

CAPE AGULHAS MUNICIPALITY



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CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

2022/23

SECTION 71 REPORT FOR THE MONTH ENDING 31 JULY 2022

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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 2022**.

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 2022** 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.

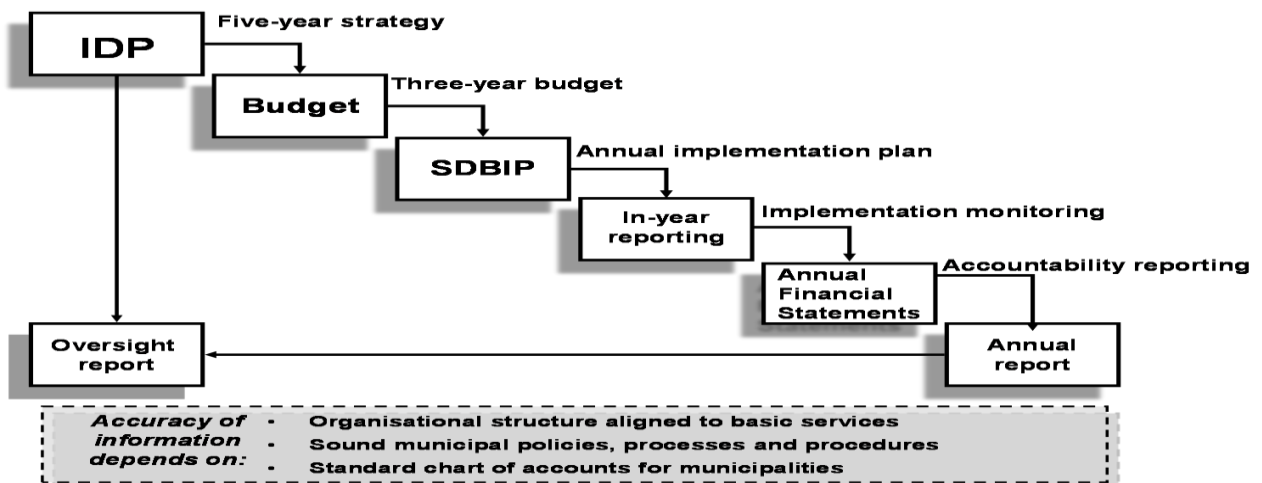
3.1 Budget Process:

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:



As indicated in the diagram above, it's the start of the new budget year 2022/23 as approved by Council. This report is part of the in-year monitoring process and currently also municipality is busy to close-off the prior financial year by compiling its Annual Financial Statements for 2021/22 after which the auditing process will commence.

4. SUMMARY FINANCIAL PERFORMANCE

For the first period of the financial year, most of the municipal activities is based on closing of the previous financial year as well as gearing the municipal processes to implement the new budget for the 2022/23 period. The municipality is implementing the lessons learned in the previous financial year relating to the Capital spending and numerous SCM processes is already at an advance stage of implementing to ensure the previous slow spending of the capital budget can be avoided.

With the implementation of the new financial tariffs approved by council, challenges are always experienced with the finalization on the financial system. These proofs taking longer than initially planned due to various processes and systems that needs to balance before transactions can commence.

Revenue budget

The yearly property rates are billed, and due and payable by the end of October 2022. The first instalment of the National Treasury Equitable share allocation was received and recorded. Normal debt collection procedures are being implemented as per standard operations.

Expenditure budget

Spending will commence as the financial year proceed. At this stage lots of planning and projections in terms of SCM processes are being implemented. Business assumes normal operations and the spending will be reported in the respective months.

Capital performance

Administration is implementing the lessons learned from the previous financial year whereby numerous capital projects was only implemented and finalized during the last quarter of the previous financial year. The intensity and scrutiny experienced resulted in managers ensuring that SCM processes are implemented sooner and finalized. Stricter adherence to the SCM plan will be implemented with respect to the capital spending. The municipal manager also implemented a weekly capital budget monitoring meeting that significantly improved overall performance once implemented.

The National Norm is 95% for capital spending and this is also the municipal target as per HIGH level SDBIP targets.

