

CAPE AGULHAS MUNICIPALITY



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CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

2019/2020

SECTION 71 REPORT FOR THE MONTH ENDING 31 MAY 2020

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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 **31 May 2020**.

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 MAY 2020** 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.

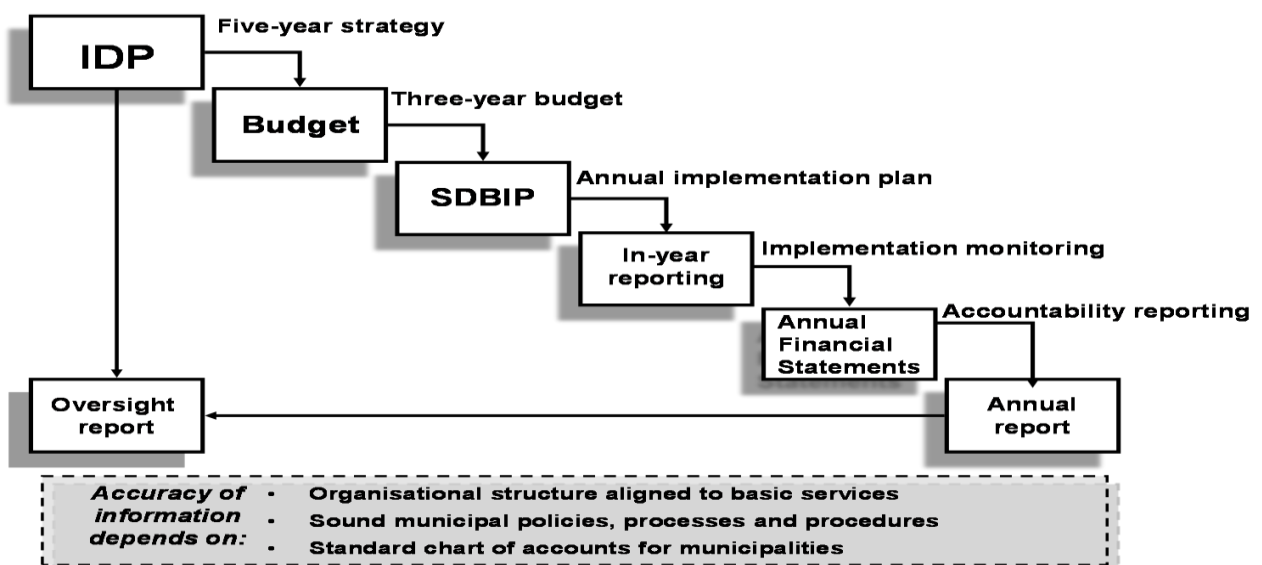
3.1 Budget Process:

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 proposed process plan with the compilation of the Draft Budget and Revised IDP plan for the 2020/21 MTREF period is as follows as per Budget and IDP implementation plan:

<u>Planned activities</u>	<u>Timeframes / Dates</u>	<u>Targets / Achieved</u>
New Budget preparation guide	20 January 2020	Achieved
Mid-year budget and performance assessment	25 January 2020	Achieved
Mid-year Budget and performance assessment to Council	28 January 2020	Achieved
Adjustment budget to Council	25 February 2020	Achieved
Budget steering committee 1	Week 1 – Feb 2020	Not achieved
BTO office finalize Draft Budget	28 February 2020	Complete
Council budget workshop	Week 1/3 March '20	Complete
Budget steering committee	Week 3 March '20	Complete
Draft Budget and IDP to Council (tabling)	26 March 2020	Complete
Publicize the Draft budget / IDP	10 April 2020	Complete
Public Participation	13-30 April 2020	Complete
Closing date – budget submissions	27 April 2020	Complete
Budget steering committee 3	8 May 2020	Complete
Finalization of the new Budget / IDP	15 May 2020	Complete
Final Budget / IDP approved by council	26 May 2020	Complete

We in the process of implementing the budget implementation plan as per the Budget and IDP process plan approved in August 2019 by Council.

