

# CAPE AGULHAS MUNICIPALITY



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CAPE AGULHAS MUNICIPALITY  
U MASIPALA WASECAPE AGULHAS

## **2018/2019**

### **SECTION 71 REPORT FOR THE PERIOD ENDING 31 DECEMBER 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 **December 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 **31 December 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:

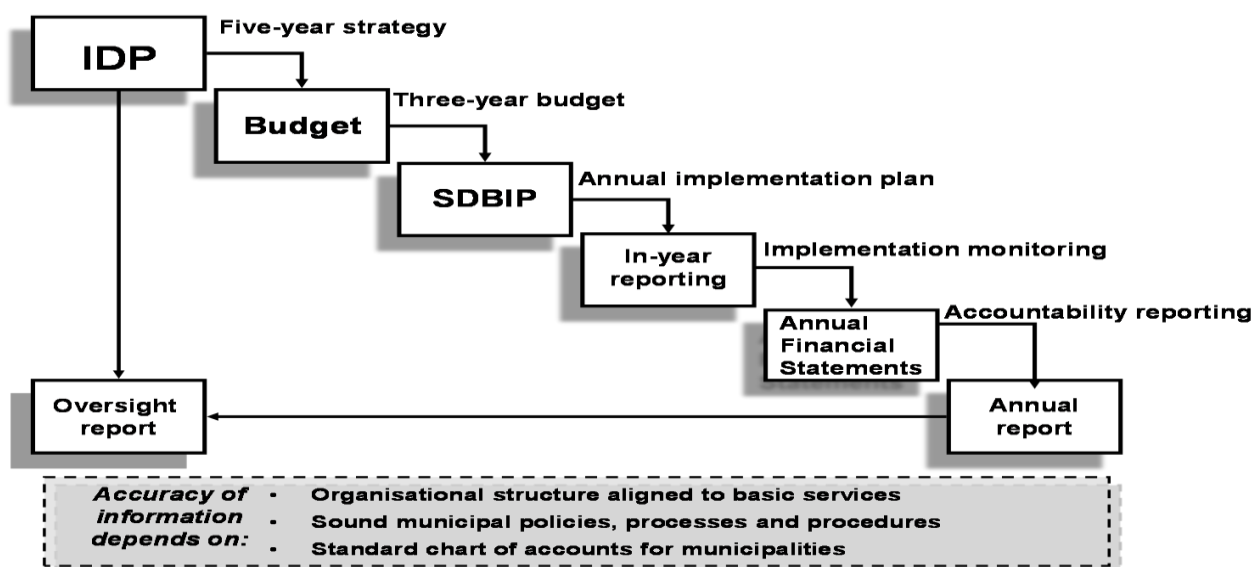
Section 53(1)(a) of the MFMA stipulates that the Executive Mayor of the Municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of a budget.

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:**

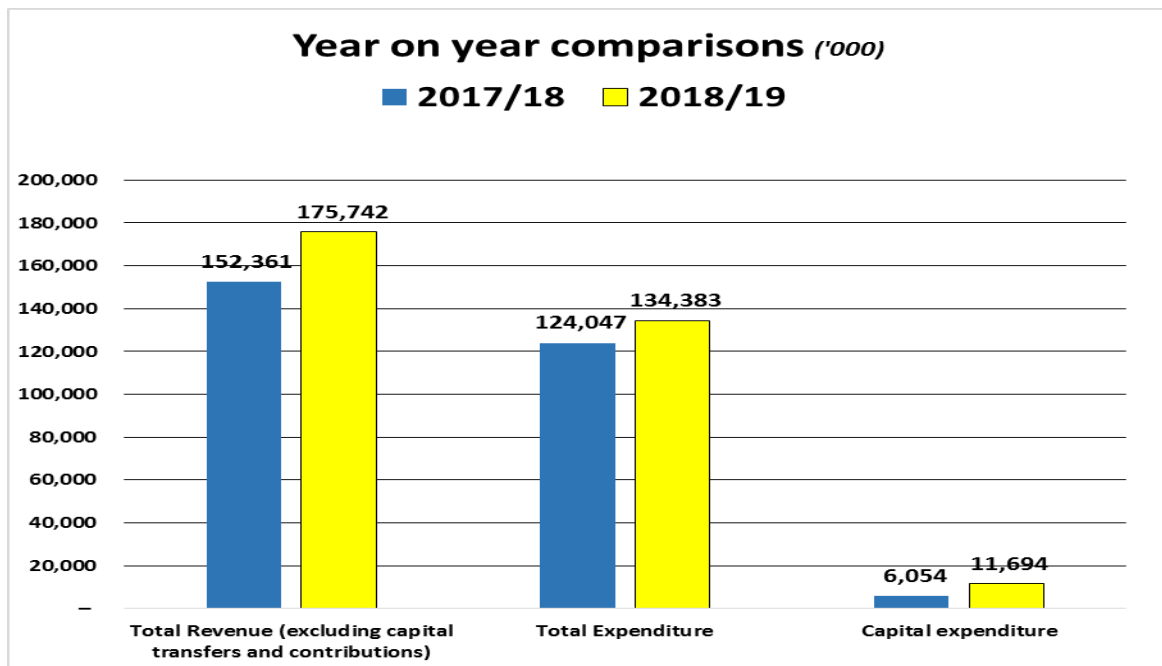
<b><u>Planned activities</u></b>	<b><u>Timeframes / Dates</u></b>	<b><u>Targets / Achieved</u></b>
AFS and Annual performance report	August 2018	Complete
Public participation with ward committees	September 2018	Complete
Finalization of revised community needs assessment	October 2018	Complete
Strategic sessions (Management and Council)	November 2018	Complete
Budget preparation	November 2018	In process
Mid-year budget assessment / Adjustment budget Steering committees	January 2019	In process
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 municipality in the process of finalizing the adjustment budget and the mid-year assessment needs to be complete.

