

CAPE AGULHAS MUNICIPALITY



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CAPE AGULHAS MUNICIPALITY
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2023/24

SECTION 71 REPORT FOR THE MONTH ENDING 31 JULY 2023

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To The Executive Mayor

*In accordance with **Section 71(1)** of the Municipal Finance Management Act, I submit the required statement on the state of Cape Agulhas Municipality's budget implementation and the financial state of the municipality's affairs reflecting the particulars up until the end of **31 July 2023**.*

52. The mayor of a municipality—

(d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

Section 54(1) of the MFMA requires the Mayor of a municipality to take certain actions on the receipt of this report to ensure that the approved budget is implemented in accordance with the projections contained in the Service Delivery and Budget Implementation Plan.

Recommendations

- The content of the **monthly report** and supporting documentation for the consolidated period ending **31 July 2023** is noted.
- It be noted that the directors ensure that the budget is implemented in accordance with the **Service Delivery and Budget Implementation Plan (SDBIP)** projections and in accordance with the approved budget.
- It be noted that any material variances will receive remedial or corrective steps.

1. INTRODUCTION

2. PURPOSE OF THE REPORT – SECTION 71

The purpose of this report is to comply with section 71 of the MFMA and the requirements as promulgated in Government Gazette No 32141 of 17 April 2009 (Municipal budgeting and reporting requirements).

2.2 STRATEGIC OBJECTIVE

“To comply with MFMA priorities as well as MFMA implementation plan”.

2.3 BACKGROUND

Section 71 of the MFMA and Section 28 of Government Notice 32141 dated 17 April 2009, regarding the “Local Government: Municipal Finance Management Act 2003 Municipal Budget and Reporting Regulations” necessitate that specific financial particular be reported on and in the format prescribed, hence this report to meet legislative compliance.

“Section 52(d) of the MFMA states that, the executive mayor of a municipality must within 30 days of the end of each quarter submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

However, section 71 of the MFMA states that, the accounting officer of a municipality must by no later than **10 working days after the end of each month** submit to the mayor of the municipality and the relevant treasury a statement in the prescribed format on the implementation of the municipality’s approved budget”.

“Section 28 of the Government Notice 32141, the monthly budget statement of a municipality must be in the format specified in Schedule C and include all required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act”.

Section 54 of the MFMA requires the Mayor to consider the Section 71 report and take appropriate action to ensure that the approved budget is implemented in accordance with the SDBIP.

3. MAYOR’S SUMMARY

The Budget and Reporting regulations become effective during April 2009 and the municipality is obliged to report in the prescribed format to National & Provincial Treasury, the Executive Mayor and council accordingly.

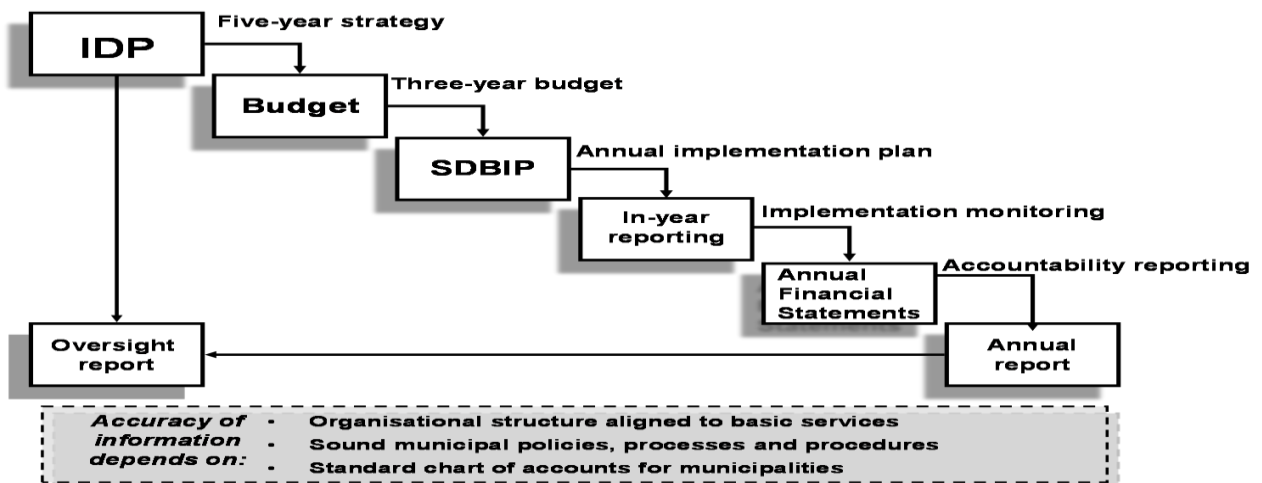
3.1 Budget Process:

Section 53(1)(a) of the MFMA stipulates that the Executive Mayor of the Municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of a budget.

The flowchart on the budget process basically reflecting three different processes in the budget cycle at the same time, namely:

- Reporting on the previous year budget.
- Current year budget implementation; and
- Preparation of the new financial year's budget (including the budget estimates for the two outer financial years)

The municipal planning and budget cycle processes consist of the following:



This report is the very first one for the new financial year's budget 2023/24 as approved by Council. This report runs concurrent with year-end processes within the municipality. Year-end processes are needs to be finalized and complete to ensure that Annual Financial Statements for 2022/23 are compiled are submitted by 31 August 2023 to the auditors.

