

CAPE AGULHAS MUNICIPALITY



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

2020/2021

**SECTION 71 REPORT FOR THE MONTH
ENDING 31 OCTOBER 2020**

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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 **31 October 2020**.

52. The mayor of a municipality—

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

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

Recommendations

- The content of the **monthly report** and supporting documentation for the consolidated period ending **31 October 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.

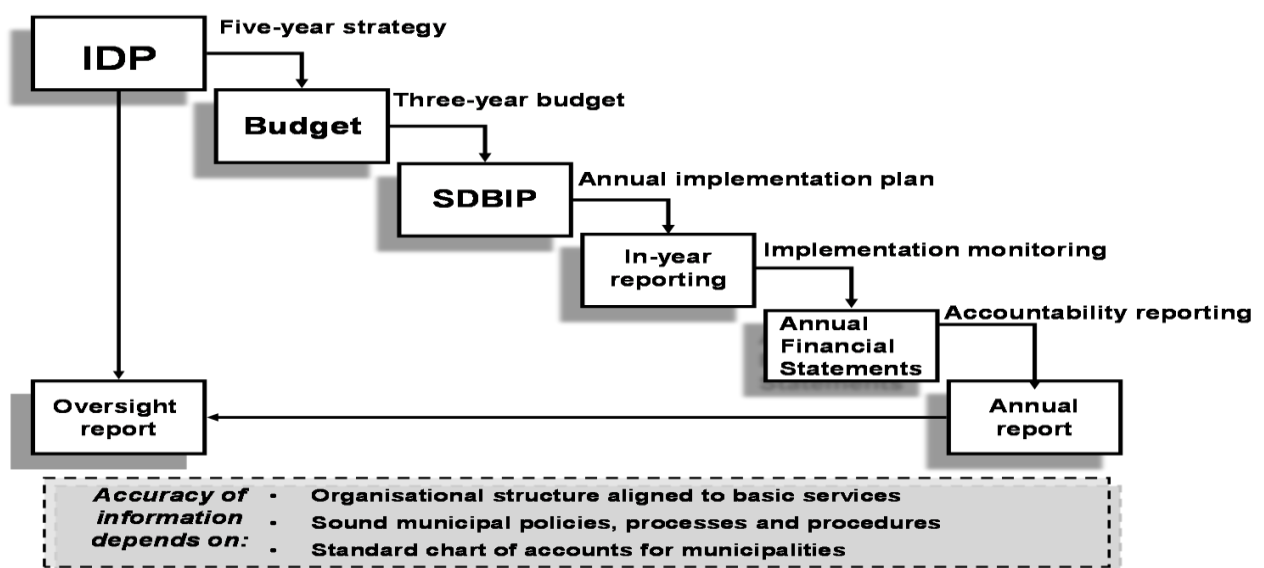
3.1 Budget Process:

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

Revenue records at 35% of Approved budgeted information at the end of October 2020. The municipality table an adjustment budget during September to account for the additional Equitable share revenue received by National Treasury. The information will be reported in the updated reports from November onwards.

Expenditure performance

Total expenditure for the period ending 31 October 2020 totals R103,46m of a budget of R385,6m. this reflect an actual spending of 27% of budgeted amounts. The reported figure is still on par with the spending patters of the municipality and numerous actions implemented are showing promising signs of improved performance.

Capital performance

The capital budget reported slow spending and the municipality needs to implement measures to expediate the spending of the capital budget. For the period ending October 2020 the amount recorded totals R6,963m of a budget of R62,490m. Excluding the spending of funds on the Bredasdorp Waste Water Treatment Works (BD WWTW) that reports at R5,533m of the total spending for the period, limited spending on all the other projects to date.

To date the spending totals 11% of the total budget.

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 (+16%)

Property rates reflects better than projected figures for the period ending 31 October 2020. The total budget to date for the period records R42,03m of a budget of R74,0m. This equates to 57% of budgeted amounts.

Investment revenue (-11%)

The interest for the period is based on the actual investments made. This is normally based on the available funds after calculating the commitments for the period. Finance review the projections on interest receivable for the

financial year 2020/21. This will be address as part of the Adjustment budget process on January 2021.

Transfers and subsidies (-39%)

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 period. 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 (-24%)

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.

Expenditures items

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.

Transfers and subsidies (-51%)

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.

