

CAPE AGULHAS MUNICIPALITY



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

2020/2021

**SECTION 52 REPORT FOR THE
QUARTER ENDED 30 SEPTEMBER 2020**
(Section 71 report incorporated)

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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 **30 September 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 **30 September 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.

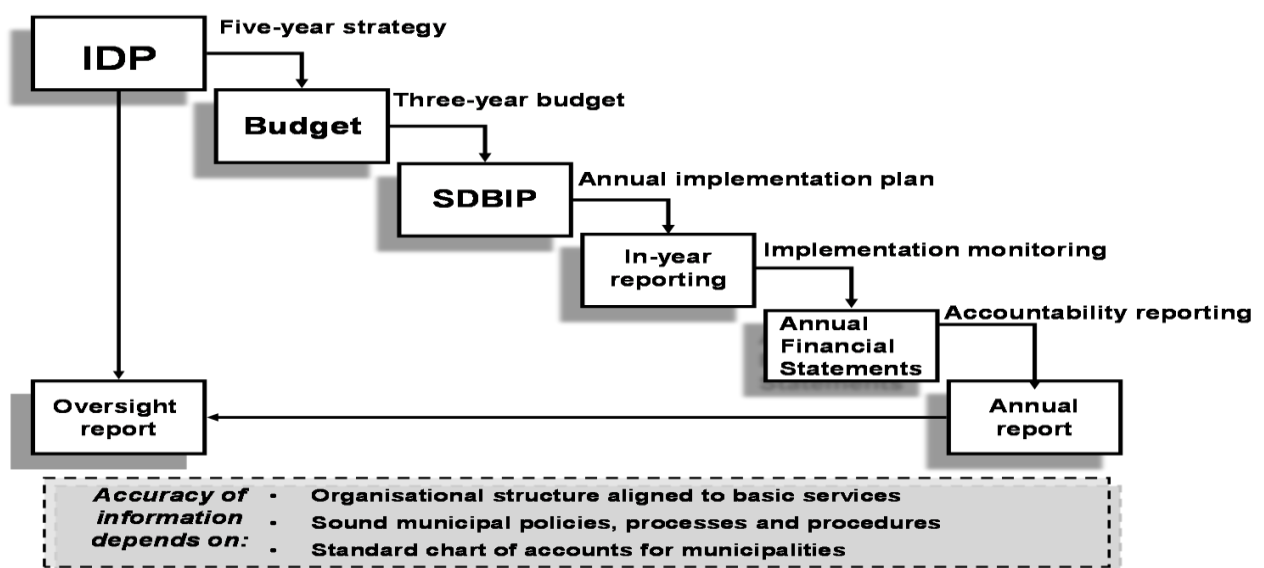
3.1 Budget Process:

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 Draft Annual financial statements for the financial year 30 June 2020 will be submitted to the Auditor General at the end of October 2020. This is due to the Covid 19 pandemic and extension provide by National Government per gazette and numerous communication received.

4. SUMMARY FINANCIAL PERFORMANCE

Revenue performance

The first quarter ending 30 September 2020. This being the first “real” period where sufficient information is available post COVID 19, the effects of the pandemic / lockdown will start filtering through the revenue and expenditures projections going forward. For the period ending 30 September 2020 actual income reflect totals of R108,112m compared with a budget of R380,044m. This recorded as 28.4% of budgeted performance. The main income sources of the municipal revenue budget are Property rates and Service charges, that is mostly in the control of the municipality. These represents 81.7% of the total revenue performance.

The first installment of the Equitable share allocation was received during the first quarter.

Expenditure performance

Expenditure totals R71,02m are recorded for the period ending 30 September 2020. The totals represent 18.4% of the total budget. Employee related cost and materials and bulk materials represents the biggest component of the expenditures recorded to date.

Capital performance

Capital budget at 8% for the quarter is very low and outside the projections based on the procurement plan for the period. The biggest project on the municipal budget, Bredasdorp Wastewater Treatment Works (BDWWTW) of R31,5m contributes a total of R3.5m of the total spending to date. This in effect means that the municipal spending for the rest of the capital projects totals R1.1m for the quarter. This should be an area of concern and the administration will need to implement measures to ensure this improve over the period.

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.

Financial performance

Property rates (23%)

The yearly property rates are due in October yearly. This is mainly contributing to the positive variance recorded. From the month of October, the performance pattern should stabilize and reflect more in line with the actual performance.

Investment revenue (10%)

The better than projected performance for the quarter ending 30 September 2020 is due to the additional funds being available at the beginning of the financial year.

The slow capital spending also contributes and ensure that more funds are available for investment purposes. This is a positive variance stating that the municipality received more revenue in terms of interest than projected for the period.

