

CAPE AGULHAS MUNICIPALITY



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CAPE AGULHAS MUNICIPALITY
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2018/2019

SECTION 71 REPORT FOR THE PERIOD ENDING 30 NOVEMBER 2018

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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 **November 2018**.

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 November 2018** 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:

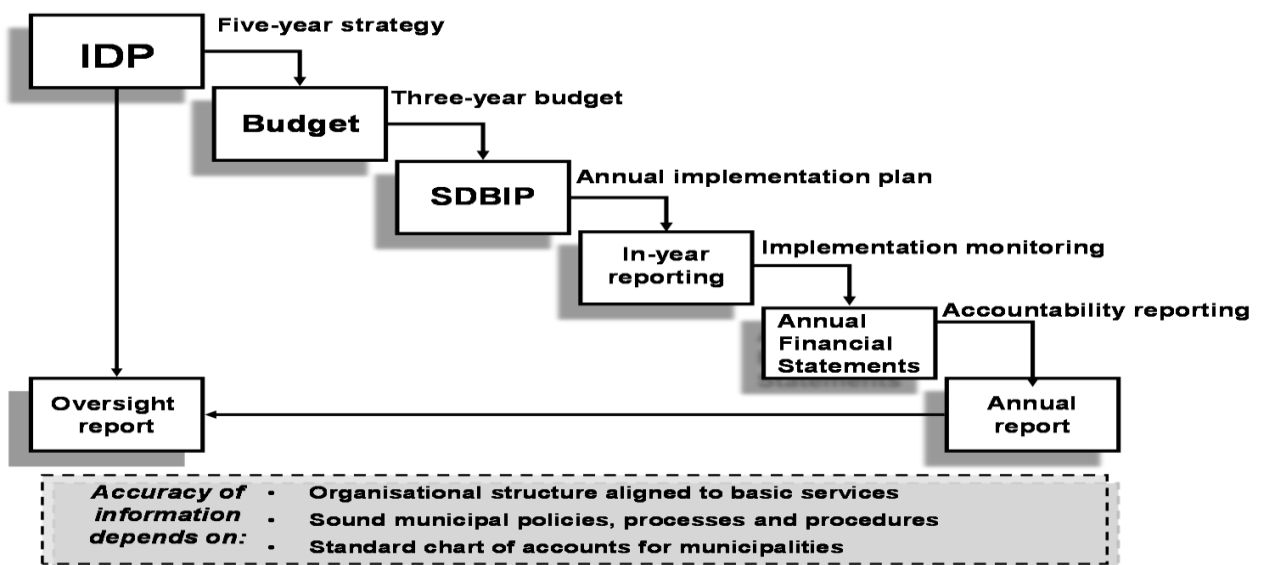
Section 53(1)(a) of the MFMA stipulates that the Executive Mayor of the Municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of a budget.

The flowchart on the budget process basically reflecting three different processes in the budget cycle at the same time, namely:

a

- 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 proposed process plan with the compilation of the Draft Budget and Revised IDP plan for the 2019/20 MTREF period is as follows as per Budget and IDP implementation plan:

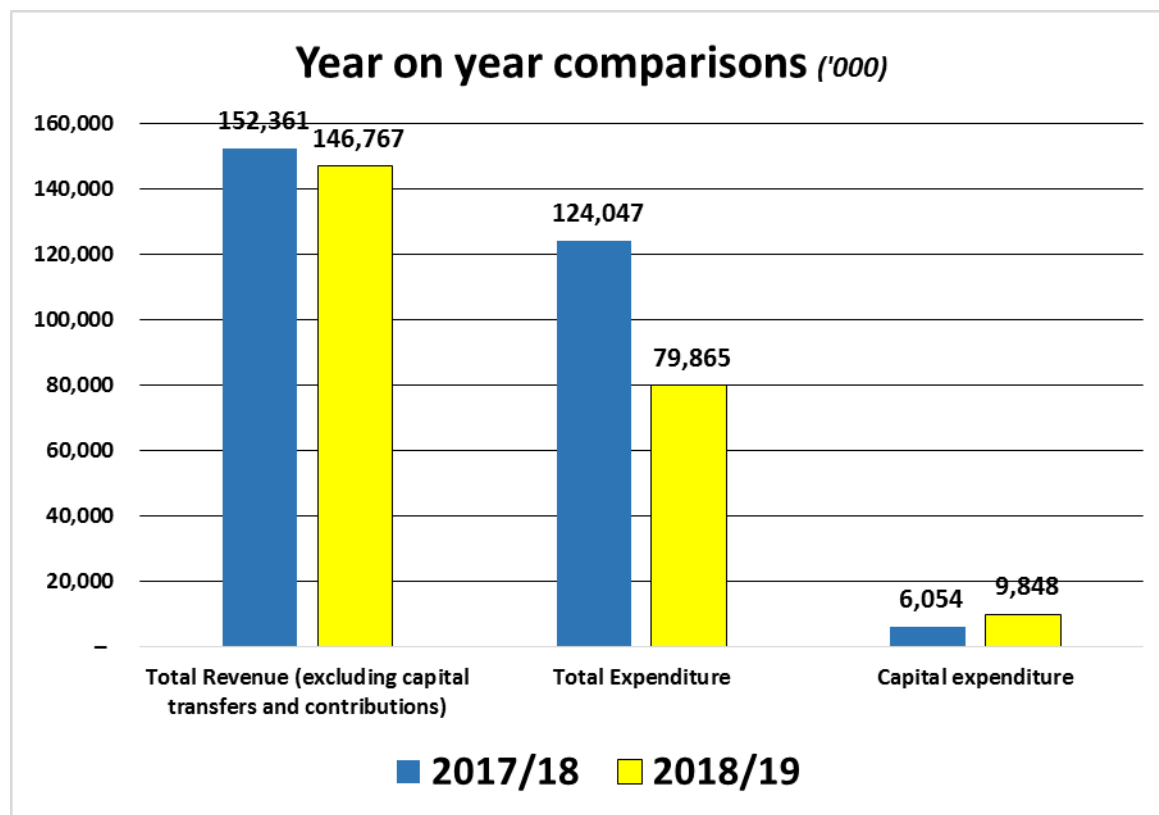
<u>Planned activities</u>	<u>Timeframes / Dates</u>	<u>Targets / Achieved</u>
AFS and Annual performance report	August 2018	Complete
Public participation with ward committees	September 2018	Complete
Finalization of revised community needs assessment	October 2018	Complete
Strategic sessions (Management and Council)	November 2018	Complete
Budget preparation	November 2018	In process
Mid-year budget assessment / Adjustment budget Steering committees	January 2019	
Budget workshops / National budget speech	February 2019	
Preparation of Draft budget processes / Draft IDP review / Draft Budget	March 2019	
Community participation	April 2019	
Final draft budget	May 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.