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 fourth 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. BTO in process of updating the ratios and this will be reported as soon as finalized.

7. INVESTMENT PORTFOLIO

CASH FLOW INFORMATION IN TERMS OF PROVINCIAL CIRCULAR 10 & 50							
DETAILS	Balance as at 01 Oct 2020	Movements for the month			Balance as at 31 Oct 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>	20 000 000	-	-		20 000 000	65 822	65 822
<i>FNB</i>	-	-	-		-		-
<i>ABSA</i>	25 000 000	-	-		25 000 000	84 932	84 932
<i>ABSA</i>	1 254 000		-		1 254 000	-	-
<i>Nedbank</i>	-	-	-		-		-
<i>Nedbank (CRR)</i>	-	-	-		-	-	-
<i>Investec</i>	-				-		-
	-				-		
BANK DEPOSITS	46 254 000	-	-	-	46 254 000	150 753	150 753

8. EXTERNAL BORROWING PORTFOLIO

<u>CASH FLOW REPORT IN TERMS OF PROVINCIAL CIRCULAR 10 & 50</u>						
Name of municipality			CAPE AGULHAS MUNICIPALITY			
<u>SUMMARY OF EXTERNAL LOANS FOR MONTH</u>						
Lending Institution	Loan Amount	Balance 01 Oct 20	Interest Capitalised Oct 20	Repayments Oct 20	Balance 31 Oct 20	Settlement Date
DBSA 1268/B48		-		-	-	
ABSA - Sewerage Truck	729 252,74	177 578,27		-	177 578,27	30-06-2021
ABSA - Nissan NP 300	180 076,99	44 187,02		-	44 187,02	30-06-2021
ABSA - Roller and Jet Cleaner	319 060,53	77 915,87		-	77 915,87	30-06-2021
ABSA - Infrastr. (Old Nostra)	1 200 000,00	867 310,07		-	867 310,07	30-06-2026
ABSA - Rotary Broom	250 560,19	52 707,95		-	52 707,95	30-06-2021
ABSA - Varoius	2 400 000,00	1 903 749,59		-	1 903 749,59	30-06-2027
Nedbank - Asset Finance	5 000 000,00	1 666 666,67		-	1 666 666,67	30-06-2021
Nedbank - Infrastructure Medium Term	4 120 000,00	3 296 000,00		-	3 296 000,00	30-06-2024
Nedbank - Infrastructure Long Term	7 000 000,00	5 600 000,00		-	5 600 000,00	30-06-2028
Asset - Finance	2 880 000,00	2 304 000,00		-	2 304 000,00	30-06-2024
Infrastructure	3 000 000,00	1 800 000,00		-	1 800 000,00	30-06-2023
Infrastructure	10 000 000,00	9 000 000,00		-	9 000 000,00	30-06-2029
					-	
Total		26 790 115,44	-	-	26 790 115,44	-

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 total of **R67,1m** of debt outstanding for the reporting period. The totals for the previous month (September) totals R78.3m. 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 **60%** of all outstanding debt. This is a regression from the previous month where the outstanding debt was 44% of 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. Households represents the biggest component of municipal debt at 63% of total debtors outstanding. Caution should be exercised, and the municipality must ensure that debts are within controllable levels.

Debt older than 1-year totals **R19m** of the totals outstanding debt.

The collection rate recorded for the period ending **October 2020** totals **90.92%**. This is a regression from the previous month recorded total of **105%** and should be a are of concern. The impact of a reduced payment limit can have tremendous consequences in terms of liquidity and sustainability on the municipality if the trend continues.

The municipality advertise the tender for the collection of outstanding debts. The SCM tender process was concluded. Finance envisions that an appointment of the successful tenderer will be done within the next couple of

weeks 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 - 31 OCTOBER 2020						
COST CONTAINMENT IN-YEAR REPORT						
MEASURES	APPROVED BUDGET	Q1 - 30 Sept	Q2 - 31 Dec	YTD TOTAL	SAVINGS	% Spent
Use of Consultant	6 873 460,00	188 985,00	389 050,93	578 035,93	6 295 424,07	8,4%
Travel and subsistence	732 050,00	71 878,00	23 034,51	94 912,51	637 137,49	13,0%
Domestic accomodation	473 000,00	22 419,00	278,00	22 697,00	450 303,00	4,8%
Sponsorships, events and catering	247 460,00	201,00	12 976,50	13 177,50	234 282,50	5,3%
Communication	378 600,00	26 383,00	13 862,36	40 245,36	338 354,64	10,6%
Other related expenditures	937 140,00	4 567,00	42 820,90	47 387,90	889 752,10	5,1%
Total	9 641 710,00	314 433,00	482 023,20	796 456,20	8 845 253,80	8,3%

In order to generate value and adhere to the spirit of the Regulation with related to the cost containment reporting, management will need to

interrogate each individual cost item and determine whether value for money was received when procuring or incurring the necessary expenses.