The Budget process is significantly being impacted by the National lockdown and the Covid 19 crises currently.

The municipality as alternative method to the normal Community participation process communicate a condensed version of the Budget with the Budget report and revised Integrated development plan (IDP) electronically to the community. Invitations for submission of inputs was requested and the due date for submission was extended to 15 May 2020 to allow enough time for the communities to respond. These inputs will be considered in the final budget to be table to council during May 2020.

4. SUMMARY FINANCIAL PERFORMANCE

Revenue performance

To date performance of the revenue budget records at 76.5% of adjustment budget information. The adjustment budget was tabled to Council at the end of January 2020 and numerous adjustments was processed to align actual performance to projections based on the mid-year reviewed information.

The main revenue categories of the budgeted revenues Property rated and Service charges perform above par and reflects 90 and 97% respectively. Administration will need to ensure that more expediate effort is inserted to ensure the budget for the "Sale of land" materialize given the cashflow impact this category will have on the municipal finances. Council also decided to allocate all proceeds with respect to the sale of land to bolstering the CRR and this will positively impact on overall liquidity and sustainability.

The impact of the implementation of the National lockdown with respect to the COVID 19 epidemic will significantly influence the municipal revenue performance. To date the collection rate for the month of **31 May 2020** total 107%, but it is envisioned that this will come under significant pressure for the month of May going forward. The current projections is that these reduced collections will have a net reduction in cashflow of ±R5m for the financial year. This will influence the municipal overall revenue budget. It is envisioned that the municipality will tabled a revised budget as recommended by National Treasury during June 2020 to accommodate these under collection of revenues.

Expenditure performance

The performance for the expenditure budget for the period ending May 2020 totals R263.2m of a budgeted total of R395,7m. This reflect an expenditure performance of 66.5% of budgeted amounts.

The impact of the lockdown result in numerous under performance on the expenditures side of the budget. This will probably positively impact the overall performance given the reduction in revenue collection being projected. the municipality also budget for additional cost associated with COVID 19.

Capital performance

Capital expenditures totals 46.8% of budgeted revenues. The municipality performance relating to the capital budget is slow and below par. the risk exist that the municipality may not achieve it targeted capital expenditures

for the period. Commitments on the capital budget totals R5,3m that should enhance the capital performance for the year to date. The risk is still prevalent that capital performance will be below the actuals of the previous financial years.

Administration will need to institute measures to improve the capital performance for the remaining period ending 30 June 2020.

Cashflow performance

The municipal position related to the cash performance is positive for the period ending 30 April 2020 and the overall CCR positive reports at R35m for the period ending.

The risk of cash resource depletion remains high for all municipalities and the management of resources should be done in conjunction with cash management prudence to ensure optimal use of funds.

To date the municipality reports stable cash position of more than the recommended norm for cash resources as per the National Treasury's norms for current and liquidity ratios.

National state of disaster (lockdown) / Covid 19













The impact on the National lockdown and the Covid 19 will significantly impact the performance of the municipality operational as well as capital spending and performance for the financial year. Numerous concerns exist in terms of the municipal debt collection, ability of consumers to pay for services as well as the social impact on the Covid 19 crises on the communities. The ability to spend the capital budget will be negatively impacting on the municipal overall performance. Although this is a National disaster, each municipality will need to assess the impact on their own municipal areas.

The municipality is in the process of conducting a Risk assessment relating to analyze the impact of Covid 19 on municipal operations and the overall effect this will have on the municipal functioning.

More details relating to the above will be included in the May reporting process.

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:

To date all ratios reflected positively for the period ending 31 May 2020.