Transfers and subsidies (-34%)

The first installment of Equitable share allocation was received during the first quarter. All other transfers were received as per payment schedule distributed by National Treasury. The negative variance is mostly because of the low capital spending on the revenues recognized for the quarter. The bulk of the transfers related to National and Provincial allocations and the municipality only recognized revenues as and when spending occurred based on the grant funded expenditures.

Other own revenue (-44%)

Due to the lockdown the municipal performance for other revenues are slow and below performance. The income from Fines are reflected as part of the other revenue category. Most of these revenues are only recorded at the end of the financial year. The municipality needs to implement a strategy to ensure that the revenue is recorded on a more continuous basis to improve performance. Income from resorts and the renting of municipal facilities was also negatively impacted due to the lockdown as a result of the Covid 19 pandemic.

Employee cost (-12%)

Employee cost record normal business operational variance. This is mostly due to vacancies budgeted that could not be filled to date due to lockdown restrictions. Spending on overtime / standby was also negatively impacted due to the lockdown.

This should however have a positive spin-off as reflected in the investment revenue interest due to additional funding being available for investments.

Finance charges (-100%)

The finance charges represent the cost associated with the finance charges related to post employee benefits as well as finance charges, related to the external financing. The municipality pay external loans during September and

March yearly. To date nothing has been recorded against the expenditure category. The administration needs to investigate the implementing these expenditure categories on a more regular basis to ensure that more accurate information can be reflected.

Materials and bulk purchases (-25%)

The year to date budget is based on historical trends. The actual performance will however fluctuate on a yearly basis, especially at the beginning of the financial year. This should smooth out over the remaining reporting periods as spending “catch-up” with projections recorded. This is mainly due to spending patterns of the community, due to the direct correlation between the electricity usage and the bulk purchases accounts. The impact of the Covid 19 pandemic will also reflect in the performance of the bulk purchase spending due to the direct impact of the sale of household electricity on the available funds of the community.

For the quarter ending 30 September 2020 a total of R25,4m was spent to date.

Transfers and subsidies (-47%)

Represents transfers made to community organizations in support of welfare and other community projects. This is mainly done on an application basis and managed by the office of the Executive Mayor. Spending is only recorded as and when these applications are received and processed by the committee.

Other expenditures (-24%)

Other expenditures are low due to the start of the financial year. The impact of the Covid 19 on operations should also not be underestimated with services only presuming fulltime during August. This should probably improve over the next reporting cycle and with the next quarter. a

Capital expenditures (-41%)

As mentioned above the Capital spending is an area of concern. Slow spending with the bulk of the spending going for BD WWTW to date. administrations are busy implemented a monitoring system on the capital budget. This will be done a monthly basis to ensure that the municipality achieve targets in terms of capital spending. Improvements should be seen over the next couple of months.

Cash flows

Cashflow information report positive variances for the reporting period. This is due to the slow capital spending as well as the financial year only being into it's second month. Numerous grants were also received for the financial year already and spending will be smooth over the reporting periods. This also contributes to the positive cash information.

6. 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 focus areas and these ratios will be monitored monthly 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.

7. INVESTMENT PORTFOLIO

WC033 CAPE AGULHAS MUNICIPALITY

CASH FLOW INFORMATION IN TERMS OF PROVINCIAL CIRCULAR 10 & 50							
DETAILS	Balance as at 01 Sept 2020	Movements for the month			Balance as at 30 Sept 2020	Interest earned	Interest earned
		Investments matured	Investments made	Interest capitalised			
<i>Cape Agulhas Municipality</i>							
<i>Interest Received YTD</i>					-		
<i>Standard Bank</i>	10 000 000	10 000 000	20 000 000		20 000 000	32 425	32 425
<i>FNB</i>	-	-	-		-		-
<i>ABSA</i>	20 000 000	20 000 000	25 000 000		25 000 000	63 649	63 649
<i>ABSA</i>	1 254 000		-		1 254 000	-	-
<i>Nedbank</i>	-	-	-		-		-
<i>Nedbank (CRR)</i>	-	-	-		-	-	-
<i>Investec</i>	-				-		-
	-				-		
BANK DEPOSITS	31 254 000	30 000 000	45 000 000	-	46 254 000	96 074	96 074

8. 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	Balance 01 Sept 20	Interest Capitalised Sept 20	Repayments Sept 20	Balance 30 Sept 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	-	-	-

9. 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.

