

CAPE AGULHAS MUNICIPALITY



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

2020/2021

SECTION 71 REPORT FOR THE MONTH ENDING 31 JULY 2020

TABLE OF CONTENTS

1. COUNCIL RESOLUTION.....	3
2. INTRODUCTION	4
3. MAYOR'S SUMMARY	5
4. SUMMARY FINANCIAL PERFORMANCE.....	6
5. COUNCIL FOCUS AREAS (CASH FLOW / LIQUIDITY).....	7
6. INVESTMENT PORTFOLIO	8
7. EXTERNAL BORROWING PORTFOLIO	9
8. mSCOA IMPLEMENTATION	10
9. OUSTANDING DEBT COLLECTION INTERVENTIONS	10
10. REVENUE ENHANCEMENT PLAN / LONG-TERM FINANCIAL PLAN.....	11
11. COST CONTAINMENT REGULATION AND CIRCULAR REQUIREMENTS	12
12. LEGISLATED INFORMATION.....	13
13. QUALITY CERTIFICATE.....	19

PART A

1. COUNCIL RESOLUTION

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 2020**.

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 2020** is noted.
- It be noted that the directors ensure that the budget is implemented in accordance with the Service Delivery and Budget Implementation Plan projections and in accordance with the approved budget;
- It be noted that any material variances will receive remedial or corrective steps.

2. INTRODUCTION

2.1 PURPOSE

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 particulars 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.

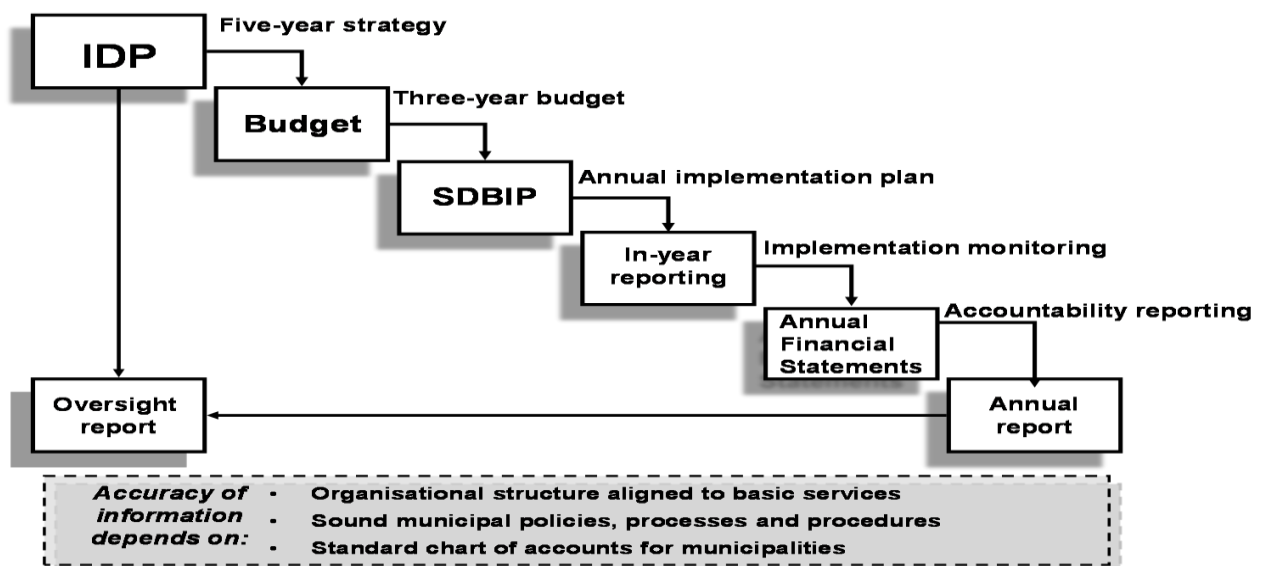
3.1 Budget Process:

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:

- o Reporting on the previous year budget;
- o Current year budget implementation; and
- o 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:



The auditor general completed the auditing of the Annual Financial statements for the financial year 30 June 2020. The municipality received a “clean audit” for the sixth consecutive year.

