

CAPE AGULHAS MUNICIPALITY



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CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

2020/2021

Section 71 report for the month
ending

28 FEBRUARY 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 **28 February 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 **28 February 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.

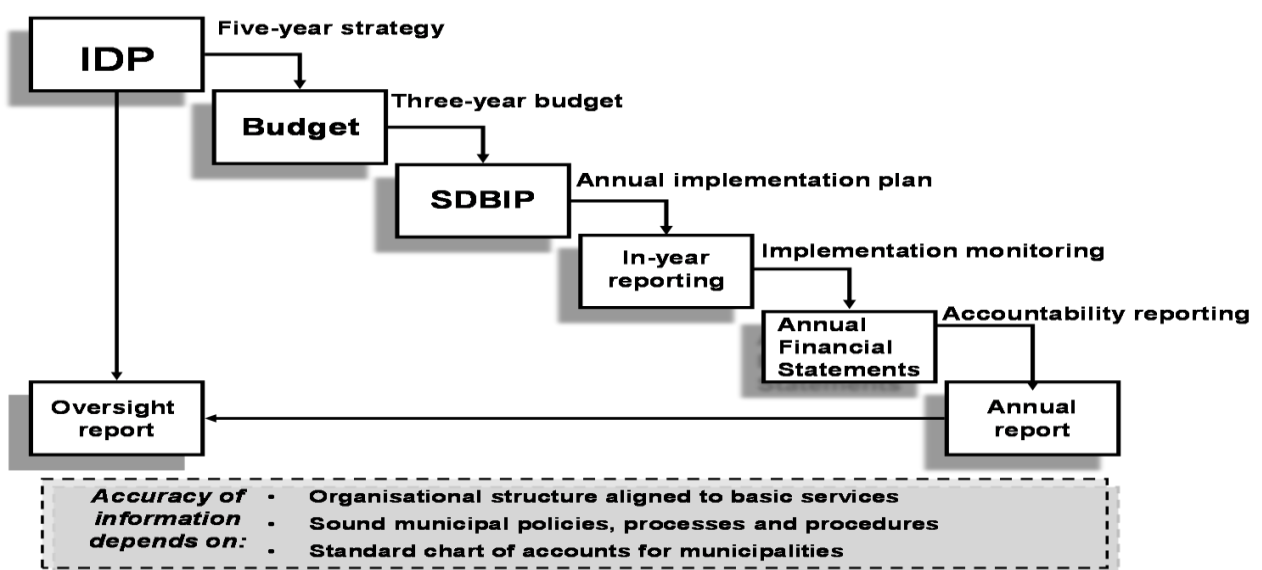
3.1 Budget Process:

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 municipality received a "Clean Audit" for the 2019/20 financial year. Numerous administrative processes and improvements was identified and this needs to be accounted for to ensure improvement in operations. An Audit action plan will be compiled and implemented to ensure the outcomes and recommendation of the Auditor General is taking into account with the future reporting cycles.

4. SUMMARY FINANCIAL PERFORMANCE

Revenue performance

The municipality tabled and Adjustment budget for the month of January 2021 and the impact of the adjustment budget was revision of income to R383,922m. The performance of revenue for the reporting period against this adjusted amount total R237,871m ending February 2021.

Expenditure performance

To date expenditures records as R206,7m 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. 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 28 February 2021 totals 36% of budgeted information of R69.1m. 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).

The municipality revised the Capital budget during the adjustment budget process with additional grants that was received during the financial year. This is mostly to account for the Water shortages experienced within the municipality.

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

Rental of facilities and equipment (-38%)

The impact of the COVID 19 lockdown is visible in the performance of the revenues from Rental and facilities. Most of the income is received from the rental of resorts, who is dependent on the tourism industry and weekend goers. With lockdown people was restricted and the performance of the revenue is under pressure due to low occupation levels. Of a total budget of R1,305m only R377k was received to date. The bulk of the revenues is normally collected within the first 6 months of the financial year, due to the December and summer season.

We anticipate and improvement of the rental income due to the easing of National lockdown restrictions.

Fines, penalties and forfeits (-69%)

Traffic fines account for most of the income collectable from fines. The transactions are mostly accounted for at the end of the financial year. Fines is budgeted on gross fines with the corresponding impairment component to account for the non-collection of revenues.

