

CAPE AGULHAS MUNICIPALITY



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CAPE AGULHAS MUNICIPALITY
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2019/2020

SECTION 71 REPORT FOR THE MONTH ENDING 31 DECEMBER 2019

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PART A

1. COUNCIL RESOLUTION

To The Executive Mayor

In accordance with **Section 71(1)** of the Municipal Finance Management Act, I submit the required statement on the state of Cape Agulhas Municipality's budget implementation and the financial state of the municipality's affairs reflecting the particulars up until the end of **30 November 2019**.

52. The mayor of a municipality—

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

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

Recommendations

- The content of the **monthly report** and supporting documentation for the consolidated period ending **31 December 2019** is noted.
- It be noted that the directors ensure that the budget is implemented in accordance with the Service Delivery and Budget Implementation Plan projections and in accordance with the approved budget;
- It be noted that any material variances will receive remedial or corrective steps.

2. INTRODUCTION

2.1 PURPOSE

The purpose of this report is to comply with section 71 of the MFMA and the requirements as promulgated in Government Gazette No 32141 of 17 April 2009 (Municipal budgeting and reporting requirements).

2.2 STRATEGIC OBJECTIVE

“To comply with MFMA priorities as well as MFMA implementation plan”

2.3 BACKGROUND

Section 71 of the MFMA and Section 28 of Government Notice 32141 dated 17 April 2009, regarding the “Local Government: Municipal Finance Management Act 2003 Municipal Budget and Reporting Regulations” necessitate that specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance.

“Section 52(d) of the MFMA states that, the executive mayor of a municipality must within 30 days of the end of each quarter submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

However, section 71 of the MFMA states that, the accounting officer of a municipality must by no later than **10 working days after the end of each month** submit to the mayor of the municipality and the relevant treasury a statement in the prescribed format on the implementation of the municipality's approved budget”.

“Section 28 of the Government Notice 32141, the monthly budget statement of a municipality must be in the format specified in Schedule C and include all required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act”.

Section 54 of the MFMA requires the Mayor to consider the Section 71 report and take appropriate action to ensure that the approved budget is implemented in accordance with the SDBIP.

3. MAYOR'S SUMMARY

The Budget and Reporting regulations become effective during April 2009 and the municipality is obliged to report in the prescribed format to National & Provincial Treasury, the Executive Mayor and council accordingly.

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

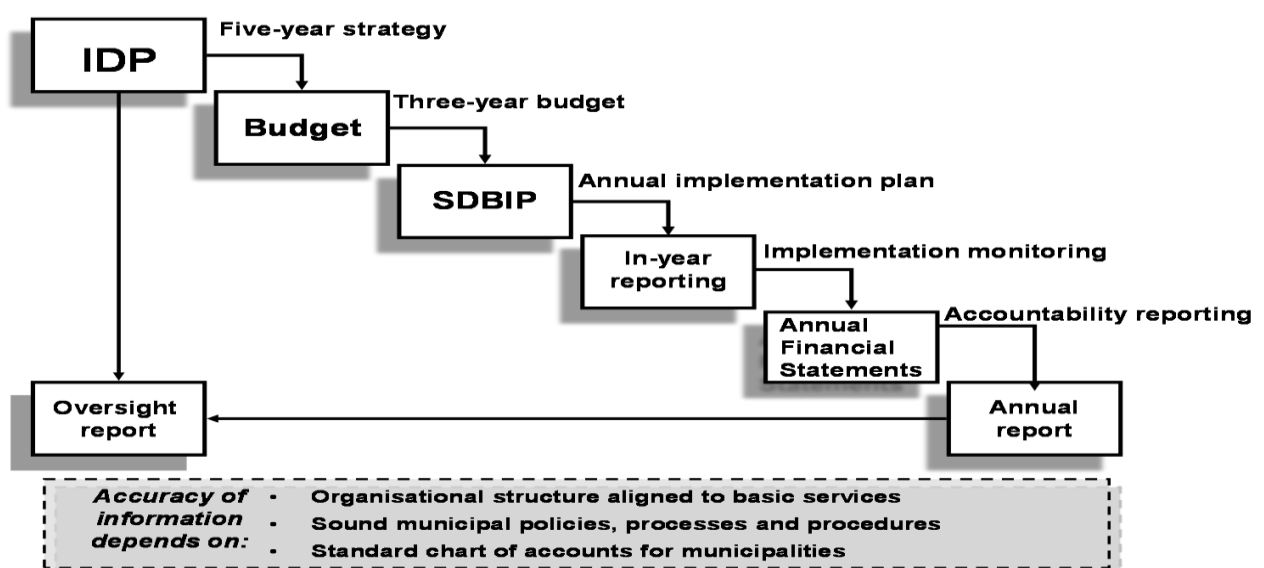
3.1 Budget Process:

