



2023/2024
FINANCIAL YEAR

**MONTHLY
FINANCIAL
MONITORING
REPORT**

M12: 30 June 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 30 June 2024.

Section 2 – Executive summary

2.1 Introduction

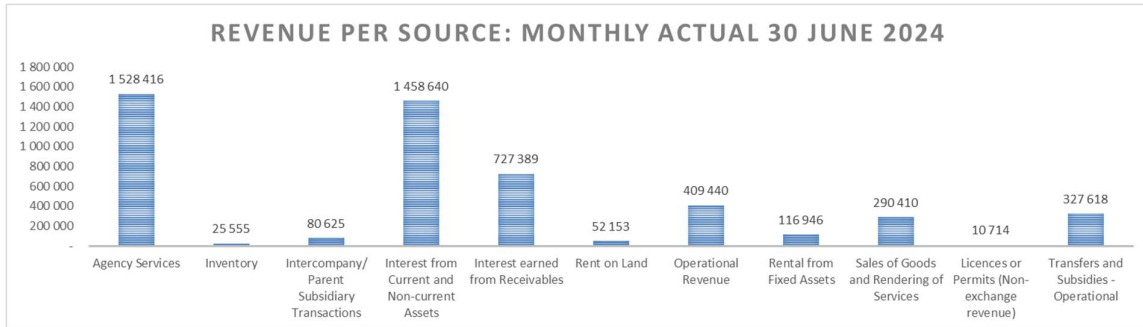
The aim of the Financial Monitoring Report (FMR) is to provide a monthly update and report on the municipality’s consolidated performance in terms of the budget, indicate any material variances from the Service Delivery and Budget Implementation Plan (SDBIP) and provide any remedial actions or corrective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

2.2 Consolidated Performance

2.2.1 Against Approved Budget

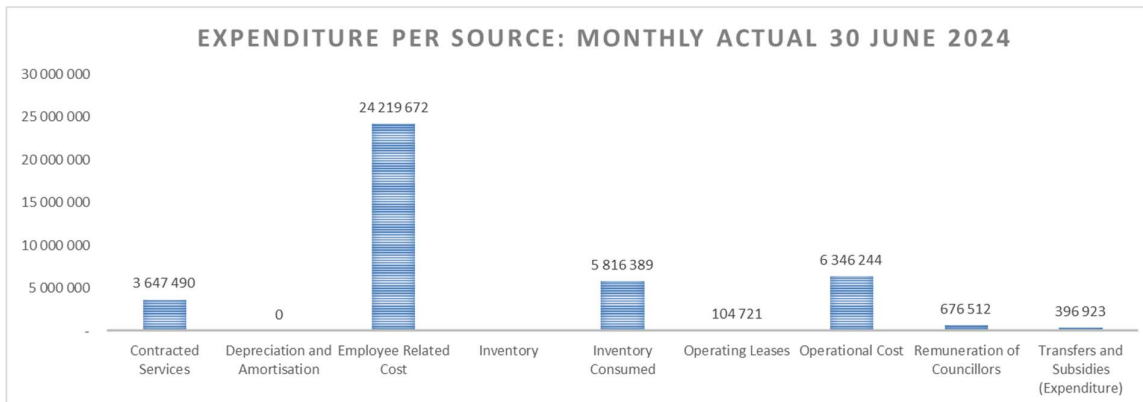
Revenue by source

The total revenue received for the month ended 30 June 2024 amounted to **R5,027,907 (YTDA: R443,285,348 and YTDB: R491,822,893)** which represents **1%** of the total adjusted budgeted figure of **R491,822,893 (including Roads)**. The reason for the lower revenue in the current month is due to the billing for the Roads department that has not yet been billed as the revenue system month-end was completed before invoicing the Department of Public Infrastructure. A manual journal will be prepared to recognise the debtor and income during the preparation of the final debtor amount to be included in the annual financial statements.



Operating Expenditure by type

Operating expenditure for the month ended 30 June 2024 amounted to **R41,151,549 (YTDA: R465,140,952 and YTDB: R490,169,936)** with a total adjusted budgeted figure of **R490,169,936 (including Roads)**. The operational expenditure for the month is **8%** of the total budget. Most of the expenditure relates to Employee and Councillor remuneration costs of **R24,896,184 (60%** of the monthly expenditure).



Capital Expenditure

The adjusted capital budget for the financial year amounts to **R53,316,191**. Capital expenditure of **R48,766,076 (including orders)** was recorded for the period ended 30 June 2024. The largest item on the capital budget (R32,000,000) is the construction of the regional landfill site (actual expenditure on the landfill site to date (including orders) is R 28,063,670). Construction commenced to the end of the 2022/2023 financial year. A journal for the Municipal Load Shedding Grant to an amount of R12,409 was captured against a general ledger vote number and not against a capital vote. A corrective journal will be processed during the annual financial statement preparation period.

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 30 June 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 - M12 June

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	-	-	-	-	-	-	-
Investment revenue	10 253	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	189 810	212 004	213 905	328	193 757	213 905	(20 148)	-9%	213 905
Other own revenue	215 857	268 245	264 102	4 620	242 939	264 102	(21 162)	-8%	-
Total Revenue (excluding capital transfers and contributions)	415 921	517 937	478 007	4 947	436 697	478 007	(41 310)	-9%	478 007
Employee costs	279 902	300 666	288 315	24 220	294 521	288 315	6 206	2%	288 315
Remuneration of Councillors	12 306	14 216	13 397	677	12 142	13 397	(1 255)	-9%	13 397
Depreciation and amortisation	5 766	5 106	5 960	-	4 963	5 960	(997)	-17%	5 960
Interest	148	8 820	1 428	-	603	1 428	(825)	-58%	1 428
Inventory consumed and bulk purchases	51 426	51 861	56 162	5 816	54 319	56 162	(1 843)	-3%	56 162
Transfers and subsidies	4 642	2 501	2 348	397	2 211	2 348	(136)	-6%	2 348
Other expenditure	79 533	149 034	122 560	10 042	96 381	122 560	(26 179)	-21%	122 560
Total Expenditure	433 724	532 204	490 170	41 152	465 141	490 170	(25 029)	-5%	490 170
Surplus/(Deficit)	(17 803)	(14 267)	(12 163)	(36 204)	(28 444)	(12 163)	(16 281)	134%	(12 163)
Transfers and subsidies - capital (monetary)	3 765	8 481	13 781	-	6 481	13 781	###	-53%	13 781
Transfers and subsidies - capital (in-kind)	3 284	-	35	-	-	35	(35)	-100%	35
Surplus/(Deficit) after capital transfers & contributions	(10 755)	(5 786)	1 653	(36 204)	(21 963)	1 653	(23 616)	-1429%	1 653
Share of surplus/ (deficit) of associate	108	-	-	81	108	-	108	#DIV/0!	-
Surplus/ (Deficit) for the year	(10 647)	(5 786)	1 653	(36 124)	(21 856)	1 653	(23 509)	-1422%	1 653
Capital expenditure & funds sources									
Capital expenditure	14 390	158 300	53 316	8 534	45 961	53 316	(7 355)	-14%	53 316
Capital transfers recognised	3 149	8 481	13 221	5 889	12 640	13 221	(581)	-4%	13 221
Borrowing	2 944	143 981	32 000	2 034	25 696	32 000	(6 304)	-20%	32 000
Internally generated funds	8 296	5 838	8 095	611	7 625	8 095	(470)	-6%	8 095
Total sources of capital funds	14 390	158 300	53 316	8 534	45 961	53 316	(7 355)	-14%	53 316
Financial position									
Total current assets	173 073	149 940	147 615		182 182				147 615
Total non current assets	314 101	482 146	362 826		354 393				362 826
Total current liabilities	84 581	62 133	74 173		78 662				74 173
Total non current liabilities	135 817	316 731	179 546		255 832				179 546
Community wealth/Equity	266 777	253 223	256 723		202 081				256 723
Cash flows									
Net cash from (used) operating	14 934	(4 936)	2 426	(33 878)	(78 915)	2 426	81 341	3353%	2 426
Net cash from (used) investing	(26 809)	(158 272)	(53 288)	(2 882)	(46 273)	(53 316)	(7 044)	13%	(53 288)
Net cash from (used) financing	711	144 200	35 637	18 215	117 070	35 000	(82 070)	-234%	35 637
Cash/cash equivalents at the month/year end	130 894	102 265	121 179	-	125 473	120 513	(4 960)	-4%	118 366
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	1 754	15 813	18 002	969	968	475	3 412	42 358	83 750
Creditors Age Analysis									
Total Creditors	7 136	740	110	117	172	6	-	726	9 008