#### 4. Summary financial performance

Year to date performance (comparison with previous year) – 31 December 2018



#### Summarized explanation

##### Operational revenues

The total revenues for the period comparisons with the previous period is negative at R152.3m compared to R175.7m for the previous period. The effect of the increased income and additional revenues received to date contributes to the difference. This represents a positive platform for the rest of the financial year.

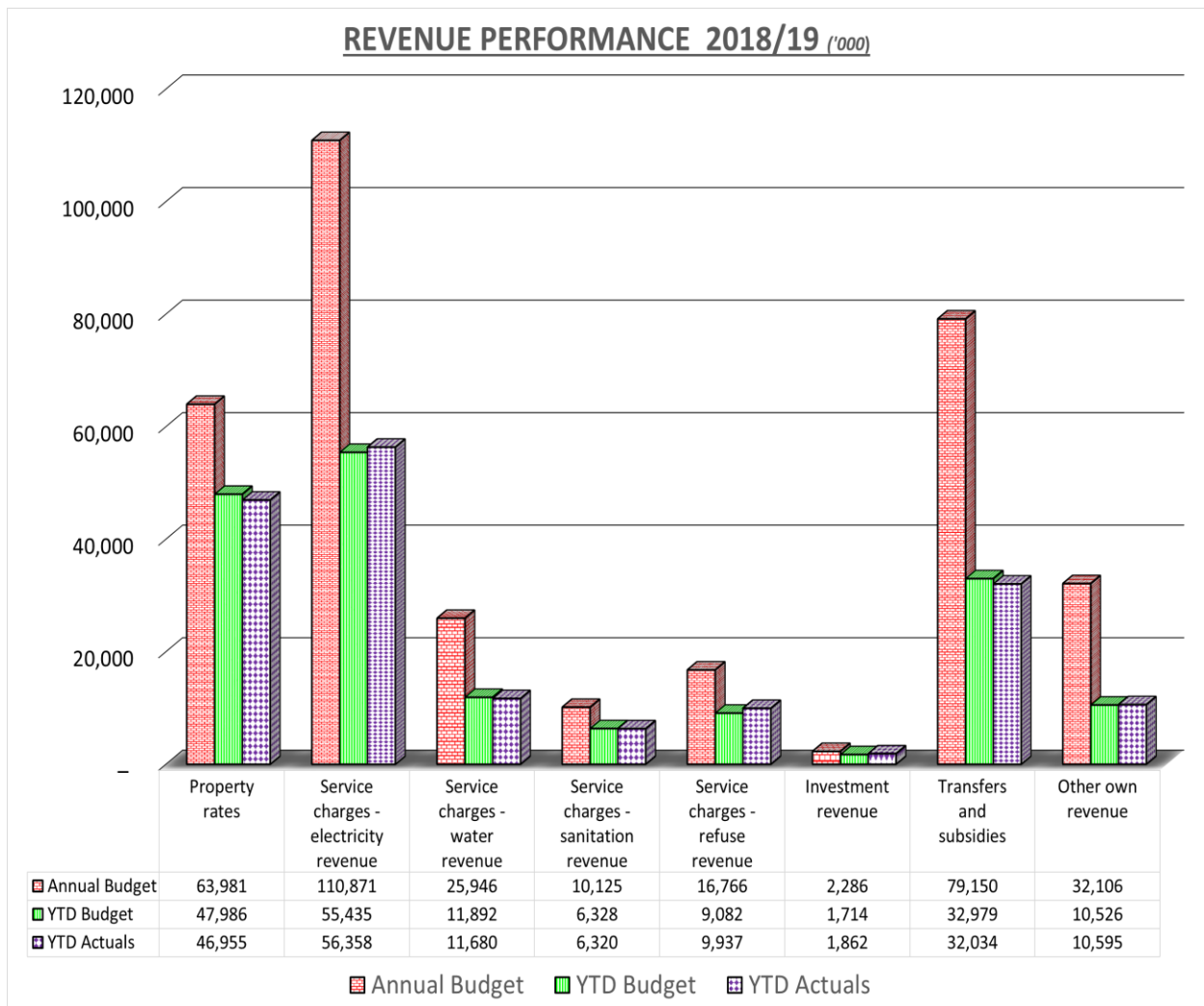
##### Operational expenditures

The performance for expenditures is improved based on the previous financial year. Numerous transactions and processes still needs to be implemented. The municipality will amend its approved budget during the adjustment budget process in January with the mid-year assessment.




##### Capital spending

Capital expenditure required numerous reviews and amendments that was identified during the financial year. This will be done with the mid-year assessment in January as per MFMA processes.