4. SUMMARY FINANCIAL PERFORMANCE

The first report of the new financial year is known by little movement on Operational and Capital Budget as much effort goes into planning and preparation on municipal activities especially capital projects. Also, ensuring that all revenue and expenditure are accurately depicted in the Annual Financial Statements for 2022/23 with year-end processes taking place.

With the implementation of the new financial tariffs approved by Council, challenges are always experienced with the finalization on the financial system due to various processes of new regulation requirements with the systems that needs to balance before transactions can commence.

Revenue Budget

Total revenue budget for the year is R456m with property rates for the year budgeted at R93m. Yearly property rates levied are due for payment by the end of October 2023.

The following Grants and Subsidies have been received in July as per the schedule of payment conditions:

- Equitable Shares R16 825 000
- Water Infrastructure Grant R551 000
- EPWP R546 000

Expenditure Budget

Total expenditure budget for the year is R454m, with employee related costs budgeted at R179m being 39% of total budget. Spending on operations will pick up as the financial year proceeds. At this stage lots of planning and projections in terms of SCM processes are being implemented.

Capital Performance

Capital budget for the year is about R60m. Tenders are in its planning and preparation stage with spending to incur later in the financial year. Administration will ensure that projects are rolled out as early as possible to avoid unspent grants. These were some of the lessons learned in the prior financial years

5. VARIANCE ANALYSIS BASED ON C1 BUDGET SUMMARY

Analysis of variance on the C1 report with a 10% variance on the performance of the municipality.

6. COUNCIL FOCUS AREAS (CASH FLOW / LIQUIDITY)

The financial ratios need to be complete and updated in the report. This is also a requirement in terms of the Circular 71 communicated by National Treasury. Administration endeavour due to the impact of available funds to ensure reporting included as part of the quarterly information to Council.

Budget implementation:

Council identified the ratios as focus areas and these ratios will be monitored monthly and action plans developed to ensure the achievement of council's sustainability objectives.

7. MFMA LEGISLATED DUE DATES / LIST OF ACTIVITIES

THE FOLLOWING LIST OF ACTIVITIES IS DUE FOR THE REPORTING MONTH OF JULY 2023 IN TERMS OF LEGISLATION

<u>LEGISLATIVE REFERENCE</u>	<u>DATE</u>	<u>ACTIVITY</u>	<u>STATUS</u>
Section 126	In process –	Prepare AFS to submit to AG	In process of being completed
Section 71	15 August	Monthly budget statement (FMR) – 10 th working day to Mayor / Provincial / National treasury	Complete
Section 74	15 August	Cash management reporting – Provincial Treasury	Complete
Provincial circular	31 August	Provincial roll-over Unspent grant letter -submit to Provincial treasury	Complete
National circular	31 August	National roll-over Unspent grant letter -submit due	Complete
Section 126	31 August	Prepare AFS to submit to AG	In process

**THE FOLLOWING LIST OF ACTIVITIES IS DUE FOR THE REPORTING MONTH OF AUGUST 2023
IN TERMS OF LEGISLATION**

<u>LEGISLATIVE REFERENCE</u>	<u>DATE</u>	<u>ACTIVITY</u>	<u>STATUS</u>
Section 71	14 September	Monthly budget statement (FMR) – 10 th working day to Mayor / Provincial / National treasury	
Section 74	14 September	Cash management reporting – Provincial Treasury	
	September	Annual audit in process by the Auditor General of South Africa	Ongoing

8. INVESTMENT PORTFOLIO

WC033 CAPE AGULHAS MUNICIPALITY							
CASH FLOW INFORMATION IN TERMS OF PROVINCIAL CIRCULAR 10 & 50							
DETAILS	Balance as at 01 July 2023	Movements for the month			Balance as at 31 July 2023	Interest earned	Interest earned
		Investments matured	Investments made	Interest capitalised			
						Month	Year to date
Municipality							
<i>Interest Received YTD</i>	-				-		
<i>Standard Bank (CRR)</i>	20 000 000	-	-		20 000 000	154 575	154 575
<i>Standard Bank</i>	-	-	-		-	-	-
ABSA (CRR)	34 626 050	-	-		34 626 050	267 617	267 617
Nedbank (CRR)	-	-	-		-	-	-
Nedbank (Housing)	15 000 000	-	-		15 000 000	113 384	113 384
Nedbank	9 200 000	9 200 000	20 000 000		20 000 000	137 584	137 584
<i>ABSA (ESKOM Deposit)</i>	1 254 000	-	-		1 254 000	5 164	5 164
<i>ABSA (ESKOM Deposit)</i>	2 535 000	-	-		2 535 000	10 442	10 442
<i>Nedbank</i>	-	-	-		-	-	-
<i>Investec</i>	-	-	-		-	-	-
	-				-		
BANK DEPOSITS	82 615 050	9 200 000	20 000 000	-	93 415 050	688 766	688 766