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) - M12 June

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year ID actual	Year ID budget	YID variance	YID variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		240 643	275 990	265 792	4 193	237 068	265 792	(28 724)	-11%	265 792
Executive and council		238 879	274 960	258 492	3 389	230 143	258 492	(28 349)	-11%	258 492
Finance and administration		1 763	1 029	7 300	804	6 925	7 300	(375)	-5%	7 300
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		9 762	15 036	15 826	297	11 906	15 826	(3 920)	-25%	15 826
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		9 382	14 597	10 381	166	8 885	10 381	(1 496)	-14%	10 381
Public safety		-	-	5 005	85	2 547	5 005	(2 458)	-49%	5 005
Housing		-	-	-	-	-	-	-	-	-
Health		380	439	440	46	474	440	34	8%	440
Economic and environmental services		172 672	195 060	210 206	538	194 312	210 206	(15 894)	-8%	210 206
Planning and development		-	-	4 605	379	4 543	4 605	(62)	-1%	4 605
Road transport		172 594	194 878	205 507	140	189 670	205 507	(15 837)	-8%	205 507
Environmental protection		78	183	93	19	99	93	6	6%	93
Trading services		-	40 332	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	40 332	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	423 077	526 418	491 823	5 028	443 285	491 823	(48 538)	-10%	491 823
Expenditure - Functional										
Governance and administration		145 063	182 063	173 528	12 641	149 471	173 528	(24 058)	-14%	173 528
Executive and council		50 821	55 515	54 053	2 910	42 988	54 053	(11 065)	-20%	54 053
Finance and administration		91 397	123 362	116 352	9 484	103 406	116 352	(12 946)	-11%	116 352
Internal audit		2 846	3 186	3 123	247	3 077	3 123	(47)	-1%	3 123
Community and public safety		81 518	91 305	82 914	6 846	82 633	82 914	(281)	0%	82 914
Community and social services		6 644	8 016	7 421	811	7 735	7 421	314	4%	7 421
Sport and recreation		11 458	14 322	10 751	867	11 133	10 751	382	4%	10 751
Public safety		27 355	28 546	27 829	2 516	26 810	27 829	(1 019)	-4%	27 829
Housing		-	-	-	-	-	-	-	-	-
Health		36 061	40 421	36 914	2 652	36 956	36 914	42	0%	36 914
Economic and environmental services		202 446	218 159	227 981	21 262	227 987	227 981	5	0%	227 981
Planning and development		20 239	18 300	17 041	1 485	15 985	17 041	(1 056)	-6%	17 041
Road transport		178 721	195 904	207 178	19 404	208 189	207 178	1 011	0%	207 178
Environmental protection		3 486	3 955	3 762	373	3 813	3 762	51	1%	3 762
Trading services		2 057	38 047	3 939	216	3 279	3 939	(660)	-17%	3 939
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 057	38 047	3 939	216	3 279	3 939	(660)	-17%	3 939
Other		2 639	2 630	1 807	187	1 772	1 807	(35)	-2%	1 807
Total Expenditure - Functional	3	433 724	532 204	490 170	41 152	465 141	490 170	(25 029)	-5%	490 170
Surplus/ (Deficit) for the year		(10 647)	(5 786)	1 653	(36 124)	(21 856)	1 653	(23 509)	-1422%	1 653

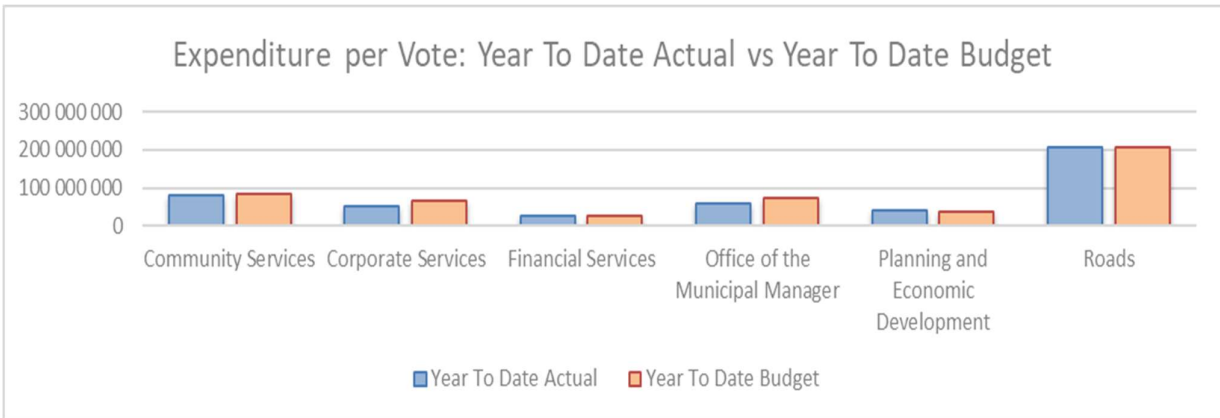
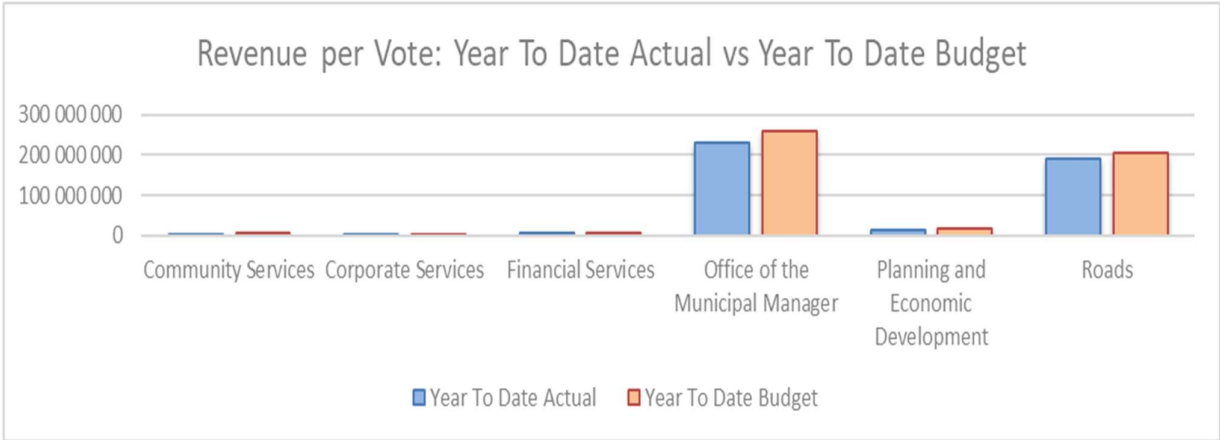
3.1.3 Table C3: Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

DC4 Garden Route - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year ID actual	Year ID budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - Office of the Municipal Manager	1	238 879	274 960	258 492	3 389	230 143	258 492	(28 349)	-11,0%	258 492
Vote 2 - Office of the Municipal Manager (cont)		-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		(4)	-	4 046	411	4 396	4 046	350	8,6%	4 046
Vote 4 - Financial Services (cont)		-	-	-	-	(0)	-	(0)	#DIV/0!	-
Vote 5 - Corporate Services		1 764	1 029	2 203	393	1 595	2 203	(608)	-27,6%	2 203
Vote 6 - Corporate Services (cont)		-	-	1 042	-	929	1 042	(112)	-10,8%	1 042
Vote 7 - Community Services		380	439	440	46	474	440	34	7,7%	440
Vote 8 - Community Services (cont)		78	40 515	5 073	96	2 614	5 073	(2 458)	-48,5%	5 073
Vote 9 - Planning and Economic Development		4	-	35	8	37	35	2	5,7%	35
Vote 10 - Planning and Economic Development (cont)		5 701	7 612	10 859	475	9 883	10 859	(977)	-9,0%	10 859
Vote 11 - Planning and Economic Development(cont2)		3 681	6 985	4 127	69	3 545	4 127	(582)	-14,1%	4 127
Vote 12 - Roads		172 594	194 878	205 507	140	189 670	205 507	(15 837)	-7,7%	205 507
Vote 13 - Roads (cont)		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	423 077	526 418	491 823	5 028	443 285	491 823	(48 538)	-9,9%	491 823
Expenditure by Vote										
Vote 1 - Office of the Municipal Manager	1	58 788	63 758	64 289	3 452	52 456	64 289	(11 833)	-18,4%	64 289
Vote 2 - Office of the Municipal Manager (cont)		6 265	6 734	6 853	577	6 813	6 853	(40)	-0,6%	6 853
Vote 3 - Financial Services		17 787	22 124	20 350	2 442	19 819	20 350	(531)	-2,6%	20 350
Vote 4 - Financial Services (cont)		5 803	6 511	5 965	421	6 019	5 965	54	0,9%	5 965
Vote 5 - Corporate Services		19 658	37 456	37 105	3 024	25 823	37 105	(11 282)	-30,4%	37 105
Vote 6 - Corporate Services (cont)		23 395	29 874	27 766	1 967	26 452	27 766	(1 314)	-4,7%	27 766
Vote 7 - Community Services		46 997	52 804	48 157	3 694	48 324	48 157	167	0,3%	48 157
Vote 8 - Community Services (cont)		31 715	69 242	34 353	2 977	32 670	34 353	(1 683)	-4,9%	34 353
Vote 9 - Planning and Economic Development		18 107	20 176	15 363	1 194	15 793	15 363	430	2,8%	15 363
Vote 10 - Planning and Economic Development (cont)		23 424	23 326	20 381	1 852	20 451	20 381	70	0,3%	20 381
Vote 11 - Planning and Economic Development(cont2)		3 221	4 296	2 410	148	2 331	2 410	(79)	-3,3%	2 410
Vote 12 - Roads		114 056	124 074	128 925	11 867	132 188	128 925	3 262	2,5%	128 925
Vote 13 - Roads (cont)		64 508	71 830	78 253	7 537	76 001	78 253	(2 252)	-2,9%	78 253
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	433 724	532 204	490 170	41 152	465 141	490 170	(25 029)	-5,1%	490 170
Surplus/ (Deficit) for the year	2	(10 647)	(5 786)	1 653	(36 124)	(21 856)	1 653	(23 509)	-1422,2%	1 653

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):