6. INVESTMENT PORTFOLIO

CASH FLOW INFORMATION IN TERMS OF PROVINCIAL CIRCULAR 10 & 50						
DETAILS	Balance as at 01 May 2020	Movements for the month		Balance as at 31 May 2020	Interest earned	Interest earned
		Investments matured	Investments made		Month	Year to date
Cape Agulhas Municipality						
<i>Interest Received YTD</i>	-			-		
<i>Standard Bank</i>	30 000 000	-	-	30 000 000	118 521	118 521
<i>FNB</i>	-	-		-		-
<i>ABSA</i>	-	-		-	-	-
<i>ABSA</i>	1 254 000		-	1 254 000		-
<i>Nedbank</i>	17 000 000	-	-	17 000 000	58 110	58 110
<i>Nedbank (CRR)</i>	15 000 000	-	-	15 000 000		-
<i>Investec</i>	-			-		-
	-			-		
BANK DEPOSITS	63 254 000	-	-	63 254 000	176 631	176 631

7. 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	Balance 01 May 20	Interest Capitalised May 20	Repayments May 20	Balance 31 May 20	Percentage	Sinking Funds	Loan Draw Downs
					%		
				-			
DBSA 1268/B48	-		-	-			
ABSA - Sewerage Truck	337 891,00		-	337 891,00			
ABSA - Light Delivery Vehicle	84 078,00		-	84 078,00			
ABSA - Pedestrian Roller	148 256,00		-	148 256,00			
ABSA - Infrastr. (Old Nostra)	922 452,00		-	922 452,00			
ABSA - Rotary Broom	100 292,00		-	100 292,00			
ABSA - Unspecified Bank	1 996 425,00		-	1 996 425,00			
Nedbank - Asset Finance	2 500 000,00		-	2 500 000,00			
Nedbank - Infrastructure Medium Term	2 100 000,00		-	2 100 000,00			
Nedbank - Infrastructure Long Term	5 950 000,00		-	5 950 000,00			
Asset - Finance	2 592 000,00		-	2 592 000,00			
Infrastructure Long Term	9 500 000,00		-	9 500 000,00			
Infrastructure Medium Term	3 708 000,00		-	3 708 000,00			
				-			
Total	29 939 394,00	-	-	29 939 394,00	-	-	-

8. 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.

9. 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.

10. 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 accommodation 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>

11. 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 MAY 2020

COST CONTAINMENT IN-YEAR REPORT							
MEASURES	BUDGET	Q1 - 30 Sept	Q2 - 31 Dec	Q3 - 31 Mrch	Q4 - June	SAVINGS	% Spent
Use of Consultant	9 953 600,00	528 778,62	1 257 938,04	881 102,88	787 505,43	6 498 275,03	35%
Travel and subsistence	1 012 800,00	271 377,78	292 245,88	43 347,83	12 191,87	393 636,64	61%
Domestic accomodation	456 200,00	140 187,38	61 177,82	21 389,35	278,00	233 167,45	49%
Sponsorships, events and catering	294 550,00	40 918,21	81 928,80	20 675,66	7 021,61	144 005,72	51%
Communication	400 600,00	48 517,87	49 005,26	32 816,95	9 088,36	261 171,56	35%
Other related expenditures	954 300,00	118 210,38	207 022,41	76 569,99	30 465,15	522 032,07	45%
Total	13 072 050,00	1 147 990,24	1 949 318,21	1 075 902,66	846 550,42	8 052 288,47	38%