10. DEBTORS MANAGEMENT / INTERVENTIONS

The age analysis for debtors reported that a total of **R78.3m** of debt is outstanding for the reporting period. Although a huge amount of these debt relates to the implementation of the yearly property rates valuation, care should be taken that the **outstanding debt for longer than 90 days** represents **44%** of all outstanding debt. With the current economic climate and the impact of Covid 19 on the household income levels the municipality will experience challenges with collecting of these debts if allowed to escalate to levels above 90 days. This is due to households being severely constraint with reducing income levels. Caution should be exercised, and the municipality must ensure that debts are within controllable levels.

Debt older than 1-year totals **R18,7m** of the totals outstanding debt.

The collection rate recorded for the period ending **September 2020** totals 105.94%. comparing the outstanding debtors at the end of August of **R83,2m** the totals reflects a positive decrease of R4,9m from August. The biggest concern is the total outstanding debt longer than 90 days.

The municipality advertise the tender for the collection of outstanding debts. The SCM tender process was concluded, and administration is busy evaluation the tenders as per the SCM policy and processes. Finance envisions that an appointment of the successful tenderer will be done within the next couple of months with target date ending 30 November 2020. This should assist and enhance the municipal performance with respect to the collecting of outstanding debtors.

A **Revenue enhancement plan** was compiled and below the progress of the enhancement plan. The plan and interventions need to be updated and will be reported as soon as finalized.

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.



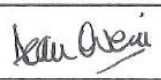
Below the standardised report relating to **Cost containment measures** implemented by the municipality.

Total cost saving disclosure in the In-year report - 30 SEPT 2020					
COST CONTAINMENT IN-YEAR REPORT					
MEASURES	APPROVED BUDGET	Q1 - 30 Sept	YTD TOTAL	SAVINGS	% Spent
Use of Consultant	6 873 460,00	620 676,69	620 676,69	6 252 783,31	9,0%
Travel and subsistence	732 050,00	88 536,99	88 536,99	643 513,01	12,1%
Domestic accomodation	473 000,00	29 487,39	29 487,39	443 512,61	6,2%
Sponsorships, events and catering	247 460,00	10 057,60	10 057,60	237 402,40	4,1%
Communication	378 600,00	90 656,15	90 656,15	287 943,85	23,9%
Other related expenditures	937 140,00	109 274,62	109 274,62	827 865,38	11,7%
Total	9 641 710,00	948 689,44	948 689,44	8 693 020,56	9,8%

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.

12. SECTION 11 (4) MFMA WITHDRAWALS

 PROVINCIAL TREASURY Withdrawals from Municipal Bank Accounts In accordance with Section 11, Sub-section 1 (b) to (j) 			
NAME OF MUNICIPALITY:	CAPE AGULHAS MUNICIPALITY		
MUNICIPAL DEMARCATION CODE:	WC033		
QUARTER ENDED:	30 SEPTEMBER 2020		
MFMA section 11. (1) Only the <i>accounting officer</i> or the <i>chief financial officer</i> of a <i>municipality</i> , or any other senior <i>financial official</i> of the <i>municipality</i> acting on the written authority of the <i>accounting officer</i> may withdraw money or authorise the withdrawal of money from any of the <i>municipality's</i> bank accounts, and may do so only -	Amount	Reason for withdrawal	
	(b) to defray expenditure authorised in terms of section 26(4);	Not Applicable	Payment of Operational and Capital expenditures.
	(c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);	None	None
	(d) in the case of a bank account opened in terms of section 12. to make payments from the account in accordance with subsection (4) of that section;	None	None
	(e) to pay over to a person or organ of state money received by the <i>municipality</i> on behalf of that person or organ of state, including -	None	None
	(i) money collected by the <i>municipality</i> on behalf of that person or organ of state by agreement; or	None	None
	(ii) any insurance or other payments received by the <i>municipality</i> for that person or organ of state;	None	None
	(f) to refund money incorrectly paid into a bank account;	None	None
	(g) to refund guarantees, sureties and <i>security</i> deposits;	None	None
	(h) for cash management and <i>investment</i> purposes in accordance with section 13;	R115m	Q1 consolidated investments (Roll-over)
	(i) to defray increased expenditure in terms of section 31; or	None	None
	(j) for such other purposes as may be <i>prescribed</i> .	None	None
(4) The <i>accounting officer</i> must within 30 days after the end of each <i>quarter</i> -	Name and Surname: D O' Neill		
(a) table in the <i>municipal council</i> a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that <i>quarter</i> ; and	Rank/Position: Municipal Manager		
(b) submit a copy of the report to the relevant <i>provincial treasury</i> and the <i>Auditor-General</i> .	Signature: 		
Tel number	Fax number	Email Address	
028 425 5500		shauns@capeagulhas.gov.za	
The completed form must reach Mr Edwin Nkuna at the Provincial Treasury, Private Bag x 9165, 7 Wale Street, Cape Town, 8000, Tel: 021 483 8662, Fax 021 483 8623, Email: enkuna@pgwc.gov.za on or before the 15th of the month following the end of each quarter.			