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 2022 IN TERMS OF LEGISLATION

<u>LEGISLATIVE REFERENCE</u>	<u>DATE</u>	<u>ACTIVITY</u>	<u>STATUS</u>
Section 126	In process – July	Prepare AFS to submit to AG	In process of being completed
Section 53	3 July	Submit SDBIP to Provincial Treasury	Complete
Section 71	14 July	Monthly budget statement (FMR) – 10 th working day to Mayor / Provincial / National treasury	Complete
Section 74	14 July	Cash management reporting – Provincial Treasury	Complete
Provincial circular	15 July	Provincial roll-over Unspent grant letter -submit to Provincial treasury	Complete
Section 11	30 July	Q4 Quarterly withdrawals and report – Submitted to Council	Complete
Section 52	30 July	Q4 Quarterly Section 52 report to Council – Incorporate the section 71 report	Complete

**THE FOLLOWING LIST OF ACTIVITIES IS DUE FOR THE REPORTING MONTH OF AUGUST 2022
IN TERMS OF LEGISLATION**

<u>LEGISLATIVE REFERENCE</u>	<u>DATE</u>	<u>ACTIVITY</u>	<u>STATUS</u>
Section 71	15 August	Monthly budget statement (FMR) – 10 th working day to Mayor / Provincial / National treasury	
Section 74	15 August	Cash management reporting – Provincial Treasury	
National Circular	26 August	Submit Roll-over application letter to National Treasury as per circular	
Section 126	31 August	Prepare AFS to submit to AG	

8. INVESTMENT PORTFOLIO

WC033 CAPE AGULHAS MUNICIPALITY							
CASH FLOW INFORMATION IN TERMS OF PROVINCIAL CIRCULAR 10 & 50							
DETAILS	Balance as at 01 July 2022	Movements for the month			Balance as at 31 July 2022	Interest earned	Interest earned
		Investments matured	Investments made	Interest capitalised			
Municipality							
<i>Interest Received YTD</i>	-				-		
<i>Standard Bank</i>	10 000 000	-	-		10 000 000	48 836	48 836
<i>FNB</i>	34 200 000	-	-		34 200 000	184 446	184 446
<i>ABSA (CRR)</i>	34 626 050	-	-		34 626 050	193 213	193 213
<i>ABSA (ESKOM Deposit)</i>	1 254 000	-	-		1 254 000	5 165	5 165
<i>ABSA (ESKOM Deposit)</i>	2 535 000	-	-		2 535 000	10 442	10 442
<i>Nedbank</i>	-	-	-		-	-	-
<i>Nedbank (CRR)</i>	20 000 000	-	-		20 000 000	97 671	97 671
<i>Investec</i>	-	-	-		-	-	-
	-				-		
BANK DEPOSITS	102 615 050	-	-	-	102 615 050	539 773	539 773

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								
Lending Institution	Loan Number	Loan start date	Loan settlement date	Loan Amount	Repayment installment	Balance 01 July 22	New loans raised	Balance 31 July 22
ABSA - Infrastr. (Old Nostra)	3044713107	30 June 2016	30 June 2026	1 200 000,00	200 393,14	636 613,49	-	636 613,49
ABSA - Various	3046537820	06 July 2017	30 June 2027	2 400 000,00	385 310,66	1 485 480,32	-	1 485 480,32
Nedbank - Infrastructure Medium Term	INFRA 4	27 June 2019	30 June 2024	4 120 000,00	1 034 895,46	1 648 000,00	-	1 648 000,00
Nedbank - Infrastructure Long Term	INFRA 2	26 June 2018	30 June 2028	7 000 000,00	1 189 186,36	4 200 000,00	-	4 200 000,00
Nedbank	Asset Finance	26 June 2019	30 June 2024	2 880 000,00	723 422,06	1 152 000,00	-	1 152 000,00
Nedbank - Infrastructure	INFRA 1	26 June 2018	30 June 2023	3 000 000,00	701 338,84	600 000,00	-	600 000,00
Nedbank - Infrastructure	INFRA 3	27 June 2019	30 June 2029	10 000 000,00	1 769 003,84	7 000 000,00	-	7 000 000,00
Std Bank - Motor Vehicle Fleet	Medium (655414)	29 June 2021	30 June 2024	4 800 000,00	1 776 574,16	3 296 455,25	-	3 296 455,25
Std Bank - New and Upgrade Infrastructure	Asset (655433)	29 June 2021	30 June 2026	2 318 000,00	548 085,44	1 910 551,55	-	1 910 551,55
Std Bank - New and Upgrade Infrastructure	Long (655414)	29 June 2021	30 June 2031	27 082 000,00	3 631 866,70	25 033 738,11	-	25 033 738,11
FNB - Motor Vehicle Fleet		27 June 2022	30 June 2027	8 542 000,00	2 050 737,06	8 542 000,00		8 542 000,00
FNB - New and Upgrade Infrastructure		27 June 2022	30 June 2027	4 091 200,00	983 738,50	4 091 200,00		4 091 200,00
FNB - New and Upgrade Infrastructure		27 June 2022	30 June 2032	21 992 850,00	3 089 685,76	21 992 850,00		21 992 850,00
Total					11 960 076,66	81 588 888,72	-	81 588 888,72