The next phase the comprehensive workshop with the management team, where the financial results of the first 6 months are reviewed. After that the process of compiling the Mid-year review will be finalized.

4. Summary financial performance

Year to date performance (comparison with previous year) – 30 November 2018



Summarized explanation

Operational revenues

The total revenues for the period comparisons with the previous period is negative at R146m compared to R152m for the previous period. This can mainly be attributed to the additional grants that was allocated in the previous financial year compared to the current.

Operational expenditures

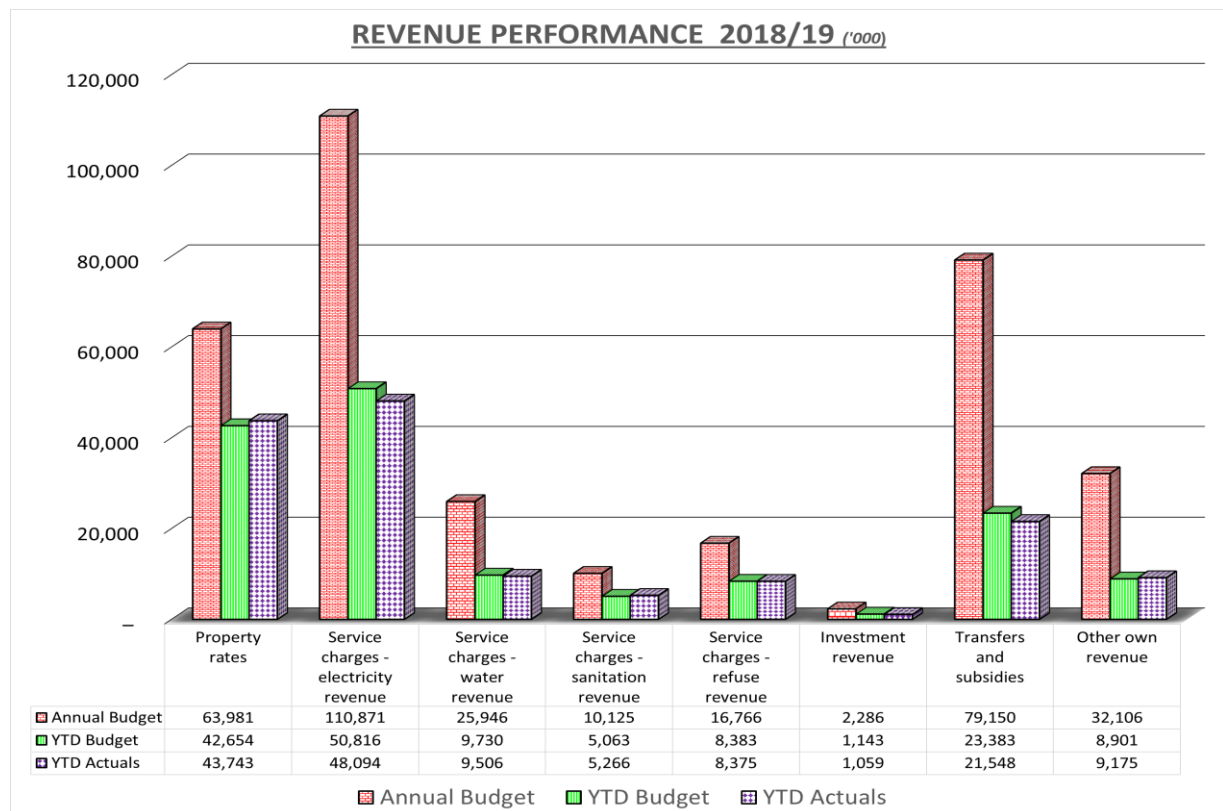
Comparative operational expenditures also reflect lower compared to the previous year. This is mainly due to expenditure items not recognized to date in the current financial year. The reasons are the implementation of the new Asset management module (Demand Side Management) that is still work in progress. This will account for the depreciation expenditures.