The financial performance for the period under review ending 31 December 2018



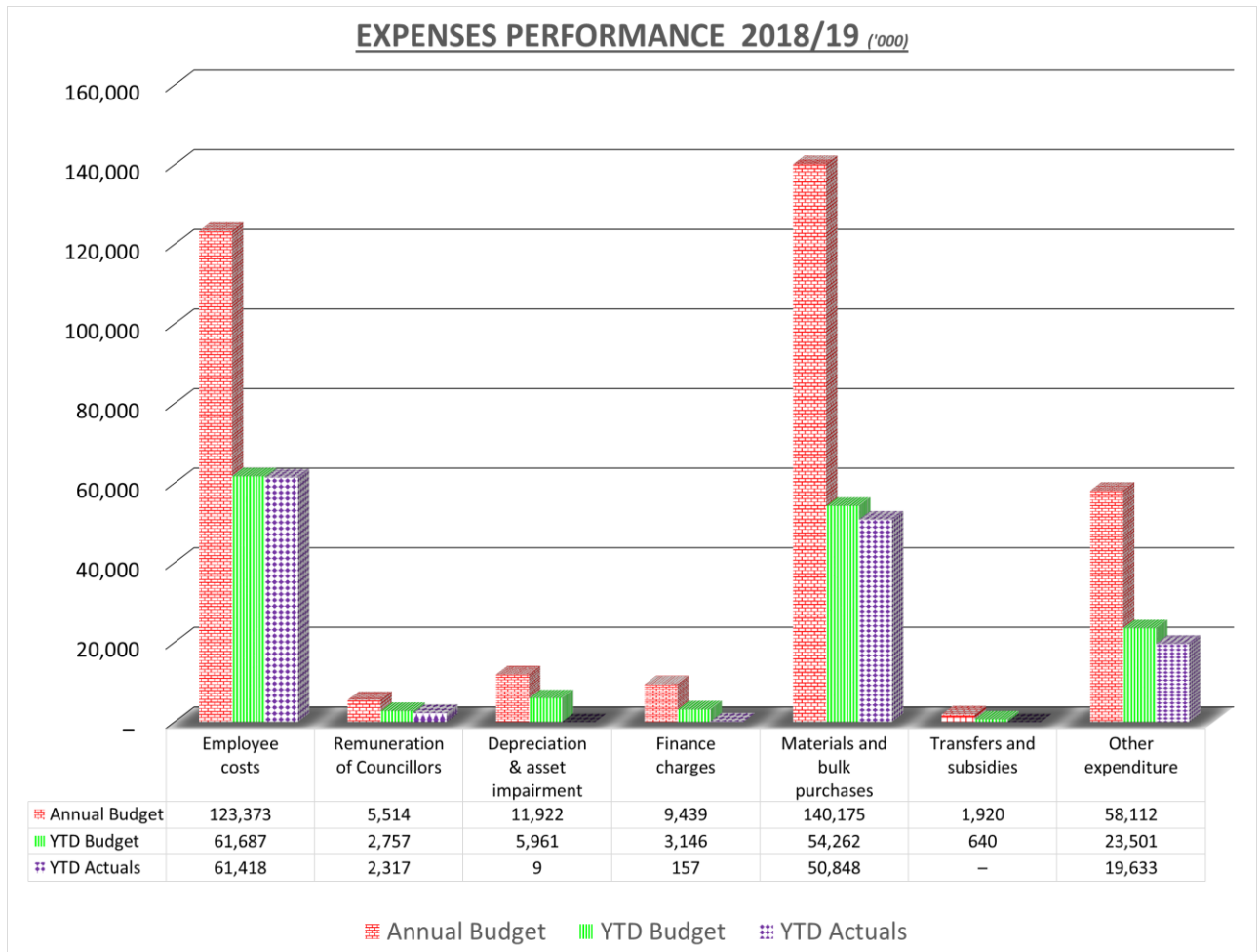
Overall assessment

GOOD	AVERAGE	BAD
		
<b>X</b>		




**Summarized explanation**

Municipal performance for the period ending **December 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 therefor impact on service delivery if not addressed. All other related incomes is on par with projections as per planning.