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

12. LEGISLATED INFORMATION

WC033 Cape Agulhas - Table C1 Monthly Budget Statement Summary - M11 May

Description	Budget Year 2019/20							
	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	3 921	67 773	64 790	2 984	5%	69 193
Service charges	178 098	184 074	15 272	169 482	165 720	3 762	2%	184 074
Investment revenue	2 446	3 201	226	5 561	2 260	3 301	146%	3 201
Transfers and subsidies	98 670	100 680	(112)	33 800	93 729	(59 929)	-64%	100 680
Other own revenue	33 108	33 309	1 002	21 888	25 448	(3 560)	-14%	33 309
Total Revenue (excluding capital transfers and contributions)	381 515	390 457	20 309	298 505	351 947	(53 442)	-15%	390 457
Employee costs	134 136	135 052	10 343	119 228	124 282	(5 054)	-4%	135 052
Remuneration of Councillors	5 764	5 764	454	5 037	5 284	(246)	-5%	5 764
Depreciation & asset impairment	11 025	11 025	734	10 113	10 106	7	0%	11 025
Finance charges	12 763	13 157	-	1 630	11 699	(10 070)	-86%	13 157
Materials and bulk purchases	160 950	163 625	7 578	91 197	145 075	(53 878)	-37%	163 625
Transfers and subsidies	2 026	2 540	278	3 204	1 794	1 410	79%	2 540
Other expenditure	67 671	64 593	2 441	32 789	63 096	(30 308)	-48%	64 593
Total Expenditure	394 335	395 755	21 828	263 198	361 336	(98 138)	-27%	395 755
Surplus/(Deficit)	(12 820)	(5 298)	(1 519)	35 307	(9 389)	44 696	-476%	(5 298)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	12 941	19 767	655	5 739	10 299	(4 560)	-44%	19 767
Contributions & Contributed assets	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	121	14 469	(865)	41 047	910	40 137	4413%	14 469
Surplus/ (Deficit) for the year	121	14 469	(865)	41 047	910	40 137	4413%	14 469
Capital expenditure & funds sources								
Capital expenditure	47 209	47 624	2 999	22 307	37 570	(15 264)	-41%	47 624
Capital transfers recognised	12 941	19 767	826	10 655	10 299	356	3%	19 767
Borrowing	19 988	13 038	82	3 855	15 908	(12 053)	-76%	13 038
Internally generated funds	14 279	14 818	2 091	7 797	11 364	(3 567)	-31%	14 818
Total sources of capital funds	47 209	47 624	2 999	22 307	37 570	(15 264)	-41%	47 624
Financial position								
Total current assets	66 089	105 212		136 604				105 212
Total non current assets	488 722	456 968		433 306				456 968
Total current liabilities	56 176	64 946		50 236				64 946
Total non current liabilities	160 960	94 613		90 223				94 613
Community wealth/Equity	337 676	402 621		429 451				402 621
Cash flows								
Net cash from (used) operating	12 172	23 030	(8 427)	27 144	43 322	16 179	37%	23 030
Net cash from (used) investing	(42 201)	(42 616)	(2 999)	(22 282)	(37 564)	(15 282)	41%	(42 616)
Net cash from (used) financing	11 820	(5 122)	2	(2 655)	14 400	17 055	118%	(5 122)
Cash/cash equivalents at the month/year end	22 192	59 031	-	85 946	103 897	17 951	17%	59 031
Debtors & creditors analysis	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) - M11 May