4. SUMMARY FINANCIAL PERFORMANCE

Revenue performance

Limited information is available, and the municipality will only report extensively in the following months. The impact of COVID 19 lockdown on the performance of service-related income will be monitored to ensure that the budget as approved is realistic and can be achieved.

First installment of Equitable share allocation was received.

The performance to date is recorded at R48,019m.

Expenditure performance

Expenditures of R32,7m recorded for the month. Limited information available to date and more meaningful reporting will be done in future periods.

Capital performance

Capital budget and SCM procurement plan needs to be finalized and implemented to ensure that capital spending will commence as planned.

Cashflow performance

Cashflow information is limited and this will improve in future reporting periods.

National state of disaster (lockdown) / Covid 19

The impact on the National lockdown and the Covid 19 will significantly impact the performance of the municipality operational as well as capital spending and performance for the financial year. Numerous concerns exist in terms of the municipal debt collection, ability of consumers to pay for services as well as the social impact on the Covid 19 crises on the communities. The ability to spend the capital budget will be negatively impacting on the municipal overall performance. Although this is a National disaster, each municipality will need to assess the impact on their own municipal areas.

The municipality is in the process of conducting a Risk assessment relating to analyze the impact of Covid 19 on municipal operations and the overall effect this will have on the municipal functioning.

5. COUNCIL FOCUS AREAS (CASH FLOW / LIQUIDITY)

The financial ratios need to be complete with the draft Annual Financial statements for the 30 June 2020 financial information. This will be done as soon as the information is updated and reported accordingly.

Budget implementation:

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

Summarized explanation:

Ratios will be complete as soon as the financial statements is finalized.

6. INVESTMENT PORTFOLIO

CASH FLOW INFORMATION IN TERMS OF PROVINCIAL CIRCULAR 10 & 50						
DETAILS	Balance as at 01 July 2020	Movements for the month		Balance as at 31 July 2020	Interest earned	Interest earned
		Investments matured	Investments made		Month	Year to date
<i>Cape Agulhas Municipality</i>						
<i>Interest Received YTD</i>				-		
<i>Standard Bank</i>	-	-	25 000 000	25 000 000	27 740	27 740
<i>FNB</i>	-	-		-		
<i>ABSA</i>	-	-		-		
<i>ABSA</i>	1 254 000		-	1 254 000		
<i>Nedbank</i>	-	-	-	-		
<i>Nedbank (CRR)</i>	20 000 000	20 000 000	15 000 000	15 000 000	68 055	68 055
<i>Investec</i>	-			-		-
	-			-		
BANK DEPOSITS	21 254 000	20 000 000	40 000 000	41 254 000	95 795	95 795

7. EXTERNAL BORROWING PORTFOLIO

SUMMARY OF EXTERNAL LOANS FOR MONTH							
Lending Institution	Balance 01 July 20	Interest Capitalised July 20	Repayments July 20	Balance 31 July 20	Percentage	Sinking Funds	Loan Draw Downs
					%		
	-		-	-			
DBSA 1268/B48	-		-	-			
ABSA - Sewerage Truck	337 891,00		-	337 891,00			
ABSA - Light Delivery Vehicle	84 078,00		-	84 078,00			
ABSA - Pedestrian Roller	148 256,00		-	148 256,00			
ABSA - Infrastr. (Old Nostra)	872 118,50		-	872 118,50			
ABSA - Rotary Broom	100 292,00		-	100 292,00			
ABSA - Unspecified Bank	1 903 749,00		-	1 903 749,00			
Nedbank - Asset Finance	1 666 666,00		-	1 666 666,00			
Nedbank - Infrastructure Medium Term	1 800 000,00		-	1 800 000,00			
Nedbank - Infrastructure Long Term	5 600 000,00		-	5 600 000,00			
Asset - Finance	2 304 000,00		-	2 304 000,00			
Infrastructure Long Term	9 000 000,00		-	9 000 000,00			
Infrastructure Medium Term	3 296 000,00		-	3 296 000,00			
				-			
Total	27 113 050,50	-	-	27 113 050,50	-	-	-

8. mSCOA IMPLEMENTATION

Summarised progress on the implementation of mSCOA and actions required

With the compilation of the new budget the municipality will be required to ensure that a more formal steering committee are being implemented again.