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 2022	
Commitments against Cash & Cash Equivalents		
DESCRIPTION	Previous Month R'000	Current Month R'000
Cash & Cash Equivalents	122 278	116 235
Commitments:	74 228	92 587
Unspent Loans	40 044	68 826
Unspent Grants	14 050	3 761
Capital Funding Requirement 2019/20 (cash resources)		
Capital Replacement Reserve by 30 June 2021	20 000	20 000
Loan repayment due 30 June	-	-
Projected salary		-
Projected creditors	134	-
Capital commitment outstanding	-	-
Year-end creditor payments (partly funded)		
Surplus / (Deficit)	48 050	23 648

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	3 953 389	1 449 412	1 033 413	1 466 408	307 572	185 651	1 770 725	1 099 100	11 265 670
Trade and Other Receivables from Exchange Transactions - Electricity	11 091 693	2 150 925	534 610	896 701	203 403	125 658	1 524 504	673 818	17 201 312
Receivables from Non-exchange Transactions - Property Rates	31 512 520	1 611 646	523 623	840 849	349 121	245 576	2 910 203	2 658 885	40 652 423
Receivables from Exchange Transactions - Waste Water Management	1 791 237	764 088	288 647	752 682	230 856	125 907	1 122 123	818 500	5 894 040
Receivables from Exchange Transactions - Water Management	2 821 020	1 104 672	381 951	1 024 205	311 993	161 559	1 631 810	1 087 984	8 525 194
Receivables from Exchange Transactions - Property Rental Debtors	217 544	1 519 508	129 170	66 322	57 306	29 860	696 005	1 144 056	3 859 771
Interest on Arrear Debtor Accounts	286 874	279 175	122 542	501 240	125 035	73 088	869 577	880 158	3 137 689
Recoverable unauthorised or irregular or fruitless and wasteful Expenditure	-	-	-	-	-	-	-	-	-
Other	- 2 351 762	195 529	37 405	173 939	35 971	16 659	150 967	355 987	- 1 385 305
Total By Income Source	49 322 515	9 074 955	3 051 361	5 722 346	1 621 257	963 958	10 675 914	8 718 488	89 150 794
Debtors Age Analysis By Customer Group									
Organs of State	563 459	385 099	173 483	203 684	148 080	100 588	561 528	1 550 673	3 686 594
Commercial	11 202 820	2 779 881	334 387	322 333	117 654	78 000	1 978 375	2 444 221	19 257 671
Households	37 540 381	5 908 954	2 542 423	5 195 306	1 354 582	784 459	8 108 072	4 684 158	66 118 335
Other	15 855	1 021	1 068	1 023	941	911	27 939	39 436	88 194
Total By Customer Group	49 322 515	9 074 955	3 051 361	5 722 346	1 621 257	963 958	10 675 914	8 718 488	89 150 794

The age analysis for debtors reported that a total of **R89.15m** of debt is outstanding for the reporting period.

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)

Historically due to the Property rates valuation implementation the first month of the financial year is seen as abnormal period with respect to the debt collection. The yearly property rates payable at the end of October yearly is levied.

Analysis of the debtor's book of the municipality reflects the following:

- Household debts – R66,118,335
- Property rates – R31,512,520 (July 2022 amount billed)

12. mSCOA IMPLEMENTATION

The new budget of 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 focused attention can be given to ensure compliance with the latest financial reforms introduced by National Treasury.

The implementation of MSCOA requirements is a continuous process with many challenges already addressed.

