

CAPE AGULHAS MUNICIPALITY



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CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

2020/2021

Section 71 report for the month
ending

31 JANUARY 2021

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To The Executive Mayor

In accordance with **Section 71(1)** of the Municipal Finance Management Act, I submit the required statement on the state of Cape Agulhas Municipality's budget implementation and the financial state of the municipality's affairs reflecting the particulars up until the end of **31 January 2021**.

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 January 2021** 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.

1. INTRODUCTION

2.1 PURPOSE

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

2.2 STRATEGIC OBJECTIVE

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

2.3 BACKGROUND

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

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

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

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

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

3. Mayor's SUMMARY

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

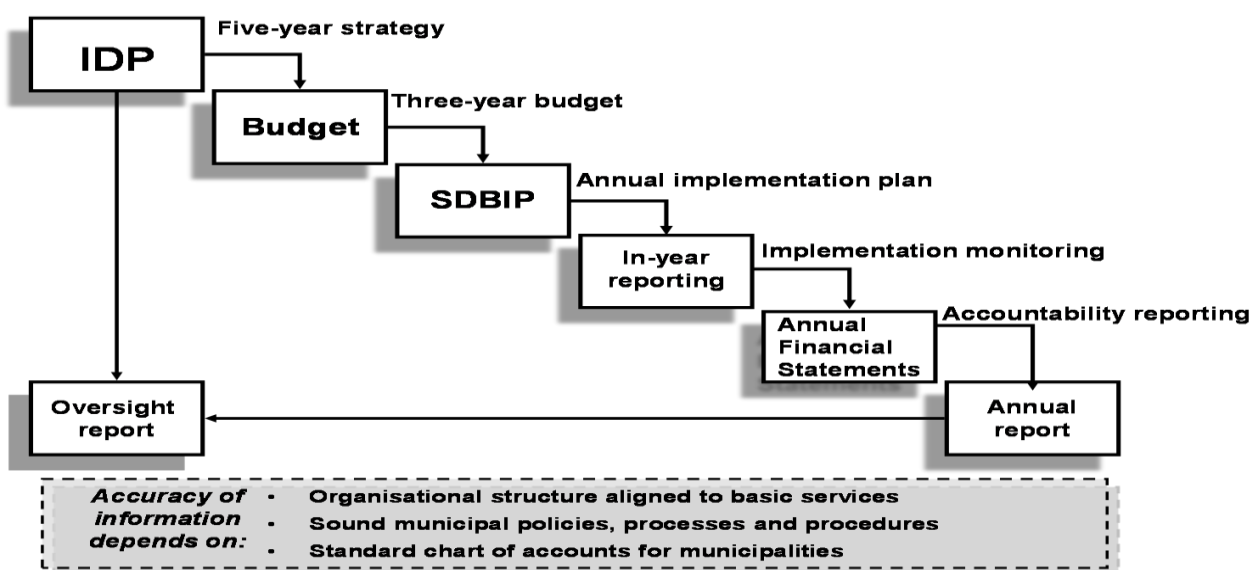
3.1 Budget Process:

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

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

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

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



The Annual financial statements for the financial year 2019/20 are in process of being audited. The statements were submitted to the Office of the Auditor General at the end of October 2020 as per extension deadline provided by National Treasury. To date no major issues has been experienced with completing the audit.

4. SUMMARY FINANCIAL PERFORMANCE

Revenue performance

The performance for revenue reflects as R216,6m for an performance of 56% of budgeted amounts. The municipality tabled an adjustment budget during January 2021. Additional grant funds were received as well as a review of Revenue items. This was done to account for the impact of Covid 19 pandemic on the municipal revenues.

The performance of revenue will be processed and compared against this adjusted information from next month onwards.

Expenditure performance

To date expenditures records as R181,6m of budgeted information. As mentioned above numerous changes was processed with the adjustment budget. The main cost categories driving the expenditures is the Salary related cost and Bulk purchases. These expenditures reflect at 58% and 43% respectively for the period up to end of January 2021. This is in line with projections. Updated Adjustment information will be reported at the end of February 2021.

Capital performance

Capital performance for the period ending 31 January 2021 totals 35% of budgeted information of R65,2m this reflects as R22,5m. The municipal capital spending is under pressure due to the low performance to date. Majority of the spending reflects with the biggest project on the budget, the Bredasdorp Waste Water Treatment plant (BDWWT).

Revision of capital projects will be updated during February 2021 report.

5. VARIANCE ANALYSIS BASED ON C1 BUDGET SUMMARY

Analysis of variance on the C1 report with a 10% variance on the performance of the municipality.