The implementation plan also needs to be reviewed and updated to ensure more focussed attention can be given to ensure compliance with the latest financial reforms introduced by National Treasury.

9. OUTSTANDING DEBT COLLECTION INTERVENTIONS

The municipality advertise a tender for the assessing of the internal debt collection capacity as well as the indigent processes and functioning. From the concluding of this process numerous gaps and actions was identified that require implementation to ensure that the efficiency of the municipal debt collection processes can be enhance and improved:

Some of these identified and being implemented at this stage is as follows:

- Capacitating of the debt collection unit.
- Informal training and workshops, and management meetings discussing these shortcomings.
- Re-evaluation of the functioning of the unit and establishing how the access capacity can be utilised.
- Contacting debtors with outstanding balances and no agreements to enforce payment.
- Improved reporting of activities to management.

10. REVENUE ENHANCEMENT PLAN / LONG-TERM FINANCIAL PLAN

Summarised progress on the Revenue Enhancement plan / Long-term financial plan and actions required

The items as identified in the Long-term financial plan as per below table:

<u>ACTION IDENTIFIED IN REVENUE ENHANCEMENT PLAN / FINANCIAL PLAN</u>	<u>Progress</u>
<i>1. Develop land use vision</i>	<i>In process</i>
<i>2. Explore the feasibility of utilising the SANDF airport</i>	<i>Not started</i>
<i>3. Undertake a comprehensive work study</i>	<i>Complete</i>
<i>4. Revenue should be increased</i>	<i>Continuous</i>
<i>5. A collection rate of in excess of 95% and closer to 97% must be maintained</i>	<i>Continuous</i>
<i>6. Explore accessing revenue sources</i>	<i>Continuous</i>
<i>7. Investigate all grant sources</i>	<i>Continuous</i>
<i>8. Optimise the rates structure of farmland</i>	<i>Not started</i>
<i>9. Reduce cost</i>	<i>Continuous</i>
<i>10. Implement shared services</i>	<i>Not started</i>
<i>11. Avoid employing temporary workers</i>	<i>Continuous</i>
<i>12. Review terms of employment</i>	<i>Not started</i>
<i>13. Strengthen the institutional capacity</i>	<i>In process</i>
<i>14. Transfer depreciation charges to a cash backed CRR</i>	<i>Continuous</i>
<i>15. Maintain the credit score of A</i>	<i>In process</i>
<i>16. Rationalisation of the service levels</i>	<i>Not started</i>
<i>17. Do not neglect the replacement of its existing assets</i>	<i>In process</i>
<i>18. Adjust Repairs and Maintenance budget upwards</i>	<i>Continuous</i>
<i>19. Implement integrated asset management</i>	<i>In process</i>
<i>20. Assess all future office accommodation alternatives</i>	<i>Not started</i>
<i>21. Consolidated municipal infrastructure plan</i>	<i>In progress</i>
<i>22. Avoid cost overruns on projects</i>	<i>Continuous</i>

11. 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 is 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.

Below the standardised report relating to **Cost containment measures** implemented by the municipality.

Total cost saving disclosure in the In-year report - 31 JULY 2020								
COST CONTAINMENT IN-YEAR REPORT								
MEASURES	APPROVED BUDGET	Q1 - 30 Sept	Q2 - 31 Dec	Q3 - 31 Mrch	Q4 - June	YTD TOTAL	SAVINGS	% Spent
Use of Consultant	6 873 460,00	188 985,00				188 985,00	6 684 475,00	3%
Travel and subsistence	732 050,00	71 878,00				71 878,00	660 172,00	10%
Domestic accomodation	473 000,00	22 419,00				22 419,00	450 581,00	5%
Sponsorships, events and catering	247 460,00	201,00				201,00	247 259,00	0%
Communication	205 800,00	10 234,00				10 234,00	195 566,00	5%
Other related expenditures	937 140,00	4 567,00				4 567,00	932 573,00	0%
Total	9 468 910,00	298 284,00	-	-	-	298 284,00	9 170 626,00	3%

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.