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.

Additional grant revenues was received and this was accounted for as part of the Adjustment budget approved in January by council.

Expenditures items

Debt impairment (-100%)

The municipality account for the Debt impairment at the end of the financial year. Most of the funds will account for the Traffic fines, written-off. The municipality budgeted for the gross fines issued, with a corrective impairment transaction as per Grap requirements. This transaction is as per normal operations only accounted for at year-end.

Finance charges (-76%)

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.

Other materials (-41%)

The reporting of the housing grant received expenditures component is reported at the other materials. This is dependent on the performance of the Contractor in the building and successful transfer of houses to the incumbents.

Contracted services (-56%)

The budget for contracted services was increased from the approved budget in MAY 2020. This is mainly due to the structural changes made by administration whereas the municipality is improving the reporting and accounting for **Repairs and Maintenance expenditures (RME)**. The bulk of the RME historically was accounted under materials and supplies, although a high % of the spending was based on Contracted services expenditures. The correction of the expenditures should still be processed, and this will improved over the next reporting cycle.

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.

Capital expenditures (-21%)

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 February 2021.

6. COUNCIL FOCUS AREAS (CASH FLOW / LIQUIDITY)

The financial ratios need to be complete with the final 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

WC033 CAPE AGULHAS MUNICIPALITY

CASH FLOW INFORMATION IN TERMS OF PROVINCIAL CIRCULAR 10 & 50							
DETAILS	Balance as at 01 February 2021	Movements for the month			Balance as at 28 February 2021	Interest earned	Interest earned
		Investments matured	Investments made	Interest capitalised			
					Month	Year to date	
<i>Cape Agulhas Municipality</i>							
<i>Interest Received YTD</i>					-		
<i>Standard Bank</i>	30 000 000	-	-		30 000 000	97 784	587 612
<i>FNB</i>	-	-	-		-	-	-
<i>ABSA</i>	20 000 000	-	-		20 000 000	63 929	334 323
<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	161 712	921 936

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 Feb 21	Interest Capitalised Feb 21	Repayments Feb 21	Balance 28 Feb 21	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 **R65.88m** of debt outstanding for the reporting period. The totals for the previous month (January) was R69,12m. 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 **59.77%** 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.

The collection for the month of **February** totals **96.26%** that is above the **National norm of 95%** below the **municipal target 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 service provider appointed with the collection of outstanding debt is in full operations and all outstanding debts longer than 90 days has already been handed over for collection. The municipality is also in process of reviewing the whole debt collection / indigent support function within revenue and additional capacity is being created to ensure that debt do not escalate to the levels of longer than 90 days as currently is the case. The following reporting period should provide more details relating to the success or failures of efforts implemented.

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	166 138	282 175	134 902	143 735	92 762	100 822	356 829	1 002 338	2 279 701	3%
Commercial	5 768 139	916 056	479 239	364 175	288 612	195 574	1 763 825	2 640 872	12 416 492	19%
Households	11 325 566	4 716 101	2 718 945	2 180 089	1 904 461	1 494 199	8 983 192	17 825 853	51 148 406	78%
Other	- 3 150	894	293	528	283	282	20 991	15 209	35 330	0%
Total By Customer Group	17 256 693	5 915 226	3 333 379	2 688 527	2 286 118	1 790 877	11 124 837	21 484 272	65 879 929	100%
% of Customer group	26,19%	8,98%	5,06%	4,08%	3,47%	2,72%	16,89%	32,61%	100,00%	

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 32.61% 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 - 28 FEBRUARY 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>	6 830 100,00	620 676,69	692 847,15	253 880,95		1 567 404,79	5 262 695,21	22,9%
<i>Travel and subsistence</i>	315 270,00	88 536,99	67 446,58	13 100,50		169 084,07	146 185,93	53,6%
<i>Domestic accomodation</i>	188 500,00	29 487,39	36 845,00	-		66 332,39	122 167,61	35,2%
<i>Sponsorships, events and catering</i>	206 960,00	10 057,60	25 942,16	8 771,64		44 771,40	162 188,60	21,6%
<i>Communication</i>	326 110,00	90 656,15	32 600,74	35 110,83		158 367,72	167 742,28	48,6%
<i>Other related expenditures</i>	873 104,00	109 274,62	209 682,14	231 002,89		549 959,65	323 144,35	63,0%
Total	8 740 044,00	948 689,44	1 065 363,77	541 866,81	-	2 555 920,02	6 184 123,98	29,2%

