,00	956 188,00
Trade Payables	-	21 269 564,97
YTD Unspent Capital budget	1 335 484,73	1 222 053,00
YTD Unspent Operational budget	28 414 495,84	34 059 811,34
Sub total	28 802 217,43	-13 541 322,18
PLUS:	58 947 638,20	58 555 298,21
VAT Receivable	7 004 000,00	6 741 943,20
Receivable Exchange	17 160 346,00	2 318 714,00
Department of Transport and Public Works	34 783 292,20	49 494 641,01
	87 749 855,63	45 013 976,03
LESS OTHER MATTERS:		
Capital Replacement Reserve	4 133 051,00	4 133 051,00
Employee Benefits Reserves	38 762 712,00	38 762 712,00
Sub Total	44 854 092,63	2 118 213,03
LESS: CONTINGENT LIABILITIES	4 500 000,00	4 500 000,00
Theunis Barnard	-	-
F du Toit (Vicbay Theft)	-	-
Hoogbaard	-	-
I Gerber	-	-
A de Wet	-	-
Barry Louis Rae Trust	4 500 000,00	4 500 000,00
Portion of Portion 2 of Farm 238, Hooggekraal	-	-
Labour disputes	-	-
Recalculated available cash balance	40 354 092,63	-2 381 786,97
Total actual January 2024 expenditure excluding Roads (expenditure paid and taken into account in cash balance)	22 181 607,49	22 146 102,02

PART 2 – SUPPORTING DOCUMENTATION

Section 4 – Debtors' analysis

Supporting Table SC3

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

Description		Budget Year 2023/24											Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.t.o Council Policy
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				
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	–	–	–	–	–	–	11	–	11	11	–	–	
Interest on Arrear Debtor Accounts	1810	384	391	386	385	384	383	2 480	8 660	13 453	12 292	–	–	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–	
Other	1900	14 026	16 607	18 529	168	137	121	2 869	31 506	83 963	34 801	–	–	
Total By Income Source	2000	14 410	16 998	18 915	553	521	504	5 349	40 176	97 427	47 104	–	–	
2022/23 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	(96)	37	121	63	36	35	1 133	3 403	4 732	4 670	–	–	
Commercial	2300	14 458	16 926	18 754	414	418	429	4 191	36 559	92 150	42 012	–	–	
Households	2400	–	–	–	–	–	–	–	–	–	–	–	–	
Other	2500	48	35	40	75	67	40	25	214	545	422	–	–	
Total By Customer Group	2600	14 410	16 998	18 915	553	521	504	5 349	40 176	97 427	47 104	–	–	

Long outstanding debtors which mainly consists 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 is required to submit debtors age analysis data strings monthly.

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

Debt owing by Government Institutions

Total debt owing by government institutions to the Garden Route DM is summarised as follows as at 31 January 2024:

	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 31 January 2024	Original Capital: levied	Interest on account:
Total Government Debt owed to GRDM	- 14,48	14 881 536,08	16 621 310,63	18 537 603,09	13 436 364,48	63 476 799,80	59 292 592,97	4 184 206,83

Refer to the below table depicting the name of the government institution owing debt, aging, amount outstanding and Intergovernmental Relations (IGR) process followed:

ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 31 January 2024	Original Capital: levied	Interest on account:	IGR Process:
38900002	BITOU MUNISIPALITEIT	0	340,24	340,24	340,24	31 394,62	32 415,34	29 693,42	2 721,92	No
84000151	BITOU MUNICIPALITY	0	0	0	0	-	-	-	-	N/A
84000210	BITOU MUNICIPALITY	0	385,58	385,58	385,58	38 579,27	39 736,01	33 650,86	6 085,15	No
84000557	BITOU MUNICIPALITY	0	929,72	929,72	61443,29	20 836,91	84 139,64	81 138,75	3 000,89	No
		-	1 655,54	1 655,54	62 169,11	90 810,80	156 290,99	144 483,03	11 807,96	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 31 January 2024	Original Capital: levied	Interest on account:	IGR Process:
39001127	GEORGE MUNICIPALITY	-	3 748,59	3 748,59	3 748,59	467 726,59	478 972,36	327 149,75	151 822,61	IGR approval obtained & files submitted for recovery
39001128	GEORGE MUNICIPALITY	-	46,06	46,06	46,06	6 041,45	6 179,63	4 019,75	2 159,88	IGR approval obtained & files submitted for recovery
84000166	GEORGE MUNICIPALITY	-	24,18	24,18	24,18	3 171,24	3 243,78	2 110,00	1 133,78	IGR approval obtained & files submitted for recovery
84000287	GEORGE MUNICIPALITY	-	-	-	-	-	-	-	-	N/A
84000319	GEORGE MUNICIPALITY	-	-	-	-	-	-	-	-	N/A
84000554	GEORGE MUNICIPALITY	-	-	2 077,80	-	-	2 077,80	-	2 077,80	N/A - awaiting payment
84000618	GEORGE MUNICIPALITY	-	25,62	25,62	25,62	2 484,26	2 561,12	2 235,97	325,15	IGR approval obtained & files submitted for recovery
84000673	GEORGE MUNICIPALITY	-	60,98	60,98	60,98	5 685,53	5 868,47	5 624,55	243,92	IGR approval obtained & files submitted for recovery
84000674	GEORGE MUNICIPALITY	- 14,48	-	-	-	-	14,48	-	14,48	N/A
84000783	GEORGE MUNICIPALITY	-	283,23	283,23	24 717,85	-	25 284,31	24 717,85	566,46	IGR approval obtained & files submitted for recovery
		- 14,48	4 188,66	6 266,46	28 623,28	485 109,07	524 172,99	365 857,87	158 315,12	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 31 January 2024	Original Capital: levied	Interest on account:	IGR Process:
37000815	MUNISIPALITEIT HESSEQUA	-	-	-	-	-	-	-	-	N/A
37001113	HESSEQUA MUNICIPALITY	-	-	2 095,51	2 095,51	61 878,33	66 069,35	66 069,35	-	Settlement offer received - awaiting Council Approval
38000507	MUNISIPALITEIT HESSEQUA	-	21 478,94	491,43	-	-	21 970,37	-	21 970,37	N/A - current month rental
38900005	HESSEQUA MUNISIPALITEIT	-	-	-	-	-	-	0,01	0,01	N/A
39001111	HESSEQUA MUNICIPALITY	-	-	-	-	-	-	-	-	Settlement offer received - awaiting Council Approval
84000153	HESSEQUA MUNICIPALITY	-	-	-	-	-	-	3 529,81	3 529,81	N/A
84000534	HESSEQUA MUNICIPALITY	-	-	80,72	80,72	930,56	1 092,00	1 092,00	-	Settlement offer received - awaiting Council Approval
84000543	HESSEQUA MUNICIPALITY	-	-	2 190,82	2 190,82	24 756,59	29 138,23	29 138,23	-	Settlement offer received - awaiting Council Approval
84000548	HESSEQUA MUNICIPALITY	-	-	57,71	57,71	580,13	695,55	695,55	-	Settlement offer received - awaiting Council Approval
84000657	HESSEQUA MUNICIPALITY	-	3 450,97	11 098,44	11 098,44	375 807,99	401 455,84	398 004,87	3 450,97	Settlement offer received - awaiting Council Approval
		-	24 929,91	16 014,63	15 523,20	463 953,60	520 421,34	498 529,82	21 891,52	

ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 31 January 2024	Original Capital: levied	Interest on account:	IGR Process:
37000669	KANNALAND MUNISIPALITEIT	-	-	-	-	-	-	-	-	No
37001111	KANNALAND MUNISIPALITEIT	-	10 067,59	10 067,59	10 067,59	1 275 454,36	1 305 657,13	878 626,39	427 030,74	IGR Process initiated for signature
38200060	MUNISIPALITEIT KANNALAND	-	354,13	354,13	354,13	32 322,77	33 385,16	30 906,25	2 478,91	IGR Process initiated for signature
38900006	KANNALAND MUNISIPALITEIT	-	936,14	936,14	936,14	106 168,99	108 977,41	81 699,27	27 278,14	IGR Process initiated for signature
39001130	KANNALAND MUNICIPALITY	-	86,11	86,11	86,11	11 294,16	11 552,49	7 514,80	4 037,69	IGR Process initiated for signature
39001131	KANNALAND MUNICIPALITY	-	218,39	218,39	218,39	26 265,47	26 920,64	19 059,04	7 861,60	IGR Process initiated for signature
84000213	KANNALAND MUNICIPALITY	-	1 001,31	1 001,31	1 001,31	123 962,87	126 966,80	87 386,59	39 580,21	IGR Process initiated for signature
84000271	KANNALAND MUNICIPALITY	-	639,62	639,62	639,62	83 894,68	85 813,54	55 821,24	29 992,30	IGR Process initiated for signature
84000276	KANNALAND	-	1 062,40	1 062,40	1 062,40	125 363,41	128 550,61	92 718,75	35 831,86	IGR Process initiated for signature
84000323	KANNALAND MUNICIPALITY	-	563,72	563,72	563,72	72 269,99	73 961,15	49 197,01	24 764,14	IGR Process initiated for signature
84000533	KANNALAND MUNICIPALITY	-	149,16	149,16	149,16	15 315,36	15 762,84	13 017,86	2 744,98	IGR Process initiated for signature
84000597	KANNALAND MUNICIPALITY	-	616,02	616,02	616,02	59 872,46	61 720,52	53 762,04	7 958,48	IGR Process initiated for signature
84000624	KANNALAND MUNICIPALITY	-	68,45	68,45	68,45	6 447,73	6 653,08	5 973,56	679,52	IGR Process initiated for signature
84000690	KANNALAND MUNICIPALITY	-	57,14	57,14	57,14	5 272,08	5 443,50	4 986,38	457,12	IGR Process initiated for signature
		-	15 820,18	15 820,18	15 820,18	1 943 904,33	1 991 364,87	1 380 669,18	610 695,69	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 31 January 2024	Original Capital: levied	Interest on account:	IGR Process:
38900007	KNYSNA MUNISIPALITEIT	-	91,56	91,56	91,56	8 448,27	8 722,95	7 990,47	732,48	No
84000214	KNYSNA MUNICIPALITY	-	150,06	150,06	150,06	13 696,77	14 146,95	13 096,53	1 050,42	No
84000711	KNYSNA MUNICIPALITY	-	357,33	357,33	31 185,00	243,51	32 143,17	31 185,00	958,17	N/A - awaiting payment
		-	598,95	598,95	31 426,62	22 388,55	55 013,07	52 272,00	2 741,07	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 31 January 2024	Original Capital: levied	Interest on account:	IGR Process:
37000809	MOSELBAY MUNICIPALITY	-	-	-	-	-	-	-	-	N/A
84000215	MOSELBAY MUNICIPALITY	-	-	-	-	-	-	-	-	No
84000274	MOSELBAY MUNICIPALITY	-	-	-	-	-	-	-	-	No
84000555	MOSEL BAY MUNICIPALITY	-	-	913,17	-	-	913,17	-	913,17	No
		-	-	913,17	-	-	913,17	-	913,17	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 31 January 2024	Original Capital: levied	Interest on account:	IGR Process:
37000687	MUNISIPALITEIT OUDTSHOORN	-	-	-	-	-	-	-	-	N/A
38900010	OUDTSHOORN MUNISIPALITEIT	-	-	-	-	-	-	-	-	N/A - interest for write-off
84000486	OUDTSHOORN MUNICIPALITY	-	11 210,79	11 210,79	11 210,79	1 234 205,56	1 267 837,93	978 395,78	289 442,15	IGR approval obtained & files submitted for recovery
84000556	OUDTSHOORN MUNICIPALITY	-	-	555,84	-	-	555,84	-	555,84	N/A - awaiting payment
84000636	OUDTSHOORN MUNICIPALITY	-	2 774,97	2 774,97	2 774,97	266 548,47	274 873,38	242 179,20	32 694,18	IGR approval obtained & files submitted for recovery
		-	13 985,76	14 541,60	13 985,76	1 500 754,03	1 543 267,15	1 220 574,98	322 692,17	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 31 January 2024	Original Capital: levied	Interest on account:	IGR Process:
38900011	PRINCE ALBERT MUNISIPALITEIT	-	42,30	42,30	42,30	3 903,41	4 030,31	3 691,91	338,40	No
		-	42,30	42,30	42,30	3 903,41	4 030,31	3 691,91	338,40	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 31 January 2024	Original Capital: levied	Interest on account:	IGR Process:
37000924	ESKOM HOLDINGS SOC LTD	-	6 306,87	6 306,87	6 306,87	942 656,81	961 577,42	550 418,12	411 159,30	N/A include in debt write-off report
37001073	ESKOM HOLDINGS SOC LTD	-	215,27	215,27	215,27	32 817,18	33 462,99	18 786,95	14 676,04	N/A include in debt write-off report
84000288	ESKOM HOLDINGS	-	40 175,80	40 175,80	40 175,80	5 266 243,14	5 386 770,54	3 506 251,54	1 880 519,00	Yes
84000381	ESKOM	-	18 213,06	18 213,06	18 213,06	2 202 123,93	2 256 763,11	1 589 503,01	667 260,10	Yes
		-	64 911,00	64 911,00	64 911,00	8 443 841,06	8 638 574,06	5 664 959,62	2 973 614,44	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 31 January 2024	Original Capital: levied	Interest on account:	IGR Process:
84000576	SAN PARKS	-	1 858,02	1 858,02	1 858,02	186 511,04	192 085,10	162 154,11	29 930,99	No - discussion in process with institution
		-	1 858,02	1 858,02	1 858,02	186 511,04	192 085,10	162 154,11	29 930,99	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 31 January 2024	Original Capital: levied	Interest on account:	IGR Process:
84000527	SANRAL	-	48,43	48,43	48,43	5 108,01	5 253,30	4 226,58	1 026,72	IGR approval obtained & files submitted for recovery
		-	48,43	48,43	48,43	5 108,01	5 253,30	4 226,58	1 026,72	

ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 31 January 2024	Original Capital: levied	Interest on account:	IGR Process:
84000404	LT COL XOTYENI	-	27,77	27,77	27,77	3 275,85	3 359,16	2 423,50	935,66	IGR approval obtained & files submitted for recovery
84000541	SA POLICE SERVICE	-	52,10	52,10	52,10	5 422,79	5 579,09	4 546,59	1 032,50	IGR approval obtained & files submitted for recovery
84000688	LADISMITH POLICE STATION	-	11,35	11,35	11,35	1 047,54	1 081,59	990,79	90,80	IGR approval obtained & files submitted for recovery
		-	91,22	91,22	91,22	9 746,18	10 019,84	7 960,88	2 058,96	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 31 January 2024	Original Capital: levied	Interest on account:	IGR Process:
84000603	WESTERN CAPE PROVINCIAL GOVERN	-	14 711 348,81	16 483 037,47	18 300 254,73	-	49 494 641,01	49 494 641,01	-	No - Roads Agency Debtor for monthly claims to Province
		-	14 711 348,81	16 483 037,47	18 300 254,73	-	49 494 641,01	49 494 641,01	-	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 31 January 2024	Original Capital: levied	Interest on account:	IGR Process:
84000600	DIST ROADS ENGINEER TPW	-	-	-	-	-	-	-	-	No - discussion in process with institution
84000615	PROVINCIAL ROADS WORKS	-	1 120,15	1 120,15	1 120,15	107 799,88	111 160,33	97 758,08	13 402,25	No - discussion in process with institution
84000764	DISTRICT ROADS ENGINEER	-	38,13	38,13	38,13	3 327,84	3 442,23	-	3 442,23	No - discussion in process with institution
		-	1 158,28	1 158,28	1 158,28	111 127,72	114 602,56	97 758,08	16 844,48	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 31 January 2024	Original Capital: levied	Interest on account:	IGR Process:
38800002	DEPARTEMENT GESONDHEID	-	39 150,77	7 662,42	-	-	46 813,19	42 239,84	4 573,35	No - monthly medical recovery claims
		-	39 150,77	7 662,42	-	-	46 813,19	42 239,84	4 573,35	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 31 January 2024	Original Capital: levied	Interest on account:	IGR Process:
84000572	DFFE	-	1 226,88	1 226,88	1 226,88	123 156,67	126 837,31	107 073,36	19 763,95	No - discussion in process with institution
84000629	DFFE	-	342,24	342,24	342,24	32 477,52	33 504,24	29 867,80	3 636,44	No - discussion in process with institution
		-	1 569,12	1 569,12	1 569,12	155 634,19	160 341,55	136 941,16	23 400,39	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 31 January 2024	Original Capital: levied	Interest on account:	IGR Process:
84000475	CALITZDORP HIGH	-	121,84	121,84	121,84	13 572,49	13 938,01	10 632,90	3 305,11	No
		-	121,84	121,84	121,84	13 572,49	13 938,01	10 632,90	3 305,11	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 31 January 2024	Original Capital: levied	Interest on account:	IGR Process:
38200071	PETRO SA PTY LTD	-	57,29	5 000,00	-	-	5 057,29	5 000,00	57,29	N/A - awaiting payment
		-	57,29	5 000,00	-	-	5 057,29	5 000,00	57,29	