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

Total cost saving disclosure in the In-year report

COST CONTAINMENT IN-YEAR REPORT

<i>MEASURES</i>	<i>APPROVED BUDGET</i>	<i>Q1 - 30 Sept</i>	<i>Q2 - 31 Dec</i>	<i>Q3 - 31 Mrch</i>	<i>Q4 - June</i>	<i>YTD TOTAL</i>	<i>Unspent</i>	<i>% Spent</i>
<i>Use of Consultants</i>	<i>7 063 600,00</i>	<i>297 561,09</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>297 561,09</i>	<i>6 766 038,91</i>	<i>4,2%</i>
<i>Use of RME contractors</i>	<i>10 096 600,00</i>	<i>31 335,67</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>31 335,67</i>	<i>10 065 264,33</i>	<i>0,3%</i>
<i>Travel and subsistence</i>	<i>332 800,00</i>	<i>11 332,51</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>11 332,51</i>	<i>321 467,49</i>	<i>3,4%</i>
<i>Domestic accommodation</i>	<i>213 600,00</i>	<i>6 335,00</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>6 335,00</i>	<i>207 265,00</i>	<i>3,0%</i>
<i>Sponsorship, events and catering</i>	<i>181 700,00</i>	<i>2 972,53</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2 972,53</i>	<i>178 727,47</i>	<i>1,6%</i>
<i>Communication</i>	<i>377 800,00</i>	<i>10 636,01</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>10 636,01</i>	<i>367 163,99</i>	<i>2,8%</i>
<i>Other related expenditures</i>	<i>1 033 200,00</i>	<i>11 952,40</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>11 952,40</i>	<i>1 021 247,60</i>	<i>1,2%</i>
<i>Total</i>	<i>19 299 300,00</i>	<i>372 125,21</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>372 125,21</i>	<i>18 927 174,79</i>	<i>1,9%</i>

PART B

14. LEGISLATED INFORMATION

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

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	81 031	81 511	-	32 323	32 323	30 353	1 970	6%	81 511
Service charges	224 424	241 821	-	19 116	19 116	20 152	(1 035)	-5%	241 821
Investment revenue	4 783	2 506	-	110	110	209	(98)	-47%	2 506
Transfers and subsidies	44 940	53 037	-	14 444	14 444	1 093	13 351	1221%	53 037
Other own revenue	34 166	38 439	-	1 331	1 331	3 203	(1 872)	-58%	38 439
Total Revenue (excluding capital transfers and contributions)	389 345	417 313	-	67 325	67 325	55 010	12 314	22%	417 313
Employee costs	157 640	167 932	-	12 401	12 401	13 323	(922)	-7%	167 932
Remuneration of Councillors	4 938	5 777	-	483	483	481	2	0%	5 777
Depreciation & asset impairment	14 212	10 827	-	902	902	902	(0)	-0%	10 827
Finance charges	9 430	6 564	-	-	-	547	(547)	-100%	6 564
Inventory consumed and bulk purchases	134 336	140 289	-	13 761	13 761	1 983	11 778	594%	140 289
Transfers and subsidies	2 080	2 361	-	100	100	197	(96)	-49%	2 361
Other expenditure	46 999	75 411	-	3 537	3 537	7 325	(3 788)	-52%	75 411
Total Expenditure	389 635	409 161	-	31 185	31 185	24 760	6 425	26%	409 161
Surplus/(Deficit)	19 710	8 152	-	36 140	36 140	30 251	5 889	19%	8 152
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	19 794	31 504	-	-	-	387	(387)	-100%	31 504
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - only)	365	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	39 869	39 656	-	36 140	36 140	30 638	5 502	18%	39 656
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	39 869	39 656	-	36 140	36 140	30 638	5 502	18%	39 656
Capital expenditure & funds sources									
Capital expenditure	53 465	70 616	-	29	29	494	(485)	-94%	70 616
Capital transfers recognised	24 729	28 004	-	-	-	-	-	-	28 004
Borrowing	13 937	19 088	-	29	29	52	(23)	-45%	19 088
Internally generated funds	14 799	23 524	-	-	-	442	(442)	-100%	23 524
Total sources of capital funds	53 465	70 616	-	29	29	494	(485)	-94%	70 616
Financial position									
Total current assets	195 148	257 356	-	-	231 967	-	-	-	257 356
Total non current assets	567 765	629 471	-	-	566 892	-	-	-	629 471
Total current liabilities	96 526	94 374	-	-	96 332	-	-	-	94 374
Total non current liabilities	180 779	180 407	-	-	180 779	-	-	-	180 407
Community wealth/Equity	485 608	612 047	-	-	521 748	-	-	-	612 047
Cash flows									
Net cash from (used) operating	174 047	48 052	-	12 632	12 632	2 350	(10 283)	-438%	48 052
Net cash from (used) investing	(36 203)	(55 616)	-	(10 715)	(10 715)	756	11 471	1517%	(55 616)
Net cash from (used) financing	34 626	13 330	-	-	-	(480)	(480)	100%	13 330
Cash/cash equivalents at the month/year end	281 831	125 110	123 457	-	125 374	126 083	709	1%	129 223
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dya	151-180 Dya	181 Dya-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	49 322	9 075	3 051	5 722	1 621	964	10 676	8 718	89 151
Creditors Age Analysis									
Total Creditors	14 430	-	-	-	-	-	-	-	14 430

