

CAPE AGULHAS MUNICIPALITY



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

2019/2020

SECTION 54 REPORT FOR THE QUARTER ENDING 30 SEPTEMBER 2019

(incorporated the Section 71 reports)

TABLE OF CONTENTS

1. COUNCIL RESOLUTION.....	3
2. INTRODUCTION	4
3. MAYOR'S SUMMARY	5
4. SUMMARY FINANCIAL PERFORMANCE.....	7
5. COUNCIL FOCUS AREAS (CASH FLOW / LIQUIDITY).....	8
6. mSCOA IMPLEMENTATION	10
7. REVENUE ENHANCEMENT PLAN / LONG-TERM FINANCIAL PLAN.....	10
8. SECTION 11 (4) MFMA WITHDRAWELS.....	11
9. COST CONTAINMENT REGULATION AND CIRCULAR REQUIREMENTS	12
10. LEGISLATED INFORMATION.....	13
11. QUALITY CERTIFICATE.....	20

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 2019**.

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 2019** 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.

Although the Cape Agulhas Municipality is fully compliant in respect of the monthly budget report to council, effective from March 2014, the quality of the report in terms of its completeness and usefulness for council decision making still needs improvement which will be addressed as an ongoing process.

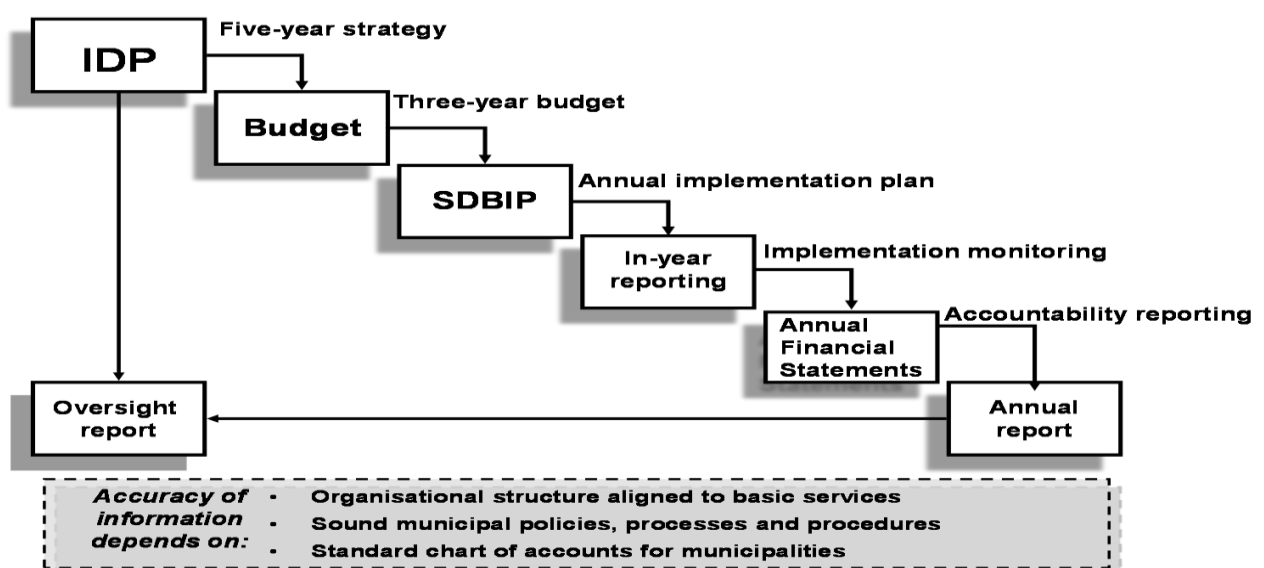
3.1 Budget Process:

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 municipality is legislatively required to table the Draft budget and revised IDP implementation plan by **31 August 2019**.

The municipality is in the process of implementing new budget implementation plan as per the Budget and IDP process plan approved in August 2018.

4. SUMMARY FINANCIAL PERFORMANCE

The financial performance at the end of the first quarter generally reflects slow and low operational and capital spending ending 30 September 2019. The municipality planned and implement various initiatives to ensure that the streamlining of expenditures can be achieved and that all operational projects as per SDBIP identification can be achieved.