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

12. COVID FUNDING DETAILS

The municipality received additional Equitable share allocation funding during the September 2020 National Treasury budget process. These funds were allocated to fund the additional disaster relief efforts in addressing the Covid 19 pandemic.

The following table reflect the municipal projects identified and spending in terms of the Disaster management items as budgeted:

COVID PROJECTS / ITEMS	FULL YEAR TOTAL BUDGET	YEAR TO DATE ACTUAL	FULL YEAR AVAILABLE	% SPENT
DISASTER RELIEF GRANT: SOCIAL SUPPORT COVID 1	300 000,00	-	300 000,00	0,00%
EMPLOYEE WELLNESS - PPE (COVID 19 DISASTER)	292 740,00	73 819,17	218 920,83	25,22%
EMPLOYEE WELLNESS - PPE (COVID 19 DISASTER)	100 000,00	-	100 000,00	0,00%
EMPL. WELLNESS - BUILDING SANITATION (COVID 19	50 000,00	-	50 000,00	0,00%
COMMUNITY SERVICES - FEEDING SCHEME (COVID 19	165 900,00	-	165 900,00	0,00%
BAD DEBTS: NON-EXCHANGE TRANS - PROPERTY (INDI	1 000 000,00	-	1 000 000,00	0,00%
BAD DEBTS: EXCHANGE TRANS - REFUSE (INDIGENTS)	384 500,00	-	384 500,00	0,00%
TOTAL	2 293 140,00	73 819,17	2 219 320,83	3,22%

The implementation of these projects should address the impact of the Covid pandemic on the community and these projects should be carefully monitored to ensure that the benefits are targeted to the relevant areas as identified.

PART B

13. LEGISLATED INFORMATION

WC033 Cape Agulhas - Table C1 Monthly Budget Statement Summary - M04 October								
Description	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	74 061	-	3 052	42 030	36 357	5 672	16%	74 061
Service charges	198 345	-	17 103	66 463	68 070	(1 607)	-2%	198 345
Investment revenue	3 300	-	118	759	853	(94)	-11%	3 300
Transfers and subsidies	75 102	-	256	15 289	25 053	(9 764)	-39%	75 102
Other own revenue	29 236	-	3 211	7 311	9 657	(2 346)	-24%	29 236
Total Revenue (excluding capital transfers and contributions)	380 044	-	23 739	131 852	139 991	(8 139)	-6%	380 044
Employee costs	149 348	-	10 852	43 779	49 783	(6 004)	-12%	149 348
Remuneration of Councillors	6 034	-	475	1 892	2 011	(119)	-6%	6 034
Depreciation & asset impairment	11 369	-	783	3 624	3 790	(166)	-4%	11 369
Finance charges	13 963	-	-	-	4 654	(4 654)	-100%	13 963
Materials and bulk purchases	147 587	-	16 211	41 706	45 928	(4 223)	-9%	147 587
Transfers and subsidies	4 071	-	122	651	1 318	(667)	-51%	4 071
Other expenditure	53 251	-	3 997	11 808	15 504	(3 696)	-24%	53 251
Total Expenditure	385 623	-	32 439	103 460	122 989	(19 529)	-16%	385 623
Surplus/(Deficit)	(5 579)	-	(8 700)	28 392	17 002	11 389	67%	(5 579)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	14 389	-	998	4 560	2 699	1 861	69%	14 389
Surplus/(Deficit) after capital transfers & contributions	8 810	-	(7 702)	32 952	19 701	13 251	67%	8 810
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	8 810	-	(7 702)	32 952	19 701	13 251	67%	8 810
Capital expenditure & funds sources								
Capital expenditure	62 490	-	2 243	6 936	11 721	(4 785)	-41%	62 490
Capital transfers recognised	14 389	-	1 018	4 619	2 699	1 920	71%	14 389
Borrowing	36 183	-	1 055	1 837	6 787	(4 949)	-73%	36 183
Internally generated funds	11 917	-	171	480	2 235	(1 756)	-79%	11 917
Total sources of capital funds	62 490	-	2 243	6 936	11 721	(4 785)	-41%	62 490
Financial position								
Total current assets	99 218	-	-	144 799	-	-	-	99 218
Total non current assets	503 116	-	-	478 482	-	-	-	503 116
Total current liabilities	66 108	-	-	55 916	-	-	-	66 108
Total non current liabilities	125 295	-	-	112 530	-	-	-	125 295
Community wealth/Equity	410 931	-	-	454 835	-	-	-	410 931
Cash flows								
Net cash from (used) operating	2 579	-	7 805	29 535	16 423	(13 111)	-80%	2 579
Net cash from (used) investing	(62 482)	-	(2 244)	(6 937)	(11 718)	(4 781)	41%	(62 482)
Net cash from (used) financing	22 239	-	64	190	100	(90)	-90%	22 239
Cash/cash equivalents at the month/year end	26 332	-	-	95 829	68 801	(27 028)	-39%	35 377
Debtors & creditors analysis	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis								
Total By Income Source	5 049	3 552	8 327	2 093	1 884	9 306	18 896	67 109
Creditors Age Analysis								
Total Creditors	-	-	-	-	-	-	-	75