Section 5 – Creditors' analysis

Supporting Table C4

DC4 Garden Route - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

Description	NT Code	Budget Year 2023/24									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	23	116	13	–	–	–	305	421	878	–
Auditor General	0800	–	–	–	–	–	–	–	–	–	–
Other	0900	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	1000	23	116	13	–	–	–	305	421	878	–

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

Section 6 – Investment portfolio analysis

6.1 Investment monitoring information

	Balance as at 01 January 2024	Movements for the month			Balance as at 31 January 2024	Interest earned	Interest earned
		Investments matured	Investments made	Interest capitalised			
						Month	Year to date
Garden Route District Municipality							
Standard Bank	27 000 000,00	-7 000 000,00			20 000 000,00	327 163,70	1 350 508,91
ABSA	29 500 000,00	-17 500 000,00			12 000 000,00	827 021,23	2 070 183,56
Nedbank	18 500 000,00	-10 500 000,00			8 000 000,00	492 099,33	1 260 730,17
BANK DEPOSITS	75 000 000,00	-35 000 000,00	-	-	40 000 000,00	1 646 284,26	4 681 422,64

The municipality invests surplus funds 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. Monies were invested for longer periods to maximise investment revenue.

Section 7 – Allocation and grant receipts and expenditure

7.1 Supporting Table C6

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

Description	Ref	2022/23	Budget Year 2023/24							
		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:		180 655	185 267	185 267	–	136 987	108 072	28 915	26,8%	185 267
Local Government Equitable Share		172 721	178 333	178 333	–	133 514	104 028	29 486	28,3%	178 333
Energy Efficiency and Demand Side Management Grant		1 000	–	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant		2 440	2 180	2 180	–	545	1 272	(727)	-57,1%	2 180
Local Government Financial Management Grant		1 000	1 000	1 000	–	1 000	583	417	71,4%	1 000
Municipal Systems Improvement Grant		–	1 000	1 000	–	–	583	(583)	-100,0%	1 000
Public Transport Network Grant		900	–	–	–	–	–	–	–	–
Rural Road Asset Management Systems Grant		2 594	2 754	2 754	–	1 928	1 607	322	20,0%	2 754
Provincial Government:		8 938	6 560	6 846	–	1 560	3 983	(2 423)	-60,8%	6 846
Capacity Building		8 938	6 560	6 846	–	1 560	3 983	(2 423)	-60,8%	6 846
Other grant providers:		117	20 177	20 177	5	2 579	11 770	(9 191)	-78,1%	20 177
Other Grants Received		117	20 177	20 177	5	2 579	11 770	(9 191)	-78,1%	20 177
Total Operating Transfers and Grants	5	189 710	212 004	212 290	5	141 126	123 825	17 301	14,0%	212 290
Capital Transfers and Grants										
National Government:		3 765	4 000	4 000	–	2 000	2 333	(333)	-14,3%	4 000
Energy Efficiency and Demand Side Management Grant		3 765	4 000	4 000	–	2 000	2 333	(333)	-14,3%	4 000
Provincial Government:		–	4 481	8 581	–	4 481	4 945	(464)	-9,4%	8 581
Infrastructure		–	4 481	4 481	–	4 481	2 614	1 867	71,4%	4 481
Capacity Building		–	–	4 100	–	–	2 331	(2 331)	-100,0%	4 100
Other grant providers:		3 284	–	–	–	–	–	–	–	–
[insert description]		3 284	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	7 049	8 481	12 581	–	6 481	7 278	(797)	-11,0%	12 581
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	196 759	220 485	224 871	5	147 607	131 103	16 504	12,6%	224 871