The procurement plan to date is progressing based on planning, but this needs to be continuously monitored and evaluated to ensure that council achieve its strategic objectives.













Operational revenues for the period ending **30 September 2019** records at 30.3% and expenditure records just under 20% respectively.

The capital spending however only records 4.8% of a total budget of R47,2m. As indicated above this needs to be address with the holiday season not far off and spending generally decreasing over this reflective period.

The municipality are currently in the process of being audited by the Auditor General as per legislation.

5. COUNCIL FOCUS AREAS (CASH FLOW / LIQUIDITY)

As part of the oversight responsibility of Council the municipal administration is required to table a report to council with recommendations for managing the municipal ratios in terms of **Circular 71 financial ratios**.

FINANCIAL RATIO	BENCHMARK	LAST QUARTER	LAST MONTH	REPORTING MONTH
Cash / cost coverage ratio	1 - 3 months			
Current ratio	1.5 - 2.1			
Liquidity ratio	1:1			
Debtor collection rate	95%			

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:

These ratios need to be calculated based on the Draft Annual Financial statements information once available.

MFMA Financial Ratios (Circular 71)

National Treasury as part of their legislated mandate issue Circulars on a regular basis for implementation by municipal council. This circular is to improve financial administration and governance at municipalities.

Circular 71 was issue to assist in the financial management of finances. The aim of the Circular was to provide a uniform set of ratios and norms that municipal financial information can be measured.

The ratios is compiled over the following range of sections and components:

- Asset management / utilisation
- Debtors management
- Liquidity management
- Sustainability
- Efficiency
- Distribution losses
- Revenue management
- Expenditure management
- Grant dependency
- Budget implementation

Attached as Annexure 1 below is the financial ratios for the period ending 30 June 2018 as per annual Financial Statements of the municipality.

Comments on financial ratio's

The ratio's is generally good and the municipal performance for the financial year ending **30 June 2019** reflects positive progress with the implementation of the various reforms implemented.

The revenue enhancement strategy and the long-term financial plan was some of the strategies implemented.

6. mSCOA IMPLEMENTATION

Summarised progress on the implementation of mSCOA and actions required

The updated mSCOA implementation plan needs to be submitted and actions required identified for reporting.

7. REVENUE ENHANCEMENT PLAN / LONG-TERM FINANCIAL PLAN

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



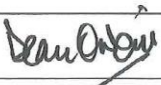
The items as identified in the Long-term financial plan as per below table:

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

8. SECTION 11 (4) MFMA WITHDRAWELS

MFMA section 11 (4) stipulates as follows:

- (4) The accounting officer must within 30 days after the end of each quarter—
- (a) table in the municipal council a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that quarter; and
- (b) submit a copy of the report to the relevant provincial treasury and the Auditor-General.

 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 2019	
MFMA section 11. (1) Only the accounting officer or the chief financial officer of a municipality, or any other senior financial official of the municipality acting on the written authority of the accounting officer may withdraw money or authorise the withdrawal of money from any of the municipality's bank accounts, and may do so only -	Amount	Reason for withdrawal
	Not available	Payment of Operational and Capital expenditures. Will be complete as soon as finalised
(b) to defray expenditure authorised in terms of section 26(4);	Not Applicable	
(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 municipality on behalf of that person or organ of state, including -	None	None
(i) money collected by the municipality on behalf of that person or organ of state by agreement; or	None	None
(ii) any insurance or other payments received by the municipality 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 security deposits;	None	None
(h) for cash management and investment purposes in accordance with section 13;	R131,508m	Q1 cumulative investments
(i) to defray increased expenditure in terms of section 31; or	None	None
(j) for such other purposes as may be prescribed.	None	None
(4) The accounting officer must within 30 days after the end of each quarter -	Name and Surname: D O' Neill	
(a) table in the municipal council a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that quarter; and	Rank/Position: Municipal Manager	
(b) submit a copy of the report to the relevant provincial treasury and the Auditor-General.	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.		