**WC033 Cape Agulhas - Table C2 Monthly Budget Statement - Financial Performance
(functional classification) - M04 October**

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	-	5 599	64 863	52 507	12 356	24%	127 465
Executive and council	32 185	-	-	14 470	10 729	3 741	35%	32 185
Finance and administration	95 280	-	5 599	50 393	41 777	8 615	21%	95 280
Internal audit	-	-	-	-	-	-	-	-
Community and public safety	58 298	-	1 465	3 080	19 140	(16 060)	-84%	58 298
Community and social services	6 734	-	33	111	2 244	(2 133)	-95%	6 734
Sport and recreation	8 040	-	1 303	2 348	2 933	(585)	-20%	8 040
Public safety	12 460	-	129	594	3 594	(3 000)	-83%	12 460
Housing	31 064	-	-	27	10 368	(10 342)	-100%	31 064
Health	-	-	-	-	-	-	-	-
Economic and environmental services	7 231	-	557	1 937	2 324	(387)	-17%	7 231
Planning and development	4 110	-	192	782	1 147	(365)	-32%	4 110
Road transport	3 121	-	364	1 155	1 177	(22)	-2%	3 121
Environmental protection	-	-	-	-	-	-	-	-
Trading services	201 439	-	17 116	66 532	68 719	(2 187)	-3%	201 439
Energy sources	139 038	-	11 343	45 195	48 658	(3 463)	-7%	139 038
Water management	30 682	-	2 841	9 680	9 541	140	1%	30 682
Waste water management	12 679	-	1 186	4 604	4 205	400	10%	12 679
Waste management	19 041	-	1 746	7 052	6 316	736	12%	19 041
Other	-	-	-	-	-	-	-	-
Total Revenue - Functional	394 433	-	24 737	136 412	142 690	(6 278)	-4%	394 433
Expenditure - Functional								
Governance and administration	107 460	-	8 303	30 762	34 234	(3 472)	-10%	107 460
Executive and council	16 955	-	1 137	5 799	5 416	383	7%	16 955
Finance and administration	88 977	-	7 045	24 498	28 320	(3 822)	-13%	88 977
Internal audit	1 528	-	121	465	498	(33)	-7%	1 528
Community and public safety	77 983	-	8 019	15 622	23 780	(8 157)	-34%	77 983
Community and social services	11 385	-	908	3 503	3 689	(186)	-5%	11 385
Sport and recreation	13 496	-	897	3 189	4 349	(1 160)	-27%	13 496
Public safety	19 089	-	720	2 774	6 201	(3 427)	-55%	19 089
Housing	34 014	-	5 494	6 156	9 540	(3 384)	-35%	34 014
Health	-	-	-	-	-	-	-	-
Economic and environmental services	32 395	-	2 187	7 851	10 415	(2 564)	-25%	32 395
Planning and development	11 342	-	627	2 540	3 643	(1 104)	-30%	11 342
Road transport	20 976	-	1 560	5 311	6 750	(1 439)	-21%	20 976
Environmental protection	77	-	-	-	21	(21)	-100%	77
Trading services	164 610	-	13 740	48 363	53 539	(5 176)	-10%	164 610
Energy sources	106 613	-	10 298	35 143	35 280	(137)	0%	106 613
Water management	22 604	-	1 420	5 961	7 063	(1 102)	-16%	22 604
Waste water management	11 960	-	860	3 377	3 762	(385)	-10%	11 960
Waste management	23 433	-	1 161	3 884	7 435	(3 551)	-48%	23 433
Other	3 176	-	190	862	1 020	(158)	-16%	3 176
Total Expenditure - Functional	385 623	-	32 439	103 460	122 989	(19 529)	-16%	385 623
Surplus/ (Deficit) for the year	8 810	-	(7 702)	32 952	19 701	13 251	67%	8 810