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	300 000,00	100,00%
EMPLOYEE WELLNESS - PPE (COVID 19 DISASTER)	292 740,00	133 223,80	45,51%
EMPLOYEE WELLNESS - PPE (COVID 19 DISASTER)	100 000,00	-	0,00%
EMPL. WELLNESS - BUILDING SANITATION (COVID 19	50 000,00	6 521,70	13,04%
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	439 745,50	19,18%

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 - M08 February									
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	74 704	4 265	59 076	58 597	479	1%	74 704
Service charges	-	198 345	197 326	14 899	131 323	131 987	(664)	-1%	197 326
Investment revenue	-	3 300	2 410	270	1 825	1 583	242	15%	2 410
Transfers and subsidies	-	75 102	78 381	-	29 828	45 851	(16 022)	-35%	78 381
Other own revenue	-	29 236	31 101	1 802	15 820	18 772	(2 953)	-16%	31 101
Total Revenue (excluding capital transfers and contributions)	-	380 044	383 922	21 236	237 871	256 790	(18 918)	-7%	383 922
Employee costs	-	149 348	149 641	11 414	98 375	98 561	(186)	-0%	149 641
Remuneration of Councillors	-	6 034	6 034	475	3 793	3 906	(114)	-3%	6 034
Depreciation & asset impairment	-	11 369	11 369	947	7 583	7 580	3	0%	11 369
Finance charges	-	13 963	13 983	-	1 332	5 536	(4 205)	-76%	13 983
Materials and bulk purchases	-	147 587	140 356	9 320	73 006	83 659	(10 653)	-13%	140 356
Transfers and subsidies	-	4 071	3 911	499	1 577	1 798	(221)	-12%	3 911
Other expenditure	-	53 251	59 041	2 415	21 050	30 751	(9 701)	-32%	59 041
Total Expenditure	-	385 623	384 335	25 070	206 716	231 793	(25 077)	-11%	384 335
Surplus/(Deficit)	-	(5 579)	(413)	(3 834)	31 155	24 996	6 159	25%	(413)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	14 389	18 947	-	8 787	11 523	(2 736)	-24%	18 947
Surplus/(Deficit) after capital transfers & contributions	-	8 810	18 534	(3 834)	39 942	36 519	3 423	9%	18 534
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	8 810	18 534	(3 834)	39 942	36 519	3 423	9%	18 534
Capital expenditure & funds sources									
Capital expenditure	-	62 490	69 117	2 248	24 771	31 481	(6 710)	-21%	69 117
Capital transfers recognised	-	14 389	18 947	778	9 657	9 761	(104)	-1%	18 947
Borrowing	-	36 183	36 478	1 364	11 528	16 041	(4 513)	-28%	36 478
Internally generated funds	-	11 917	13 691	105	3 585	5 679	(2 093)	-37%	13 691
Total sources of capital funds	-	62 490	69 117	2 248	24 771	31 481	(6 710)	-21%	69 117
Financial position									
Total current assets	-	99 218	103 136		130 910				103 136
Total non current assets	-	503 116	532 914		492 358				532 914
Total current liabilities	-	66 108	65 404		49 111				65 404
Total non current liabilities	-	125 295	130 229		112 332				130 229
Community wealth/Equity	-	410 931	440 417		461 825				440 417
Cash flows									
Net cash from (used) operating	-	2 579	27 348	4 993	38 027	23 721	(14 306)	-60%	27 348
Net cash from (used) investing	-	(62 482)	(66 914)	(2 248)	(24 772)	(34 908)	(10 136)	29%	(66 914)
Net cash from (used) financing	-	22 239	15 240	18	(2 661)	(2 537)	125	-5%	15 240
Cash/cash equivalents at the month/year end	-	26 332	48 715	-	83 635	59 318	(24 317)	-41%	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	17 257	5 915	3 333	2 689	2 286	1 791	11 125	21 484	65 880
Creditors Age Analysis									
Total Creditors	0	-	-	-	-	-	-	-	-