Performance for the period totals R79,865m for the period ending 30 November 2018




Capital spending

Capital expenditures outperformed the corresponding period ending 30 November 2017. That is mainly due to the AREA F project that was finalized by August. The spending of the capital budget is however behind schedule and the municipality risk the treat of not achieving its capital spending targets as required. This will impact on service delivery given that most of the major project directly impact on service delivery objectives.

The financial performance for the period under review ending 30 November 2018



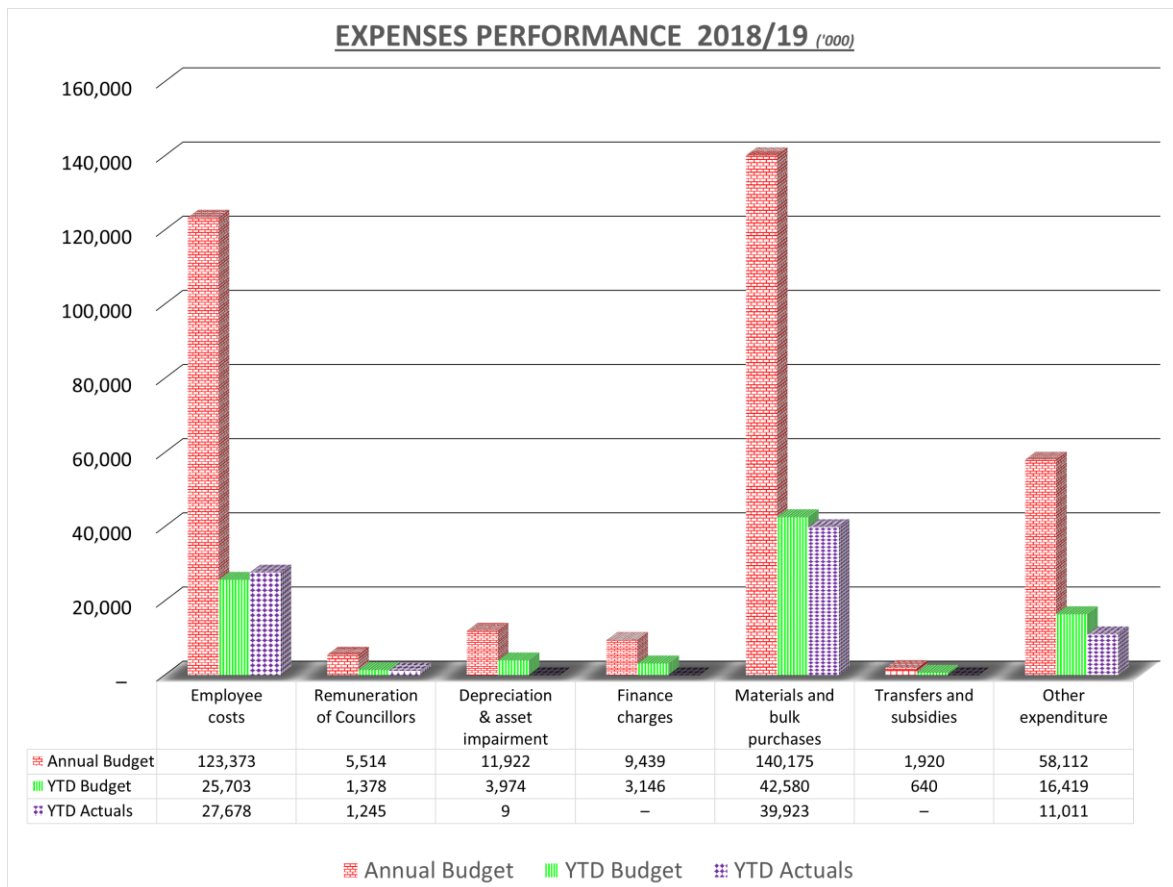
Overall assessment

GOOD	AVERAGE	BAD
		
X		




Summarized explanation

Municipal performance for the period ending **November 2018** is satisfactory. Revenue related concerns at this stage of the financial year is the projected budget for the **Sale of Land**. This needs to be expedite with planning to ensure Council will be able to achieved targeted revenues. The projected

revenues has a direct correlation with the expenditures being the funding source. This can therefore impact on service delivery if not addressed. All other related incomes is on par with projections as per planning.