9. 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						
	COST CONTAINMENT IN-YEAR REPORT					
MEASURES	BUDGET	Q1 - 30 Sept	Q2 - 31 Dec	Q3 - 31 Mrch	Q4 - June	SAVINGS
Use of Consultant	9 953 600,00	528 778,62				9 424 821,38
Vehicle used for political office-bearers	-	-				-
Travel and subsistence	1 012 800,00	271 377,78				741 422,22
Domestic accomodation	456 200,00	140 187,38				316 012,62
Sponsorships, events and catering	-	-				-
Communication	394 300,00	48 517,87				345 782,13
Other related expenditures	-	-				-
Total	11 816 900,00	988 861,65	-	-	-	10 828 038,35

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

10. LEGISLATED INFORMATION

WC033 Cape Agulhas - Table C1 Monthly Budget Statement Summary - Q1 First Quarter

Description	2018/19	Budget Year 2019/20							
	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	-	69 193	69 193	3 329	36 828	29 564	7 264	25%	69 193
Service charges	-	178 098	178 098	15 570	46 949	45 602	1 347	3%	178 098
Investment revenue	-	2 446	2 446	476	1 055	433	622	144%	2 446
Transfers and subsidies	-	98 670	98 670	6 776	23 128	27 861	(4 733)	-17%	98 670
Other own revenue	-	33 108	33 108	3 436	6 997	7 072	(75)	-1%	33 108
Total Revenue (excluding capital transfers and contributions)	-	381 515	381 515	29 588	114 957	110 532	4 425	4%	381 515
Employee costs	-	134 136	134 136	10 035	30 002	30 916	(914)	-3%	134 136
Remuneration of Councillors	-	5 764	5 764	458	1 375	1 348	27	2%	5 764
Depreciation & asset impairment	-	11 025	11 025	-	2 685	2 756	(71)	-3%	11 025
Finance charges	-	12 763	12 763	-	-	3 191	(3 191)	-100%	12 763
Materials and bulk purchases	-	160 950	160 950	19 257	33 918	36 322	(2 404)	-7%	160 950
Transfers and subsidies	-	2 026	2 026	49	245	489	(244)	-50%	2 026
Other expenditure	-	67 671	67 671	4 234	10 633	12 653	(2 020)	-16%	67 671
Total Expenditure	-	394 335	394 335	34 034	78 858	87 674	(8 816)	-10%	394 335
Surplus/(Deficit)	-	(12 820)	(12 820)	(4 446)	36 100	22 858	13 241	58%	(12 820)
Transfers and subsidies - capital (monetary allocations)	-	12 941	12 941	1 166	1 273	1 646	(374)	-23%	12 941
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	121	121	(3 281)	37 372	24 505	12 868	53%	121
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	121	121	(3 281)	37 372	24 505	12 868	53%	121
Capital expenditure & funds sources									
Capital expenditure	-	47 209	47 209	1 738	2 266	6 006	(3 739)	-62%	47 209
Capital transfers recognised	-	12 941	12 941	1 083	1 309	1 646	(338)	-21%	12 941
Borrowing	-	19 988	19 988	257	346	2 543	(2 196)	-86%	19 988
Internally generated funds	-	14 279	14 279	399	611	1 816	(1 205)	-66%	14 279
Total sources of capital funds	-	47 209	47 209	1 738	2 266	6 006	(3 739)	-62%	47 209
Financial position									
Total current assets	118 811	66 089	66 089		154 554				66 089
Total non current assets	456 447	488 722	488 722		456 028				488 722
Total current liabilities	58 582	56 176	56 176		54 621				56 176
Total non current liabilities	144 759	160 960	160 960		146 672				160 960
Community wealth/Equity	371 917	337 676	337 676		409 290				337 676
Cash flows									
Net cash from (used) operating	-	12 172	12 172	7 729	17 934	35 986	18 053	50%	12 172
Net cash from (used) investing	-	(42 201)	(42 201)	(1 738)	(2 266)	(6 004)	(3 738)	62%	(42 201)
Net cash from (used) financing	-	11 820	11 820	13	114	60	(54)	-89%	11 820
Cash/cash equivalents at the month/year end	-	22 192	22 192	-	99 521	70 445	(29 076)	-41%	65 529
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	-	-	-	-	-	-	-	-	-
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