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) - M12 June

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								-	0%	
Sale of Goods and Rendering of Services		15 181	26 779	15 586	290	11 675	15 586	(3 911)	-25%	15 586
Agency services		188 140	214 389	20 921	1 528	18 489	20 921	(2 432)	-12%	20 921
Interest								-	0%	
Interest earned from Receivables		4 189	3 371	5 649	727	5 222	5 649	(427)	-8%	5 649
Interest from Current and Non Current Assets		10 253	10 134	10 263	1 459	11 402	10 263	1 139	11%	10 263
Dividends								-	0%	
Rent on Land		573	627	472	52	517	472	45	10%	472
Rental from Fixed Assets		1 315	3 377	1 571	117	1 594	1 571	23	1%	1 571
Licence and permits								-	0%	
Operational Revenue		6 385	9 386	209 571	409	193 946	209 571	(15 625)	-7%	209 571
Non-Exchange Revenue										
Property rates								-	0%	
Surcharges and Taxes								-	0%	
Fines, penalties and forfeits								-	0%	
Licence and permits		78	183	68	11	68	68	0	0%	68
Transfers and subsidies - Operational		189 810	212 004	213 905	328	193 757	213 905	(20 148)	-9%	213 905
Interest								-	0%	
Fuel Levy								-	0%	
Operational Revenue								-	0%	
Gains on disposal of Assets								-	0%	
Other Gains		(4)	-	-	26	26	-	26	#DIV/0!	-
Discontinued Operations								-	0%	
Total Revenue (excluding capital transfers and contributions)		415 921	517 937	478 007	4 947	436 697	478 007	(41 310)	-9%	478 007
Expenditure By Type										
Employee related costs		279 902	300 666	288 315	24 220	294 521	288 315	6 206	2%	288 315
Remuneration of councillors		12 306	14 216	13 397	677	12 142	13 397	(1 255)	-9%	13 397
Bulk purchases - electricity								-	0%	
Inventory consumed		51 426	51 861	56 162	5 816	54 319	56 162	(1 843)	-3%	56 162
Debt impairment		6 577	-	-	-	-	-	-	0%	-
Depreciation and amortisation		5 766	5 106	5 960	-	4 963	5 960	(997)	-17%	5 960
Interest		148	8 820	1 428	-	603	1 428	(825)	-58%	1 428
Contracted services		32 200	81 910	48 569	3 647	31 537	48 569	(17 031)	-35%	48 569
Transfers and subsidies		4 642	2 501	2 348	397	2 211	2 348	(136)	-6%	2 348
Irrecoverable debts written off		2 160	2 100	1 400	-	108	1 400	(1 292)	-92%	1 400
Operational costs		38 407	64 950	72 563	6 451	64 917	72 563	(7 646)	-11%	72 563
Losses on Disposal of Assets		136	-	-	-	-	-	-	0%	-
Other Losses		53	75	28	(56)	(181)	28	(210)	-744%	28
Total Expenditure		433 724	532 204	490 170	41 152	465 141	490 170	(25 029)	-5%	490 170
Surplus/(Deficit)		(17 803)	(14 267)	(12 163)	(36 204)	(28 444)	(12 163)	(16 281)	134%	(12 163)
Transfers and subsidies - capital (monetary allocations)										
		3 765	8 481	13 781	-	6 481	13 781	(7 300)	-53%	13 781
Transfers and subsidies - capital (in-kind)		3 284	-	35	-	-	35	(35)	-100%	35
Surplus/(Deficit) after capital transfers & contributions		(10 755)	(5 786)	1 653	(36 204)	(21 963)	1 653			1 653
Income Tax								-	-	
Surplus/(Deficit) after income tax		(10 755)	(5 786)	1 653	(36 204)	(21 963)	1 653			1 653
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		(10 755)	(5 786)	1 653	(36 204)	(21 963)	1 653			1 653
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions		108	-	-	81	108	-			-
Surplus/ (Deficit) for the year		(10 647)	(5 786)	1 653	(36 124)	(21 856)	1 653			1 653

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 - June 2024	Monthly actual - June 2023	Percentage increase/ (decrease)	Comment
Agency Services	1 528 416,15	17 929 617,36	-91%	Roads reimbursive revenue allocation as recieved from the Department of Infrastructure was not included under Operational revenue in June 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).
Inventory	25 555,46	0,00	Monthly actual - June 2023 was R0	Relates to movements in net realisable value for inventory fuel (dip reading variances due to external factors e.g. air pressure, temperature, etc).
Intercompany/ Parent Subsidiary Transactions	80 625,00	26 875,00	200%	Billing from shared services of computer software system (Collaborator document management system from the participating B-municipalities).
Interest from Current and Non-current Assets	1 458 639,64	1 998 526,74	-27%	Interest as derived from the bank balance and investments/ call accounts at the time. Investments are made for longer periods and interest received on a quarterly basis and not monthly. Decrease in interest received due to lower interest rates and lower cash balances available to invest.
Interest earned from Receivables	727 389,25	397 757,90	83%	Increase in outstanding fire services debtor accounts resulted in higher interest in 2023/24
Rent on Land	52 153,41	47 511,68	10%	Based on lease agreements entered into for the rental of the municipality's land. Properties section is in process of reviewing all lease agreements and ensuring market-related rent is received.
Operational Revenue	409 439,85	525 041,81	-22%	Roads reimbursive revenue allocation as recieved from the Department of Infrastructure was not included under Operational revenue in June 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). The roads reimbursive revenue of R18,7m for the current month must still be included; the net effect for reporting purposes is however R0. Correction will be made during the preparation of the annual financial statements.
Rental from Fixed Assets	116 945,80	135 276,72	-14%	Based on lease agreements entered into for the rental of the municipality's land. Properties section is in process of reviewing all lease agreements and ensuring market-related rent is received.
Sales of Goods and Rendering of Services	290 410,31	848 898,96	-66%	Due to a decrease in camping fees and the closure of Calitzdorp Hot Springs due to flood damage.
Licences or Permits (Non-exchange Revenue)	10 713,89	10 585,46	1%	In line with prior year comparative month
Transfers and Subsidies - Operational	327 618,30	506 063,25	-35%	Grants received as per transfer payment agreement
Grand Total	5 027 907,06	22 426 154,88	-78%	

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

Revenue	Year To Date Actual (YTDA) - June 2024	Year To Date Budget (YTDB) - June 2024	YTDA/YTDB	Comment
Agency Services	18 489 387,07	20 921 403,00	88%	Based on the agreement with the Department of Infrastructure for performing the Roads agency function, as well as an estimate of any additional allocations that may occur during the financial year. Additional allocation was received from the Department of Infrastructure in March 2024 (R8,2 million) which increased the YTDB.
Inventory	25 555,46	0,00	YTDB was R0 but revenue was recognised	Relates to movements in net realisable value for inventory fuel (dip reading variances due to external factors e.g. air pressure, temperature, etc).
Intercompany/ Parent Subsidiary Transactions	107 500,00	0,00	YTDB was R0 but revenue was recognised	Billing from shared services of computer software system (Collaborator document management system from the participating B-municipalities).
Interest from Current and Non-current Assets	11 402 189,12	10 263 395,00	111%	Interest as derived from the bank balance and investments/ call accounts at the time. Investments are made for longer periods and interest received on a quarterly basis and not monthly. Overall the annual performance was better than anticipated.
Interest earned from Receivables	5 222 325,77	5 648 832,00	92%	Based on outstanding debtor accounts
Rent on Land	517 407,01	472 173,00	110%	Based on lease agreements entered into for the rental of the municipality's land. Properties section is in process of reviewing all lease agreements and ensuring market-related rent is received.
Operational Revenue	193 945 741,14	209 570 708,00	93%	The roads reimbursive revenue of R18,7m for the current month must still be included; the net effect for reporting purposes is however R0. Correction will be made during the preparation of the annual financial statements.
Rental from Fixed Assets	1 593 912,71	1 571 271,00	101%	YTDA vs YTDB is aligned
Sales of Goods and Rendering of Services	11 675 132,24	15 586 338,00	75%	Included under this revenue is revenue received from resorts as well as fire fighting fees. Majority of the revenue shortfall relates to the following: - Lower occupancy rate than anticipated on the revenue from camping fees. - Closure of Calitzdorp Hot Springs due to flood damage. - Fire fighting revenue which are normally received during the high fire season December - March. There has not been any major fires up to May 2024.
Licences or Permits (Non-exchange Revenue)	67 724,57	67 613,00	100%	YTDA vs YTDB is aligned
Transfers and Subsidies - Capital	6 481 000,00	13 816 000,00	47%	Grants received as per transfer payment agreement
Transfers and Subsidies - Operational	193 757 473,33	213 905 160,00	91%	Grants received as per transfer payment agreement (including Equitable share)
Grand Total	443 285 348,42	491 822 893,00	90%	

Sales of Goods and Rendering of Services:

The income for Sales of Goods and Rendering of Services reported for the month ended 30 June 2024 amounts to R290,410 (YTDA: R11,675,132 and YTDB: R15,586,338). 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. There have not been any

major fires to date (including during the high fire season from December to March). Furthermore, the Calitzdorp Hot Springs had to be closed due to flood damage.

Agency services:

The municipality performs an agency function on behalf of the Department of Infrastructure – 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 30 June 2024 to the amount of R1,528,416 (YTDA: R18,489,387 and YTDB: R20,921,403).

Interest earned from Receivables / Outstanding debtors:

The interest on outstanding debtors for the month ended 30 June 2024 amounts to R727,389 (YTDA: R5,222,326 and YTDB: R5,648,832). The revenue budget for this line-item was increased during the February 2024 Mid-year Adjustments Budget to reflect realistically anticipated revenue to be received based on revenue received up to 31 January 2024. Actual annual performance higher than anticipated.

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 30 June 2024 amounts to R1,458,640 (YTDA: R11,402,189 and YTDB: R10,263,395). Funds are invested for longer periods to maximise revenue from investments.