9. EXTERNAL BORROWING PORTFOLIO

CASH FLOW REPORT IN TERMS OF PROVINCIAL CIRCULAR 10 & 50								
Name of municipality				Cape Agulhas Municipality				
SUMMARY OF EXTERNAL LOANS FOR MONTH - 31 JULY 2023								
Lending Institution	Loan Number	Loan start date	Loan settlement date	Loan Amount	Repayment installment	Balance 01 July 2023	Total Payment 30 June 2023	Balance 31 July 2023
ABSA - Infrastr. (Old Nostra)	3044713107	30 June 2016	30 June 2026	1 200 000,00	200 393,14	571 009,89	69 341,00	501 668,89
ABSA - Various	3046537820	06 July 2017	30 June 2027	2 400 000,00	385 310,66	1 368 051,45	124 528,00	1 243 523,45
Nedbank - Infrastructure Medium Term	INFRA 4	27 June 2019	30 June 2024	4 120 000,00	1 034 895,46	1 236 000,00	412 000,00	824 000,00
Nedbank - Infrastructure Long Term	INFRA 2	26 June 2018	30 June 2028	7 000 000,00	1 189 186,36	3 850 000,00	350 000,00	3 500 000,00
Nedbank	Asset Finance	26 June 2019	30 June 2024	2 880 000,00	723 422,06	864 000,00	288 000,00	576 000,00
Nedbank - Infrastructure	INFRA 1	26 June 2018	30 June 2023	3 000 000,00	701 338,84	300 000,00	300 000,00	-
Nedbank - Infrastructure	INFRA 3	27 June 2019	30 June 2029	10 000 000,00	1 769 003,84	6 500 000,00	500 000,00	6 000 000,00
Std Bank - Motor Vehicle Fleet	Medium (655414)	29 June 2021	30 June 2024	4 800 000,00	1 776 574,16	2 509 646,61	811 452,00	1 698 194,61
Std Bank - New and Upgrade Infrastructure	Asset (655433)	29 June 2021	30 June 2026	2 318 000,00	548 085,44	1 697 047,68	220 563,00	1 476 484,68
Std Bank - New and Upgrade Infrastructure	Long (655414)	29 June 2021	30 June 2031	27 082 000,00	3 631 866,70	23 963 343,78	1 106 172,00	22 857 171,78
FNB - Motor Vehicle Fleet		27 June 2022	30 June 2027	8 542 000,00	2 050 737,06	7 817 157,50	723 183,00	7 093 974,50
FNB - New and Upgrade Infrastructure		27 June 2022	30 June 2027	4 091 200,00	983 738,50	3 744 542,57	345 985,00	3 398 557,57
FNB - New and Upgrade Infrastructure		27 June 2022	30 June 2032	21 992 850,00	3 089 685,76	21 211 074,40	728 157,00	20 482 917,40
Total					11 960 076,66	75 631 873,88	5 979 381,00	69 652 492,88

10. CASH AND CASH COMMITMENTS / LIQUIDTY ASSESSMENT

As part of the Provincial Treasury legislated oversight responsibilities the municipality is required to report on the Cash and cash COMMITMENTS relating to the available cash balance at the end of the reporting period. A report is submitted to Treasury reflecting the available cash with related commitments as required.

Please find below the detail report as per Cash Management Commitments as follows:

WC033 - CAPE AGULHAS MUNICIPALITY		
REPORTING MONTH:	31 July 2023	
Commitments against Cash & Cash Equivalents		
DESCRIPTION	Previous Month R'000	Current Month R'000
Cash & Cash Equivalents	118 429	113 452
Commitments:	77 808	56 806
Unspent Loans	15 334	15 334
Unspent Grants	27 843	1 695
Capital Funding Requirement		-
Capital Replacement Reserve by 30 June 2023	34 626	34 626
Loan repayment due 30 June	-	-
Projected salary	-	-
Projected creditors	-	3 084
Capital commitment outstanding	-	2 067
Year-end creditor payments (partly funded)		
Surplus / (Deficit)	40 621	56 646

11. DEBTORS MANAGEMENT / INTERVENTIONS

Detail	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
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	4 571 443	1 455 213	1 494 890	470 916	433 277	885 242	2 459 499	1 912 936	13 683 416
Trade and Other Receivables from Exchange Transactions - Electricity	12 853 252	2 759 869	1 986 142	565 555	262 773	653 090	1 056 718	1 812 773	21 950 172
Receivables from Non-exchange Transactions - Property Rates	34 774 136	1 447 823	798 453	354 456	611 033	1 023 782	2 071 839	3 153 482	44 235 004
Receivables from Exchange Transactions - Waste Water Management	1 654 603	786 889	805 573	310 792	278 682	520 618	1 775 575	1 116 203	7 248 935
Receivables from Exchange Transactions - Water Management	2 825 061	1 060 200	1 017 836	412 852	398 665	703 172	2 316 116	1 674 007	10 407 909
Receivables from Exchange Transactions - Property Rental Debtors	46 845	48 129	240 190	28 236	44 074	73 423	580 288	1 071 681	2 132 866
Interest on Arrear Debtor Accounts	270 882	284 142	346 923	165 109	138 992	251 348	907 515	1 222 873	3 587 784
Recoverable unauthorised or irregular or fruitless and wasteful Expenditure	-	-	-	-	-	-	-	-	-
Other	- 4 036 108	106 465	66 980	5 690	12 404	28 513	243 397	337 772	- 3 234 887
Total By Income Source	52 960 114	7 948 730	6 756 987	2 313 606	2 179 900	4 139 188	11 410 947	12 301 727	100 011 199
Debtors Age Analysis By Customer Group									
Organs of State	505 675	374 895	189 259	150 200	138 729	125 037	719 443	1 844 419	4 047 657
Commercial	11 834 080	2 099 459	1 635 789	490 961	290 480	365 271	1 148 746	2 099 363	19 964 149
Households	39 747 581	5 462 171	4 926 921	1 667 802	1 747 981	3 646 570	9 509 864	8 300 764	75 009 654
Other	872 778	12 205	5 018	4 643	2 710	2 310	32 894	57 181	989 739
Total By Customer Group	52 960 114	7 948 730	6 756 987	2 313 606	2 179 900	4 139 188	11 410 947	12 301 727	100 011 199

The age analysis for debtors reported that a total of R101m of debt is outstanding for the reporting period. The biggest increase on the outstanding debt is due to the property rates levied during July as per the Property rates act.