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

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

- o Reporting on the previous year budget;
- o Current year budget implementation; and
- o Preparation of the new financial year's budget (including the budget estimates for the two outer financial years)

The municipal planning and budget cycle processes consist of the following:



The auditor general completed the auditing of the Annual Financial statements for the financial year 30 June 2019. The municipality received a “clean audit” for the sixth consecutive year.

The next phase of the Budget planning cycle is the preparation of the Adjustment budget for the 2019/20 financial year, as well as planning for the Draft budget 2020/21 MTREF period. This will be done in accordance to the budget timetable approved by council as per the Municipal Finance Management act.

4. SUMMARY FINANCIAL PERFORMANCE

The financial year reaches the halfway milestone and the municipality is in the process of reviewing the performance over the period 1 July to 31 December. This will be reported in the Mid-year budget and performance assessment report due to mayor by the 25th of January as per legislation.

Judging from the performance over the period the municipality missed on a few of its milestones initiated at the start of the financial year.













Operating performance of expenditures is recorded at 31% of budgeted amounts, this reflects a low spending based on the municipal standards. This should be taken in context of the budget provision for the Housing grant that is based on a claim basis from the Department of human settlements. Finance charges related to the external borrowings also need to be processed and recorded that can influence the performance.

Capital expenditures is another area of concern with spending recorded at a low 16.9% of budgeted amounts. This is mostly due to the delays in the implementation of the MIG grant funding projects. The municipality is in the process of reviewing the project for the Waste water treatment works and this will significantly be changed with the adjustment budget. More information will be included as part of the Mid-year assessment report.

Operational revenues report at 47.6% of budget. The municipality received all grant funding as legislation and the equitable share was received per plan. Service revenue and property rates two of the biggest income sources of the municipality in on par, with a few concerns relating to the other revenue sources, especially the sale of land.

5. COUNCIL FOCUS AREAS (CASH FLOW / LIQUIDITY)

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

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

Budget implementation:

Council identified the following ratios as main focus areas and these ratios will be monitored on a monthly basis and action plans developed to ensure the achievement of council's sustainability objectives.

Summarized explanation:

We in the process of completion the financial ratios for the period 30 June 2019, this will be tabled in the next reporting period.

To date all ratio's reflected positively for the period ending 31 December 2019.

6. 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.

7. OUTSTANDING DEBT COLLECTION INTERVENTIONS

The municipality advertise a tender for the assessing of the internal debt collection capacity as well as the indigent processes and functioning. From the concluding of this process numerous gaps and actions was identified that require implementation to ensure that the efficiency of the municipal debt collection processes can be enhance and improved:

Some of these identified and being implemented at this stage is as follows:

- Capacitating of the debt collection unit.
- Informal training and workshops, and management meetings discussing these shortcomings.
- Re-evaluation of the functioning of the unit and establishing how the access capacity can be utilised.
- Contacting debtors with outstanding balances and no agreements to enforce payment.
- Improved reporting of activities to management.

8. REVENUE ENHANCEMENT PLAN / LONG-TERM FINANCIAL PLAN

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

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

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

9. COST CONTAINMENT REGULATION AND CIRCULAR REQUIREMENTS

National Treasury as part of the drive for more efficient use of government resources introduced the **Local Government: Municipal Cost Containment regulation (MCCR)** promulgated on the 7 June 2019 with effective date of **1 July 2019**.

As part of the regulation municipalities is required to report as part of the in-year reporting mechanisms of the MFMA to the municipal council's relating to **COST CONTAINMENT** initiatives implemented. Numerous other requirements were also introduced that enforce reviewed of municipal policies and documentation as well as business processes. These will be implemented by the Chief Financial Officer as required.