Financial performance

Investment revenue (13%)

The municipal performance for the investment revenues reported better year to date for the period ending 31 January 2021. This is mainly because of grant funds received and not expensed for the first period / six months of the financial year.

The proposed on the table to date is to review the investment revenues. This will be proposed with the Adjustment budget during February 2021.

Transfers and subsidies (-21%)

The municipality received its Equitable share allocation as per payment schedule. The main reason for the poor performance is the Housing allocation that was legislation of R40m+ that is received in tranches as the project is complete performance contract with supplier. All DORA conditional grants were received to date and no withholding of funds reported.

The reduction in grants as per communications received from National and Provincial government will be addressed in the Adjustment budget report with the Mid-year adjustment budget.

Other own revenue (-11%)

Income from other resources included Resorts / Traffic fines / Rental of buildings and facilities that account for other own revenues. These expenditure categories will be severely impacted by the Covid lockdown due to restrictions and minimal use of the services to date.

The municipality will have to analyze and investigate the category to ensure that projections are realistic based on actual performance.

This will be addressed during the Mid-year budget and performance process as per legislation.

Expenditures items

Finance charges (-61%)

This mainly relates to the loan repayments (R3.6m) the salary provisions (R5.7m) and the landfill site provision (R4.5m). The only component impacting on cash is the loan repayments. Loan installments and payments was processed in December 2020. Provisions is normally as per standard practice only accounted for with year-end transactions on 30 June.

Transfers and subsidies (-15%)

Represents transfers made to community organizations in support of welfare and other community projects. This is mainly done on an application basis and managed by the office of the Executive Mayor. Spending is only recorded as and when these applications are received and processed by the committee.

Other expenditures (-21%)

Other expenditures totals R55,0m of a budget of R16,6m. This is 30 of budget projections. The municipality will needs to review this category of expenditures to ensure that the reductions in Revenue / Income sources is matched with a corresponding reduction in expenditure due to the impact of Covid.

This will be addressed as part of the Mid-year budget.

Capital expenditures (-9%)

As mentioned above the capital spending is an area of concern. Slow spending with the bulk of the spending except for **BD WWTW** to date. administrations are busy implemented a monitoring system on the capital budget. The administration in in the process of reviewing capital spending in preparation of the Mid-year budget assessment report in January 2021, and managers are urged to carefully analyze spending to ensure projections and targets will be achieved.

The TOP 10 capital projects accounts for 70% of the Capital budget spent to date

Cash flows

Cashflow information reflects positive given the municipal financial position. A positive cash position give assurance that the municipality will be able to settle it's short-term obligations and a good liquidity position is available at end of January 2021.

6. COUNCIL FOCUS AREAS (CASH FLOW / LIQUIDITY)

The financial ratios need to be complete with the draft Annual Financial statements for the 30 June 2020 financial information. This will be done as soon as the information is updated and reported accordingly.

Budget implementation:

Council identified the following ratios as focus areas and these ratios will be monitored monthly and action plans developed to ensure the achievement of council's sustainability objectives. BTO in process of updating the ratios and this will be reported as soon as finalized.

7. INVESTMENT PORTFOLIO

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CASH FLOW INFORMATION IN TERMS OF PROVINCIAL CIRCULAR 10 & 50							
DETAILS	Balance as at 01 January 2021	Movements for the month			Balance as at 31 January 2020	Interest earned	Interest earned
		Investments matured	Investments made	Interest capitalised			
						Month	Year to date
Cape Agulhas Municipality							
<i>Interest Received YTD</i>					-		
<i>Standard Bank</i>	30 000 000	-	-		30 000 000	107 651	489 829
<i>FNB</i>	-	-	-		-		-
<i>ABSA</i>	20 000 000	-	-		20 000 000	68 964	339 359
<i>ABSA (ESKOM Deposit)</i>	1 254 000	-	-		1 254 000	-	-
<i>ABSA (ESKOM Deposit)</i>	2 535 000	-	-		2 535 000	-	-
<i>Nedbank</i>	-	-	-		-		-
<i>Nedbank (CRR)</i>	-	-	-		-	-	-
<i>Investec</i>	-				-		-
	-				-		
BANK DEPOSITS	53 789 000	-	-	-	53 789 000	176 615	829 188