Currently the municipality implemented the following initiatives in terms of debt collection:

- All outstanding debt longer than 90 days has been handed over to the external service provider to collect as per the new SCM tender awarded.
- Debt older than 30 to 90 days is being pursued internally by the Income department (Masakhane)

12. mSCOA IMPLEMENTATION

The mSCOA implementation quarterly report will be compiled and communicated to the Council as per the MFMA due dates with the end of the quarter.

13. COST CONTAINMENT REGULATION AND CIRCULAR REQUIREMENTS

National Treasury as part of the drive for more efficient use of government resources introduced the Local Government: Municipal Cost Containment regulation (MCCR) promulgated on the 7 June 2019 with effective date of 1 July 2019.

As part of the regulation municipalities are required to report as part of the in-year reporting mechanisms of the MFMA to the municipal council's relating to COST CONTAINMENT initiatives implemented. Numerous other requirements were also introduced that enforce reviewed of municipal policies and documentation as well as business processes. These will be implemented by the Chief Financial Officer as required. In order to generate value and adhere to the spirit of the Regulation with related to the cost containment reporting, management will need to interrogate each individual cost item and determine whether value for money was received when procuring or incurring the necessary expenses.

COST CONTAINMENT IN-YEAR REPORT - 31 JULY 2023

MEASURES	APPROVED BUDGET	Q1 - 30 Sept	Q2 - 31 Dec	Q3 - 31 Mrch	Q4 - June	YTD TOTAL	Unspent	% Spent
<i>Use of Consultants</i>	7 142 510,00	235 796,00	-	-	-	235 796,00	6 906 714,00	3,3%
<i>Use of RME contractors</i>	10 344 340,00	702 328,15	-	-	-	702 328,15	9 642 011,85	6,8%
<i>Travel and subsistence</i>	353 000,00	16 244,26	-	-	-	16 244,26	336 755,74	4,6%
<i>Domestic accommodation</i>	208 120,00	6 365,18	-	-	-	6 365,18	201 754,82	3,1%
<i>Sponsorship, events and catering</i>	186 950,00	8 971,85	-	-	-	8 971,85	177 978,15	4,8%
<i>Communication</i>	242 740,00	4 733,59	-	-	-	4 733,59	238 006,41	2,0%
<i>Other related expenditures</i>	963 050,00	18 774,91	-	-	-	18 774,91	944 275,09	1,9%
Total	19 440 710,00	993 213,94	-	-	-	993 213,94	18 447 496,06	5,1%

PART B

14. LEGISLATED INFORMATION

WC033 Cape Agulhas - Table C1 Monthly Budget Statement Summary - M01 July

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	-	93 065	-	34 961	34 961	34 954	7	0%	93 065
Service charges	-	236 549	-	21 993	21 993	21 813	180	1%	236 549
Investment revenue	-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	-	58 906	-	16 825	16 825	16 833	(8)	-0%	58 906
Other own revenue	-	67 157	-	2 534	2 534	5 143	(2 609)	-51%	-
Total Revenue (excluding capital transfers and contributions)	-	455 677	-	76 314	76 314	78 743	(2 429)	-3%	455 677
Employee costs	-	178 576	-	13 374	13 374	12 947	427	3%	178 576
Remuneration of Councillors	-	5 753	-	479	479	581	(101)	-17%	5 753
Depreciation and amortisation	-	11 311	-	943	943	943	(0)	-0%	11 311
Interest	-	6 900	-	-	-	75	(75)	-100%	6 900
Inventory consumed and bulk purchases	-	165 045	-	15 118	15 118	2 131	12 987	609%	165 045
Transfers and subsidies	-	2 292	-	8	8	10	(2)	-21%	2 292
Other expenditure	-	84 331	-	5 597	5 597	6 915	(1 318)	-19%	84 331
Total Expenditure	-	454 206	-	35 518	35 518	23 601	11 917	50%	454 206
Surplus/(Deficit)	-	1 470	-	40 796	40 796	55 142	(14 346)	-26%	1 470
Transfers and subsidies - capital (monetary)	-	16 623	-	-	-	-	-	-	16 623
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	18 093	-	40 796	40 796	55 142	(14 346)	-26%	18 093
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	18 093	-	40 796	40 796	55 142	(14 346)	-26%	18 093
Capital expenditure & funds sources									
Capital expenditure	-	59 933	-	885	885	375	510	136%	59 933
Capital transfers recognised	-	16 623	-	834	834	-	834	#DIV/0!	16 623
Borrowing	-	22 634	-	-	-	375	(375)	-100%	22 634
Internally generated funds	-	20 675	-	51	51	-	51	#DIV/0!	20 675
Total sources of capital funds	-	59 933	-	885	885	375	510	136%	59 933
Financial position									
Total current assets	-	282 779	-	-	301 892	-	-	-	282 779
Total non current assets	-	670 789	-	-	622 230	-	-	-	670 789
Total current liabilities	-	99 436	-	-	158 280	-	-	-	99 436
Total non current liabilities	-	216 271	-	-	191 129	-	-	-	216 271
Community wealth/Equity	-	637 860	-	-	574 713	-	-	-	637 860
Cash flows									
Net cash from (used) operating	-	16 900	-	5 473	5 473	39 069	33 596	86%	16 900
Net cash from (used) investing	-	(44 933)	-	(10 561)	(10 561)	875	11 436	1307%	(44 933)
Net cash from (used) financing	-	18 763	-	25	25	(8)	(33)	429%	18 763
Cash/cash equivalents at the month/year end	-	135 406	119 249	-	114 186	159 185	45 000	28%	109 979
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	-	7 949	6 757	2 314	2 180	4 139	11 411	12 302	100 011
Creditors Age Analysis									
Total Creditors	-	7 862	-	-	-	-	-	-	9 497