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

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		-	126 340	126 340	5 575	53 912	42 122	11 790	28%	126 340
Executive and council		-	29 940	29 940	-	12 462	8 454	4 008	47%	29 940
Finance and administration		-	96 400	96 400	5 575	41 450	33 668	7 782	23%	96 400
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	76 339	76 339	8 414	13 652	21 060	(7 407)	-35%	76 339
Community and social services		-	6 653	6 653	28	62	1 863	(1 800)	-97%	6 653
Sport and recreation		-	7 329	7 329	1 672	2 362	2 016	347	17%	7 329
Public safety		-	11 655	11 655	273	896	2 865	(1 969)	-69%	11 655
Housing		-	50 702	50 702	6 441	10 331	14 317	(3 985)	-28%	50 702
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	7 077	7 077	1 057	1 567	1 609	(43)	-3%	7 077
Planning and development		-	4 160	4 160	537	815	877	(62)	-7%	4 160
Road transport		-	2 917	2 917	520	752	732	19	3%	2 917
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	184 701	184 701	15 707	47 098	47 388	(289)	-1%	184 701
Energy sources		-	126 860	126 860	10 691	32 121	33 478	(1 357)	-4%	126 860
Water management		-	28 707	28 707	2 292	6 612	6 667	(55)	-1%	28 707
Waste water management		-	11 335	11 335	1 064	3 271	2 815	456	16%	11 335
Waste management		-	17 798	17 798	1 660	5 094	4 428	666	15%	17 798
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	394 456	394 456	30 753	116 230	112 178	4 051	4%	394 456
Expenditure - Functional										
<i>Governance and administration</i>		-	104 515	104 515	6 983	20 631	22 847	(2 217)	-10%	104 515
Executive and council		-	15 500	15 500	1 111	4 227	3 437	790	23%	15 500
Finance and administration		-	87 666	87 666	5 752	16 125	19 111	(2 986)	-16%	87 666
Internal audit		-	1 349	1 349	121	279	300	(21)	-7%	1 349
<i>Community and public safety</i>		-	92 739	92 739	9 258	18 160	19 288	(1 128)	-6%	92 739
Community and social services		-	11 094	11 094	923	2 816	2 480	336	14%	11 094
Sport and recreation		-	12 398	12 398	977	2 518	2 730	(213)	-8%	12 398
Public safety		-	16 197	16 197	731	1 958	3 611	(1 653)	-46%	16 197
Housing		-	53 050	53 050	6 628	10 868	10 467	402	4%	53 050
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	31 240	31 240	2 125	6 225	6 729	(505)	-8%	31 240
Planning and development		-	11 814	11 814	807	2 086	2 397	(311)	-13%	11 814
Road transport		-	19 352	19 352	1 315	4 136	4 318	(182)	-4%	19 352
Environmental protection		-	74	74	3	3	14	(12)	-82%	74
<i>Trading services</i>		-	164 064	164 064	15 518	33 364	38 417	(5 054)	-13%	164 064
Energy sources		-	111 310	111 310	11 961	23 264	26 737	(3 473)	-13%	111 310
Water management		-	20 186	20 186	1 249	3 693	4 468	(774)	-17%	20 186
Waste water management		-	11 878	11 878	723	2 792	2 676	115	4%	11 878
Waste management		-	20 690	20 690	1 586	3 615	4 536	(921)	-20%	20 690
<i>Other</i>		-	1 778	1 778	149	479	392	86	22%	1 778
Total Expenditure - Functional	3	-	394 335	394 335	34 034	78 858	87 674	(8 816)	-10%	394 335
Surplus/ (Deficit) for the year		-	121	121	(3 281)	37 372	24 505	12 868	53%	121