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

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	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>		151 493	153 811	-	47 368	47 368	32 169	15 197	47%	153 811
Executive and council		33 326	37 037	-	14 444	14 444	-	14 444	#DIV/0!	37 037
Finance and administration		118 168	116 774	-	32 922	32 922	32 169	753	2%	116 774
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		14 052	18 790	-	523	523	1 394	(872)	-63%	18 790
Community and social services		7 151	7 463	-	18	18	617	(600)	-97%	7 463
Sport and recreation		6 726	8 483	-	505	505	707	(202)	-29%	8 483
Public safety		-	-	-	-	-	-	-	-	-
Housing		175	844	-	-	-	70	(70)	-100%	844
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		8 094	11 054	-	308	308	921	(613)	-67%	11 054
Planning and development		3 864	3 180	-	172	172	265	(93)	-35%	3 180
Road transport		3 415	4 045	-	92	92	337	(245)	-73%	4 045
Environmental protection		815	3 830	-	44	44	319	(275)	-86%	3 830
<i>Trading services</i>		235 865	267 163	-	19 129	19 129	20 914	(1 785)	-9%	267 163
Energy sources		151 484	174 959	-	12 617	12 617	14 647	(2 029)	-14%	174 959
Water management		43 098	49 444	-	2 917	2 917	2 704	213	8%	49 444
Waste water management		17 308	18 314	-	1 398	1 398	1 526	(128)	-8%	18 314
Waste management		23 975	24 446	-	2 197	2 197	2 037	159	8%	24 446
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	409 505	448 817	-	67 325	67 325	55 398	11 927	22%	448 817
Expenditure - Functional										
<i>Governance and administration</i>		109 050	118 757	-	9 115	9 115	10 948	(1 833)	-17%	118 757
Executive and council		14 617	15 017	-	996	996	2 661	(1 665)	-63%	15 017
Finance and administration		92 824	101 909	-	7 963	7 963	8 142	(179)	-2%	101 909
Internal audit		1 609	1 831	-	156	156	145	11	8%	1 831
<i>Community and public safety</i>		32 003	35 897	-	1 998	1 998	2 883	(885)	-31%	35 897
Community and social services		11 248	13 061	-	817	817	1 038	(222)	-21%	13 061
Sport and recreation		13 821	14 957	-	828	828	1 207	(379)	-31%	14 957
Public safety		3 733	4 082	-	110	110	333	(223)	-67%	4 082
Housing		3 201	3 798	-	244	244	305	(61)	-20%	3 798
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		37 817	48 039	-	2 702	2 702	3 712	(1 009)	-27%	48 039
Planning and development		12 661	15 157	-	1 017	1 017	1 069	(52)	-5%	15 157
Road transport		18 970	21 625	-	1 269	1 269	1 733	(463)	-27%	21 625
Environmental protection		6 186	11 258	-	416	416	910	(494)	-54%	11 258
<i>Trading services</i>		190 765	206 467	-	17 369	17 369	7 217	10 152	141%	206 467
Energy sources		128 400	140 202	-	14 529	14 529	1 925	12 604	655%	140 202
Water management		23 616	24 946	-	1 322	1 322	1 985	(663)	-33%	24 946
Waste water management		12 634	13 701	-	753	753	1 111	(358)	-32%	13 701
Waste management		26 115	27 619	-	765	765	2 197	(1 431)	-65%	27 619
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	389 635	409 161	-	31 185	31 185	24 760	6 425	26%	409 161
Surplus/ (Deficit) for the year		39 869	39 656	-	36 140	36 140	30 638	5 502	18%	39 656