WC033 Cape Agulhas - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04 October

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	-	88	14 879	11 950	2 929	24,5%	36 384
Vote 2 - Financial Services & ICT	-	81 968	-	4 599	45 512	38 593	6 919	17,9%	81 968
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Management Services	-	61 415	-	1 840	4 234	20 331	(16 097)	-79,2%	61 415
Vote 5 - Engineering Services	-	214 666	-	18 210	71 787	71 816	(29)	0,0%	214 666
Total Revenue by Vote	-	394 433	-	24 737	136 412	142 690	(6 278)	-4,4%	394 433
Expenditure by Vote									
Vote 1 - Executive and Council	-	47 891	-	3 237	14 077	15 315	(1 238)	-8,1%	47 891
Vote 2 - Financial Services & ICT	-	61 788	-	4 904	16 355	19 574	(3 219)	-16,4%	61 788
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Management Services	-	87 802	-	8 816	18 622	26 961	(8 339)	-30,9%	87 802
Vote 5 - Engineering Services	-	188 143	-	15 483	54 405	61 138	(6 733)	-11,0%	188 143
Total Expenditure by Vote	-	385 623	-	32 439	103 460	122 989	(19 529)	-15,9%	385 623
Surplus/ (Deficit) for the year	-	8 810	-	(7 702)	32 952	19 701	13 251	67,3%	8 810

**WC033 Cape Agulhas - Table C4 Monthly Budget Statement - Financial Performance
(revenue and expenditure) - M04 October**

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	–	3 052	42 030	36 357	5 672	16%	74 061
Service charges - electricity revenue	136 457	–	11 330	45 129	48 108	(2 979)	-6%	136 457
Service charges - water revenue	30 178	–	2 841	9 678	9 446	232	2%	30 178
Service charges - sanitation revenue	12 669	–	1 186	4 604	4 201	404	10%	12 669
Service charges - refuse revenue	19 041	–	1 746	7 052	6 316	736	12%	19 041
Rental of facilities and equipment	1 200	–	59	142	519	(377)	-73%	1 200
Interest earned - external investments	3 300	–	118	759	853	(94)	-11%	3 300
Interest earned - outstanding debtors	1 839	–	266	259	484	(226)	-47%	1 839
Dividends received	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	12 419	–	129	445	3 575	(3 130)	-88%	12 419
Licences and permits	25	–	–	–	9	(9)	-100%	25
Agency services	3 121	–	364	1 155	1 177	(22)	-2%	3 121
Transfers and subsidies	75 102	–	256	15 289	25 053	(9 764)	-39%	75 102
Other revenue	10 633	–	1 966	4 781	3 893	887	23%	10 633
Gains	–	–	427	529	–	529	#DIV/0!	–
Total Revenue (excluding capital transfers and contributions)	380 044	–	23 739	131 852	139 991	(8 139)	-6%	380 044
Expenditure By Type								
Employee related costs	149 348	–	10 852	43 779	49 783	(6 004)	-12%	149 348
Remuneration of councillors	6 034	–	475	1 892	2 011	(119)	-6%	6 034
Debt impairment	9 904	–	–	–	3 301	(3 301)	-100%	9 904
Depreciation & asset impairment	11 369	–	783	3 624	3 790	(166)	-4%	11 369
Finance charges	13 963	–	–	–	4 654	(4 654)	-100%	13 963
Bulk purchases	91 250	–	9 211	31 201	30 430	771	3%	91 250
Other materials	56 336	–	6 999	10 505	15 499	(4 994)	-32%	56 336
Contracted services	14 955	–	866	2 273	4 392	(2 119)	-48%	14 955
Transfers and subsidies	4 071	–	122	651	1 318	(667)	-51%	4 071
Other expenditure	28 392	–	3 130	9 535	7 811	1 724	22%	28 392
Losses	–	–	–	–	–	–	–	–
Total Expenditure	385 623	–	32 439	103 460	122 989	(19 529)	-16%	385 623
Surplus/(Deficit)	(5 579)	–	(8 700)	28 392	17 002	11 389	67%	(5 579)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	14 389	–	998	4 560	2 699	1 861	69%	14 389
Transfers and subsidies - capital (in-kind -	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	8 810	–	(7 702)	32 952	19 701			8 810
Taxation	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	8 810	–	(7 702)	32 952	19 701			8 810
Attributable to minorities	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	8 810	–	(7 702)	32 952	19 701			8 810
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	8 810	–	(7 702)	32 952	19 701			8 810