This is an ongoing process and will be re-evaluate with the adjustment and tabled budget processes.

PART B

12. LEGISLATED INFORMATION

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

Description	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	74 061	–	30 426	30 426	22 218	8 207	37%	74 061
Service charges	198 345	–	16 477	16 477	16 319	159	1%	198 345
Investment revenue	3 300	–	205	205	84	122	145%	3 300
Transfers and subsidies	75 102	–	–	–	18 429	(18 429)	-100%	75 102
Other own revenue	29 236	–	911	911	1 835	(924)	-50%	29 236
Total Revenue (excluding capital transfers and contributions)	380 044	–	48 019	48 019	58 885	(10 866)	-18%	380 044
Employee costs	149 348	–	10 754	10 754	12 446	(1 692)	-14%	149 348
Remuneration of Councillors	6 034	–	471	471	503	(32)	-6%	6 034
Depreciation & asset impairment	11 369	–	947	947	947	0	0%	11 369
Finance charges	13 963	–	–	–	1 164	(1 164)	-100%	13 963
Materials and bulk purchases	147 587	–	147	147	11 122	(10 975)	-99%	147 587
Transfers and subsidies	4 071	–	249	249	329	(80)	-24%	4 071
Other expenditure	53 251	–	2 751	2 751	2 785	(34)	-1%	53 251
Total Expenditure	385 623	–	15 319	15 319	29 296	(13 977)	-48%	385 623
Surplus/(Deficit)	(5 579)	–	32 701	32 701	29 590	3 111	11%	(5 579)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	14 389	–	–	–	235	(235)	-100%	14 389
Surplus/(Deficit) after capital transfers & contributions	8 810	–	32 701	32 701	29 825	2 876	10%	8 810
Surplus/ (Deficit) for the year	8 810	–	32 701	32 701	29 825	2 876	10%	8 810
Capital expenditure & funds sources								
Capital expenditure	62 490	–	202	202	1 021	(819)	-80%	62 490
Capital transfers recognised	14 389	–	147	147	235	(88)	-38%	14 389
Borrowing	36 183	–	55	55	591	(536)	-91%	36 183
Internally generated funds	11 917	–	–	–	195	(195)	-100%	11 917
Total sources of capital funds	62 490	–	202	202	1 021	(819)	-80%	62 490
Financial position								
Total current assets	99 218	99 218		158 051				99 218
Total non current assets	503 116	503 116		446 477				503 116
Total current liabilities	66 108	66 108		61 298				66 108
Total non current liabilities	125 295	125 295		86 853				125 295
Community wealth/Equity	410 931	410 931		456 377				410 931
Cash flows								
Net cash from (used) operating	2 579	–	5 608	5 608	22 415	16 807	75%	2 579
Net cash from (used) investing	(62 482)	–	(202)	(202)	(1 020)	(818)	80%	(62 482)
Net cash from (used) financing	22 239	–	41	41	25	(16)	-63%	22 239
Cash/cash equivalents at the month	26 332	–	–	78 437	85 415	6 978	8%	35 326
Debtors & creditors analysis								
	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	–	–	–	–	–	–	–	–
Creditors Age Analysis								
Total Creditors	–	–	–	–	–	–	–	–