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

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

Supporting Table C8

DC4 Garden Route - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January

Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		7 666	11 153	11 153	558	4 597	6 506	(1 909)	-29%	11 153
Pension and UIF Contributions		395	263	263	38	233	153	80	52%	263
Medical Aid Contributions		261	162	162	13	102	95	8	8%	162
Motor Vehicle Allowance		2 042	1 251	1 251	155	1 156	730	426	58%	1 251
Cellphone Allowance		1 040	627	627	82	645	366	280	76%	627
Housing Allowances		766	478	478	64	447	279	168	60%	478
Other benefits and allowances		136	281	281	31	303	164	139	85%	281
Sub Total - Councillors		12 306	14 216	14 216	941	7 484	8 293	(809)	-10%	14 216
% increase	4		15,5%	15,5%						15,5%
Senior Managers of the Municipality										
Basic Salaries and Wages		5 315	6 223	6 223	460	3 137	3 630	(493)	-14%	6 223
Pension and UIF Contributions		(14 048)	2 093	2 093	66	438	1 221	(783)	-64%	2 093
Medical Aid Contributions		269	220	220	21	143	129	14	11%	220
Overtime										
Performance Bonus		511	777	777	–	505	453	52	12%	777
Motor Vehicle Allowance		(1 109)	908	908	67	473	529	(56)	-11%	908
Cellphone Allowance		171	207	207	11	80	121	(41)	-34%	207
Housing Allowances		325	392	392	22	146	229	(83)	-36%	392
Other benefits and allowances		12	22	22	1	9	13	(3)	-27%	22
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations										
Entertainment										
Scarcity										
Acting and post related allowance		(383)	4	4	–	(2)	3			4
In kind benefits										
Sub Total - Senior Managers of Municipality		(8 937)	10 846	10 846	649	4 929	6 327	(1 397)	-22%	10 846
% increase	4		-221,4%	-221,4%						-221,4%
Other Municipal Staff										
Basic Salaries and Wages		168 877	177 307	178 307	14 565	103 878	104 384	(506)	0%	178 307
Pension and UIF Contributions		28 714	30 745	30 745	2 457	17 401	17 935	(534)	-3%	30 745
Medical Aid Contributions		36 587	26 234	26 234	2 217	14 967	15 303	(336)	-2%	26 234
Overtime		5 409	4 255	4 255	608	3 556	2 482	1 075	43%	4 255
Performance Bonus		19 449	13 309	13 309	80	13 621	7 764	5 857	75%	13 309
Motor Vehicle Allowance		13 004	13 787	13 787	976	7 331	8 042	(712)	-9%	13 787
Cellphone Allowance		130	131	131	10	70	76	(6)	-8%	131
Housing Allowances		2 427	2 929	2 929	202	1 419	1 709	(290)	-17%	2 929
Other benefits and allowances		9 696	7 132	7 132	745	4 684	4 160	524	13%	7 132
Payments in lieu of leave		(4 583)	5 608	5 608	245	3 183	3 271	(88)	-3%	5 608
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations		7 677	7 163	7 163	–	–	4 178	(4 178)	-100%	7 163
Entertainment										
Scarcity										
Acting and post related allowance		1 452	1 220	1 158	92	587	650	(63)	-10%	1 158
In kind benefits										
Sub Total - Other Municipal Staff		288 839	289 820	290 758	22 197	170 696	169 954	742	0%	290 758
% increase	4		0,3%	0,7%						0,7%
Total Parent Municipality		292 208	314 882	315 820	23 787	183 109	184 573	(1 464)	-1%	315 820

Remuneration related expenditure for the month ended 31 January 2024 amounted to R23,786,906.

The municipality closely monitors overtime and standby allowances to ensure that it is in line with the prior year comparative month and the budgeted amount. This helps keep track of whether the day-to-day functions are executed within normal working hours and will also act as a monitoring tool as to whether the current staff composition is insufficient; of which long periods of excessive overtime/ standby allowance may be an indication that it might be the case. The municipality reports to council monthly on the expenditure on staff benefits as required by the MFMA Section 66.

Section 9 – Municipal manager’s quality certification



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OFFICE OF THE MUNICIPAL MANAGER

Enquiries: Louise Hoek
Reference: 6/1/1 – 23/24
Date: 14 February 2024

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

National Treasury
Local Government Budget Analysis
Private Bag X115
PRETORIA

Sir / Madam

QUALITY CERTIFICATE

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

- ☐ **The monthly budget statement**
- ☐ Quarterly report on the implementation of the budget and financial state of affairs of the municipality
- ☐ Mid- year budget and performance assessment

for the month ended **31 January 2024**, has been prepared in accordance with the Municipal Finance Management Act (Act 56 of 2003) and regulations made under the Act.

Print Name MOUSE STRATU

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

Signature 
Date _____