Overall assessment

GOOD	AVERAGE	BAD
		
	X	

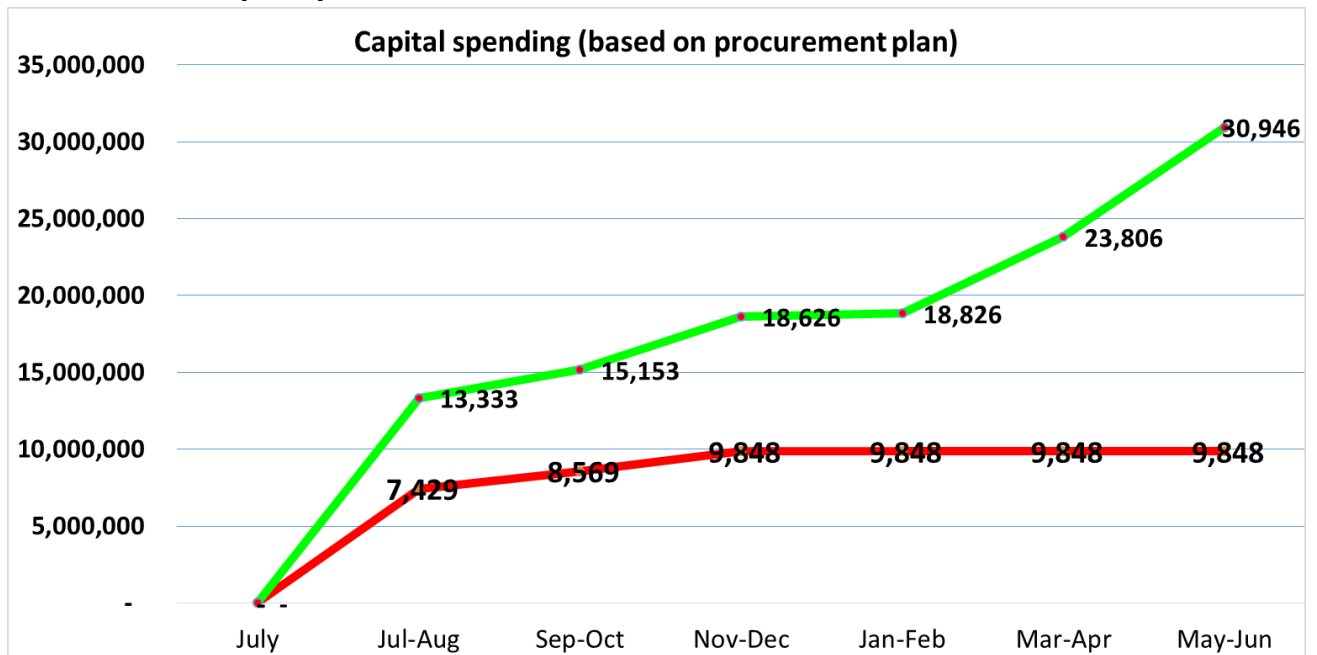
Summarized explanation

Expenditures totals is below the projected budgeted expenditures. As alluded above this is as a result of the non-cash items budgeted for the financial year.

The municipality is in the process of implementing the asset management system (Market Demand). The effect is that no depreciation was accounted for to date ending November 2018.

Journal transactions will be will be processed from November onwards, this providing more updated information.

Cumulative Capital performance



Summarized explanation

Performance for capital expenditures reported for the period ending 30 November 2018 recorded below projected expenditures based on the procurement plan.

Capital spending totals R9,848m against planned procurement of R18,62m. This reflects as an underperformance. The SCM unit review and amend the Procurement Plan and this revised plan was submitted to management for implementation based on their adjusted spending.













Capital commitments of **R3,781m** are not included in the totals recorded above. With the finalization of these commitments the municipal capital expenditures should improve significantly.

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**.

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.

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%			

Summarized explanation:

The overall cash flow ratios is good.

The liquidity reflects the ability to repay short-term debt with cash resources. The liquidity ratio improved from the previous month. This is mainly as a result of the short-term investments as well as a decrease in the creditors for the period.

The long-term financial plan was reviewed and updated. The actions as identified in the plan needs to be reviewed and implemented. This will ensure improvement in the municipal liquidity and cash positions as recorded.

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

Action implemented	Achieve	Comments / Actions
Will be updated in future		

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:

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

PART B

8. Legislated information

8.1 Budget schedules

WC033 Cape Agulhas - Table C1 Monthly Budget Statement Summary - M05 November

Description	2017/18	Budget Year 2018/19							
	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	-	63,981	-	3,216	43,743	42,654	1,089	3%	63,981
Service charges	-	163,708	-	14,173	71,242	73,991	(2,749)	-4%	163,708
Investment revenue	-	2,286	-	251	1,059	1,143	(84)	-7%	2,286
Transfers and subsidies	-	79,150	-	815	21,548	23,383	(1,835)	-8%	79,150
Other own revenue	-	32,106	-	2,014	9,175	8,901	274	3%	32,106
Total Revenue (excluding capital transfers and contributions)	-	341,231	-	20,469	146,767	150,072	(3,305)	-2%	341,231
Employee costs	-	123,373	-	9,213	27,678	25,703	1,975	8%	123,373
Remuneration of Councillors	-	5,514	-	322	1,245	1,378	(134)	-10%	5,514
Depreciation & asset impairment	-	11,922	-	6	9	3,974	(3,965)	-100%	11,922
Finance charges	-	9,439	-	-	-	3,146	(3,146)	-100%	9,439
Materials and bulk purchases	-	140,175	-	767	39,923	42,580	(2,658)	-6%	140,175
Transfers and subsidies	-	1,920	-	-	-	640	(640)	-100%	1,920
Other expenditure	-	58,112	-	3,841	11,011	16,419	(5,408)	-33%	58,112
Total Expenditure	-	350,454	-	14,148	79,865	93,841	(13,975)	-15%	350,454
Surplus/(Deficit)	-	(9,223)	-	6,321	66,902	56,231	10,671	19%	(9,223)
Transfers and subsidies - capital (monetary allocated)	-	12,281	-	271	7,777	7,777	-	-	12,281
Contributions & Contributed assets	-	130	-	-	-	-	-	-	130
Surplus/(Deficit) after capital transfers & contributions	-	3,188	-	6,592	74,679	64,008	10,671	17%	3,188
Share of surplus/ (deficit) of	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	3,188	-	6,592	74,679	64,008	10,671	17%	3,188
Capital expenditure & funds sources									
Capital expenditure	-	30,946	-	1,278	9,848	8,963	884	10%	30,946
Capital transfers recognised	-	12,281	-	271	7,777	7,521	256	3%	12,281
Public contributions & donations	-	130	-	-	-	7	(7)	-100%	130
Borrowing	-	7,622	-	387	387	395	(8)	-2%	7,622
Internally generated funds	-	10,913	-	620	1,684	1,040	644	62%	10,913
Total sources of capital funds	-	30,946	-	1,278	9,848	8,963	884	10%	30,946
Financial position									
Total current assets	81,715	60,671	-	-	128,493	-	-	-	82,866
Total non current assets	433,484	450,873	-	-	440,913	-	-	-	450,873
Total current liabilities	45,334	61,038	-	-	57,595	-	-	-	61,038
Total non current liabilities	138,325	140,181	-	-	138,325	-	-	-	140,181
Community wealth/Equity	331,540	310,325	-	-	373,486	-	-	-	310,325
Cash flows									
Net cash from (used) operating	-	11,968	-	6,292	91,376	14,115	(77,261)	-547%	11,968
Net cash from (used) investing	-	(22,985)	-	(36,278)	(44,847)	(1,598)	43,249	-2706%	(22,985)
Net cash from (used) financing	-	5,063	-	19	19	45	27	59%	5,063
Cash/cash equivalents at the month/year	-	19,620	-	-	108,367	38,136	(70,231)	-184%	41,815
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	15,040	5,228	2,408	2,313	5,672	16	7,590	13,782	52,049
Creditors Age Analysis									
Total Creditors	1,237	-	-	-	-	-	-	-	1,237

WC033 Cape Agulhas - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M05 November

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		-	118,609	-	3,979	65,129	57,545	7,584	13%	118,609
Executive and council		-	27,606	-	-	11,503	11,376	127	1%	27,606
Finance and administration		-	91,003	-	3,979	53,626	46,169	7,457	16%	91,003
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	50,257	-	1,233	6,549	13,181	(6,633)	-50%	50,257
Community and social services		-	8,679	-	510	1,998	1,896	101	5%	8,679
Sport and recreation		-	6,893	-	706	4,292	3,274	1,017	31%	6,893
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	34,685	-	17	260	8,011	(7,751)	-97%	34,685
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	13,900	-	1,058	3,784	2,257	1,528	68%	13,900
Planning and development		-	1,364	-	349	1,067	251	816	325%	1,364
Road transport		-	12,536	-	709	2,717	2,006	712	35%	12,536
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	170,876	-	14,199	71,305	46,445	24,860	54%	170,876
Energy sources		-	118,012	-	9,177	48,147	32,977	15,170	46%	118,012
Water management		-	25,949	-	1,947	9,516	5,032	4,485	89%	25,949
Waste water management		-	10,148	-	1,240	5,266	3,155	2,111	67%	10,148
Waste management		-	16,766	-	1,835	8,375	5,281	3,094	59%	16,766
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	353,642	-	20,469	146,767	119,427	27,340	23%	353,642
Expenditure - Functional										
Governance and administration		-	93,678	-	8,974	34,257	21,684	12,573	58%	93,678
Executive and council		-	15,002	-	1,041	5,740	4,188	1,552	37%	15,002
Finance and administration		-	76,963	-	7,795	27,981	17,281	10,700	62%	76,963
Internal audit		-	1,714	-	138	535	214	321	150%	1,714
Community and public safety		-	62,938	-	2,934	9,898	15,797	(5,898)	-37%	62,938
Community and social services		-	13,780	-	1,338	4,777	2,673	2,104	79%	13,780
Sport and recreation		-	12,303	-	1,265	4,205	1,795	2,410	134%	12,303
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	36,855	-	331	916	11,328	(10,412)	-92%	36,855
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	41,953	-	4,059	14,052	6,867	7,185	105%	41,953
Planning and development		-	8,610	-	1,069	3,913	2,004	1,909	95%	8,610
Road transport		-	33,267	-	2,990	10,139	4,853	5,286	109%	33,267
Environmental protection		-	77	-	-	-	10	(10)	-100%	77
Trading services		-	151,175	-	10,540	50,954	39,868	11,086	28%	151,175
Energy sources		-	99,944	-	6,577	37,420	31,426	5,994	19%	99,944
Water management		-	18,968	-	1,877	6,446	3,817	2,629	69%	18,968
Waste water management		-	11,245	-	989	3,430	1,685	1,745	104%	11,245
Waste management		-	21,018	-	1,097	3,658	2,941	717	24%	21,018
Other		-	710	-	11	(8)	102	(110)	-108%	710
Total Expenditure - Functional	3	-	350,454	-	26,518	109,153	84,318	24,835	29%	350,454
Surplus/ (Deficit) for the year		-	3,188	-	(6,049)	37,614	35,109	2,505	7%	3,188