PART B

13. LEGISLATED INFORMATION

WC033 Cape Agulhas - Table C1 Monthly Budget Statement Summary - Q1 First Quarter									
Description	2019/20	Budget Year 2020/21							
	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	-	74 061	-	4 305	38 978	31 644	7 333	23%	74 061
Service charges	-	198 345	-	15 918	49 360	50 831	(1 471)	-3%	198 345
Investment revenue	-	3 300	-	192	641	585	57	10%	3 300
Transfers and subsidies	-	75 102	-	563	15 033	22 845	(7 812)	-34%	75 102
Other own revenue	-	29 236	-	1 916	4 100	7 375	(3 276)	-44%	29 236
Total Revenue (excluding capital transfers and contributions)	-	380 044	-	22 894	108 112	113 281	(5 168)	-5%	380 044
Employee costs	-	149 348	-	11 458	32 927	37 337	(4 410)	-12%	149 348
Remuneration of Councillors	-	6 034	-	475	1 417	1 509	(91)	-6%	6 034
Depreciation & asset impairment	-	11 369	-	946	2 841	2 842	(1)	-0%	11 369
Finance charges	-	13 963	-	-	-	3 491	(3 491)	-100%	13 963
Materials and bulk purchases	-	147 587	-	13 054	25 495	33 855	(8 360)	-25%	147 587
Transfers and subsidies	-	4 071	-	169	529	988	(460)	-47%	4 071
Other expenditure	-	53 251	-	3 502	7 812	10 342	(2 531)	-24%	53 251
Total Expenditure	-	385 623	-	29 606	71 021	90 364	(19 343)	-21%	385 623
Surplus/(Deficit)	-	(5 579)	-	(6 712)	37 092	22 917	14 175	62%	(5 579)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	14 389	-	1 434	3 562	1 830	1 732	95%	14 389
Surplus/(Deficit) after capital transfers & contributions	-	8 810	-	(5 277)	40 654	24 747	15 906	64%	8 810
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	8 810	-	(5 277)	40 654	24 747	15 906	64%	8 810
Capital expenditure & funds sources									
Capital expenditure	-	62 490	-	1 913	4 693	7 949	(3 257)	-41%	62 490
Capital transfers recognised	-	14 389	-	1 449	3 601	1 830	1 771	97%	14 389
Borrowing	-	36 183	-	155	783	4 603	(3 820)	-83%	36 183
Internally generated funds	-	11 917	-	308	308	1 516	(1 208)	-80%	11 917
Total sources of capital funds	-	62 490	-	1 913	4 693	7 949	(3 257)	-41%	62 490
Financial position									
Total current assets	-	99 218	-	-	161 090	-	-	-	99 218
Total non current assets	-	503 116	-	-	460 534	-	-	-	503 116
Total current liabilities	-	66 108	-	-	52 803	-	-	-	66 108
Total non current liabilities	-	125 295	-	-	112 815	-	-	-	125 295
Community wealth/Equity	-	410 931	-	-	456 006	-	-	-	410 931
Cash flows									
Net cash from (used) operating	-	2 579	-	8 552	21 729	23 672	1 943	8%	2 579
Net cash from (used) investing	-	(62 482)	-	(1 913)	(4 693)	(7 948)	(3 254)	41%	(62 482)
Net cash from (used) financing	-	22 239	-	43	126	75	(51)	-68%	22 239
Cash/cash equivalents at the month/year end	-	26 332	-	-	90 203	79 795	(10 408)	-13%	35 377
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	17 262	6 702	19 587	2 651	2 215	1 684	9 451	18 747	78 300
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

**WC033 Cape Agulhas - Table C2 Monthly Budget Statement - Financial Performance
(functional classification) - Q1 First Quarter**