Rent on Land:

The income received from rental on land amounts to R52,153 for the month ended 30 June 2024 (YTDA: R517,407 and YTDB: R472,173). The revenue is based on rental agreements entered; the property and legal section are in process of reviewing all lease agreements to ensure market related revenue is received from all rental land/ properties.

Rental from Fixed Assets of facilities and equipment:

The income for rental of facilities and equipment reported for the month ended 30 June 2024 amounts to R116,946 (YTDA: 1,593,913 and YTDB: R1,571,271). The revenue is based on rental agreements entered; the property and legal section are in process of reviewing all lease agreements to ensure market related revenue is received from all rental land/ properties.

Operational Revenue:

Operational revenue reflects an amount of R409,440 for the month ended 30 June 2024 (YTDA: R193,945,741 and YTDB: R209,570,708). The major item included under Operational revenue consists of the Department of Infrastructure (Roads department) monthly payments as per the signed MOA. The reason for the lower revenue in the current month is due to the billing for the Roads department

that has not yet been billed as the revenue system month-end was completed. A manual journal will be prepared to recognise the debtor and income during the preparation of the annual financial statements, amount R18,7m.

Transfers recognised – operational:

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenue Act's respectively; as well as allocations received from National Departmental Agencies such as SETA funding. Transfers recognised reflects an amount of R327,618 for the month ended 30 June 2024 (YTDA: R193,757,473 and YTDB: R213,905,160). The allocations received are in accordance with the grant payment schedules.

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 - June 2024	Monthly actual - June 2023	Percentage increase/ (decrease)	Comment
Contracted Services	3 647 490,09	4 052 543,18	-10%	Decrease in the contracted services for the aerial fire fighting support due to lower fire outbreaks
Depreciation and Amortisation	0,00	443 716,07	-100%	Journal will be processed for the current month with the annual financial statements preparation.
Employee Related Cost	24 219 672,26	22 391 488,69	8%	Variance is in line with inflation
Inventory	-56 401,67	-98 022,80	-42%	Relates to movements in net realisable value for inventory fuel (dip reading variances due to external factors e.g. air pressure, temperature, etc).
Inventory Consumed	5 816 388,57	5 479 891,21	6%	Variance is in line with inflation
Irrecoverable Debts Written Off	0,00	2 160 412,78	-100%	Based on reports submitted to council for approval of write-offs
Operating Leases	104 720,51	104 971,31	0%	Immaterial
Operational Cost	6 346 244,24	5 372 677,76	18%	Largest increase relates to the following Operational Cost sub-classification in the current month compared to the prior year comparative month: - Hire charges of machinery by the Roads Department to assist with flood damage
Remuneration of Councillors	676 511,83	995 811,22	-32%	Due to vacancies in council
Transfers and Subsidies (Expenditure)	396 922,73	1 298 662,51	-69%	Grants paid as per business plan
Grand Total	41 151 548,56	42 202 151,93	-2%	

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

Expenditure	Year To Date Actual (YTDA) - June 2024	Year To Date Budget (YTDB) - June 2024	YTDA/YTDB	Comment
Contracted Services	31 537 459,47	46 435 025,00	68%	Highest items or underspending relates to the following: - SETA projects budget higher than anticipated - Municipal Systems Improvement Grant - no in-kind services received (R1 000 000) - Legal cost budget higher than anticipated - Contracted aerial support for fire services underspent due to no major fires occurring
Depreciation and Amortisation	4 963 154,46	5 960 004,00	83%	Journal will be processed for the current month with the annual financial statements preparation.
Employee Related Cost	294 520 528,38	287 006 789,00	103%	YTDA vs YTDB is aligned
Interest Paid	603 053,95	1 428 248,00	42%	Relates to interest paid on loan for landfill site which is not yet operational
Inventory	-181 442,90	28 161,00	-644%	Relates to movements in net realisable value for inventory fuel (dip reading variances due to external factors e.g. air pressure, temperature, etc).
Inventory Consumed	54 319 365,18	57 763 656,00	94%	YTDA vs YTDB is aligned
Irrecoverable Debts Written Off	108 429,00	1 400 000,00	8%	Based on reports submitted to council for approval of write-offs
Operating Leases	726 555,35	824 716,00	88%	Based on contractual agreements for leasing of fire station building for the first seven months of the financial year
Operational Cost	64 189 952,60	73 616 232,00	87%	Largest amounts include the following: - Journal to be processed for the SALGA membership fees during the preparation of the annual financial statements - Additional allocation received from Raods during March 2024 (R8,2m)
Remuneration of Councillors	12 142 408,74	13 397 047,00	91%	Due to vacancies in council
Transfers and Subsidies (Expenditure)	2 211 488,20	2 310 058,00	96%	Grants paid as per business plan
Grand Total	465 140 952,43	490 169 936,00	95%	

Employee Related cost / Remuneration of councillors:

Remuneration related expenditure (councillors and staff) for the month ended 30 June 2024 amounted to R24,896,184 (YTDA: R306,662,937 and YTDB: R300,403,836) of an adjusted budget amount of R300,403,836 which represents 8% of the total operating expenditure budget. The Remuneration related expenditure represents 61% of the total monthly expenditure.

Inventory Consumed:

Other materials consist of all inventories consumed, purchases for materials and supplies; and amounts to R5,816,389 (YTDA: R54,319,365 and YTDB: R57,763,656) for the month ended 30 June 2024 against a total adjusted budgeted amount of R57,763,656. The YTDA amount is in line with the YTDB amount.

Depreciation and amortisation:

Depreciation and amortisation journal for June 2024 will be processed during the annual financial statement preparation period (YTDA: R4,963,154 and YTDB: R5,960,004).

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 have been populated for the import of the audited Excel FAR into the Collaborator FAR. Reconciliations are being performed on the data and various set-ups done to movement accounts, etc., thereafter testing can commence on the collaborator asset register.

Contracted services:

The contracted services for the month ended 30 June 2024 amounts to R3,647,490 (YTDA: R31,537,459 and YTDB: R46,435,025) against a total adjusted budget amount of R46,435,025.

Majority of the underspending relates to the following:

- SETA projects budget higher than anticipated.
- Municipal Systems Improvement Grant - no in-kind services received (R1 000 000).
- Legal cost budget higher than anticipated.
- Contracted aerial fire services due to no major fires occurring.

Transfers and subsidies:

The transfers and subsidies expenditure for the month ended 30 June 2024 amounts to R396,923 (YTDA: R2,211,488 and YTDB: R2,310,058) against a total adjusted budget amount of R2,310,058.

Operational costs:

Operational costs for the month ended 30 June 2024 amounts to R6,346,244 (YTDA: R64,916,508 and YTDB: R74,440,948) against a total adjusted budget amount of R74,440,948.

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) - M12 June

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year ID actual	Year ID budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		-	-	800	281	281	800	(519)	-65%	800
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	198	758	245	513	209%	245
Vote 7 - Community Services		2 844	8 619	11 589	980	11 287	11 589	(302)	-3%	11 589
Vote 8 - Community Services (cont)		3 080	144 631	36 437	6 254	30 056	36 437	(6 381)	-18%	36 437
Vote 9 - Planning and Economic Development		-	-	-	-	-	-	-	-	-
Vote 10 - Planning and Economic Development (cont)		2 970	4 800	4 240	820	3 575	4 240	(665)	-16%	4 240
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	9 393	158 300	53 316	8 534	45 961	53 316	(7 355)	-14%	53 316
Single Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		654	-	-	-	-	-	-	-	-
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)		1 046	-	-	-	-	-	-	-	-
Vote 7 - Community Services		(940)	-	-	-	-	-	-	-	-
Vote 8 - Community Services (cont)		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Economic Development		62	-	-	-	-	-	-	-	-
Vote 10 - Planning and Economic Development (cont)		2 000	-	-	-	-	-	-	-	-
Vote 11 - Planning and Economic Development(cont2)		-	-	-	-	-	-	-	-	-
Vote 12 - Roads		-	-	-	-	-	-	-	-	-
Vote 13 - Roads (cont)		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		2 149	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	4 997	-	-	-	-	-	-	-	-
Total Capital Expenditure		14 390	158 300	53 316	8 534	45 961	53 316	(7 355)	-14%	53 316
Capital Expenditure - Functional Classification										
Governance and administration		4 540	8 869	10 846	1 447	10 477	10 846	(369)	-3%	10 846
Executive and council		1 700	-	800	281	281	800	(519)	-65%	800
Finance and administration		2 840	8 869	10 046	1 166	10 195	10 046	150	1%	10 046
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		3 742	1 450	6 996	4 244	6 828	6 996	(167)	-2%	6 996
Community and social services		1 161	-	1 794	12	1 854	1 794	60	3%	1 794
Sport and recreation		2 074	800	800	11	615	800	(185)	-23%	800
Public safety		504	650	4 402	4 220	4 360	4 402	(42)	-1%	4 402
Housing		-	-	-	-	-	-	-	-	-
Health		3	-	-	-	-	-	-	-	-
Economic and environmental services		3 164	4 000	3 440	809	2 960	3 440	(480)	-14%	3 440
Planning and development		3 164	4 000	3 440	809	2 960	3 440	(480)	-14%	3 440
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		2 944	143 981	32 035	2 034	25 696	32 035	(6 339)	-20%	32 035
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 944	143 981	32 035	2 034	25 696	32 035	(6 339)	-20%	32 035
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	14 390	158 300	53 316	8 534	45 961	53 316	(7 355)	-14%	53 316
Funded by:										
National Government		2 970	4 000	3 440	809	2 960	3 440	(480)	-14%	3 440
Provincial Government		179	4 481	9 781	5 080	9 680	9 781	(101)	-1%	9 781
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (municipal subsidies) (not for)		-	-	-	-	-	-	-	-	-
Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		3 149	8 481	13 221	5 889	12 640	13 221	(581)	-4%	13 221
Borrowing	6	2 944	143 981	32 000	2 034	25 696	32 000	(6 304)	-20%	32 000
Internally generated funds		8 296	5 838	8 095	611	7 625	8 095	(470)	-6%	8 095
Total Capital Funding		14 390	158 300	53 316	8 534	45 961	53 316	(7 355)	-14%	53 316