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

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - COUNCIL & EXECUTIVE ADMINISTRATION		38 467	39 493	-	14 657	14 657	205	14 452	7062.7%	39 493
Vote 2 - FINANCIAL SERVICES & IT DIRECTORATE		105 222	102 630	-	32 744	32 744	31 984	760	2.4%	102 630
Vote 3 - MANAGEMENT SERVICES DIRECTORATE		4 231	7 874	-	136	136	656	(520)	-79.2%	7 874
Vote 4 - MANAGEMENT SERVICES DIRECTORATE2		14 255	17 115	-	537	537	1 422	(884)	-62.2%	17 115
Vote 5 - ENGINEERING SERVICES DIRECTORATE		245 001	279 679	-	19 130	19 130	20 962	(1 833)	-8.7%	279 679
Vote 6 - ENGINEERING SERVICES DIRECTORATE2		2 329	2 027	-	121	121	169	(48)	-28.5%	2 027
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	409 505	448 817	-	67 325	67 325	55 308	11 927	21.5%	448 817
Expenditure by Vote	1									
Vote 1 - COUNCIL & EXECUTIVE ADMINISTRATION		39 097	40 961	-	3 009	3 009	4 592	(1 583)	-34.5%	40 961
Vote 2 - FINANCIAL SERVICES & IT DIRECTORATE		59 480	70 541	-	5 004	5 004	5 637	(632)	-11.2%	70 541
Vote 3 - MANAGEMENT SERVICES DIRECTORATE		18 918	25 207	-	1 168	1 168	2 032	(863)	-42.5%	25 207
Vote 4 - MANAGEMENT SERVICES DIRECTORATE2		33 725	38 143	-	2 325	2 325	3 056	(731)	-23.9%	38 143
Vote 5 - ENGINEERING SERVICES DIRECTORATE		192 406	208 266	-	17 525	17 525	7 358	10 168	138.2%	208 266
Vote 6 - ENGINEERING SERVICES DIRECTORATE2		26 009	26 043	-	2 153	2 153	2 086	68	3.2%	26 043
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	369 635	409 161	-	31 185	31 185	24 760	6 425	25.9%	409 161
Surplus/ (Deficit) for the year	2	39 869	39 656	-	36 140	36 140	30 638	5 502	18.0%	39 656

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

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		81 031	81 511	-	32 323	32 323	30 353	1 970	6%	81 511
Service charges - electricity revenue		148 068	167 603	-	12 611	12 611	13 967	(1 356)	-10%	167 603
Service charges - water revenue		35 388	31 974	-	2 917	2 917	2 665	252	9%	31 974
Service charges - sanitation revenue		16 993	18 089	-	1 392	1 392	1 507	(115)	-8%	18 089
Service charges - refuse revenue		23 975	24 154	-	2 197	2 197	2 013	184	9%	24 154
Rental of facilities and equipment		2 946	1 564	-	182	182	130	52	40%	1 564
Interest earned - external investments		4 783	2 506	-	110	110	209	(98)	-47%	2 506
Interest earned - outstanding debtors		1 922	1 991	-	157	157	166	(9)	-5%	1 991
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 224	3 520	-	145	145	293	(148)	-50%	3 520
Licences and permits		83	142	-	-	-	12	(12)	-100%	142
Agency services		3 415	4 045	-	92	92	337	(245)	-73%	4 045
Transfers and subsidies		44 940	53 037	-	14 444	14 444	1 093	13 351	1221%	53 037
Other revenue		11 202	12 177	-	753	753	1 015	(261)	-26%	12 177
Gains		13 375	15 000	-	-	-	1 250	(1 250)	-100%	15 000
Total Revenue (excluding capital transfers and contributions)		389 345	417 313	-	67 325	67 325	55 010	12 314	22%	417 313
Expenditure By Type										
Employee related costs		157 640	167 932	-	12 401	12 401	13 323	(922)	-7%	167 932
Remuneration of councillors		4 938	5 777	-	483	483	481	2	0%	5 777
Debt impairment		-	9 018	-	-	-	751	(751)	-100%	9 018
Depreciation & asset impairment		14 212	10 827	-	902	902	902	(0)	0%	10 827
Finance charges		9 430	6 564	-	-	-	547	(547)	-100%	6 564
Bulk purchases - electricity		112 352	116 487	-	13 532	13 532	-	13 532	#DIV/0!	116 487
Inventory consumed		21 984	23 802	-	229	229	1 983	(1 754)	-88%	23 802
Contracted services		18 545	30 263	-	499	499	2 142	(1 643)	-77%	30 263
Transfers and subsidies		2 080	2 361	-	100	100	197	(96)	-49%	2 361
Other expenditure		28 455	36 119	-	3 037	3 037	4 431	(1 393)	-31%	36 119
Losses		-	10	-	-	-	1	(1)	-100%	10
Total Expenditure		389 635	409 161	-	31 185	31 185	24 780	6 425	26%	409 161
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		19 710	8 152	-	36 140	36 140	30 251	5 889	0	8 152
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		19 794	31 504	-	-	-	387	(387)	(0)	31 504
Transfers and subsidies - capital (in-kind - all)		365	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		39 869	39 656	-	36 140	36 140	30 638			39 656
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		39 869	39 656	-	36 140	36 140	30 638			39 656
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		39 869	39 656	-	36 140	36 140	30 638			39 656
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		39 869	39 656	-	36 140	36 140	30 638			39 656