WC033 Cape Agulhas - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July

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>		-	175 821	-	52 588	52 588	53 799	(1 211)	-2%	175 821
Executive and council		-	40 380	-	16 825	16 825	16 825	(0)	0%	40 380
Finance and administration		-	135 441	-	35 763	35 763	36 974	(1 211)	-3%	135 441
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	24 731	-	167	167	820	(653)	-80%	24 731
Community and social services		-	10 479	-	20	20	20	(0)	-1%	10 479
Sport and recreation		-	10 027	-	147	147	800	(653)	-82%	10 027
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	4 225	-	-	-	-	-	-	4 225
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	12 563	-	290	290	758	(469)	-62%	12 563
Planning and development		-	3 044	-	114	114	180	(66)	-37%	3 044
Road transport		-	4 287	-	109	109	25	84	330%	4 287
Environmental protection		-	5 231	-	67	67	553	(486)	-88%	5 231
<i>Trading services</i>		-	259 185	-	23 270	23 270	23 366	(97)	0%	259 185
Energy sources		-	165 993	-	15 062	15 062	15 592	(529)	-3%	165 993
Water management		-	47 140	-	4 057	4 057	3 501	556	16%	47 140
Waste water management		-	20 019	-	1 574	1 574	1 863	(289)	-16%	20 019
Waste management		-	26 034	-	2 577	2 577	2 411	166	7%	26 034
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	472 299	-	76 314	76 314	78 743	(2 429)	-3%	472 299
Expenditure - Functional										
<i>Governance and administration</i>		-	134 581	-	10 755	10 755	11 524	(769)	-7%	134 581
Executive and council		-	38 256	-	918	918	2 862	(1 944)	-68%	38 256
Finance and administration		-	94 437	-	9 744	9 744	8 523	1 221	14%	94 437
Internal audit		-	1 888	-	93	93	139	(46)	-33%	1 888
<i>Community and public safety</i>		-	43 750	-	2 304	2 304	2 603	(299)	-12%	43 750
Community and social services		-	14 124	-	927	927	1 078	(151)	-14%	14 124
Sport and recreation		-	16 451	-	1 005	1 005	805	200	25%	16 451
Public safety		-	5 537	-	130	130	130	0	0%	5 537
Housing		-	7 638	-	242	242	590	(348)	-59%	7 638
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	53 259	-	3 142	3 142	3 805	(663)	-17%	53 259
Planning and development		-	16 928	-	1 005	1 005	1 232	(227)	-18%	16 928
Road transport		-	24 052	-	1 472	1 472	1 680	(208)	-12%	24 052
Environmental protection		-	12 278	-	665	665	892	(227)	-25%	12 278
<i>Trading services</i>		-	222 617	-	19 317	19 317	5 669	13 649	241%	222 617
Energy sources		-	148 894	-	15 575	15 575	1 424	14 151	994%	148 894
Water management		-	27 597	-	1 789	1 789	1 763	25	1%	27 597
Waste water management		-	15 905	-	889	889	1 000	(110)	-11%	15 905
Waste management		-	30 220	-	1 064	1 064	1 482	(417)	-28%	30 220
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	-	454 206	-	35 518	35 518	23 601	11 917	50%	454 206
Surplus/ (Deficit) for the year		-	18 093	-	40 796	40 796	55 142	(14 346)	-26%	18 093