WC033 Cape Agulhas - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 October

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	-	-	176	375	(200)	-53%	2 000
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-
Vote 4 - Management Services	60	-	18	22	11	11	95%	60
Vote 5 - Engineering Services	9 489	-	59	168	1 780	(1 612)	-91%	9 489
Total Capital Multi-year expenditure	11 549	-	77	365	2 166	(1 801)	-83%	11 549
Single Year expenditure appropriation								
Vote 1 - Executive and Council	2 035	-	-	3	382	(379)	-99%	2 035
Vote 2 - Financial Services & ICT	873	-	20	71	164	(93)	-57%	873
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-
Vote 4 - Management Services	2 830	-	30	47	531	(484)	-91%	2 830
Vote 5 - Engineering Services	45 202	-	2 116	6 450	8 478	(2 029)	-24%	45 202
Total Capital single-year expenditure	50 941	-	2 167	6 571	9 554	(2 984)	-31%	50 941
Total Capital Expenditure	62 490	-	2 243	6 936	11 721	(4 785)	-41%	62 490
Capital Expenditure - Functional Classification								
Governance and administration	3 302	-	21	247	619	(372)	-60%	3 302
Executive and council	-	-	-	-	-	-	-	-
Finance and administration	3 302	-	21	247	619	(372)	-60%	3 302
Internal audit	-	-	-	-	-	-	-	-
Community and public safety	2 201	-	47	71	413	(342)	-83%	2 201
Community and social services	62	-	17	25	12	13	115%	62
Sport and recreation	2 105	-	30	46	395	(349)	-88%	2 105
Public safety	31	-	-	-	6	(6)	-100%	31
Housing	4	-	-	-	1	(1)	-100%	4
Health	-	-	-	-	-	-	-	-
Economic and environmental services	11 907	-	162	965	2 233	(1 268)	-57%	11 907
Planning and development	2 006	-	-	-	376	(376)	-100%	2 006
Road transport	9 831	-	162	965	1 844	(879)	-48%	9 831
Environmental protection	70	-	-	-	13	(13)	-100%	70
Trading services	45 080	-	2 013	5 652	8 455	(2 803)	-33%	45 080
Energy sources	6 329	-	18	119	1 187	(1 068)	-90%	6 329
Water management	3 660	-	-	-	686	(686)	-100%	3 660
Waste water management	32 911	-	1 995	5 533	6 173	(640)	-10%	32 911
Waste management	2 180	-	-	-	409	(409)	-100%	2 180
Other	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	62 490	-	2 243	6 936	11 721	(4 785)	-41%	62 490
Funded by:								
National Government	11 833	-	1 001	4 597	2 219	2 378	107%	11 833
Provincial Government	2 556	-	17	22	479	(458)	-95%	2 556
District Municipality	-	-	-	-	-	-	-	-
Transfers recognised - capital	14 389	-	1 018	4 619	2 699	1 920	71%	14 389
Borrowing	36 183	-	1 055	1 837	6 787	(4 949)	-73%	36 183
Internally generated funds	11 917	-	171	480	2 235	(1 756)	-79%	11 917
Total Capital Funding	62 490	-	2 243	6 936	11 721	(4 785)	-41%	62 490

WC033 Cape Agulhas - Table C6 Monthly Budget Statement - Financial Position - M04 October