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

Total cost saving disclosure in the In-year report - 31 DECEMBER 2019						
	COST CONTAINMENT IN-YEAR REPORT					
MEASURES	BUDGET	Q1 - 30 Sept	Q2 - 31 Dec	Q3 - 31 Mrch	Q4 - June	SAVINGS
Use of Consultant	9 953 600,00	528 778,62	1 257 938,04			8 166 883,34
Vehicle used for political office-bearers	-	-	-			-
Travel and subsistence	1 012 800,00	271 377,78	292 245,88			449 176,34
Domestic accomodation	456 200,00	140 187,38	61 177,82			254 834,80
Sponsorships, events and catering	294 550,00	40 918,21	81 928,80			171 702,99
Communication	400 600,00	48 517,87	49 005,26			303 076,87
Other related expenditures	954 300,00	118 210,38	207 022,41			629 067,21
Total	13 072 050,00	1 147 990,24	1 949 318,21	-	-	9 974 741,55

In order to generate value and adhere to the spirit of the Regulation with related to the cost containment reporting, management will need to interrogate each individual cost item and determine whether value for money was received when procuring or incurring the necessary expenses.

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

PART B

10. LEGISLATED INFORMATION

WC033 Cape Agulhas - Table C1 Monthly Budget Statement Summary - M06 December

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	69 193	69 193	3 862	48 363	42 774	5 589	13%	69 193
Service charges	-	178 098	178 098	15 347	92 243	91 832	411	0%	178 098
Investment revenue	-	2 446	2 446	1 131	3 148	930	2 217	238%	2 446
Transfers and subsidies	-	98 670	98 670	11 031	23 892	55 723	(31 831)	-57%	98 670
Other own revenue	-	33 108	33 108	2 343	13 965	14 664	(699)	-5%	33 108
Total Revenue (excluding capital transfers and contributions)	-	381 515	381 515	33 715	181 610	205 922	(24 312)	-12%	381 515
Employee costs	-	134 136	134 136	10 465	67 149	68 986	(1 838)	-3%	134 136
Remuneration of Councillors	-	5 764	5 764	458	2 750	2 694	56	2%	5 764
Depreciation & asset impairment	-	11 025	11 025	1 239	6 178	5 513	666	12%	11 025
Finance charges	-	12 763	12 763	121	121	6 381	(6 260)	-98%	12 763
Materials and bulk purchases	-	160 950	160 950	8 465	50 890	78 610	(27 720)	-35%	160 950
Transfers and subsidies	-	2 026	2 026	164	1 247	979	268	27%	2 026
Other expenditure	-	67 671	67 671	5 033	22 758	33 003	(10 244)	-31%	67 671
Total Expenditure	-	394 335	394 335	25 945	151 093	196 165	(45 072)	-23%	394 335
Surplus/(Deficit)	-	(12 820)	(12 820)	7 769	30 516	9 756	20 760	213%	(12 820)
Transfers and subsidies - capital (monetary allocations)	-	12 941	12 941	669	2 900	4 048	(1 148)	-28%	12 941
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	121	121	8 439	33 416	13 804	19 612	142%	121
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	121	121	8 439	33 416	13 804	19 612	142%	121
Capital expenditure & funds sources									
Capital expenditure	-	47 209	47 209	1 169	7 983	14 768	(6 785)	-46%	47 209
Capital transfers recognised	-	12 941	12 941	117	2 881	4 048	(1 167)	-29%	12 941
Borrowing	-	19 988	19 988	26	1 583	6 253	(4 670)	-75%	19 988
Internally generated funds	-	14 279	14 279	1 027	3 519	4 467	(948)	-21%	14 279
Total sources of capital funds	-	47 209	47 209	1 169	7 983	14 768	(6 785)	-46%	47 209
Financial position									
Total current assets	118 811	66 089	66 089		152 248				66 089
Total non current assets	420 377	488 722	488 722		422 156				488 722
Total current liabilities	58 582	56 176	56 176		61 428				56 176
Total non current liabilities	92 454	160 960	160 960		91 138				160 960
Community wealth/Equity	388 152	337 676	337 676		421 838				337 676
Cash flows									
Net cash from (used) operating	-	12 172	12 172	23 781	38 268	24 181	(14 087)	-58%	12 172
Net cash from (used) investing	-	(42 201)	(42 201)	(1 145)	(7 957)	(14 764)	(6 807)	46%	(42 201)
Net cash from (used) financing	-	11 820	11 820	(2 767)	(2 588)	(2 479)	109	-4%	11 820
Cash/cash equivalents at the month/year end	-	22 192	22 192	-	111 462	47 339	(64 122)	-135%	65 529
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	-	-	-	-	-	-	-	-	-
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