Description	Budget Year 2019/20							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue - Functional								
Governance and administration	126 340	129 273	5 718	118 080	112 548	5 532	5%	129 273
Executive and council	29 940	29 940	-	29 909	28 439	1 470	5%	29 940
Finance and administration	96 400	99 159	5 718	88 170	84 108	4 062	5%	99 159
Internal audit	-	174	-	-	-	-	-	174
Community and public safety	76 339	82 175	(66)	10 071	71 539	(61 467)	-86%	82 175
Community and social services	6 653	6 695	(103)	219	6 321	(6 101)	-97%	6 695
Sport and recreation	7 329	7 539	(33)	6 997	6 731	266	4%	7 539
Public safety	11 655	11 655	70	2 676	10 324	(7 648)	-74%	11 655
Housing	50 702	56 286	-	179	48 163	(47 984)	-100%	56 286
Health	-	-	-	-	-	-	-	-
Economic and environmental services	7 077	8 614	38	4 903	6 248	(1 345)	-22%	8 614
Planning and development	4 160	5 698	37	2 450	3 607	(1 156)	-32%	5 698
Road transport	2 917	2 917	1	2 453	2 641	(188)	-7%	2 917
Environmental protection	-	-	-	-	-	-	-	-
Trading services	184 701	190 162	15 273	171 191	171 912	(721)	0%	190 162
Energy sources	126 860	132 307	9 896	114 721	118 316	(3 594)	-3%	132 307
Water management	28 707	28 207	2 646	26 213	26 861	(648)	-2%	28 207
Waste water management	11 335	11 850	1 070	12 007	10 443	1 564	15%	11 850
Waste management	17 798	17 798	1 661	18 250	16 292	1 957	12%	17 798
Other	-	-	-	-	-	-	-	-
Total Revenue - Functional	394 456	410 224	20 963	304 244	362 246	(58 001)	-16%	410 224
Expenditure - Functional								
Governance and administration	104 515	108 001	6 447	78 862	96 066	(17 204)	-18%	108 001
Executive and council	15 500	16 138	1 211	14 471	14 164	307	2%	16 138
Finance and administration	87 666	90 291	5 133	63 228	80 650	(17 422)	-22%	90 291
Internal audit	1 349	1 571	103	1 163	1 251	(88)	-7%	1 571
Community and public safety	92 739	98 585	2 530	32 030	83 673	(51 643)	-62%	98 585
Community and social services	11 094	11 268	860	11 104	10 226	879	9%	11 268
Sport and recreation	12 398	12 402	644	10 454	11 418	(963)	-8%	12 402
Public safety	16 197	16 503	829	8 199	15 078	(6 879)	-46%	16 503
Housing	53 050	58 412	197	2 273	46 952	(44 679)	-95%	58 412
Health	-	-	-	-	-	-	-	-
Economic and environmental services	31 240	32 220	1 966	25 293	29 023	(3 729)	-13%	32 220
Planning and development	11 814	12 178	654	8 768	11 166	(2 398)	-21%	12 178
Road transport	19 352	19 968	1 313	16 516	17 791	(1 276)	-7%	19 968
Environmental protection	74	74	-	9	65	(56)	-85%	74
Trading services	164 064	155 172	10 709	125 182	150 948	(25 766)	-17%	155 172
Energy sources	111 310	102 298	7 203	86 098	102 578	(16 480)	-16%	102 298
Water management	20 186	20 096	1 573	16 543	18 455	(1 912)	-10%	20 096
Waste water management	11 878	11 915	885	10 030	10 841	(811)	-7%	11 915
Waste management	20 690	20 863	1 049	12 510	19 073	(6 563)	-34%	20 863
Other	1 778	1 778	175	1 831	1 627	204	13%	1 778
Total Expenditure - Functional	394 335	395 755	21 828	263 198	361 336	(98 138)	-27%	395 755
Surplus/ (Deficit) for the year	121	14 469	(865)	41 047	910	40 137	4413%	14 469

WC033 Cape Agulhas - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 May

Vote Description	Budget Year 2019/20							
	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	34 903	36 627	375	33 486	32 894	592	1,8%	36 627
Vote 2 - Financial Services & ICT	82 867	85 048	4 566	79 903	72 625	7 277	10,0%	85 048
Vote 3 - Corporate Services	-	-	-	-	-	-		-
Vote 4 - Management Services	78 926	84 750	57	12 651	73 862	(61 212)	-82,9%	84 750
Vote 5 - Engineering Services	197 760	203 799	15 965	178 205	182 863	(4 659)	-2,5%	203 799
Total Revenue by Vote	394 456	410 224	20 963	304 244	362 246	(58 001)	-16,0%	410 224
Expenditure by Vote								
Vote 1 - Executive and Council	47 238	48 740	3 140	39 643	43 632	(3 990)	-9,1%	48 740
Vote 2 - Financial Services & ICT	59 117	61 591	2 972	40 502	54 297	(13 796)	-25,4%	61 591
Vote 3 - Corporate Services	-	-	-	-	-	-		-
Vote 4 - Management Services	101 227	107 243	3 177	39 114	91 491	(52 377)	-57,2%	107 243
Vote 5 - Engineering Services	186 752	178 181	12 539	143 940	171 915	(27 975)	-16,3%	178 181
Total Expenditure by Vote	394 335	395 755	21 828	263 198	361 336	(98 138)	-27,2%	395 755
Surplus/ (Deficit) for the year	121	14 469	(865)	41 047	910	40 137	4412,8%	14 469