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		–	16 332	16 332	47 040	16 332
Call investment deposits		–	10 000	10 000	48 789	10 000
Consumer debtors		–	61 735	61 735	43 711	61 735
Other debtors		–	9 481	9 481	3 729	9 481
Current portion of long-term receivables		–	8	8	3	8
Inventory		–	1 662	1 662	1 528	1 662
Total current assets		–	99 218	99 218	144 799	99 218
Non current assets						
Long-term receivables		–	169	169	161	169
Investments		–	–	–	–	–
Investment property		–	40 182	40 182	40 327	40 182
Investments in Associate		–	–	–	–	–
Property, plant and equipment		–	458 559	458 559	433 133	458 559
		–	–	–	–	–
Biological		–	–	–	–	–
Intangible		–	4 206	4 206	4 861	4 206
Other non-current assets		–	–	–	–	–
Total non current assets		–	503 116	503 116	478 482	503 116
TOTAL ASSETS		–	602 334	602 334	623 281	602 334
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	6 750	6 750	6 027	6 750
Consumer deposits		–	5 277	5 277	5 217	5 277
Trade and other payables		–	39 989	39 989	32 702	39 989
Provisions		–	14 093	14 093	11 970	14 093
Total current liabilities		–	66 108	66 108	55 916	66 108
Non current liabilities						
Borrowing		–	42 539	42 539	20 763	42 539
Provisions		–	82 755	82 755	91 767	82 755
Total non current liabilities		–	125 295	125 295	112 530	125 295
TOTAL LIABILITIES		–	191 403	191 403	168 446	191 403
NET ASSETS	2	–	410 931	410 931	454 835	410 931
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		–	390 931	390 931	419 835	390 931
Reserves		–	20 000	20 000	35 000	20 000
TOTAL COMMUNITY WEALTH/EQUITY	2	–	410 931	410 931	454 835	410 931

WC033 Cape Agulhas - Table C7 Monthly Budget Statement - Cash Flow - M04 October

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	–	13 917	36 194	32 722	3 473	11%	66 655
Service charges	178 510	–	16 956	62 445	59 503	2 941	5%	178 510
Other revenue	18 213	–	2 023	6 281	6 071	209	3%	18 213
Transfers and Subsidies - Operational	75 102	–	6 588	30 578	25 034	5 544	22%	75 102
Transfers and Subsidies - Capital	13 889	–	150	11 075	4 630	6 445	139%	13 889
Interest	4 955	–	189	1 004	1 652	(648)	-39%	4 955
Payments								
Suppliers and employees	(347 027)	–	(31 895)	(117 391)	(111 831)	5 560	-5%	(347 027)
Finance charges	(3 648)	–	–	–	–	–	–	(3 648)
Transfers and Grants	(4 071)	–	(122)	(651)	(1 357)	(706)	52%	(4 071)
NET CASH FROM/(USED) OPERATING ACTIVITIES	2 579	–	7 805	29 535	16 423	(13 111)	-80%	2 579
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables	8	–	(0)	(1)	3	(3)	-129%	8
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–
Payments								
Capital assets	(62 490)	–	(2 243)	(6 936)	(11 721)	(4 785)	41%	(62 490)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(62 482)	–	(2 244)	(6 937)	(11 718)	(4 781)	41%	(62 482)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	28 440	–	–	–	–	–	–	28 440
Increase (decrease) in consumer deposits	299	–	64	190	100	90	90%	299
Payments								
Repayment of borrowing	(6 500)	–	–	–	–	–	–	(6 500)
NET CASH FROM/(USED) FINANCING ACTIVITIES	22 239	–	64	190	100	(90)	-90%	22 239
NET INCREASE/ (DECREASE) IN CASH HELD								
Cash/cash equivalents at beginning:	63 996	–	5 626	22 787	4 805	–	–	63 996
Cash/cash equivalents at month/year end:	26 332	–	–	95 829	68 801	–	–	26 332

14. QUALITY CERTIFICATE

NAVRAE:
ENQUIRIES: S Stanley

KONTAKNR
CONTACT NO 028 425 5798

VERW:
REF: 5/3/2020-21 (M04)

KANTOOR:
OFFICES: Bredasdorp

DATUM
DATE 10 November 2020



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

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

Print name EBEN PHILLIPS

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

Signature: [Signature]

Date: 10 November 2020