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

Description	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue - Functional								
<i>Governance and administration</i>	127 465	–	31 204	31 204	34 127	(2 924)	-9%	127 465
Executive and council	32 185	–	–	–	10 719	(10 719)	-100%	32 185
Finance and administration	95 280	–	31 204	31 204	23 408	7 796	33%	95 280
Internal audit	–	–	–	–	–	–	–	–
<i>Community and public safety</i>	58 298	–	87	87	8 155	(8 068)	-99%	58 298
Community and social services	6 734	–	10	10	1 176	(1 166)	-99%	6 734
Sport and recreation	8 040	–	(15)	(15)	305	(320)	-105%	8 040
Public safety	12 460	–	92	92	1 096	(1 004)	-92%	12 460
Housing	31 064	–	–	–	5 578	(5 578)	-100%	31 064
Health	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	7 231	–	243	243	410	(167)	-41%	7 231
Planning and development	4 110	–	210	210	98	112	114%	4 110
Road transport	3 121	–	33	33	312	(279)	-89%	3 121
Environmental protection	–	–	–	–	–	–	–	–
<i>Trading services</i>	201 439	–	16 486	16 486	16 428	58	0%	201 439
Energy sources	139 038	–	11 313	11 313	11 513	(200)	-2%	139 038
Water management	30 682	–	2 291	2 291	2 306	(15)	-1%	30 682
Waste water management	12 679	–	1 107	1 107	1 030	77	7%	12 679
Waste management	19 041	–	1 775	1 775	1 579	196	12%	19 041
<i>Other</i>	–	–	–	–	–	–	–	–
Total Revenue - Functional	394 433	–	48 019	48 019	59 120	(11 101)	-19%	394 433
Expenditure - Functional								
<i>Governance and administration</i>	107 460	–	7 605	7 605	8 084	(479)	-6%	107 460
Executive and council	16 955	–	1 133	1 133	1 304	(171)	-13%	16 955
Finance and administration	88 977	–	6 369	6 369	6 662	(293)	-4%	88 977
Internal audit	1 528	–	103	103	117	(14)	-12%	1 528
<i>Community and public safety</i>	77 983	–	2 234	2 234	5 527	(3 293)	-60%	77 983
Community and social services	11 385	–	815	815	894	(79)	-9%	11 385
Sport and recreation	13 496	–	635	635	1 056	(421)	-40%	13 496
Public safety	19 089	–	581	581	1 389	(808)	-58%	19 089
Housing	34 014	–	204	204	2 187	(1 984)	-91%	34 014
Health	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	32 395	–	1 871	1 871	2 392	(521)	-22%	32 395
Planning and development	11 342	–	608	608	757	(149)	-20%	11 342
Road transport	20 976	–	1 262	1 262	1 630	(367)	-23%	20 976
Environmental protection	77	–	–	–	5	(5)	-100%	77
<i>Trading services</i>	164 610	–	3 427	3 427	13 042	(9 616)	-74%	164 610
Energy sources	106 613	–	816	816	8 765	(7 949)	-91%	106 613
Water management	22 604	–	1 161	1 161	1 697	(536)	-32%	22 604
Waste water management	11 960	–	742	742	913	(170)	-19%	11 960
Waste management	23 433	–	707	707	1 668	(961)	-58%	23 433
<i>Other</i>	3 176	–	182	182	250	(68)	-27%	3 176
Total Expenditure - Functional	385 623	–	15 319	15 319	29 296	(13 977)	-48%	385 623
Surplus/ (Deficit) for the year	8 810	–	32 701	32 701	29 825	2 876	10%	8 810