**WC033 Cape Agulhas - Table C2 Monthly Budget Statement - Financial Performance
(functional classification) - M08 February**

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								
<i>Governance and administration</i>	127 465	141 388	5 342	106 238	110 051	(3 813)	-3%	141 388
Executive and council	32 185	36 490	-	28 421	31 111	(2 690)	-9%	36 490
Finance and administration	95 280	104 898	5 342	77 817	78 940	(1 123)	-1%	104 898
Internal audit	-	-	-	-	-	-		-
<i>Community and public safety</i>	58 298	54 124	341	5 152	20 881	(15 729)	-75%	54 124
Community and social services	6 734	6 860	10	218	2 380	(2 162)	-91%	6 860
Sport and recreation	8 040	8 740	253	3 850	5 133	(1 283)	-25%	8 740
Public safety	12 460	7 460	78	1 030	2 996	(1 965)	-66%	7 460
Housing	31 064	31 064	-	54	10 373	(10 318)	-99%	31 064
Health	-	-	-	-	-	-		-
<i>Economic and environmental services</i>	7 231	7 402	649	3 718	4 372	(653)	-15%	7 402
Planning and development	4 110	4 281	245	1 530	2 168	(637)	-29%	4 281
Road transport	3 121	3 121	404	2 188	2 204	(16)	-1%	3 121
Environmental protection	-	-	-	-	-	-		-
<i>Trading services</i>	201 439	199 955	14 904	131 550	133 009	(1 459)	-1%	199 955
Energy sources	139 038	137 924	9 312	88 133	91 131	(2 999)	-3%	137 924
Water management	30 682	30 182	2 707	19 875	19 484	392	2%	30 182
Waste water management	12 679	12 679	1 145	9 491	8 954	537	6%	12 679
Waste management	19 041	19 169	1 740	14 051	13 440	611	5%	19 169
<i>Other</i>	-	-	-	-	-	-		-
Total Revenue - Functional	394 433	402 869	21 236	246 658	268 313	(21 654)	-8%	402 869
Expenditure - Functional								
<i>Governance and administration</i>	107 460	108 790	7 458	61 694	68 977	(7 282)	-11%	108 790
Executive and council	16 955	16 865	1 342	10 640	10 887	(247)	-2%	16 865
Finance and administration	88 977	90 430	5 997	50 032	57 067	(7 035)	-12%	90 430
Internal audit	1 528	1 495	120	1 023	1 023	(1)	0%	1 495
<i>Community and public safety</i>	77 983	75 966	2 888	24 628	37 184	(12 556)	-34%	75 966
Community and social services	11 385	10 929	883	7 930	7 635	295	4%	10 929
Sport and recreation	13 496	13 396	1 169	8 367	8 325	42	1%	13 396
Public safety	19 089	17 692	612	6 215	8 829	(2 613)	-30%	17 692
Housing	34 014	33 949	224	2 116	12 395	(10 279)	-83%	33 949
Health	-	-	-	-	-	-		-
<i>Economic and environmental services</i>	32 395	32 050	2 131	17 736	19 462	(1 726)	-9%	32 050
Planning and development	11 342	11 050	642	5 578	6 517	(939)	-14%	11 050
Road transport	20 976	20 954	1 488	12 158	12 929	(772)	-6%	20 954
Environmental protection	77	46	-	-	15	(15)	-100%	46
<i>Trading services</i>	164 610	164 536	12 403	100 751	104 201	(3 450)	-3%	164 536
Energy sources	106 613	107 040	8 495	68 598	70 274	(1 676)	-2%	107 040
Water management	22 604	22 233	1 891	13 712	14 041	(330)	-2%	22 233
Waste water management	11 960	11 836	1 015	7 810	7 631	179	2%	11 836
Waste management	23 433	23 427	1 002	10 631	12 255	(1 623)	-13%	23 427
<i>Other</i>	3 176	2 993	191	1 908	1 970	(62)	-3%	2 993
Total Expenditure - Functional	385 623	384 335	25 070	206 716	231 793	(25 077)	-11%	384 335
Surplus/ (Deficit) for the year	8 810	18 534	(3 834)	39 942	36 519	3 423	9%	18 534