8. EXTERNAL BORROWING PORTFOLIO

CASH FLOW REPORT IN TERMS OF PROVINCIAL CIRCULAR 10 & 50

Name of municipality

CAPE AGULHAS MUNICIPALITY

SUMMARY OF EXTERNAL LOANS FOR MONTH

Lending Institution	Loan Amount	Balance 01 Jan 20	Interest Capitalised Jan 20	Repayments Jan 20	Balance 31 Jan 20	Percentage	Settlement Date
						%	
DBSA 1268/B48		-		-	-		
ABSA - Sewerage Truck	729 252,74	91 070,48		-	91 070,48		30-06-2021
ABSA - Nissan NP 300	180 076,99	22 660,71		-	22 660,71		30-06-2021
ABSA - Roller and Jet Cleaner	319 060,53	39 958,02		-	39 958,02		30-06-2021
ABSA - Infrastr. (Old Nostra)	1 200 000,00	814 241,63		-	814 241,63		30-06-2026
ABSA - Rotary Broom	250 560,19	27 030,47		-	27 030,47		30-06-2021
ABSA - Various	2 400 000,00	1 807 501,95		-	1 807 501,95		30-06-2027
Nedbank - Asset Finance	5 000 000,00	833 333,34		-	833 333,34		30-06-2021
Nedbank - Infrastructure Medium Term	4 120 000,00	2 884 000,00		-	2 884 000,00		30-06-2024
Nedbank - Infrastructure Long Term	7 000 000,00	5 250 000,00		-	5 250 000,00		30-06-2028
Asset - Finance	2 880 000,00	2 016 000,00		-	2 016 000,00		30-06-2024
Infrastructure	3 000 000,00	1 500 000,00		-	1 500 000,00		30-06-2023
Infrastructure	10 000 000,00	8 500 000,00		-	8 500 000,00		30-06-2029
					-		
Total		23 785 796,60	-	-	23 785 796,60	-	-

9. mSCOA IMPLEMENTATION

Summarised progress on the implementation of mSCOA and actions required

With the compilation of the new budget the municipality will be required to ensure that a more formal steering committee are being implemented again.

The implementation plan also needs to be reviewed and updated to ensure more focussed attention can be given to ensure compliance with the latest financial reforms introduced by National Treasury.

10. DEBTORS MANAGEMENT / INTERVENTIONS

The age analysis for debtors report a total of **R69,12m** of debt outstanding for the reporting period. The totals for the previous month (December) was R66,4m. Although a huge amount of these debt relates to the implementation of the yearly property rates valuation, care should be taken that the **outstanding debt for longer than 90 days** represents **59%** of all outstanding debt. This ratio corresponds with the same information as last month.

With the current economic climate and the impact of Covid 19 on the household income levels the municipality will experience challenges with collecting of these debts if allowed to escalate to levels above 90 days.

Debt older than 1-year totals **R21,329m** of the totals outstanding debt. An increase from the R20,3m report for December.

The collection is below the National norm of 95% as well as the municipality ratio of 98% that was maintained throughout the last couple of years. The impact of a reduced payment limit can have tremendous consequences in terms of liquidity and sustainability on the municipality if the trend continues.

The municipality appointed the service provider after the concluding of the appeal process was finalized. The tenderer will at this stage be provided with the list of irrecoverable debts and this will be collected by the municipality as required. Regular reporting will be done to ensure that the outstanding debts can be successfully collected

11. BREAKDOWN OF DEBTORS PER CUSTOMER GROUP

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days -1 Year	Over 1 Year	Total	% of Group
Debtors Age Analysis By Customer Group										
Organs of State	- 77 949	293 624	288 432	237 827	226 858	165 020	595 093	1 076 425	2 805 330	4%
Commercial	6 610 172	987 268	527 116	390 178	283 357	279 593	2 042 962	2 592 006	13 712 652	20%
Households	12 886 419	4 486 228	2 766 264	2 289 082	1 753 496	1 675 577	9 074 074	17 644 682	52 575 822	76%
Other	- 5 247	622	528	283	282	248	20 883	16 537	34 136	0%
Total By Customer Group	19 413 395	5 767 742	3 582 340	2 917 370	2 263 993	2 120 438	11 733 012	21 329 650	69 127 940	100%
% of Customer group	28%	8%	5%	4%	3%	3%	17%	31%	100%	

Analysis of the outstanding debt reflects that household debt represents the biggest component of municipal debts. The challenge as per table above is to ensure that the debt older than 90 days are collected and the information reduced on a continuous month to month basis.

Debt older than 1 year accounts for 31% of outstanding debts.