WC033 Cape Agulhas - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description	Budget Year 2019/20							
	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	3 921	67 773	64 790	2 984	5%	69 193
Service charges - electricity revenue	120 786	126 232	9 895	113 019	112 548	471	0%	126 232
Service charges - water revenue	28 204	28 204	2 646	26 207	26 460	(253)	-1%	28 204
Service charges - sanitation revenue	11 310	11 840	1 070	12 007	10 420	1 586	15%	11 840
Service charges - refuse revenue	17 798	17 798	1 661	18 250	16 292	1 957	12%	17 798
Rental of facilities and equipment	1 961	1 961	496	2 253	1 898	355	19%	1 961
Interest earned - external investments	2 446	3 201	226	5 561	2 260	3 301	146%	3 201
Interest earned - outstanding debtors	1 719	1 719	0	1 381	1 561	(180)	-12%	1 719
Dividends received	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	11 640	11 590	70	2 553	10 301	(7 748)	-75%	11 590
Licences and permits	67	67	-	9	61	(52)	-85%	67
Agency services	2 917	2 917	1	2 453	2 641	(188)	-7%	2 917
Transfers and subsidies	98 670	100 680	(112)	33 800	93 729	(59 929)	-64%	100 680
Other revenue	9 805	10 056	434	13 239	8 986	4 254	47%	10 056
Gains on disposal of PPE	5 000	5 000	-	-	-	-	-	5 000
Total Revenue (excluding capital transfers and contributions)	381 515	390 457	20 309	298 505	351 947	(53 442)	-15%	390 457
Expenditure By Type								
Employee related costs	134 136	135 052	10 343	119 228	124 282	(5 054)	-4%	135 052
Remuneration of councillors	5 764	5 764	454	5 037	5 284	(246)	-5%	5 764
Debt impairment	11 267	11 267	-	-	10 329	(10 329)	-100%	11 267
Depreciation & asset impairment	11 025	11 025	734	10 113	10 106	7	0%	11 025
Finance charges	12 763	13 157	-	1 630	11 699	(10 070)	-86%	13 157
Bulk purchases	88 404	84 404	6 315	74 875	81 028	(6 153)	-8%	84 404
Other materials	72 546	79 221	1 263	16 322	64 047	(47 725)	-75%	79 221
Contracted services	28 210	24 630	1 142	10 845	27 877	(17 031)	-61%	24 630
Transfers and subsidies	2 026	2 540	278	3 204	1 794	1 410	79%	2 540
Other expenditure	28 194	28 696	1 300	21 943	24 891	(2 948)	-12%	28 696
Loss on disposal of PPE	-	-	-	-	-	-	-	-
Total Expenditure	394 335	395 755	21 828	263 198	361 336	(98 138)	-27%	395 755
Surplus/(Deficit)	(12 820)	(5 298)	(1 519)	35 307	(9 389)	44 696	(0)	(5 298)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	12 941	19 767	655	5 739	10 299	(4 560)	(0)	19 767
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	121	14 469	(865)	41 047	910			14 469
Taxation	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	121	14 469	(865)	41 047	910			14 469
Attributable to minorities	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	121	14 469	(865)	41 047	910			14 469
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	121	14 469	(865)	41 047	910			14 469