**Overall assessment**

GOOD	AVERAGE	BAD
		
	<b>X</b>	

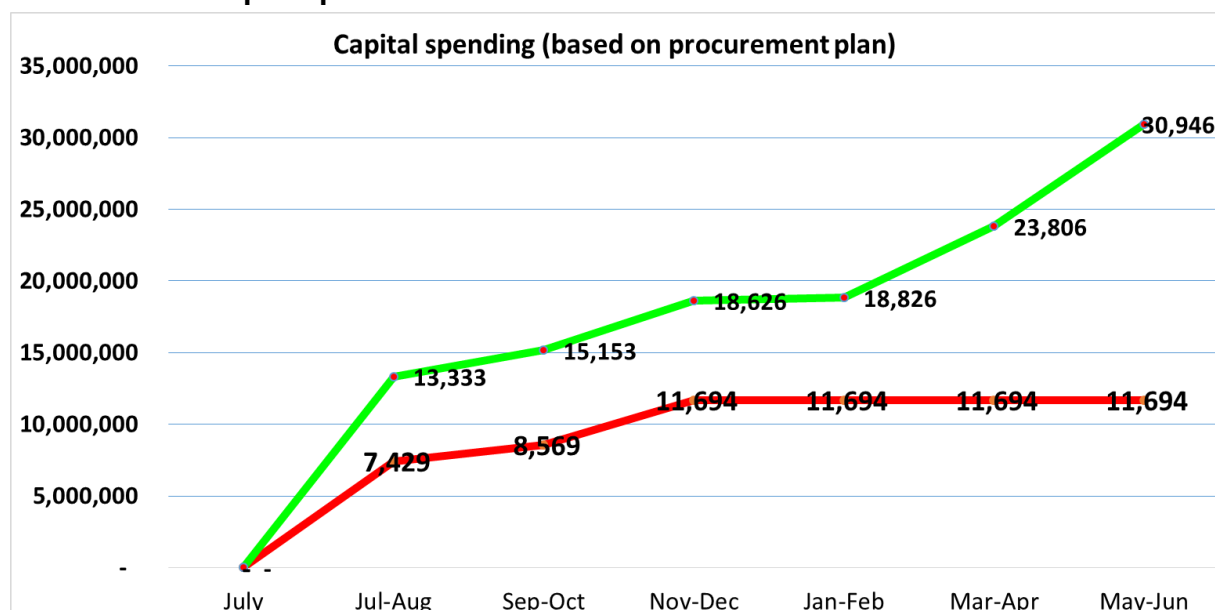
**Summarized explanation**

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 December 2018.

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

## Cumulative Capital performance



### Summarized explanation

Performance for capital expenditures reported for the period ending 31 December 2018 recorded below projected expenditures based on the procurement plan.

Capital spending totals R11,694m 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 **R3,409m** 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

<b>Action implemented</b>	<b>Achieve</b>	<b>Comments / Actions</b>
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:

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

## PART B

### 8. Legislated information

#### 8.1 Budget schedules

**WC033 Cape Agulhas - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter**

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	63,981	-	3,212	46,955	47,986	(1,030)	-2%	63,981
Service charges	-	163,708	-	13,216	84,295	82,737	1,557	2%	163,708
Investment revenue	-	2,286	-	803	1,862	1,714	148	9%	2,286
Transfers and subsidies	-	79,150	-	10,486	32,034	32,979	(945)	-3%	79,150
Other own revenue	-	32,106	-	1,420	10,595	10,526	69	1%	32,106
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>341,231</b>	-	<b>29,137</b>	<b>175,742</b>	<b>175,942</b>	<b>(201)</b>	<b>-0%</b>	<b>341,231</b>
Employee costs	-	123,373	-	9,297	61,418	61,687	(268)	-0%	123,373
Remuneration of Councillors	-	5,514	-	376	2,317	2,757	(440)	-16%	5,514
Depreciation & asset impairment	-	11,922	-	-	9	5,961	(5,952)	-100%	11,922
Finance charges	-	9,439	-	157	157	3,146	(2,989)	-95%	9,439
Materials and bulk purchases	-	140,175	-	11,557	50,848	54,262	(3,413)	-6%	140,175
Transfers and subsidies	-	1,920	-	-	-	640	(640)	-100%	1,920
Other expenditure	-	58,112	-	4,002	19,633	23,501	(3,868)	-16%	58,112
<b>Total Expenditure</b>	-	<b>350,454</b>	-	<b>25,389</b>	<b>134,383</b>	<b>151,953</b>	<b>(17,569)</b>	<b>-12%</b>	<b>350,454</b>
<b>Surplus/(Deficit)</b>	-	<b>(9,223)</b>	-	<b>3,748</b>	<b>41,358</b>	<b>23,990</b>	<b>17,369</b>	<b>72%</b>	<b>(9,223)</b>
Transfers and subsidies - capital (monetary allocated)	-	12,281	-	-	-	-	-	-	12,281
Contributions & Contributed assets	-	130	-	-	-	-	-	-	130
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>3,188</b>	-	<b>3,748</b>	<b>41,358</b>	<b>23,990</b>	<b>17,369</b>	<b>72%</b>	<b>3,188</b>
Share of surplus/ (deficit) of	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	-	<b>3,188</b>	-	<b>3,748</b>	<b>41,358</b>	<b>23,990</b>	<b>17,369</b>	<b>72%</b>	<b>3,188</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	-	<b>30,946</b>	-	<b>1,847</b>	<b>11,694</b>	<b>11,999</b>	<b>(304)</b>	<b>-3%</b>	<b>30,946</b>
Capital transfers recognised	-	12,281	-	211	7,988	7,733	256	3%	12,281
Public contributions & donations	-	130	-	-	-	7	(7)	-100%	130
Borrowing	-	7,622	-	103	490	635	(145)	-23%	7,622
Internally generated funds	-	10,913	-	1,532	3,216	3,625	(408)	-11%	10,913
<b>Total sources of capital funds</b>	-	<b>30,946</b>	-	<b>1,847</b>	<b>11,694</b>	<b>11,999</b>	<b>(305)</b>	<b>-3%</b>	<b>30,946</b>
<b>Financial position</b>									
Total current assets	81,715	60,671	-	-	138,641	-	-	-	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	-	-	138,063	-	-	-	140,181
Community wealth/Equity	<b>331,540</b>	<b>310,325</b>	-	-	<b>383,896</b>	-	-	-	<b>310,325</b>
<b>Cash flows</b>									
Net cash from (used) operating	-	11,968	-	4,152	56,442	14,115	(42,327)	-300%	11,968
Net cash from (used) investing	-	(22,985)	-	(51,846)	(61,694)	(1,598)	60,096	-3761%	(22,985)
Net cash from (used) financing	-	5,063	-	19	19	45	27	59%	5,063
<b>Cash/cash equivalents at the month/year end</b>	-	<b>19,620</b>	-	<b>-</b>	<b>56,587</b>	<b>38,136</b>	<b>(18,451)</b>	<b>-48%</b>	<b>41,815</b>
<b>Debtors &amp; creditors analysis</b>	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
<b>Debtors Age Analysis</b>									
Total By Income Source	14,824	4,757	2,614	1,884	1,995	4,854	6,395	14,351	51,674
<b>Creditors Age Analysis</b>									
Total Creditors	5,387	-	-	-	-	-	-	-	5,387