WC033 Cape Agulhas - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		-	126 340	126 340	16 941	81 071	68 932	12 140	18%	126 340
Executive and council		-	29 940	29 940	9 969	22 431	16 909	5 522	33%	29 940
Finance and administration		-	96 400	96 400	6 972	58 640	52 022	6 618	13%	96 400
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	76 339	76 339	1 756	7 787	42 069	(34 281)	-81%	76 339
Community and social services		-	6 653	6 653	53	149	3 762	(3 613)	-96%	6 653
Sport and recreation		-	7 329	7 329	987	5 625	4 439	1 187	27%	7 329
Public safety		-	11 655	11 655	646	1 909	5 235	(3 326)	-64%	11 655
Housing		-	50 702	50 702	70	104	28 633	(28 529)	-100%	50 702
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	7 077	7 077	331	3 330	3 531	(201)	-6%	7 077
Planning and development		-	4 160	4 160	268	1 854	1 977	(123)	-6%	4 160
Road transport		-	2 917	2 917	64	1 476	1 554	(78)	-5%	2 917
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	184 701	184 701	15 356	92 321	95 439	(3 118)	-3%	184 701
Energy sources		-	126 860	126 860	10 142	62 367	66 776	(4 409)	-7%	126 860
Water management		-	28 707	28 707	2 373	13 379	13 946	(567)	-4%	28 707
Waste water management		-	11 335	11 335	1 216	6 618	5 863	756	13%	11 335
Waste management		-	17 798	17 798	1 625	9 957	8 854	1 102	12%	17 798
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	394 456	394 456	34 384	184 509	209 970	(25 460)	-12%	394 456
Expenditure - Functional										
<i>Governance and administration</i>		-	104 515	104 515	7 861	45 929	52 164	(6 234)	-12%	104 515
Executive and council		-	15 500	15 500	1 197	8 248	7 521	727	10%	15 500
Finance and administration		-	87 666	87 666	6 566	37 033	43 955	(6 921)	-16%	87 666
Internal audit		-	1 349	1 349	97	648	688	(40)	-6%	1 349
<i>Community and public safety</i>		-	92 739	92 739	3 236	18 588	45 290	(26 702)	-59%	92 739
Community and social services		-	11 094	11 094	1 022	6 632	5 622	1 010	18%	11 094
Sport and recreation		-	12 398	12 398	1 213	6 018	6 263	(245)	-4%	12 398
Public safety		-	16 197	16 197	798	4 690	8 157	(3 467)	-43%	16 197
Housing		-	53 050	53 050	202	1 247	25 248	(24 000)	-95%	53 050
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	31 240	31 240	2 276	14 224	15 781	(1 557)	-10%	31 240
Planning and development		-	11 814	11 814	926	5 131	5 983	(852)	-14%	11 814
Road transport		-	19 352	19 352	1 350	9 087	9 763	(676)	-7%	19 352
Environmental protection		-	74	74	-	6	35	(29)	-83%	74
<i>Trading services</i>		-	164 064	164 064	12 426	71 412	82 036	(10 624)	-13%	164 064
Energy sources		-	111 310	111 310	9 200	49 789	55 677	(5 888)	-11%	111 310
Water management		-	20 186	20 186	1 432	8 695	10 103	(1 408)	-14%	20 186
Waste water management		-	11 878	11 878	753	5 621	5 945	(324)	-5%	11 878
Waste management		-	20 690	20 690	1 041	7 307	10 311	(3 004)	-29%	20 690
<i>Other</i>		-	1 778	1 778	147	940	895	45	5%	1 778
Total Expenditure - Functional	3	-	394 335	394 335	25 945	151 093	196 165	(45 072)	-23%	394 335
Surplus/ (Deficit) for the year		-	121	121	8 439	33 416	13 804	19 612	142%	121