12. 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 JANUARY 2021								
COST CONTAINMENT IN-YEAR REPORT								
MEASURES	APPROVED BUDGET	Q1 - 30 Sept	Q2 - 31 Dec	Q3 - 31 Mrch	Q4 - June	YTD TOTAL	SAVINGS	% Spent
<i>Use of Consultant</i>	6 873 460,00	620 676,69	692 847,15	77 762,67		1 391 286,51	5 482 173,49	20,2%
<i>Travel and subsistence</i>	732 050,00	88 536,99	67 446,58	3 336,26		159 319,83	572 730,17	21,8%
<i>Domestic accomodation</i>	473 000,00	29 487,39	36 845,00	-		66 332,39	406 667,61	14,0%
<i>Sponsorships, events and catering</i>	247 460,00	10 057,60	25 942,16	5 227,96		41 227,72	206 232,28	16,7%
<i>Communication</i>	378 600,00	90 656,15	32 600,74	27 821,27		151 078,16	227 521,84	39,9%
<i>Other related expenditures</i>	937 140,00	109 274,62	209 682,14	54 219,59		373 176,35	563 963,65	39,8%
Total	9 641 710,00	948 689,44	1 065 363,77	168 367,75	-	2 182 420,96	7 459 289,04	22,6%

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.

13. COVID FUNDING DETAILS

The municipality received additional Equitable share allocation funding during the September 2020 National Treasury budget process. These funds

were allocated to fund the additional disaster relief efforts in addressing the Covid 19 pandemic.

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

<i>VOTE DESCRIPTION</i>	<i>FULL YEAR TOTAL BUDGET</i>	<i>YEAR TO DATE</i>	<i>% Spent</i>
DISASTER RELIEF GRANT: SOCIAL SUPPORT COVID 1	300 000,00	270 000,00	90,00%
EMPLOYEE WELLNESS - PPE (COVID 19 DISASTER)	292 740,00	125 321,06	42,81%
EMPLOYEE WELLNESS - PPE (COVID 19 DISASTER)	100 000,00	-	0,00%
EMPL. WELLNESS - BUILDING SANITATION (COVID 19	50 000,00	-	0,00%
COMMUNITY SERVICES - FEEDING SCHEME (COVID 19	165 900,00	-	0,00%
BAD DEBTS: NON-EXCHANGE TRANS - PROPERTY (INDI	1 000 000,00	-	0,00%
BAD DEBTS: EXCHANGE TRANS - REFUSE (INDIGENTS)	384 500,00	-	0,00%
TOTAL	2 293 140,00	395 321,06	17,24%

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

PART B

14. LEGISLATED INFORMATION

WC033 Cape Agulhas - Table C1 Monthly Budget Statement Summary - M07 January									
Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	74 061	74 061	4 267	54 810	54 570	240	0%	74 704
Service charges	-	198 345	198 345	17 106	116 424	115 653	771	1%	197 326
Investment revenue	-	3 300	3 300	386	1 555	1 376	179	13%	2 410
Transfers and subsidies	-	75 102	79 407	243	29 828	37 718	(7 890)	-21%	78 381
Other own revenue	-	29 236	29 236	1 410	14 018	15 690	(1 672)	-11%	31 101
Total Revenue (excluding capital transfers and contributions)	-	380 044	384 349	23 412	216 635	225 006	(8 371)	-4%	383 922
Employee costs	-	149 348	149 298	13 940	86 962	85 791	1 170	1%	149 641
Remuneration of Councillors	-	6 034	6 034	475	3 318	3 374	(57)	-2%	6 034
Depreciation & asset impairment	-	11 369	11 369	950	6 636	6 633	3	0%	11 369
Finance charges	-	13 963	13 963	18	1 332	3 425	(2 093)	-61%	13 983
Materials and bulk purchases	-	147 587	147 622	8 375	63 686	69 485	(5 799)	-8%	140 356
Transfers and subsidies	-	4 071	4 371	337	1 079	1 270	(192)	-15%	3 911
Other expenditure	-	53 251	55 013	2 028	18 635	23 679	(5 044)	-21%	59 041
Total Expenditure	-	385 623	387 670	26 124	181 646	193 658	(12 012)	-6%	384 335
Surplus/(Deficit)	-	(5 579)	(3 322)	(2 712)	34 989	31 349	3 640	12%	(413)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	14 389	14 389	976	8 787	9 667	(880)	-9%	18 947
Surplus/(Deficit) after capital transfers & contributions	-	8 810	11 068	(1 736)	43 776	41 016	2 760	7%	18 534
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	8 810	11 068	(1 736)	43 776	41 016	2 760	7%	18 534
Capital expenditure & funds sources									
Capital expenditure	-	62 490	65 238	4 719	22 523	22 072	451	2%	69 117
Capital transfers recognised	-	14 389	14 389	1 162	8 879	7 465	1 414	19%	18 947
Borrowing	-	36 183	36 183	2 452	10 164	10 932	(767)	-7%	36 478
Internally generated funds	-	11 917	14 666	1 104	3 480	3 676	(196)	-5%	13 691
Total sources of capital funds	-	62 490	65 238	4 719	22 523	22 072	451	2%	69 117
Financial position									
Total current assets	-	99 218	99 218		131 249				131 249
Total non current assets	-	503 116	503 116		491 058				491 058
Total current liabilities	-	66 108	66 108		44 315				44 315
Total non current liabilities	-	125 295	125 295		112 332				112 332
Community wealth/Equity	-	410 931	410 931		465 659				465 659
Cash flows									
Net cash from (used) operating	-	2 579	4 837	(4 692)	33 034	30 724	(2 311)	-8%	27 348
Net cash from (used) investing	-	(62 482)	(62 482)	(4 719)	(22 524)	(26 357)	(3 833)	15%	(66 914)
Net cash from (used) financing	-	22 239	22 239	(139)	(2 679)	(2 538)	141	-6%	15 240
Cash/cash equivalents at the month/year end	-	26 332	28 590	-	80 872	74 870	(6 002)	-8%	48 715
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	19 413	5 768	3 582	2 917	2 264	2 120	11 733	21 330	69 128
Creditors Age Analysis									
Total Creditors	0	-	-	-	-	-	-	-	-