WC033 Cape Agulhas - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M11 May

Vote Description	Budget Year 2019/20							
	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	2 450	1 380	-	80	1 950	(1 870)	-96%	1 380
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-
Vote 4 - Management Services	50	100	-	35	40	(5)	-12%	100
Vote 5 - Engineering Services	9 555	15 215	1 217	10 131	7 604	2 527	33%	15 215
Total Capital Multi-year expenditure	12 055	16 695	1 217	10 246	9 594	653	7%	16 695
Single Year expenditure appropriation								
Vote 1 - Executive and Council	1 940	3 255	137	952	1 544	(592)	-38%	3 255
Vote 2 - Financial Services & ICT	239	1 485	8	1 391	190	1 200	631%	1 485
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-
Vote 4 - Management Services	5 246	5 231	56	2 251	4 175	(1 924)	-46%	5 231
Vote 5 - Engineering Services	27 729	20 959	1 581	7 467	22 068	(14 601)	-66%	20 959
Total Capital single-year expenditure	35 154	30 929	1 782	12 060	27 977	(15 917)	-57%	30 929
Total Capital Expenditure	47 209	47 624	2 999	22 307	37 570	(15 264)	-41%	47 624
Capital Expenditure - Functional Classification								
Governance and administration	4 081	4 243	8	1 981	3 248	(1 267)	-39%	4 243
Executive and council	10	12	-	9	8	1	18%	12
Finance and administration	4 071	4 080	8	1 972	3 240	(1 268)	-39%	4 080
Internal audit	-	151	-	-	-	-	-	151
Community and public safety	3 662	3 861	56	1 794	2 914	(1 120)	-38%	3 861
Community and social services	50	50	-	45	40	6	14%	50
Sport and recreation	3 142	3 343	56	1 280	2 501	(1 221)	-49%	3 343
Public safety	465	465	-	466	370	96	26%	465
Housing	5	3	-	3	4	(0)	-13%	3
Health	-	-	-	-	-	-	-	-
Economic and environmental services	13 340	11 421	506	7 408	10 617	(3 209)	-30%	11 421
Planning and development	1 857	1 553	(15)	750	1 478	(728)	-49%	1 553
Road transport	11 304	9 688	521	6 658	8 996	(2 338)	-26%	9 688
Environmental protection	180	180	-	-	143	(143)	-100%	180
Trading services	26 055	26 563	2 277	10 932	20 736	(9 803)	-47%	26 563
Energy sources	5 838	10 996	1 673	6 897	4 646	2 250	48%	10 996
Water management	3 030	4 958	-	1 300	2 411	(1 112)	-46%	4 958
Waste water management	15 637	9 059	604	1 820	12 445	(10 625)	-85%	9 059
Waste management	1 550	1 550	-	916	1 234	(317)	-26%	1 550
Other	70	1 535	152	191	56	135	242%	1 535
Total Capital Expenditure - Functional Classification	47 209	47 624	2 999	22 307	37 570	(15 264)	-41%	47 624
Funded by:								
National Government	10 641	14 251	660	8 550	8 469	81	1%	14 251
Provincial Government	2 300	5 516	166	2 105	1 830	275	15%	5 516
District Municipality	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-
Transfers recognised - capital	12 941	19 767	826	10 655	10 299	356	3%	19 767
Borrowing	19 988	13 038	82	3 855	15 908	(12 053)	-76%	13 038
Internally generated funds	14 279	14 818	2 091	7 797	11 364	(3 567)	-31%	14 818
Total Capital Funding	47 209	47 624	2 999	22 307	37 570	(15 264)	-41%	47 624