WC033 Cape Agulhas - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06

Vote Description	Ref	2018/19		Budget Year 2019/20						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive and Council		-	34 903	34 903	10 372	24 367	19 298	5 069	26,3%	34 903
Vote 2 - Financial Services & ICT		-	82 867	82 867	5 788	55 166	46 643	8 522	18,3%	82 867
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Management Services		-	78 926	78 926	1 804	9 326	43 436	(34 111)	-78,5%	78 926
Vote 5 - Engineering Services		-	197 760	197 760	16 419	95 652	100 592	(4 941)	-4,9%	197 760
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	394 456	394 456	34 384	184 509	209 970	(25 460)	-12,1%	394 456
Expenditure by Vote	1									
Vote 1 - Executive and Council		-	47 238	47 238	3 421	23 437	23 507	(70)	-0,3%	47 238
Vote 2 - Financial Services & ICT		-	59 117	59 117	4 636	23 862	29 554	(5 692)	-19,3%	59 117
Vote 3 - Corporate Services		-	-	-	(0)	(0)	-	(0)	#DIV/0!	-
Vote 4 - Management Services		-	101 227	101 227	3 771	22 140	49 616	(27 476)	-55,4%	101 227
Vote 5 - Engineering Services		-	186 752	186 752	14 118	81 654	93 489	(11 835)	-12,7%	186 752
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	394 335	394 335	25 945	151 093	196 165	(45 072)	-23,0%	394 335
Surplus/ (Deficit) for the year	2	-	121	121	8 439	33 416	13 804	19 612	142,1%	121

WC033 Cape Agulhas - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	Budget Year 2019/20									
		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 Source											
Property rates			69 193	69 193	3 862	48 363	42 774	5 589	13%	69 193	
Service charges - electricity revenue			120 786	120 786	10 133	62 290	63 342	(1 052)	-2%	120 786	
Service charges - water revenue			28 204	28 204	2 373	13 378	13 788	(410)	-3%	28 204	
Service charges - sanitation revenue			11 310	11 310	1 216	6 618	5 847	771	13%	11 310	
Service charges - refuse revenue			17 798	17 798	1 625	9 957	8 854	1 102	12%	17 798	
Rental of facilities and equipment			1 961	1 961	177	775	1 136	(362)	-32%	1 961	
Interest earned - external investments			2 446	2 446	1 131	3 148	930	2 217	238%	2 446	
Interest earned - outstanding debtors			1 719	1 719	263	858	766	92	12%	1 719	
Dividends received			-	-	-	-	-	-	-	-	
Fines, penalties and forfeits			11 640	11 640	500	1 778	5 211	(3 433)	-66%	11 640	
Licences and permits			67	67	6	6	34	(28)	-83%	67	
Agency services			2 917	2 917	64	1 476	1 554	(78)	-5%	2 917	
Transfers and subsidies			98 670	98 670	11 031	23 892	55 723	(31 831)	-57%	98 670	
Other revenue			9 805	9 805	1 334	9 073	5 963	3 110	52%	9 805	
Gains on disposal of PPE			5 000	5 000	-	-	-	-	-	5 000	
Total Revenue (excluding capital transfers and contributions)			-	381 515	381 515	33 715	181 610	205 922	(24 312)	-12%	381 515
Expenditure By Type											
Employee related costs			134 136	134 136	10 465	67 149	68 986	(1 838)	-3%	134 136	
Remuneration of councillors			5 764	5 764	458	2 750	2 694	56	2%	5 764	
Debt impairment			11 267	11 267	-	-	5 634	(5 634)	-100%	11 267	
Depreciation & asset impairment			11 025	11 025	1 239	6 178	5 513	666	12%	11 025	
Finance charges			12 763	12 763	121	121	6 381	(6 260)	-98%	12 763	
Bulk purchases			88 404	88 404	6 760	42 405	44 207	(1 802)	-4%	88 404	
Other materials			72 546	72 546	1 706	8 485	34 403	(25 918)	-75%	72 546	
Contracted services			28 210	28 210	2 822	7 659	13 999	(6 340)	-45%	28 210	
Transfers and subsidies			2 026	2 026	164	1 247	979	268	27%	2 026	
Other expenditure			28 194	28 194	2 211	15 099	13 370	1 729	13%	28 194	
Loss on disposal of PPE			-	-	-	-	-	-	-	-	
Total Expenditure			-	394 335	394 335	25 945	151 093	196 165	(45 072)	-23%	394 335
Surplus/(Deficit)			-	(12 820)	(12 820)	7 769	30 516	9 756	20 760	0	(12 820)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			12 941	12 941	669	2 900	4 048	(1 148)	(0)	12 941	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (in-kind - all)			-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions			-	121	121	8 439	33 416	13 804			121
Taxation			-	-	-	-	-	-	-	-	
Surplus/(Deficit) after taxation			-	121	121	8 439	33 416	13 804			121
Attributable to minorities			-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality			-	121	121	8 439	33 416	13 804			121
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year			-	121	121	8 439	33 416	13 804			121