**WC033 Cape Agulhas - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter**

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
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		-	118,609	-	13,968	79,097	79,119	(22)	0%	118,609
Executive and council		-	27,606	-	9,202	20,705	20,705	-		27,606
Finance and administration		-	91,003	-	4,766	58,392	58,414	(22)		91,003
Internal audit		-	-	-	-	-	-	-		-
<b>Community and public safety</b>		-	50,257	-	1,322	7,870	8,381	(511)	-6%	50,257
Community and social services		-	8,679	-	813	2,811	2,896	(85)	-3%	8,679
Sport and recreation		-	6,893	-	499	4,791	4,974	(183)	-4%	6,893
Public safety		-	-	-	-	-	-	-		-
Housing		-	34,685	-	9	269	511	(242)	-47%	34,685
Health		-	-	-	-	-	-	-		-
<b>Economic and environmental services</b>		-	13,900	-	580	4,365	4,257	108	3%	13,900
Planning and development		-	1,364	-	154	1,221	1,251	(30)	-2%	1,364
Road transport		-	12,536	-	427	3,144	3,006	139	5%	12,536
Environmental protection		-	-	-	-	-	-	-		-
<b>Trading services</b>		-	170,876	-	13,267	84,410	84,185	225	0%	170,876
Energy sources		-	118,012	-	8,460	56,444	57,217	(773)	-1%	118,012
Water management		-	25,949	-	2,192	11,709	11,032	677	6%	25,949
Waste water management		-	10,148	-	1,053	6,320	6,155	164	3%	10,148
Waste management		-	16,766	-	1,562	9,937	9,781	156	2%	16,766
<b>Other</b>	4	-	-	-	-	-	-	-		-
<b>Total Revenue - Functional</b>	2	-	353,642	-	29,137	175,742	175,941	(200)	0%	353,642
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		-	93,678	-	6,447	40,704	42,984	(2,280)	-5%	93,678
Executive and council		-	15,002	-	1,176	6,916	7,188	(272)	-4%	15,002
Finance and administration		-	76,963	-	5,166	33,147	35,081	(1,934)	-6%	76,963
Internal audit		-	1,714	-	106	641	714	(73)	-10%	1,714
<b>Community and public safety</b>		-	62,938	-	2,237	12,135	13,797	(1,661)	-12%	62,938
Community and social services		-	13,780	-	869	5,646	6,173	(527)	-9%	13,780
Sport and recreation		-	12,303	-	1,220	5,425	5,295	130	2%	12,303
Public safety		-	-	-	-	-	-	-		-
Housing		-	36,855	-	148	1,064	2,328	(1,264)	-54%	36,855
Health		-	-	-	-	-	-	-		-
<b>Economic and environmental services</b>		-	41,953	-	2,623	16,676	15,367	1,308	9%	41,953
Planning and development		-	8,610	-	712	4,625	4,504	121	3%	8,610
Road transport		-	33,267	-	1,911	12,050	10,853	1,197	11%	33,267
Environmental protection		-	77	-	-	-	10	(10)	-100%	77
<b>Trading services</b>		-	151,175	-	14,073	64,864	79,703	(14,839)	-19%	151,175
Energy sources		-	99,944	-	10,350	47,607	50,926	(3,319)	-7%	99,944
Water management		-	18,968	-	1,442	7,888	10,817	(2,929)	-27%	18,968
Waste water management		-	11,245	-	767	4,197	7,185	(2,988)	-42%	11,245
Waste management		-	21,018	-	1,515	5,173	10,776	(5,603)	-52%	21,018
<b>Other</b>		-	710	-	8	(1)	102	(103)	-101%	710
<b>Total Expenditure - Functional</b>	3	-	350,454	-	25,389	134,379	151,953	(17,574)	-12%	350,454
<b>Surplus/ (Deficit) for the year</b>		-	3,188	-	3,748	41,363	23,989	17,374	72%	3,188