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

Vote Description	Ref	2018/19	Budget Year 2019/20							
		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 - Executive and Council		-	34 903	34 903	543	13 328	9 485	3 843	40,5%	34 903
Vote 2 - Financial Services & ICT		-	82 867	82 867	4 507	40 002	31 336	8 666	27,7%	82 867
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Management Services		-	78 926	78 926	8 936	14 447	21 705	(7 257)	-33,4%	78 926
Vote 5 - Engineering Services		-	197 760	197 760	16 767	48 452	49 652	(1 200)	-2,4%	197 760
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	394 456	394 456	30 753	116 230	112 178	4 051	3,6%	394 456
Expenditure by Vote	1									
Vote 1 - Executive and Council		-	47 238	47 238	3 544	11 552	10 156	1 396	13,7%	47 238
Vote 2 - Financial Services & ICT		-	59 117	59 117	3 575	9 740	12 933	(3 193)	-24,7%	59 117
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Management Services		-	101 227	101 227	9 881	19 678	21 190	(1 512)	-7,1%	101 227
Vote 5 - Engineering Services		-	186 752	186 752	17 034	37 888	43 395	(5 507)	-12,7%	186 752
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	394 335	394 335	34 034	78 858	87 674	(8 816)	-10,1%	394 335
Surplus/ (Deficit) for the year	2	-	121	121	(3 281)	37 372	24 505	12 868	52,5%	121

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

Description	Ref	2018/19	Budget Year 2019/20							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue By Source										
Property rates			69 193	69 193	3 329	36 828	29 564	7 264	25%	69 193
Service charges - electricity revenue			120 786	120 786	10 554	31 972	31 763	209	1%	120 786
Service charges - water revenue			28 204	28 204	2 292	6 612	6 603	9	0%	28 204
Service charges - sanitation revenue			11 310	11 310	1 064	3 271	2 808	463	16%	11 310
Service charges - refuse revenue			17 798	17 798	1 660	5 094	4 428	666	15%	17 798
Rental of facilities and equipment			1 961	1 961	78	351	460	(109)	-24%	1 961
Interest earned - external investments			2 446	2 446	476	1 055	433	622	144%	2 446
Interest earned - outstanding debtors			1 719	1 719	237	690	315	375	119%	1 719
Dividends received			-	-	-	-	-	-	-	-
Fines, penalties and forfeits			11 640	11 640	276	904	2 856	(1 951)	-68%	11 640
Licences and permits			67	67	-	-	16	(16)	-100%	67
Agency services			2 917	2 917	520	752	732	19	3%	2 917
Transfers and subsidies			98 670	98 670	6 776	23 128	27 861	(4 733)	-17%	98 670
Other revenue			9 805	9 805	2 325	4 300	2 694	1 606	60%	9 805
Gains on disposal of PPE			5 000	5 000	-	-	-	-	-	5 000
Total Revenue (excluding capital transfers and contributions)		-	381 515	381 515	29 588	114 957	110 532	4 425	4%	381 515
Expenditure By Type										
Employee related costs			134 136	134 136	10 035	30 002	30 916	(914)	-3%	134 136
Remuneration of councillors			5 764	5 764	458	1 375	1 348	27	2%	5 764
Debt impairment			11 267	11 267	-	-	2 817	(2 817)	-100%	11 267
Depreciation & asset impairment			11 025	11 025	-	2 685	2 756	(71)	-3%	11 025
Finance charges			12 763	12 763	-	-	3 191	(3 191)	-100%	12 763
Bulk purchases			88 404	88 404	11 056	20 580	22 096	(1 516)	-7%	88 404
Other materials			72 546	72 546	8 201	13 338	14 226	(889)	-6%	72 546
Contracted services			28 210	28 210	1 859	2 577	4 307	(1 730)	-40%	28 210
Transfers and subsidies			2 026	2 026	49	245	489	(244)	-50%	2 026
Other expenditure			28 194	28 194	2 375	8 056	5 529	2 528	46%	28 194
Loss on disposal of PPE			-	-	-	-	-	-	-	-
Total Expenditure		-	394 335	394 335	34 034	78 858	87 674	(8 816)	-10%	394 335
Surplus/(Deficit)		-	(12 820)	(12 820)	(4 446)	36 100	22 858	13 241	0	(12 820)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			12 941	12 941	1 166	1 273	1 646	(374)	(0)	12 941
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educational Institutions)			-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)			-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		-	121	121	(3 281)	37 372	24 505			121
Taxation			-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		-	121	121	(3 281)	37 372	24 505			121
Attributable to minorities			-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		-	121	121	(3 281)	37 372	24 505			121
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		-	121	121	(3 281)	37 372	24 505			121