WC033 Cape Agulhas - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February

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	40 971	111	29 291	32 992	(3 701)	-11,2%	40 971
Vote 2 - Financial Services & ICT	-	81 968	88 356	5 280	68 704	68 151	553	0,8%	88 356
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Management Services	-	61 415	57 310	757	7 380	23 145	(15 765)	-68,1%	57 310
Vote 5 - Engineering Services	-	214 666	216 231	15 088	141 283	144 024	(2 741)	-1,9%	216 231
Total Revenue by Vote	-	394 433	402 869	21 236	246 658	268 313	(21 654)	-8,1%	402 869
Expenditure by Vote									
Vote 1 - Executive and Council	-	47 891	47 253	3 324	28 621	30 164	(1 543)	-5,1%	47 253
Vote 2 - Financial Services & ICT	-	61 788	62 991	3 985	32 754	39 134	(6 381)	-16,3%	62 991
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Management Services	-	87 802	86 216	3 657	30 824	43 763	(12 939)	-29,6%	86 216
Vote 5 - Engineering Services	-	188 143	187 876	14 104	114 518	118 732	(4 214)	-3,5%	187 876
Total Expenditure by Vote	-	385 623	384 335	25 070	206 716	231 793	(25 077)	-10,8%	384 335
Surplus/ (Deficit) for the year	-	8 810	18 534	(3 834)	39 942	36 519	3 423	9,4%	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	74 704	4 265	59 076	58 597	479	1%	74 704
Service charges - electricity revenue	136 457	135 310	9 307	87 909	90 117	(2 208)	-2%	135 310
Service charges - water revenue	30 178	30 178	2 707	19 872	19 480	392	2%	30 178
Service charges - sanitation revenue	12 669	12 669	1 145	9 491	8 950	540	6%	12 669
Service charges - refuse revenue	19 041	19 169	1 740	14 051	13 440	611	5%	19 169
Rental of facilities and equipment	1 200	1 305	59	377	609	(232)	-38%	1 305
Interest earned - external investments	3 300	2 410	270	1 825	1 583	242	15%	2 410
Interest earned - outstanding debtors	1 839	1 839	254	1 307	1 136	172	15%	1 839
Dividends received	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	12 419	7 379	79	899	2 881	(1 982)	-69%	7 379
Licences and permits	25	25	-	3	9	(7)	-73%	25
Agency services	3 121	3 121	404	2 188	2 204	(16)	-1%	3 121
Transfers and subsidies	75 102	78 381	-	29 828	45 851	(16 022)	-35%	78 381
Other revenue	10 633	15 232	1 006	8 939	9 799	(860)	-9%	15 232
Gains	-	2 200	-	2 106	2 134	(28)	-1%	2 200
Total Revenue (excluding capital transfers and contributions)	380 044	383 922	21 236	237 871	256 790	(18 918)	-7%	383 922
Expenditure By Type								
Employee related costs	149 348	149 641	11 414	98 375	98 561	(186)	0%	149 641
Remuneration of councillors	6 034	6 034	475	3 793	3 906	(114)	-3%	6 034
Debt impairment	9 904	9 769	-	0	3 256	(3 256)	-100%	9 769
Depreciation & asset impairment	11 369	11 369	947	7 583	7 580	3	0%	11 369
Finance charges	13 963	13 983	-	1 332	5 536	(4 205)	-76%	13 983
Bulk purchases	91 250	91 230	7 364	59 322	60 486	(1 164)	-2%	91 230
Other materials	56 336	49 125	1 956	13 684	23 173	(9 489)	-41%	49 125
Contracted services	14 955	23 427	330	4 451	10 112	(5 661)	-56%	23 427
Transfers and subsidies	4 071	3 911	499	1 577	1 798	(221)	-12%	3 911
Other expenditure	28 392	25 845	2 085	16 599	17 383	(784)	-5%	25 845
Losses	-	-	-	-	-	-	-	-
Total Expenditure	385 623	384 335	25 070	206 716	231 793	(25 077)	-11%	384 335
Surplus/(Deficit)	(5 579)	(413)	(3 834)	31 155	24 996	6 159	25%	(413)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	14 389	18 947	-	8 787	11 523	(2 736)	-24%	18 947
Transfers and subsidies - capital (in-kind -	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	8 810	18 534	(3 834)	39 942	36 519			18 534
Taxation	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	8 810	18 534	(3 834)	39 942	36 519			18 534
Attributable to minorities	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	8 810	18 534	(3 834)	39 942	36 519			18 534
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	8 810	18 534	(3 834)	39 942	36 519			18 534