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								
Governance and administration	127 465	127 465	6 453	59 264	46 267	12 997	28%	127 465
Executive and council	32 185	32 185	–	14 470	10 727	3 743	35%	32 185
Finance and administration	95 280	95 280	6 453	44 794	35 541	9 253	26%	95 280
Internal audit	–	–	–	–	–	–	–	–
Community and public safety	58 298	58 298	1 421	1 615	15 934	(14 319)	-90%	58 298
Community and social services	6 734	6 734	59	78	1 889	(1 811)	-96%	6 734
Sport and recreation	8 040	8 040	979	1 045	2 211	(1 166)	-53%	8 040
Public safety	12 460	12 460	356	465	3 062	(2 597)	-85%	12 460
Housing	31 064	31 064	27	27	8 771	(8 745)	-100%	31 064
Health	–	–	–	–	–	–	–	–
Economic and environmental services	7 231	7 231	505	1 380	1 617	(236)	-15%	7 231
Planning and development	4 110	4 110	183	589	833	(244)	-29%	4 110
Road transport	3 121	3 121	323	791	783	8	1%	3 121
Environmental protection	–	–	–	–	–	–	–	–
Trading services	201 439	201 439	15 950	49 415	51 293	(1 878)	-4%	201 439
Energy sources	139 038	139 038	11 099	33 852	36 279	(2 427)	-7%	139 038
Water management	30 682	30 682	1 941	6 839	7 129	(290)	-4%	30 682
Waste water management	12 679	12 679	1 151	3 419	3 148	271	9%	12 679
Waste management	19 041	19 041	1 758	5 306	4 737	569	12%	19 041
Other	–	–	–	–	–	–	–	–
Total Revenue - Functional	394 433	394 433	24 328	111 675	115 111	(3 437)	-3%	394 433
Expenditure - Functional								
Governance and administration	107 460	107 460	8 500	22 458	25 081	(2 623)	-10%	107 460
Executive and council	16 955	16 955	2 508	4 661	3 997	664	17%	16 955
Finance and administration	88 977	88 977	5 864	17 453	20 719	(3 265)	-16%	88 977
Internal audit	1 528	1 528	128	344	365	(21)	-6%	1 528
Community and public safety	77 983	77 983	2 977	7 603	17 260	(9 657)	-56%	77 983
Community and social services	11 385	11 385	938	2 596	2 731	(136)	-5%	11 385
Sport and recreation	13 496	13 496	951	2 292	3 220	(927)	-29%	13 496
Public safety	19 089	19 089	836	2 054	4 472	(2 418)	-54%	19 089
Housing	34 014	34 014	252	661	6 837	(6 176)	-90%	34 014
Health	–	–	–	–	–	–	–	–
Economic and environmental services	32 395	32 395	1 950	5 663	7 565	(1 901)	-25%	32 395
Planning and development	11 342	11 342	668	1 913	2 562	(650)	-25%	11 342
Road transport	20 976	20 976	1 282	3 751	4 987	(1 237)	-25%	20 976
Environmental protection	77	77	–	–	15	(15)	-100%	77
Trading services	164 610	164 610	15 904	34 624	39 700	(5 076)	-13%	164 610
Energy sources	106 613	106 613	12 225	24 845	26 374	(1 529)	-6%	106 613
Water management	22 604	22 604	1 796	4 540	5 196	(655)	-13%	22 604
Waste water management	11 960	11 960	920	2 516	2 778	(262)	-9%	11 960
Waste management	23 433	23 433	962	2 723	5 352	(2 630)	-49%	23 433
Other	3 176	3 176	274	672	758	(86)	-11%	3 176
Total Expenditure - Functional	385 623	385 623	29 606	71 021	90 364	(19 343)	-21%	385 623
Surplus/ (Deficit) for the year	8 810	8 810	(5 277)	40 654	24 747	15 906	64%	8 810

WC033 Cape Agulhas - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q1 First Quarter

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	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	36 384	21	14 791	11 550	3 241	28,1%	36 384
Vote 2 - Financial Services & ICT	-	81 968	81 968	4 934	40 913	33 295	7 618	22,9%	81 968
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Management Services	-	61 415	61 415	1 710	2 394	16 709	(14 315)	-85,7%	61 415
Vote 5 - Engineering Services	-	214 666	214 666	17 663	53 577	53 558	19	0,0%	214 666
Total Revenue by Vote	-	394 433	394 433	24 328	111 675	115 111	(3 437)	-3,0%	394 433
Expenditure by Vote									
Vote 1 - Executive and Council	-	47 891	47 891	4 861	10 840	11 160	(320)	-2,9%	47 891
Vote 2 - Financial Services & ICT	-	61 788	61 788	3 651	11 451	14 260	(2 809)	-19,7%	61 788
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Management Services	-	87 802	87 802	3 781	9 806	19 620	(9 814)	-50,0%	87 802
Vote 5 - Engineering Services	-	188 143	188 143	17 313	38 923	45 323	(6 401)	-14,1%	188 143
Total Expenditure by Vote	-	385 623	385 623	29 606	71 021	90 364	(19 343)	-21,4%	385 623
Surplus/ (Deficit) for the year	-	8 810	8 810	(5 277)	40 654	24 747	15 906	64,3%	8 810

**WC033 Cape Agulhas - Table C4 Monthly Budget Statement - Financial Performance
(revenue and expenditure) - Q1 First Quarter**