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

Vote Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Financial Services & ICT		-	2 450	2 450	-	-	312	(312)	-100%	2 450
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Management Services		-	50	50	10	10	6	3	49%	50
Vote 5 - Engineering Services		-	9 555	9 555	845	845	1 215	(371)	-30%	9 555
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	12 055	12 055	854	854	1 534	(679)	-44%	12 055
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	1 940	1 940	296	415	247	169	68%	1 940
Vote 2 - Financial Services & ICT		-	239	239	4	10	30	(21)	-68%	239
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Management Services		-	5 246	5 246	72	376	667	(291)	-44%	5 246
Vote 5 - Engineering Services		-	27 729	27 729	511	611	3 528	(2 917)	-83%	27 729
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	35 154	35 154	883	1 412	4 472	(3 060)	-68%	35 154
Total Capital Expenditure		-	47 209	47 209	1 738	2 266	6 006	(3 739)	-62%	47 209
Capital Expenditure - Functional Classification										
Governance and administration		-	4 081	4 081	4	10	519	(509)	-98%	4 081
Executive and council		-	10	10	-	-	1	(1)	-100%	10
Finance and administration		-	4 071	4 071	4	10	518	(508)	-98%	4 071
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	3 662	3 662	82	385	466	(80)	-17%	3 662
Community and social services		-	50	50	-	-	6	(6)	-100%	50
Sport and recreation		-	3 142	3 142	82	385	400	(14)	-4%	3 142
Public safety		-	465	465	-	-	59	(59)	-100%	465
Housing		-	5	5	-	-	1	(1)	-100%	5
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	13 340	13 340	1 367	1 567	1 697	(130)	-8%	13 340
Planning and development		-	1 857	1 857	296	415	236	179	76%	1 857
Road transport		-	11 304	11 304	1 070	1 152	1 438	(286)	-20%	11 304
Environmental protection		-	180	180	-	-	23	(23)	-100%	180
Trading services		-	26 055	26 055	286	304	3 315	(3 011)	-91%	26 055
Energy sources		-	5 838	5 838	59	59	743	(684)	-92%	5 838
Water management		-	3 030	3 030	227	245	385	(140)	-36%	3 030
Waste water management		-	15 637	15 637	-	-	1 989	(1 989)	-100%	15 637
Waste management		-	1 550	1 550	-	-	197	(197)	-100%	1 550
Other		-	70	70	-	-	9	(9)	-100%	70
Total Capital Expenditure - Functional Classification	3	-	47 209	47 209	1 738	2 266	6 006	(3 739)	-62%	47 209
Funded by:										
National Government		-	10 641	10 641	786	893	1 354	(461)	-34%	10 641
Provincial Government		-	2 300	2 300	296	415	293	123	42%	2 300
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	12 941	12 941	1 083	1 309	1 646	(338)	-21%	12 941
Borrowing	6	-	19 988	19 988	257	346	2 543	(2 196)	-86%	19 988
Internally generated funds		-	14 279	14 279	399	611	1 816	(1 205)	-66%	14 279
Total Capital Funding		-	47 209	47 209	1 738	2 266	6 006	(3 739)	-62%	47 209