**WC033 Cape Agulhas - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second Quarter**

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
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		-	30,803	-	9,283	21,229	13,032	8,197	63%	30,803
Vote 2 - Financial Services & ICT		-	78,166	-	4,373	50,422	50,028	395	1%	78,166
Vote 3 - Corporate Services		-	-	-	-	-	-	-		-
Vote 4 - Management Services		-	61,445	-	1,755	10,995	11,397	(402)	-4%	61,445
Vote 5 - Engineering Services		-	183,227	-	13,727	93,095	75,616	17,479	23%	183,227
<b>Total Revenue by Vote</b>	2	-	<b>353,642</b>	-	<b>29,137</b>	<b>175,742</b>	<b>150,072</b>	<b>25,669</b>	<b>17%</b>	<b>353,642</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - Executive and Council		-	42,994	-	3,154	20,928	9,767	11,161	114.3%	42,994
Vote 2 - Financial Services & ICT		-	50,710	-	3,550	20,347	13,499	6,847	50.7%	50,710
Vote 3 - Corporate Services		-	-	-	-	-	-	-		-
Vote 4 - Management Services		-	84,039	-	3,311	19,701	14,588	5,113	35.0%	84,039
Vote 5 - Engineering Services		-	172,712	-	15,374	73,412	55,987	17,426	31.1%	172,712
<b>Total Expenditure by Vote</b>	2	-	<b>350,454</b>	-	<b>25,389</b>	<b>134,388</b>	<b>93,841</b>	<b>40,547</b>	<b>43.2%</b>	<b>350,454</b>
<b>Surplus/ (Deficit) for the year</b>	2	-	<b>3,188</b>	-	<b>3,748</b>	<b>41,354</b>	<b>56,231</b>	<b>(14,878)</b>	<b>-26.5%</b>	<b>3,188</b>

**WC033 Cape Agulhas - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - 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	
<b>R thousands</b>											
<b>Revenue By Source</b>											
Property rates			63,981	-	3,212	46,955	47,986	(1,030)	-2%	63,981	
Service charges - electricity revenue			110,871	-	8,427	56,358	55,435	923	2%	110,871	
Service charges - water revenue			25,946	-	2,174	11,680	11,892	(212)	-2%	25,946	
Service charges - sanitation revenue			10,125	-	1,053	6,320	6,328	(8)	0%	10,125	
Service charges - refuse revenue			16,766	-	1,562	9,937	9,082	855	9%	16,766	
Service charges - other			-	-	-	-	-	-	-	-	
Rental of facilities and equipment			1,710	-	466	4,840	1,710	3,130	183%	1,710	
Interest earned - external investments			2,286	-	803	1,862	1,714	148	9%	2,286	
Interest earned - outstanding debtors			1,591	-	247	906	928	(22)	-2%	1,591	
Dividends received			-	-	-	-	-	-	-	-	
Fines, penalties and forfeits			9,854	-	286	1,395	1,642	(247)	-15%	9,854	
Licences and permits			64	-	9	9	16	(7)	-43%	64	
Agency services			2,572	-	142	1,595	1,501	94	6%	2,572	
Transfers and subsidies			79,150	-	10,486	32,034	32,979	(945)	-3%	79,150	
Other revenue			8,514	-	270	1,849	2,129	(279)	-13%	8,514	
Gains on disposal of PPE			7,800	-	-	-	2,600	(2,600)	-100%	7,800	
<b>Total Revenue (excluding capital transfers and contributions)</b>			-	341,231	-	29,137	175,742	175,942	(201)	0%	341,231
<b>Expenditure By Type</b>											
Employee related costs			123,373	-	9,297	61,418	61,687	(268)	0%	123,373	
Remuneration of councillors			5,514	-	376	2,317	2,757	(440)	-16%	5,514	
Debt impairment			9,339	-	-	-	3,113	(3,113)	-100%	9,339	
Depreciation & asset impairment			11,922	-	-	9	5,961	(5,952)	-100%	11,922	
Finance charges			9,439	-	157	157	3,146	(2,989)	-95%	9,439	
Bulk purchases			82,398	-	9,448	43,076	44,632	(1,556)	-3%	82,398	
Other materials			57,778	-	2,109	7,772	9,630	(1,858)	-19%	57,778	
Contracted services			24,189	-	1,215	4,101	6,047	(1,946)	-32%	24,189	
Transfers and subsidies			1,920	-	-	-	640	(640)	-100%	1,920	
Other expenditure			24,584	-	2,787	15,532	14,340	1,191	8%	24,584	
Loss on disposal of PPE			-	-	-	-	-	-	-	-	
<b>Total Expenditure</b>			-	350,454	-	25,389	134,383	151,953	(17,569)	-12%	350,454
<b>Surplus/(Deficit)</b>			-	(9,223)	-	3,748	41,358	23,990	17,369	0	(9,223)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			12,281	-	-	-	-	-	-	-	12,281
Transfers and subsidies - capital (in-kind - all)			130	-	-	-	-	-	-	-	130
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>			-	3,188	-	3,748	41,358	23,990			3,188
Taxation			-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>			-	3,188	-	3,748	41,358	23,990			3,188
Attributable to minorities			-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>			-	3,188	-	3,748	41,358	23,990			3,188
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>			-	3,188	-	3,748	41,358	23,990			3,188