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	74 061	4 305	38 978	31 644	7 333	23%	74 061
Service charges - electricity revenue	136 457	136 457	11 067	33 799	35 884	(2 085)	-6%	136 457
Service charges - water revenue	30 178	30 178	1 941	6 837	7 065	(228)	-3%	30 178
Service charges - sanitation revenue	12 669	12 669	1 151	3 419	3 145	274	9%	12 669
Service charges - refuse revenue	19 041	19 041	1 758	5 306	4 737	569	12%	19 041
	-	-	-	-	-	-		-
Rental of facilities and equipment	1 200	1 200	(143)	83	281	(198)	-70%	1 200
Interest earned - external investments	3 300	3 300	192	641	585	57	10%	3 300
Interest earned - outstanding debtors	1 839	1 839	(2)	(7)	337	(344)	-102%	1 839
Dividends received	-	-	-	-	-	-		-
Fines, penalties and forfeits	12 419	12 419	206	315	3 047	(2 731)	-90%	12 419
Licences and permits	25	25	-	-	6	(6)	-100%	25
Agency services	3 121	3 121	323	791	783	8	1%	3 121
Transfers and subsidies	75 102	75 102	563	15 033	22 845	(7 812)	-34%	75 102
Other revenue	10 633	10 633	1 519	2 815	2 921	(106)	-4%	10 633
Gains	-	-	13	102	-	102	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)	380 044	380 044	22 894	108 112	113 281	(5 168)	-5%	380 044
Expenditure By Type								
Employee related costs	149 348	149 348	11 458	32 927	37 337	(4 410)	-12%	149 348
Remuneration of councillors	6 034	6 034	475	1 417	1 509	(91)	-6%	6 034
Debt impairment	9 904	9 904	-	-	2 476	(2 476)	-100%	9 904
Depreciation & asset impairment	11 369	11 369	946	2 841	2 842	(1)	0%	11 369
Finance charges	13 963	13 963	-	-	3 491	(3 491)	-100%	13 963
Bulk purchases	91 250	91 250	11 322	21 989	22 807	(818)	-4%	91 250
Other materials	56 336	56 336	1 732	3 506	11 048	(7 542)	-68%	56 336
Contracted services	14 955	14 955	539	1 407	2 299	(892)	-39%	14 955
Transfers and subsidies	4 071	4 071	169	529	988	(460)	-47%	4 071
Other expenditure	28 392	28 392	2 964	6 405	5 568	837	15%	28 392
Losses	-	-	-	-	-	-		-
Total Expenditure	385 623	385 623	29 606	71 021	90 364	(19 343)	-21%	385 623
Surplus/(Deficit)	(5 579)	(5 579)	(6 712)	37 092	22 917	14 175	62%	(5 579)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	14 389	14 389	1 434	3 562	1 830	1 732	95%	14 389
Transfers and subsidies - capital (in-kind -	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	8 810	8 810	(5 277)	40 654	24 747			8 810
Taxation	-	-	-	-	-	-		-
Surplus/(Deficit) after taxation	8 810	8 810	(5 277)	40 654	24 747			8 810
Attributable to minorities	-	-	-	-	-	-		-
Surplus/(Deficit) attributable to municipality	8 810	8 810	(5 277)	40 654	24 747			8 810
Share of surplus/ (deficit) of associate	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	8 810	8 810	(5 277)	40 654	24 747			8 810

WC033 Cape Agulhas - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q1 First Quarter