WC033 Cape Agulhas - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

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 - COUNCIL & EXECUTIVE ADMINISTRATION		-	43 732	-	16 901	16 901	17 046	(145)	-0.9%	43 732
Vote 2 - COUNCIL & EXECUTIVE ADMINISTRATION2		-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES & IT DIRECTORATE		-	119 382	-	35 707	35 707	36 762	(1 055)	-2.9%	119 382
Vote 4 - MANAGEMENT SERVICES DIRECTORATE		-	9 518	-	176	176	578	(403)	-69.6%	9 518
Vote 5 - MANAGEMENT SERVICES DIRECTORATE2		-	15 312	-	31	31	37	(5)	-15.0%	15 312
Vote 6 - MANAGEMENT SERVICES DIRECTORATE3		-	9 761	-	146	146	798	(652)	-81.7%	9 761
Vote 7 - ENGINEERING SERVICES DIRECTORATE		-	205 107	-	17 639	17 639	18 011	(372)	-2.1%	205 107
Vote 8 - ENGINEERING SERVICES DIRECTORATE2		-	2 328	-	84	84	147	(63)	-43.2%	2 328
Vote 9 - ENGINEERING SERVICES DIRECTORATE3		-	47 140	-	4 057	4 057	3 501	556	15.9%	47 140
Vote 10 - ENGINEERING SERVICES DIRECTORATE4		-	20 019	-	1 574	1 574	1 863	(289)	-15.5%	20 019
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	472 299	-	76 314	76 314	78 743	(2 429)	-3.1%	472 299
Expenditure by Vote	1									
Vote 1 - COUNCIL & EXECUTIVE ADMINISTRATION		-	65 203	-	2 825	2 825	4 886	(2 060)	-42.2%	65 203
Vote 2 - COUNCIL & EXECUTIVE ADMINISTRATION2		-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES & IT DIRECTORATE		-	73 183	-	6 786	6 786	7 164	(378)	-5.3%	73 183
Vote 4 - MANAGEMENT SERVICES DIRECTORATE		-	30 262	-	1 603	1 603	1 961	(358)	-18.3%	30 262
Vote 5 - MANAGEMENT SERVICES DIRECTORATE2		-	35 004	-	2 097	2 097	2 507	(410)	-16.4%	35 004
Vote 6 - MANAGEMENT SERVICES DIRECTORATE3		-	9 888	-	539	539	390	149	38.1%	9 888
Vote 7 - ENGINEERING SERVICES DIRECTORATE		-	180 927	-	16 769	16 769	3 053	13 716	449.2%	180 927
Vote 8 - ENGINEERING SERVICES DIRECTORATE2		-	16 236	-	2 221	2 221	877	1 344	153.3%	16 236
Vote 9 - ENGINEERING SERVICES DIRECTORATE3		-	27 597	-	1 789	1 789	1 763	25	1.4%	27 597
Vote 10 - ENGINEERING SERVICES DIRECTORATE4		-	15 905	-	889	889	1 000	(110)	-11.0%	15 905
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	454 206	-	35 518	35 518	23 601	11 917	50.5%	454 206
Surplus/ (Deficit) for the year	2	-	18 093	-	40 796	40 796	55 142	(14 346)	-26.0%	18 093

WC033 Cape Agulhas - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

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										
Revenue										
Exchange Revenue										
Service charges - Electricity		-	161 815	-	14 727	14 727	15 225	(498)	-3%	161 815
Service charges - Water		-	38 168	-	3 797	3 797	3 140	657	21%	38 168
Service charges - Waste Water Management		-	15 042	-	1 247	1 247	1 437	(190)	-13%	15 042
Service charges - Waste management		-	21 524	-	2 222	2 222	2 011	211	11%	21 524
Sale of Goods and Rendering of Services		-	12 901	-	284	284	1 023	(739)	-72%	12 901
Agency services		-	4 287	-	109	109	25	84	330%	4 287
Interest		-	-	-	-	-	-	-	0%	-
Interest earned from Receivables		-	1 385	-	141	141	116	25	22%	1 385
Interest from Current and Non Current Assets		-	6 194	-	529	529	373	156	42%	6 194
Dividends		-	-	-	-	-	-	-	0%	-
Rent on Land		-	-	-	-	-	-	-	0%	-
Rental from Fixed Assets		-	2 788	-	64	64	204	(140)	-89%	2 788
Licence and permits		-	44	-	-	-	21	(21)	-100%	44
Operational Revenue		-	1 617	-	87	87	(3)	91	-2631%	1 617
Non-Exchange Revenue										
Property rates		-	93 065	-	34 961	34 961	34 954	7	0%	93 065
Surcharges and Taxes		-	-	-	-	-	-	-	0%	-
Fines, penalties and forfeits		-	6 014	-	68	68	607	(540)	-89%	6 014
Licence and permits		-	-	-	-	-	-	-	0%	-
Transfers and subsidies - Operational		-	58 906	-	16 825	16 825	16 833	(8)	0%	58 906
Interest		-	850	-	115	115	99	16	16%	850
Fuel Levy		-	-	-	-	-	-	-	0%	-
Operational Revenue		-	16 077	-	1 138	1 138	1 429	(291)	-20%	16 077
Gains on disposal of Assets		-	15 000	-	-	-	1 250	(1 250)	-100%	15 000
Other Gains		-	-	-	-	-	-	-	0%	-
Discontinued Operations		-	-	-	-	-	-	-	0%	-
Total Revenue (excluding capital transfers and contributions)		-	455 677	-	76 314	76 314	78 743	(2 429)	-3%	455 677
Expenditure By Type										
Employee related costs		-	178 576	-	13 374	13 374	12 947	427	3%	178 576
Remuneration of councillors		-	5 753	-	479	479	581	(101)	-17%	5 753
Bulk purchases - electricity		-	125 894	-	14 473	14 473	-	14 473	#DIV/0!	125 894
Inventory consumed		-	39 151	-	644	644	2 131	(1 487)	-70%	39 151
Debt impairment		-	6 085	-	-	-	507	(507)	-100%	6 085
Depreciation and amortisation		-	11 311	-	943	943	943	(0)	0%	11 311
Interest		-	6 900	-	-	-	75	(75)	-100%	6 900
Contracted services		-	33 427	-	1 311	1 311	1 279	32	3%	33 427
Transfers and subsidies		-	2 292	-	8	8	10	(2)	-21%	2 292
Irrecoverable debts written off		-	3 750	-	-	-	313	(313)	-100%	3 750
Operational costs		-	40 720	-	4 286	4 286	4 787	(502)	-10%	40 720
Losses on Disposal of Assets		-	-	-	-	-	-	-	0%	-
Other Losses		-	347	-	-	-	29	(29)	-100%	347
Total Expenditure		-	454 206	-	35 518	35 518	23 601	11 917	50%	454 206
Surplus/(Deficit)		-	1 470	-	40 796	40 796	55 142	(14 346)	-26%	1 470
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	0%	-
Transfers and subsidies - capital (in-kind)		-	16 623	-	-	-	-	-	0%	16 623
Surplus/(Deficit) after capital transfers & contributions		-	18 093	-	40 796	40 796	55 142			18 093
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		-	18 093	-	40 796	40 796	55 142			18 093
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		-	18 093	-	40 796	40 796	55 142			18 093
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		-	18 093	-	40 796	40 796	55 142			18 093