**WC033 Cape Agulhas - Table C2 Monthly Budget Statement - Financial Performance
(functional classification) - M07 January**

Description	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue - Functional								
Governance and administration	127 465	131 770	6 514	100 897	102 217	(1 320)	-1%	141 388
Executive and council	32 185	36 490	-	28 421	29 766	(1 345)	-5%	36 490
Finance and administration	95 280	95 280	6 514	72 476	72 451	25	0%	104 898
Internal audit	-	-	-	-	-	-	-	-
Community and public safety	58 298	58 298	551	4 811	12 571	(7 760)	-62%	54 124
Community and social services	6 734	6 734	68	208	1 260	(1 052)	-84%	6 860
Sport and recreation	8 040	8 040	267	3 597	4 232	(634)	-15%	8 740
Public safety	12 460	12 460	189	952	1 879	(928)	-49%	7 460
Housing	31 064	31 064	27	54	5 200	(5 146)	-99%	31 064
Health	-	-	-	-	-	-	-	-
Economic and environmental services	7 231	7 231	213	3 069	3 614	(545)	-15%	7 402
Planning and development	4 110	4 110	174	1 285	1 639	(354)	-22%	4 281
Road transport	3 121	3 121	39	1 784	1 975	(191)	-10%	3 121
Environmental protection	-	-	-	-	-	-	-	-
Trading services	201 439	201 439	17 110	116 645	116 272	373	0%	199 955
Energy sources	139 038	139 038	11 086	78 821	79 433	(613)	-1%	137 924
Water management	30 682	30 682	3 033	17 168	16 809	359	2%	30 182
Waste water management	12 679	12 679	1 254	8 345	8 022	323	4%	12 679
Waste management	19 041	19 041	1 736	12 311	12 007	304	3%	19 169
Other	-	-	-	-	-	-	-	-
Total Revenue - Functional	394 433	398 738	24 388	225 422	234 674	(9 252)	-4%	402 869
Expenditure - Functional								
Governance and administration	107 460	109 208	5 167	54 237	59 023	(4 787)	-8%	108 790
Executive and council	16 955	17 255	1 401	9 299	9 392	(94)	-1%	16 865
Finance and administration	88 977	90 426	3 650	44 035	48 726	(4 691)	-10%	90 430
Internal audit	1 528	1 528	116	903	906	(2)	0%	1 495
Community and public safety	77 983	77 983	3 947	21 740	27 489	(5 749)	-21%	75 966
Community and social services	11 385	11 385	1 059	7 047	6 811	235	3%	10 929
Sport and recreation	13 496	13 496	1 408	7 198	7 058	140	2%	13 396
Public safety	19 089	19 089	1 207	5 604	6 613	(1 009)	-15%	17 692
Housing	34 014	34 014	273	1 892	7 007	(5 115)	-73%	33 949
Health	-	-	-	-	-	-	-	-
Economic and environmental services	32 395	32 395	2 438	15 605	16 314	(709)	-4%	32 050
Planning and development	11 342	11 342	685	4 936	5 384	(448)	-8%	11 050
Road transport	20 976	20 976	1 752	10 669	10 923	(254)	-2%	20 954
Environmental protection	77	77	-	-	8	(8)	-100%	46
Trading services	164 610	164 909	14 314	88 347	89 117	(770)	-1%	164 536
Energy sources	106 613	106 613	8 212	60 103	61 083	(980)	-2%	107 040
Water management	22 604	22 604	1 875	11 820	11 994	(173)	-1%	22 233
Waste water management	11 960	11 960	1 267	6 795	6 579	215	3%	11 836
Waste management	23 433	23 732	2 961	9 629	9 462	168	2%	23 427
Other	3 176	3 176	259	1 717	1 714	3	0%	2 993
Total Expenditure - Functional	385 623	387 670	26 124	181 646	193 658	(12 012)	-6%	384 335
Surplus/ (Deficit) for the year	8 810	11 068	(1 736)	43 776	41 016	2 760	7%	18 534