WC033 Cape Agulhas - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06
December

Vote Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Financial Services & ICT		-	2 450	2 450	42	73	766	(693)	-90%	2 450
Vote 3 - Corporate Services		-	-	-	(0)	(0)	-	(0)	#DIV/0!	-
Vote 4 - Management Services		-	50	50	3	21	16	5	33%	50
Vote 5 - Engineering Services		-	9 555	9 555	20	2 749	2 989	(240)	-8%	9 555
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	12 055	12 055	66	2 843	3 771	(928)	-25%	12 055
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	1 940	1 940	80	859	607	252	42%	1 940
Vote 2 - Financial Services & ICT		-	239	239	19	54	75	(21)	-28%	239
Vote 3 - Corporate Services		-	-	-	(0)	(0)	-	(0)	#DIV/0!	-
Vote 4 - Management Services		-	5 246	5 246	223	1 291	1 641	(350)	-21%	5 246
Vote 5 - Engineering Services		-	27 729	27 729	780	2 936	8 674	(5 738)	-66%	27 729
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	35 154	35 154	1 104	5 140	10 997	(5 857)	-53%	35 154
Total Capital Expenditure		-	47 209	47 209	1 169	7 983	14 768	(6 785)	-46%	47 209
Capital Expenditure - Functional Classification										
Governance and administration		-	4 081	4 081	116	255	1 277	(1 022)	-80%	4 081
Executive and council		-	10	10	-	7	3	4	122%	10
Finance and administration		-	4 071	4 071	116	248	1 274	(1 025)	-81%	4 071
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	3 662	3 662	172	1 197	1 145	52	5%	3 662
Community and social services		-	50	50	6	45	16	30	190%	50
Sport and recreation		-	3 142	3 142	165	1 149	983	166	17%	3 142
Public safety		-	465	465	(0)	(0)	145	(145)	-100%	465
Housing		-	5	5	-	3	1	2	120%	5
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	13 340	13 340	372	4 436	4 173	263	6%	13 340
Planning and development		-	1 857	1 857	80	811	581	230	40%	1 857
Road transport		-	11 304	11 304	292	3 625	3 536	89	3%	11 304
Environmental protection		-	180	180	-	-	56	(56)	-100%	180
Trading services		-	26 055	26 055	509	2 055	8 151	(6 096)	-75%	26 055
Energy sources		-	5 838	5 838	23	332	1 826	(1 495)	-82%	5 838
Water management		-	3 030	3 030	460	875	948	(73)	-8%	3 030
Waste water management		-	15 637	15 637	-	-	4 892	(4 892)	-100%	15 637
Waste management		-	1 550	1 550	26	849	485	364	75%	1 550
Other		-	70	70	-	39	22	17	79%	70
Total Capital Expenditure - Functional Classification	3	-	47 209	47 209	1 169	7 983	14 768	(6 785)	-46%	47 209
Funded by:										
National Government		-	10 641	10 641	42	2 080	3 329	(1 248)	-38%	10 641
Provincial Government		-	2 300	2 300	75	801	719	82	11%	2 300
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	12 941	12 941	117	2 881	4 048	(1 167)	-29%	12 941
Borrowing	6	-	19 988	19 988	26	1 583	6 253	(4 670)	-75%	19 988
Internally generated funds		-	14 279	14 279	1 027	3 519	4 467	(948)	-21%	14 279
Total Capital Funding		-	47 209	47 209	1 169	7 983	14 768	(6 785)	-46%	47 209