WC033 Cape Agulhas - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M05 November

Vote Description	Ref	2017/18	Budget Year 2018/19							
		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		-	30,803	-	159	11,946	13,032	(1,086)	-8%	30,803
Vote 2 - Financial Services & ICT		-	78,166	-	3,807	46,049	50,028	(3,978)	-8%	78,166
Vote 3 - Corporate Services		-	-	-	-	-	-	-		-
Vote 4 - Management Services		-	61,445	-	1,928	9,240	11,397	(2,157)	-19%	61,445
Vote 5 - Engineering Services		-	183,227	-	14,575	79,532	75,616	3,916	5%	183,227
Total Revenue by Vote	2	-	353,642	-	20,469	146,767	150,072	(3,305)	-2%	353,642
Expenditure by Vote	1									
Vote 1 - Executive and Council		-	42,994	-	4,202	17,775	9,767	8,007	82.0%	42,994
Vote 2 - Financial Services & ICT		-	50,710	-	4,816	16,797	13,499	3,297	24.4%	50,710
Vote 3 - Corporate Services		-	-	-	-	-	-	-		-
Vote 4 - Management Services		-	84,039	-	4,871	16,390	14,588	1,802	12.4%	84,039
Vote 5 - Engineering Services		-	172,712	-	12,630	58,201	55,987	2,215	4.0%	172,712
Total Expenditure by Vote	2	-	350,454	-	26,518	109,162	93,841	15,321	16.3%	350,454
Surplus/ (Deficit) for the year	2	-	3,188	-	(6,049)	37,605	56,231	(18,626)	-33.1%	3,188

WC033 Cape Agulhas - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November

Description	Ref	2017/18	Budget Year 2018/19							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			63,981	-	3,216	43,743	42,654	1,089	3%	63,981	
Service charges - electricity revenue			110,871	-	9,157	48,094	50,816	(2,722)	-5%	110,871	
Service charges - water revenue			25,946	-	1,942	9,506	9,730	(223)	-2%	25,946	
Service charges - sanitation revenue			10,125	-	1,240	5,266	5,063	204	4%	10,125	
Service charges - refuse revenue			16,766	-	1,835	8,375	8,383	(8)	0%	16,766	
Service charges - other			-	-	-	-	-	-	-	-	
Rental of facilities and equipment			1,710	-	701	4,375	1,710	2,664	156%	1,710	
Interest earned - external investments			2,286	-	251	1,059	1,143	(84)	-7%	2,286	
Interest earned - outstanding debtors			1,591	-	237	659	663	(4)	-1%	1,591	
Dividends received			-	-	-	-	-	-	-	-	
Fines, penalties and forfeits			9,854	-	272	1,109	1,232	(123)	-10%	9,854	
Licences and permits			64	-	-	0	64	(64)	-100%	64	
Agency services			2,572	-	356	1,453	857	596	69%	2,572	
Transfers and subsidies			79,150	-	815	21,548	23,383	(1,835)	-8%	79,150	
Other revenue			8,514	-	447	1,579	1,774	(195)	-11%	8,514	
Gains on disposal of PPE			7,800	-	-	-	2,600	(2,600)	-100%	7,800	
Total Revenue (excluding capital transfers and contributions)			-	341,231	-	20,469	146,767	150,072	(3,305)	-2%	341,231
Expenditure By Type											
Employee related costs			123,373	-	9,213	27,678	25,703	1,975	8%	123,373	
Remuneration of councillors			5,514	-	322	1,245	1,378	(134)	-10%	5,514	
Debt impairment			9,339	-	-	-	3,113	(3,113)	-100%	9,339	
Depreciation & asset impairment			11,922	-	6	9	3,974	(3,965)	-100%	11,922	
Finance charges			9,439	-	-	-	3,146	(3,146)	-100%	9,439	
Bulk purchases			82,398	-	(776)	36,164	37,766	(1,601)	-4%	82,398	
Other materials			57,778	-	1,543	3,758	4,815	(1,057)	-22%	57,778	
Contracted services			24,189	-	639	1,859	3,063	(1,204)	-39%	24,189	
Transfers and subsidies			1,920	-	-	-	640	(640)	-100%	1,920	
Other expenditure			24,584	-	3,202	9,152	10,243	(1,091)	-11%	24,584	
Loss on disposal of PPE			-	-	-	-	-	-	-	-	
Total Expenditure			-	350,454	-	14,148	79,865	93,841	(13,975)	-15%	350,454
Surplus/(Deficit)			-	(9,223)	-	6,321	66,902	56,231	10,671	0	(9,223)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			12,281	-	271	7,777	7,777	-	-	-	12,281
Transfers and subsidies - capital (in-kind - all)			130	-	-	-	-	-	-	-	130
Surplus/(Deficit) after capital transfers & contributions			-	3,188	-	6,592	74,679	64,008			3,188
Taxation			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation			-	3,188	-	6,592	74,679	64,008			3,188
Attributable to minorities			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality			-	3,188	-	6,592	74,679	64,008			3,188
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year			-	3,188	-	6,592	74,679	64,008			3,188