WC033 Cape Agulhas - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 1 - Executive and Council	-	36 384	40 689	177	29 180	30 997	(1 817)	-5,9%	40 971
Vote 2 - Financial Services & ICT	-	81 968	81 968	5 375	63 424	63 100	324	0,5%	88 356
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Management Services	-	61 415	61 415	560	6 623	14 604	(7 981)	-54,6%	57 310
Vote 5 - Engineering Services	-	214 666	214 666	18 275	126 195	125 972	223	0,2%	216 231
Total Revenue by Vote	-	394 433	398 738	24 388	225 422	234 674	(9 252)	-3,9%	402 869
Expenditure by Vote									
Vote 1 - Executive and Council	-	47 891	48 473	3 678	25 298	25 892	(594)	-2,3%	47 253
Vote 2 - Financial Services & ICT	-	61 788	62 874	1 563	28 769	33 170	(4 401)	-13,3%	62 991
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Management Services	-	87 802	87 912	4 630	27 167	33 150	(5 983)	-18,0%	86 216
Vote 5 - Engineering Services	-	188 143	188 412	16 254	100 413	101 446	(1 032)	-1,0%	187 876
Total Expenditure by Vote	-	385 623	387 670	26 124	181 646	193 658	(12 012)	-6,2%	384 335
Surplus/ (Deficit) for the year	-	8 810	11 068	(1 736)	43 776	41 016	2 760	6,7%	18 534

**WC033 Cape Agulhas - Table C4 Monthly Budget Statement - Financial Performance
(revenue and expenditure) - M07 January**

Description	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue By Source								
Property rates	74 061	74 061	4 267	54 810	54 570	240	0%	74 704
Service charges - electricity revenue	136 457	136 457	11 082	78 602	78 819	(217)	0%	135 310
Service charges - water revenue	30 178	30 178	3 033	17 165	16 806	359	2%	30 178
Service charges - sanitation revenue	12 669	12 669	1 254	8 345	8 021	325	4%	12 669
Service charges - refuse revenue	19 041	19 041	1 736	12 311	12 007	304	3%	19 169
Rental of facilities and equipment	1 200	1 200	57	318	435	(117)	-27%	1 305
Interest earned - external investments	3 300	3 300	386	1 555	1 376	179	13%	2 410
Interest earned - outstanding debtors	1 839	1 839	269	1 054	960	94	10%	1 839
Dividends received	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	12 419	12 419	189	820	1 756	(936)	-53%	7 379
Licences and permits	25	25	1	3	5	(3)	-53%	25
Agency services	3 121	3 121	39	1 784	1 975	(191)	-10%	3 121
Transfers and subsidies	75 102	79 407	243	29 828	37 718	(7 890)	-21%	78 381
Other revenue	10 633	10 633	850	7 933	8 441	(508)	-6%	15 232
Gains	-	-	5	2 106	2 118	(11)	-1%	2 200
Total Revenue (excluding capital transfers and contributions)	380 044	384 349	23 412	216 635	225 006	(8 371)	-4%	383 922
Expenditure By Type								
Employee related costs	149 348	149 298	13 940	86 962	85 791	1 170	1%	149 641
Remuneration of councillors	6 034	6 034	475	3 318	3 374	(57)	-2%	6 034
Debt impairment	9 904	11 288	-	0	1 628	(1 628)	-100%	9 769
Depreciation & asset impairment	11 369	11 369	950	6 636	6 633	3	0%	11 369
Finance charges	13 963	13 963	18	1 332	3 425	(2 093)	-61%	13 983
Bulk purchases	91 250	91 250	6 844	51 958	52 800	(842)	-2%	91 230
Other materials	56 336	56 371	1 531	11 728	16 685	(4 957)	-30%	49 125
Contracted services	14 955	15 390	667	4 121	6 783	(2 662)	-39%	23 427
Transfers and subsidies	4 071	4 371	337	1 079	1 270	(192)	-15%	3 911
Other expenditure	28 392	28 335	1 362	14 514	15 268	(754)	-5%	25 845
Losses	-	-	-	-	-	-	-	-
Total Expenditure	385 623	387 670	26 124	181 646	193 658	(12 012)	-6%	384 335
Surplus/(Deficit)	(5 579)	(3 322)	(2 712)	34 989	31 349	3 640	12%	(413)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	14 389	14 389	976	8 787	9 667	(880)	-9%	18 947
Transfers and subsidies - capital (in-kind -	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	8 810	11 068	(1 736)	43 776	41 016			18 534
Taxation	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	8 810	11 068	(1 736)	43 776	41 016			18 534
Attributable to minorities	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	8 810	11 068	(1 736)	43 776	41 016			18 534
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	8 810	11 068	(1 736)	43 776	41 016			18 534