WC033 Cape Agulhas - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		25 485	12 192	12 192	33 208	12 192
Call investment deposits		58 254	10 000	10 000	78 254	10 000
Consumer debtors		29 194	35 990	35 990	37 580	35 990
Other debtors		4 208	6 593	6 593	1 426	6 593
Current portion of long-term receivables		8	7	7	8	7
Inventory		1 662	1 308	1 308	1 773	1 308
Total current assets		118 811	66 089	66 089	152 248	66 089
Non current assets						
Long-term receivables		184	197	197	159	197
Investments		-	-	-	-	-
Investment property		40 200	40 536	40 536	40 195	40 536
Investments in Associate		-	-	-	-	-
Property, plant and equipment		375 287	443 188	443 188	377 096	443 188
Biological		-	-	-	-	-
Intangible		4 705	4 801	4 801	4 705	4 801
Other non-current assets		-	-	-	-	-
Total non current assets		420 377	488 722	488 722	422 156	488 722
TOTAL ASSETS		539 188	554 811	554 811	574 404	554 811
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		5 963	5 300	5 300	5 963	5 300
Consumer deposits		4 696	5 019	5 019	4 930	5 019
Trade and other payables		35 380	32 883	32 883	40 219	32 883
Provisions		12 543	12 973	12 973	10 316	12 973
Total current liabilities		58 582	56 176	56 176	61 428	56 176
Non current liabilities						
Borrowing		26 790	22 031	22 031	23 968	22 031
Provisions		65 664	138 928	138 928	67 170	138 928
Total non current liabilities		92 454	160 960	160 960	91 138	160 960
TOTAL LIABILITIES		151 036	217 135	217 135	152 566	217 135
NET ASSETS	2	388 152	337 676	337 676	421 838	337 676
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		353 152	315 676	315 676	386 838	315 676
Reserves		35 000	22 000	22 000	35 000	22 000
TOTAL COMMUNITY WEALTH/EQUITY	2	388 152	337 676	337 676	421 838	337 676

WC033 Cape Agulhas - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	Budget Year 2019/20									
		2018/19 Audited Outcome	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			67 809	67 809	4 309	47 119	38 748	8 371	22%	67 809	
Service charges			174 536	174 536	15 033	87 336	87 268	68	0%	174 536	
Other revenue			17 854	17 854	1 951	9 784	8 927	857	10%	17 854	
Government - operating			98 670	98 670	25 877	76 330	65 780	10 550	16%	98 670	
Government - capital			12 441	12 441	5 860	12 939	8 294	4 645	56%	12 441	
Interest			4 130	4 130	1 246	3 813	2 065	1 748	85%	4 130	
Dividends			-	-	-	-	-	-	-	-	
Payments											
Suppliers and employees			(358 379)	(358 379)	(30 210)	(197 685)	(184 456)	13 229	-7%	(358 379)	
Finance charges			(2 864)	(2 864)	(121)	(121)	(1 432)	(1 311)	92%	(2 864)	
Transfers and Grants			(2 026)	(2 026)	(164)	(1 247)	(1 013)	234	-23%	(2 026)	
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	12 172	12 172	23 781	38 268	24 181	(14 087)	-58%	12 172
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			5 000	5 000	-	-	-	-	-	5 000	
Decrease (Increase) in non-current debtors			7	7	25	26	4	22	604%	7	
Decrease (increase) other non-current receivables			-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments			-	-	-	-	-	-	-	-	
Payments											
Capital assets			(47 209)	(47 209)	(1 169)	(7 983)	(14 768)	(6 785)	46%	(47 209)	
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(42 201)	(42 201)	(1 145)	(7 957)	(14 764)	(6 807)	46%	(42 201)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans			-	-	-	-	-	-	-	-	
Borrowing long term/refinancing			16 779	16 779	-	-	-	-	-	16 779	
Increase (decrease) in consumer deposits			241	241	55	234	121	113	94%	241	
Payments											
Repayment of borrowing			(5 200)	(5 200)	(2 822)	(2 822)	(2 600)	222	-9%	(5 200)	
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	11 820	11 820	(2 767)	(2 588)	(2 479)	109	-4%	11 820
NET INCREASE/ (DECREASE) IN CASH HELD			-	(18 210)	(18 210)	19 870	27 723	6 938		(18 210)	
Cash/cash equivalents at beginning:			40 402	40 402		83 739	40 402			83 739	
Cash/cash equivalents at month/year end:			-	22 192	22 192		111 462	47 339		65 529	

11. QUALITY CERTIFICATE

NAVRAE:
ENQUIRIES: S Stanley

KONTAKNR
CONTACT NO 028 425 5798

VERW:
REF: 5/3/2019-20 (S71/72/)

KANTOOR:
OFFICES: Bredasdorp

DATUM
DATE 8 January 2020



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 2019** (month/year) has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name DEAN O'NEILL

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

Signature: Dean O'Neill

Date: 8 January 2020