WC033 Cape Agulhas - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M05 November

Vote Description	Ref	2017/18	Budget Year 2018/19							
		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		-	1,815	-	5	5	94	(89)	-95%	1,815
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Management Services		-	900	-	80	80	47	33	72%	900
Vote 5 - Engineering Services		-	5,465	-	-	-	283	(283)	-100%	5,465
Total Capital Multi-year expenditure	4,7	-	8,180	-	85	85	424	(339)	-80%	8,180
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	750	-	62	65	39	26	66%	750
Vote 2 - Financial Services & ICT		-	764	-	266	387	40	348	879%	764
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Management Services		-	3,551	-	294	659	184	475	258%	3,551
Vote 5 - Engineering Services		-	17,701	-	572	8,652	8,277	375	5%	17,701
Total Capital single-year expenditure	4	-	22,766	-	1,194	9,763	8,539	1,223	14%	22,766
Total Capital Expenditure		-	30,946	-	1,278	9,848	8,963	884	10%	30,946
Capital Expenditure - Functional Classification										
Governance and administration		-	2,861	-	9	124	148	(24)	-16%	2,861
Executive and council			47	-	34	34	2	32	1309%	47
Finance and administration			2,813	-	275	397	146	252	173%	2,813
Internal audit			2	-	-	1	0	1	1489%	2
Community and public safety		-	4,559	-	37	365	236	129	55%	4,559
Community and social services			742	-	22	23	38	(15)	-39%	742
Sport and recreation			3,813	-	365	729	198	532	269%	3,813
Public safety			-	-	-	-	-	-	-	-
Housing			5	-	4	4	0	4	1530%	5
Health			-	-	-	-	-	-	-	-
Economic and environmental services		-	13,186	-	338	8,071	683	7,388	1081%	13,186
Planning and development			47	-	6	6	2	4	149%	47
Road transport			13,139	-	167	8,238	8,041	197	2%	13,139
Environmental protection			-	-	-	-	-	-	-	-
Trading services		-	10,340	-	9	9	536	(526)	-98%	10,340
Energy sources			4,924	-	395	405	255	150	59%	4,924
Water management			2,070	-	-	-	107	(107)	-100%	2,070
Waste water management			331	-	-	-	17	(17)	-100%	331
Waste management			3,015	-	9	9	156	(147)	-94%	3,015
Other			-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	-	30,946	-	1,278	9,848	8,963	884	10%	30,946
Funded by:										
National Government			11,332	-	271	7,472	7,472	-	-	11,332
Provincial Government			949	-	-	305	49	256	520%	949
District Municipality			-	-	-	-	-	-	-	-
Other transfers and grants			-	-	-	-	-	-	-	-
Transfers recognised - capital		-	12,281	-	271	7,777	7,521	256	3%	12,281
Public contributions & donations	5		130	-	-	-	7	(7)	-100%	130
Borrowing	6		7,622	-	387	387	395	(8)	-2%	7,622
Internally generated funds			10,913	-	620	1,684	1,040	644	62%	10,913
Total Capital Funding		-	30,946	-	1,278	9,848	8,963	884	10%	30,946

WC033 Cape Agulhas - Table C6 Monthly Budget Statement - Financial Position - M05 November

Description	Ref	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		33,518	19,620	–	36,076	55,867
Call investment deposits		15,000	–	–	35,000	–
Consumer debtors		29,339	33,775	–	54,450	33,775
Other debtors		1,557	5,918	–	1,659	5,918
Current portion of long-term receivables		–	31	–	7	31
Inventory		1,304	1,326	–	1,301	1,326
Total current assets		80,719	60,671	–	128,493	96,917
Non current assets						
Long-term receivables		225	134	–	211	134
Investments		–	–	–	–	–
Investment property		40,864	40,853	–	40,553	40,853
Investments in Associate		–	–	–	–	–
Property, plant and equipment		386,957	405,477	–	395,283	405,477
Agricultural		–	–	–	–	–
Biological		–	–	–	–	–
Intangible		3,601	4,409	–	4,865	4,409
Other non-current assets		–	–	–	–	–
Total non current assets		431,647	450,873	–	440,913	450,873
TOTAL ASSETS		512,366	511,544	–	569,405	547,791
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		1,659	2,875	–	3,506	2,875
Consumer deposits		4,507	4,821	–	4,526	4,821
Trade and other payables		28,014	41,226	–	38,116	41,226
Provisions		9,807	12,116	–	11,447	12,116
Total current liabilities		43,988	61,038	–	57,595	61,038
Non current liabilities						
Borrowing		17,600	8,451	–	15,753	8,451
Provisions		122,572	131,731	–	122,572	131,731
Total non current liabilities		140,172	140,181	–	138,325	140,181
TOTAL LIABILITIES		184,160	201,219	–	195,920	201,219
NET ASSETS	2	328,206	310,325	–	373,486	346,571
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		308,206	295,325	–	343,486	295,325
Reserves		20,000	15,000	–	30,000	15,000
TOTAL COMMUNITY WEALTH/EQUITY	2	328,206	310,325	–	373,486	310,325