WC033 Cape Agulhas - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07 January

Vote Description	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Multi-Year expenditure appropriation								
Vote 1 - Executive and Council	-	-	-	-	-	-	-	-
Vote 2 - Financial Services & ICT	2 000	2 000	307	713	676	37	5%	2 026
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-
Vote 4 - Management Services	60	60	1	44	40	4	10%	40
Vote 5 - Engineering Services	9 489	9 489	957	4 336	2 906	1 430	49%	12 711
Total Capital Multi-year expenditure	11 549	11 549	1 266	5 092	3 621	1 471	41%	14 777
Single Year expenditure appropriation								
Vote 1 - Executive and Council	2 035	2 360	4	131	437	(307)	-70%	2 400
Vote 2 - Financial Services & ICT	873	905	235	644	285	359	126%	1 134
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-
Vote 4 - Management Services	2 830	2 821	546	1 186	873	313	36%	2 837
Vote 5 - Engineering Services	45 202	47 603	2 668	15 470	16 856	(1 386)	-8%	47 969
Total Capital single-year expenditure	50 941	53 689	3 453	17 431	18 451	(1 020)	-6%	54 340
Total Capital Expenditure	62 490	65 238	4 719	22 523	22 072	451	2%	69 117
Capital Expenditure - Functional Classification								
Governance and administration	3 302	3 314	670	1 733	1 222	511	42%	3 613
Executive and council	-	-	-	-	6	(6)	-100%	37
Finance and administration	3 302	3 314	670	1 733	1 216	517	42%	3 577
Internal audit	-	-	-	-	-	-	-	-
Community and public safety	2 201	2 192	448	861	597	264	44%	2 205
Community and social services	62	62	15	40	35	5	14%	85
Sport and recreation	2 105	2 096	408	797	557	240	43%	2 087
Public safety	31	31	22	22	5	17	335%	31
Housing	4	4	2	2	0	2	420%	3
Health	-	-	-	-	-	-	-	-
Economic and environmental services	11 907	12 402	1 150	5 716	3 778	1 938	51%	13 521
Planning and development	2 006	2 181	5	60	399	(340)	-85%	2 188
Road transport	9 831	10 151	1 145	5 647	3 358	2 289	68%	11 255
Environmental protection	70	70	-	9	21	(11)	-56%	78
Trading services	45 080	47 330	2 451	14 145	16 447	(2 302)	-14%	49 607
Energy sources	6 329	6 329	-	2 359	2 986	(626)	-21%	6 126
Water management	3 660	3 660	-	509	877	(367)	-42%	5 260
Waste water management	32 911	35 161	2 451	11 073	12 063	(990)	-8%	36 111
Waste management	2 180	2 180	-	203	521	(318)	-61%	2 110
Other	-	-	-	69	28	41	142%	171
Total Capital Expenditure - Functional Classification	62 490	65 238	4 719	22 523	22 072	451	2%	69 117
Funded by:								
National Government	11 833	11 833	1 202	8 773	6 395	2 378	37%	12 847
Provincial Government	2 556	2 556	(40)	106	1 069	(964)	-90%	6 100
District Municipality	-	-	-	-	-	-	-	-
Transfers recognised - capital	14 389	14 389	1 162	8 879	7 465	1 414	19%	18 947
Borrowing	36 183	36 183	2 452	10 164	10 932	(767)	-7%	36 478
Internally generated funds	11 917	14 666	1 104	3 480	3 676	(196)	-5%	13 691
Total Capital Funding	62 490	65 238	4 719	22 523	22 072	451	2%	69 117

WC033 Cape Agulhas - Table C6 Monthly Budget Statement - Financial Position - M07 January