WC033 Cape Agulhas - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M08 February

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	2 026	-	713	946	(233)	-25%	2 026
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-
Vote 4 - Management Services	60	40	-	44	40	4	10%	40
Vote 5 - Engineering Services	9 489	12 711	822	5 157	4 867	291	6%	12 711
Total Capital Multi-year expenditure	11 549	14 777	822	5 914	5 852	62	1%	14 777
Single Year expenditure appropriation								
Vote 1 - Executive and Council	2 035	2 400	35	166	830	(664)	-80%	2 400
Vote 2 - Financial Services & ICT	873	1 134	-	644	455	189	42%	1 134
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-
Vote 4 - Management Services	2 830	2 837	3	1 189	1 266	(77)	-6%	2 837
Vote 5 - Engineering Services	45 202	47 969	1 387	16 857	23 078	(6 221)	-27%	47 969
Total Capital single-year expenditure	50 941	54 340	1 426	18 857	25 629	(6 772)	-26%	54 340
Total Capital Expenditure	62 490	69 117	2 248	24 771	31 481	(6 710)	-21%	69 117
Capital Expenditure - Functional Classification								
Governance and administration	3 302	3 613	-	1 733	1 701	32	2%	3 613
Executive and council	-	37	-	-	12	(12)	-100%	37
Finance and administration	3 302	3 577	-	1 733	1 688	45	3%	3 577
Internal audit	-	-	-	-	-	-	-	-
Community and public safety	2 201	2 205	3	864	919	(54)	-6%	2 205
Community and social services	62	85	-	40	45	(5)	-11%	85
Sport and recreation	2 105	2 087	3	799	863	(63)	-7%	2 087
Public safety	31	31	1	23	10	13	127%	31
Housing	4	3	-	2	1	1	160%	3
Health	-	-	-	-	-	-	-	-
Economic and environmental services	11 907	13 521	769	6 485	5 726	759	13%	13 521
Planning and development	2 006	2 188	-	60	757	(697)	-92%	2 188
Road transport	9 831	11 255	769	6 416	4 937	1 479	30%	11 255
Environmental protection	70	78	-	9	32	(23)	-72%	78
Trading services	45 080	49 607	1 440	15 584	23 079	(7 494)	-32%	49 607
Energy sources	6 329	6 126	153	2 512	3 614	(1 102)	-30%	6 126
Water management	3 660	5 260	-	509	1 753	(1 244)	-71%	5 260
Waste water management	32 911	36 111	1 287	12 360	16 873	(4 513)	-27%	36 111
Waste management	2 180	2 110	-	203	839	(636)	-76%	2 110
Other	-	171	35	104	57	47	83%	171
Total Capital Expenditure - Functional Classification	62 490	69 117	2 248	24 771	31 481	(6 710)	-21%	69 117
Funded by:								
National Government	11 833	12 847	743	9 516	7 686	1 831	24%	12 847
Provincial Government	2 556	6 100	35	141	2 076	(1 935)	-93%	6 100
District Municipality	-	-	-	-	-	-	-	-
Transfers recognised - capital	14 389	18 947	778	9 657	9 761	(104)	-1%	18 947
Borrowing	36 183	36 478	1 364	11 528	16 041	(4 513)	-28%	36 478
Internally generated funds	11 917	13 691	105	3 585	5 679	(2 093)	-37%	13 691
Total Capital Funding	62 490	69 117	2 248	24 771	31 481	(6 710)	-21%	69 117