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	3 440 000	2 960 022	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	5 706 821	5 465 323	Completed	The fire station is completed and operational from February 2024.
71801310002	4	Firestation: George	3 000 000	3 000 000	3 000 000	Completed	The fire station is completed and operational from February 2024.
71801330001	5	Firefighting Vehicle (bakkie)	981 000	981 000	967 856	Completed	No challenges anticipated
73602102302	6	Vehicle (bakkie)	800 000	635 000	614 588	Completed	No challenges anticipated
72305230001	7	Hazmat Rescue & Fire Equipment	150 000	150 000	147 939	Completed	No challenges anticipated
72305230005	8	Hazardous Materials Equipment	500 000	500 000	448 329	Completed	No challenges anticipated
74402100901	9	Landfill Site: PPE	143 981 000	32 000 000	25 695 894	Order Issued to Supplier	Weekly progress provided to Management Committee and standing agenda item in Council meetings
71207104112	10	Wireless Access Points	0	34 613	34 613	Completed	Completed
71207104144	11	QNAP Backup Storage	0	71 287	71 287	Completed	Completed
71207104145	12	Monitor	0	2 477	2 477	Completed	Completed
71207104165	13	Network Equipment	0	10 313	10 312	Completed	Completed
71207104168	14	USB Type-C Port Replicators	0	5 480	5 480	Completed	Completed
71207104167	15	Inverters	0	113 432	113 432	Completed	Completed
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	2 500 000	Completed	Completed
71602102250	19	Mobile Generator Trailer	0	73 451	73 451	Completed	Completed
71018104032	20	Council Chambers Chair	0	281 400	281 400	Completed	Completed
71801330005	21	Flood Response Vehicle CRR	0	112 082	112 081	Completed	Completed
71602102260	22	Mobile Generator Trailer CRR	0	21 686	21 686	Completed	Completed
71602102302	23	Repeater	0	219 602	219 601	Completed	Completed
74402100902	24	Drone: Donated PPE	0	35 000	0	In Process	No challenges anticipated
71207104181	25	Monitors	0	6 198	6 196	Completed	Completed
71801330004	26	Water Truck 5'000 Liter	0	1 200 000	1 151 610	Completed	Completed
71207104160	27	ICT Network Equipment / Tools	0	53 090	50 695	Order Issued to Supplier	No challenges anticipated
71207104164	28	Finger Scanners	0	106 600	106 586	Completed	Completed
71207104182	29	Laptops	0	178 555	176 114	Completed	Completed
71207104183	30	Personal Computers (PC)	0	116 100	116 100	Completed	Completed
71207104184	31	Monitors (Standard & Large)	0	17 355	17 355	Completed	Completed
71207104186	32	ManageEngine Perpetual Licences	0	36 200	36 189	Completed	Completed
72205104050	33	Furniture & Appliances	0	165 000	0	Order Issued to Supplier	No challenges anticipated
71207103901	34	Visio Standard Perpetual Licences	0	11 900	10 998	Completed	Completed
Totals			158 300 075	53 316 191	45 948 495		

Commitments against capital for the month June 2024			
71010110001	1	Upgrading of buildings - Retrofitting EEDS	288 292
71207104160	27	ICT Network Equipment / Tools	2 381
72205104050	33	Furniture & Appliances	159 131
74402100901	9	Landfill Site: PPE	2 367 776
		Total Commitments	2 817 580

The largest item on the capital budget is the construction of the regional landfill site (R32,000,000). The donated drone has been received; journal will be processed to recognise the donated asset in the asset register for the 2023-24 financial year.

3.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Garden Route - Table C6 Monthly Budget Statement - Financial Position - M12 June

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	Year ID actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		135 244	100 110	121 183	125 473	121 183
Trade and other receivables from exchange transactions		(61 752)	16 279	6 059	39 475	6 059
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	3 455	2 661	3 455
VAT		5 300	6 060	7 105	10 237	7 105
Other current assets		86 507	20 220	5 475	(3)	5 475
Total current assets		173 073	149 940	147 615	182 182	147 615
Non current assets						
Investments		27	28	28	28	28
Investment property		55 720	64 187	65 948	65 876	65 948
Property, plant and equipment		198 967	355 193	236 349	227 166	236 349
Biological assets						
Living and non-living resources						
Heritage assets						
Intangible assets		675	(26)	412	1 235	412
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	362 826	354 393	362 826
TOTAL ASSETS		487 175	632 086	510 441	536 576	510 441
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities		1 099	100	663	663	663
Consumer deposits		711	468	637	795	637
Trade and other payables from exchange transactions		59 663	27 928	46 470	29 395	46 470
Trade and other payables from non-exchange transactions		(1 689)	4 588	2 649	8 136	2 649
Provision		25 598	26 843	22 791	30 601	22 791
VAT		(801)	2 207	963	9 074	963
Other current liabilities						
Total current liabilities		84 581	62 133	74 173	78 662	74 173
Non current liabilities						
Financial liabilities		650	170 315	35 583	114 739	35 583
Provision		12 081	12 024	13 738	12 127	13 738
Long term portion of trade payables						
Other non-current liabilities		123 086	134 391	130 224	128 966	130 224
Total non current liabilities		135 817	316 731	179 546	255 832	179 546
TOTAL LIABILITIES		220 398	378 864	253 719	334 494	253 719
NET ASSETS	2	266 777	253 223	256 723	202 081	256 723
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		216 302	200 293	213 831	159 190	213 831
Reserves and funds		50 475	52 930	42 891	42 891	42 891
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	266 777	253 223	256 723	202 081	256 723

Financial ratios:

Current Ratio:	(Current Assets / Current Liabilities)			
	Norm: 1.5 - 2.1			
			30 June 2024	30 June 2023
Current Assets			182 182 492	165 471 656
Current Liabilities			78 662 316	82 598 391
Current ratio			2,32	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 30 June 2024, GRDM's current ratio is 2,32 times, which is higher than the norm.				

Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants):				
	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)			
	Norm: 1-3 months			
			30 June 2024	30 June 2023
Cash and cash equivalents			125 472 780	136 403 451
Unspent conditional grants			- 1 714 200	- 2 649 255
			<u>123 758 580</u>	<u>133 754 196</u>
Total expenditure			465 140 952	429 811 158
Depreciation and Amortisation			- 4 963 154	- 5 766 102
Provision for bad debts			- 46 817 805	- 46 817 805
			<u>413 359 993</u>	<u>377 227 251</u>
Monthly average			34 446 666	31 435 604
Cost cover			3,6	4,3 months
Comment				
The purpose of this ratio is to determine the amount of cash available to pay monthly operating expenses.				
The norm is 1-3 months - GRDM is above the norm.				

Net debtor days:	((Gross Debtors - Bad debt Provision) / Actual Billed Revenue) × 365			
	Norm: 30 days			
			30 June 2024	30 June 2023
Gross debtors closing balance after bad debt prov			39 521 360	17 160 346
Billed revenue			<u>36 659 135</u>	<u>19 489 635</u>
			<u>393</u>	<u>321</u> 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. The roads reimbursive revenue of R18,7m for the current month must still be included; the net effect for reporting purposes is however R0. Correction will be made during the preparation of the annual financial statements.				
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	
			30 June 2024
Total debt		116 912 000	
Total revenue		443 285 348	
		26,37%	
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 26,37% 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	
			30 June 2024
Interest paid		3 358 471	
Total expenditure		465 140 952	
		0,72%	
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 0,72% 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 - M12 June

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearID actual	YearID budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
1										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates										
Service charges			37 688							
Other revenue		(204 127)	54 770	245 676	3 441	211 394	245 676	(34 281)	-14%	245 676
Transfers and Subsidies - Operational		339 196	405 154	213 905	339	198 262	213 905	(15 643)	-7%	213 905
Transfers and Subsidies - Capital		6 600	8 481	13 781	83	8 264	13 781	(5 517)	-40%	13 781
Interest		994	10 134	8 240	552	5 112	8 240	(3 127)	-38%	8 240
Dividends										
Payments										
Suppliers and employees		(127 728)	(512 343)	(477 747)	(38 292)	(501 947)	(477 747)	24 200	-5%	(477 747)
Interest			(8 820)	(1 428)			(1 428)	(1 428)	100%	(1 428)
Transfers and Subsidies										
NET CASH FROM/(USED) OPERATING ACTIVITIES		14 934	(4 936)	2 426	(33 878)	(78 915)	2 426	81 341	3353%	2 426
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)	(53 316)	(2 882)	(46 273)	(53 316)	(7 044)	13%	(53 316)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(26 809)	(158 272)	(53 288)	(2 882)	(46 273)	(53 316)	(7 044)	13%	(53 288)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing			143 732	35 000	18 000	116 912	35 000	81 912	234%	35 000
Increase (decrease) in consumer deposits		711	468	637	215	158		158	#DIV/0!	637
Payments										
Repayment of borrowing										
NET CASH FROM/(USED) FINANCING ACTIVITIES		711	144 200	35 637	18 215	117 070	35 000	(82 070)	-234%	35 637
NET INCREASE/ (DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning:		142 058	121 273	136 403	133 590	133 590	136 403			133 590
Cash/cash equivalents at month/year end:		130 894	102 265	121 179		125 473	120 513			118 366

The municipal bank balance at 30 June 2024 totals R121,472,780 and call account deposits of R4,000,000. Total cash available at month-end is therefore R125,472,780.