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		–	16 332	16 332	27 083	38 715
Call investment deposits		–	10 000	10 000	53 789	10 000
Consumer debtors		–	61 735	61 735	44 966	48 631
Other debtors		–	9 481	9 481	3 739	3 852
Current portion of long-term receivables		–	8	8	3	3
Inventory		–	1 662	1 662	1 668	1 936
Total current assets		–	99 218	99 218	131 249	103 136
Non current assets						
Long-term receivables		–	169	169	162	158
Investments		–	–	–	–	–
Investment property		–	40 182	40 182	40 324	40 320
Investments in Associate		–	–	–	–	–
Property, plant and equipment		–	458 559	458 559	445 711	487 675
Biological		–	–	–	–	–
Intangible		–	4 206	4 206	4 861	4 761
Other non-current assets		–	–	–	–	–
Total non current assets		–	503 116	503 116	491 058	532 914
TOTAL ASSETS		–	602 334	602 334	622 306	636 050
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	6 750	6 750	3 023	6 137
Consumer deposits		–	5 277	5 277	5 353	5 329
Trade and other payables		–	39 989	39 989	24 107	37 773
Provisions		–	14 093	14 093	11 832	16 165
Total current liabilities		–	66 108	66 108	44 315	65 404
Non current liabilities						
Borrowing		–	42 539	42 539	20 763	35 591
Provisions		–	82 755	82 755	91 569	94 639
Total non current liabilities		–	125 295	125 295	112 332	130 229
TOTAL LIABILITIES		–	191 403	191 403	156 647	195 634
NET ASSETS	2	–	410 931	410 931	465 659	440 417
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		–	390 931	390 931	430 659	405 417
Reserves		–	20 000	20 000	35 000	35 000
TOTAL COMMUNITY WEALTH/EQUITY	2	–	410 931	410 931	465 659	440 417

WC033 Cape Agulhas - Table C7 Monthly Budget Statement - Cash Flow - M07 January

Description	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	66 655	66 655	4 300	51 961	51 352	609	1%	69 810
Service charges	178 510	178 510	15 178	109 159	109 051	109	0%	184 399
Other revenue	18 213	18 213	1 214	10 572	12 371	(1 798)	-15%	27 434
Transfers and Subsidies - Operational	75 102	79 407	-	49 221	49 221	-		78 269
Transfers and Subsidies - Capital	13 889	13 889	-	13 983	13 983	-		18 926
Interest	4 955	4 955	474	2 024	1 980	45	2%	4 128
Payments								
Suppliers and employees	(347 027)	(349 074)	(25 504)	(201 476)	(204 650)	(3 174)	2%	(348 041)
Finance charges	(3 648)	(3 648)	(18)	(1 332)	(1 313)	18	-1%	(3 668)
Transfers and Grants	(4 071)	(4 071)	(337)	(1 079)	(1 270)	(192)	15%	(3 911)
NET CASH FROM/(USED) OPERATING ACTIVITIES	2 579	4 837	(4 692)	33 034	30 724	(2 311)	-8%	27 348
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	-	-	-		2 200
Decrease (increase) in non-current receivables	8	8	(0)	(1)	(0)	(1)	163%	3
Decrease (increase) in non-current investments	-	-	-	-	-	-		-
Payments								
Capital assets	(62 490)	(62 490)	(4 719)	(22 523)	(26 356)	(3 833)	15%	(69 117)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(62 482)	(62 482)	(4 719)	(22 524)	(26 357)	(3 833)	15%	(66 914)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-		-
Borrowing long term/refinancing	28 440	28 440	-	-	-	-		23 295
Increase (decrease) in consumer deposits	299	299	32	325	295	31	10%	302
Payments								
Repayment of borrowing	(6 500)	(6 500)	(172)	(3 004)	(2 833)	172	-6%	(8 357)
NET CASH FROM/(USED) FINANCING ACTIVITIES	22 239	22 239	(139)	(2 679)	(2 538)	141	-6%	15 240
NET INCREASE/ (DECREASE) IN CASH HELD								
Cash/cash equivalents at beginning:	63 996	63 996		73 041	73 041			73 041
Cash/cash equivalents at month/year end:	26 332	28 590		80 872	74 870			48 715

15. QUALITY CERTIFICATE

NAVRAE:
ENQUIRIES: S Stanley

KONTAKNR
CONTACT NO 028 425 5798

VERW:
REF: 5/3/2020-21 (M07_S71)

KANTOOR:
OFFICES: Bredasdorp

DATUM
DATE 11 February 2021



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

QUALITY CERTIFICATE

I, **EBEN PHILLIPS** the accounting officer / chief financial officer of **CAPE AGULHAS MUNICIPALITY WC033** (name of municipality), hereby certify that –

(mark as appropriate)

The monthly budget statement

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

For the month ending **31 JANUARY 2021** (month/year) has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name Eben Oliver Phillips

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

Signature: 

Date: 11 February 2021