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

Vote Description	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue by Vote								
Vote 1 - Executive and Council	36 384	–	201	201	10 944	(10 743)	-98,2%	36 384
Vote 2 - Financial Services & ICT	81 968	–	31 039	31 039	22 721	8 319	36,6%	81 968
Vote 3 - Corporate Services	–	–	–	–	–	–	–	–
Vote 4 - Management Services	61 415	–	132	132	8 439	(8 306)	-98,4%	61 415
Vote 5 - Engineering Services	214 666	–	16 647	16 647	17 018	(371)	-2,2%	214 666
Total Revenue by Vote	394 433	–	48 019	48 019	59 120	(11 101)	-18,8%	394 433
Expenditure by Vote								
Vote 1 - Executive and Council	47 891	–	2 954	2 954	3 554	(601)	-16,9%	47 891
Vote 2 - Financial Services & ICT	61 788	–	4 563	4 563	4 553	10	0,2%	61 788
Vote 3 - Corporate Services	–	–	–	–	–	–	–	–
Vote 4 - Management Services	87 802	–	2 888	2 888	6 303	(3 416)	-54,2%	87 802
Vote 5 - Engineering Services	188 143	–	4 915	4 915	14 884	(9 970)	-67,0%	188 143
Total Expenditure by Vote	385 623	–	15 319	15 319	29 296	(13 977)	-47,7%	385 623
Surplus/ (Deficit) for the year	8 810	–	32 701	32 701	29 825	2 876	9,6%	8 810

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

Description	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue By Source								
Property rates	74 061	–	30 426	30 426	22 218	8 207	37%	74 061
Service charges - electricity revenue	136 457	–	11 304	11 304	11 412	(108)	-1%	136 457
Service charges - water revenue	30 178	–	2 291	2 291	2 298	(6)	0%	30 178
Service charges - sanitation revenue	12 669	–	1 107	1 107	1 029	77	8%	12 669
Service charges - refuse revenue	19 041	–	1 775	1 775	1 579	196	12%	19 041
–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	1 200	–	161	161	46	114	247%	1 200
Interest earned - external investments	3 300	–	205	205	84	122	145%	3 300
Interest earned - outstanding debtors	1 839	–	0	0	72	(72)	-100%	1 839
Dividends received	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	12 419	–	92	92	1 078	(986)	-91%	12 419
Licences and permits	25	–	–	–	2	(2)	-100%	25
Agency services	3 121	–	33	33	312	(279)	-89%	3 121
Transfers and subsidies	75 102	–	–	–	18 429	(18 429)	-100%	75 102
Other revenue	10 633	–	625	625	324	301	93%	10 633
Gains	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	380 044	–	48 019	48 019	58 885	(10 866)	-18%	380 044
Expenditure By Type								
Employee related costs	149 348	–	10 754	10 754	12 446	(1 692)	-14%	149 348
Remuneration of councillors	6 034	–	471	471	503	(32)	-6%	6 034
Debt impairment	9 904	–	–	–	825	(825)	-100%	9 904
Depreciation & asset impairment	11 369	–	947	947	947	0	0%	11 369
Finance charges	13 963	–	–	–	1 164	(1 164)	-100%	13 963
Bulk purchases	91 250	–	–	–	7 604	(7 604)	-100%	91 250
Other materials	56 336	–	147	147	3 517	(3 371)	-96%	56 336
Contracted services	14 955	–	298	298	187	111	60%	14 955
Transfers and subsidies	4 071	–	249	249	329	(80)	-24%	4 071
Other expenditure	28 392	–	2 453	2 453	1 773	680	38%	28 392
Losses	–	–	–	–	–	–	–	–
Total Expenditure	385 623	–	15 319	15 319	29 296	(13 977)	-48%	385 623
Surplus/(Deficit)	(5 579)	–	32 701	32 701	29 590	3 111	0	(5 579)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	14 389	–	–	–	235	(235)	(0)	14 389
Surplus/(Deficit) after capital transfers & contributions	8 810	–	32 701	32 701	29 825			8 810
Surplus/(Deficit) after taxation	8 810	–	32 701	32 701	29 825			8 810
Attributable to minorities	–	–	–	–	–			–
Surplus/ (Deficit) for the year	8 810	–	32 701	32 701	29 825			8 810