**WC033 Cape Agulhas - Table C6 Monthly Budget Statement - Financial
Position - M11 May**

Description	2018/19	Budget Year 2019/20			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	25 485	12 192	9 031	22 692	9 031
Call investment deposits	58 254	10 000	50 000	63 254	50 000
Consumer debtors	29 194	35 990	36 731	43 798	36 731
Other debtors	4 211	6 593	7 780	5 222	7 780
Current portion of long-term receivables	8	7	8	8	8
Inventory	1 662	1 308	1 662	1 631	1 662
Total current assets	118 814	66 089	105 212	136 604	105 212
Non current assets					
Long-term receivables	184	197	177	160	177
Investments	-	-	-	-	-
Investment property	40 200	40 536	40 191	40 192	40 191
Investments in Associate	-	-	-	-	-
Property, plant and equipment	375 287	443 188	412 069	388 249	412 069
Biological	-	-	-	-	-
Intangible	4 705	4 801	4 531	4 705	4 531
Other non-current assets	-	-	-	-	-
Total non current assets	420 377	488 722	456 968	433 306	456 968
TOTAL ASSETS	539 191	554 811	562 180	569 910	562 180
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	5 963	5 300	6 559	5 963	6 559
Consumer deposits	4 696	5 019	4 978	5 025	4 978
Trade and other payables	35 383	32 883	40 114	28 933	40 114
Provisions	12 543	12 973	13 295	10 316	13 295
Total current liabilities	58 585	56 176	64 946	50 236	64 946
Non current liabilities					
Borrowing	26 790	22 031	20 790	23 807	20 790
Provisions	65 664	138 928	73 823	66 416	73 823
Total non current liabilities	92 454	160 960	94 613	90 223	94 613
TOTAL LIABILITIES	151 039	217 135	159 559	140 459	159 559
NET ASSETS	388 152	337 676	402 621	429 451	402 621
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	353 152	315 676	367 621	394 451	367 621
Reserves	35 000	22 000	35 000	35 000	35 000
TOTAL COMMUNITY WEALTH/EQUITY	388 152	337 676	402 621	429 451	402 621

WC033 Cape Agulhas - Table C7 Monthly Budget Statement - Cash Flow - M11 May

Description	Budget Year 2019/20							
	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	65 445	3 565	66 635	62 966	3 670	6%	65 445
Service charges	174 536	174 104	13 198	158 743	159 992	(1 249)	-1%	174 104
Other revenue	17 854	18 025	539	15 961	16 366	(406)	-2%	18 025
Government - operating	98 670	100 614	3 957	95 375	98 670	(3 295)	-3%	100 614
Government - capital	12 441	19 116	-	18 466	12 441	6 025	48%	19 116
Interest	4 130	4 826	254	6 831	3 786	3 045	80%	4 826
Dividends	-	-	-	-	-	-		-
Payments								
Suppliers and employees	(358 379)	(353 174)	(29 661)	(330 033)	(306 925)	23 108	-8%	(353 174)
Finance charges	(2 864)	(3 356)	-	(1 630)	(2 327)	(697)	30%	(3 356)
Transfers and Grants	(2 026)	(2 571)	(278)	(3 204)	(1 646)	1 558	-95%	(2 571)
NET CASH FROM/(USED) OPERATING ACTIVITIES	12 172	23 030	(8 427)	27 144	43 322	16 179	37%	23 030
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	5 000	5 000	-	-	-	-		5 000
Decrease (Increase) in non-current debtors	7	8	(0)	25	7	18	269%	8
Decrease (increase) other non-current receivables	-	-	-	-	-	-		-
Decrease (increase) in non-current investments	-	-	-	-	-	-		-
Payments								
Capital assets	(47 209)	(47 624)	(2 999)	(22 307)	(37 570)	(15 264)	41%	(47 624)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(42 201)	(42 616)	(2 999)	(22 282)	(37 564)	(15 282)	41%	(42 616)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-		-
Borrowing long term/refinancing	16 779	-	-	-	16 779	(16 779)	-100%	-
Increase (decrease) in consumer deposits	241	282	2	328	221	107	48%	282
Payments								
Repayment of borrowing	(5 200)	(5 404)	-	(2 983)	(2 600)	383	-15%	(5 404)
NET CASH FROM/(USED) FINANCING ACTIVITIES	11 820	(5 122)	2	(2 655)	14 400	17 055	118%	(5 122)
NET INCREASE/ (DECREASE) IN CASH HELD								
Cash/cash equivalents at beginning:	40 402	83 739		83 739	83 739			83 739
Cash/cash equivalents at month/year end:	22 192	59 031		85 946	103 897			59 031

13. QUALITY CERTIFICATE

NAVRAE: S Stanley
ENQUIRIES:
KONTAKNR: 028 425 5798
CONTACT NO:
VERW: 5/3/2019-20 (S71 / M11)
REF:
KANTOOR: Bredasdorp
OFFICES:
DATUM: 11 June 2020
DATE:



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 MAY 2020** (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: 

Date: 11 June 2020