WC033 Cape Agulhas - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

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 - COUNCIL & EXECUTIVE ADMINISTRATION		-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL & EXECUTIVE ADMINISTRATION2		-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES & IT DIRECTORATE		-	-	-	-	-	-	-	-	-
Vote 4 - MANAGEMENT SERVICES DIRECTORATE		-	-	-	-	-	-	-	-	-
Vote 5 - MANAGEMENT SERVICES DIRECTORATE2		-	-	-	-	-	-	-	-	-
Vote 6 - MANAGEMENT SERVICES DIRECTORATE3		-	-	-	-	-	-	-	-	-
Vote 7 - ENGINEERING SERVICES DIRECTORATE		-	4 636	-	-	375	(375)	-100%	4 636	
Vote 8 - ENGINEERING SERVICES DIRECTORATE2		-	11 987	-	409	409	409	#DIV/0!	11 987	
Vote 9 - ENGINEERING SERVICES DIRECTORATE3		-	9 942	-	476	476	476	#DIV/0!	9 942	
Vote 10 - ENGINEERING SERVICES DIRECTORATE4		-	-	-	-	-	-	-	-	
Vote 11 -		-	-	-	-	-	-	-	-	
Vote 12 -		-	-	-	-	-	-	-	-	
Vote 13 -		-	-	-	-	-	-	-	-	
Vote 14 -		-	-	-	-	-	-	-	-	
Vote 15 -		-	-	-	-	-	-	-	-	
Total Capital Multi-year expenditure	4,7	-	26 564	-	885	885	375	510	136%	26 564
Single Year expenditure appropriation	2									
Vote 1 - COUNCIL & EXECUTIVE ADMINISTRATION		-	58	-	-	-	-	-	-	58
Vote 2 - COUNCIL & EXECUTIVE ADMINISTRATION2		-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES & IT DIRECTORATE		-	3 066	-	-	-	-	-	-	3 066
Vote 4 - MANAGEMENT SERVICES DIRECTORATE		-	1 870	-	-	-	-	-	-	1 870
Vote 5 - MANAGEMENT SERVICES DIRECTORATE2		-	3 934	-	-	-	-	-	-	3 934
Vote 6 - MANAGEMENT SERVICES DIRECTORATE3		-	550	-	-	-	-	-	-	550
Vote 7 - ENGINEERING SERVICES DIRECTORATE		-	10 957	-	-	-	-	-	-	10 957
Vote 8 - ENGINEERING SERVICES DIRECTORATE2		-	8 778	-	-	-	-	-	-	8 778
Vote 9 - ENGINEERING SERVICES DIRECTORATE3		-	2 545	-	-	-	-	-	-	2 545
Vote 10 - ENGINEERING SERVICES DIRECTORATE4		-	1 610	-	-	-	-	-	-	1 610
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	33 368	-	-	-	-	-	-	33 368
Total Capital Expenditure		-	59 933	-	885	885	375	510	136%	59 933
Capital Expenditure - Functional Classification										
Governance and administration		-	3 761	-	-	-	-	-	-	3 761
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	3 761	-	-	-	-	-	-	3 761
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	5 258	-	-	-	-	-	-	5 258
Community and social services		-	2 524	-	-	-	-	-	-	2 524
Sport and recreation		-	2 324	-	-	-	-	-	-	2 324
Public safety		-	410	-	-	-	-	-	-	410
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	20 247	-	409	409	409	#DIV/0!	20 247	
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	19 842	-	409	409	409	#DIV/0!	19 842	
Environmental protection		-	405	-	-	-	-	-	-	405
Trading services		-	30 668	-	476	476	375	101	27%	30 668
Energy sources		-	7 836	-	-	-	-	-	-	7 836
Water management		-	12 486	-	476	476	476	#DIV/0!	12 486	
Waste water management		-	1 610	-	-	-	-	-	-	1 610
Waste management		-	8 736	-	-	-	375	(375)	-100%	8 736
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	-	59 933	-	885	885	375	510	136%	59 933
Funded by:										
National Government		-	15 123	-	834	834	-	834	#DIV/0!	15 123
Provincial Government		-	1 500	-	-	-	-	-	-	1 500
District Municipality transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	16 623	-	834	834	-	834	#DIV/0!	16 623
Borrowing	6	-	22 634	-	-	-	375	(375)	-100%	22 634
Internally generated funds		-	20 675	-	51	51	-	51	#DIV/0!	20 675
Total Capital Funding		-	59 933	-	885	885	375	510	136%	59 933