Total Capital Expenditure		53 465	70 618	-	29	29	494	(485)	-94%	70 618
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		2 387	1 903	-	-	-	16	(16)	-100%	1 903
Executive and council		13	-	-	-	-	-	-	-	-
Finance and administration		2 375	1 903	-	-	-	16	(16)	-100%	1 903
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		2 509	3 498	-	-	-	29	(29)	-100%	3 498
Community and social services		82	1 368	-	-	-	29	(29)	-100%	1 368
Sport and recreation		2 071	2 101	-	-	-	-	-	-	2 101
Public safety		355	29	-	-	-	-	-	-	29
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		20 827	16 753	-	-	-	67	(67)	-100%	16 753
Planning and development		1 314	1 188	-	-	-	1	(1)	-100%	1 188
Road transport		19 045	14 655	-	-	-	50	(50)	-100%	14 655
Environmental protection		468	910	-	-	-	16	(16)	-100%	910
<i>Trading services</i>		27 742	48 463	-	29	29	382	(353)	-93%	48 463
Energy sources		10 969	12 156	-	-	-	259	(259)	-100%	12 156
Water management		5 513	8 325	-	29	29	71	(42)	-60%	8 325
Waste water management		12 790	19 320	-	-	-	52	(52)	-100%	19 320
Waste management		(1 530)	8 662	-	-	-	1	(1)	-100%	8 662
<i>Other</i>										
Total Capital Expenditure - Functional Classification	3	53 465	70 618	-	29	29	494	(485)	-94%	70 618
Funded by:										
National Government		20 106	27 302	-	-	-	-	-	-	27 302
Provincial Government		4 623	703	-	-	-	-	-	-	703
District Municipality										
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)										
Transfers recognised - capital		24 729	28 004	-	-	-	-	-	-	28 004
Borrowing	6	13 937	19 088	-	29	29	52	(23)	-45%	19 088
Internally generated funds		14 799	23 524	-	-	-	442	(442)	-100%	23 524
Total Capital Funding		53 465	70 618	-	29	29	494	(485)	-94%	70 618

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

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands						
ASSETS						
Current assets						
Cash		123 457	30 750	-	126 949	30 750
Call investment deposits		-	118 998	-	-	118 998
Consumer debtors		48 845	88 783	-	78 801	88 783
Other debtors		21 057	17 244	-	24 626	17 244
Current portion of long-term receivables		(2)	3	-	(2)	3
Inventory		1 792	1 578	-	1 594	1 578
Total current assets		195 148	257 356	-	231 967	257 356
Non current assets						
Long-term receivables		155	154	-	155	154
Investments		-	-	-	-	-
Investment property		40 311	40 301	-	40 310	40 301
Investments in Associate		-	-	-	-	-
Property, plant and equipment		522 813	585 573	-	521 941	585 573
Biological		-	-	-	-	-
Intangible		4 486	3 443	-	4 486	3 443
Other non-current assets		-	-	-	-	-
Total non current assets		567 765	629 471	-	566 892	629 471
TOTAL ASSETS		762 914	886 827	-	798 859	886 827
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		12 047	8 000	-	12 047	8 000
Consumer deposits		5 903	6 095	-	5 902	6 095
Trade and other payables		64 908	65 004	-	64 840	65 004
Provisions		13 668	15 274	-	13 543	15 274
Total current liabilities		96 526	94 374	-	96 332	94 374
Non current liabilities						
Borrowing		69 580	68 993	-	69 580	68 993
Provisions		111 199	111 413	-	111 199	111 413
Total non current liabilities		180 779	180 407	-	180 779	180 407
TOTAL LIABILITIES		277 306	274 781	-	277 111	274 781
NET ASSETS	2	485 608	612 047	-	521 748	612 047
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		448 108	574 547	-	484 248	574 547
Reserves		37 500	37 500	-	37 500	37 500
TOTAL COMMUNITY WEALTH/EQUITY	2	485 608	612 047	-	521 748	612 047