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	2 000	176	176	254	(79)	-31%	2 000
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-
Vote 4 - Management Services	60	60	4	4	8	(4)	-47%	60
Vote 5 - Engineering Services	9 489	9 489	84	109	1 207	(1 099)	-91%	9 489
Total Capital Multi-year expenditure	11 549	11 549	264	288	1 469	(1 181)	-80%	11 549
Single Year expenditure appropriation								
Vote 1 - Executive and Council	2 035	2 035	3	3	259	(256)	-99%	2 035
Vote 2 - Financial Services & ICT	873	873	51	51	111	(60)	-54%	873
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-
Vote 4 - Management Services	2 830	2 830	17	17	360	(343)	-95%	2 830
Vote 5 - Engineering Services	45 202	45 202	1 578	4 333	5 750	(1 417)	-25%	45 202
Total Capital single-year expenditure	50 941	50 941	1 649	4 404	6 480	(2 076)	-32%	50 941
Total Capital Expenditure	62 490	62 490	1 913	4 693	7 949	(3 257)	-41%	62 490
Capital Expenditure - Functional Classification								
Governance and administration	3 302	3 302	227	227	420	(193)	-46%	3 302
Executive and council	-	-	-	-	-	-	-	-
Finance and administration	3 302	3 302	227	227	420	(193)	-46%	3 302
Internal audit	-	-	-	-	-	-	-	-
Community and public safety	2 201	2 201	24	24	280	(256)	-91%	2 201
Community and social services	62	62	8	8	8	(0)	0%	62
Sport and recreation	2 105	2 105	16	16	268	(252)	-94%	2 105
Public safety	31	31	-	-	4	(4)	-100%	31
Housing	4	4	-	-	0	(0)	-100%	4
Health	-	-	-	-	-	-	-	-
Economic and environmental services	11 907	11 907	175	803	1 515	(712)	-47%	11 907
Planning and development	2 006	2 006	-	-	255	(255)	-100%	2 006
Road transport	9 831	9 831	175	803	1 251	(448)	-36%	9 831
Environmental protection	70	70	-	-	9	(9)	-100%	70
Trading services	45 080	45 080	1 487	3 639	5 735	(2 096)	-37%	45 080
Energy sources	6 329	6 329	77	101	805	(704)	-87%	6 329
Water management	3 660	3 660	-	-	466	(466)	-100%	3 660
Waste water management	32 911	32 911	1 410	3 538	4 187	(649)	-15%	32 911
Waste management	2 180	2 180	-	-	277	(277)	-100%	2 180
Other	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	62 490	62 490	1 913	4 693	7 949	(3 257)	-41%	62 490
Funded by:								
National Government	11 833	11 833	1 445	3 597	1 505	2 091	139%	11 833
Provincial Government	2 556	2 556	5	5	325	(320)	-99%	2 556
District Municipality	-	-	-	-	-	-	-	-
Transfers recognised - capital	14 389	14 389	1 449	3 601	1 830	1 771	97%	14 389
Borrowing	36 183	36 183	155	783	4 603	(3 820)	-83%	36 183
Internally generated funds	11 917	11 917	308	308	1 516	(1 208)	-80%	11 917
Total Capital Funding	62 490	62 490	1 913	4 693	7 949	(3 257)	-41%	62 490

WC033 Cape Agulhas - Table C6 Monthly Budget Statement - Financial Position - Q1 First Quarter

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		49 252	16 332	16 332	41 414	16 332
Call investment deposits		23 789	10 000	10 000	48 789	10 000
Consumer debtors		45 262	61 735	61 735	65 452	61 735
Other debtors		9 817	9 481	9 481	3 727	9 481
Current portion of long-term receivables		3	8	8	3	8
Inventory		1 936	1 662	1 662	1 706	1 662
Total current assets		130 059	99 218	99 218	161 090	99 218
Non current assets						
Long-term receivables		161	169	169	161	169
Investments		-	-	-	-	-
Investment property		40 513	40 182	40 182	40 511	40 182
Investments in Associate		-	-	-	-	-
Property, plant and equipment		413 303	458 559	458 559	415 157	458 559
Biological		-	-	-	-	-
Intangible		4 705	4 206	4 206	4 705	4 206
Other non-current assets		-	-	-	-	-
Total non current assets		458 682	503 116	503 116	460 534	503 116
TOTAL ASSETS		588 741	602 334	602 334	621 624	602 334
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		6 027	6 750	6 750	6 027	6 750
Consumer deposits		5 028	5 277	5 277	5 153	5 277
Trade and other payables		36 579	39 989	39 989	29 224	39 989
Provisions		12 748	14 093	14 093	12 399	14 093
Total current liabilities		60 382	66 108	66 108	52 803	66 108
Non current liabilities						
Borrowing		20 763	42 539	42 539	20 763	42 539
Provisions		92 244	82 755	82 755	92 052	82 755
Total non current liabilities		113 007	125 295	125 295	112 815	125 295
TOTAL LIABILITIES		173 389	191 403	191 403	165 618	191 403
NET ASSETS	2	415 352	410 931	410 931	456 006	410 931
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		380 352	390 931	390 931	421 006	390 931
Reserves		35 000	20 000	20 000	35 000	20 000
TOTAL COMMUNITY WEALTH/EQUITY	2	415 352	410 931	410 931	456 006	410 931

WC033 Cape Agulhas - Table C7 Monthly Budget Statement - Cash Flow - Q1 First Quarter