**WC033 Cape Agulhas - Table C6 Monthly Budget Statement - Financial
Position - M08 February**

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	29 846	38 715
Call investment deposits		-	10 000	10 000	53 789	10 000
Consumer debtors		-	61 735	61 735	42 000	48 631
Other debtors		-	9 481	9 481	3 719	3 852
Current portion of long-term receivables		-	8	8	3	3
Inventory		-	1 662	1 662	1 553	1 936
Total current assets		-	99 218	99 218	130 910	103 136
Non current assets						
Long-term receivables		-	169	169	162	158
Investments		-	-	-	-	-
Investment property		-	40 182	40 182	40 323	40 320
Investments in Associate		-	-	-	-	-
Property, plant and equipment		-	458 559	458 559	447 012	487 675
		-	-	-	-	-
Biological		-	-	-	-	-
Intangible		-	4 206	4 206	4 861	4 761
Other non-current assets		-	-	-	-	-
Total non current assets		-	503 116	503 116	492 358	532 914
TOTAL ASSETS		-	602 334	602 334	623 268	636 050
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		-	6 750	6 750	3 023	6 137
Consumer deposits		-	5 277	5 277	5 371	5 329
Trade and other payables		-	39 989	39 989	29 005	37 773
Provisions		-	14 093	14 093	11 712	16 165
Total current liabilities		-	66 108	66 108	49 111	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	161 443	195 634
NET ASSETS	2	-	410 931	410 931	461 825	440 417
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		-	390 931	390 931	426 825	405 417
Reserves		-	20 000	20 000	35 000	35 000 ₁
TOTAL COMMUNITY WEALTH/EQUITY	2	-	410 931	410 931	461 825	440 417

WC033 Cape Agulhas - Table C7 Monthly Budget Statement - Cash Flow - M08 February

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	69 810	5 282	57 243	55 044	2 199	4%	69 810
Service charges	178 510	184 399	16 983	126 142	124 120	2 022	2%	184 399
Other revenue	18 213	27 434	1 594	12 166	15 383	(3 217)	-21%	27 434
Transfers and Subsidies - Operational	75 102	78 269	2 728	51 949	49 221	2 728	6%	78 269
Transfers and Subsidies - Capital	13 889	18 926	3 050	17 033	13 983	3 050	22%	18 926
Interest	4 955	4 128	446	2 470	2 409	61	3%	4 128
Payments								
Suppliers and employees	(347 027)	(348 041)	(24 591)	(226 067)	(233 328)	(7 261)	3%	(348 041)
Finance charges	(3 648)	(3 668)	-	(1 332)	(1 313)	18	-1%	(3 668)
Transfers and Grants	(4 071)	(3 911)	(499)	(1 577)	(1 798)	(221)	12%	(3 911)
NET CASH FROM/(USED) OPERATING ACTIVITIES	2 579	27 348	4 993	38 027	23 721	(14 306)	-60%	27 348
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	2 200	-	-	-	-	-	2 200
Decrease (increase) in non-current receivables	8	3	(0)	(1)	0	(2)	-1208%	3
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-
Payments								
Capital assets	(62 490)	(69 117)	(2 248)	(24 771)	(34 909)	(10 138)	29%	(69 117)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(62 482)	(66 914)	(2 248)	(24 772)	(34 908)	(10 136)	29%	(66 914)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	28 440	23 295	-	-	-	-	-	23 295
Increase (decrease) in consumer deposits	299	302	18	343	296	47	16%	302
Payments								
Repayment of borrowing	(6 500)	(8 357)	-	(3 004)	(2 833)	172	-6%	(8 357)
NET CASH FROM/(USED) FINANCING ACTIVITIES	22 239	15 240	18	(2 661)	(2 537)	125	-5%	15 240
NET INCREASE/ (DECREASE) IN CASH HELD								
Cash/cash equivalents at beginning:	63 996	73 041		73 041	73 041			73 041
Cash/cash equivalents at month/year end:	26 332	48 715	2 762	83 635	59 318			48 715

15. QUALITY CERTIFICATE

NAVRAE:
ENQUIRIES: S Stanley

KONTAKNR
CONTACT NO 028 425 5798

VERW:
REF: 5/3/2020-21 (M08_S71)

KANTOOR:
OFFICES: Bredasdorp

DATUM
DATE 12 March 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 **28 FEBRUARY 2021** (month/year) has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name P. J. van Biesem

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

Signature:

Date: 12 March 2021