**WC033 Cape Agulhas - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter**

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
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Financial Services & ICT		-	1,815	-	-	5	94	(89)	-95%	1,815
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Management Services		-	900	-	475	555	525	30	6%	900
Vote 5 - Engineering Services		-	5,465	-	-	-	283	(283)	-100%	5,465
<b>Total Capital Multi-year expenditure</b>	4,7	-	<b>8,180</b>	-	<b>475</b>	<b>560</b>	<b>902</b>	<b>(342)</b>	<b>-38%</b>	<b>8,180</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive and Council		-	750	-	1	65	73	(8)	-11%	750
Vote 2 - Financial Services & ICT		-	764	-	-	387	419	(32)	-8%	764
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Management Services		-	3,551	-	421	1,080	1,127	(48)	-4%	3,551
Vote 5 - Engineering Services		-	17,701	-	950	9,602	9,477	125	1%	17,701
<b>Total Capital single-year expenditure</b>	4	-	<b>22,766</b>	-	<b>1,372</b>	<b>11,134</b>	<b>11,097</b>	<b>38</b>	<b>0%</b>	<b>22,766</b>
<b>Total Capital Expenditure</b>		-	<b>30,946</b>	-	<b>1,847</b>	<b>11,694</b>	<b>11,999</b>	<b>(304)</b>	<b>-3%</b>	<b>30,946</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		-	<b>2,861</b>	-	<b>1</b>	<b>433</b>	<b>335</b>	<b>98</b>	<b>29%</b>	<b>2,861</b>
Executive and council			47	-	-	34	2	32	1309%	47
Finance and administration			2,813	-	1	398	333	65	20%	2,813
Internal audit			2	-	-	1	0	1	1489%	2
<b>Community and public safety</b>		-	<b>4,559</b>	-	<b>896</b>	<b>1,653</b>	<b>1,236</b>	<b>417</b>	<b>34%</b>	<b>4,559</b>
Community and social services			742	-	100	123	38	85	220%	742
Sport and recreation			3,813	-	796	1,526	1,198	328	27%	3,813
Public safety			-	-	-	-	-	-	-	-
Housing			5	-	-	4	0	4	1530%	5
Health			-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	<b>13,186</b>	-	<b>599</b>	<b>8,843</b>	<b>8,843</b>	<b>(0)</b>	<b>0%</b>	<b>13,186</b>
Planning and development			47	-	-	6	2	4	149%	47
Road transport			13,139	-	599	8,837	8,841	(4)	0%	13,139
Environmental protection			-	-	-	-	-	-	-	-
<b>Trading services</b>		-	<b>10,340</b>	-	<b>351</b>	<b>765</b>	<b>1,585</b>	<b>(819)</b>	<b>-52%</b>	<b>10,340</b>
Energy sources			4,924	-	351	756	1,304	(548)	-42%	4,924
Water management			2,070	-	-	-	107	(107)	-100%	2,070
Waste water management			331	-	-	-	17	(17)	-100%	331
Waste management			3,015	-	-	9	156	(147)	-94%	3,015
<b>Other</b>			-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	-	<b>30,946</b>	-	<b>1,847</b>	<b>11,694</b>	<b>11,999</b>	<b>(305)</b>	<b>-3%</b>	<b>30,946</b>
<b>Funded by:</b>										
National Government			11,332	-	211	7,683	7,683	-	-	11,332
Provincial Government			949	-	-	305	49	256	520%	949
District Municipality			-	-	-	-	-	-	-	-
Other transfers and grants			-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		-	<b>12,281</b>	-	<b>211</b>	<b>7,988</b>	<b>7,733</b>	<b>256</b>	<b>3%</b>	<b>12,281</b>
<b>Public contributions &amp; donations</b>	5		130	-	-	-	7	(7)	-100%	130
<b>Borrowing</b>	6		7,622	-	103	490	635	(145)	-23%	7,622
<b>Internally generated funds</b>			10,913	-	1,532	3,216	3,625	(408)	-11%	10,913
<b>Total Capital Funding</b>		-	<b>30,946</b>	-	<b>1,847</b>	<b>11,694</b>	<b>11,999</b>	<b>(305)</b>	<b>-3%</b>	<b>30,946</b>

**WC033 Cape Agulhas - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter**

Description	Ref	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		33,518	19,620	–	34,000	55,867
Call investment deposits		15,000	–	–	50,000	–
Consumer debtors		29,339	33,775	–	51,674	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
<b>Total current assets</b>		<b>80,719</b>	<b>60,671</b>	<b>–</b>	<b>138,641</b>	<b>96,917</b>
<b>Non current assets</b>						
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		–	–	–	–	–
<b>Total non current assets</b>		<b>431,647</b>	<b>450,873</b>	<b>–</b>	<b>440,913</b>	<b>450,873</b>
<b>TOTAL ASSETS</b>		<b>512,366</b>	<b>511,544</b>	<b>–</b>	<b>579,554</b>	<b>547,791</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
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
<b>Total current liabilities</b>		<b>43,988</b>	<b>61,038</b>	<b>–</b>	<b>57,595</b>	<b>61,038</b>
<b>Non current liabilities</b>						
Borrowing		17,600	8,451	–	15,491	8,451
Provisions		122,572	131,731	–	122,572	131,731
<b>Total non current liabilities</b>		<b>140,172</b>	<b>140,181</b>	<b>–</b>	<b>138,063</b>	<b>140,181</b>
<b>TOTAL LIABILITIES</b>		<b>184,160</b>	<b>201,219</b>	<b>–</b>	<b>195,658</b>	<b>201,219</b>
<b>NET ASSETS</b>	2	<b>328,206</b>	<b>310,325</b>	<b>–</b>	<b>383,896</b>	<b>346,571</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		308,206	295,325	–	353,896	331,571
Reserves		20,000	15,000	–	30,000	15,000
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>328,206</b>	<b>310,325</b>	<b>–</b>	<b>383,896</b>	<b>346,571</b>