WC033 Cape Agulhas - Table C7 Monthly Budget Statement - Cash Flow - M05 November

Description	Ref	2017/18		Budget Year 2018/19							
		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			61,324	-	3,216	43,743	9,434	34,309	364%	61,324	
Service charges			156,910	-	14,173	71,242	26,311	44,931	171%	156,910	
Other revenue			15,929	-	1,793	2,516	2,669	(152)	-6%	15,929	
Government - operating			79,150	-	1,000	17,442	17,959	(517)	-3%	79,150	
Government - capital			12,281	-	-	12,025	4,094	7,931	194%	12,281	
Interest			3,811	-	251	1,059	384	675	176%	3,811	
Dividends			-	-	-	-	-	-		-	
Payments											
Suppliers and employees			(314,743)	-	(14,142)	(56,483)	(46,427)	10,056	-22%	(314,743)	
Finance charges			(774)	-	-	-	-	-		(774)	
Transfers and Grants			(1,920)	-	-	(169)	(309)	(140)	45%	(1,920)	
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	11,968	-	6,292	91,376	14,115	(77,261)	-547%	11,968
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			7,800	-	-	-	-	-		7,800	
Decrease (Increase) in non-current debtors			31	-	0	0	5	(5)	-92%	31	
Decrease (increase) other non-current receivables			-	-	-	-	-	-		-	
Decrease (increase) in non-current investments			-	-	(35,000)	(35,000)	-	(35,000)	#DIV/0!	-	
Payments											
Capital assets			(30,816)	-	(1,278)	(9,848)	(1,603)	8,244	-514%	(30,816)	
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(22,985)	-	(36,278)	(44,847)	(1,598)	43,249	-2706%	(22,985)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans			-	-	-	-	-	-		-	
Borrowing long term/refinancing			7,622	-	-	-	-	-		7,622	
Increase (decrease) in consumer deposits			273	-	19	19	45	(27)	-59%	273	
Payments											
Repayment of borrowing			(2,831)	-	-	-	-	-		(2,831)	
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	5,063	-	19	19	45	27	59%	5,063
NET INCREASE/ (DECREASE) IN CASH HELD			-	(5,953)	-	(29,968)	46,547	12,562		(5,953)	
Cash/cash equivalents at beginning:			25,574	-	-	61,820	25,574			61,820	
Cash/cash equivalents at month/year end:			19,620	-	-	108,367	38,136			55,867	

WC033 Cape Agulhas - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M05
November

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		-	36,089	-	-	14,539	12,503	-		36,089
Local Government Equitable Share			27,606	-	-	11,503	11,503	-		27,606
Energy Efficiency and Demand-side [Schedule 5B]			5,000	-	-	1,000	1,000	-		5,000
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]			1,141	-	-	1,486	-			1,141
Local Government Financial Management Grant [Schedule 5B]			550	-	-	550	-			550
Municipal Infrastructure Grant [Schedule 5B]			1,792	-	-	-	-			1,792
Other transfers and grants [insert description]			-	-	-	-	-			-
Provincial Government:		-	43,060	-	1,000	2,903	3,765	(862)	-22.9%	43,060
Human Settlement Development			34,560	-	-	-	1,862	(1,862)	-100.0%	34,560
Library Service Conditional Grant			7,001	-	-	1,903	1,903	-		7,001
Maintenance of Main Roads			83	-	-	-	-	-		83
Community Development Workers			56	-	-	-	-	-		56
Financial Management Support (WC_FMGS)			360	-	-	-	-	-		360
Greenest Municipality (Violence Protection)			1,000	-	1,000	1,000	-	1,000	#DIV/0!	1,000
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]										
Total Operating Transfers and Grants	5	-	79,150	-	1,000	17,442	16,268	(862)	-5.3%	79,150
Capital Transfers and Grants										
National Government:		-	12,082	-	-	11,917	-	11,917	#DIV/0!	12,082
Municipal Infrastructure Grant [Schedule 5B]			9,082	-	-	8,917	-	8,917	#DIV/0!	9,082
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]			2,000	-	-	2,000	-	2,000		2,000
Local Government Financial Management Grant [Schedule 5B]			1,000	-	-	1,000	-	1,000		1,000
Other capital transfers [insert description]			-	-	-	-	-	-		-
Provincial Government:		-	199	-	-	108	-	108	#DIV/0!	199
Library Service			91	-	-	-	-	-		91
Development of Sport and Recreation Facilities			108	-	-	108	-	-		108
			-	-	-	-	-	-		-
Total Capital Transfers and Grants	5	-	12,281	-	-	12,025	-	12,025	#DIV/0!	12,281
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	91,430	-	1,000	29,467	16,268	11,163	68.6%	91,430

9. Municipal Quality Certificate

NAVRAE:
ENQUIRIES: S Stanley

KONTAKNR
CONTACT NO 028 425 5798

VERW:
REF: 5/3/2018-19 (S71)

KANTOOR:
OFFICES: Bredasdorp

DATUM
DATE 11 December 2018



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 November 2018** (month/year) has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name P.J. van Riezen

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

Signature [Handwritten Signature]

Date 11/12/18