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

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		73 858	80 404	-	4 332	4 332	4 513	(181)	-4%	80 404
Service charges		237 107	262 863	-	16 558	16 558	21 905	(5 347)	-24%	262 863
Other revenue		15 438	18 458	-	4 325	4 325	1 538	2 787	181%	18 458
Transfers and Subsidies - Operational		38 998	16 820	-	14 465	14 465	1 562	12 903	826%	16 820
Transfers and Subsidies - Capital		15 298	30 804	-	3 840	3 840	1 263	2 577	204%	30 804
Interest		-	1 747	-	-	-	146	(146)	-100%	1 747
Dividends										
Payments										
Suppliers and employees		(206 652)	(365 404)	-	(30 888)	(30 888)	(28 774)	2 114	-7%	(365 404)
Finance charges										
Transfers and Grants		-	2 361	-	-	-	197	197	100%	2 361
NET CASH FROM/(USED) OPERATING ACTIVITIES		174 047	48 052	-	12 632	12 632	2 350	(10 283)	-438%	48 052
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		4 115	15 000	-	-	-	1 250	(1 250)	-100%	15 000
Decrease (increase) in non-current receivables										
Decrease (increase) in non-current investments										
Payments										
Capital assets		(40 319)	(70 616)	-	(10 715)	(10 715)	(494)	10 221	-2069%	(70 616)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(36 203)	(55 616)	-	(10 715)	(10 715)	758	11 471	1517%	(55 616)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing		34 626	19 088	-	-	-	-	-	-	19 088
Increase (decrease) in consumer deposits										
Payments										
Repayment of borrowing		-	(5 758)	-	-	-	(480)	(480)	100%	(5 758)
NET CASH FROM/(USED) FINANCING ACTIVITIES		34 626	13 330	-	-	-	(480)	(480)	100%	13 330
NET INCREASE/ (DECREASE) IN CASH HELD		172 470	5 767	-	1 917	1 917	2 628			5 767
Cash/cash equivalents at beginning:		109 361	119 343	123 457	123 457	123 457	123 457			123 457
Cash/cash equivalents at month/year end:		281 831	125 110	123 457		125 374	126 083			129 223

WC033 Cape Agulhas - Supporting Table SC2 Monthly Budget Statement - performance indicators - M01 July

Description of financial indicator	Basis of calculation	Ref	2021/22	Budget Year 2022/23			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		2.6%	4.3%	0.0%	0.0%	3.0%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		26.1%	27.0%	0.0%	100.0%	27.0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		30.2%	23.2%	0.0%	28.1%	23.2%
Gearing	Long Term Borrowing/ Funds & Reserves		185.5%	184.0%	0.0%	185.5%	184.0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	202.2%	272.7%	0.0%	240.8%	272.7%
Liquidity Ratio	Monetary Assets/Current Liabilities		127.9%	158.7%	0.0%	131.8%	158.7%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		18.0%	25.4%	0.0%	153.9%	25.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		40.5%	40.2%	0.0%	18.4%	40.2%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		6.1%	4.2%	0.0%	0.0%	3.0%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

15. QUALITY CERTIFICATE

NAVRAE: S Stanley
ENQUIRIES:
KONTAKNR: 028 425 5798
CONTACT NO:
VERW: 5/3/2022-23 (M01_S71)
REF:
KANTOOR: Bredasdorp
OFFICES:
DATUM: 11 August 2022
DATE:



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 2022** (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: 11 Aug 2022