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

REPORTING MONTH: 30 JUNE 2024		
Commitments against Cash & Cash Equivalents		
ITEM	Previous Month R'000	Current Month R'000
Bank balance as at 30 June 2024	89 590 418,80	121 447 810,53
Other Cash & Cash Equivalents: Short term deposits	40 000 000,00	-
Other Cash & Cash Equivalents: Call accounts	4 000 000,00	4 000 000,00
Total Cash & Cash Equivalents	133 590 418,80	125 447 810,53
LESS:	155 413 959,12	141 272 459,36
Unspent Conditional Grants	7 531 168,00	1 714 200,24
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	20 966 373,63	29 394 540,98
YTD Unspent Capital budget	1 081 280,37	-
YTD Unspent Operational budget	25 333 037,46	-
YTD Unspent Landfill Site Borrowing	59 651 606,66	69 313 225,14
Borrowings	98 912 000,00	116 912 000,00
Prior Year expenditure	-15 598 774,86	-15 598 774,86
Current Year Expenditure	-23 661 618,48	-32 000 000,00
Sub total	-21 823 540,32	-15 824 648,83
PLUS:	72 851 973,67	59 407 716,22
VAT Receivable	963 054,80	1 163 328,92
Receivable Exchange	8 060 738,01	8 457 190,21
Department of Transport and Public Works	63 828 180,86	31 018 180,86
Department of Transport and Public Works - June 2024 to be billed	-	18 769 016,23
	51 028 433,35	43 583 067,39
LESS OTHER MATTERS:		
Capital Replacement Reserve		
Employee Benefits Reserves	38 762 712,00	38 762 712,00
Sub Total	12 265 721,35	4 820 355,39
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	7 765 721,35	320 355,39
Total actual May 2024 expenditure excluding Roads (expenditure paid and taken into account in cash balance)	21 276 501,68	41 151 548,56

PART 2 – SUPPORTING DOCUMENTATION

Section 4 – Debtors' analysis

Supporting Table SC3

DC4 Garden Route - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

Description	NT Code	Budget Year 2023/24										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total					
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	844	398	376	376	375	374	2 591	10 056	15 389	13 771	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	910	15 415	17 625	593	593	101	821	32 292	68 350	34 400	-	-	-	-
Total By Income Source	2000	1 754	15 813	18 002	969	968	475	3 412	42 358	83 750	48 182	-	-	-	-
2022/23 - totals only															
Debtors Age Analysis By Customer Group															
Organs of State	2200	266	111	472	36	82	36	400	3 755	5 158	4 308	-	-	-	-
Commercial	2300	1 360	15 654	17 183	422	396	394	2 833	38 345	76 586	42 389	-	-	-	-
Households	2400	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	2500	127	48	346	511	490	45	179	259	2 006	1 484	-	-	-	-
Total By Customer Group	2600	1 754	15 813	18 002	969	968	475	3 412	42 358	83 750	48 182	-	-	-	-

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 30 June 2024:

	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 30 June 2024	Original Capital: levied	Interest on account:
Total Government Debt owed to GRDM	- 14,48	417 248,90	15 406 062,97	16 449 857,36	14 004 350,64	46 277 505,39	42 259 806,89	4 017 553,39

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 30 June 2024	Original Capital: levied	Interest on account:	IGR Process:
38900002	BITOU MUNISIPALITEIT	-	25 382,61	340,24	340,24	33 095,82	59 158,91	29 693,42	29 465,49	No
84000151	BITOU MUNICIPALITY	-	-	-	-	-	-	-	-	N/A
84000210	BITOU MUNICIPALITY	-	385,58	39 641,85	385,58	1 250,90	41 663,91	72 907,13	31 243,22	No
84000557	BITOU MUNICIPALITY	-	1 988,85	1 988,85	93 363,72	85 999,08	183 340,50	81 138,75	102 201,75	No
		-	27 757,04	41 970,94	94 089,54	120 345,80	284 163,32	183 739,30	100 424,02	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 30 June 2024	Original Capital: levied	Interest on account:	IGR Process:
39001127	GEORGE MUNICIPALITY	-	3 825,05	3 825,05	10 421,71	486 469,54	504 541,35	333 822,87	170 718,48	Awaiting payment as per discussion with George CFO
39001128	GEORGE MUNICIPALITY	-	46,06	46,06	46,06	6 271,75	6 409,93	4 019,75	2 390,18	Awaiting payment as per discussion with George CFO
84000166	GEORGE MUNICIPALITY	-	24,18	24,18	24,18	3 292,14	3 364,68	2 110,00	1 254,68	Awaiting payment as per discussion with George CFO
84000287	GEORGE MUNICIPALITY	-	-	-	-	-	-	-	-	N/A
84000319	GEORGE MUNICIPALITY	-	-	-	-	-	-	-	-	N/A
84000554	GEORGE MUNICIPALITY	-	-	2 801,77	2 077,80	-	4 879,57	246 595,80	241 716,23	N/A - awaiting payment
84000593	GO GEORGE	-	129,11	129,11	129,11	13 502,81	13 890,14	11 268,01	2 622,13	Awaiting payment as per discussion with George CFO
84000618	GEORGE MUNICIPALITY	-	25,62	25,62	25,62	2 612,36	2 689,22	2 235,97	453,25	Awaiting payment as per discussion with George CFO
84000673	GEORGE MUNICIPALITY	-	60,98	60,98	60,98	5 990,43	6 173,37	5 624,55	548,82	Awaiting payment as per discussion with George CFO
84000674	GEORGE MUNICIPALITY	- 14,48	-	-	-	-	14,48	-	14,48	N/A
84000783	GEORGE MUNICIPALITY	-	283,23	283,23	283,23	25 850,77	26 700,46	24 717,85	1 982,61	Awaiting payment as per discussion with George CFO
84000817	GEORGE MUNICIPALITY	-	3 844,84	3 844,84	335 549,42	-	343 239,10	335 549,42	7 689,68	New account issued
		- 14,48	8 239,07	11 040,84	348 618,11	543 989,80	911 873,34	965 944,22	54 070,88	

ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 30 June 2024	Original Capital: levied	Interest on account:	IGR Process:
37000815	MUNISIPALITEIT HESSEQUA	-	-	-	-	-	-	-	-	N/A
37001113	HESSEQUA MUNICIPALITY	-	-	-	-	-	-	66 069,35	66 069,35	Council Approval obtained on settlement offer and payment received on 08/03/2024
38000507	MUNISIPALITEIT HESSEQUA	-	757,31	-	-	-	757,31	-	757,31	N/A - current month rental
38900005	HESSEQUA MUNISIPALITEIT	-	-	-	-	-	-	0,01	0,01	N/A
39001111	HESSEQUA MUNICIPALITY	-	-	-	-	-	-	-	-	Council Approval obtained on settlement offer and payment received on 08/03/2024
84000153	HESSEQUA MUNICIPALITY	-	12 320,98	-	-	-	12 320,98	-	12 320,98	N/A
84000534	HESSEQUA MUNICIPALITY	-	-	-	-	-	-	1 092,00	1 092,00	Council Approval obtained on settlement offer and payment received on 08/03/2024
84000543	HESSEQUA MUNICIPALITY	-	-	-	-	-	-	29 138,23	29 138,23	Council Approval obtained on settlement offer and payment received on 08/03/2024
84000548	HESSEQUA MUNICIPALITY	-	-	-	-	-	-	695,55	695,55	Council Approval obtained on settlement offer and payment received on 08/03/2024
84000657	HESSEQUA MUNICIPALITY	-	-	-	-	-	-	342 538,05	342 538,05	Council Approval obtained on settlement offer and payment received on 08/03/2024
		-	13 078,29	-	-	-	13 078,29	439 533,19	426 454,90	

ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 30 June 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	1 325 792,31	1 355 995,08	878 626,39	477 368,69	IGR Process initiated for signature - awaiting feedback meeting from Kannaland on 27 March 2024
38200060	MUNISIPALITEIT KANNALAND	-	354,13	354,13	354,13	34 093,42	35 155,81	30 906,25	4 249,56	IGR Process initiated for signature - awaiting feedback meeting from Kannaland on 27 March 2024
38900006	KANNALAND MUNISIPALITEIT	-	16 569,24	936,14	936,14	110 849,69	129 291,21	81 699,27	47 591,94	IGR Process initiated for signature - awaiting feedback meeting from Kannaland on 27 March 2024
39001130	KANNALAND MUNICIPALITY	-	86,11	86,11	86,11	11 724,71	11 983,04	7 514,80	4 468,24	IGR Process initiated for signature - awaiting feedback meeting from Kannaland on 27 March 2024
39001131	KANNALAND MUNICIPALITY	-	218,39	218,39	218,39	27 357,42	28 012,59	19 059,04	8 953,55	IGR Process initiated for signature - awaiting feedback meeting from Kannaland on 27 March 2024
84000213	KANNALAND MUNICIPALITY	-	1 120,48	11 401,67	1 001,31	128 969,42	142 492,88	97 786,95	44 705,93	IGR Process initiated for signature - awaiting feedback meeting from Kannaland on 27 March 2024
84000271	KANNALAND MUNICIPALITY	-	639,62	639,62	639,62	87 092,78	89 011,64	55 821,24	33 190,40	IGR Process initiated for signature - awaiting feedback meeting from Kannaland on 27 March 2024
84000276	KANNALAND	-	1 062,40	1 062,40	1 062,40	130 675,41	133 862,61	92 718,75	41 143,86	IGR Process initiated for signature - awaiting feedback meeting from Kannaland on 27 March 2024
84000323	KANNALAND MUNICIPALITY	-	563,72	563,72	563,72	75 088,59	76 779,75	49 197,01	27 582,74	IGR Process initiated for signature - awaiting feedback meeting from Kannaland on 27 March 2024
84000533	KANNALAND MUNICIPALITY	-	149,16	149,16	149,16	16 061,16	16 508,64	13 017,86	3 490,78	IGR Process initiated for signature - awaiting feedback meeting from Kannaland on 27 March 2024
84000597	KANNALAND MUNICIPALITY	-	616,02	616,02	616,02	62 952,56	64 800,62	53 762,04	11 038,58	IGR Process initiated for signature - awaiting feedback meeting from Kannaland on 27 March 2024
84000624	KANNALAND MUNICIPALITY	-	68,45	68,45	68,45	6 789,98	6 995,33	5 973,56	1 021,77	IGR Process initiated for signature - awaiting feedback meeting from Kannaland on 27 March 2024
84000690	KANNALAND MUNICIPALITY	-	57,14	57,14	57,14	5 557,78	5 729,20	4 986,38	742,82	IGR Process initiated for signature - awaiting feedback meeting from Kannaland on 27 March 2024
84000792	KANNALAND MUNICIPALITY	-	36,28	36,28	36,28	3 202,26	3 311,10	3 165,98	145,12	IGR Process initiated for signature - awaiting feedback meeting from Kannaland on 27 March 2024
84000793	KANNALAND MUNICIPALITY	-	489,74	489,74	489,74	43 230,61	44 699,83	42 740,87	1 958,96	IGR Process initiated for signature - awaiting feedback meeting from Kannaland on 27 March 2024
84000826	KANNALAND MUNICIPALITY	-	90,69	90,69	7 914,98	-	8 096,36	7 914,98	181,38	IGR Process initiated for signature - awaiting feedback meeting from Kannaland on 27 March 2024
		-	32 189,16	26 837,25	24 261,18	2 069 438,10	2 152 725,69	1 444 891,37	707 834,32	

ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 30 June 2024	Original Capital: levied	Interest on account:	IGR Process:
3890007	KNYSNA MUNISIPALITEIT	-	53 548,66	-	-	-	53 548,66	7 990,47	45 558,19	N/A - interest to be submitted for debt write-off to Council for approval
84000214	KNYSNA MUNICIPALITY	-	219,65	19 169,30	-	1 350,54	20 739,49	19 169,30	1 570,19	N/A - interest to be submitted for debt write-off to Council for approval
84000711	KNYSNA MUNICIPALITY	-	894,51	894,51	958,17	-	2 747,19	77 823,00	75 075,81	N/A - awaiting payment
		-	54 662,82	20 063,81	958,17	1 350,54	77 035,34	104 982,77	27 947,43	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 30 June 2024	Original Capital: levied	Interest on account:	IGR Process:
37000689	MOSSSELBAY MUNICIPALITY	-	-	-	-	-	-	-	-	N/A
84000215	MOSSSELBAY MUNICIPALITY	-	584,17	-	-	-	584,17	50 982,17	50 398,00	No
84000274	MOSSSELBAY MUNICIPALITY	-	-	-	-	-	-	-	-	No
84000555	MOSSSEL BAY MUNICIPALITY	-	736,07	736,07	64 239,00	913,17	66 624,31	65 152,17	1 472,14	No
		-	1 320,24	736,07	64 239,00	913,17	67 208,48	116 134,34	48 925,86	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 30 June 2024	Original Capital: levied	Interest on account:	IGR Process:
37000687	MUNISIPALITEIT OUDTSHOORN	-	-	-	-	-	-	-	-	N/A
38900010	OUTDTSOORN MUNISIPALITEIT	-	-	-	-	-	-	-	-	N/A - interest for write-off
84000486	OUTDTSOORN MUNICIPALITY	-	11 210,79	11 210,79	11 210,79	1 290 259,51	1 323 891,88	978 395,78	345 496,10	IGR approval obtained & files submitted for recovery
84000556	OUTDTSOORN MUNICIPALITY	-	-	556,21	555,84	-	1 112,05	48 541,50	47 429,45	N/A - awaiting payment
84000636	OUTDTSOORN MUNICIPALITY	-	2 774,97	2 774,97	2 774,97	280 423,32	288 748,23	242 179,20	46 569,03	IGR approval obtained & files submitted for recovery
		-	13 985,76	14 541,97	14 541,60	1 570 682,83	1 613 752,16	1 269 116,48	344 635,68	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 30 June 2024	Original Capital: levied	Interest on account:	IGR Process:
38900011	PRINCE ALBERT MUNISIPALITEIT	-	2 053,85	-	-	-	2 053,85	3 691,91	1 638,06	No
		-	2 053,85	-	-	-	2 053,85	3 691,91	1 638,06	

ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 30 June 2024	Original Capital: levied	Interest on account:	IGR Process:
37000924	ESKOM HOLDINGS SOC LTD	-	6 306,87	6 306,87	6 306,87	974 191,16	993 111,77	550 418,12	442 693,65	N/A include in debt write-off report
37001073	ESKOM HOLDINGS SOC LTD	-	215,27	215,27	215,27	33 893,53	34 539,34	18 786,95	15 752,39	N/A include in debt write-off report
84000288	ESKOM HOLDINGS	-	40 175,80	40 175,80	40 175,80	5 467 122,14	5 587 649,54	3 506 251,54	2 081 398,00	Yes
84000381	ESKOM	-	18 213,06	18 213,06	18 213,06	2 293 189,23	2 347 828,41	1 589 503,01	758 325,40	Yes
		-	64 911,00	64 911,00	64 911,00	8 768 396,06	8 963 129,06	5 664 959,62	3 298 169,44	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 30 June 2024	Original Capital: levied	Interest on account:	IGR Process:
84000576	SAN PARKS	-	1 858,02	1 858,02	1 858,02	195 801,14	201 375,20	162 154,11	39 221,09	No - discussion in process with institution
		-	1 858,02	1 858,02	1 858,02	195 801,14	201 375,20	162 154,11	39 221,09	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 30 June 2024	Original Capital: levied	Interest on account:	IGR Process:
84000527	SANRAL	-	48,43	48,43	48,43	5 350,16	5 495,45	4 226,58	1 268,87	IGR approval obtained & files submitted for recovery
		-	48,43	48,43	48,43	5 350,16	5 495,45	4 226,58	1 268,87	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 30 June 2024	Original Capital: levied	Interest on account:	IGR Process:
84000404	LT COL XOTYENI	-	27,77	27,77	27,77	3 414,70	3 498,01	2 423,50	1 074,51	IGR approval obtained & files submitted for recovery
84000541	SA POLICE SERVICE	-	52,10	52,10	52,10	5 683,29	5 839,59	4 546,59	1 293,00	IGR approval obtained & files submitted for recovery
84000688	LADISMITH POLICE STATION	-	11,35	11,35	11,35	1 104,29	1 138,34	990,79	147,55	IGR approval obtained & files submitted for recovery
		-	91,22	91,22	91,22	10 202,28	10 475,94	7 960,88	2 515,06	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 30 June 2024	Original Capital: levied	Interest on account:	IGR Process:
84000603	WESTERN CAPE PROVINCIAL GOVERN	-	-	15 195 444,05	15 822 736,81	-	31 018 180,86	31 018 180,86	-	No - Roads Agency Debtor for monthly claims to Province
		-	-	15 195 444,05	15 822 736,81	-	31 018 180,86	31 018 180,86	-	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 30 June 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	113 400,63	116 761,08	97 758,08	19 003,00	No - discussion in process with institution
84000764	DISTRICT ROADS ENGINEER	-	38,13	38,13	38,13	3 518,49	3 632,88	3 327,84	305,04	No - discussion in process with institution
		-	1 158,28	1 158,28	1 158,28	116 919,12	120 393,96	101 085,92	19 308,04	

ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 30 June 2024	Original Capital: levied	Interest on account:	IGR Process:
3880002	DEPARTEMENT GESONDHEID	-	36 678,39	8 106,57	-	-	44 784,96	36 676,34	8 108,62	No - monthly medical recovery claims
		-	36 678,39	8 106,57	-	-	44 784,96	36 676,34	8 108,62	
84000572	DFFE	-	1 226,88	1 226,88	1 226,88	129 291,07	132 971,71	107 073,36	25 898,35	No - discussion in process with institution
84000629	DFFE	-	342,24	342,24	342,24	34 188,72	35 215,44	29 867,80	5 347,64	No - discussion in process with institution
84000799	DFFE	-	2 226,72	2 226,72	2 226,72	196 559,00	203 239,16	194 332,28	8 906,88	No - discussion in process with institution
84000800	DFFE	-	181,39	181,39	181,39	16 011,34	16 555,51	15 829,95	725,56	No - discussion in process with institution
84000853	DFFE	-	-	-	-	-	-	-	-	No - discussion in process with institution
84000854	DFFE	-	12 663,96	-	-	-	12 663,96	12 663,96	-	No - discussion in process with institution
		-	16 641,19	3 977,23	3 977,23	376 050,13	400 645,78	359 767,35	40 878,43	
84000475	CALITZDORP HIGH	-	14 425,37	-	-	-	14 425,37	10 632,90	3 792,47	No
		-	14 425,37	-	-	-	14 425,37	10 632,90	3 792,47	
38200071	PETRO SA PTY LTD	-	57,29	57,29	57,29	5 171,87	5 343,74	5 000,00	343,74	N/A Air quality unit is withholding certificate until payment is received. Petro SA indicated that the payment is in a process for approval.
84000830	PETRO SA	-	145,11	12 663,96	-	-	12 809,07	12 663,96	145,11	N/A - awaiting payment
		-	202,40	12 721,25	57,29	5 171,87	18 152,81	17 663,96	343,74	
84000801	PROVINCIAL GOVERNMENT WC	-	2 489,33	2 489,33	2 489,33	219 739,64	227 207,63	217 250,31	9 957,32	N/A - awaiting payment
		-	2 489,33	2 489,33	2 489,33	219 739,64	227 207,63	217 250,31	9 957,32	
84000820	WESTERN CAPE GOVERNMENT TRANSP	-	66,71	66,71	5 822,15	-	5 955,57	5 822,15	133,42	N/A - awaiting payment
		-	66,71	66,71	5 822,15	-	5 955,57	5 822,15	133,42	

ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 30 June 2024	Original Capital: levied	Interest on account:	IGR Process:
84000811	EMS WESTERN CAPE	-	40 206,47	-	-	-	40 206,47	40 206,47	-	N/A - awaiting payment
		-	40 206,47	-	-	-	40 206,47	40 206,47	-	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 30 June 2024	Original Capital: levied	Interest on account:	IGR Process:
38900003	Sentraal Karoo	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 30 June 2024	Original Capital: levied	Interest on account:	IGR Process:
38900008	Laingsburg Municipality	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	
ACCNO	NAME	CURRENT	31-60 days	61-90 days	91-120 days	120+ days	Total due by 30 June 2024	Original Capital: levied	Interest on account:	IGR Process:
84000852	Cape Nature	-	85 185,86	-	-	-	85 185,86	85 185,86	-	N/A - awaiting payment
		-	85 185,86	-	-	-	85 185,86	85 185,86	-	

Section 5 – Creditors' analysis

Supporting Table C4

DC4 Garden Route - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

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	2 902	740	110	117	172	6	-	726	4 774	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	4 234	-	-	-	-	-	-	-	4 234	-
Total By Customer Type	1000	7 136	740	110	117	172	6	-	726	9 008	-

The municipality is required to submit creditors aged analysis data strings monthly.

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 1 June 2024	Movements for the month			Balance as at 30 June 2024	Interest earned Month	Interest earned Year to date
		Investments matured	Investments made	Interest capitalised			
Garden Route District Municipality							
Standard Bank	20 000 000,00	-20 000 000,00	-	-	-	456 246,58	2 709 956,93
ABSA	12 000 000,00	-12 000 000,00	-	-	-	271 952,88	2 880 876,44
Nedbank	8 000 000,00	-8 000 000,00	-	-	-	178 908,49	1 793 484,35
BANK DEPOSITS	40 000 000,00	-40 000 000,00	-	-	-	907 107,95	7 384 317,72

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 SC6

DC4 Garden Route - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

Description	Ref	Budget Year 2023/24								
		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:		180 655	185 267	185 837	–	182 443	185 837	(3 394)	-1,8%	185 837
Local Government Equitable Share		172 721	178 333	178 333	–	178 098	178 333	(235)	-0,1%	178 333
Energy Efficiency and Demand Side Management Grant		1 000	–	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant		2 440	2 180	2 180	–	1 199	2 180	(981)	-45,0%	2 180
Infrastructure Skills Development Grant		–	–	–	–	–	–	–	–	–
Local Government Financial Management Grant		1 000	1 000	1 000	–	1 000	1 000	–	–	1 000
Municipal Disaster Relief Grant	3	–	–	–	–	–	–	–	–	–
Municipal Systems Improvement Grant		–	1 000	1 000	–	–	1 000	(1 000)	-100,0%	1 000
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Public Transport Network Grant		900	–	570	–	218	570	(352)	-61,8%	570
Rural Road Asset Management Systems Grant		2 594	2 754	2 754	–	1 928	2 754	(826)	-30,0%	2 754
Provincial Government:		8 938	6 560	7 646	–	6 068	7 646	(1 578)	-20,6%	7 646
Capacity Building		8 938	6 560	7 646	–	6 068	7 646	(1 578)	-20,6%	7 646
Other grant providers:		117	20 177	20 422	328	5 247	20 422	(15 176)	-74,3%	20 422
<i>Other Grants Received</i>		117	20 177	20 422	328	5 247	20 422	(15 176)	-74,3%	20 422
Total Operating Transfers and Grants	5	189 710	212 004	213 905	328	193 757	213 905	(20 148)	-9,4%	213 905
Capital Transfers and Grants										
National Government:		3 765	4 000	4 000	–	2 000	4 000	(2 000)	-50,0%	4 000
Municipal Disaster Recovery Grant		–	–	–	–	–	–	–	–	–
Energy Efficiency and Demand Side Management Grant		3 765	4 000	4 000	–	2 000	4 000	(2 000)	-50,0%	4 000
Provincial Government:		–	4 481	9 816	–	4 481	9 816	(5 335)	-54,4%	9 816
<i>Infrastructure</i>		–	4 481	4 516	–	4 481	4 516	(35)	-0,8%	4 516
<i>Infrastructure</i>		–	–	–	–	–	–	–	–	–
<i>Capacity Building</i>		–	–	5 300	–	–	5 300	(5 300)	-100,0%	5 300
Other grant providers:		3 284	–	–	–	–	–	–	–	–
<i>[insert description]</i>		3 284	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	7 049	8 481	13 816	–	6 481	13 816	(7 335)	-53,1%	13 816
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	196 759	220 485	227 721	328	200 238	227 721	(27 483)	-12,1%	227 721

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 SC8

DC4 Garden Route - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

Summary of Employee and Councillor remuneration	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		7 666	11 153	8 510	428	7 484	8 510	(1 026)	-12%	8 510
Pension and UIF Contributions		395	263	330	35	418	330	89	27%	330
Medical Aid Contributions		261	162	175	5	158	175	(17)	-9%	175
Motor Vehicle Allowance		2 042	1 251	1 982	114	1 880	1 982	(102)	-5%	1 982
Cellphone Allowance		1 040	627	1 114	71	1 063	1 114	(51)	-5%	1 114
Housing Allowances		766	478	766	17	719	766	(47)	-6%	766
Other benefits and allowances		136	281	520	8	419	520	(101)	-19%	520
Sub Total - Councillors		12 306	14 216	13 397	677	12 142	13 397	(1 255)	-9%	13 397
% increase	4		15,5%	8,9%						8,9%
Senior Managers of the Municipality										
Basic Salaries and Wages		5 315	6 223	6 513	1 165	7 555	6 513	1 042	16%	6 513
Pension and UIF Contributions		(14 048)	2 093	2 095	115	766	2 095	(1 329)	-63%	2 095
Medical Aid Contributions		269	220	245	16	227	245	(18)	-7%	245
Overtime										
Performance Bonus		511	777	831	–	505	831	(325)	-39%	831
Motor Vehicle Allowance		(1 109)	908	888	68	780	888	(108)	-12%	888
Cellphone Allowance		171	207	137	11	137	137	–	–	137
Housing Allowances		325	392	250	15	227	250	(22)	-9%	250
Other benefits and allowances		12	22	16	2	17	16	1	4%	16
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations		–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		(383)	4	5	–	(2)	5			5
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		(8 937)	10 846	10 979	1 393	10 213	10 979	(766)	-7%	10 979
% increase	4		-221,4%	-222,9%						-222,9%
Other Municipal Staff										
Basic Salaries and Wages		168 877	177 307	173 832	15 038	177 889	173 832	4 056	2%	173 832
Pension and UIF Contributions		28 714	30 745	29 683	2 441	29 585	29 683	(97)	0%	29 683
Medical Aid Contributions		36 587	26 234	22 952	2 223	26 067	22 952	3 115	14%	22 952
Overtime		5 409	4 255	5 068	873	6 754	5 068	1 686	33%	5 068
Performance Bonus		19 449	13 309	13 707	116	14 007	13 707	299	2%	13 707
Motor Vehicle Allowance		13 004	13 787	11 685	1 066	12 578	11 685	892	8%	11 685
Cellphone Allowance		130	131	127	14	135	127	8	6%	127
Housing Allowances		2 427	2 929	2 477	200	2 422	2 477	(55)	-2%	2 477
Other benefits and allowances		9 696	7 132	7 543	502	7 311	7 543	(232)	-3%	7 543
Payments in lieu of leave		(4 583)	5 608	3 321	198	6 385	3 321	3 065	92%	3 321
Long service awards		–	–	1 314	–	–	1 314	(1 314)	-100%	1 314
Post-retirement benefit obligations		7 677	7 163	4 696	–	–	4 696	(4 696)	-100%	4 696
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		1 452	1 220	930	155	1 174	930	244	26%	930
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		288 839	289 820	277 336	22 827	284 307	277 336	6 972	3%	277 336
% increase	4		0,3%	-4,0%						-4,0%
Total Parent Municipality		292 208	314 882	301 712	24 896	306 663	301 712	4 951	2%	301 712

Remuneration related expenditure for the month ended 30 June 2024 amounted to R24,896,184.

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: Louie Hoek
Reference: 6/1/1 – 23/24
Date: 11 July 2004

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 **30 JUNE 2024**, has been prepared in accordance with the Municipal Finance Management Act (Act 56 of 2003) and regulations made under the Act.

Print Name MARCO STRATU

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

Signature [Handwritten Signature]
Date 12/7/2024