WC033 Cape Agulhas - Table C6 Monthly Budget Statement - Financial Position - M01 July

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		–	163 998	–	193 356	163 998
Trade and other receivables from exchange transactions		–	102 004	–	62 117	102 004
Receivables from non-exchange transactions		–	10 071	–	38 401	10 071
Current portion of non-current receivables		–	2	–	2	2
Inventory		–	1 132	–	2 074	1 132
VAT		–	4 917	–	5 287	4 917
Other current assets		–	655	–	655	655
Total current assets		–	282 779	–	301 892	282 779
Non current assets						
Investments						
Investment property		–	40 107	–	40 126	40 107
Property, plant and equipment		–	627 440	–	578 135	627 440
Biological assets						
Living and non-living resources						
Heritage assets						
Intangible assets		–	3 095	–	3 822	3 095
Trade and other receivables from exchange transactions		–		–		
Non-current receivables from non-exchange transactions		–	147	–	147	147
Other non-current assets		–	–	–	–	–
Total non current assets		–	670 789	–	622 230	670 789
TOTAL ASSETS		–	953 568	–	924 123	953 568
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities		–	12 047	–	111	12 047
Consumer deposits		–	5 903	–	6 271	5 903
Trade and other payables from exchange transactions		–	54 711	–	112 922	54 711
Trade and other payables from non-exchange transactions		–	5 448	–	14 791	5 448
Provision		–	15 965	–	14 159	15 965
VAT		–	5 363	–	10 027	5 363
Other current liabilities						
Total current liabilities		–	99 436	–	158 280	99 436
Non current liabilities						
Financial liabilities		–	91 586	–	69 594	91 586
Provision		–	82 182	–	83 544	82 182
Long term portion of trade payables						
Other non-current liabilities		–	42 503	–	37 991	42 503
Total non current liabilities		–	216 271	–	191 129	216 271
TOTAL LIABILITIES		–	315 707	–	349 409	315 707
NET ASSETS	2	–	637 860	–	574 713	637 860
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		–	598 360	–	517 125	598 360
Reserves and funds		–	39 500	–	57 589	39 500
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	–	637 860	–	574 713	637 860

WC033 Cape Agulhas - Table C7 Monthly Budget Statement - Cash Flow - M01 July

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		-	93 147	-	4 282	4 282	34 364	(30 082)	-88%	93 147
Service charges		-	272 935	-	15 931	15 931	24 297	(8 365)	-34%	272 935
Other revenue		-	22 505	-	3 433	3 433	799	2 634	330%	22 505
Transfers and Subsidies - Operational		-	18 396	-	17 052	17 052	8	17 044	227258%	18 396
Transfers and Subsidies - Capital		-	16 623	-	1 605	1 605	-	1 605	#DIV/0!	16 623
Interest		-	5 002	-	-	-	319	(319)	-100%	5 002
Dividends										
Payments										
Suppliers and employees		-	(411 707)	-	(36 830)	(36 830)	(20 717)	16 114	-78%	(411 707)
Interest										
Transfers and Subsidies										
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	16 900	-	5 473	5 473	39 069	33 596	86%	16 900
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	15 000	-	-	-	1 250	(1 250)	-100%	15 000
Decrease (increase) in non-current receivables										
Decrease (increase) in non-current investments										
Payments										
Capital assets		-	(59 933)	-	(10 561)	(10 561)	(375)	10 186	-2716%	(59 933)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(44 933)	-	(10 561)	(10 561)	875	11 436	1307%	(44 933)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing		-	19 088	-	-	-	-	-		19 088
Increase (decrease) in consumer deposits		-	5 903	-	25	25	-	25	#DIV/0!	5 903
Payments										
Repayment of borrowing		-	(6 229)	-	-	-	(8)	(8)	100%	(6 229)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	18 763	-	25	25	(8)	(33)	429%	18 763
NET INCREASE/ (DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning:		-	144 676	119 249	119 249	119 249	119 249			119 249
Cash/cash equivalents at month/year end:		-	135 406	119 249		114 186	159 185			109 979

15. QUALITY CERTIFICATE

NAVRAE:
ENQUIRIES: S Stanley

KONTAKNR:
CONTACT NO 028 425 5798

VERW:
REF: 5/3/2023-24 (M01_S71)

KANTOOR:
OFFICES: Bredasdorp

DATUM
DATE 14 August 2023



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

QUALITY CERTIFICATE

I, **EBEN PHILLIPS** the accounting officer / chief financial officer of **CAPE AGULHAS MUNICIPALITY WC033** (name of municipality), hereby certify that –

(mark as appropriate)

The monthly budget statements.

- Quarterly report on the implementation of the budget and financial state affairs of the municipality
- Mid- year budget and performance assessment

For the month ended **31 July 2023** (month/year) has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: **EBEN OLIVER PHILLIPS**

Accounting Officer / Chief Financial Officer of **CAPE AGULHAS MUNICIPALITY WC033** (name and demarcation of municipality)

Signature: _____

Date: 14 August 2023