**WC033 Cape Agulhas - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter**

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	
<b>R thousands</b>	1										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates			61,324	-	3,212	46,955	9,434	37,521	398%	61,324	
Service charges			156,910	-	13,216	84,295	26,311	57,984	220%	156,910	
Other revenue			15,929	-	1,189	1,912	2,669	(757)	-28%	15,929	
Government - operating			79,150	-	9,562	27,004	17,959	9,045	50%	79,150	
Government - capital			12,281	-	1,401	13,426	4,094	9,332	228%	12,281	
Interest			3,811	-	803	1,862	384	1,478	385%	3,811	
Dividends			-	-	-	-	-	-		-	
<b>Payments</b>											
Suppliers and employees			(314,743)	-	(25,232)	(118,844)	(46,427)	72,417	-156%	(314,743)	
Finance charges			(774)	-	-	-	-	-		(774)	
Transfers and Grants			(1,920)	-	-	(169)	(309)	(140)	45%	(1,920)	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			<b>-</b>	<b>11,968</b>	<b>-</b>	<b>4,152</b>	<b>56,442</b>	<b>14,115</b>	<b>(42,327)</b>	<b>-300%</b>	<b>11,968</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
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			-	-	(50,000)	(50,000)	-	(50,000)	#DIV/0!	-	
<b>Payments</b>											
Capital assets			(30,816)	-	(1,847)	(11,694)	(1,603)	10,091	-629%	(30,816)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			<b>-</b>	<b>(22,985)</b>	<b>-</b>	<b>(51,846)</b>	<b>(61,694)</b>	<b>(1,598)</b>	<b>60,096</b>	<b>-3761%</b>	<b>(22,985)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans			-	-	-	-	-	-		-	
Borrowing long term/refinancing			7,622	-	-	-	-	-		7,622	
Increase (decrease) in consumer deposits			273	-	19	19	45	(27)	-59%	273	
<b>Payments</b>											
Repayment of borrowing			(2,831)	-	-	-	-	-		(2,831)	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>			<b>-</b>	<b>5,063</b>	<b>-</b>	<b>19</b>	<b>19</b>	<b>45</b>	<b>27</b>	<b>59%</b>	<b>5,063</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>											
			<b>-</b>	<b>(5,953)</b>	<b>-</b>	<b>(47,676)</b>	<b>(5,233)</b>	<b>12,562</b>		<b>(5,953)</b>	
Cash/cash equivalents at beginning:			25,574	-	-	61,820	25,574			61,820	
Cash/cash equivalents at month/year end:			-	19,620	-	-	56,587	38,136		55,867	

WC033 Cape Agulhas - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q2 Second Quarter

Description	Ref	2017/18	Budget							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		-	36,089	-	9,202	23,741	21,705	-		36,089
Local Government Equitable Share			27,606	-	9,202	20,705	20,705	-		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]			-	-	-	-	-			-
<b>Provincial Government:</b>		-	43,060	-	592	3,495	3,765	(270)	-7.2%	43,060
Human Settlement Development			34,560	-	232	232	1,862	(1,630)	-87.5%	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)	4		360	-	360	360	-	360	#DIV/0!	360
Greenest Municipality (Violence Protection)			1,000	-	-	1,000	-	1,000	#DIV/0!	1,000
<b>District Municipality:</b>		-	-	-	-	-	-			-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-			-
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	-	79,150	-	9,794	27,236	25,470	(270)	-1.1%	79,150
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		-	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]			-	-	-	-	-			-
<b>Provincial Government:</b>		-	199	-	-	108	-	108	#DIV/0!	199
Library Service			91	-	-	-	-			91
Development of Sport and Recreation Facilities			108	-	-	108	-			108
			-	-	-	-	-			-
			-	-	-	-	-			-
<b>Total Capital Transfers and Grants</b>	5	-	12,281	-	-	12,025	-	12,025	#DIV/0!	12,281
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	-	91,430	-	9,794	39,261	25,470	11,755	46.2%	91,430

## 9. Municipal Quality Certificate

NAVRAE:  
ENQUIRIES: S Stanley

KONTAKNR  
CONTACT NO 028 425 5798

VERW:  
REF: 5/3/2018-19 (S71/S52)

KANTOOR:  
OFFICES: Bredasdorp

DATUM  
DATE 15 January 2018



KAAP AGULHAS MUNISIPALITEIT  
CAPE AGULHAS MUNICIPALITY  
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### 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 **31 DECEMBER 2018** (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 Dean O'Neill

Date 15/01/19