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

Vote Description	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Multi-Year expenditure appropriation								
Vote 1 - Executive and Council	–	–	–	–	–	–	–	–
Vote 2 - Financial Services & ICT	2 000	–	–	–	33	(33)	-100%	2 000
Vote 3 - Corporate Services	–	–	–	–	–	–	–	–
Vote 4 - Management Services	60	–	–	–	1	(1)	-100%	60
Vote 5 - Engineering Services	9 489	–	13	13	155	(142)	-92%	9 489
Total Capital Multi-year expenditure	11 549	–	13	13	189	(176)	-93%	11 549
Single Year expenditure appropriation								
Vote 1 - Executive and Council	2 035	–	–	–	33	(33)	-100%	2 035
Vote 2 - Financial Services & ICT	873	–	–	–	14	(14)	-100%	873
Vote 3 - Corporate Services	–	–	–	–	–	–	–	–
Vote 4 - Management Services	2 830	–	–	–	46	(46)	-100%	2 830
Vote 5 - Engineering Services	45 202	–	189	189	739	(550)	-74%	45 202
Total Capital single-year expenditure	50 941	–	189	189	832	(643)	-77%	50 941
Total Capital Expenditure	62 490	–	202	202	1 021	(819)	-80%	62 490
Funded by:								
National Government	11 833	–	147	147	193	(46)	-24%	11 833
Provincial Government	2 556	–	–	–	42	(42)	-100%	2 556
District Municipality	–	–	–	–	–	–	–	–
Transfers recognised - capital	14 389	–	147	147	235	(88)	-38%	14 389
Borrowing	36 183	–	55	55	591	(536)	-91%	36 183
Internally generated funds	11 917	–	–	–	195	(195)	-100%	11 917
Total Capital Funding	62 490	–	202	202	1 021	(819)	-80%	62 490

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

Description	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	66 655	–	4 948	4 948	4 242	706	17%	66 655
Service charges	178 510	–	14 492	14 492	14 876	(384)	-3%	178 510
Other revenue	18 213	–	788	788	1 518	(730)	-48%	18 213
Transfers and Subsidies - Operational	75 102	–	12 583	12 583	25 034	(12 451)	-50%	75 102
Transfers and Subsidies - Capital	13 889	–	5 793	5 793	4 630	1 163	25%	13 889
Interest	4 955	–	248	248	413	(165)	-40%	4 955
Dividends	–	–	–	–	–	–	–	–
Payments								
Suppliers and employees	(347 027)	–	(32 994)	(32 994)	(27 958)	5 036	-18%	(347 027)
Finance charges	(3 648)	–	–	–	–	–	–	(3 648)
Transfers and Grants	(4 071)	–	(249)	(249)	(339)	(90)	27%	(4 071)
NET CASH FROM/(USED) OPERATING ACTIVITIES	2 579	–	5 608	5 608	22 415	16 807	75%	2 579
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables	8	–	(0)	(0)	1	(1)	-129%	8
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–
Payments								
Capital assets	(62 490)	–	(202)	(202)	(1 021)	(819)	80%	(62 490)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(62 482)	–	(202)	(202)	(1 020)	(818)	80%	(62 482)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	28 440	–	–	–	–	–	–	28 440
Increase (decrease) in consumer deposits	299	–	41	41	25	16	63%	299
Payments								
Repayment of borrowing	(6 500)	–	–	–	–	–	–	(6 500)
NET CASH FROM/(USED) FINANCING ACTIVITIES	22 239	–	41	41	25	(16)	-63%	22 239
NET INCREASE/ (DECREASE) IN CASH HELD	(37 664)	–	5 446	5 446	21 419			(37 664)
Cash/cash equivalents at beginning:	63 996	–	–	72 990	63 996	–	–	72 990
Cash/cash equivalents at month/year end:	26 332	–	–	78 437	85 415	–	–	35 326

13. QUALITY CERTIFICATE

NAVRAE:
ENQUIRIES: S Stanley

KONTAKNR
CONTACT NO 028 425 5798

VERW:
REF: 5/3/2020-21 (M01)

KANTOOR:
OFFICES: Bredasdorp

DATUM
DATE 17 August 2020



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

QUALITY CERTIFICATE

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

(mark as appropriate)

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

For the month ending **31 July 2020** (month/year) has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name D G J O'Neill

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

Signature:

Date: 17 August 2020