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

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		25 485	12 192	12 192	36 267	12 192
Call investment deposits		58 254	10 000	10 000	63 254	10 000
Consumer debtors		29 194	35 990	35 990	50 971	35 990
Other debtors		4 208	6 593	6 593	2 591	6 593
Current portion of long-term receivables		8	7	7	8	7
Inventory		1 662	1 308	1 308	1 463	1 308
Total current assets		118 811	66 089	66 089	154 554	66 089
Non current assets						
Long-term receivables		184	197	197	184	197
Investments		-	-	-	-	-
Investment property		40 200	40 536	40 536	40 198	40 536
Investments in Associate		-	-	-	-	-
Property, plant and equipment		411 358	443 188	443 188	410 941	443 188
Biological		-	-	-	-	-
Intangible		4 705	4 801	4 801	4 705	4 801
Other non-current assets		-	-	-	-	-
Total non current assets		456 447	488 722	488 722	456 028	488 722
TOTAL ASSETS		575 258	554 811	554 811	610 582	554 811
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		5 963	5 300	5 300	5 963	5 300
Consumer deposits		4 696	5 019	5 019	4 811	5 019
Trade and other payables		35 380	32 883	32 883	33 532	32 883
Provisions		12 543	12 973	12 973	10 316	12 973
Total current liabilities		58 582	56 176	56 176	54 621	56 176
Non current liabilities						
Borrowing		26 790	22 031	22 031	26 790	22 031
Provisions		117 969	138 928	138 928	119 882	138 928
Total non current liabilities		144 759	160 960	160 960	146 672	160 960
TOTAL LIABILITIES		203 341	217 135	217 135	201 293	217 135
NET ASSETS	2	371 917	337 676	337 676	409 290	337 676
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		336 917	315 676	315 676	374 290	315 676
Reserves		35 000	22 000	22 000	35 000	22 000
TOTAL COMMUNITY WEALTH/EQUITY	2	371 917	337 676	337 676	409 290	337 676

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

Description	Ref	2018/19	Budget Year 2019/20								
		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			67 809	67 809	9 309	20 574	24 218	(3 644)	-15%	67 809	
Service charges			174 536	174 536	14 545	42 324	43 634	(1 310)	-3%	174 536	
Other revenue			17 854	17 854	3 172	5 752	4 464	1 288	29%	17 854	
Government - operating			98 670	98 670	10 280	38 912	32 890	6 022	18%	98 670	
Government - capital			12 441	12 441	2 000	9 079	4 147	4 932	119%	12 441	
Interest			4 130	4 130	586	1 362	1 033	330	32%	4 130	
Dividends			-	-	-	-	-	-		-	
Payments											
Suppliers and employees			(358 379)	(358 379)	(32 114)	(99 823)	(73 481)	26 341	-36%	(358 379)	
Finance charges			(2 864)	(2 864)	-	-	(537)	(537)	100%	(2 864)	
Transfers and Grants			(2 026)	(2 026)	(49)	(245)	(380)	(134)	35%	(2 026)	
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	12 172	12 172	7 729	17 934	35 986	18 053	50%	12 172
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			5 000	5 000	-	-	-	-		5 000	
Decrease (Increase) in non-current debtors			7	7	0	1	2	(1)	-62%	7	
Decrease (increase) other non-current receivables			-	-	-	-	-	-		-	
Decrease (increase) in non-current investments			-	-	-	-	-	-		-	
Payments											
Capital assets			(47 209)	(47 209)	(1 738)	(2 266)	(6 006)	(3 739)	62%	(47 209)	
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(42 201)	(42 201)	(1 738)	(2 266)	(6 004)	(3 738)	62%	(42 201)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans			-	-	-	-	-	-		-	
Borrowing long term/refinancing			16 779	16 779	-	-	-	-		16 779	
Increase (decrease) in consumer deposits			241	241	(4)	114	60	54	89%	241	
Payments											
Repayment of borrowing			(5 200)	(5 200)	17	-	-	-		(5 200)	
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	11 820	11 820	13	114	60	(54)	-89%	11 820
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at beginning:			40 402	40 402		83 739	40 402			83 739	
Cash/cash equivalents at month/year end:			-	22 192	22 192		99 521	70 445		65 529	

QUALITY CERTIFICATE

NAVRAE:
ENQUIRIES: S Stanley

KONTAKNR
CONTACT NO 028 425 5798

VERW:
REF: 5/3/2019-20 (S52/71)

KANTOOR:
OFFICES: Bredasdorp

DATUM
DATE 11 October 2019



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 2019** (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 2019