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	66 655	9 028	22 277	28 480	(6 203)	-22%	66 655
Service charges	178 510	178 510	15 619	45 489	44 628	861	2%	178 510
Other revenue	18 213	18 213	2 304	4 257	4 553	(296)	-7%	18 213
Transfers and Subsidies - Operational	75 102	75 102	5 285	23 990	25 034	(1 044)	-4%	75 102
Transfers and Subsidies - Capital	13 889	13 889	2 689	10 925	4 630	6 295	136%	13 889
Interest	4 955	4 955	256	815	1 239	(424)	-34%	4 955
Payments								
Suppliers and employees	(347 027)	(347 027)	(26 460)	(85 495)	(83 873)	1 622	-2%	(347 027)
Finance charges	(3 648)	(3 648)	-	-	-	-	-	(3 648)
Transfers and Grants	(4 071)	(4 071)	(169)	(529)	(1 018)	(489)	48%	(4 071)
NET CASH FROM/(USED) OPERATING ACTIVITIES	2 579	2 579	8 552	21 729	23 672	1 943	8%	2 579
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	8	8	(0)	(1)	2	(2)	-129%	8
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-
Payments								
Capital assets	(62 490)	(62 490)	(1 913)	(4 693)	(7 949)	(3 257)	41%	(62 490)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(62 482)	(62 482)	(1 913)	(4 693)	(7 948)	(3 254)	41%	(62 482)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	28 440	28 440	-	-	-	-	-	28 440
Increase (decrease) in consumer deposits	299	299	43	126	75	51	68%	299
Payments								
Repayment of borrowing	(6 500)	(6 500)	-	-	-	-	-	(6 500)
NET CASH FROM/(USED) FINANCING ACTIVITIES	22 239	22 239	43	126	75	(51)	-68%	22 239
NET INCREASE/ (DECREASE) IN CASH HELD								
Cash/cash equivalents at beginning:	63 996	63 996	6 682	73 041	63 996			73 041
Cash/cash equivalents at month/year end:	26 332	26 332		90 203	79 795			35 377

WC033 Cape Agulhas - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q1 First Quarter

Description	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
RECEIPTS:								
Operating Transfers and Grants								
National Government:	37 359	37 359	-	16 584	16 874	(290)	-1,7%	37 359
Local Government Equitable Share	32 155	32 155	-	14 470	14 470	-		32 155
Energy Efficiency and Demand-side [Schedule 5B]	-	-						
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2 026	2 026	-	507	507	-		2 026
Local Government Financial Management Grant [Schedule 5B]	1 257	1 257	-	1 257	1 257	-		1 257
Municipal Infrastructure Grant [Schedule 5B]	1 571	1 571			524	(524)	-100,0%	1 571
Municipal Systems Improvement Grant [Schedule 5B]	-	-						
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	350	350	-	350	117	233	200,0%	350
Provincial Government:	37 743	37 743	5 285	7 406	12 581	(5 175)	-41,1%	37 743
Human Settlement Development	30 889	30 889	5 285	5 285	10 296	(5 011)	-48,7%	30 889
Library Service Conditional Grant	6 307	6 307	-	2 121	2 102	19	0,9%	6 307
Community Development Workers (CDW)	56	56			19	(19)	-100,0%	56
Financial Management Support (WC_FMGSG)	401	401			134	(134)	-100,0%	401
Roads Subsidy	90	90			30	(30)	-100,0%	90
Other transfers and grants [insert description]								
Total Operating Transfers and Grants	75 102	75 102	5 285	23 990	29 455	(5 465)	-18,6%	75 102
Capital Transfers and Grants								
National Government:	11 833	11 833	2 689	10 925	4 140	6 785	163,9%	11 833
Municipal Infrastructure Grant [Schedule 5B]	9 390	9 390	2 689	8 482	3 130	5 352	171,0%	9 390
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	2 150	2 150	-	2 150	717	1 433	200,0%	2 150
Local Government Financial Management Grant [Schedule 5B]	293	293	-	293	293	-		293
Provincial Government:	2 056	2 056	-	-	685	(685)	-100,0%	2 056
Library Service Conditional Grant	56	56			19	(19)	-100,0%	56
Regional Social Economic Projects	2 000	2 000			667	(667)	-100,0%	2 000
Financial Management Support (WC_FMGSG)	-	-						
Total Capital Transfers and Grants	13 889	13 889	2 689	10 925	4 825	6 100	126,4%	13 889
TOTAL RECEIPTS OF TRANSFERS & GRANTS	88 991	88 991	7 974	34 915	34 280	635	1,9%	88 991

14. QUALITY CERTIFICATE

NAVRAE:
ENQUIRIES: S Stanley

KONTAKNR
CONTACT NO 028 425 5798

VERW:
REF: 5/3/2020-21 (S52/M03)

KANTOOR:
OFFICES: Bredasdorp

DATUM
DATE 8 October 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 **30 SEPTEMBER 2020** (month/year) has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name DEAN O'NEILL

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

Signature:

Date: 8 October 2020